



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2022
 The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the financial year ended 31 July 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year
	31.7.2022 RM'000	31.7.2021 RM'000	31.7.2022 RM'000	31.7.2021 RM'000
Revenue	1,111,295	970,364	3,985,318	3,655,966
Operating profit	178,658	175,820	561,042	600,339
Interest expense	(6,192)	(3,521)	(20,446)	(11,139)
Investing results	1,102	2,210	7,711	11,761
Profit before tax	173,568	174,509	548,307	600,961
Taxation	(42,715)	(26,300)	(115,710)	(115,185)
Profit for the quarter / year	130,853	148,209	432,597	485,776
Profit attributable to:				
Owners of the Company	124,984	142,654	409,874	457,233
Non-controlling interests	5,869	5,555	22,723	28,543
Profit for the quarter / year	130,853	148,209	432,597	485,776
Earnings per share attributable to owners of the Company (sen per share)				
- Basic	8.06	9.20	26.43	29.50
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)



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QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2022

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.7.2022 RM'000	Preceding year corresponding quarter 31.7.2021 RM'000	Current year to date 31.7.2022 RM'000	Preceding year 31.7.2021 RM'000
Profit for the quarter / year	130,853	148,209	432,597	485,776
Other comprehensive income/(loss), net of income tax: Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation of foreign operations	4,660	3,715	6,126	(11,777)
Other comprehensive income/(loss) for the quarter / year, net of income tax	4,660	3,715	6,126	(11,777)
Total comprehensive income for the quarter / year, net of income tax	135,513	151,924	438,723	473,999
Total comprehensive income for the quarter / year attributable to:				
Owners of the Company	128,758	147,002	417,364	452,446
Non-controlling interests	6,755	4,922	21,359	21,553
	135,513	151,924	438,723	473,999

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2022

	AS AT CURRENT FINANCIAL YEAR ENDED 31.7.2022 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2021 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,463,755	1,382,668
Right-of-use assets	4,917	5,126
Investment properties	-	16,900
Land held for property development	1,650,472	1,283,660
Investment in joint venture	16,133	14,149
Investment in associate	86,689	85,224
Other investments	22,634	24,525
Deferred tax assets	7,279	15,552
Goodwill	330,423	332,176
	3,582,302	3,159,980
Current assets		
Property development costs	379,859	411,533
Inventories	449,350	386,958
Trade and other receivables	871,867	898,054
Cash and cash equivalents	191,177	243,308
	1,892,253	1,939,853
TOTAL ASSETS	5,474,555	5,099,833
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	704,799	703,250
Reserves	2,404,797	2,192,413
Equity attributable to owners of the Company	3,109,596	2,895,663
Non-controlling interests	198,062	201,545
Total equity	3,307,658	3,097,208
Non-current liabilities		
Borrowings	250,000	300,950
Lease liabilities	3,208	3,363
Retirement benefits obligations	45,943	42,145
Deferred tax liabilities	85,723	84,905
	384,874	431,363
Current liabilities		
Borrowings	921,475	818,847
Lease liabilities	2,662	4,617
Trade and other payables	820,319	708,209
Tax liabilities	37,567	39,589
	1,782,023	1,571,262
Total liabilities	2,166,897	2,002,625
TOTAL EQUITY AND LIABILITIES	5,474,555	5,099,833
Net assets per share attributable to owners of the Company (RM)	2.00	1.87

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022**

	Reserves					Retained earnings RM'000	Attributable to owners 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 2021	703,250	(1)	90,719	10,678	461	2,090,556	2,895,663	201,545	3,097,208
Profit for the year	-	-	-	-	-	409,874	409,874	22,723	432,597
Other comprehensive income for the year	-	-	-	7,490	-	-	7,490	(1,364)	6,126
Total comprehensive income for the year	-	-	-	7,490	-	409,874	417,364	21,359	438,723
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	(65,450)	(65,450)	(28,057)	(93,507)
Exercise of warrants in a subsidiary	-	-	-	-	-	27	27	16,369	16,396
Issuance of ordinary shares pursuant to: Share Grant Plan	1,442	-	-	-	-	-	1,442	-	1,442
Exercise of warrants	107	-	-	-	-	-	107	-	107
Share of other net asset changes in an associate	-	-	-	-	33	-	33	-	33
Dividends	-	-	-	-	-	(139,590)	(139,590)	(13,154)	(152,744)
As at 31 July 2022	704,799	(1)	90,719	18,168	494	2,295,417	3,109,596	198,062	3,307,658
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 year	-	-	-	-	-	457,233	457,233	28,543	485,776
Other comprehensive loss for the year	-	-	-	(4,787)	-	-	(4,787)	(6,990)	(11,777)
Total comprehensive income for the year	-	-	-	(4,787)	-	457,233	452,446	21,553	473,999
Exercise of warrants in a subsidiary	-	-	-	-	-	25	25	35	60
Issuance of ordinary shares pursuant to: Share Grant Plan	11,203	-	-	-	-	-	11,203	-	11,203
Exercise of warrants	265	-	-	-	-	-	265	-	265
Expenses in relation to bonus issue and issuance of free warrants	-	-	-	-	-	(449)	(449)	-	(449)
Dividends	-	-	-	-	-	(129,219)	(129,219)	(14,303)	(143,522)
As at 31 July 2021	703,250	(1)	90,719	10,678	461	2,090,556	2,895,663	201,545	3,097,208

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial year ended 31 July 2022

	12 MONTHS ENDED 31.7.2022 RM'000	12 MONTHS ENDED 31.7.2021 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	548,307	600,961
Adjustments	129,653	131,006
Operating profits before working capital changes	<u>677,960</u>	<u>731,967</u>
Movement in working capital:		
Increase in inventories	(65,502)	(33,775)
Decrease in development properties	140,308	196,837
Increase in receivables	(17,781)	(137,916)
Increase in payables	119,229	68,781
Cash generated from operations	<u>854,214</u>	<u>825,894</u>
Taxation paid	(114,904)	(123,941)
Gratuity and retirement benefits paid	(1,022)	(2,381)
Net cash from operating activities	<u>738,288</u>	<u>699,572</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Investment in associates	-	(20,000)
Purchase of additional interest in an existing subsidiary	(93,507)	-
Purchase of property, plant and equipment	(172,367)	(81,384)
Deposit paid for purchase of plant and equipment	(12,152)	(43,259)
Purchase of land held for property development	(415,512)	(546,423)
Deposit paid for purchase of land held for property development	(27,442)	(105,036)
Proceeds from disposal of property, plant and equipment	21,541	433
Proceeds from disposal of investment properties	25,000	-
Capital reduction in relation to investment in joint venture	-	12,500
Dividend income received	4,606	3,568
Interest received	2,121	3,133
Net cash used in investing activities	<u>(667,712)</u>	<u>(776,468)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid to:		
Shareholders of the Company	(139,590)	(129,219)
Non-controlling shareholders of subsidiaries	(13,154)	(14,303)
Proceeds from exercise of warrants in the Company	107	265
Proceeds from exercise of warrants in a subsidiary	16,408	60
Expenses incurred in relation to bonus issue and issuance of free warrants	-	(449)
Repayment of term loans	(57,463)	(12,400)
Net drawdown of short term borrowings	102,680	85,662
Repayment of lease liabilities	(4,538)	(3,144)
Finance cost paid	(27,157)	(19,512)
Net cash used in financing activities	<u>(122,707)</u>	<u>(93,040)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(52,131)</u>	<u>(169,936)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>243,308</u>	<u>413,244</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>191,177</u>	<u>243,308</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	158,697	231,352
Short term deposits	32,480	11,956
	<u>191,177</u>	<u>243,308</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2021)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2022

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 2021 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 2021.

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 2021, except for the adoption of the following amendments to MFRSs that are effective for financial statements beginning on 1 August 2021, as disclosed below:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021

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 2021 was not qualified.

A3 Seasonal or cyclical factors

The business operations of the Group for the current financial year 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 year 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 year 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 year under review, except for the followings:-

Share Grant Plan

On 2 December 2021, the Company issued and allotted 319,000 new ordinary shares to the eligible employees of Scientex Berhad's group of companies, pursuant to the Scientex Berhad Share Grant Plan.

Conversion of Warrants to Ordinary Shares

During the current financial year under review, the Company issued 24,738 new ordinary shares pursuant to the exercise of 24,738 warrants at the exercise price of RM4.30 per warrant.

As at 31 July 2022, the total number of issued shares of the Company was 1,550,999,867 ordinary shares, out of which 100 ordinary shares were held as treasury shares. The total number of unexercised warrants was 103,286,327.

A7 Dividends paid

The amount of dividend paid by the Company since 31 July 2021 was as follows:

	RM'000
In respect of the financial year ended 31 July 2021:	
Single tier final dividend of 5 sen per ordinary share declared on 8 December 2021 and paid on 13 January 2022	77,550
In respect of the financial year ended 31 July 2022:	
Single tier interim dividend of 4 sen per ordinary share declared on 13 June 2022 and paid on 22 July 2022	62,040
	139,590

A8 Segment information

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

12 months ended 31 July 2022

	Packaging RM'000	Property Development RM'000	Total RM'000
Revenue	2,861,375	1,123,943	3,985,318
Results			
Operating profit	238,043	322,999	561,042
Investing results			7,711
Interest expense			(20,446)
Profit before taxation			548,307

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A8 Segment information (Cont'd)

12 months ended 31 July 2021

	Packaging RM'000	Property Development RM'000	Total RM'000
Revenue	2,491,481	1,164,485	3,655,966
Results			
Operating profit	253,558	346,781	600,339
Investing results			11,761
Interest expense			(11,139)
Profit before taxation			600,961

A9 Disclosure items

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

	3 months ended		12 months ended	
	31.7.2022 RM'000	31.7.2021 RM'000	31.7.2022 RM'000	31.7.2021 RM'000
(a) Interest income	(643)	(966)	(2,121)	(3,133)
(b) Other income	(2,613)	(4,696)	(6,274)	(7,584)
(c) Interest expense	6,116	3,431	20,103	10,683
(d) Interest on lease liabilities	76	90	343	456
(e) Depreciation of property, plant and equipment	27,317	26,702	110,772	106,833
(f) Depreciation of right-of-use assets	935	669	3,682	3,394
(g) Net (write back)/provision of receivables	(219)	101	(231)	(51)
(h) Net provision of inventories	1,984	618	3,110	834
(i) Gain on disposal of property, plant and equipment	(1)	(81)	(1,686)	(257)
(j) Gain on disposal of investment properties	(8,100)	-	(8,100)	-
(k) Property, plant and equipment written off	97	1,418	100	1,619
(l) Net foreign exchange loss	12,293	12,702	16,232	581
(m) Fair value loss/(gain) on other investments	1,879	(3,701)	1,879	(3,701)
(n) Fair value gain of money market deposits	(297)	-	(297)	-
(o) Reversal of contingent consideration with respect to acquisition of associate	(1,881)	-	(1,881)	-
(p) Gain on bargain purchase of associate	-	(2,013)	-	(2,013)

In the current financial quarter and current financial year ended 31 July 2022, 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.

A10 Valuation of property, plant and equipment and investment properties

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

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A11 Events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current financial year 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 year under review.

A13 Contingent liabilities

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

A14 Capital commitments

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

	As at 31.7.2022 RM'000	As at 31.7.2021 RM'000
Approved and contracted for:		
Purchase of plant and machinery	105,331	167,793
Balance payment for purchase of land held for development	713,305	870,220
	818,636	1,038,013

A15 Related party transactions

The Group's related party transactions in the current financial quarter and current financial year ended 31 July 2022 were as follows:

	3 months ended		12 months ended	
	31.7.2022 RM'000	31.7.2021 RM'000	31.7.2022 RM'000	31.7.2021 RM'000
Purchase of goods from associated companies	42,127	43,146	179,981	148,282
Sales of goods to associated company	(123)	(99)	(545)	(437)
Rental income from associated company	(139)	(139)	(557)	(418)
Rental income from jointly controlled entity	(232)	(232)	(926)	(926)

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2022

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

B1 Review of performance

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current year quarter	Preceding year corresponding quarter	Changes %	Current financial year	Preceding financial year	Changes %
	31.7.2022 RM'000	31.7.2021 RM'000		31.7.2022 RM'000	31.7.2021 RM'000	
Revenue	1,111,295	970,364	14.5%	3,985,318	3,655,966	9.0%
Operating profit	178,658	175,820	1.6%	561,042	600,339	-6.5%
Profit attributable to owners of the Company	124,984	142,654	-12.4%	409,874	457,233	-10.4%

(i) Current quarter review

For the current financial quarter ended 31 July 2022, the Group recorded revenue of RM1.11 billion, an increase of 14.5% compared to RM970.4 million recorded in the preceding year corresponding quarter. The Group's operating profit stood at RM178.7 million, reflecting a marginal increase of 1.6% compared to RM175.8 million achieved in the preceding year corresponding quarter.

Packaging revenue was RM740.8 million compared to RM617.4 million recorded in the preceding year corresponding quarter. The increase in revenue was contributed from both its industrial and consumer packaging products, driven by increase in demand for its export and local sales as well as the average selling prices. Operating profit increased marginally from RM57.4 million to RM62.6 million.

Property revenue was RM370.5 million, an increase of 5.0% compared to RM352.9 million recorded in the preceding year corresponding quarter. The higher revenue was mainly contributed by strong progress billings from our ongoing projects in Scientex Tasek Gelugor in Penang, Taman Pulai Mutiara 2 in Johor and Scientex Durian Tunggal 2 in Melaka. In addition, the Group also saw contributions from its newly launched projects in Scientex Seremban in Negeri Sembilan and Scientex Jasin in Melaka, which further contributed to the increase in revenue for the current quarter under review.

Despite higher revenue recorded for the current financial quarter, operating profit came in marginally lower at RM116.0 million compared to RM118.4 million recorded in the preceding year corresponding quarter. The marginal decline in operating profit was mainly due to the impact of rising costs of constructional materials and labour.

(ii) 12-month review

For the financial year ended 31 July 2022, the Group recorded its highest revenue of RM3.99 billion, an increase of 9.0% compared to the preceding financial year revenue of RM3.66 billion. The higher revenue was due to higher contribution from the Group's Packaging division. However, the Group's operating profit came in lower at RM561.0 million compared to the preceding financial year of RM600.3 million attributable mainly to the operational challenges faced by both the Property and Packaging divisions under the inflationary regime of rising raw material prices and elevated operating costs.

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B1 Review of performance (Cont'd)

(ii) 12-month review (Cont'd)

Packaging revenue recorded RM2.86 billion for the current financial year, reflecting an increase of 14.8% compared to the preceding financial year of RM2.49 billion. The higher revenue was contributed from both its industrial and consumer packaging products' domestic and export markets. However, operating profit was RM238.0 million, a decrease compared to RM253.6 million recorded in the preceding financial year. The decrease was mainly due to margins compression attributable to spike in both raw material and operating costs.

Property revenue stood at RM1.12 billion for the current financial year, reflecting a marginal decrease compared to the preceding financial year of RM1.16 billion. The decrease in revenue was mainly due to deferment of approvals from the relevant governmental authorities which led to delays in the scheduled launches of our projects in Tasek Gelugor in Penang, Kundang in Selangor and Bandar Jasin in Melaka as well as our Kota Tinggi project in Johor. In addition, the delays in getting the relevant Certificate of Completion & Compliance ("CCC") for our projects in Johor and Melaka due to material shortages for power supply infrastructure also contributed to the lower revenue recorded for the current financial year. In line with the lower revenue recorded, operating profit stood at RM323.0 million compared to the preceding financial year of RM346.8 million.

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

	Current quarter	Preceding quarter	Changes %
	31.7.2022 RM'000	30.4.2022 RM'000	
Revenue	1,111,295	993,844	11.8%
Profit before tax	173,568	120,261	44.3%
Profit attributable to owners of the Company	124,984	88,330	41.5%

The Group's revenue for the current financial quarter was higher at RM1.11 billion compared to RM993.8 million recorded in the preceding financial quarter. The increase in revenue was mainly contributed by the Property division. The Group's profit before tax stood at RM173.6 million for the current financial quarter, an increase of 44.3% compared to RM120.3 million recorded in the preceding financial quarter mainly due to the higher sales achieved.

B3 Current financial year prospects

Packaging division continues to see economic headwinds with the threat of global recession fanned by inflationary pressures. The on-going geo-political tensions has further created market instability and exacerbated the supply demand imbalances with the resultant dampened global economic outlook for the near term. The Packaging division continues to face operational challenges caused by the global supply chain challenges, shortage of labour and volatility in raw material prices. While overall demand for the Group's packaging products continues to be relatively stable, the Group continues to adopt a pro-active stance and monitor all these developments as they evolve to ensure appropriate and timely response to such external developments whilst continuously strengthening its operational resilience and supply chain efficiencies to build up its competitive strengths.

Adopting a longer-term approach towards growth, the Group has embarked on its capacity and capability expansion plans at its various plants. The Group's expansion plans remain generally on track. Our new robotic state-of-the-art stretch film plant located in Shah Alam is expected to be fully commissioned in the first half of financial year 2023. The Group expects to explore more opportunities and open up new markets more aggressively as the Group continues to focus on innovation and developing value added products customised to the needs of our customers whilst addressing market trend and demands for sustainable and fully recyclable packaging solutions.

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B3 Current financial year prospects (Cont'd)

Property division saw the demand for its affordable housing remained resilient and the recent announcement of 100% stamp duty exemption incentives for first-time Malaysian homebuyer for properties priced RM500,000 and below is further expected to spur demand for affordable housing. With the re-opening of its international borders, the labour shortage issue in the construction industry would also be gradually addressed as more foreign workers are expected to be recruited in the coming financial year. Inflationary pressures resulting in increase in constructional materials costs are constantly being monitored and addressed with greater vendors' participation to enable procurement of constructional materials at competitive prices. The Group is also reviewing its product pricing periodically to address rising cost issues as part of its on-going efforts to maintain its product affordability.

For the current financial quarter, the Division has seen strong take up rate for its new property launches in Scientex Rawang in Selangor, Scientex Seremban in Negeri Sembilan, Scientex Bandar Jasin and Scientex Durian Tunggal 2 in Melaka. For the coming financial year, the Group plans to launch several new phases in Kedah, Penang, Selangor, Negeri Sembilan, Melaka and Johor with emphasis on its branding and affordable pricing in its projects which are strategically located throughout the Peninsular.

Barring unforeseen circumstances, the Group is cautiously optimistic that the Group will achieve a better performance in the coming financial year.

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.

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B5 Taxation

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

	3 months ended		12 months ended	
	31.7.2022	31.7.2021	31.7.2022	31.7.2021
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter/year:				
- Income tax	33,659	21,081	107,491	114,506
- Deferred taxation	7,060	8,663	6,223	8,984
In respect of prior year:				
- Income tax	(872)	7,110	(872)	2,249
- Deferred taxation	2,868	(10,554)	2,868	(10,554)
	<u>42,715</u>	<u>26,300</u>	<u>115,710</u>	<u>115,185</u>

The Group's effective tax rate for the current financial year is lower than the statutory income tax rate mainly due to the utilisation of tax incentives by certain subsidiaries of the Group.

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

On 7 May 2021, the Company announced that Scientex Quatari Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement ("SPA") with Pelangi Sdn Bhd for the proposed acquisition of eight (8) pieces of freehold lands, all situated in Mukim Tebrau, District of Johor Bahru, State of Johor, measuring in aggregate area of approximately 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 Selangor

On 30 August 2021, the Company announced that Scientex Park (M) Sdn Bhd ("SPSB"), a wholly-owned subsidiary of the Company entered into a SPA with Seriemas Development Sdn Bhd ("Vendor") for the proposed acquisition of five (5) pieces of freehold agricultural lands all situated in the State of Selangor, measuring an aggregate area of approximately 250.8 acres for a total purchase consideration of RM207.6 million. On 15 June 2022, the Vendor and SPSB have entered into a Supplemental Agreement to extend the conditional period to 24 November 2022 to enable Vendor to obtain the approvals of Estate Land Board, subdivision of Lot 4567 into four (4) subdivided titles and issuance of four (4) separate titles for Lot 4567 in accordance with the revised subdivisional plan; and for SPSB to obtain the outcome of appeal to Economic Planning Unit. The proposed acquisition is expected to be completed in the second half of year 2022.

(iii) Proposed acquisition of Taisei Lamick Malaysia Sdn Bhd ("TLM")

On 2 September 2022, the Company announced that Scientex Packaging Film Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a share sale agreement ("SSA") with Taisei Lamick Co. Ltd ("Vendor") for the proposed acquisition of 8,100 ordinary shares in TLM, representing approximately 80.2% equity interest in TLM for a total purchase consideration of RM63,779,503 to be satisfied entirely via cash, subject to the terms and conditions contained in the SSA ("Proposed Acquisition"). The SSA has become unconditional on 23 September 2022 and the completion of the Proposed Acquisition shall take place following the unconditional date in accordance with the terms of the SSA.

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B7 Borrowings and debt securities

As at 31 July 2022	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
- Sukuk Murabahah	250,000	50,000	300,000
<u>Unsecured</u>			
Denominated in USD			
- Trade financing	-	510,784	510,784
Denominated in JPY			
- Trade financing	-	52,025	52,025
Denominated in AUD			
- Trade financing	-	7,588	7,588
Denominated in RM			
- Trade financing	-	301,078	301,078
Total	250,000	921,475	1,171,475

As at 31 July 2021	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
- Sukuk Murabahah	300,000	50,000	350,000
<u>Unsecured</u>			
Denominated in USD			
- Term loan	-	4,965	4,965
- Trade financing	-	359,730	359,730
Denominated in JPY			
- Trade financing	-	57,026	57,026
Denominated in AUD			
- Trade financing	-	20,966	20,966
Denominated in RM			
- Term loan	950	1,396	2,346
- Trade financing	-	324,764	324,764
Total	300,950	818,847	1,119,797

B8 Material litigation

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

B9 Dividend

In respect of the financial year ended 31 July 2022, the Board of Directors recommended a single tier final dividend of 5 sen per ordinary share (single tier final dividend for financial year 2021 of 5 sen per ordinary share). The dividend will be payable on 9 January 2023, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

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B10 Earnings per share

		3 months ended		12 months ended	
		31.7.2022	31.7.2021	31.7.2022	31.7.2021
(i) Basic earnings per share					
Profit attributable to owners of the Company	(RM'000)	124,984	142,654	409,874	457,233
Weighted average number of ordinary shares in issue	('000)	1,551,000	1,550,616	1,550,882	1,550,039
Basic earnings per share	(sen)	8.06	9.20	26.43	29.50

(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 year 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

29 September 2022