



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 January 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 January 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.1.2024 RM'000	31.1.2023 RM'000	31.1.2024 RM'000	31.1.2023 RM'000
Revenue	1,092,741	978,392	2,199,245	2,008,268
Operating profit	191,294	147,456	379,745	290,842
Interest expense	(4,971)	(9,767)	(11,898)	(17,803)
Investing results	2,331	3,761	5,548	5,118
Profit before tax	188,654	141,450	373,395	278,157
Taxation	(42,991)	(29,140)	(85,279)	(52,433)
Profit for the quarter / period	145,663	112,310	288,116	225,724
Profit attributable to:				
Owners of the Company	141,013	106,292	278,854	213,467
Non-controlling interests	4,650	6,018	9,262	12,257
Profit for the quarter / period	145,663	112,310	288,116	225,724
Earnings per share attributable to owners of the Company (sen per share)				
- Basic	9.09	6.85	17.98	13.76
- 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 2023)



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QUARTERLY REPORT

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.1.2024 RM'000	Preceding year corresponding quarter 31.1.2023 RM'000	Current year to date 31.1.2024 RM'000	Preceding year corresponding period 31.1.2023 RM'000
Profit for the quarter / period	145,663	112,310	288,116	225,724
Other comprehensive (loss) / income, net of income tax: Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation of foreign operations	(892)	(23,364)	9,689	(16,515)
Other comprehensive (loss) / income for the quarter / period, net of income tax	(892)	(23,364)	9,689	(16,515)
Total comprehensive income for the quarter / period, net of income tax	144,771	88,946	297,805	209,209
Total comprehensive income for the quarter / period attributable to:				
Owners of the Company	140,197	86,858	287,035	201,741
Non-controlling interests	4,574	2,088	10,770	7,468
	144,771	88,946	297,805	209,209

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2023)



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2024

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.1.2024 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2023 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,526,602	1,558,202
Right-of-use assets	4,907	5,017
Land held for property development	1,596,676	1,420,231
Investment in joint venture	-	16,826
Investment in associate	106,153	100,693
Other investments	25,549	23,476
Deferred tax assets	6,763	9,286
Goodwill	305,022	305,022
	3,571,672	3,438,753
Current assets		
Property development costs	423,010	462,565
Inventories	261,197	377,055
Trade and other receivables	931,472	874,225
Contract assets	153,661	186,206
Cash and cash equivalents	208,444	166,411
	1,977,784	2,066,462
TOTAL ASSETS	5,549,456	5,505,215
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	705,739	705,009
Reserves	2,896,681	2,687,209
Equity attributable to owners of the Company	3,602,420	3,392,218
Non-controlling interests	233,167	214,127
Total equity	3,835,587	3,606,345
Non-current liabilities		
Borrowings	70,000	70,000
Lease liabilities	3,197	3,173
Retirement benefits obligations	48,549	48,415
Deferred tax liabilities	94,351	96,507
	216,097	218,095
Current liabilities		
Borrowings	662,423	766,840
Lease liabilities	4,059	3,839
Trade and other payables	717,603	790,321
Contract liabilities	50,750	89,044
Tax liabilities	62,937	30,731
	1,497,772	1,680,775
Total liabilities	1,713,869	1,898,870
TOTAL EQUITY AND LIABILITIES	5,549,456	5,505,215
Net assets per share attributable to owners of the Company (RM)	2.32	2.19

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2023)



SCIENTEX BERHAD
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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 JANUARY 2024**

	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 2023	705,009	(1)	90,719	18,369	486	2,577,636	3,392,218	214,127	3,606,345
Profit for the period	-	-	-	-	-	278,854	278,854	9,262	288,116
Other comprehensive income for the period	-	-	-	8,181	-	-	8,181	1,508	9,689
Total comprehensive income for the period	-	-	-	8,181	-	278,854	287,035	10,770	297,805
Capital injection in an existing subsidiary by non-controlling interests	-	-	-	-	-	-	-	14,970	14,970
Issuance of ordinary shares pursuant to Share Grant Plan	729	-	-	-	-	-	729	-	729
Exercise of warrants	1	-	-	-	-	-	1	-	1
Dividends	-	-	-	-	-	(77,563)	(77,563)	(6,700)	(84,263)
As at 31 January 2024	705,739	(1)	90,719	26,550	486	2,778,927	3,602,420	233,167	3,835,587
As at 1 August 2022	704,799	(1)	90,719	18,168	494	2,295,417	3,109,596	198,062	3,307,658
Profit for the period	-	-	-	-	-	213,467	213,467	12,257	225,724
Other comprehensive loss for the period	-	-	-	(11,726)	-	-	(11,726)	(4,789)	(16,515)
Total comprehensive income for the period	-	-	-	(11,726)	-	213,467	201,741	7,468	209,209
Non-controlling interests arising from acquisition of a subsidiary	-	-	-	-	-	-	-	15,746	15,746
Dilution of interest in an existing subsidiary	-	-	-	-	-	-	-	30	30
Issuance of ordinary shares pursuant to Share Grant Plan	210	-	-	-	-	-	210	-	210
Dividends	-	-	-	-	-	(77,553)	(77,553)	(3,707)	(81,260)
As at 31 January 2023	705,009	(1)	90,719	6,442	494	2,431,331	3,233,994	217,599	3,451,593

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2023)

SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 31 January 2024

	6 MONTHS ENDED 31.1.2024 RM'000	6 MONTHS ENDED 31.1.2023 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	373,395	278,157
Adjustments	64,901	64,106
Operating profits before working capital changes	<u>438,296</u>	<u>342,263</u>
Movement in working capital:		
Decrease in inventories	117,762	162,953
Decrease in development properties	79,911	115,982
Increase in receivables	(73,171)	(110,910)
Decrease in payables	(107,575)	(182,127)
Cash generated from operations	<u>455,223</u>	<u>328,161</u>
Taxation paid	(45,843)	(48,316)
Gratuity and retirement benefits paid	(2,841)	(1,799)
Net cash from operating activities	<u>406,539</u>	<u>278,046</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(60,103)
Investment in associate	(1,520)	-
Purchase of property, plant and equipment	(29,047)	(58,058)
Deposit paid for purchase of plant and equipment	(36,787)	(8,294)
Purchase of land held for property development	(194,845)	(61,061)
Deposit refund from termination of purchase of land	54,765	-
Proceeds arising from dilution of interest in an existing subsidiary	-	30
Proceeds from capital injection in an existing subsidiary by non-controlling interests	14,970	-
Proceeds from disposal of investment in joint venture	17,261	-
Proceeds from disposal of property, plant and equipment	3,164	3,421
Dividend income received	8,070	2,407
Interest received	2,773	1,271
Net cash used in investing activities	<u>(161,196)</u>	<u>(180,387)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid to:		
Shareholders of the Company	(77,563)	(77,553)
Non-controlling shareholders of subsidiaries	(6,700)	(3,707)
Proceeds from exercise of warrants in the Company	1	-
Net repayment of term loans	-	(16,255)
Net repayment of short term borrowings	(104,417)	(52,177)
Repayment of lease liabilities	(1,534)	(1,765)
Finance cost paid	(13,097)	(21,118)
Net cash used in financing activities	<u>(203,310)</u>	<u>(172,575)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	42,033	(74,916)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>166,411</u>	<u>191,177</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>208,444</u>	<u>116,261</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	115,008	97,078
Short term deposits	93,436	19,183
	<u>208,444</u>	<u>116,261</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2023)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2024

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 2023 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 2023.

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 2023, except for the adoption of the following amendments to MFRSs that are effective for financial statements beginning on 1 August 2023, as disclosed below:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

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 2023 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 1 December 2023, the Company issued and allotted 203,400 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 quarter under review, the Company issued 100 new ordinary shares pursuant to the exercise of 100 warrants at the exercise price of RM4.30 per warrant.

As at 31 January 2024, the total number of issued shares of the Company was 1,551,267,167 ordinary shares, out of which 100 ordinary shares were held as treasury shares. The total number of unexercised warrants was 103,286,227.

A7 Dividends paid

The amount of dividend paid by the Company since 31 July 2023 was as follows:

RM'000

In respect of the financial year ended 31 July 2023:

Single tier final dividend of 5 sen per ordinary share declared on 14 December 2023
and paid on 26 January 2024

77,563

A8 Segment information

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

6 months ended 31 January 2024

	Packaging RM'000	Property Development RM'000	Total RM'000
Revenue	1,286,230	913,015	<u>2,199,245</u>
Results			
Operating profit	114,408	265,337	379,745
Investing results			5,548
Interest expense			<u>(11,898)</u>
Profit before taxation			<u>373,395</u>

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A8 Segment information (Cont'd)

6 months ended 31 January 2023

	Packaging RM'000	Property Development RM'000	Total RM'000
Revenue	1,371,062	637,206	2,008,268
Results			
Operating profit	115,242	175,600	290,842
Investing results			5,118
Interest expense			(17,803)
Profit before taxation			278,157

A9 Disclosure items

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

	3 months ended		6 months ended	
	31.1.2024 RM'000	31.1.2023 RM'000	31.1.2024 RM'000	31.1.2023 RM'000
(a) Interest income	(1,113)	(545)	(2,009)	(1,146)
(b) Other income	(1,413)	(1,368)	(2,754)	(2,610)
(c) Interest expense	4,900	9,685	11,752	17,640
(d) Interest on lease liabilities	71	82	146	163
(e) Depreciation of property, plant and equipment	32,073	30,013	64,293	59,512
(f) Depreciation of right-of-use assets	837	929	1,738	1,863
(g) Net provision/(write back) of receivables	134	(6)	84	150
(h) Net (write back)/provision of inventories	(1,061)	(222)	(1,905)	980
(i) (Gain)/loss on disposal of property, plant and equipment	(16)	(115)	1,814	(124)
(j) Property, plant and equipment written off	579	3	579	35
(k) Net foreign exchange loss/(gain)	922	(5,486)	(1,172)	(1,277)
(l) Fair value gain of money market deposits	(610)	(60)	(764)	(125)
(m) Gain on disposal of investment in joint venture	(8,969)	-	(8,969)	-

In the current financial quarter and current financial year-to-date ended 31 January 2024, there were no:

- Impairment of assets;
- 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.

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.

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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, except for the following:

Disposal of investment in joint venture

On 30 January 2024, the Company disposed of 40% equity interest in a joint venture, namely MCTI Scientex Solar Sdn. Bhd. (“MSS”) for a cash consideration of RM17,261,000. Subsequent to the disposal, the shareholding percentage of the Company in MSS reduced from 50% to 10%. Accordingly, MSS ceased to be a joint venture of the Company and classified as other investment of the Company.

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 31.1.2024 RM'000	As at 31.1.2023 RM'000
Approved and contracted for:		
Purchase of plant and machinery	17,107	63,490
Balance payment for purchase of land held for development	270,356	186,806
	287,463	250,296

A15 Related party transactions

The Group’s related party transactions in the current financial quarter and current financial year-to-date ended 31 January 2024 were as follows:

	3 months ended		6 months ended	
	31.1.2024 RM'000	31.1.2023 RM'000	31.1.2024 RM'000	31.1.2023 RM'000
Purchase of goods from associated companies	45,177	43,968	86,128	86,001
Sales of goods to associated companies	(184)	(113)	(287)	(205)
Rental income from associated company	(139)	(139)	(278)	(278)
Rental income from jointly controlled entity	(232)	(232)	(463)	(463)

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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 JANUARY 2024

**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 year-to-date	Preceding year corresponding period	Changes %
	31.1.2024 RM'000	31.1.2023 RM'000		31.1.2024 RM'000	31.1.2023 RM'000	
Revenue	1,092,741	978,392	11.7%	2,199,245	2,008,268	9.5%
Operating profit	191,294	147,456	29.7%	379,745	290,842	30.6%
Profit attributable to owners of the Company	141,013	106,292	32.7%	278,854	213,467	30.6%

(i) Current quarter review

For the current financial quarter ended 31 January 2024, the Group recorded revenue of RM1.09 billion, an increase of 11.7% compared to RM978.4 million recorded in the preceding year corresponding quarter. The Group's operating profit stood at RM191.3 million, reflecting an increase of 29.7% compared to RM147.5 million achieved in the preceding year corresponding quarter. The increase in revenue and operating profit was due to better performance from Property Division.

Packaging revenue was RM635.8 million compared to RM655.1 million recorded in the preceding year corresponding quarter. The decrease in revenue was mainly due to softening of export market demand from the consumer packaging segment. However, operating profit recorded higher at RM64.0 million compared to RM58.3 million recorded in the preceding year corresponding quarter mainly due to initiatives implemented to enhance our competitiveness as well as product mix.

Property revenue stood at RM456.9 million, reflecting an increase of 41.3% compared to RM323.3 million recorded in the preceding year corresponding quarter. The higher revenue was contributed by steady construction progress for all developments in Northern, Central and Southern Peninsular Malaysia. In addition, our new launches in Sungai Dua (Penang), Sungai Petani (Kedah), Ipoh (Perak), Jasin (Melaka) and Pulai (Johor) also received overwhelming responses and further contributed to the increase in revenue. In tandem with the higher revenue recorded, operating profit increased to RM127.3 million compared to RM89.1 million recorded in the preceding year corresponding quarter.

(ii) 6-month review

For the 6-month financial period ended 31 January 2024, the Group recorded higher revenue of RM2.20 billion compared to the preceding year corresponding period of RM2.01 billion. Operating profit also recorded higher at RM379.7 million compared to the preceding year corresponding period of RM290.8 million. The increase in revenue and operating profit was mainly contributed by the Property Division.

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B1 Review of performance (Cont'd)

(ii) 6-month review (Cont'd)

Packaging revenue stood at RM1.29 billion for the period under review, a decrease of 6.2% compared to preceding year corresponding period of RM1.37 billion. The decrease in revenue was mainly due to softening of export market demand from consumer packaging segment. Packaging's operating profit stood at RM114.4 million compared to RM115.2 million recorded in the preceding year corresponding period.

Property revenue stood at RM913.0 million for the period under review, a marked improvement compared to the preceding year corresponding period of RM637.2 million. Operating profit is correspondingly higher at RM265.3 million compared to the preceding year corresponding period of RM175.6 million. The overall increase was due to higher sales and steady construction progress from the existing projects as well as overwhelming responds from our new launches. In addition, more than 3,100 units of affordable home were completed for projects in Penang, Selangor, Melaka and Johor during the 6-month review period and this further contributed to the increase in revenue.

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

	Current quarter	Preceding quarter	Changes %
	31.1.2024 RM'000	31.10.2023 RM'000	
Revenue	1,092,741	1,106,504	-1.2%
Profit before tax	188,654	184,741	2.1%
Profit attributable to owners of the Company	141,013	137,841	2.3%

The Group's revenue for the current financial quarter remain stable at RM1.09 billion compared to RM1.11 billion recorded in the preceding financial quarter. Profit before tax stood at RM188.7 million for the current financial quarter compared to RM184.7 million recorded in the preceding financial quarter.

B3 Current financial year prospects

The challenging global market outlook coupled with rising energy costs and inflationary pressure continues to weigh down our operational costs. Despite the soft market sentiment, Packaging Division expect to see an improvement for the demand of its products in the coming financial quarters. Packaging Division remains focus in improving its operational efficiency as well as emphasising on cost, quality and delivery to customers in order to maintain its competitiveness in the market. Simultaneously, it will also focus on innovation and development of value-added packaging solutions to address the growing demand for sustainable and fully recyclable packaging solutions.

In addition, Packaging Division is in the midst of implementing solar photovoltaics systems across its factories within Malaysia. With this initiation, the Division expect to off-set part of the high energy costs in our operation whilst enhancing our environment sustainability effort.

Packaging Division remains committed on its core for sustainable growth and is optimistic towards sustaining its performance for the current financial year.

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B3 Current financial year prospects (Cont'd)

Property Division continues to see robust demand for its affordable properties. The division has seen strong take-up rate for the new launches of its development in Sungai Dua (Penang), Sungai Petani (Kedah), Ipoh (Perak), Jasin (Melaka) and Pulai (Johor).

Property Division continues to focus on its core to expand its affordable property market within Peninsular Malaysia which spanned across 7 states to achieve its objective in completing 50,000 affordable homes by 2028. The latest land acquisitions are expected to contribute positively to the Group's performance in near future. Details of the land acquisitions are set out in Note B6.

Property Division is optimistic that demand for affordable homes will remain resilient for the current 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.

B5 Taxation

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

	3 months ended		6 months ended	
	31.1.2024	31.1.2023	31.1.2024	31.1.2023
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter:				
- Income tax	42,140	27,464	84,895	46,239
- Deferred taxation	851	1,676	384	6,194
	<u>42,991</u>	<u>29,140</u>	<u>85,279</u>	<u>52,433</u>

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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 followings:-

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

a) Jenjarom

On 30 August 2021, the Company announced that Scientex Park (M) Sdn Bhd (“SPSB”), a wholly-owned subsidiary of the Company entered into a Sale & Purchase Agreement (“SPA”) with Seriemas Development Sdn Bhd (“Vendor”) for the proposed acquisition of five (5) pieces of freehold agricultural land, all situated in the State of Selangor, measuring an aggregate area of approximately 250.8 acres (“Lands”) 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. On 9 November 2022, SPSB has agreed with the Vendor to jointly invest in a dormant company called Scientex Jenjarom Sdn Bhd (“SJSB”), to terminate the existing SPA and to enter into a SPA with SJSB act as the new purchaser of the Lands at the same purchase consideration of RM207.6 million. On 14 November 2023, all conditions precedent have been satisfied and the proposed acquisition has become unconditional. The Vendor, SPSB and SJSB had on 4 December 2023 entered into a Supplemental Shareholders’ Agreement to revise the aggregate capital contribution into SJSB, with no change to the shareholding percentage of the Vendor and SPSB in SJSB. The revision of the quantum of capital contribution and bank borrowings in SJSB do not have any material financial impact to Scientex Group. On 11 January 2024, the capital injection into SJSB was completed and the full payment of the balance purchase price was made to the Vendor which marked the completion of the proposed acquisition.

b) Bestari Jaya

On 8 March 2024, the Company announced that SPSB, a wholly-owned subsidiary of the Company entered into a SPA with Metalplex Plantation Sdn Bhd for the proposed acquisition of a freehold land, situated in Mukim of Batang Berjuntai, District of Kuala Selangor, State of Selangor, measuring an approximate area of 826 acres for a purchase consideration of RM335.7 million. The proposed acquisition is expected to be completed in the first half of year 2025.

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

a) Tebrau

On 5 July 2023, the Company announced that Scientex Lestari Sdn Bhd (“SLSB”), an indirect subsidiary of the Company entered into a SPA with Pelangi Sdn Bhd (“Vendor”) for the proposed acquisition of eight (8) parcels of freehold land, all situated in Mukim Tebrau, District of Johor Bahru, State of Johor, measuring an aggregate area of approximately 959.7 acres (“Lands”) for a total purchase consideration of RM547.7 million.

On 5 January 2024, the proposed acquisition is terminated due to non-fulfilment of the conditions precedent relating to the approval of EPU for the acquisition of the Lands by SLSB. Accordingly, the Vendor shall refund to the Purchaser the total deposit paid together with interest accrued in accordance with the terms of the SPA. Thereafter, the SPA shall lapse and be of no further effect and the parties shall be released from all further obligations under the SPA save and except for any antecedent breaches. The termination of the proposed acquisition does not have any material financial impact to the Company and SLSB.

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B6 Status of corporate proposals (Cont'd)

(ii) Proposed acquisition of lands in the State of Johor (Cont'd)

b) Kulai

On 11 July 2023, the Company announced that SLSB, an indirect subsidiary of the Company entered into a SPA with Seriemas Development Sdn Bhd (“Vendor”) for the proposed acquisition of six (6) parcels of freehold land, all situated in Mukim Senai, District of Kulai, State of Johor, measuring an aggregate area of approximately 550.7 acres (“Lands”) for a total purchase consideration of RM299.8 million. On 5 December 2023, the Company announced that all conditions precedent of SPA have been satisfied and the proposed acquisition has become unconditional. The full payment of the balance purchase price was made to the Vendor on 4 March 2024, hence marking the completion of the proposed acquisition.

c) Muar

On 5 February 2024, the Company announced that Scientex Heights Sdn Bhd (“SHSB”), a wholly-owned subsidiary of the Company entered into a SPA with Guan Hong Plantation Private Limited for the proposed acquisition of 24 parcels of freehold land, all situated in Mukim of Parit Jawa, District of Muar, State of Johor, measuring in aggregate an approximate area of 442.7566 hectares for a total purchase consideration of RM200 million. The proposed acquisition is expected to be completed in the second half of year 2024.

B7 Borrowings and debt securities

As at 31 January 2024	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u> Denominated in RM - Sukuk Murabahah	70,000	-	70,000
<u>Unsecured</u> Denominated in JPY - Trade financing	-	3,770	3,770
Denominated in RM - Trade financing	-	658,653	658,653
Total	70,000	662,423	732,423

SCIENTEX BERHAD
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B7 Borrowings and debt securities (Cont'd)

As at 31 January 2023	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Denominated in RM			
- Sukuk Murabahah	250,000	50,000	300,000
Unsecured			
Denominated in USD			
- Trade financing	-	127,274	127,274
Denominated in JPY			
- Trade financing	-	31,202	31,202
Denominated in RM			
- Trade financing	-	655,969	655,969
Total	250,000	864,445	1,114,445

B8 Material litigation

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

B9 Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B10 Earnings per share

		3 months ended		6 months ended	
		31.1.2024	31.1.2023	31.1.2024	31.1.2023
(i) Basic earnings per share					
Profit attributable to owners of the Company	(RM'000)	141,013	106,292	278,854	213,467
Weighted average number of ordinary shares in issue	('000)	1,551,198	1,551,042	1,551,131	1,551,021
Basic earnings per share	(sen)	<u>9.09</u>	<u>6.85</u>	<u>17.98</u>	<u>13.76</u>

(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 quarter does not exceed the exercise price of the warrants.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689) (SSM Practising Certificate No. 201908002648)

Tung Wei Yen (MAICSA 7062671) (SSM Practising Certificate No. 201908003813)

Ong Ling Hui (MAICSA 7065599) (SSM Practising Certificate No. 202008000555)

Company Secretaries

26 March 2024