



SCIENTEX PACKAGING (AYER KEROH) BERHAD

(Company No: 197201001354 [12994-W])

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 April 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.4.2024 RM'000	Preceding year corresponding quarter 30.4.2023 RM'000	Current year to date 30.4.2024 RM'000	Preceding year corresponding period 30.4.2023 RM'000
Revenue	182,851	177,488	531,670	589,465
Operating profit	14,271	14,152	37,225	48,404
Interest expense	(777)	(1,322)	(2,524)	(3,960)
Profit before tax	13,494	12,830	34,701	44,444
Taxation	(3,302)	(2,540)	(8,422)	(7,970)
Profit for the quarter / period	10,192	10,290	26,279	36,474
Profit attributable to:				
Owners of the Company	10,019	10,138	25,743	35,790
Non-controlling interests	173	152	536	684
Profit for the quarter / period	10,192	10,290	26,279	36,474
Earnings per share attributable to owners of the Company (sen per share)				
- Basic	2.86	2.89	7.34	10.21

(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

Quarterly report on consolidated results for the financial quarter ended 30 April 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 April 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.4.2024 RM'000	Preceding year corresponding quarter 30.4.2023 RM'000	Current year to date 30.4.2024 RM'000	Preceding year corresponding period 30.4.2023 RM'000
Profit for the quarter / period	10,192	10,290	26,279	36,474
Other comprehensive income/(loss), net of income tax:				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation of foreign operations	128	1,437	1,954	(6,377)
Other comprehensive income/(loss) for the quarter / period, net of income tax	128	1,437	1,954	(6,377)
Total comprehensive income for the quarter / period, net of income tax	10,320	11,727	28,233	30,097
Total comprehensive income for the quarter / period attributable to:				
Owners of the Company	10,071	10,858	27,202	31,484
Non-controlling interests	249	869	1,031	(1,387)
	10,320	11,727	28,233	30,097

(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 PACKAGING (AYER KEROH) BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2024

	AS AT CURRENT FINANCIAL QUARTER ENDED 30.4.2024 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2023 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	294,774	314,635
Right-of-use assets	2,049	2,815
Deferred tax assets	538	521
Goodwill	42,786	42,786
	340,147	360,757
Current assets		
Inventories	87,823	89,795
Trade and other receivables	143,824	127,122
Tax recoverable	819	3,471
Cash and bank balances	34,108	23,615
	266,574	244,003
TOTAL ASSETS	606,721	604,760
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	221,213	221,213
Reserves	180,497	162,061
Equity attributable to owners of the Company	401,710	383,274
Non-controlling interests	9,188	8,157
Total equity	410,898	391,431
Non-current liabilities		
Lease liabilities	1,539	2,467
Deferred tax liabilities	26,676	26,629
	28,215	29,096
Current liabilities		
Borrowings	30,767	57,594
Lease liabilities	3,595	2,348
Trade and other payables	127,100	124,291
Tax liabilities	6,146	-
	167,608	184,233
Total liabilities	195,823	213,329
TOTAL EQUITY AND LIABILITIES	606,721	604,760
Net assets per share attributable to owners of the Company (RM)	1.15	1.09

(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 PACKAGING (AYER KEROH) BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 April 2024

	Share capital RM'000	Treasury shares RM'000	Reserves		Distributable Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
			Non-distributable Revaluation reserve RM'000	Translation reserves RM'000				
As at 1 August 2023	222,358	(1,145)	7,468	(11,041)	165,634	383,274	8,157	391,431
Profit for the period	-	-	-	-	25,743	25,743	536	26,279
Other comprehensive income for the period	-	-	-	1,459	-	1,459	495	1,954
Total comprehensive income for the period	-	-	-	1,459	25,743	27,202	1,031	28,233
Dividends paid	-	-	-	-	(8,766)	(8,766)	-	(8,766)
As at 30 April 2024	222,358	(1,145)	7,468	(9,582)	182,611	401,710	9,188	410,898
As at 1 August 2022	222,358	(1,145)	7,468	(7,458)	147,226	368,449	17,890	386,339
Profit for the period	-	-	-	-	35,790	35,790	684	36,474
Other comprehensive loss for the period	-	-	-	(4,306)	-	(4,306)	(2,071)	(6,377)
Total comprehensive income for the period	-	-	-	(4,306)	35,790	31,484	(1,387)	30,097
Dividends paid	-	-	-	-	(8,766)	(8,766)	-	(8,766)
As at 30 April 2023	222,358	(1,145)	7,468	(11,764)	174,250	391,167	16,503	407,670

(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 PACKAGING (AYER KEROH) BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the nine months ended 30 April 2024

	9 MONTHS ENDED 30.4.2024 RM'000	9 MONTHS ENDED 30.4.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	34,701	44,444
Adjustments	25,239	25,989
Operating profit before working capital changes	<u>59,940</u>	<u>70,433</u>
Movement in working capital:		
Decrease in inventories	4,501	5,665
Increase in receivables	(14,533)	(11,236)
Increase/(Decrease) in payables	4,098	(18,331)
Cash generated from operations	<u>54,006</u>	<u>46,531</u>
Interest received	869	384
Tax refund/(paid)	455	(3,167)
Net cash from operating activities	<u>55,330</u>	<u>43,748</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	59	177
Purchase of property, plant and equipment	(6,370)	(47,353)
Deposit paid for purchase of property, plant and equipment	(890)	(475)
Net cash used in investing activities	<u>(7,201)</u>	<u>(47,651)</u>
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of short-term borrowings	(26,827)	20,055
Dividends paid to shareholders of the Company	(8,766)	(8,766)
Interest paid	(2,388)	(3,799)
Interest paid on lease liabilities	(136)	(161)
Repayment of lease liabilities	(772)	(799)
Net cash (used in)/from financing activities	<u>(38,889)</u>	<u>6,530</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,240	2,627
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	23,615	22,097
Effect of exchange differences	1,253	(564)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>34,108</u>	<u>24,160</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)

SCIENTEX PACKAGING (AYER KEROH) BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 APRIL 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 the financial statements beginning on 1 August 2023, as disclosed below:

MFRS 17 and Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Disclosure 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
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 -Comparative Information

The adoption of these amendments to MFRSs does not 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.

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 quarter under review. As at 30 April 2024, the total number of issued shares of the Company was 351,171,292 ordinary shares, out of which 550,100 ordinary shares were held as treasury shares.

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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 2.50 sen per ordinary share declared on 13 December 2023 and paid on 22 January 2024.	8,766

A8 Segment information

The Group did not present operating segment analysis as the business of the Group focuses solely in manufacturing and marketing of flexible plastic packaging materials within their internal reporting system. Accordingly, the chief operating decision makers review the business performance of the Group as a whole.

A9 Disclosure items

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

	3 months ended		9 months ended	
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	(274)	(173)	(869)	(384)
(b) Other income	(71)	(4)	(102)	(41)
(c) Interest expense	734	1,270	2,388	3,799
(d) Interest on lease liabilities	43	52	136	161
(e) Depreciation of property, plant and equipment	7,805	7,454	23,669	22,192
(f) Depreciation of right-of-use assets	314	356	979	1,027
(g) Net provision/(write-back) of receivables	-	32	(137)	223
(h) Net provision/(write-back) of inventories	43	898	(1,200)	2,081
(i) Gain on disposal of plant and equipment	(45)	(47)	(51)	(111)
(j) Property, plant and equipment written off	-	1	6	30
(k) Net foreign exchange loss/(gain)	351	263	(147)	711

In the current financial quarter and current financial year-to-date ended 30 April 2024, there were no:

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

A10 Valuation of property, plant and equipment

The valuation of property, plant and equipment 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 quarter that have not been reflected in the financial statements for the said period as at the date of this report.

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 30.4.2024 RM'000	As at 30.4.2023 RM'000
Approved and contracted for:		
Purchase of plant and machinery	2,157	4,896

A15 Related party transactions

The Group's related party transactions in the current financial quarter and current financial year-to-date ended 30 April 2024 were as follows:

	3 months ended		9 months ended	
	30.4.2024 RM'000	30.4.2023 RM'000	30.4.2024 RM'000	30.4.2023 RM'000
Other related companies *				
Sale of goods	-	95	2,294	570
Purchase of goods	60,570	43,949	157,941	138,351
Services received	30	30	90	90

* Other related companies refer to subsidiaries and/or associates of holding company, Scientex Berhad.

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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 2024**

**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-to- date	Preceding year corresponding period	
	30.4.2024 RM'000	30.4.2023 RM'000		30.4.2024 RM'000	30.4.2023 RM'000	
Revenue	182,851	177,488	3.0%	531,670	589,465	-9.8%
Operating profit	14,271	14,152	0.8%	37,225	48,404	-23.1%
Profit attributable to owners of the Company	10,019	10,138	-1.2%	25,743	35,790	-28.1%

Current quarter review

For the current financial quarter ended 30 April 2024, the Group achieved revenue of RM182.85 million, reflecting an increase of 3.0% compared to RM177.49 million recorded in the preceding year corresponding quarter. The increase was mainly due to higher sales in its export market. Export sales contributed RM90.09 million or 49.3% of the group revenue whilst domestic market contributed the balance RM92.76 million or 50.7% of the group revenue.

For the current financial quarter under review, operating profit increased to RM14.27 million from RM14.15 million in the preceding year corresponding quarter. The marginal improvement in operating profit was consistent with the increase in revenue.

9-month review

For the 9-month financial period ended 30 April 2024, the Group recorded revenue of RM531.67 million, a decrease of 9.8% compared to RM589.47 million recorded in the preceding year corresponding period, mainly due to lower demand from both its export and domestic markets. Exports as a percentage to group revenue reduced to 44.4% compared to 47.7% in the preceding year corresponding period.

Operating profit decreased 23.1% to RM37.23 million from RM48.40 million recorded in the preceding year corresponding period. The reduction in operating profit was mainly attributed to the decline in revenue and product mix.

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

	Current quarter	Preceding quarter	Changes %
	30.4.2024 RM'000	31.1.2024 RM'000	
Revenue	182,851	175,845	4.0%
Profit before tax ("PBT")	13,494	10,630	26.9%
Profit attributable to owners of the Company	10,019	8,018	25.0%

For the three months ended 30 April 2024, the Group revenue increased 4.0% to RM182.85 million from RM175.85 million in the preceding quarter. PBT also recorded higher at RM13.49 million, an increase of 26.9% compared to preceding quarter of RM10.63 million mainly due to product mix and improvement in operational efficiency.

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B3 Current financial year prospects

The global market outlook remains challenging due to the ongoing political uncertainties, rising inflationary pressures as well as soft market sentiments.

Amidst the challenging backdrop, the Group is committed to maintain its operational efficiencies and competitiveness, through initiatives such as optimisation of machine utilisation, wastage control and increase workforce productivity. With the sufficed operational capacity and capability, the Group strives to focus on innovation and developing customer centric packaging products so to meet the increasing portfolio of fully recyclable packaging solutions as well as applications which embedded sustainability into our operation processes and outputs.

As part of its effort towards sustainable energy consumption, the Group is also in the midst of implementing the solar rooftop photovoltaic (PV) system. The installation is scheduled to commence in the second half of the year and is expected to be completed by January 2025. With this commitment to renewable energy, the Group will be able to reduce its environmental footprint in our value chain, further aligning to the sustainability goals of its customers both locally and internationally.

The Group foresees that the socioeconomic conditions in Myanmar will continue to remain challenging with no sign of abatement. The Group will observe the conditions and national policy changes within the locality to minimise adverse effects towards its operation whilst exploring options pertaining to its Myanmar operations.

The Group is committed to enhance its competitiveness and capitalise on new growth opportunities and to deliver a sustainable performance in 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		9 months ended	
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter/period:				
- Income tax	3,657	2,812	8,374	8,620
- Deferred tax	(355)	(272)	48	(650)
	<u>3,302</u>	<u>2,540</u>	<u>8,422</u>	<u>7,970</u>

B6 Status of corporate proposals

There were no material corporate proposals announced and not completed as at the date of this report.

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B7 Borrowings

	Short term	
	As at 30.4.2024 RM'000	As at 30.4.2023 RM'000
<u>Unsecured:</u>		
Denominated in RM		
- Trade financing	30,767	82,343
Denominated in USD		
- Trade financing	-	9,366
Total	30,767	91,709

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 ending 31 July 2024, the Board of Directors declared a single tier interim dividend of 2.50 sen per ordinary share (single tier interim dividend for financial year 2023: 2.50 sen per ordinary share), payable on 17 July 2024.

B10 Earnings per share

		3 months ended		9 months ended	
		30.4.2024	30.4.2023	30.4.2024	30.4.2023
(i) Basic earnings per share					
Profit attributable to owners of the Company	RM'000	10,019	10,138	25,743	35,790
Weighted average number of ordinary shares	'000	350,621	350,621	350,621	350,621
Basic earnings per ordinary share	(sen)	2.86	2.89	7.34	10.21

- (ii) Diluted earnings per ordinary share are not presented as there are no dilutive potential ordinary shares outstanding for the current financial quarter.

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)

Geetharani A/P Ranganathan (MAICSA 7070549) (SSM Practising Certificate No. 201908000614)

Company Secretaries

19 June 2024