



## SCIENTEX PACKAGING (AYER KEROH) BERHAD

(Company No: 197201001354 [12994-W])

(Incorporated in Malaysia)

### QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2024

The figures have not been audited.

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 July 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.7.2024 RM'000	Preceding year corresponding quarter 31.7.2023 RM'000	Current year to date 31.7.2024 RM'000	Preceding year 31.7.2023 RM'000
<b>Revenue</b>	<b>181,840</b>	<b>185,319</b>	<b>713,510</b>	<b>774,784</b>
<b>Operating profit/(loss)</b>	<b>10,705</b>	<b>(6,497)</b>	<b>47,930</b>	<b>41,907</b>
Interest expense	(906)	(1,361)	(3,430)	(5,321)
<b>Profit/(Loss) before tax</b>	<b>9,799</b>	<b>(7,858)</b>	<b>44,500</b>	<b>36,586</b>
Taxation	(2,086)	(494)	(10,508)	(8,464)
<b>Profit/(Loss) for the quarter / year</b>	<b>7,713</b>	<b>(8,352)</b>	<b>33,992</b>	<b>28,122</b>
<b>Profit attributable to:</b>				
Owners of the Company	6,807	149	32,550	35,939
Non-controlling interests	906	(8,501)	1,442	(7,817)
<b>Profit/(Loss) for the quarter / year</b>	<b>7,713</b>	<b>(8,352)</b>	<b>33,992</b>	<b>28,122</b>
Earnings per share attributable to owners of the Company (sen per share)				
- Basic	1.94	0.04	9.28	10.25

*(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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(Incorporated in Malaysia)

### QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2024

The figures have not been audited.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year
	31.7.2024 RM'000	31.7.2023 RM'000	31.7.2024 RM'000	31.7.2023 RM'000
<b>Profit/(Loss) for the quarter / year</b>	<b>7,713</b>	<b>(8,352)</b>	<b>33,992</b>	<b>28,122</b>
<b>Other comprehensive income/(loss), net of income tax:</b>				
Item that will not be reclassified subsequently to profit or loss				
- Revaluation of land and buildings	11,418	-	11,418	-
Item that may be reclassified subsequently to profit or loss:				
- Foreign currency translation of foreign operations	(1,884)	877	70	(5,499)
Other comprehensive income/(loss) for the quarter / year, net of income tax	9,534	877	11,488	(5,499)
<b>Total comprehensive income/(loss) for the quarter / year, net of income tax</b>	<b>17,247</b>	<b>(7,475)</b>	<b>45,480</b>	<b>22,623</b>
<b>Total comprehensive income/(loss) for the quarter / year attributable to:</b>				
Owners of the Company	16,704	871	43,906	32,356
Non-controlling interests	543	(8,346)	1,574	(9,733)
	<b>17,247</b>	<b>(7,475)</b>	<b>45,480</b>	<b>22,623</b>

*(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

(Company No: 197201001354 [12994-W])

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2024

	AS AT CURRENT FINANCIAL YEAR ENDED 31.7.2024 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2023 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	303,206	314,635
Right-of-use assets	1,736	2,815
Deferred tax assets	347	521
Goodwill	42,786	42,786
	348,075	360,757
<b>Current assets</b>		
Inventories	84,731	89,795
Trade and other receivables	136,999	127,122
Tax recoverable	1,016	3,471
Cash and bank balances	40,808	23,615
	263,554	244,003
<b>TOTAL ASSETS</b>	<b>611,629</b>	<b>604,760</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	221,213	221,213
Reserves	188,436	162,061
Equity attributable to owners of the Company	409,649	383,274
Non-controlling interests	9,731	8,157
<b>Total equity</b>	419,380	391,431
<b>Non-current liabilities</b>		
Lease liabilities	1,337	2,467
Deferred tax liabilities	36,016	26,629
	37,353	29,096
<b>Current liabilities</b>		
Borrowings	49,636	57,594
Lease liabilities	4,012	2,348
Trade and other payables	100,854	124,291
Tax liabilities	394	-
	154,896	184,233
<b>Total liabilities</b>	192,249	213,329
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>611,629</b>	<b>604,760</b>
Net assets per share attributable to owners of the Company (RM)	1.17	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 financial year ended 31 July 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 year	-	-	-	-	32,550	32,550	1,442	33,992
Other comprehensive income/(loss) for the year	-	-	11,418	(62)	-	11,356	132	11,488
Total comprehensive income/(loss) for the year	-	-	11,418	(62)	32,550	43,906	1,574	45,480
Dividends paid	-	-	-	-	(17,531)	(17,531)	-	(17,531)
As at 31 July 2024	222,358	(1,145)	18,886	(11,103)	180,653	409,649	9,731	419,380
As at 1 August 2022	222,358	(1,145)	7,468	(7,458)	147,226	368,449	17,890	386,339
Profit for the year	-	-	-	-	35,939	35,939	(7,817)	28,122
Other comprehensive loss for the year	-	-	-	(3,583)	-	(3,583)	(1,916)	(5,499)
Total comprehensive income/(loss) for the year	-	-	-	(3,583)	35,939	32,356	(9,733)	22,623
Dividends paid	-	-	-	-	(17,531)	(17,531)	-	(17,531)
As at 31 July 2023	222,358	(1,145)	7,468	(11,041)	165,634	383,274	8,157	391,431

*(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 financial year ended 31 July 2024**

	<b>12 MONTHS ENDED 31.7.2024 RM'000</b>	<b>12 MONTHS ENDED 31.7.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	44,500	36,586
Adjustments	37,688	57,403
Operating profit before working capital changes	<u>82,188</u>	<u>93,989</u>
Movement in working capital:		
Decrease in inventories	5,571	11,452
(Increase)/decrease in receivables	(9,768)	10,040
Decrease in payables	(20,724)	(24,117)
Cash generated from operations	<u>57,267</u>	<u>91,364</u>
Interest received	1,206	603
Tax (paid)/refund	(984)	658
<b>Net cash from operating activities</b>	<u>57,489</u>	<u>92,625</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	125	336
Purchase of property, plant and equipment	(8,204)	(52,863)
Deposit paid for purchase of property, plant and equipment	(2,296)	(177)
<b>Net cash used in investing activities</b>	<u>(10,375)</u>	<u>(52,704)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Net repayment of short-term borrowings	(7,958)	(13,976)
Dividends paid to shareholders of the Company	(17,531)	(17,531)
Interest paid	(3,256)	(5,108)
Interest paid on lease liabilities	(174)	(213)
Repayment of lease liabilities	(1,022)	(1,096)
<b>Net cash used in financing activities</b>	<u>(29,941)</u>	<u>(37,924)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	17,173	1,997
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	23,615	22,097
<b>Effect of exchange differences</b>	20	(479)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>40,808</u>	<u>23,615</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 31 JULY 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 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.

#### 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. As at 31 July 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
In respect of the financial year ended 31 July 2024:	
Single tier interim dividend of 2.50 sen per ordinary share declared on 19 June 2024 and paid on 17 July 2024.	8,765
	17,531

**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		12 months ended	
	31.7.2024	31.7.2023	31.7.2024	31.7.2023
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	(337)	(219)	(1,206)	(603)
(b) Other income	-	-	(102)	(41)
(c) Interest expense	868	1,309	3,256	5,108
(d) Interest on lease liabilities	38	52	174	213
(e) Depreciation of property, plant and equipment	7,671	7,500	31,340	29,692
(f) Depreciation of right-of-use assets	318	367	1,297	1,394
(g) Net provision/(write-back) of receivables	34	(61)	(103)	162
(h) Net provision/(write-back) of inventories	707	(7)	(493)	2,074
(i) Gain on disposal of plant and equipment	(66)	(144)	(117)	(255)
(j) Property, plant and equipment written off	3	-	9	30
(k) Net foreign exchange loss/(gain)	2,394	(1,528)	2,247	(817)
(l) Impairment of goodwill	-	22,709	-	22,709

In the current financial quarter and current financial year ended 31 July 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**

A revaluation exercise was carried out during the financial period on land and buildings classified as property, plant and equipment. The revaluation resulted in a property revaluation surplus of approximately RM11,418,000, net of deferred tax, being included in revaluation reserve. The valuations were carried out by a professional independent valuer.

**SCIENTEX PACKAGING (AYER KEROH) BERHAD**

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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 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 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 31.7.2024 RM'000	As at 31.7.2023 RM'000
Approved and contracted for:		
Purchase of plant and machinery	10,936	1,153

**A15 Related party transactions**

The Group's related party transactions in the current financial quarter and current financial year ended 31 July 2024 were as follows:

	3 months ended		12 months ended	
	31.7.2024 RM'000	31.7.2023 RM'000	31.7.2024 RM'000	31.7.2023 RM'000
<b>Other related companies *</b>				
Sale of goods	26	134	2,320	704
Purchase of goods	57,718	41,262	215,659	179,613
Services received	30	30	120	120

\* 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 31 JULY 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 financial year	Preceding financial year	
	31.7.2024 RM'000	31.7.2023 RM'000		31.7.2024 RM'000	31.7.2023 RM'000	
Revenue	181,840	185,319	-1.9%	713,510	774,784	-7.9%
Operating profit/(loss)	10,705	(6,497)	> 100%	47,930	41,907	14.4%
Profit attributable to owners of the Company	6,807	149	> 100%	32,550	35,939	-9.4%

Current quarter review

For the current financial quarter ended 31 July 2024, the Group achieved revenue of RM181.84 million, a slight decrease of 1.9% compared to RM185.32 million recorded in the preceding year corresponding quarter.

The Group's operating profit stood at RM10.71 million compared to an operating loss of RM6.50 million in the preceding year corresponding quarter. The operating loss in the preceding year corresponding quarter was mainly due to the goodwill impairment of RM22.71 million related to its operations in Myanmar. Excluding the impact of the goodwill impairment in the preceding year corresponding quarter, the current quarter's operating profit decreased by 34.0% mainly due to heightened market competition, increase in freight costs and changes in the product mix.

12-month review

For the financial year ended 31 July 2024, the Group's revenue decreased by 7.9% to RM713.51 million, down from RM774.78 million in the preceding financial year. This decline was attributed to reduced demand in both export and domestic markets. Domestic revenue contributed RM381.90 million or 53.5% of group revenue and exports contributed RM331.61 million or 46.5% of group revenue.

Excluding the impact of the goodwill impairment of RM22.71 million in the preceding year, the Group recorded a lower operating profit of RM47.93 million for the current financial year, a decrease of 25.8% compared to the preceding financial year of RM64.62 million. The reduction in operating profit was mainly attributed to the decline in revenue and product mix.

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

	Current quarter	Preceding quarter	Changes %
	31.7.2024 RM'000	30.4.2024 RM'000	
Revenue	181,840	182,851	-0.6%
Profit before tax ("PBT")	9,799	13,494	-27.4%
Profit attributable to owners of the Company	6,807	10,019	-32.1%

For the three months ended 31 July 2024, the Group revenue remained stable at RM181.84 million compared to RM182.85 million in the preceding quarter. A lower PBT was recorded at RM9.80 million, a decline of 27.4% compared to RM13.49 million recorded in the preceding quarter. Product margins in the current quarter were impacted by changes in product mix, heightened market competition and fluctuation of foreign exchange currency.

### B3 Current financial year prospects

The global market outlook continues to remain challenging due to the ongoing political uncertainties, rising inflationary pressures, upsurge of freight cost due to shipping disruption as well as softer market sentiments.

The Group stays focused to maintain its operational efficiencies and competitiveness. The Group manages its operational costs through optimisation of machine utilisation, wastage control and increase workforce productivity.

With consumer lifestyle increasingly leaning towards sustainability, the Group is committed to leveraging its technical expertise and innovative capabilities to develop customer-centric packaging solutions that align with market demand and environmental responsibility.

As part of its effort to reduce carbon footprint through embedment of sustainability into business operation, the Group has kicked off the implementation of solar rooftop photovoltaic (PV) system anticipating a more sustainable energy consumption in near future. The installation is in progress and is targeted to complete by January 2025. With such commitment to renewable energy, the Group is optimistic to contribute to a more sustainable value in aligning with the sustainability goals of its customers both locally and internationally.

The socioeconomic conditions in Myanmar continue to remain challenging with the ongoing political uncertainties. The Group continues to 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 upcoming 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 year 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	
	31.7.2024	31.7.2023	31.7.2024	31.7.2023
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter/year:				
- Income tax	(4,160)	(4,629)	4,214	3,991
- Deferred tax	6,480	4,883	6,528	4,233
In respect of prior year:				
- Income tax	(383)	(64)	(383)	(64)
- Deferred tax	149	304	149	304
	2,086	494	10,508	8,464

**B6 Status of corporate proposals**

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

**B7 Borrowings**

	Short term	
	As at 31.7.2024 RM'000	As at 31.7.2023 RM'000
<b><u>Unsecured:</u></b>		
<b>Denominated in RM</b>		
- Trade financing	49,636	57,594
<b>Total</b>	49,636	57,594

**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 2024, the Board of Directors recommended a single tier final dividend of 5.00 sen per ordinary share (single tier final dividend for financial year 2023 : 2.50 sen per ordinary share). The dividend will be payable on 14 January 2025, 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	
		31.7.2024	31.7.2023	31.7.2024	31.7.2023
(i) Basic earnings per share					
Profit attributable to owners of the Company	RM'000	6,807	149	32,550	35,939
Weighted average number of ordinary shares	'000	350,621	350,621	350,621	350,621
Basic earnings per ordinary share	(sen)	1.94	0.04	9.28	10.25

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

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

18 September 2024