



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 31 October 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 October 2024

	3 MONTHS ENDED	
	Current year quarter 31.10.2024 RM'000	Preceding year corresponding quarter 31.10.2023 RM'000
Revenue	179,286	172,974
Operating profit	5,669	11,600
Interest expense	(996)	(1,023)
Profit before tax	4,673	10,577
Taxation	(1,354)	(2,499)
Profit for the quarter / period	3,319	8,078
Profit attributable to:		
Owners of the Company	2,896	7,706
Non-controlling interests	423	372
Profit for the quarter / period	3,319	8,078
Earnings per share attributable to owners of the Company (sen per share)		
- Basic	0.83	2.20

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)



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The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 October 2024

	3 MONTHS ENDED	
	Current year quarter	Preceding year corresponding quarter
	31.10.2024 RM'000	31.10.2023 RM'000
Profit for the quarter / period	3,319	8,078
Other comprehensive (loss)/income, net of income tax:		
Item that may be reclassified subsequently to profit or loss:		
- Foreign currency translation of foreign operations	(1,877)	1,420
Other comprehensive (loss)/income for the quarter / period, net of income tax	(1,877)	1,420
Total comprehensive income for the quarter / period, net of income tax	1,442	9,498
Total comprehensive income for the quarter / period attributable to:		
Owners of the Company	1,465	8,642
Non-controlling interests	(23)	856
	1,442	9,498

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)



SCIENTEX PACKAGING (AYER KEROH) BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2024

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2024 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	298,819	303,206
Right-of-use assets	1,525	1,736
Deferred tax assets	335	347
Goodwill	42,786	42,786
	343,465	348,075
Current assets		
Inventories	86,425	84,731
Trade and other receivables	139,870	136,999
Tax recoverable	443	1,016
Cash and bank balances	36,590	40,808
	263,328	263,554
TOTAL ASSETS	606,793	611,629
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	221,213	221,213
Reserves	189,901	188,436
Equity attributable to owners of the Company	411,114	409,649
Non-controlling interests	9,708	9,731
Total equity	420,822	419,380
Non-current liabilities		
Lease liabilities	1,250	1,337
Deferred tax liabilities	35,916	36,016
	37,166	37,353
Current liabilities		
Borrowings	41,810	49,636
Lease liabilities	1,787	4,012
Trade and other payables	104,266	100,854
Tax liabilities	942	394
	148,805	154,896
Total liabilities	185,971	192,249
TOTAL EQUITY AND LIABILITIES	606,793	611,629
Net assets per share attributable to owners of the Company (RM)	1.17	1.17

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)



SCIENTEX PACKAGING (AYER KEROH) BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 October 2024

	Share capital RM'000	Treasury shares RM'000	Reserves		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 2024	222,358	(1,145)	18,886	(11,103)	180,653	409,649	9,731	419,380
Profit for the period	-	-	-	-	2,896	2,896	423	3,319
Other comprehensive loss for the period	-	-	-	(1,431)	-	(1,431)	(446)	(1,877)
Total comprehensive (loss)/income for the period	-	-	-	(1,431)	2,896	1,465	(23)	1,442
As at 31 October 2024	222,358	(1,145)	18,886	(12,534)	183,549	411,114	9,708	420,822
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	-	-	-	-	7,706	7,706	372	8,078
Other comprehensive income for the period	-	-	-	936	-	936	484	1,420
Total comprehensive income for the period	-	-	-	936	7,706	8,642	856	9,498
As at 31 October 2023	222,358	(1,145)	7,468	(10,105)	173,340	391,916	9,013	400,929

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)



SCIENTEX PACKAGING (AYER KEROH) BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the three months ended 31 October 2024

	3 MONTHS ENDED 31.10.2024 RM'000	3 MONTHS ENDED 31.10.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,673	10,577
Adjustments	8,381	9,132
Operating profit before working capital changes	<u>13,054</u>	<u>19,709</u>
Movement in working capital:		
(Increase)/decrease in inventories	(2,629)	16,976
(Increase)/decrease in receivables	(3,128)	1,556
Increase/(decrease) in payables	1,001	(7,345)
Cash generated from operations	<u>8,298</u>	<u>30,896</u>
Interest received	385	270
Tax (paid)/refund	(329)	1,061
Net cash from operating activities	<u>8,354</u>	<u>32,227</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	274	14
Purchase of property, plant and equipment	(1,603)	(2,569)
Deposit paid for purchase of property, plant and equipment	(388)	(41)
Net cash used in investing activities	<u>(1,717)</u>	<u>(2,596)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Net repayment of short-term borrowings	(7,826)	(24,546)
Interest paid	(963)	(973)
Interest paid on lease liabilities	(33)	(50)
Repayment of lease liabilities	(256)	(282)
Net cash used in financing activities	<u>(9,078)</u>	<u>(25,851)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,441)	3,780
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	40,808	23,615
Effect of exchange differences	(1,777)	1,217
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>36,590</u>	<u>28,612</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2024)

SCIENTEX PACKAGING (AYER KEROH) BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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 2024 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 2024.

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 2024, except for the adoption of the following amendments to MFRSs that are effective for the financial statements beginning on 1 August 2024, as disclosed below:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 2024 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 31 October 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

There was no dividend paid by the Company in the current financial year-to-date ended 31 October 2024.

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	
	31.10.2024	31.10.2023
	RM'000	RM'000
(a) Interest income	(385)	(270)
(b) Other income	(3)	(21)
(c) Interest expense	963	973
(d) Interest on lease liabilities	33	50
(e) Depreciation of property, plant and equipment	7,653	8,001
(f) Depreciation of right-of-use assets	313	352
(g) Net write-back of receivables	(54)	(50)
(h) Net write-back of inventories	(207)	(520)
(i) Gain on disposal of plant and equipment	(274)	(6)
(j) Property, plant and equipment written off	1	-
(k) Net foreign exchange loss/(gain)	3,899	(687)

In the current financial quarter and current financial year-to-date ended 31 October 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.

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.

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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 31.10.2024 RM'000	As at 31.10.2023 RM'000
Approved and contracted for:		
Purchase of plant and machinery	11,992	3,012

A15 Related party transactions

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

	3 months ended	
	31.10.2024 RM'000	31.10.2023 RM'000
Other related companies *		
Sale of goods	19	239
Purchase of goods	62,404	40,760
Services received	30	30

* 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 OCTOBER 2024**

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

B1 Review of performance

	3 MONTHS ENDED		Changes %
	Current year quarter	Preceding year corresponding quarter	
	31.10.2024 RM'000	31.10.2023 RM'000	
Revenue	179,286	172,974	3.6%
Operating profit	5,669	11,600	-51.1%
Profit attributable to owners of the Company	2,896	7,706	-62.4%

Current quarter review

For the current financial quarter ended 31 October 2024, the Group achieved revenue of RM179.29 million, reflecting an increase of 3.6% compared to RM172.97 million recorded in the preceding year corresponding quarter. The increase was mainly due to higher sales in its export market. Export sales contributed RM86.80 million or 48.4% of the group revenue whilst domestic market contributed the balance RM92.49 million or 51.6% of the group revenue.

Despite the higher revenue, the Group's operating profit dipped 51.1% to RM5.67 million from RM11.60 million in the preceding year corresponding quarter. The decline in operating profit was primarily due to changes in sales mix and fluctuations in foreign exchange rates.

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

	Current quarter	Preceding quarter	Changes %
	31.10.2024 RM'000	31.07.2024 RM'000	
Revenue	179,286	181,840	-1.4%
Profit before tax ("PBT")	4,673	9,799	-52.3%
Profit attributable to owners of the Company	2,896	6,807	-57.5%

For the three months ended 31 October 2024, the Group achieved revenue of RM179.29 million, a slight decrease of 1.4% compared to RM181.84 million recorded in the preceding quarter.

A lower PBT of RM4.67 million was recorded, reflecting a 52.3% decline compared to RM9.80 million recorded in the preceding quarter. PBT margins in the current quarter were impacted by changes in sales mix and higher foreign exchange losses.

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B3 Current financial year prospects

The global market outlook remains challenging, shaped by ongoing political uncertainties, inflationary pressures, and subdued market sentiment.

The Group remains steadfast in managing operational costs and maintaining competitiveness through optimised machine utilisation, waste reduction and enhance workforce productivity.

With sustainability becoming a key priority in consumers' modern lifestyle, the Group leverages its technical expertise and innovation capabilities to deliver customer-centric packaging solutions that meet the evolving market demand while supporting our sustainability goal.

As part of its sustainability effort to reduce carbon footprint in operation, the Group is progressing with the installation of solar rooftop photovoltaic (PV) system. The Group is on track to complete the installation of solar rooftop PV system by January 2025. This initiative will contribute to energy cost reduction and lower Scope 2 emissions, reinforcing our commitment to integrating renewable energy into our operations and to create shared value for its customers both locally and internationally.

The socioeconomic conditions in Myanmar remain challenging due to ongoing political instability. The Group continues to monitor the situation and national policy changes to minimise any adverse impact on operations, while exploring alternative options for its Myanmar operations.

The Group is committed to enhancing its competitiveness and driving 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	
	31.10.2024	31.10.2023
	RM'000	RM'000
In respect of current quarter:		
- Income tax	1,453	1,469
- Deferred tax	(99)	1,030
	<u>1,354</u>	<u>2,499</u>

The effective tax rate for the current financial quarter under review is higher than the statutory income tax rate due to certain non-deductible expenses.

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 31.10.2024 RM'000	As at 31.10.2023 RM'000
<u>Unsecured:</u>		
Denominated in RM		
- Trade financing	41,810	33,048
Total	41,810	33,048

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 has been approved by shareholders at the Annual General Meeting held on 17 December 2024 and is payable on 14 January 2025.

B10 Earnings per share

		3 months ended	
		31.10.2024	31.10.2023
(i)	Basic earnings per share		
	Profit attributable to owners of the Company	RM'000	
		2,896	7,706
	Weighted average number of ordinary shares	'000	
		350,621	350,621
	Basic earnings per ordinary share	(sen)	
		0.83	2.20

- (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

17 December 2024