



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 October 2019
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three months ended 31 October 2019

	3 MONTHS ENDED	
	Current year quarter 31.10.2019 RM'000	Preceding year corresponding quarter 31.10.2018 RM'000
Revenue	877,365	713,639
Operating profit	118,504	75,588
Interest expense	(5,251)	(3,781)
Investing results	2,591	731
Profit before tax	115,844	72,538
Taxation	(28,397)	(17,196)
Profit for the quarter / period	87,447	55,342
Profit attributable to:		
Owners of the Company	80,962	53,666
Non-controlling interests	6,485	1,676
Profit for the quarter / period	87,447	55,342
Earnings per share attributable to owners of the Company (sen per share)	15.71	10.98

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2019)



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(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 October 2019

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 October 2019

	3 MONTHS ENDED	
	Current year quarter 31.10.2019 RM'000	Preceding year corresponding quarter 31.10.2018 RM'000
Profit for the quarter / period	87,447	55,342
Other comprehensive income, net of income tax: Items that may be reclassified subsequently to profit or loss:		
- Foreign currency translation of foreign operations	3,019	5,496
Other comprehensive income for the quarter / period, net of income tax	3,019	5,496
Total comprehensive income for the quarter / period, net of income tax	90,466	60,838
Total comprehensive income for the quarter / period attributable to:		
Owners of the Company	83,637	58,679
Non-controlling interests	6,829	2,159
	90,466	60,838

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2019)



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 October 2019

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2019 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,291,107	1,247,750
Right-of-use assets	6,957	-
Investment properties	17,000	17,000
Land held for property development	746,761	721,419
Investment in jointly controlled entity	24,063	28,029
Investment in associates	55,522	55,605
Other investments	20,170	20,170
Deferred tax assets	25,344	25,344
Intangible assets	342,375	293,703
	2,529,299	2,409,020
Current assets		
Property development costs	352,893	384,759
Inventories	271,752	321,168
Trade and other receivables	764,353	734,890
Cash and bank balances	240,537	257,644
	1,629,535	1,698,461
TOTAL ASSETS	4,158,834	4,107,481
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	685,776	685,776
Reserves	1,622,723	1,539,242
Equity attributable to owners of the Company	2,308,499	2,225,018
Non-controlling interests	180,634	173,935
Total equity	2,489,133	2,398,953
Non-current liabilities		
Borrowings	216,940	269,846
Lease liabilities	5,266	-
Retirement benefits obligations	37,626	36,434
Deferred tax liabilities	77,420	72,525
	337,252	378,805
Current liabilities		
Borrowings	728,550	703,968
Lease liabilities	3,097	-
Trade and other payables	563,266	597,225
Tax liabilities	37,536	28,530
	1,332,449	1,329,723
Total liabilities	1,669,701	1,708,528
TOTAL EQUITY AND LIABILITIES	4,158,834	4,107,481
Net assets per share attributable to owners of the Company (RM)	4.48	4.32

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2019)



SCIENTEX BERHAD

(Company No: 196801000264 [7867-PJ])

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 OCTOBER 2019**

	Reserves					Retained earnings RM'000	Attributable to the equity holders 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 2019, as previously reported	685,776	(1)	54,877	7,668	461	1,476,237	2,225,018	173,935	2,398,953
Effect of adoption of MFRS 16	-	-	-	-	-	(156)	(156)	(130)	(286)
At 1 August 2019, as restated	685,776	(1)	54,877	7,668	461	1,476,081	2,224,862	173,805	2,398,667
Profit for the period	-	-	-	-	-	80,962	80,962	6,485	87,447
Other comprehensive income for the period	-	-	-	2,675	-	-	2,675	344	3,019
Total comprehensive income for the period	-	-	-	2,675	-	80,962	83,637	6,829	90,466
As at 31 October 2019	685,776	(1)	54,877	10,343	461	1,557,043	2,308,499	180,634	2,489,133
As at 1 August 2018	453,850	(1)	55,799	4,905	461	1,245,460	1,760,474	69,973	1,830,447
Profit for the period	-	-	-	-	-	53,666	53,666	1,676	55,342
Other comprehensive income for the period	-	-	-	5,013	-	-	5,013	483	5,496
Total comprehensive income for the period	-	-	-	5,013	-	53,666	58,679	2,159	60,838
As at 31 October 2018	453,850	(1)	55,799	9,918	461	1,299,126	1,819,153	72,132	1,891,285

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2019)

SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the three months ended 31 October 2019

	3 MONTHS ENDED 31.10.2019 RM'000	3 MONTHS ENDED 31.10.2018 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	115,844	72,538
Adjustments	33,324	23,870
Operating profits before working capital changes	<u>149,168</u>	<u>96,408</u>
Movement in working capital:		
Decrease in inventories	60,631	45,145
Decrease/(increase) in development properties	14,972	(16,859)
Increase in receivables	(5,704)	(38,655)
Decrease in payables	(42,001)	(11,857)
Cash generated from operations	<u>177,066</u>	<u>74,182</u>
Taxation paid	(17,211)	(18,882)
Gratuity and retirement benefits paid	(85)	(59)
Net cash from operating activities	<u>159,770</u>	<u>55,241</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash and cash equivalents acquired	(89,931)	-
Purchase of property, plant and equipment	(26,555)	(7,167)
Deposit paid for purchase of property, plant and equipment	(20,222)	(10,955)
Purchase of land held for development	(5,582)	-
Deposit paid for purchase of land held for development	-	(5,446)
Proceeds from disposal of property, plant and equipment	179	3,248
Net dividend received	6,640	-
Interest received	1,278	773
Net cash used in investing activities	<u>(134,193)</u>	<u>(19,547)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Repayment of Sukuk Murabahah	(50,000)	-
Net repayment of term loans	(5,698)	(2,471)
Net drawdown/(repayment) of short term borrowings	21,058	(34,735)
Repayment of lease liabilities	(520)	-
Interest paid	(7,524)	(7,335)
Net cash used in financing activities	<u>(42,684)</u>	<u>(44,541)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,107)	(8,847)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>257,644</u>	<u>172,316</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>240,537</u>	<u>163,469</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	178,185	117,381
Short term deposits	62,352	46,088
	<u>240,537</u>	<u>163,469</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2019)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2019

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 2019 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 2019.

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 2019, except for the adoption of the following new MFRS, amendments to MFRSs and IC Interpretation that are effective for the financial statements effective from 1 August 2019, as disclosed below:

MFRS 16	Leases
Amendments to MFRS 9	Prepayments Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Payments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of these new MFRS, Amendments to MFRSs and IC Interpretation does not have significant impact on the financial statements of the Group, except as disclosed below:

MFRS 16 Leases

MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities, except for short-term leases and leases of low value assets. A lessee is required to recognise a right-of-use (“ROU”) asset representing its rights to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The Standard will affect primarily the accounting for the Group leases previously recognised as operating leases under MFRS 117 Leases.

At the date of initial application, all ROU assets are measured at an amount equal to the lease liabilities measured at present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application. The Group adopted the simplified transition approach and did not restate comparative amounts for the financial year prior to first adoption. ROU assets for property leases will be measured on transition as if the new rules had always been applied.

The Group elects to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying assets are of low value. The Group entered into low value assets leases in respect of equipment.

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A1 Basis of preparation (Cont'd)

MFRS 16 Leases (Cont'd)

The adoption of MFRS 16 has the following impact:

a) To the opening balance as of 1 August 2019

	As previously reported RM'000	Effects on adoption of MFRS 16 RM'000	As restated RM'000
Right-of-use assets	-	7,621	7,621
Lease liabilities	-	8,882	8,882
Accrued expenses	94,215	(975)	93,240
Retained earnings	1,476,237	(156)	1,476,081
Non-controlling interests	173,935	(130)	173,805

b) To the unaudited Consolidated Financial Statements for the financial year ending 31 July 2020:

- (i) On the Consolidated Income Statement, expenses which were previously included under operating leases will be replaced by finance costs -lease liabilities and depreciation of right of use asset;
- (ii) On the Consolidated Cash Flow Statement, operating lease rental outflows, previously recorded within net cashflow from operating activities, are classified as “net cashflow used in financing activities” for repayment of principal of lease liabilities.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2019 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.

A7 Dividends paid

There was no dividend paid by the Company in the current financial year-to-date ended 31 October 2019.

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A8 Segment information

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

3 months ended 31 October 2019

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	655,855	221,510	877,365
Results			
Operating profit	55,450	63,054	118,504
Investing results			2,591
Interest expense			(5,251)
Profit before taxation			115,844

3 months ended 31 October 2018

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	575,793	137,846	713,639
Results			
Operating profit	35,792	39,796	75,588
Investing results			731
Interest expense			(3,781)
Profit before taxation			72,538

A9 Disclosure items

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

	3 months ended	
	31.10.2019 RM'000	31.10.2018 RM'000
(a) Interest income	(1,278)	(773)
(b) Other income	(679)	(593)
(c) Interest expense	5,251	3,781
(d) Depreciation of property, plant and equipment	26,754	21,568
(e) Depreciation of right-of-use assets	665	-
(f) Net write back of receivables	(295)	(129)
(g) Net provision of inventories	1,122	90
(h) (Gain)/Loss on disposal of plant and equipment	(152)	48
(i) Gain on disposal of property	-	(983)
(j) Net foreign exchange loss	1,834	4,355

In the current financial quarter and current financial year-to-date ended 31 October 2019, there were no:

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

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A10 Valuation of property, plant and equipment and investment properties

The valuation of property, plant and equipment and investment properties 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, except for the following:

On 17 December 2019, the Company announced that Amber Land Bhd, a wholly-owned subsidiary of Scientex Quatari Sdn. Bhd. (“SQSB”) which in turn is a wholly-owned subsidiary of the Company had entered into an agreement of sale with Oaksvilla Sdn Bhd for the proposed acquisition of the eighteen (18) lots of 989-year leasehold land on an en bloc basis which held under HS(D) 888 Lot. 3449 to HS(D) 905 Lot. 3466, all situated in Mukim of Kota Tinggi, District of Kota Tinggi, State of Johor measuring in aggregate an approximate area of 85.7 acres for a total purchase consideration of RM39.2 million. The proposed acquisition is expected to be completed in the first half of year 2020.

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 31.10.2019 RM'000	As at 31.10.2018 RM'000
Approved and contracted for:		
Purchase of plant and machinery	49,742	42,857
Balance payment for purchase of land held for development	277,639	61,423
	327,381	104,280

A15 Related party transactions

The Group’s related party transactions in the current financial quarter and current financial year-to-date ended 31 October 2019 were as follows:

	3 months ended 31.10.2019 RM'000	31.10.2018 RM'000
Purchase of goods from associated company	23,581	21,915
Rental income from jointly controlled entity	(232)	(232)

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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 2019

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	
	31.10.2019 RM'000	31.10.2018 RM'000	
Revenue	877,365	713,639	22.9%
Operating profit	118,504	75,588	56.8%
Profit attributable to owners of the Company	80,962	53,666	50.9%

Current quarter review

For the current financial quarter ended 31 October 2019, the Group achieved revenue of RM877.4 million, an increase of 22.9% compared to RM713.6 million recorded in the preceding year corresponding quarter. The increase was mainly due to better sales performance achieved from both the manufacturing and property divisions. In line with the higher sales recorded in the current financial quarter under review, the Group's operating profit was RM118.5 million, an increase of 56.8% compared to RM75.6 million recorded in the preceding year corresponding quarter.

Manufacturing revenue was RM655.9 million, an increase of 13.9% compared to RM575.8 million in the preceding year corresponding quarter. The increase was mainly due to the higher utilisation rate of the manufacturing plants as well as the contribution from the Group's newly acquired converting business. In line with the higher sales recorded in current financial quarter under review, operating profit increased from RM35.8 million to RM55.5 million mainly contributed by sales mix and better product margins as well as the newly acquired converting business.

Property revenue was RM221.5 million, an increase of 60.7% compared to RM137.8 million recorded in the preceding year corresponding quarter. In tandem with the higher sales achieved in current financial year, operating profit increased from RM39.8 million to RM63.1 million accordingly. The better performance in revenue and operating profit were mainly contributed by better sales and steady progress billings from its development projects in Johor, Melaka and Selangor, particularly Taman Pulai Mutiara, Taman Senai Utama, Taman Scientex Rawang and Taman Scientex Durian Tunggal.

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

	Current quarter	Preceding quarter	Changes %
	31.10.2019 RM'000	31.7.2019 RM'000	
Revenue	877,365	938,765	-6.5%
Profit before tax	115,844	176,573	-34.4%
Profit attributable to owners of the Company	80,962	133,402	-39.3%

The Group's revenue for the current financial quarter was RM877.4 million compared to the preceding financial quarter of RM938.8 million. The decrease in revenue was mainly due to lower progress billings recognised for the property division. In line with the lower revenue recognised in current financial quarter, profit before taxation for the current financial quarter was RM115.8 million compared to the preceding financial quarter of RM176.6 million.

B3 Current financial year prospects

Manufacturing

The Group continues to see sustainable demand for its flexible plastic packaging ("FPP") products, including its FPP converting segment with the acquisition of Daibochi Berhad group of companies in April 2019 and Daibochi's recent acquisition of Mega Printing & Packaging Sdn Bhd in August 2019. This will gradually enable the Group to move up the value chain to become an integrated manufacturer of FPP products offering a diverse range of value added products. Moving forward, the Group expects its FPP manufacturing segment to play an increasingly important role as the demand for sustainable packaging continue to rise, which the Group is well positioned to offer.

For its stretch film segment, the Group has seen a growing global trend for the demand of its thinner films and the Group will continue to explore opportunities in this market segment. The Group's move to enter the United States ("US") market enables it to push its global agenda of expansion into the relatively untapped American market. With proximity to the marketplace and abundance of raw materials at its doorstep, the Group remains optimistic that its US based plant will be able to open new markets with its competitively priced products. As part of its overall longer term strategy, the Group is taking steps to enhance its production facilities through process automation in its bid to boost production efficiency and lower production costs without compromising on quality.

Overall, and barring any unforeseen circumstances, the Group expects the coming financial year to be a relatively stable year for its manufacturing division.

Property

Demand for its affordable housing products continues to drive the performance of the Group, reflecting the resilient demand for such affordable homes throughout Peninsular Malaysia where the Group continues to have a presence. The Group will focus on this core strategy of providing more affordable homes in all its projects which are strategically located throughout Peninsular Malaysia. Its Tasek Gelugor and Kundang land purchases are expected to be completed this December 2019 with scheduled launches in the first half of 2020 as part of its affordable housing strategy. The completion of the Tasek Gelugor land acquisition would see for the first time the Group's expansion of its affordable housing footprint to the North, particularly mainland Penang. Accordingly, and barring unforeseen circumstances, the Group expects demand for this housing segment to remain relatively strong for the coming financial year.

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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	
	31.10.2019	31.10.2018
	RM'000	RM'000
In respect of current quarter:		
- Income tax	28,397	17,196

B6 Status of corporate proposals

The 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

On 13 May 2019, the Company announced that Scientex Park (M) Sdn Bhd, a wholly-owned subsidiary of SQSB which in turn is a wholly-owned subsidiary of the Company had entered into two (2) conditional sale and purchase agreements in relation to the proposed acquisition with the following vendors:

- (a) a sale and purchase agreement with Swan Lake City Sdn Bhd for the acquisition of three (3) parcels of freehold land held under GRN 40178 Lot 1758, GRN 49322 Lot 3503 and GRN 49323 Lot 3504, all situated in Mukim Rawang, Daerah Gombak, State of Selangor measuring in aggregate of approximately 607,735.7 square meters for a purchase consideration of RM111.2 million (“SPA 1”); and
- (b) a sale and purchase agreement with Fair City Sdn Bhd for the acquisition of two (2) parcels of freehold land held under GRN 84115 Lot 18886 and GRN 84116 Lot 18887, all situated in Bandar Kundang, Daerah Gombak, State of Selangor measuring in aggregate of 65,893.0 square meters for a purchase consideration of RM12.1 million (“SPA 2”).

The total purchase consideration for the SPA 1 and SPA 2 is RM123.3 million.

(ii) Proposed acquisition of lands in the State of Pulau Pinang

On 10 June 2019, the Company announced that Scientex (Skudai) Sdn Bhd, a wholly-owned subsidiary of SQSB which in turn is a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with Palma Indah Sdn Bhd for the proposed acquisition of the following six (6) parcels of freehold land held under:

- (a) Geran (1st Grade) No. Hakmilik 131904 Lot 5688;
- (b) Geran No. Hakmilik 5762 Lot 535;
- (c) Geran (1st Grade) No. Hakmilik 5764 Lot 568;
- (d) Geran (1st Grade) No. Hakmilik 115348 Lot 3262;
- (e) Geran No. Hakmilik 115349 Lot 3263; and
- (f) Geran Mukim (1st Grade) No. Hakmilik 7 Lot 567,

all situated in Mukim 12, Daerah Seberang Perai Utara, State of Pulau Pinang measuring in aggregate area of approximately 7,827,534.83 square feet for a total purchase consideration of RM109.6 million only.

The conditions precedent of the above proposed acquisitions (i) and (ii) as set out in the SPAs have been fulfilled on 10 October 2019 and 4 October 2019 respectively. The proposed acquisitions are expected to be completed in December 2019.

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B7 Borrowings and debt securities

As at 31 October 2019	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
- Sukuk Murabahah	200,000	-	200,000
- Trade financing	390	2,410	2,800
<u>Unsecured</u>			
Denominated in USD			
- Term loan	12,353	16,564	28,917
- Trade financing	-	363,844	363,844
Denominated in JPY			
- Trade financing	-	297,347	297,347
Denominated in RM			
- Term loan	4,197	2,485	6,682
- Trade financing	-	45,900	45,900
Total	216,940	728,550	945,490

As at 31 October 2018	Long term RM'000	Short term RM'000	Total Borrowings RM'000
<u>Secured</u>			
Denominated in RM			
- Sukuk Murabahah	300,000	-	300,000
Denominated in USD			
- Trade financing	-	5,071	5,071
<u>Unsecured</u>			
Denominated in USD			
- Term loan	22,235	9,882	32,117
- Trade financing	-	382,379	382,379
Denominated in JPY			
- Trade financing	-	180,812	180,812
Denominated in RM			
- Trade financing	-	10,500	10,500
Total	322,235	588,644	910,879

B8 Lease liabilities

The Group has adopted MFRS 16 Leases beginning 1 August 2019. The lease liabilities are supported by the corresponding right-of-use assets of RM6.96 million.

B9 Material litigation

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

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B10 Dividend

In respect of the financial year ended 31 July 2019, the Board of Directors recommended a single tier final dividend of 10 sen per ordinary share (single tier final dividend for financial year 2018 of 10 sen per ordinary share). The dividend has been approved by shareholders at the Annual General Meeting held on 17 December 2019 and is payable on 10 January 2020.

B11 Earnings per share

		3 months ended	
		31.10.2019	31.10.2018
(i) Basic earnings per share			
Profit attributable to equity holders of the Company	(RM'000)	80,962	53,666
Weighted average number of ordinary shares in issue	('000)	515,261	488,926
Basic earnings per share	(sen)	15.71	10.98

(ii) Fully diluted earnings per share

There was no dilution in earnings per share as there were no dilutive potential ordinary shares as at 31 October 2019.

By Order of the Board

Tung Wei Yen (MAICSA 7062671)
Ong Ling Hui (MAICSA 7065599)
Company Secretaries

17 December 2019