



SCIENTEX INCORPORATED BERHAD

(Company No: 7867-P)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2006
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial quarter ended 30 April 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.04.2006 RM'000	30.04.2005 RM'000	30.04.2006 RM'000	30.04.2005 RM'000
Revenue	139,644	135,889	431,579	374,634
Operating profit	11,639	8,779	35,063	27,804
Interest expense	(871)	(872)	(2,590)	(2,702)
Investing results	(112)	548	370	1,273
Profit before tax	10,656	8,455	32,843	26,375
Taxation	(1,840)	(1,047)	(5,740)	(3,627)
Profit after tax	8,816	7,408	27,103	22,748
Minority interest	(2,175)	(2,327)	(7,023)	(6,788)
Net profit for the period	6,641	5,081	20,080	15,960
Earnings per share (sen)				
(i) Basic	10.57	8.21	32.27	25.79
(ii) Diluted	10.37	n/a	31.79	n/a

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)



SCIENTEX INCORPORATED BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 April 2006

	AS AT END OF FINANCIAL QUARTER ENDED 30.04.2006 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2005 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	232,818	200,898
Land held for development	101,356	100,650
Investment in associates	13,731	13,383
Other investments	5,173	5,179
Intangible assets	2,227	2,059
	355,305	322,169
Current assets		
Development properties	24,532	15,003
Inventories	56,711	66,857
Trade and other receivables	112,974	107,375
Cash and cash equivalents	21,627	20,486
	215,844	209,721
Current liabilities		
Trade payables and other payables	85,735	73,729
Borrowings	82,559	81,341
Provision for taxation	2,796	809
Redeemable preference shares	-	802
	171,090	156,681
Net current assets	44,754	53,040
	400,059	375,209
Financed by :		
Share capital	63,140	62,088
Reserves	194,260	181,263
Shareholders' equity	257,400	243,351
Minority interests	97,268	97,794
	354,668	341,145
Non-current liabilities		
Borrowings	20,766	9,411
Other long term liabilities	227	255
Deferred tax liabilities	24,398	24,398
	45,391	34,064
	400,059	375,209
Net assets per share attributable to ordinary equity holders of the parent (RM)	4.09	3.93

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)



SCIENTEX INCORPORATED BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2006**

	Reserves								Retained profits RM'000	Total RM'000
	Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Share buybacks reserves RM'000	Non-distributable			Capital redemption reserves RM'000		
Foreign exchange reserves RM'000					Treasury shares RM'000	Warrant and other reserves RM'000				
At 1 August 2005	62,088	9,092	47,245	387	(375)	(387)	461	12,300	112,540	243,351
Net profit for the period	-	-	-	-	-	-	-	-	20,080	20,080
Dividend	-	-	-	-	-	-	-	-	(8,133)	(8,133)
Redemption of preference shares	-	-	-	-	-	-	-	1,200	(1,200)	-
Currency translation differences, representing net loss not recognised in the income statement	-	-	-	-	(514)	-	-	-	-	(514)
Issue of share capital	1,052	1,567	-	-	-	-	-	-	-	2,619
Purchase of treasury shares	-	-	-	-	-	(3)	-	-	-	(3)
At 30 April 2006	<u>63,140</u>	<u>10,659</u>	<u>47,245</u>	<u>387</u>	<u>(889)</u>	<u>(390)</u>	<u>461</u>	<u>13,500</u>	<u>123,287</u>	<u>257,400</u>
At 1 August 2004	61,994	8,990	61,433	387	(111)	(387)	461	6,750	102,549	242,066
Net profit for the period	-	-	-	-	-	-	-	-	15,960	15,960
Dividend	-	-	-	-	-	-	-	-	(7,578)	(7,578)
Redemption of preference shares	-	-	-	-	-	-	-	3,750	(3,750)	-
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	-	387	-	-	-	-	387
Issued during the financial period pursuant to ESOS	94	102	-	-	-	-	-	-	-	196
At 30 April 2005	<u>62,088</u>	<u>9,092</u>	<u>61,433</u>	<u>387</u>	<u>276</u>	<u>(387)</u>	<u>461</u>	<u>10,500</u>	<u>107,181</u>	<u>251,031</u>

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)



SCIENTEX INCORPORATED BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the financial period ended 30 April 2006

	9 MONTHS ENDED 30.04.2006 RM'000	9 MONTHS ENDED 30.04.2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,843	26,375
Adjustments for :		
Non-cash items	15,301	14,802
Non-operating items	650	527
Operating profit before working capital changes	<u>48,794</u>	<u>41,704</u>
Net changes in working capital	2,145	2,716
Cash generated from operations	<u>50,939</u>	<u>44,420</u>
Interest received	190	197
Interest paid	(2,590)	(2,702)
Taxation paid	<u>(3,167)</u>	<u>(3,262)</u>
Net cash generated from operating activities	<u>45,372</u>	<u>38,653</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	45	56
Repayment of preference shares	(802)	(2,500)
Purchase of other investments	-	(136)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(30)
Purchase of additional shares in existing subsidiaries	(5,551)	(6,965)
Purchase of property, plant and equipment	(47,661)	(26,446)
Proceeds from part disposal of shares in a subsidiary	-	7,094
Proceeds from disposal of other investments	-	1,509
Proceeds from disposal of property, plant and equipment	1,557	348
Net cash used in investing activities	<u>(52,412)</u>	<u>(27,070)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(7,470)	(6,832)
Proceeds from exercise of ESOS and warrants in a subsidiary	-	15,687
Proceeds from issuance of ordinary shares arising from :		
- conversion of warrants	2,619	-
- exercise of ESOS	-	196
Repurchase of Company's share	(3)	-
Drawdown of term loans	16,897	1,520
Repayment of term loans	(6,675)	(15,352)
Net drawdown / (repayment) of short term borrowings	<u>2,710</u>	<u>(11,992)</u>
Net cash generated from / (used in) financing activities	<u>8,078</u>	<u>(16,773)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,038	(5,190)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>19,871</u>	<u>25,689</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>20,909</u>	<u>20,499</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	18,368	18,807
Short term deposits	3,259	2,350
Bank overdrafts	(718)	(658)
	<u>20,909</u>	<u>20,499</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2006

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting and Chapter 9 Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the year ended 31 July 2005.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 July 2005.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2005 was not qualified.

A3 Seasonal or cyclical factors

The business operations of the Group 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 of the previous financial years 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 except for the followings :

(i) Treasury shares

On 27 December 2005, the Company repurchased 1,000 ordinary shares of its issued share capital from the open market for a total cost of RM2,780. The repurchased shares are held as treasury shares. As at 30 April 2006, the number of treasury shares held is 181,000 ordinary shares.

(ii) Conversion of warrants

During the financial period ended 30 April 2006, the Company issued 1,051,800 ordinary shares of RM1 each arising from the conversion of warrants at an issue price of RM2.49 per ordinary share.

A7 Dividends paid

A final dividend of 11% less 28% taxation in respect of the previous financial year ended 31 July 2005 has been declared on 20 December 2005. The total dividend amounted to RM4,970,529 was paid on 28 February 2006.

A first interim dividend of 5% tax exempt in respect of financial year ending 31 July 2006 has been declared on 21 March 2006. The total dividend amounted to RM3,162,655 was paid on 15 May 2006.

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A8 Segment information

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

Current financial quarter ended 30 April 2006

<u>Revenue</u>	RM'000
Manufacturing	111,853
Property development	24,499
Trading	3,301
Investment holdings	1,668
Elimination : Inter-segment revenue	<u>(1,677)</u>
Total revenue	<u>139,644</u>

<u>Results</u>	RM'000
Manufacturing	6,164
Property development	5,254
Trading	114
Investment holdings	205
Elimination	<u>(98)</u>
Profit from operations	<u>11,639</u>

Current year to date ended 30 April 2006

<u>Revenue</u>	RM'000
Manufacturing	347,773
Property development	74,808
Trading	8,993
Investment holdings	5,070
Elimination : Inter-segment revenue	<u>(5,065)</u>
Total revenue	<u>431,579</u>

<u>Results</u>	
Manufacturing	19,121
Property development	14,988
Trading	355
Investment holdings	852
Elimination	<u>(253)</u>
Profit from operations	<u>35,063</u>

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A9 Valuation of property, plant and equipment

The valuation of land and buildings have been brought forward, without amendment from the audited financial statements for the year ended 31 July 2005.

A10 Events subsequent to the end of the reporting period

Subsequent to the end of the current financial quarter, the Company issued 363,900 ordinary shares of RM1 each through the conversion of warrants at an issue price of RM2.49 per ordinary share. As a result, the total number of ordinary shares increased from 63,140,200 to 63,504,100.

Other than the above, there were no material events subsequent to the end of the current financial quarter that have not been reflected in the financial statement for the said period as at the date of this report.

A11 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.

A12 Contingent liabilities

There were no contingent liabilities or assets for the Group as at the end of the current financial quarter under review.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 APRIL 2006

B1 Review of performance

The Group recorded a revenue of RM431.6 million for the nine-month financial period ended 30 April 2006, an increase of 15.2% as compared with the preceding year corresponding financial period's revenue of RM374.6 million. The increase in revenue was mainly attributable to the property division and improvement in sales from the industrial packaging division as a result of increased capacity for stretch film.

Profit before taxation of the Group for the nine-month financial period ended 30 April 2006 was RM32.8 million, an increase of 24.5% over the profit before taxation of RM26.4 million recorded in the preceding year corresponding financial period. The increase in the Group profit before taxation was mainly due to the higher sales achieved by the property division.

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

For the current financial quarter under review, the Group recorded a profit before taxation of RM10.7 million, marginally lower as compared with RM11.2 million recorded in the preceding financial quarter.

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B3 Current financial year prospects

The Group has embarked on the investment of three new extrusion stretch film machinery which will increase the production capacity of the stretch film plant in Pulau Indah by 70%, from 60,000 metric tonnes to 100,000 metric tonnes per annum. The expansion which is expected to further strengthen the Group's involvement in stretch film business and achieve better economies of scale, is targeted for completion by the first quarter of the next financial year. The Group has recently launched and will also be launching more new residential properties and implement more aggressive marketing strategies to increase demand for the properties in Johor.

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's overall performance for the financial year ending 31 July 2006 will be satisfactory.

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 year to date were as follows : -

	3 months ended		9 months ended	
	30.04.2006	30.04.2005	30.04.2006	30.04.2005
	RM'000	RM'000	RM'000	RM'000
In respect of current period :				
- Income tax	1,943	835	5,633	3,323
In respect of prior year :				
- Income tax	(66)	-	51	84
	<u>1,877</u>	<u>835</u>	<u>5,684</u>	<u>3,407</u>
Share of taxation of associates	(37)	212	56	220
	<u>1,840</u>	<u>1,047</u>	<u>5,740</u>	<u>3,627</u>

The Group's effective tax rates for the current financial quarter and current year to date are lower than the statutory income tax rate mainly due to utilisation of tax incentives.

B6 Profits/(loss) on sale of unquoted investments and/or properties

There was no profit or loss on sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current financial quarter under review.

B7 Quoted securities

(a) There were no additions or disposals of quoted securities for the current financial quarter under review.

(b) There were no investments in quoted securities as at the end of the current financial quarter under review.

B8 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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B9 Borrowings and debt securities

The Group's borrowings as at 30 April 2006 were as follows : -

a) Long Term Borrowings	RM'000
Term Loan	
-Secured	728
-Unsecured	20,038
	<u>20,766</u>
b) Short Term Borrowings	
- Secured	
Term loan	885
Other bank borrowings	9,423
	<u>10,308</u>
- Unsecured	
Term loan	6,535
Other bank borrowings	65,716
	<u>72,251</u>
	RM'000
Included in total borrowings are borrowings denominated in foreign currencies	Equivalent
- United States Dollars	50,672
- Japanese Yen	159
	<u>50,831</u>

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11 Material litigation

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

B12 Dividends

A first interim tax exempt dividend of 5% has been declared for the financial year ending 31 July 2006.

B13 Earnings per share

a) Basic earnings per share		3 months ended		9 months ended	
		30.04.2006	30.04.2005	30.04.2006	30.04.2005
Net profit for the period	(RM'000)	6,641	5,081	20,080	15,960
Weighted average number of ordinary shares in issue	('000)	62,788	61,908	62,218	61,884
Basic earnings per share	(sen)	<u>10.57</u>	<u>8.21</u>	<u>32.27</u>	<u>25.79</u>

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B13 Earnings per share (Cont'd)**b) Fully diluted earnings per share**

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue during the financial quarter and current year to date has been adjusted for the effects of dilutive potential ordinary shares due to the conversion of warrants into ordinary shares.

The fully diluted earnings per share is not presented for the preceding year corresponding financial period as any conversion of warrants would result in anti-dilutive situation.

		3 months ended		9 months ended	
		30.04.2006	30.04.2005	30.04.2006	30.04.2005
Net profit for the period	(RM'000)	6,641	5,081	20,080	15,960
Weighted average number of ordinary shares in issue	('000)	62,788	61,908	62,218	61,884
Number of shares that would have been issued due to the conversion of warrants at no consideration	('000)	1,270	-	951	-
Adjusted weighted average number of ordinary shares in issue	('000)	64,058	61,908	63,169	61,884
Diluted earnings per share	(sen)	10.37	n/a	31.79	n/a

By Order of the Board

Lau Wing Hong (MAICSA 7010572)
Company Secretary

29 June 2006