



**SCIENTEX BERHAD**  
 (Formerly known as Scientex Incorporated Berhad)  
 (Company No: 7867-P)  
 (Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 January 2008  
 The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the financial quarter ended 31 January 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding corresponding period
	31.01.2008 RM'000	31.01.2007 RM'000	31.01.2008 RM'000	31.01.2007 RM'000
<b>Revenue</b>	<b>167,489</b>	<b>157,921</b>	<b>323,391</b>	<b>314,377</b>
<b>Operating profit</b>	<b>13,431</b>	<b>13,244</b>	<b>23,119</b>	<b>26,638</b>
Interest expense	(834)	(1,073)	(1,843)	(2,212)
Investing results	406	249	682	376
<b>Profit before tax</b>	<b>13,003</b>	<b>12,420</b>	<b>21,958</b>	<b>24,802</b>
Taxation	(1,603)	630	(2,788)	(1,207)
<b>Profit for the period</b>	<b>11,400</b>	<b>13,050</b>	<b>19,170</b>	<b>23,595</b>
<b>Attributable to:</b>				
Equity holders of the Company	9,323	10,765	15,779	18,969
Minority interest	2,077	2,285	3,391	4,626
<b>Profit for the period</b>	<b>11,400</b>	<b>13,050</b>	<b>19,170</b>	<b>23,595</b>
Earnings per share attributable to equity holders of the Company (sen):				
Basic	4.96	5.45	8.37	9.82
Diluted	4.96	5.45	8.37	9.82

*(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED BALANCE SHEET**  
**As at 31 January 2008**

	<b>AS AT END OF FINANCIAL QUARTER ENDED 31.01.2008 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2007 RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	188,544	195,373
Land held for property development	136,501	112,409
Prepaid land lease payments	34,156	34,411
Investment in associates	15,181	14,499
Other investments	3,358	3,390
Intangible assets	1,918	1,640
	<b>379,658</b>	<b>361,722</b>
<b>Current assets</b>		
Property development costs	36,735	23,432
Inventories	78,042	69,967
Trade and other receivables	113,344	106,258
Cash and bank balances	15,521	29,365
	<b>243,642</b>	<b>229,022</b>
<b>TOTAL ASSETS</b>	<b>623,300</b>	<b>590,744</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	100,000	100,000
Reserves	192,522	184,603
	292,522	284,603
Minority interests	103,334	102,173
<b>Total equity</b>	<b>395,856</b>	<b>386,776</b>
<b>Non-current liabilities</b>		
Borrowings	35,412	14,157
Retirement benefit obligations	191	346
Deferred tax liabilities	20,215	20,215
	<b>55,818</b>	<b>34,718</b>
<b>Current liabilities</b>		
Borrowings	53,854	60,107
Trade and other payables	115,864	107,233
Income tax payable	1,908	1,910
	<b>171,626</b>	<b>169,250</b>
<b>Total liabilities</b>	<b>227,444</b>	<b>203,968</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>623,300</b>	<b>590,744</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.53	1.50

*(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2008**

	Attributable to Equity Holders of the Company											Total equity RM'000
	Reserves									Minority interests RM'000	Total RM'000	
	Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Non-distributable		Reserves		Equity				
Foreign exchange reserve RM'000				Treasury shares RM'000	Warrant and other reserves RM'000	Capital redemption reserve RM'000	compensation reserve RM'000	Distributable				
At 1 August 2007	100,000	2,264	41,003	(1,740)	(16,716)	461	17,244	178	141,908	284,602	102,173	386,775
Profit for the period	-	-	-	-	-	-	-	-	15,779	15,779	3,391	19,170
Acquisition of treasury shares	-	-	-	-	(3,768)	-	-	-	-	(3,768)	-	(3,768)
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	77	-	-	-	-	-	77	29	106
Additional interest in existing subsidiary	-	-	-	-	-	-	-	-	-	-	(737)	(737)
Dividend	-	-	-	-	5,933	-	-	-	(10,101)	(4,168)	(1,522)	(5,690)
At 31 January 2008	100,000	2,264	41,003	(1,663)	(14,551)	461	17,244	178	147,586	292,522	103,334	395,856
At 1 August 2006	63,525	11,232	49,613	(770)	(849)	461	13,500	119	131,247	268,078	99,955	368,033
Profit for the period	-	-	-	-	-	-	-	-	18,969	18,969	4,626	23,595
Issuance of ordinary shares pursuant to warrants	8,394	12,507	-	-	-	-	-	-	-	20,901	-	20,901
Acquisition of treasury shares	-	-	-	-	(22,047)	-	-	-	-	(22,047)	-	(22,047)
Cancellation of treasury shares	(1,919)	(5,545)	-	-	5,545	-	1,919	-	-	-	-	-
Currency translation differences, representing net loss not recognised in the income statement	-	-	-	(727)	-	-	-	-	-	(727)	(320)	(1,047)
Additional interest in existing subsidiary	-	-	-	-	-	-	-	-	-	-	(1,212)	(1,212)
Dividend	-	-	-	-	-	-	-	-	(11,067)	(11,067)	(2,549)	(13,616)
At 31 January 2007	70,000	18,194	49,613	(1,497)	(17,351)	461	15,419	119	139,149	274,107	100,500	374,607

*(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the financial period ended 31 January 2008**

	<b>6 MONTHS ENDED 31.01.2008 RM'000</b>	<b>6 MONTHS ENDED 31.01.2007 RM'000</b>
Net cash generated from operating activities	15,564	12,118
Net cash used in investing activities	(34,953)	(6,936)
Net cash generated from/(used in) financing activities	6,188	(5,739)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(13,201)	(557)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	28,508	24,591
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	15,307	24,034

Cash and cash equivalents in the cash flow statement comprise :

Cash and bank balances	13,491	21,781
Short term deposits	2,030	4,040
Bank overdrafts	(214)	(1,787)
	15,307	24,034

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)*

## SCIENTEX BERHAD

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### **NOTES TO THE INTERIM FINANCIAL REPORT** **FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2008**

#### **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 2007.

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 2007, except for the adoption of the following new/revised FRSs effective for financial period beginning on or after 1 October 2006:

FRS 124: Related Party Disclosures  
Amendment to FRS 107: Cash Flow Statements  
Amendment to FRS 111: Construction Contracts  
Amendment to FRS 118: Revenue  
Amendment to FRS 119: Employee Benefits  
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates  
- Net Investment in a Foreign Operation  
Amendment to FRS 126: Accounting and Reporting by Retirement Benefit Plans  
Amendment to FRS 134: Interim Financial Reporting  
Amendment to FRS 137: Provisions, Contingent Liabilities and Contingent Assets

The above FRS, amendment to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except for the Amendment to FRS 121. However, it is not possible to reasonably estimate the exchange rates applicable to such monetary items for future periods, the directors are therefore unable to determine if the initial adoption of this amendment will have a material impact on the consolidated financial statements for the year ending 31 July 2008.

#### **A2 Comparatives**

Following the bonus issue and share split on 13 April 2007 and in accordance to FRS 133, the following comparative amounts have been restated:

	Previously stated	Restated
<b>Financial period ended 31 January 2007</b>		
Earnings per share attributable to equity holders of the Company (sen):		
- Basic	29.46	9.82
- Diluted	29.46	9.82
<b>Financial quarter ended 31 January 2007</b>		
Earnings per share attributable to equity holders of the Company (sen):		
- Basic	16.35	5.45
- Diluted	16.35	5.45

#### **A3 Audit report**

The Group's preceding annual financial statements for the financial year ended 31 July 2007 was not qualified.

#### **A4 Seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

#### **A5 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.

#### **A6 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.

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**A7 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 following :

During the current financial period ended 31 January 2008, the Company repurchased 2,780,700 ordinary shares of RM0.50 each from the open market for a total cost of RM3.8 million. The repurchased shares were held as treasury shares. On 24 January 2008, a total of 3,754,804 treasury shares were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifty (50) existing ordinary shares of RM0.50 each held. As at 31 January 2008, the number of treasury shares held is 9,236,328 ordinary shares of RM0.50 each.

**A8 Dividends paid**

(a) A first and final dividend of 3 sen per share less 26% taxation in respect of the previous financial year ended 31 July 2007 has been approved by the shareholders at the Annual General Meeting on 18 December 2007. The total dividend amounted to RM4,168,069 was paid on 22 January 2008.

(b) A share dividend distribution was made on 24 January 2008 on the basis of one (1) treasury share for every fifty (50) existing ordinary shares held by entitled shareholders on 9 January 2008. The total number of treasury shares distributed to the shareholders was 3,754,804.

**A9 Segment information**

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

**Current financial quarter ended 31 January 2008**

<u>Revenue</u>	RM'000
Manufacturing	139,617
Property development	21,213
Trading	6,622
Investment holding	1,611
Elimination : Inter-segment revenue	<u>(1,574)</u>
Total revenue	<u>167,489</u>

<u>Results</u>	RM'000
Manufacturing	7,252
Property development	5,240
Trading	349
Investment holding	<u>590</u>
Operating profit	<u>13,431</u>

**Current year to date ended 31 January 2008**

<u>Revenue</u>	RM'000
Manufacturing	266,182
Property development	41,868
Trading	15,307
Investment holdings	3,254
Elimination : Inter-segment revenue	<u>(3,220)</u>
Total revenue	<u>323,391</u>

<u>Results</u>	RM'000
Manufacturing	11,720
Property development	10,039
Trading	536
Investment holdings	<u>824</u>
Profit from operations	<u>23,119</u>

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**A10 Valuation of property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the audited financial statements for the year ended 31 July 2007.

**A11 Events subsequent to the end of the reporting period**

Subsequent to the end of the current financial quarter:

**Treasury Shares**

The Company repurchased 1,657,700 ordinary shares of RM0.50 each from the open market for a total cost of approximately RM2,021,000. The repurchased shares are held as treasury shares. As at the date of this report, the total number of treasury shares held is 10,894,028.

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 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.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA SECURITIES BERHAD**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2008**

**B1 Review of performance**

The Group recorded a revenue of RM323.4 million for the current financial period ended 31 January 2008, a marginal increase as compared with the preceding financial year corresponding period's revenue of RM314.4 million. The increase in revenue was mainly attributable to higher sales contribution from the industrial packaging and polymer division. Nevertheless, profit before taxation for the current financial period ended 31 January 2008 was RM22.0 million as compared to RM24.8 million recorded in the preceding financial year corresponding period.

**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 7.4% increase in revenue from RM155.9 million in the preceding financial quarter to RM167.5 million in the current financial quarter. The increase was attributable to higher sales from the industrial packaging division.

Profit before taxation for the current financial quarter under review achieved an increase of 45.2% to RM13.0 million as compared with RM9.0 million recorded in the preceding financial quarter. The higher profit was in line with higher sales contributed by the industrial packaging division coupled with reduced operating costs.

**B3 Current financial year prospects**

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance for the financial year ending 31 July 2008 is expected to 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.

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**B5 Taxation**

Details of tax expense for the current financial quarter were as follows : -

	3 months ended		6 months ended	
	31.01.2008	31.01.2007	31.01.2008	31.01.2007
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter:				
- Income tax	1,603	1,207	2,788	3,944
- Deferred taxation	-	433	-	(467)
In respect of prior years :				
- Income tax	-	(2,270)	-	(2,270)
	<u>1,603</u>	<u>(630)</u>	<u>2,788</u>	<u>1,207</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory income tax rate mainly due to utilisation of tax incentives by some of the subsidiaries.

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

There was no profit or loss on sale of unquoted investment 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**

On 25 January 2008, OSK Investment Bank on behalf of the Company ("Scientex") announced the following proposals:-

(a) Proposed voluntary take-over offer to acquire all the remaining ordinary shares of RM1.00 each in Scientex Packaging Berhad ("SciPack") ("SciPack Share") which are not already held by Scientex and any new SciPack Shares which may be issued prior to the close of the offer upon the exercise of outstanding ESOS Options at the offer price of RM1.30 per SciPack Share to be satisfied by the issuance of one (1) new ordinary share of RM0.50 each in Scientex ("Scientex Share") at an issue price of RM1.30 per Scientex Share for every one (1) existing SciPack Share held ("Offer").

(b) Proposed change of name from "Scientex Incorporated Berhad" to "Scientex Berhad" ("Proposed Change of Name")

The shareholders of Scientex had on 11 March 2008 at the Extraordinary General Meeting approved the above proposals. Scientex had on 12 March 2008 received approvals from the Securities Commission ("SC") and the Equity Compliance Unit of the SC. The approval from the Ministry of International Trade and Industry and Bursa Malaysia Securities Berhad ("Bursa Securities") are still pending.

On 17 March 2008 ("Closing Date"), Scientex announced that the Closing date for the Offer had been extended to 5.00 p.m. (Malaysia Time) on 2 April 2008.

On 17 March 2008, Scientex also announced that it had achieved 95.65% acceptances of the total issued ordinary shares in SciPack pursuant to the Offer. Scientex does not intend to maintain the listing status of SciPack. On 19 March 2008, Bursa Securities announced that the trading of SciPack's shares will be suspended with effect from 9.00 a.m. (Malaysia Time) Thursday, 27 March 2008 pursuant to Paragraph 8.15(5) of the Listing Requirements.

Subject to the approvals pending from the other relevant authorities above, and upon Scientex receiving acceptances of not less than nine-tenths (9/10) in nominal value of the Offer Shares (other than SciPack Shares already held as at the date of the Offer by Scientex or by a nominee for or a related corporation of Scientex), Scientex intends to invoke Section 34 of the SC Act, 1993 to compulsorily acquire any remaining Offer Shares for which acceptances have not been received, and necessary steps will be taken to delist SciPack from the Official List of Bursa Securities.

Scientex had on 30 January 2008 received the approval from the Companies Commission of Malaysia ("CCM") for the Proposed Change of Name which was effective from 14 March 2008 via the issuance of Certificate of Incorporation on Change of Name of Company by the CCM. The Proposed Change of Name is deemed completed on the even date.



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**B9 Borrowings and debt securities**

The Group's borrowings as at 31 January 2008 were as follows : -

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Secured	195	
-Unsecured	<u>35,217</u>	35,412
(b) Short Term Borrowings		
- Secured		
Term loan	253	
- Unsecured		
Term loan	7,894	
Other bank borrowings	<u>45,707</u>	<u>53,854</u>
		<u>89,266</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		21,726
- Japanese Yen		<u>150</u>
		<u>21,876</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**

The Board of Directors does not recommend any dividends for the current financial quarter under review.

**B13 Earnings per share**

		3 months ended		6 months ended	
		31.01.2008	31.01.2007	31.01.2008	31.01.2007
<b>(a) Basic earnings per share</b>					
Profit attributable to equity holders of the Company	(RM'000)	9,323	10,765	15,779	18,969
Weighted average number of ordinary shares in issue	('000)	187,997	197,574	188,456	193,176
Basic earnings per share	(sen)	<u>4.96</u>	<u>5.45</u>	<u>8.37</u>	<u>9.82</u>

**(b) Fully diluted earnings per share**

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 January 2008.

By Order of the Board

Lau Wing Hong (MAICSA 7010572)  
Company Secretary

25 March 2008