



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 October 2008

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial quarter ended 31 October 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding corresponding period
	31.10.2008 RM'000	31.10.2007 RM'000	31.10.2008 RM'000	31.10.2007 RM'000
Revenue	153,447	155,902	153,447	155,902
Operating profit	9,153	9,688	9,153	9,688
Interest expense	(647)	(1,009)	(647)	(1,009)
Investing results	293	276	293	276
Profit before tax	8,799	8,955	8,799	8,955
Taxation	(954)	(1,185)	(954)	(1,185)
Profit for the period	7,845	7,770	7,845	7,770
Attributable to:				
Equity holders of the Company	7,552	6,456	7,552	6,456
Minority interest	293	1,314	293	1,314
Profit for the period	7,845	7,770	7,845	7,770
Earnings per share attributable to equity holders of the Company (sen):				
Basic	3.51	3.42	3.51	3.42
Diluted	3.51	3.42	3.51	3.42

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2008)



SCIENTEX BERHAD
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CONDENSED CONSOLIDATED BALANCE SHEET
 As at 31 October 2008

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2008 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2008 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	176,390	180,804
Land held for property development	138,292	140,298
Prepaid land lease payments	33,594	33,713
Investment in associates	16,251	15,958
Other investments	781	781
Intangible assets	1,640	1,640
	366,948	373,194
Current assets		
Property development costs	31,817	29,384
Inventories	67,713	77,233
Trade and other receivables	104,105	112,092
Cash and bank balances	26,944	29,469
	230,579	248,178
TOTAL ASSETS	597,527	621,372
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	115,000	115,223
Reserves	238,503	230,728
	353,503	345,951
Minority interests	35,000	34,969
Total equity	388,503	380,920
Non-current liabilities		
Borrowings	30,840	32,152
Retirement benefit obligations	5,535	5,535
Deferred tax liabilities	18,907	18,907
	55,282	56,594
Current liabilities		
Borrowings	41,979	38,622
Retirement benefit obligations	137	249
Trade and other payables	110,987	143,888
Income tax payable	639	1,099
	153,742	183,858
Total liabilities	209,024	240,452
TOTAL EQUITY AND LIABILITIES	597,527	621,372
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.64	1.61

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2008)



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2008**

	Attributable to Equity Holders of the Company											
	Reserves									Total	Minority interests	Total equity
	Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Foreign exchange reserve RM'000	Non-distributable			Distributable				
Treasury shares RM'000					Warrant and other reserves RM'000	Capital redemption reserve RM'000	Equity compensation reserve RM'000	Retained earnings RM'000	RM'000	RM'000		
At 1 August 2008	115,223	21,994	38,103	(1,470)	(21,725)	461	17,244	-	176,121	345,951	34,969	380,920
Profit for the period	-	-	-	-	-	-	-	-	7,552	7,552	293	7,845
Cancellation of treasury shares	(223)	(644)	-	-	644	-	223	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(262)	(262)
At 31 October 2008	115,000	21,350	38,103	(1,470)	(21,081)	461	17,467	-	183,673	353,503	35,000	388,503
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	-	-	-	-	-	-	-	-	6,456	6,456	1,314	7,770
Acquisition of treasury shares	-	-	-	-	(2,414)	-	-	-	-	(2,414)	-	(2,414)
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	167	-	-	-	-	-	167	58	225
Additional interest in existing subsidiary	-	-	-	-	-	-	-	-	-	-	(737)	(737)
At 31 October 2007	100,000	2,264	41,003	(1,573)	(19,130)	461	17,244	178	148,364	288,811	102,808	391,619

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2008)



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the financial period ended 31 October 2008

	3 MONTHS ENDED 31.10.2008 RM'000	3 MONTHS ENDED 31.10.2007 RM'000
Net cash (used in)/generated from operating activities	(3,092)	15,334
Net cash used in investing activities	(1,215)	(33,547)
Net cash generated from financing activities	1,782	14,547
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,525)	(3,666)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	29,319	28,508
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	26,794	24,842

Cash and cash equivalents in the cash flow statement comprise :

Cash and bank balances	16,446	19,557
Short term deposits	10,498	5,983
Bank overdrafts	(150)	(698)
	26,794	24,842

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2008)

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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 2008.

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 2008.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2008 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 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 following:

Treasury shares

During the current financial quarter ended 31 October 2008, the Board of Directors of the Company approved the cancellation of 446,266 treasury shares of RM0.50 each. As at the date of this report, the balance number of treasury shares held is 14,596,062.

A7 Dividends paid

A single tier interim dividend of 6% amounted to RM6,462,118 in respect of the financial year ended 31 July 2008 was paid on 15 August 2008.

A8 Segment information

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

Current financial quarter and current year to date ended 31 October 2008

<u>Revenue</u>	RM'000
Manufacturing	131,117
Property development	<u>22,330</u>
Total revenue	<u>153,447</u>
<u>Results</u>	RM'000
Manufacturing	4,836
Property development	<u>4,317</u>
Profit from operations	<u>9,153</u>

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A9 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 2008.

A10 Events subsequent to the end of the reporting period

On 7 November 2008, the Company announced that it has entered into a Share Transfer Agreement with Mr Kenichi Suzuki and Mr Morio Abe to acquire a total of 80,000 shares representing 20% of the paid-up capital of Tsukasa Chemical Industry Co., Ltd for a cash consideration of Yen1,500 per share. The total purchase consideration was Yen120,000,000 or RM4,548,000. The acquisition was completed upon settlement of the full payment of the purchase consideration on 2 December 2008.

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.

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 FINANCIAL QUARTER ENDED 31 OCTOBER 2008

B1 Review of performance

The Group recorded a revenue of RM153.4 million for the current financial quarter ended 31 October 2008, marginally lower as compared with the preceding financial year corresponding quarter's revenue of RM155.9 million.

Profit before taxation of the Group for the current financial quarter ended 31 October 2008 was RM8.8 million as compared with RM9.0 million recorded in the preceding financial year corresponding quarter.

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 revenue of RM153.4 million, a decrease of 8.4% as compared with RM167.6 million recorded in the preceding financial quarter. The decrease was mainly due to lower sales in the manufacturing division.

Profit before taxation for the current financial quarter under review was RM8.8 million as compared with RM22.4 million recorded in the preceding financial quarter. In the preceding financial quarter, an amount of RM11.8 million was contributed by a net amount of negative goodwill derived from the completion of corporate exercises. Excluding the said amount, the lower profit before taxation was in line with the lower sales achieved.

B3 Current financial year prospects

The current year prospect for the Group is dependent on the on-going global financial crisis which has weakened the world economic growth. The Group takes cognizance of the fact that the slowdown in the world economy will impact the Group as its export markets will be affected.

The Directors are cautious of the Group's performance for the financial year ending 31 July 2009 given the current global slowdown. The global slowdown will impact the Group's businesses in the short term but long term prospects remain intact.

To meet and overcome the tough challenges ahead, the Group will focus its efforts to manage its cash flow position, to further reduce operating costs, to improve production efficiency and to position itself to capitalise on any new and good business opportunities that may arise in the near future in order to sustain the Group's continuous growth.

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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 were as follows :-

	3 months ended	
	31.10.2008	31.10.2007
	RM'000	RM'000
In respect of current quarter :		
- Income tax	954	1,185
	<u> </u>	<u> </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 8 September 2008, the Company announced that Scientex Quatari Sdn Bhd ("Scientex Quatari"), its wholly owned subsidiary, has entered into a Share Sale and Purchase Agreement with Wong Nam Loong ("Vendor") to acquire a total of 10,260,000 ordinary shares of RM1.00 each representing approximately 52.83% of the entire issued and paid-up capital of Rising Heights Development Sdn Bhd ("Rising Heights") for a total cash consideration of RM9,252,468.

On 9 December 2008, the Company announced that the completion date for the payment of the Tranche 1 Shares (as defined in Agreement 1) has been extended to 8 January 2009 pending fulfillment of the conditions precedent by the Vendor under the terms and conditions of the Agreements.

B9 Borrowings and debt securities

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

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Secured	47	
-Unsecured	<u>30,793</u>	30,840
 (b) Short Term Borrowings		
- Secured		
Term loan	185	
- Unsecured		
Term loan	5,562	
Other bank borrowings	<u>36,232</u>	41,979
		<u>72,819</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		27,033
- Japanese Yen		150
		<u>27,183</u>

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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

In respect of the financial year ended 31 July 2008, the Board of Directors recommended a single tier final dividend of 10%. The dividend has been approved by the shareholders at the Annual General Meeting held on 17 December 2008 and is payable on 15 January 2009 to shareholders whose names appeared in the Record of Depositors on 26 December 2008.

B13 Earnings per share

		3 months ended	
		31.10.2008	31.10.2007
(a) Basic earnings per share			
Profit attributable to equity holders of the Company	(RM'000)	7,552	6,456
Weighted average number of ordinary shares in issue	('000)	215,404	188,916
Basic earnings per share	(sen)	<u>3.51</u>	<u>3.42</u>

(b) Fully diluted earnings per share

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

By Order of the Board

Lau Wing Hong (MAICSA 7010572)
Company Secretary

17 December 2008