



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 2009

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial quarter ended 31 January 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding corresponding period
	31.01.2009 RM'000	31.01.2008 RM'000	31.01.2009 RM'000	31.01.2008 RM'000
Revenue	107,786	167,489	261,233	323,391
Operating profit	6,694	13,431	15,847	23,119
Interest expense	(520)	(834)	(1,167)	(1,843)
Investing results	127	406	420	682
Profit before tax	6,301	13,003	15,100	21,958
Taxation	(649)	(1,603)	(1,603)	(2,788)
Profit for the period	5,652	11,400	13,497	19,170
Attributable to:				
Equity holders of the Company	5,544	9,323	13,096	15,779
Minority interest	108	2,077	401	3,391
Profit for the period	5,652	11,400	13,497	19,170
Earnings per share attributable to equity holders of the Company (sen):				
Basic	2.57	4.96	6.08	8.37
Diluted	2.57	4.96	6.08	8.37

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

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CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 January 2009

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.01.2009 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2008 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	173,025	180,804
Land held for property development	136,312	140,298
Prepaid land lease payments	33,715	33,713
Investment in associates	16,378	15,958
Other investments	5,329	781
Intangible assets	1,640	1,640
	366,399	373,194
Current assets		
Property development costs	30,420	29,384
Inventories	51,985	77,233
Trade and other receivables	84,290	112,092
Cash and bank balances	21,940	29,469
	188,635	248,178
TOTAL ASSETS	555,034	621,372
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	115,000	115,223
Reserves	235,274	230,728
	350,274	345,951
Minority interests	35,347	34,969
Total equity	385,621	380,920
Non-current liabilities		
Borrowings	29,528	32,152
Retirement benefit obligations	5,535	5,535
Deferred tax liabilities	18,909	18,907
	53,972	56,594
Current liabilities		
Borrowings	43,601	38,622
Retirement benefit obligations	137	249
Trade and other payables	71,295	143,888
Income tax payable	408	1,099
	115,441	183,858
Total liabilities	169,413	240,452
TOTAL EQUITY AND LIABILITIES	555,034	621,372
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.63	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 JANUARY 2009**

	Attributable to Equity Holders of the Company											
	Reserves									Total RM'000	Minority interests RM'000	Total equity RM'000
	Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Foreign exchange reserve RM'000	Non-distributable		Capital redemption reserve RM'000	Equity:				
Treasury shares RM'000					Warrant and other reserves RM'000	compensation reserve RM'000		Retained earnings 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	-	-	-	-	-	-	-	-	13,096	13,096	401	13,497
Cancellation of treasury shares	(223)	(644)	-	-	644	-	223	-	-	-	-	-
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	1,997	-	-	-	-	-	1,997	240	2,237
Dividends	-	-	-	-	-	-	-	-	(10,770)	(10,770)	(263)	(11,033)
At 31 January 2009	115,000	21,350	38,103	527	(21,081)	461	17,467	-	178,447	350,274	35,347	385,621
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)
Dividends	-	-	-	-	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

(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 January 2009

	6 MONTHS ENDED 31.01.2009 RM'000	6 MONTHS ENDED 31.01.2008 RM'000
Net cash generated from operating activities	8,409	15,564
Net cash used in investing activities	(7,260)	(34,953)
Net cash (used in)/generated from financing activities	(9,248)	6,188
NET CHANGE IN CASH AND CASH EQUIVALENTS	<hr style="width: 100%; border: 0.5px solid black;"/> (8,099)	<hr style="width: 100%; border: 0.5px solid black;"/> (13,201)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	29,319	28,508
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<hr style="width: 100%; border: 0.5px solid black;"/> 21,220	<hr style="width: 100%; border: 0.5px solid black;"/> 15,307

Cash and cash equivalents in the cash flow statement comprise :

Cash and bank balances	19,040	13,491
Short term deposits	2,900	2,030
Bank overdrafts	(720)	(214)
	<hr style="width: 100%; border: 0.5px solid black;"/> 21,220	<hr style="width: 100%; border: 0.5px solid black;"/> 15,307

(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 JANUARY 2009

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 period ended 31 January 2009, the Company repurchased 100 ordinary shares of RM0.50 each from the open market. The repurchased shares were held as treasury shares. As at 31 January 2009, the number of treasury shares held was 14,596,162 ordinary shares of RM0.50 each after cancellation of 446,266 treasury shares of RM0.50 each on 24 September 2008.

A7 Dividends paid

A single tier interim and final dividend of 6% and 10% amounted to RM6,462,118 and RM10,770,197 in respect of the financial year ended 31 July 2008 was paid on 15 August 2008 and 15 January 2009.

A8 Segment information

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

Current financial quarter ended 31 January 2009

<u>Revenue</u>	RM'000
Manufacturing	88,712
Property development	19,074
Total revenue	107,786
 <u>Results</u>	 RM'000
Manufacturing	3,565
Property development	3,129
Profit from operations	6,694

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A8 Segment information (Cont'd)

Current year to date ended 31 January 2009

<u>Revenue</u>	RM'000
Manufacturing	219,830
Property development	41,403
Total revenue	261,233
<u>Results</u>	RM'000
Manufacturing	8,400
Property development	7,447
Profit from operations	15,847

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 16 February 2009, the Company announced that Scientex Resources (Shanghai) Co., Ltd. ("Scientex Resources Shanghai"), a wholly-owned subsidiary of Scientex Packaging Berhad, which in turn is a wholly-owned subsidiary of the Company has been deregistered by The Shanghai Administration of Industry & Commerce of Putuo Branch pursuant to the application for deregistration made by Scientex Resources Shanghai. Scientex Resources Shanghai formally ceased operations on 12 February 2009.

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, except for the following:

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.

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 JANUARY 2009

B1 Review of performance

The Group recorded a revenue of RM261.2 million for the current financial period ended 31 January 2009, a decrease of 19.2% as compared with the preceding financial year corresponding period's revenue of RM323.4 million. The decline in revenue was attributed to lower volume in the manufacturing division. The slowdown experienced by both the automotive industry worldwide and the electronics and electrical industry has affected the demand for its products and hence contributed to the overall decline in the performance of the manufacturing division.

Profit before taxation of the Group for the current financial period ended 31 January 2009 was RM15.1 million as compared with RM22.0 million recorded in the preceding financial year corresponding period. The lower profit before taxation was in line with the lower sales recorded.

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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 RM107.8 million, a decrease of 29.8% as compared with RM153.4 million recorded in the preceding financial quarter. The decrease in revenue was mainly due to lower selling prices and the lower sales volume recorded.

Profit before taxation for the current financial quarter under review was RM6.3 million, a decrease of 28.4% as compared with RM8.8 million recorded in the preceding financial quarter. The lower profit before taxation was in line with the lower sales achieved.

B3 Current financial year prospect

The current year prospect for the Group is dependent on the severity of the on-going global financial crisis which has adversely affected and severely weakened the world economic growth. The Group takes cognizance of the fact that the downturn 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 downturn. With pro-active measures being taken and implemented by the Group, the Directors look forward to see better performance by the Group in the second half of financial year 2009.

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.

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		6 months ended	
	31.01.2009	31.01.2008	31.01.2009	31.01.2008
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	649	1,603	1,603	2,788

The Group's effective tax rate for the current financial quarter and current year to date 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.

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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 two Share Sale and Purchase Agreements 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 Tranche 1 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. Pursuant to the Second Extension of Time (as defined in the Bursa announcement dated 8 January 2009), Scientex Quatari has agreed to extend the completion date for the Tranche 1 Payment for the Tranche 1 Shares to 8 April 2009 or 7 days upon fulfilment of the conditions precedent by 8 April 2009, whichever is later. The completion date for Tranche 2 Payment for the Tranche 2 Shares (as defined in Agreement 1) as well as the completion date under Agreement 2 has been mutually extended to 8 October 2009. Save for the above, there are no changes made to the Agreements.

B9 Borrowings and debt securities

The Group's borrowings as at 31 January 2009 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Unsecured	29,528	29,528
(b) Short Term Borrowings		
- Secured		
Term loan	197	
- Unsecured		
Term loan	5,062	
Other bank borrowings	38,342	43,601
		73,129
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		35,928
- Japanese Yen		720
		36,648

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 dividend for the current financial quarter under review.

B13 Earnings per share

(a) Basic earnings per share		3 months ended		6 months ended	
		31.01.2009	31.01.2008	31.01.2009	31.01.2008
Profit attributable to equity holders of the Company	(RM'000)	5,544	9,323	13,096	15,779
Weighted average number of ordinary shares in issue	('000)	215,404	187,997	215,404	188,456
Basic earnings per share	(sen)	2.57	4.96	6.08	8.37

(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 January 2009.

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By Order of the Board

Lau Wing Hong (MAICSA 7010572)

Company Secretary

18 March 2009