



**SCIENTEX BERHAD**  
(Company No: 7867-P)  
(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 January 2010  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the financial quarter ended 31 January 2010**

|   | INDIVIDUAL QUARTER                          |   | CUMULATIVE QUARTER                          |   |
|---|---|---|---|---|
|   | Current year quarter<br>31.1.2010<br>RM'000 | Preceding year corresponding quarter<br>31.1.2009<br>RM'000 | Current year to date<br>31.1.2010<br>RM'000 | Preceding corresponding period<br>31.1.2009<br>RM'000 |
| <b>Revenue</b>  | <b>158,714</b>                              | <b>107,786</b>  | <b>323,628</b>                              | <b>261,233</b>  |
| <b>Operating profit</b>   | <b>14,879</b>                               | <b>6,694</b>  | <b>28,833</b>                               | <b>15,847</b>   |
| Interest expense  | (205)                                       | (520)   | (304)                                       | (1,167)   |
| Investing results   | 390   | 127   | 1,225                                       | 420   |
| <b>Profit before tax</b>  | <b>15,064</b>                               | <b>6,301</b>  | <b>29,754</b>                               | <b>15,100</b>   |
| Taxation  | (1,601)                                     | (649)   | (3,076)                                     | (1,603)   |
| <b>Profit for the period</b>  | <b>13,463</b>                               | <b>5,652</b>  | <b>26,678</b>                               | <b>13,497</b>   |
| <b>Attributable to:</b>   |   |   |   |   |
| Equity holders of the Company   | 12,938                                      | 5,544   | 25,666                                      | 13,096  |
| Minority interest   | 525   | 108   | 1,012                                       | 401   |
| <b>Profit for the period</b>  | <b>13,463</b>                               | <b>5,652</b>  | <b>26,678</b>                               | <b>13,497</b>   |
| Earnings per share attributable to equity holders of the Company (sen): |   |   |   |   |
| Basic   | 6.01  | 2.57  | 11.92                                       | 6.08  |
| Diluted   | 6.01  | 2.57  | 11.92                                       | 6.08  |

*(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2009)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED BALANCE SHEET**  
As at 31 January 2010

|  | <b>AS AT<br/>CURRENT<br/>FINANCIAL<br/>QUARTER ENDED<br/>31.1.2010<br/>RM'000</b> | <b>AS AT<br/>PRECEDING<br/>FINANCIAL<br/>YEAR ENDED<br/>31.07.2009<br/>RM'000</b> |
|--|---|---|
|  | <b>(Unaudited)</b>  | <b>(Audited)</b>  |
| <b>ASSETS</b>  |   |   |
| <b>Non-current assets</b>  |   |   |
| Property, plant and equipment  | 166,532   | 169,818   |
| Land held for property development   | 220,897   | 170,512   |
| Prepaid land lease payments  | 33,217  | 33,580  |
| Investment in associates   | 8,139   | 6,915   |
| Other investments  | 5,217   | 5,329   |
| Intangible assets  | 16,718  | -   |
|  | <b>450,720</b>  | <b>386,154</b>  |
| <b>Current assets</b>  |   |   |
| Property development costs   | 37,314  | 38,664  |
| Inventories  | 51,203  | 61,682  |
| Trade and other receivables  | 92,187  | 82,492  |
| Cash and bank balances   | 37,721  | 15,619  |
|  | <b>218,425</b>  | <b>198,457</b>  |
| <b>TOTAL ASSETS</b>  | <b>669,145</b>  | <b>584,611</b>  |
| <b>EQUITY AND LIABILITIES</b>  |   |   |
| <b>Equity attributable to equity holders of the Company</b>                      |   |   |
| Share capital  | 115,000   | 115,000   |
| Reserves   | 284,990   | 260,094   |
|  | <b>399,990</b>  | <b>375,094</b>  |
| Minority interests   | 36,967  | 36,136  |
| <b>Total equity</b>  | <b>436,957</b>  | <b>411,230</b>  |
| <b>Non-current liabilities</b>   |   |   |
| Borrowings   | 32,682  | 22,163  |
| Retirement benefit obligations   | 5,939   | 5,968   |
| Deferred tax liabilities   | 16,985  | 17,723  |
|  | <b>55,606</b>   | <b>45,854</b>   |
| <b>Current liabilities</b>   |   |   |
| Borrowings   | 50,582  | 14,451  |
| Retirement benefit obligations   | 109   | 255   |
| Trade and other payables   | 123,408   | 111,416   |
| Income tax payable   | 2,483   | 1,405   |
|  | <b>176,582</b>  | <b>127,527</b>  |
| <b>Total liabilities</b>   | <b>232,188</b>  | <b>173,381</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>669,145</b>  | <b>584,611</b>  |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 1.86  | 1.74  |

*(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2009)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2010**

|  | Attributable to Equity Holders of the Company |                         |  |                                    |                           |                                      |                                      |                             |                 |                              |                        |
|--|---|-------------------------|--|------------------------------------|---------------------------|--------------------------------------|--------------------------------------|-----------------------------|-----------------|------------------------------|------------------------|
|  | Non-distributable                             |                         |  |                                    |                           |                                      |                                      | Distributable               |                 |                              | Total equity<br>RM'000 |
|  | Issued capital<br>RM'000                      | Share premium<br>RM'000 | Property revaluation surplus<br>RM'000 | Foreign exchange reserve<br>RM'000 | Treasury shares<br>RM'000 | Warrant and other reserves<br>RM'000 | Capital redemption reserve<br>RM'000 | Retained earnings<br>RM'000 | Total<br>RM'000 | Minority interests<br>RM'000 |                        |
| At 1 August 2009   | 115,000                                       | 21,350                  | 35,878                                 | 984                                | (21,081)                  | 461                                  | 17,467                               | 205,035                     | 375,094         | 36,136                       |                        |
| Profit for the period  | -   | -                       | -                                      | -                                  | -                         | -                                    | -                                    | 25,666                      | 25,666          | 1,012                        | 26,678                 |
| Currency translation differences, representing net loss not recognised in the income statement | -   | -                       | -                                      | (770)                              | -                         | -                                    | -                                    | -                           | (770)           | (91)                         | (861)                  |
| Additional interest in existing subsidiary   | -   | -                       | -                                      | -                                  | -                         | -                                    | -                                    | -                           | -               | (90)                         | (90)                   |
| At 31 January 2010   | 115,000                                       | 21,350                  | 35,878                                 | 214                                | (21,081)                  | 461                                  | 17,467                               | 230,701                     | 399,990         | 36,967                       | 436,957                |
| 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                |

*(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2009)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the financial period ended 31 January 2010**

|   | <b>6 MONTHS<br/>ENDED<br/>31.1.2010<br/>RM'000</b> | <b>6 MONTHS<br/>ENDED<br/>31.1.2009<br/>RM'000</b> |
|---|--|--|
| Net cash generated from operating activities                | 47,075   | 8,409  |
| Net cash used in investing activities                       | (71,559)   | (7,260)  |
| Net cash generated from/(used in) financing activities      | 46,586   | (9,248)  |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>              | <u>22,102</u>                                      | <u>(8,099)</u>                                     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b> | 15,439   | 29,319   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>       | <u><b>37,541</b></u>                               | <u><b>21,220</b></u>                               |

Cash and cash equivalents in the cash flow statement comprise :

|                        |               |               |
|------------------------|---------------|---------------|
| Cash and bank balances | 27,653        | 19,040        |
| Short term deposits    | 10,068        | 2,900         |
| Bank overdrafts        | (180)         | (720)         |
|                        | <u>37,541</u> | <u>21,220</u> |

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2009)*

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**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2010**

**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 2009.

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 2009.

The Group and the Company have not adopted the following FRSs and Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective and have not been applied by the Group and the Company:

| <b>FRSs, Amendments to FRSs and Interpretations</b> | <b>Effective for financial periods beginning on or after</b>   |
|---|--|
| FRS 4   | Insurance Contracts  |
| FRS 7   | Financial Instruments: Disclosures   |
| FRS 101   | Presentation of Financial Statements (revised)   |
| FRS 123   | Borrowing Costs (revised)  |
| FRS 139   | Financial Instruments: Recognition and Measurement   |
| Amendments to FRS 1                                 | First-time Adoption of Financial Reporting Standards   |
| Amendments to FRS 2                                 | Vesting Conditions and Cancellations   |
| Amendments to FRS 7                                 | Financial Instruments: Disclosures   |
| Amendments to FRS 127                               | Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| Amendments to FRS 132                               | Financial Instruments: Presentation  |
| Amendments to FRS 139                               | Financial Instruments: Recognition and Measurement   |
| Amendments to IC Interpretation 9                   | Reassessment of Embedded Derivatives   |
| IC Interpretation 9                                 | Reassessment of Embedded Derivatives   |
| IC Interpretation 10                                | Interim financial reporting and impairment   |
| IC Interpretation 11                                | FRS 2 – Group Treasury Share Transactions  |
| IC Interpretation 13                                | Customer Loyalty Programmes  |
| IC Interpretation 14                                | FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction                             |

MASB also issued "Improvements to FRSs (2009)" which contain Amendments to twenty two FRSs and is effective for financial periods beginning on or after 1 January 2010.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7, FRS 139 and Amendments to FRS 139, FRS 7 and IC Interpretation 9.

The other new FRSs, revised FRS, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 8, FRS101, FRS117 and FRS136.

**A2 Audit report**

The Group's preceding annual financial statements for the financial year ended 31 July 2009 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.

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**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 2010, 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 2010, the number of treasury shares held was 14,596,362 ordinary shares of RM0.50 each.

**A7 Dividends paid**

No dividend has been paid in the current financial quarter under review.

**A8 Segment information**

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

**Current financial quarter ended 31 January 2010**

|                      |                |
|----------------------|----------------|
| <u>Revenue</u>       | RM'000         |
| Manufacturing        | 127,106        |
| Property development | <u>31,608</u>  |
| Total revenue        | <u>158,714</u> |

|                        |               |
|------------------------|---------------|
| <u>Results</u>         | RM'000        |
| Manufacturing          | 8,373         |
| Property development   | <u>6,506</u>  |
| Profit from operations | <u>14,879</u> |

**Current year to date ended 31 January 2010**

|                      |                |
|----------------------|----------------|
| <u>Revenue</u>       | RM'000         |
| Manufacturing        | 263,506        |
| Property development | <u>60,122</u>  |
| Total revenue        | <u>323,628</u> |

|                        |               |
|------------------------|---------------|
| <u>Results</u>         | RM'000        |
| Manufacturing          | 16,109        |
| Property development   | <u>12,724</u> |
| Profit from operations | <u>28,833</u> |

**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 2009.

**A10 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.

**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 19 October 2009, the Company announced that Scientex Quatari Sdn Bhd ("Scientex Quatari"), its wholly-owned subsidiary, has entered into a Share Sale Agreement to acquire 100% equity interest in Johline Realty Sdn Bhd ("Johline") for a total cash consideration of RM65,313,864. As all the conditions in the Agreement have been fulfilled and the transaction has been completed on 15 January 2010, Scientex (Skudai) Sdn Bhd (formerly known as Johline Realty Sdn Bhd) has become a wholly-owned subsidiary of Scientex Quatari.

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**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 2010**

**B1 Review of performance**

The Group recorded a revenue of RM158.7 million for the current financial quarter ended 31 January 2010, an increase of 47.3% as compared to RM107.8 million recorded in the preceding financial year corresponding quarter. Revenue of the Group for the current financial period increased by 23.9% from RM261.2 million to RM323.6 million as compared to the preceding financial year corresponding period. The higher revenue achieved was contributed by both manufacturing and property divisions.

Profit before taxation of the Group for the current financial quarter ended 31 January 2010 was RM15.1 million, an increase of 139.1% as compared to RM6.3 million recorded in the preceding financial year corresponding quarter. The Group achieved a profit before taxation of RM29.8 million in the current financial period as compared to RM15.1 million recorded in the preceding financial year corresponding period, representing an increase of 97.0%. The higher profit before taxation was due to higher revenue and profit margin achieved by both manufacturing and property divisions.

**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 RM158.7 million, marginally lower as compared to RM164.9 million recorded in the preceding financial quarter.

Profit before taxation for the current financial quarter under review was RM15.1 million, marginally higher as compared to RM14.7 million recorded in the preceding financial quarter.

**B3 Current financial year prospects**

Whilst taking cognizance of the global uncertainties, the Group continues on its expansionary mode to increase capacity for its industrial packaging products to meet the growing demand from its key markets for such products which were relatively unscathed by the ongoing global uncertainties. With the increase in capacity, the resultant lower production costs has enabled the Group to adopt a more aggressive pricing strategy in penetrating and opening up new markets or to expand its market share in existing markets for its products for the current year in order to boost revenues.

On the domestic Malaysian economy, there has been fledging signs of economic recovery and the Board expects that business sentiments and confidence will gradually return to normalcy by 2010 and thereafter. With the initiatives announced in Budget 2010 which are designed and intended to spur the development and growth in the Iskandar Malaysia region where the Group has recently acquired a sizeable landbank to tap on the growing demand of affordable housing to cater for the influx of knowledge and skilled workers within Iskandar Malaysia as well as Singapore, the Group is taking steps to launch its products by the 2nd half of the year.

Barring any unforeseen circumstances, the Board is of the view that with the on-going capacity and landbank expansion and the prudent management of the Group's cash flow position, the Group's performance for the financial year ending 31 July 2010 would reflect the efforts put into place by the Management to address the on-going market volatility whilst charting the Group's expansion plans for the current year.

**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 |           |
|---------------------------------|----------------|-----------|----------------|-----------|
|                                 | 31.1.2010      | 31.1.2009 | 31.1.2010      | 31.1.2009 |
|                                 | RM'000         | RM'000    | RM'000         | RM'000    |
| In respect of current quarter : |                |           |                |           |
| - Income tax                    | 1,601          | 649       | 3,076          | 1,603     |

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.

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**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**

There were no material corporate proposals announced and not completed as at the date of this report.

**B9 Borrowings and debt securities**

The Group's borrowings as at 31 January 2010 were as follows :-

|   |        |            |
|---|--------|------------|
| (a) Long Term Borrowings  | RM'000 | RM'000     |
| Term Loan   |        |            |
| -Secured  | 590    |            |
| -Unsecured  | 32,092 | 32,682     |
|   |        |            |
| (b) Short Term Borrowings   |        |            |
| - Secured   |        |            |
| Term loan   | 235    |            |
| - Unsecured   |        |            |
| Term loan   | 13,806 |            |
| Other bank borrowings   | 36,541 | 50,582     |
|   |        | 83,264     |
|   |        |            |
| Included in total borrowings are borrowings denominated in foreign currencies |        | RM'000     |
| - United States Dollars   |        | Equivalent |
| - Japanese Yen  |        | 28,336     |
|   |        | 180        |
|   |        | 28,516     |

**B10 Off balance sheet financial instruments**

As at 25 March 2010, the Group has entered into foreign currency forward contracts to hedge its exposure in US Dollar.

| Foreign Currency | Notional Amount<br>( '000) | Exchange<br>Rate | Equivalent in<br>RM'000 | Maturity<br>Date |
|------------------|----------------------------|------------------|-------------------------|------------------|
| USD              | 11,000                     | 3.51             | 38,597                  | Mar'10 - Jul'11  |

The contracted rates will be used to convert the foreign currency amounts into Ringgit Malaysia.

Financial instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes.

The accounting policy adopted is to recognise exchange gains and losses relating to these foreign currency forward contracts in the income statement in the same period as the underlying hedged item.

Other than as disclosed above, there were no other off balance sheet financial instrument 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 2009, the Board of Directors recommended a single tier first and final dividend of 10%. The dividend was approved by the shareholders at the Annual General Meeting held on 16 December 2009 and was paid on 5 February 2010 to entitled shareholders.



**SCIENTEX BERHAD**  
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**B13 Earnings per share**

| <b>(a) Basic earnings per share</b>                           | 3 months ended |             | 6 months ended |             |
|---|----------------|-------------|----------------|-------------|
|   | 31.1.2010      | 31.1.2009   | 31.1.2010      | 31.1.2009   |
| Profit attributable to equity holders of the Company (RM'000) | 12,938         | 5,544       | 25,666         | 13,096      |
| Weighted average number of ordinary shares in issue ('000)    | 215,404        | 215,404     | 215,404        | 215,404     |
| Basic earnings per share (sen)                                | <u>6.01</u>    | <u>2.57</u> | <u>11.92</u>   | <u>6.08</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 January 2010.

By Order of the Board

Lau Wing Hong (MAICSA 7010572)  
 Company Secretary

25 March 2010