



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 July 2010

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial quarter ended 31 July 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year
	31.7.2010 RM'000	31.7.2009 RM'000	31.7.2010 RM'000	(Audited) 31.7.2009 RM'000
Revenue	191,686	134,756	694,816	509,731
Operating profit	21,846	15,588	70,047	42,490
Interest expense	(460)	(424)	(1,260)	(1,904)
Investing results	324	649	1,967	1,465
Profit before tax	21,710	15,813	70,754	42,051
Taxation	(3,491)	(992)	(8,613)	(3,475)
Profit for the period / year	18,219	14,821	62,141	38,576
Attributable to:				
Equity holders of the Company	17,829	14,374	60,318	37,458
Minority interest	390	447	1,823	1,118
Profit for the period / year	18,219	14,821	62,141	38,576
Earnings per share attributable to equity holders of the Company (sen)	8.28	6.67	28.00	17.41

(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 July 2010

	AS AT END OF FINANCIAL YEAR ENDED 31.7.2010 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2009 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	170,906	169,818
Land held for property development	194,385	170,512
Prepaid land lease payments	34,177	33,580
Investment in associates	8,882	6,915
Other investments	5,037	5,329
Intangible assets	16,718	-
	430,105	386,154
Current assets		
Property development costs	54,404	38,664
Inventories	63,375	61,682
Trade and other receivables	98,254	82,492
Cash and bank balances	23,353	15,619
	239,386	198,457
TOTAL ASSETS	669,491	584,611
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	115,000	115,000
Reserves	305,812	260,094
	420,812	375,094
Minority interests	36,449	36,136
Total equity	457,261	411,230
Non-current liabilities		
Borrowings	26,169	22,163
Retirement benefit obligations	6,314	5,968
Deferred tax liabilities	15,066	17,723
	47,549	45,854
Current liabilities		
Borrowings	42,019	14,451
Retirement benefit obligations	659	255
Trade and other payables	118,720	111,416
Income tax payable	3,283	1,405
	164,681	127,527
Total liabilities	212,230	173,381
TOTAL EQUITY AND LIABILITIES	669,491	584,611
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.95	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 YEAR ENDED 31 JULY 2010**

	Attributable to Equity Holders of the Company										
	Non-distributable							Distributable			Total equity RM'000
	Reserves							Total RM'000	Minority interests RM'000		
Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Foreign exchange reserve RM'000	Treasury shares RM'000	Warrant and other reserves RM'000	Capital redemption reserve RM'000	Retained earnings RM'000				
At 1 August 2009	115,000	21,350	35,878	984	(21,081)	461	17,467	205,035	375,094	36,136	411,230
Profit for the year	-	-	-	-	-	-	-	60,318	60,318	1,823	62,141
Currency translation differences, representing net loss not recognised in the income statement	-	-	-	(2,356)	-	-	-	-	(2,356)	(438)	(2,794)
Additional interest in existing subsidiary	-	-	-	-	-	-	-	-	-	(744)	(744)
Impairment of land and building	-	-	(1,374)	-	-	-	-	-	(1,374)	(65)	(1,439)
Realisation of revaluation reserves	-	-	(2,890)	-	-	-	-	2,890	-	-	-
Shortfall of Section 108 for dividend paid	-	-	-	-	-	-	-	(100)	(100)	-	(100)
Dividends	-	-	-	-	-	-	-	(10,770)	(10,770)	(263)	(11,033)
At 31 July 2010	115,000	21,350	31,614	(1,372)	(21,081)	461	17,467	257,373	420,812	36,449	457,261
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 year	-	-	-	-	-	-	-	37,458	37,458	1,118	38,576
Cancellation of treasury shares	(223)	(644)	-	-	644	-	223	-	-	-	-
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	2,455	-	-	-	-	2,455	356	2,811
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	-	-	(44)	(44)
Realisation of revaluation reserves	-	-	(2,226)	-	-	-	-	2,226	-	-	-
Dividends	-	-	-	-	-	-	-	(10,770)	(10,770)	(263)	(11,033)
At 31 July 2009	115,000	21,350	35,877	985	(21,081)	461	17,467	205,035	375,094	36,136	411,230

(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 year ended 31 July 2010

	12 MONTHS ENDED 31.7.2010 RM'000	12 MONTHS ENDED 31.7.2009 RM'000 (Audited)
Net cash generated from operating activities	76,832	71,955
Net cash used in investing activities	(90,566)	(26,218)
Net cash generated from/(used in) financing activities	21,468	(59,617)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>7,734</u>	<u>(13,880)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>15,439</u>	<u>29,319</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>23,173</u>	<u>15,439</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	21,092	12,549
Short term deposits	2,261	3,070
Bank overdrafts	(180)	(180)
	<u>23,173</u>	<u>15,439</u>

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

SCIENTEX BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 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:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
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 year ended 31 July 2010, the Company repurchased 200 ordinary shares of RM0.50 each from the open market. The repurchased shares were held as treasury shares. As at 31 July 2010, the number of treasury shares held was 14,596,462 ordinary shares of RM0.50 each.

A7 Dividends paid

A single tier first and final dividend of 10% and a single tier interim dividend of 6% amounted to RM10,770,182 and RM6,462,106 in respect of the financial year ended 31 July 2009 and 31 July 2010 was paid on 5 February 2010 and 10 August 2010 respectively.

A8 Segment information

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

Current financial quarter ended 31 July 2010

<u>Revenue</u>	RM'000
Manufacturing	139,973
Property development	<u>51,713</u>
Total revenue	<u>191,686</u>

<u>Results</u>	RM'000
Manufacturing	10,965
Property development	<u>10,881</u>
Profit from operations	<u>21,846</u>

Current year to date ended 31 July 2010

<u>Revenue</u>	RM'000
Manufacturing	545,020
Property development	<u>149,796</u>
Total revenue	<u>694,816</u>

<u>Results</u>	RM'000
Manufacturing	37,043
Property development	<u>33,004</u>
Profit from operations	<u>70,047</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.

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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 :-

The Companies Commission of Malaysia ("CCM") has issued notices for the following dormant subsidiaries to be struck off from the register under Section 308 of the Companies Act, 1965, upon expiration of the 3 months from the date of the CCM's notices, unless cause is shown to the contrary:-

Name of subsidiaries	Date of CCM's Notices
Scientex Chemical Sdn Bhd	2 August 2010
Scientex Trading Sdn Bhd	16 July 2010
Scientex Enterprise Sdn Bhd	15 July 2010
Scientex Property Sdn Bhd	15 July 2010
Yamatex (Malaysia) Sdn Bhd	21 June 2010
Scientex Auto Industries Sdn Bhd	6 May 2010
Scientex Development (Pasir Gudang) Sdn Bhd	6 May 2010

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 JULY 2010

B1 Review of performance

The Group recorded a revenue of RM191.7 million for the current financial quarter ended 31 July 2010, an increase of 42.2% as compared to RM134.8 million recorded in the preceding financial year corresponding quarter. Revenue of the Group for the current financial year increased by 36.3% from RM509.7 million to RM694.8 million as compared to the preceding financial year. The higher revenue achieved was contributed by both manufacturing and property divisions with increased sales volume.

Profit before taxation of the Group for the current financial quarter ended 31 July 2010 was RM21.7 million, an increase of 37.3% as compared to RM15.8 million recorded in the preceding financial year corresponding quarter. The Group achieved a profit before taxation of RM70.8 million in the current financial year as compared to RM42.1 million recorded in the preceding financial year, representing an increase of 68.3%. 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 RM191.7 million, marginally higher as compared to RM179.5 million recorded in the preceding financial quarter.

Profit before taxation for the current financial quarter under review was RM21.7 million, an increase of 12.5% as compared to RM19.3 million recorded in the preceding financial quarter in line with the higher sales and better margin achieved.

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B3 Current financial year prospects

The Group achieved increased revenue of 36.3% for the current financial year. The increase in turnover with a corresponding 68.3 % increase in profit before tax reflects positively on the expansion efforts undertaken by the Group to increase capacity for its industrial packaging products to cater for the growing demand from its key markets for such products. Whilst the increase in demand reflects the on-going global economic recovery which is subject to external uncertainties, the Group remains wary and vigilant on future developments which could potentially impact the prospect of a full global economic recovery. Since the onset of the global economic crisis, the Group has put into place stringent internal processes to ensure better management and control as part of its internal risk management portfolio. To address the impact of the currency fluctuation of the Ringgit against the US Dollar which has strengthened from RM3.4/USD in January this year to the current exchange rate of approximately RM3.09/USD, the Group had taken pro-active steps and entered into forward contracts to hedge the currency fluctuations for its export sales. Moving forward, the Group will take extra precautions to minimise the impact of currency fluctuations to the operational results of the Group. In the interim, the Group will continue to build up its capacity to seek out new markets for its products and to leverage on its brandname to further strengthen its presence in its existing markets to boost demand for its products.

In the Quarterly Update on the Malaysian Economy for the 2nd Quarter issued by the Ministry of Finance, it was reported that the Malaysian economy registered a strong growth of 8.9% (Q1 2010 : 10.1%). With a strong domestic demand and reinforced by strong export performance, the Malaysian economy is expected to continue with its growth path for the rest of the year. With the Government's stated objective to turn the nation to a high income economy, the demand for quality homes is expected to remain robust, especially in the designated economic corridors and barring unforeseen circumstances, our property development which is mainly located within Iskandar Malaysia should perform to expectations.

Save for the occurrence of a double dip recession in the United States or a sovereign debt crisis erupting in the Euro zone which would adversely affect the global economy, the Board is cautiously optimistic that the prospects for the coming financial year remains intact. With a strong management team, good processes put into place and prudent management of the Group's cash flow position, the Group is confident to weather any economic slowdown should it occur and to take advantage of any opportunities that may arise.

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		12 months ended	
	31.7.2010	31.7.2009	31.7.2010	31.7.2009
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	4,360	1,952	9,482	4,435
- Deferred taxation	(1,439)	(1,188)	(1,439)	(1,188)
In respect of prior years :				
- Income tax	570	228	570	228
	<u>3,491</u>	<u>992</u>	<u>8,613</u>	<u>3,475</u>

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.

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 31 July 2010 were as follows : -

	RM'000	RM'000
(a) Long Term Borrowings		
Term Loan		
-Secured	459	
-Unsecured	25,710	26,169
(b) Short Term Borrowings		
- Secured		
Term loan	204	
Other bank borrowings	5,300	
- Unsecured		
Term loan	12,136	
Other bank borrowings	24,379	42,019
		68,188
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		16,771
- Japanese Yen		180
		16,951

B10 Off balance sheet financial instruments

As at 28 September 2010, the Group has entered into foreign currency forward contracts to hedge its exposure in US Dollar as follows:

Foreign Currency	Notional Amount ('000)	Exchange Rate	Equivalent in RM'000	Maturity Date
USD	4,800	3.46	16,596	Oct'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

The Board of Directors do not recommend any dividend for the current financial quarter under review.

B13 Earnings per share

		3 months ended		12 months ended	
(a) Basic earnings per share		31.7.2010	31.7.2009	31.7.2010	31.7.2009
Profit attributable to equity holders of the Company	(RM'000)	17,829	14,374	60,318	37,458
Weighted average number of ordinary shares in issue	('000)	215,404	215,404	215,404	215,404
Basic earnings per share	(sen)	8.28	6.67	28.00	17.41

(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 July 2010.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

28 September 2010