



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 January 2012

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.1.2012 RM'000	Preceding year corresponding quarter 31.1.2011 RM'000	Current year to date 31.1.2012 RM'000	Preceding year corresponding period 31.1.2011 RM'000
Revenue	214,489	194,886	428,251	381,511
Operating profit	25,999	23,927	52,539	44,911
Interest expense	(253)	(323)	(445)	(775)
Investing results	93	161	30	670
Profit before tax	25,839	23,765	52,124	44,806
Taxation	(5,079)	(4,029)	(9,974)	(7,613)
Profit for the period	20,760	19,736	42,150	37,193
Profit attributable to:				
Owners of the parent	20,184	19,076	40,817	36,081
Non-controlling interests	576	660	1,333	1,112
Profit for the period	20,760	19,736	42,150	37,193
Earnings per share attributable to owners of the parent (sen per share)	9.39	8.86	18.98	16.75

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.1.2012 RM'000	31.1.2011 RM'000	31.1.2012 RM'000	31.1.2011 RM'000
Profit for the period	20,760	19,736	42,150	37,193
Other comprehensive income :				
Foreign currency translation	-	(817)	1,151	(817)
Total comprehensive income for the period, net of tax	20,760	18,919	43,301	36,376
Total comprehensive income attributable to:				
Owners of the parent	20,184	18,403	41,813	35,408
Non-controlling interests	576	516	1,488	968
Total comprehensive income for the period, net of tax	20,760	18,919	43,301	36,376

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)



SCIENTEX BERHAD
(Company No.7867-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2012

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.1.2012 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2011 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	211,238	192,954
Investment properties	4,657	4,692
Land held for property development	191,246	209,274
Investment in jointly controlled entity	22,413	22,499
Investment in associate	9,730	9,614
Other investments	5,037	5,037
	444,321	444,070
Current assets		
Property development costs	69,805	64,912
Inventories	52,528	67,763
Trade and other receivables	129,719	107,377
Cash and bank balances	55,542	40,953
	307,594	281,005
TOTAL ASSETS	751,915	725,075
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	62,418	37,510
Retirement benefit obligations	312	361
Trade and other payables	116,611	136,720
Income tax payable	11,357	7,583
	190,698	182,174
Net current assets	116,896	98,831
Non-current liabilities		
Loans and borrowings	7,500	10,000
Retirement benefit obligations	7,190	7,097
Deferred tax liabilities	19,682	19,682
	34,372	36,779
Total liabilities	225,070	218,953
Net assets	526,845	506,122
Equity attributable to owners of the parent		
Share capital	115,000	115,000
Reserves	380,110	352,344
	495,110	467,344
Non-controlling interests	31,735	38,778
Total equity	526,845	506,122
TOTAL EQUITY AND LIABILITIES	751,915	725,075
Net assets per share attributable to ordinary owners of the parent (RM)	2.30	2.17

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 JANUARY 2012**

	Attributable to owners of the parent								Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable				Reserves						
	Share capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Foreign currency translation reserves RM'000	Treasury shares RM'000	Other reserves RM'000	Capital redemption reserves RM'000	Retained earnings RM'000			
At 1 August 2011	115,000	19,233	29,132	(2,664)	(21,810)	461	17,467	310,525	467,344	38,778	506,122
Total comprehensive income for the period	-	-	-	996	-	-	-	40,817	41,813	1,488	43,301
Transactions with owners:											
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	1,006	1,006	(7,756)	(6,750)
Dividends	-	-	-	-	-	-	-	(15,053)	(15,053)	(775)	(15,828)
Total transactions with owners	-	-	-	-	-	-	-	(14,047)	(14,047)	(8,531)	(22,578)
At 31 January 2012	115,000	19,233	29,132	(1,668)	(21,810)	461	17,467	337,295	495,110	31,735	526,845
At 1 August 2010	115,000	19,233	31,613	(1,372)	(21,081)	2,578	17,467	252,349	415,787	36,552	452,339
Total comprehensive income for the period	-	-	-	(673)	-	-	-	36,081	35,408	968	36,376
Transactions with owners:											
Acquisition of treasury shares	-	-	-	-	(728)	-	-	-	(728)	-	(728)
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	-	-	(350)	(350)
Dividends	-	-	-	-	-	-	-	(12,916)	(12,916)	-	(12,916)
Total transactions with owners	-	-	-	-	(728)	-	-	(12,916)	(13,644)	(350)	(13,994)
At 31 January 2011	115,000	19,233	31,613	(2,045)	(21,809)	2,578	17,467	275,514	437,551	37,170	474,721

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)



SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 31 January 2012

	6 MONTHS ENDED 31.1.2012 RM'000	6 MONTHS ENDED 31.1.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	52,124	44,806
Adjustments	11,802	10,621
Operating cash flow before changes in working capital	<u>63,926</u>	<u>55,427</u>
Changes in working capital		
Decrease in inventories	15,235	2,251
Decrease/(increase) in development properties	13,425	(7,042)
Increase in receivables	(15,709)	(15,267)
(Decrease)/increase in payables	(19,449)	8,877
Total changes in working capital	<u>(6,498)</u>	<u>(11,181)</u>
Cash generated from operations	57,428	44,246
Taxation paid	(6,205)	(4,489)
Gratuity and retirement benefits paid	(49)	(129)
Net cash flows from operating activities	<u>51,174</u>	<u>39,628</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29,747)	(10,492)
Payment for additional investments	(13,377)	(300)
Proceeds from disposal of property, plant and equipment	11	1,128
Interest received	683	71
Net cash flows used in investing activities	<u>(42,430)</u>	<u>(9,593)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(15,828)	(19,378)
Acquisition of treasury shares	-	(728)
Net drawdown of borrowings	22,595	449
Interest paid	(734)	(1,133)
Net cash flows from/(used in) financing activities	<u>6,033</u>	<u>(20,790)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,777	9,245
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>40,765</u>	<u>23,173</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>55,542</u>	<u>32,418</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	26,339	31,293
Short term deposits	29,203	1,305
Bank overdrafts	-	(180)
	<u>55,542</u>	<u>32,418</u>

(The Condensed Consolidated Statement of Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2011)

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2012

A. Compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Bursa Listing Requirements

A1. Changes in Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2011. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 July 2011, except for the following:

(i) Adoption of Amendments to FRSs and Issues Committee ("IC") Interpretations

On 1 August 2011, the Group adopted the following Amendments to FRSs and IC Interpretations which are mandatory for annual financial period beginning on or after 1 January 2011 and 1 July 2011 and which are relevant to its operations:

Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
	Improvements to FRSs (2010)
Amendments to FRSs	[Improvement to FRSs (2010)]
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial liabilities with Equity Instruments
Amendments to	
IC Interpretation 14	Prepayment of a Minimum Funding Requirement

Except for the changes in accounting policies arising from the adoption of the new disclosures required under the Amendments to FRS 7, the Group expect that the adoption of the other standards and interpretations above will have no material impact on the current year financial statements.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2011 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 2012, 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 2012, the number of treasury shares held was 14,959,762 ordinary shares of RM0.50 each.

A7 Dividends paid

A single tier final dividend of 14%; 7 sen per ordinary share amounting to RM15,052,817 in respect of the financial year ended 31 July 2011 was paid on 16 January 2012.

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A8 Segment information

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

Current financial quarter ended 31 January 2012

<u>Revenue</u>	RM'000
Manufacturing	148,308
Property development	66,181
Total revenue	214,489
 <u>Results</u>	 RM'000
Manufacturing	7,472
Property development	18,527
Profit from operations	25,999
 <u>Reconciliation of profit before taxation</u>	 RM'000
Profit from operations	25,999
Investing results	93
Finance cost	(253)
Profit before taxation	25,839

Current year to date ended 31 January 2012

<u>Revenue</u>	RM'000
Manufacturing	302,418
Property development	125,833
Total revenue	428,251
 <u>Results</u>	 RM'000
Manufacturing	16,945
Property development	35,594
Profit from operations	52,539
 <u>Reconciliation of profit before taxation</u>	 RM'000
Profit from operations	52,539
Investing results	30
Finance cost	(445)
Profit before taxation	52,124

A9 Disclosure items

The following items have been included in arriving at profit before tax:

	3 months ended		6 months ended	
	31.1.2012	31.1.2011	31.1.2012	31.1.2011
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	423	26	683	71
(b) Other income	321	39	683	357
(c) Interest expense	253	323	445	775
(d) Depreciation	5,999	5,385	11,968	10,860
(e) Net provision for/(write back) of receivables	(48)	9	(2)	22
(f) Net foreign exchange loss/(gain)	40	(166)	(55)	(585)

In the current financial quarter and current financial period ended 31 January 2012, there were no:

- Provision for and write off of inventories;
- Gain or loss on disposal of quoted or unquoted investments or properties;
- Impairment of assets;
- Gain or loss on derivatives; and
- Any other exceptional items.

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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 9 January 2012, Scientex Metro Holdings Sdn Bhd, a 95% owned dormant subsidiary of Scientex Quatari Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, commenced Members' Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act, 1965.

A12 Contingent liabilities

There were no contingent liabilities or assets for the Group as at the end of the current financial quarter under review.

A13 Capital commitments

Authorised capital commitment not recognised in the interim financial statements as at 31 January 2012 are as follows:

	RM'000
Approved and contracted for :	
- Purchase of plant and machinery	4,379
- Purchase of investment	39,762
	44,141

A14 Related party transactions

The Group's related party transactions in the current financial quarter and current financial period ended 31 January 2012 are as follows:

	3 months ended		6 months ended	
	31.1.2012	31.1.2011	31.1.2012	31.1.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of goods from associated company	11,047	6,418	20,636	13,490
Rental income from jointly controlled entity	(232)	-	(463)	-

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2012

B1 Review of performance

(i) Current quarter review

For the current quarter ended 31 January 2012, the Group recorded revenue of RM214.5 million, an increase of 10.1% as compared to RM194.9 million recorded in the preceding financial year corresponding quarter. Profit before tax was RM25.8 million, an increase of 8.7% as compared to RM23.8 million in the preceding year corresponding quarter.

Manufacturing revenue recorded was RM148.3 million, an increase of 4.2%. The increase was attributed to the higher demand for our products mainly in the export market, especially in the Asia Pacific Region. However, profit from operations remain marginally the same.

Property revenue recorded was RM66.2 million, an increase of 25.8% from RM52.6 million. The increase was attributable to the higher percentage recognition from the locked-in sales, steady development progress and new launches from our development mainly in Taman Mutiara Mas in Skudai. Profit from operations has also increased from RM16.3 million to RM18.5 million, backed by the higher revenue recognised.

(ii) 6-months review

For the 6-months financial period ended 31 January 2012, the Group recorded revenue of RM428.3 million as compared to the preceding year corresponding period of RM381.5 million. Profit before tax increased from RM44.8 million to RM52.1 million, an increase of 16.3%. The increase is attributable to both the manufacturing and property segment.

Manufacturing segment recorded revenue of RM302.4 million, an increase of 7.7% as compared to the preceding financial year corresponding period. Consistent with current quarter review, the increase in sales was attributed to the successful commissioning of our latest cast stretch line in September 2011. Profit from operations for the 6-months period has increased as a result of the better sales performance achieved and also better production efficiency mainly due to economies of scale.

Property segment recorded revenue of RM125.8 million compared to RM100.8 million in the preceding financial period, an increase of 24.8%. Profit from operations also increased from RM29.8 million to RM35.6 million, an increase of 19.3%. The reason for increase is consistent with that of the current quarter under review as highlighted above in B1(i).

B2 Variations of the quarterly results as compared to the results of the preceding quarter

Profit before taxation for the current financial quarter under review was RM25.8 million, marginally lower as compared to RM26.3 million recorded in the preceding financial quarter.

B3 Current financial year prospects

Manufacturing

With the uncertainty in the global economic outlook which is likely to impact the global demand directly or indirectly, we continue to explore ways to improve our efficiency and productivity. With the commissioning of our latest cast stretch line in September 2011 and two PP strapping band lines recently, we target to further lower our costs of production to remain competitive in the global marketplace.

In addition, with the completion of the acquisition of our new 12.54 acre industrial land located in Pulau Indah ("PI"), Selangor, we are embarking on an expansion plan at our PI plant. The plan is currently still in its planning stage.

Property

On the property front, the domestic demand for affordable and high end products offered by the Group remains in good demand. The Government's initiative to boost home ownership for the lower and middle income earners will lead to consistent demand for our affordable housing. In addition, the investment opportunities and investment friendly policies announced by the Government for the Iskandar region in the State of Johor will see greater demand for higher end products and our strategically located project in Skudai will be in a position to tap on to this demand as more skilled and knowledge workers relocate into the Iskandar region.

Overall, barring any unforeseen circumstances, the Board is cautiously optimistic of achieving better results for its current financial year.

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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 and current year to date were as follows :-

	3 months ended		6 months ended	
	31.1.2012	31.1.2011	31.1.2012	31.1.2011
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	5,079	4,029	9,974	7,613

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 Realised and unrealised profits

	Current financial quarter ended 31.1.2012 RM'000	Preceding year corresponding quarter ended 31.1.2011 RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	430,392	300,017
- Unrealised	(1,078)	1,225
	429,314	301,242
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	6,921	6,755
- Unrealised	(278)	(203)
	435,957	307,794
Less: Consolidation adjustments	(98,662)	(32,280)
Total Group retained earnings	337,295	275,514

B7 Status of corporate proposals

On 16 December 2011, the Company announced that Scientex Quatari Sdn Bhd ("Scientex Quatari"), its wholly-owned subsidiary, has entered into a Share Sale and Purchase Agreement with Dato' Er Kok Leong @ Er Chai Tuan, Ng Han Kuang @ Er Jin Kwee and Er Choon Seng @ Er Goh Hing to acquire a total of 70,000 ordinary shares of RM1.00 each representing 70% equity interest in Tropicana Holdings Sdn Bhd ("THSB") for a total cash consideration of RM46,389,000. The completion of the proposed acquisition is pending satisfaction of the condition precedents as set out in the Share Sale and Purchase Agreement. Upon completion of the proposed acquisition, THSB will become a subsidiary of Scientex Quatari.

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

B8 Borrowings and debt securities

The Group's borrowings as at 31 January 2012 were as follows :-

	RM'000	RM'000
(a) Long Term Borrowings		
Term Loan		
-Unsecured	7,500	7,500
(b) Short Term Borrowings		
- Secured		
Other bank borrowings	1,500	
- Unsecured		
Term loan	5,000	
Other bank borrowings	55,918	62,418
	55,918	69,918
Included in total borrowings are borrowings denominated in foreign currencies		RM'000
- United States Dollars		Equivalent
		55,918

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B9 Material litigation

There was no material litigation involving any member of the Group as at the date of this report.

B10 Dividends

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

B11 Earnings per share

(a) Basic earnings per share		3 months ended		6 months ended	
		31.1.2012	31.1.2011	31.1.2012	31.1.2011
Profit attributable to equity holders of the Company	(RM'000)	20,184	19,076	40,817	36,081
Weighted average number of ordinary shares in issue	('000)	215,040	215,303	215,040	215,353
Basic earnings per share	(sen)	<u>9.39</u>	<u>8.86</u>	<u>18.98</u>	<u>16.75</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 2012.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

21 March 2012