



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2012

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 July 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year
	31.7.2012 RM'000	31.7.2011 RM'000	31.7.2012 RM'000	31.7.2011 RM'000
				(Audited)
Revenue	226,014	205,200	881,025	804,023
Operating profit	29,294	26,383	107,613	97,437
Interest expense	(200)	(399)	(897)	(1,573)
Investing results	437	(34)	453	776
Profit before tax	29,531	25,950	107,169	96,640
Taxation	(4,365)	(4,162)	(19,300)	(16,522)
Profit for the quarter / year	25,166	21,788	87,869	80,118
Profit attributable to:				
Owners of the parent	23,389	20,777	83,917	77,246
Non-controlling interests	1,777	1,011	3,952	2,872
Profit for the quarter / year	25,166	21,788	87,869	80,118
Earnings per share attributable to owners of the parent (sen per share)	10.88	9.66	39.02	35.90

(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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QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2012
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 July 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.7.2012 RM'000	Preceding year corresponding quarter 31.7.2011 RM'000	Current year to date 31.7.2012 RM'000	Preceding year 31.7.2011 RM'000 (Audited)
Profit for the quarter / year	25,166	21,788	87,869	80,118
Other comprehensive income :				
Foreign currency translation	1,153	(773)	1,632	(1,588)
Total comprehensive income for the quarter / year	26,319	21,015	89,501	78,530
Total comprehensive income attributable to:				
Owners of the parent	24,406	20,157	85,322	75,954
Non-controlling interests	1,913	858	4,179	2,576
	26,319	21,015	89,501	78,530

(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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2012

	AS AT CURRENT FINANCIAL YEAR ENDED 31.7.2012 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2011 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	210,856	192,954
Investment properties	4,621	4,692
Land held for property development	260,198	209,274
Investment in jointly controlled entity	22,464	22,499
Investment in associate	10,056	9,614
Other investments	5,037	5,037
	513,232	444,070
Current assets		
Property development costs	71,138	64,912
Inventories	60,981	67,763
Trade and other receivables	127,356	107,377
Cash and bank balances	36,335	40,953
	295,810	281,005
TOTAL ASSETS	809,042	725,075
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	50,721	37,510
Retirement benefit obligations	267	361
Trade and other payables	155,614	136,720
Income tax payable	6,491	7,583
	213,093	182,174
Net current assets	82,717	98,831
Non-current liabilities		
Loans and borrowings	5,000	10,000
Retirement benefit obligations	7,682	7,097
Deferred tax liabilities	23,563	19,682
	36,245	36,779
Total liabilities	249,338	218,953
Net assets	559,704	506,122
Equity attributable to owners of the parent		
Share capital	115,000	115,000
Reserves	410,716	352,344
	525,716	467,344
Non-controlling interests	33,988	38,778
Total equity	559,704	506,122
TOTAL EQUITY AND LIABILITIES	809,042	725,075
Net assets per share attributable to owners of the parent (RM)	2.44	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

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SCIENTEX BERHAD
(Company No: 7867-P)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2012**

	Attributable to owners of the parent								Total equity attributable to owners of the parent 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 year	-	-	-	1,405	-	-	-	83,917	85,322	4,179	89,501
Transactions with owners:											
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	1,006	1,006	(7,931)	(6,925)
Realisation of revaluation reserves	-	-	(2,744)	-	-	-	-	2,744	-	-	-
Acquisition of treasury shares	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(27,955)	(27,955)	(1,038)	(28,993)
Total transactions with owners	-	-	(2,744)	-	(1)	-	-	(24,205)	(26,950)	(8,969)	(35,919)
At 31 July 2012	115,000	19,233	26,388	(1,259)	(21,811)	461	17,467	370,237	525,716	33,988	559,704
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 year	-	-	-	(1,292)	-	-	-	77,246	75,954	2,576	78,530
Transactions with owners:											
Realisation of revaluation reserves	-	-	(2,481)	-	-	-	-	2,481	-	-	-
Arising from liquidation of a subsidiary	-	-	-	-	-	(2,117)	-	2,117	-	-	-
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	-	-	(350)	(350)
Acquisition of treasury shares	-	-	-	-	(729)	-	-	-	(729)	-	(729)
Dividends	-	-	-	-	-	-	-	(23,668)	(23,668)	-	(23,668)
Total transactions with owners	-	-	(2,481)	-	(729)	(2,117)	-	(19,070)	(24,397)	(350)	(24,747)
At 31 July 2011	115,000	19,233	29,132	(2,664)	(21,810)	461	17,467	310,525	467,344	38,778	506,122

(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)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial year ended 31 July 2012

	12 MONTHS ENDED 31.7.2012 RM'000	12 MONTHS ENDED 31.7.2011 RM'000
OPERATING ACTIVITIES		
Profit before taxation	107,169	96,640
Adjustments	22,890	22,275
Operating cash flows before changes in working capital	<u>130,059</u>	<u>118,915</u>
Changes in working capital		
Decrease/(increase) in inventories	6,729	(4,133)
Decrease/(increase) in development properties	15,559	(2,436)
Increase in receivables	(20,058)	(5,823)
(Decrease)/increase in payables	(1,228)	17,458
Total changes in working capital	<u>1,002</u>	<u>5,066</u>
Cash flows from operations	131,061	123,981
Taxation paid	(22,232)	(12,780)
Gratuity and retirement benefits paid	(140)	(259)
Net cash flows from operating activities	<u>108,689</u>	<u>110,942</u>
INVESTING ACTIVITIES		
Investment in jointly controlled entity	-	(22,500)
Purchase of property, plant and equipment	(40,927)	(16,407)
Deposit paid for purchase of property, plant and equipment	-	(2,161)
Payment for additional investments	(52,644)	(350)
Proceeds from disposal of property, plant and equipment	746	1,163
Net dividend received	171	177
Interest received	1,553	395
Net cash flows used in investing activities	<u>(91,101)</u>	<u>(39,683)</u>
FINANCING ACTIVITIES		
Dividends paid	(28,993)	(30,130)
Acquisition of treasury shares	(1)	(729)
Net repayment of term loans	(6,838)	(21,549)
Net drawdown of short term borrowings	15,237	986
Interest paid	(1,423)	(2,245)
Net cash flows used in financing activities	<u>(22,018)</u>	<u>(53,667)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,430)	17,592
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>40,765</u>	<u>23,173</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>36,335</u>	<u>40,765</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	13,105	8,211
Short term deposits	23,230	32,742
Bank overdrafts	-	(188)
	<u>36,335</u>	<u>40,765</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)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 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 and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011 and 1 July 2011 and which are relevant to its operations.

IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 1	Limited Exemption for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Improvements to FRS issued in 2010	
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
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.

(ii) Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

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.

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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 year ended 31 July 2012, 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 2012, the number of treasury shares held was 14,959,862 ordinary shares of RM0.50 each.

A7 Dividends paid

The amount of dividends paid by the Company since 31 July 2011 were as follows:

	RM'000
In respect of the financial year ended 31 July 2011:	
Single tier final dividend of 14%; 7 sen per ordinary share was paid on 16 January 2012	15,053
In respect of the financial year ended 31 July 2012:	
Single tier interim dividend of 12%; 6 sen per ordinary share was paid on 27 July 2012	12,902
	27,955

A8 Segment information

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

Current financial quarter ended 31 July 2012

	RM'000
<u>Revenue</u>	
Manufacturing	166,827
Property development	59,187
Total revenue	226,014
<u>Results</u>	RM'000
Manufacturing	9,909
Property development	19,385
Profit from operations	29,294
<u>Reconciliation of profit before taxation</u>	RM'000
Profit from operations	29,294
Investing results	437
Finance cost	(200)
Profit before taxation	29,531

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A8 Segment information (Cont'd)

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

Current year-to-date ended 31 July 2012

<u>Revenue</u>	RM'000
Manufacturing	636,511
Property development	244,514
Total revenue	881,025
 <u>Results</u>	 RM'000
Manufacturing	35,719
Property development	71,894
Profit from operations	107,613
 <u>Reconciliation of profit before taxation</u>	 RM'000
Profit from operations	107,613
Investing results	453
Finance cost	(897)
Profit before taxation	107,169

A9 Disclosure items

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

	3 months ended		12 months ended	
	31.7.2012	31.7.2011	31.7.2012	31.7.2011
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	547	280	1,553	395
(b) Other income	454	958	1,509	1,522
(c) Interest expense	200	399	897	1,573
(d) Depreciation	5,469	5,501	23,049	21,814
(e) Net provision for/written off of receivables	96	14	91	85
(f) Net provision for/(write back) of inventories	54	(255)	54	(255)
(g) Net foreign exchange loss/(gain)	1,700	(1,340)	1,451	(1,843)
	1,700	(1,340)	1,451	(1,843)

In the current quarter and current financial year ended 31 July 2012, there were no:

- 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.

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:

Scientex Packaging Berhad, a wholly-owned dormant subsidiary of the Company has held its final meeting on 9 July 2012 for the members' voluntary winding-up and will be dissolved on 16 October 2012 pursuant to Section 272(5) 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.

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A13 Capital commitments

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

	RM'000
Approved and contracted for purchase of plant and machinery	38,317

A14 Related party transactions

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

	3 months ended		12 months ended	
	31.7.2012	31.7.2011	31.7.2012	31.7.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of goods from associated company	13,315	8,521	44,770	30,204
Rental income from jointly controlled entity	(232)	-	(927)	-

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

B1 Review of performance

(i) Current quarter review

For the current quarter ended 31 July 2012, the Group recorded revenue of RM226.0 million, an increase of 10.1% as compared to RM205.2 million recorded in the preceding year corresponding quarter. Profit before tax was RM29.5 million, an increase of 13.8% as compared to RM26.0 million in the preceding year corresponding quarter.

Manufacturing revenue recorded was RM166.8 million, an increase of 14.6% compared to the preceding year corresponding quarter. The increase was attributed to the higher demand for our stretch film products mainly in the export markets in the Asia Pacific region. However, profit from operations declined from RM12.2 million to RM9.9 million as a result of the one off costs incurred for the relocation of the woven production from Malaysia to Vietnam to tap on better operational efficiencies and comparative cost advantage as part of the continuous efforts to drive costs down and compete in a highly competitive environment.

Property revenue recorded was RM59.2 million, as compared to RM59.6 million in the preceding financial year corresponding quarter. Profit from operations increased from RM14.2 million to RM19.4 million. The increase was mainly due to higher margins achieved from the products mix sold.

(ii) 12-month review

For the 12-month financial year ended 31 July 2012, the Group recorded revenue of RM881.0 million compared to the preceding year of RM804.0 million. Profit before tax increased from RM96.6 million to RM107.2 million, an increase of 10.9%. The increase is attributable to both the manufacturing and property segments.

Manufacturing segment recorded revenue of RM636.5 million, an increase of 8.8% compared to the preceding financial year of RM585.2 million. The increase in sales was attributed to the successful commissioning of our latest cast stretch line in September 2011 and our PP strapping band lines in February 2012. Despite incurring one off costs arising from the relocation of the woven production to Vietnam, profit from operations for the 12-month financial year was nonetheless higher compared to the previous financial year as a result of the better sales performance achieved.

Property segment recorded revenue of RM244.5 million compared to RM218.8 million in the preceding financial year, an increase of 11.7%. Profit from operations also increased from RM62.0 million to RM71.9 million in line with the increase in sales.

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 RM29.5 million, an increase of 15.7% compared to RM25.5 million recorded in the preceding financial quarter. The increase was mainly due to higher margins products mix sold by the property division.

B3 Current financial year prospects

Manufacturing

The global external factors continue to exert volatility and create uncertainty in the markets. Nonetheless, the Management remains focused on cost management and production efficiency as part of the Group's on-going efforts to boost sales through competitive pricing and quality products. The Group has also started the construction of our plant expansion in Pulau Indah and the commissioning of our new stretch film cast lines is expected to be completed in the second half of the coming year. This will boost its annual capacity from 120,000 metric tons to 150,000 metric tons for the new financial year. The Management is also committed to product development to tap on new markets segments for its products.

Property

For the current financial year, the Group continues to enjoy good take-up rates for property launches in Johor and Melaka. The Group's strategy to build affordable homes continues to enjoy strong demand for its products in our development in Pasir Gudang and Kulai. The Government's campaign to promote affordable housing has also given our projects a boost as more and more young families and middle and lower income house buyers seek to own their first homes. The Government's initiative to boost Iskandar Malaysia with its liberal and investor friendly policies has boosted demand for our higher end products in our Skudai project.

In the absence of any unforeseen circumstances, the Board is cautiously optimistic that its current financial year results may be improved in the financial year ending 31 July 2013.

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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		12 months ended	
	31.7.2012	31.7.2011	31.7.2012	31.7.2011
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	6,349	5,268	21,284	17,628
- Deferred taxation	(1,694)	(999)	(1,694)	(999)
In respect of prior years :				
- Income tax	(148)	(153)	(148)	(153)
- Deferred taxation	(142)	46	(142)	46
	<u>4,365</u>	<u>4,162</u>	<u>19,300</u>	<u>16,522</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 Realised and unrealised profits

	Current financial year ended 31.7.2012 RM'000	Preceding financial year ended 31.7.2011 RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	467,489	401,948
- Unrealised	<u>(864)</u>	<u>(517)</u>
	466,625	401,431
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	7,386	6,891
- Unrealised	<u>(366)</u>	<u>(278)</u>
	473,645	408,044
Less: Consolidation adjustments	<u>(103,408)</u>	<u>(97,519)</u>
Total Group retained earnings	<u>370,237</u>	<u>310,525</u>

B7 Status of corporate proposals

There were no 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 July 2012 were as follows :-

	RM'000	RM'000
(a) Long Term Borrowings		
Term Loan		
-Unsecured	<u>5,000</u>	5,000
(b) Short Term Borrowings		
- Unsecured		
Term loan	5,000	
Other bank borrowings	<u>45,721</u>	<u>50,721</u>
		<u>55,721</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		42,521
- Japanese Yen		<u>3,200</u>
		<u>45,721</u>

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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

		3 months ended		12 months ended	
		31.7.2012	31.7.2011	31.7.2012	31.7.2011
(a) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	23,389	20,777	83,917	77,246
Weighted average number of ordinary shares in issue	('000)	215,040	215,040	215,040	215,198
Basic earnings per share	(sen)	<u>10.88</u>	<u>9.66</u>	<u>39.02</u>	<u>35.90</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 July 2012.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

18 September 2012