



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2013
 The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 July 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year
	31.7.2013 RM'000	31.7.2012 RM'000	31.7.2013 RM'000	31.7.2012 RM'000
Revenue	371,243	226,014	1,229,045	881,025
Operating profit	40,484	29,294	146,104	107,613
Interest expense	(1,608)	(200)	(4,459)	(897)
Investing results	1,341	437	1,335	453
Profit before tax	40,217	29,531	142,980	107,169
Taxation	(8,942)	(4,365)	(30,483)	(19,300)
Profit for the quarter / year	31,275	25,166	112,497	87,869
Profit attributable to:				
Owners of the parent	30,267	23,389	110,284	83,917
Non-controlling interests	1,008	1,777	2,213	3,952
Profit for the quarter / year	31,275	25,166	112,497	87,869
Earnings per share attributable to owners of the parent (sen per share)	13.83	10.88	51.04	39.02

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2012)



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.7.2013 RM'000	Preceding year corresponding quarter 31.7.2012 RM'000	Current year to date 31.7.2013 RM'000	Preceding year 31.7.2012 RM'000
Profit for the quarter / year	31,275	25,166	112,497	87,869
Other comprehensive income :				
Foreign currency translation	1,835	1,153	405	1,631
Total comprehensive income for the quarter / year	33,110	26,319	112,902	89,500
Total comprehensive income attributable to:				
Owners of the parent	31,583	24,406	110,372	85,321
Non-controlling interests	1,527	1,913	2,530	4,179
	33,110	26,319	112,902	89,500

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2012)

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SCIENTEX BERHAD

(Company No: 7867-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2013

	AS AT CURRENT FINANCIAL YEAR ENDED 31.7.2013 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2012 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	491,349	210,856
Investment properties	4,550	4,621
Land held for property development	254,810	260,198
Investment in jointly controlled entity	22,893	22,464
Investment in associate	10,873	10,056
Other investments	5,037	5,037
	789,512	513,232
Current assets		
Property development costs	68,491	71,138
Inventories	80,720	60,981
Trade and other receivables	195,469	127,356
Cash and bank balances	152,177	36,335
	496,857	295,810
TOTAL ASSETS	1,286,369	809,042
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	167,625	50,721
Retirement benefit obligations	422	267
Trade and other payables	258,426	155,615
Income tax payable	10,415	6,491
	436,888	213,094
Net current assets	59,969	82,716
Non-current liabilities		
Loans and borrowings	167,812	5,000
Retirement benefit obligations	8,221	7,682
Deferred tax liabilities	24,812	23,563
	200,845	36,245
Total liabilities	637,733	249,339
Net assets	648,636	559,703
Equity attributable to owners of the parent		
Share capital	115,000	115,000
Reserves	513,664	410,715
	628,664	525,715
Non-controlling interests	19,972	33,988
Total equity	648,636	559,703
TOTAL EQUITY AND LIABILITIES	1,286,369	809,042
Net assets per share attributable to owners of the parent (RM)	2.84	2.44

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2012)



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2013**

	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 2012	115,000	19,233	26,388	(1,260)	(21,811)	461	17,467	370,237	525,715	33,988	559,703
Total comprehensive income for the year	-	-	-	88	-	-	-	110,284	110,372	2,530	112,902
Transactions with owners:											
Dilution of interest in an existing subsidiary	-	-	-	-	-	-	-	(757)	(757)	3,857	3,100
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	(1,728)	(1,728)	(19,440)	(21,168)
Realisation of revaluation reserves	-	-	(3,614)	-	-	-	-	3,614	-	-	-
Sale of treasury shares	-	18,831	-	-	8,916	-	-	-	27,747	-	27,747
Acquisition of treasury shares	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(32,684)	(32,684)	(963)	(33,647)
Total transactions with owners	-	18,831	(3,614)	-	8,915	-	-	(31,555)	(7,423)	(16,546)	(23,969)
At 31 July 2013	115,000	38,064	22,774	(1,172)	(12,896)	461	17,467	448,966	628,664	19,972	648,636
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	-	-	-	1,404	-	-	-	83,917	85,321	4,179	89,500
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	(1,260)	(21,811)	461	17,467	370,237	525,715	33,988	559,703

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2012)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial year ended 31 July 2013

	12 MONTHS ENDED 31.7.2013 RM'000	12 MONTHS ENDED 31.7.2012 RM'000
OPERATING ACTIVITIES		
Profit before taxation	142,980	107,169
Adjustments	46,363	23,404
Operating cash flows before changes in working capital	<u>189,343</u>	<u>130,573</u>
Changes in working capital		
Decrease in inventories	23,844	6,721
Decrease in development properties	8,371	15,559
Increase in receivables	(13,045)	(20,088)
Increase in payables	28,348	19,523
Total changes in working capital	<u>47,518</u>	<u>21,715</u>
Cash flows from operations	236,861	152,288
Taxation paid	(26,762)	(22,232)
Gratuity and retirement benefits paid	(439)	(622)
Net cash flows from operating activities	<u>209,660</u>	<u>129,434</u>
INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	(275,528)	(66,469)
Purchase of property, plant and equipment	(53,788)	(40,923)
Payment for additional investments	(21,168)	(6,925)
Proceeds arising from dilution of interest in a subsidiary	3,100	-
Proceeds from disposal of property, plant and equipment	58	746
Net dividend received	204	171
Interest received	2,080	1,553
Net cash flows used in investing activities	<u>(345,042)</u>	<u>(111,847)</u>
FINANCING ACTIVITIES		
Dividends paid	(18,166)	(28,993)
Proceeds from sale of treasury shares	27,747	-
Acquisition of treasury shares	(1)	(1)
Net drawdown/(repayment) of term loans	169,102	(6,838)
Net drawdown of short term borrowings	77,337	15,237
Interest paid	(4,795)	(1,422)
Net cash flows from/(used in) financing activities	<u>251,224</u>	<u>(22,017)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	115,842	(4,430)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	36,335	40,765
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>152,177</u>	<u>36,335</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	53,805	13,105
Short term deposits	98,372	23,230
	<u>152,177</u>	<u>36,335</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 2012)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2013

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 2012. 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 2012, except for the following:

(i) Adoption of Amendments to FRSs

On 1 August 2012, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 August 2012.

FRS 124	Related Party Disclosures
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income

Except for the changes in accounting policies arising from the adoption of the new disclosures required under the Amendments to FRS 7 and FRS 101, the Group expect that the adoption of the other standards 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 and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 2016. 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. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2012 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 period 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 period 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 2013, the Company repurchased 200 ordinary shares of RM0.50 each from the open market. The repurchased shares were held as treasury shares.

The Company sold 6,115,500 treasury shares at an average price of RM4.54 each in the open market for a total consideration of approximately RM27.7 million. The cost of the treasury shares are at an average price of RM1.46 per share. The sale resulted in an increase of RM27.7 million in total equity attributable to shareholders.

As at the date of this report, the number of treasury shares held is 8,844,562 ordinary shares of RM0.50 each at a carrying amount of approximately RM12.9 million.

A7 Dividends paid

The amount of dividend paid by the Company since 31 July 2012 was as follows:

	RM'000
In respect of the financial year ended 31 July 2012:	
Single tier final dividend of 16%; 8 sen per ordinary share declared on 19 December 2012 and paid on 31 January 2013	17,203
In respect of the financial year ended 31 July 2013:	
Single tier interim dividend of 14%; 7 sen per ordinary share declared on 25 June 2013 and paid on 16 August 2013	15,481
	32,684

A8 Segment information

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

Current financial quarter ended 31 July 2013

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	277,424	93,819	371,243
Results			
Profit from operations	20,605	31,405	52,010
Foreign exchange differences			(11,526)
Operating profit			40,484
Investing results			1,341
Finance cost			(1,608)
Profit before taxation			40,217

Current financial year ended 31 July 2013

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	918,847	310,198	1,229,045
Results			
Profit from operations	56,888	98,720	155,608
Foreign exchange differences			(9,504)
Operating profit			146,104
Investing results			1,335
Finance cost			(4,459)
Profit before taxation			142,980

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A9 Disclosure items

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

	3 months ended		12 months ended	
	31.7.2013	31.7.2012	31.7.2013	31.7.2012
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	(915)	(547)	(2,080)	(1,553)
(b) Other income	(832)	(454)	(1,912)	(1,509)
(c) Interest expense	1,608	200	4,459	897
(d) Depreciation	9,529	5,469	31,538	23,049
(e) Net provision for/(write back) of receivables	5	124	(27)	119
(f) Net provision for/write off of inventories	42	61	532	61
(g) Net realised (gain)/loss of foreign exchange	(363)	1,324	(2,681)	1,186
(h) Net unrealised loss of foreign exchange	13,389	376	13,685	265
(i) Fair value gain on forward foreign exchange contracts	(1,500)	-	(1,500)	-

In the current financial quarter and current financial year ended 31 July 2013, 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

Other than as disclosed elsewhere in this report, there were no material events subsequent to the end of the current financial period 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 year under review, except for the followings:

- (i) On 3 October 2012, the Company announced that Scientex Packaging Film Sdn Bhd ("SPFSB"), its wholly-owned subsidiary, had entered into a conditional share sale agreement with GW Plastics Holdings Berhad to acquire 100% equity interest in Great Wall Plastic Industries Berhad ("GW Plastic") and GW Packaging Sdn Bhd ("GW Packaging") for a total cash consideration of RM283.2 million. The transaction was completed on 8 January 2013. The acquisition has been consolidated using the acquisition method from January 2013.

The provisional fair value of the identifiable assets and liabilities of the GW Plastic and GW Packaging as at the date of acquisition was:

	Fair value recognised on acquisition RM'000
Assets	
Property, plant and equipment	257,883
Trade and other receivables	50,979
Inventories	44,115
Cash and bank balances	7,672
	<u>360,649</u>
Liabilities	
Trade and other payables	(57,071)
Borrowings	(19,159)
Provision of taxation	(233)
Deferred tax liability	(986)
	<u>(77,449)</u>
Net identifiable assets	283,200
Goodwill on consolidation	-
Purchase consideration transferred	<u>283,200</u>
Analysis of cash flows on acquisition:	
Net cash acquired	7,672
Cash paid	(283,200)
Net cash outflow	<u>(275,528)</u>

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A11 Changes in the composition of the Group (Cont'd)

- (i) From the date of acquisition, GW Plastic and GW Packaging have contributed approximately RM214,915,000 of revenue and net profit contribution of the acquisition to the Group is approximately RM7,748,000 (net of interest cost for the acquisition).

For the current financial quarter under review, GW Plastic and GW Packaging have contributed approximately RM92,129,000 of revenue and RM3,206,000 of net profit (net of interest cost for the acquisition).

The transaction costs of approximately RM926,000 have been expensed and deducted from operating profit in the statement of comprehensive income and are part of the operating cash flow in the statement of cash flows in the preceding financial quarter.

- (ii) On 16 April 2013, the Company announced that Scientex Japan Co., Ltd., a wholly-owned subsidiary of Scientex Polymer Sdn Bhd, which in turn a wholly-owned subsidiary of the Company, had applied to the Legal Affairs Bureau of Japan on 14 March 2013 for deregistration. A representative office, Scientex Japan Representative Office, was set up to resume the operations and Scientex Japan Co., Ltd. have been officially dissolved on 30 June 2013.

A12 Contingent liabilities

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

A13 Capital commitments

Authorised capital commitment not recognised in the financial statements as at 31 July 2013 are as follows:

	RM'000
Approved and contracted for purchase of plant and machinery	41,589

A14 Related party transactions

The Group's related party transactions in the current financial quarter and current financial year ended 31 July 2013 are as follows:

	3 months ended		12 months ended	
	31.7.2013	31.7.2012	31.7.2013	31.7.2012
	RM'000	RM'000	RM'000	RM'000
Purchase of goods from associated company	14,411	13,315	47,501	44,770
Rental income from jointly controlled entity	(232)	(232)	(927)	(927)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2013

B1 Review of performance

(i) Current quarter review

For the current quarter ended 31 July 2013, the Group recorded revenue of RM371.2 million, an increase of 64.3% as compared to RM226.0 million recorded in the preceding year corresponding quarter. Profit before tax was RM40.2 million, an increase of 36.2% as compared to RM29.5 million in the preceding year corresponding quarter.

Manufacturing revenue recorded was RM277.4 million, an increase of 66.3% compared to RM166.8 million in the preceding year corresponding quarter. The increase was mainly due to the increase in export sales of stretch film as well as the contribution from GW Plastic and GW Packaging. Profit from operations increased two folds from RM9.9 million to RM20.6 million, in line with the higher revenue recognised as well as the higher margin recognised in consumer packaging.

Property revenue recorded an increase of 58.5%, from RM59.2 million in the preceding year corresponding quarter to RM93.8 million in the current quarter. Profit from operations recorded was RM31.4 million compared to RM19.4 million in the preceding year corresponding quarter, an increase of 62.0%. The higher revenue and profit was in line with the buoyant property market in Johor. In addition, the product mix sold in the current quarter also carried a higher profit margin as compared to the product mix sold in the preceding year corresponding quarter.

(ii) 12-month review

For the 12-month financial year ended 31 July 2013, the Group recorded revenue of RM1,229.0 million compared to the preceding year of RM881.0 million. Profit before tax increased from RM107.2 million to RM143.0 million, an increase of 33.4%. The increase is attributable to both the manufacturing and property segments.

Manufacturing segment recorded revenue of RM918.8 million, an increase of 44.4% compared to the preceding financial year RM636.5 million. The increase was mainly due to the increase in export sales of stretch film as well as the contribution from GW Plastic and GW Packaging. Consistent with the higher margin from consumer packaging, profit from operations has also increased from RM35.7 million to RM56.9 million.

Property segment recorded revenue of RM310.2 million in the current financial year, an increase of 26.9% compared to the preceding financial year. Profit from operations also increased from RM71.9 million in the preceding financial year to RM98.7 million in the current financial year. The increase in revenue and profit were due to the higher demand for property in Johor especially in Iskandar Malaysia region and areas within close proximity. The higher profit margin is consistent with the product mix sold.

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 RM40.2 million, marginally higher as compared to RM38.2 million recorded in the preceding financial quarter.

B3 Current financial year prospects

Manufacturing

The Group continues to remain focused in its key markets in the Asia Pacific region. Despite the on-going recession in the EU, the Group has made successful inroads to market its stretch film products in new markets in the United Kingdom, Ireland, Finland, Belgium and Denmark. As the Group continues to expand its capacity, it will be in a better position to derive more cost savings in the near future due to bulk purchasing of raw materials. The acquisition of Great Wall Plastic Industries Berhad which is an emerging market player in the recession proof global consumer packaging segment has opened up great opportunities for the Group as the Group foresees good prospects worldwide for its consumer packaging business. The recent RM50 million investment in 5 new world renowned blown film lines which shall be operational by 2014 is expected to increase its current production capacity by approximately 50% to meet rising global demand for such products. As the Group prepares to increase its production capacity, the recently obtained BRC certification in the United Kingdom will open up another new market for our blown film consumer packaging products.

On the other hand, potential downside risks such as the potential flare up in the Eurozone crisis, geo political risks in Egypt and Syria, the fiscal cliff and debt ceiling issue in the United States and the declining pace of growth in the BRIC countries especially China with the imposition of tighter spending and credit controls has created uncertainty in demand. The Group will continue to remain vigilant amidst such uncertainties and shall be pro active in addressing and mitigating the effects of such risks for the coming financial year. The Group remains cautiously optimistic that in the absence of any adverse global developments, the nascent economic recovery currently being witnessed in Japan and US and to a lesser extent in the EU is likely to see the Group being able to maintain its current growth plans.

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B3 Current financial year prospects (Cont'd)

Property

Demand for property remains buoyant and with the uncertainties of the 13th general elections fading away, the present ruling government is expected to maintain its current policies. Investors continue to show interest in Iskandar Malaysia region and this augurs well for the Group's development projects. The increase in public and private investments will transform Iskandar Malaysia to be a premier investment destination, bringing in much needed foreign direct investment, creating employment opportunities and boosting demand for property with rising affluence amongst locals and positive migration being key drivers for demand as more industries and businesses relocate to Iskandar Malaysia to take advantage of the business friendly policies implemented. These developments will boost demand for both residential and commercial properties within the Group's development projects in Pasir Gudang, Skudai, Kulai and the newly launched development project in Senai. The recent announcement by the Government that it is exploring the possibility of building a third bridge with Singapore is expected to boost demand for its housing products in Pasir Gudang which is situated near the proposed location of the bridge in Pengerang, Johor.

Whilst a weaker Ringgit is attractive to foreigners seeking to invest in Malaysia, it could potentially lead to higher inflationary pressures and the recent petrol price hike is expected to see an increase in overall production and material costs, hence impacting demand. The proposed Goods and Services Tax which is likely to be implemented by the Government in the near future is also likely to dampen sentiments as people will be more cautious in their spending. As the Government grapples with a weakening Ringgit and the pressing need to address its fiscal debt issues, interest rate hike may be one of the tools used to stabilise the Ringgit and address capital outflows. This in turn may have an adverse effect on domestic demand with its knock down effect on business sentiments and the domestic property market in the event it occurs.

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 financial year were as follows :-

	3 months ended		12 months ended	
	31.7.2013 RM'000	31.7.2012 RM'000	31.7.2013 RM'000	31.7.2012 RM'000
In respect of current quarter :				
- Income tax	9,071	6,349	30,612	21,284
- Deferred taxation	557	(1,694)	557	(1,694)
In respect of prior years :				
- Income tax	(391)	(148)	(391)	(148)
- Deferred taxation	(295)	(142)	(295)	(142)
	<u>8,942</u>	<u>4,365</u>	<u>30,483</u>	<u>19,300</u>

The Group's effective tax rate for the current financial quarter and current financial year 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 31.7.2013 RM'000	Preceding financial year ended 31.7.2012 RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	668,677	467,580
- Unrealised	(15,253)	(955)
	<u>653,424</u>	<u>466,625</u>
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	8,550	7,386
- Unrealised	(284)	(366)
	<u>661,690</u>	<u>473,645</u>
Less: Consolidation adjustments	(212,724)	(103,408)
Total Group retained earnings	<u>448,966</u>	<u>370,237</u>

SCIENTEX BERHAD
(Company No: 7867-P)
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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 2013 were as follows :-

	RM'000	RM'000
(a) Long Term Borrowings		
Term loan		
- Secured	151,045	
- Unsecured	<u>16,767</u>	167,812
(b) Short Term Borrowings		
- Secured		
Term loan	17,240	
- Unsecured		
Term loan	10,589	
Other bank borrowings	<u>139,796</u>	<u>167,625</u>
		<u>335,437</u>
Included in total borrowings are borrowings denominated in foreign currencies		RM'000
- United States Dollars		Equivalent
		<u>263,937</u>

B9 Fair value gain on forward foreign exchange contracts

As at the date of the statement of financial position 31 July 2013, the Group has the following outstanding forward foreign exchange contracts:

Derivatives	Contract amount RM'000	Fair value amount RM'000
Currency forward contracts:		
- Less than 1 year	47,100	48,600

During the current financial year, the Group recognised a gain of RM1.5 million, arising from fair value gain on forward foreign exchange contracts.

Forward foreign exchange contracts are viewed as risk management tools by the Company and are not used for trading or speculative purposes. There was no cash outlay required for the forward foreign exchange contracts.

For the current financial year ended 31 July 2013, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk. Also, there have been no changes to the Group's risk management objectives, policies and processes for the current financial year end.

B10 Material litigation

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

B11 Dividends

In respect of the financial year ended 31 July 2013, the Board of Directors:-

- (i) Declared a single tier special dividend of 20%; 10 sen per ordinary share, payable on 25 November 2013; and
- (ii) Proposed a single tier final dividend of 18%; 9 sen per ordinary share (single tier final dividend for 2012: 8 sen per ordinary share). The dividend will be payable on 21 January 2014, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

SCIENTEX BERHAD
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B12 Earnings per share

		3 months ended		12 months ended	
		31.7.2013	31.7.2012	31.7.2013	31.7.2012
(a) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	30,267	23,389	110,284	83,917
Weighted average number of ordinary shares in issue	('000)	219,070	215,040	216,056	215,040
Basic earnings per share	(sen)	13.83	10.88	51.04	39.02

(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 2013.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

26 September 2013