



SCIENTEX BERHAD
 (Formerly known as Scientex Incorporated Berhad)
 (Company No: 7867-P)
 (Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 July 2008

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial quarter ended 31 July 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.07.2008 RM'000	Preceding year corresponding quarter 31.07.2007 RM'000	Current year to date 31.07.2008 RM'000	Preceding year (Audited) 31.07.2007 RM'000
Revenue	167,597	148,419	656,577	613,091
Operating profit	22,318	7,856	59,277	43,763
Interest expense	(677)	(864)	(3,327)	(4,275)
Investing results	790	58	1,665	730
Profit before tax	22,431	7,050	57,615	40,218
Taxation	(301)	2,824	(4,389)	1,232
Profit for the period / year	22,130	9,874	53,226	41,450
Attributable to:				
Equity holders of the Company	21,799	9,361	47,892	35,184
Minority interest	331	513	5,334	6,266
Profit for the period / year	22,130	9,874	53,226	41,450
Earnings per share attributable to equity holders of the Company (sen):				
Basic	10.10	4.89	24.24	18.29
Diluted	10.10	4.89	24.24	18.29

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)



SCIENTEX BERHAD
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CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 July 2008

	AS AT END OF FINANCIAL YEAR ENDED 31.07.2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2007 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	180,822	195,373
Land held for property development	140,299	112,409
Prepaid land lease payments	33,695	34,411
Investment in associates	16,164	14,499
Other investments	781	3,390
Intangible assets	1,640	1,640
	373,401	361,722
Current assets		
Property development costs	29,384	23,432
Inventories	77,223	69,967
Trade and other receivables	112,050	106,258
Cash and bank balances	29,469	29,365
	248,126	229,022
TOTAL ASSETS	621,527	590,744
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	115,223	100,000
Reserves	230,922	184,602
	346,145	284,602
Minority interests	34,966	102,173
Total equity	381,111	386,775
Non-current liabilities		
Borrowings	32,152	14,157
Retirement benefit obligations	5,784	346
Deferred tax liabilities	18,917	20,215
	56,853	34,718
Current liabilities		
Borrowings	38,622	60,107
Trade and other payables	143,842	107,234
Income tax payable	1,099	1,910
	183,563	169,251
Total liabilities	240,416	203,969
TOTAL EQUITY AND LIABILITIES	621,527	590,744
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.61	1.50

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)

SCIENTEX

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 July 2008**

	Attributable to Equity Holders of the Company												
	Non-distributable							Reserves		Distributable		Minority interests RM'000	Total equity 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	Equity compensation reserve RM'000	Retained earnings RM'000	Total RM'000			
At 1 August 2007	100,000	2,264	41,003	(1,740)	(16,716)	461	17,244	178	141,908	284,602	102,173		
Profit for the year	-	-	-	-	-	-	-	-	47,892	47,892	5,334	53,226	
Acquisition of treasury shares	-	-	-	-	(10,942)	-	-	-	-	(10,942)	-	(10,942)	
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	270	-	-	-	-	-	270	(218)	52	
Additional interest in existing subsidiaries	15,223	19,730	-	-	-	-	-	-	-	34,953	(70,801)	(35,848)	
Revaluation of land and building	-	-	(2,810)	-	-	-	-	-	2,810	-	-	-	
Cancellation of share options	-	-	-	-	-	-	-	(178)	178	-	-	-	
Dividends	-	-	-	-	5,933	-	-	-	(16,563)	(10,630)	(1,522)	(12,152)	
At 31 July 2008	115,223	21,994	38,193	(1,470)	(21,725)	461	17,244	-	176,225	346,145	34,966	381,111	
At 1 August 2006	63,525	11,232	49,613	(770)	(849)	461	13,500	119	131,247	268,078	99,955	368,033	
Profit for the year	-	-	-	-	-	-	-	-	35,184	35,184	6,266	41,450	
Share-based payment under ESOS	-	-	-	-	-	-	-	59	-	59	38	97	
Issuance of ordinary shares pursuant to warrants	8,394	12,506	-	-	-	-	-	-	-	20,900	-	20,900	
Acquisition of treasury shares	-	-	-	-	(27,400)	-	-	-	-	(27,400)	-	(27,400)	
Cancellation of treasury shares	(3,744)	(5,545)	-	-	11,533	-	3,744	-	(5,988)	-	-	-	
Bonus issue	31,825	(15,929)	-	-	-	-	-	-	(16,078)	(182)	-	(182)	
Currency translation differences, representing net loss not recognised in the income statement	-	-	-	(970)	-	-	-	-	-	(970)	(456)	(1,426)	
Additional interest in existing subsidiary	-	-	-	-	-	-	-	-	-	-	(1,081)	(1,081)	
Dividends	-	-	-	-	-	-	-	-	(11,067)	(11,067)	(2,549)	(13,616)	
Revaluation of land and building	-	-	(8,610)	-	-	-	-	-	8,610	-	-	-	
At 31 July 2007	100,000	2,264	41,003	(1,740)	(16,716)	461	17,244	178	141,908	284,602	102,173	386,775	

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)



SCIENTEX BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 July 2008

	12 MONTHS ENDED 31.07.2008 RM'000	(Audited) 12 MONTHS ENDED 31.07.2007 RM'000
Net cash generated from operating activities	63,306	60,005
Net cash used in investing activities	(43,116)	(21,829)
Net cash used in financing activities	(19,379)	(34,259)
NET CHANGE IN CASH AND CASH EQUIVALENTS	811	3,917
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	28,508	24,591
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	29,319	28,508
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	14,419	24,427
Short term deposits	15,050	4,938
Bank overdrafts	(150)	(857)
	29,319	28,508

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2007)

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2008

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 2007.

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 2007, except for the adoption of the following new/revised FRSs effective for financial period beginning on or after 1 October 2006:

FRS 124: Related Party Disclosures
Amendment to FRS 107: Cash Flow Statements
Amendment to FRS 111: Construction Contracts
Amendment to FRS 118: Revenue
Amendment to FRS 119: Employee Benefits
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates
- Net Investment in a Foreign Operation
Amendment to FRS 126: Accounting and Reporting by Retirement Benefit Plans
Amendment to FRS 134: Interim Financial Reporting
Amendment to FRS 137: Provision, Contingent Liabilities and Contingent Assets

The above FRS, amendment to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except for the Amendment to FRS 121. However, it is not possible to reasonably estimate the exchange rates applicable to such monetary items for future periods, the directors are therefore unable to determine if the initial adoption of this amendment will have a material impact on the consolidated financial statements for the year ending 31 July 2008.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2007 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:

(a) Treasury shares

During the current financial year ended 31 July 2008, the Company repurchased 8,586,700 ordinary shares of RM0.50 each from the open market for a total cost of RM10.9 million. The repurchased shares were held as treasury shares. On 24 January 2008, a total of 3,754,804 treasury shares were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifty (50) existing ordinary shares of RM0.50 each held. As at 31 July 2008, the number of treasury shares held was 15,042,328 ordinary shares of RM0.50 each.

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A6 Changes in debts and equity securities (Cont'd)

(b) Proposed voluntary take-over offer

During the current financial year under review, the Company ("Scientex") has proposed a voluntary take-over offer to acquire all the remaining ordinary shares of RM1.00 each in Scientex Packaging Berhad ("SciPack") ("SciPack Share") which are not already held by Scientex and any new SciPack Shares which may be issued prior to the close of the offer upon the exercise of outstanding ESOS Options at the offer price of RM1.30 per SciPack Share to be satisfied by the issuance of one (1) new ordinary share of RM0.50 each in Scientex ("Scientex Share") at an issue price of RM1.30 per Scientex Share for every one (1) existing SciPack Share held ("Offer"). Pursuant to the Offer, an additional issued capital of RM14,154,702 comprising 28,309,404 new ordinary shares of RM0.50 each and RM1,068,431 comprising 2,136,862 new ordinary shares of RM0.50 each in Scientex were listed and quoted on 9 April 2008 and 27 May 2008 respectively. As at 31 July 2008, the issued and paid-up capital of the Company was RM115,223,133 comprising 230,446,266 ordinary shares of RM0.50 each.

A7 Dividends paid

(a) A first and final dividend of 6% less 26% taxation in respect of the previous financial year ended 31 July 2007 has been approved by the shareholders at the Annual General Meeting on 18 December 2007. The total dividends amounted to RM4,168,069 was paid on 22 January 2008.

(b) A share dividend distribution was made on 24 January 2008 on the basis of one (1) treasury share for every fifty (50) existing ordinary shares held by entitled shareholders on 9 January 2008. The total number of treasury shares distributed to the shareholders was 3,754,804.

(c) A single tier interim dividend of 6% in respect of the financial year ended 31 July 2008 has been declared on 24 June 2008. The total dividends amounted to RM6,462,118 was paid on 15 August 2008.

A8 Segment information

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

Current financial quarter ended 31 July 2008

<u>Revenue</u>	RM'000
Manufacturing	145,294
Property development	22,303
Total revenue	<u>167,597</u>

<u>Results</u>	RM'000
Manufacturing	5,947
Property development	4,539
Unallocated profit	11,832
Profit from operations	<u>22,318</u>

Current year to date ended 31 July 2008

<u>Revenue</u>	RM'000
Manufacturing	569,502
Property development	87,075
Total revenue	<u>656,577</u>

<u>Results</u>	RM'000
Manufacturing	26,521
Property development	20,924
Unallocated profit	11,832
Profit from operations	<u>59,277</u>

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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 2007.

A10 Events subsequent to the end of the reporting period

Subsequent to the end of the current financial quarter:

(a) Additional investment in Rising Heights Development Sdn Bhd

On 8 September 2008, the Company announced that Scientex Quatari Sdn Bhd ("Scientex Quatari"), its wholly owned subsidiary, has entered into a Share Sale and Purchase Agreement with Wong Nam Loong to acquire a total of 10,260,000 ordinary shares of RM1.00 each representing approximately 52.83% of the entire issued and paid-up capital of Rising Heights Development Sdn Bhd ("Rising Heights") for a total cash consideration of RM9,252,468 only.

The principal activity of Rising Heights is property development and its premier project is a comprehensive 186 acres residential and commercial development called Taman Muzaffar Heights in Ayer Keroh, Malacca.

Upon completion of the acquisition of Rising Heights, Scientex Quatari's equity interest in Rising Heights will increase from 33.54% to 86.38% and accordingly, Rising Heights will become a subsidiary of the Company.

As at to date, the acquisition of Rising Heights is still pending fulfillment of certain terms and conditions in the Share Sale and Purchase Agreement.

(b) Treasury shares

On 24 September 2008, the Board of Directors of the Company approved the cancellation of 446,266 treasury shares of RM0.50 each. As at the date of this report, the balance number of treasury shares held is 14,596,062.

Other than the above, 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 corporate restructuring exercise disclosed in Note B8 and the joint venture agreement as follows:

On 24 June 2008, Scientex Packaging Berhad ("SciPack"), a wholly-owned subsidiary of Scientex entered into a joint venture agreement with Tsukasa Chemical Industry Co, Ltd. ("Tsukasa Chemical") in Scientex Tsukasa (Vietnam) Co., Ltd (formerly known as Woventex (Vietnam) Co., Ltd.) ("Scientex Tsukasa"). Pursuant to the joint venture, the paid-up charter capital of Scientex Tsukasa was increased from USD2 million to USD4 million as follows:

	<u>Before Proposed Joint Venture</u>	<u>Upon Completion of Joint Venture</u>
SciPack	USD2,000,000 (100%)	USD3,000,000 (75%)
Tsukasa Chemical	-	USD1,000,000 (25%)
Total Charter Capital of Scientex Tsukasa	<u>USD2,000,000 (100%)</u>	<u>USD4,000,000 (100%)</u>

With the subscription of 25% equity interest in the paid-up charter capital by Tsukasa Chemical, the equity interest of SciPack in Scientex Tsukasa reduced from 100% to 75%.

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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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2008

B1 Review of performance

The Group recorded a revenue of RM656.6 million for the financial year ended 31 July 2008, an increase of approximately 7.1% as compared with the preceding financial year's revenue of RM613.1 million. The increase in revenue was mainly attributable to higher sales contribution from the manufacturing division.

Profit before taxation of the Group for the financial year ended 31 July 2008 was RM57.6 million as compared with RM40.2 million recorded in the preceding financial year. Operating profits have improved from RM40.2 million to RM45.8 million, representing an increase of approximately 13.9% and there was also a significant contribution of RM11.8 million due to negative goodwill derived from the completion of corporate exercises undertaken by the Group after setting off certain non-operating expenses incurred in respect of the financial year under review.

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 RM167.6 million, a marginal increase as compared with RM165.6 million recorded in the preceding financial quarter.

Profit before taxation for the current financial quarter under review was RM22.4 million as compared with RM13.2 million recorded in the preceding financial quarter. The significant increase in profit was contributed by a net amount of negative goodwill derived from the completion of corporate exercises.

B3 Current financial year prospects

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance for the financial year ending 31 July 2009 is expected to be satisfactory.

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	
	31.07.2008	31.07.2007	31.07.2008	31.07.2007
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	1,218	1,380	5,371	5,579
- Deferred taxation	(1,297)	(2,132)	(1,297)	(2,812)
In respect of prior years :				
- Income tax	380	17	315	(2,194)
- Deferred taxation	-	(2,089)	-	(1,805)
	<u>301</u>	<u>(2,824)</u>	<u>4,389</u>	<u>(1,232)</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory income tax rate mainly due to utilisation of tax incentives by some of the subsidiaries.

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.

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B8 Status of corporate proposals

On 25 January 2008, OSK Investment Bank on behalf of the Company announced the Offer as stated in Note A6(b) and the Proposed change of name from "Scientex Incorporated Berhad" to "Scientex Berhad" ("Proposed Change of Name").

The Proposed Change of Name was completed on 14 March 2008 via the issuance of the Certificate of Incorporation on Change of Name of Company by the Companies Commission of Malaysia.

The Offer has been completed on 27 May 2008 following the despatch of the consideration for the remaining SciPack Shares and the listing of the new Scientex Shares to the holders of SciPack Shares for which acceptances were not received by the closing date of the Offer pursuant to the compulsory acquisition invoked by Scientex under Section 34 of the Securities Commission Act, 1993. With the successful completion of the Offer, SciPack is now a wholly-owned subsidiary of Scientex.

B9 Borrowings and debt securities

The Group's borrowings as at 31 July 2008 were as follows : -

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Secured	93	
-Unsecured	<u>32,059</u>	32,152
 (b) Short Term Borrowings		
- Secured		
Term loan	185	
- Unsecured		
Term loan	6,062	
Other bank borrowings	<u>32,375</u>	<u>38,622</u>
		<u>70,774</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		13,636
- Japanese Yen		<u>150</u>
		<u>13,786</u>

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11 Material litigation

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

B12 Dividends

In respect of the financial year ended 31 July 2008, the Board of Directors proposed a single tier final dividend of 10%. The dividend will be payable on 15 January 2009, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

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B13 Earnings per share

		3 months ended		12 months ended	
		31.07.2008	31.07.2007	31.07.2008	31.07.2007
(a) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	21,799	9,361	47,892	35,184
Weighted average number of ordinary shares in issue	('000)	215,925	191,576	197,584	192,389
Basic earnings per share	(sen)	10.10	4.89	24.24	18.29

(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 2008.

By Order of the Board

Lau Wing Hong (MAICSA 7010572)
Company Secretary

24 September 2008