



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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 October 2009  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the financial quarter ended 31 October 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000	Current year to date 31.10.2009 RM'000	Preceding corresponding period 31.10.2008 RM'000
<b>Revenue</b>	<b>164,914</b>	<b>153,447</b>	<b>164,914</b>	<b>153,447</b>
<b>Operating profit</b>	<b>13,954</b>	<b>9,153</b>	<b>13,954</b>	<b>9,153</b>
Interest expense	(99)	(647)	(99)	(647)
Investing results	835	293	835	293
<b>Profit before tax</b>	<b>14,690</b>	<b>8,799</b>	<b>14,690</b>	<b>8,799</b>
Taxation	(1,475)	(954)	(1,475)	(954)
<b>Profit for the period / year</b>	<b>13,215</b>	<b>7,845</b>	<b>13,215</b>	<b>7,845</b>
<b>Attributable to:</b>				
Equity holders of the Company	12,728	7,552	12,728	7,552
Minority interest	487	293	487	293
<b>Profit for the period / year</b>	<b>13,215</b>	<b>7,845</b>	<b>13,215</b>	<b>7,845</b>
Earnings per share attributable to equity holders of the Company (sen):				
Basic	5.91	3.51	5.91	3.51
Diluted	5.91	3.51	5.91	3.51

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



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED BALANCE SHEET**  
As at 31 October 2009

	<b>AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2009 RM'000 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2009 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	171,146	169,818
Land held for property development	172,898	170,512
Prepaid land lease payments	33,458	33,580
Investment in associates	7,749	6,915
Other investments	5,280	5,329
	<b>390,531</b>	<b>386,154</b>
<b>Current assets</b>		
Property development costs	36,861	38,664
Inventories	52,766	61,682
Trade and other receivables	107,332	82,492
Cash and bank balances	20,832	15,619
	<b>217,791</b>	<b>198,457</b>
<b>TOTAL ASSETS</b>	<b>608,322</b>	<b>584,611</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	115,000	115,000
Reserves	272,822	260,094
	<b>387,822</b>	<b>375,094</b>
Minority interests	36,559	36,136
<b>Total equity</b>	<b>424,381</b>	<b>411,230</b>
<b>Non-current liabilities</b>		
Borrowings	20,397	22,163
Retirement benefit obligations	5,939	5,968
Deferred tax liabilities	17,723	17,723
	<b>44,059</b>	<b>45,854</b>
<b>Current liabilities</b>		
Borrowings	20,990	14,451
Retirement benefit obligations	208	255
Trade and other payables	117,094	111,416
Income tax payable	1,590	1,405
	<b>139,882</b>	<b>127,527</b>
<b>Total liabilities</b>	<b>183,941</b>	<b>173,381</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>608,322</b>	<b>584,611</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.80	1.74

*(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2009)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2009**

	Attributable to Equity Holders of the Company										
	Non-distributable							Distributable			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	Retained earnings RM'000	Total RM'000	Minority interests RM'000	
At 1 August 2009	115,000	21,350	35,878	984	(21,081)	461	17,467	205,035	375,094	36,136	
Profit for the period	-	-	-	-	-	-	-	12,728	12,728	487	13,215
Additional interest in existing subsidiaries	-	-	-	-	-	-	-	-	-	(64)	(64)
At 31 October 2009	115,000	21,350	35,878	984	(21,081)	461	17,467	217,763	387,822	36,559	424,381
At 1 August 2008	115,223	21,994	38,103	(1,470)	(21,725)	461	17,244	176,121	345,951	34,969	380,920
Profit for the period	-	-	-	-	-	-	-	7,552	7,552	293	7,845
Cancellation of treasury shares	(223)	(644)	-	-	644	-	223	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(262)	(262)
At 31 October 2008	115,000	21,350	38,103	(1,470)	(21,081)	461	17,467	183,673	353,503	35,000	388,503

*(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2009)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the financial period ended 31 October 2009**

	<b>3 MONTHS ENDED 31.10.2009 RM'000</b>	<b>3 MONTHS ENDED 31.10.2008 RM'000</b>
Net cash generated from/(used in) operating activities	11,098	(3,092)
Net cash used in investing activities	(10,593)	(1,215)
Net cash generated from financing activities	4,708	1,782
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>5,213</u>	<u>(2,525)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>15,439</u>	<u>29,319</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><b>20,652</b></u>	<u><b>26,794</b></u>

Cash and cash equivalents in the cash flow statement comprise :

Cash and bank balances	18,082	16,446
Short term deposits	2,750	10,498
Bank overdrafts	(180)	(150)
	<u>20,652</u>	<u>26,794</u>

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

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**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2009**

**A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting and Chapter 9 Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the year ended 31 July 2009.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 July 2009.

The Group and the Company have not adopted the following FRSs and Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective and have not been applied by the Group and the Company:

<b>FRSs, Amendments to FRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim financial reporting and impairment
IC Interpretation 11	FRS 2 – Group Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

MASB also issued "Improvements to FRSs (2009)" which contain Amendments to twenty two FRSs and is effective for financial periods beginning on or after 1 January 2010.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7, FRS 139 and Amendments to FRS 139, FRS 7 and IC Interpretation 9.

The other new FRSs, revised FRS, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 8, FRS101, FRS117 and FRS136.

**A2 Audit report**

The Group's preceding annual financial statements for the financial year ended 31 July 2009 was not qualified.

**A3 Seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current financial quarter under review.

**A5 Material changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods that have a material effect in the current financial quarter under review.

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**A6 Changes in debts and equity securities**

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

**A7 Dividends paid**

No dividend has been paid in the current financial quarter under review.

**A8 Segment information**

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

**Current financial quarter and current year to date ended 31 October 2009**

<u>Revenue</u>	RM'000
Manufacturing	136,400
Property development	<u>28,514</u>
Total revenue	<u>164,914</u>
<u>Results</u>	RM'000
Manufacturing	7,736
Property development	<u>6,218</u>
Profit from operations	<u>13,954</u>

**A9 Valuation of property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the audited financial statements for the year ended 31 July 2009.

**A10 Events subsequent to the end of the reporting period**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the financial statements for the said period as at the date of this report.

**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 6 August 2009, the Company entered into a Conditional Share Sale Agreement ("Agreement") with Sumitomo Bakelite Co., Ltd. to acquire 29,850,002 ordinary shares of RM1.00 each representing 66.33% of the issued and paid up capital of Rigidtex Sdn Bhd for a total cash consideration of RM1,145,046. As all the conditions in the Agreement have been fulfilled and the transaction has been completed, Scientex Industries Group Sdn Bhd (formerly known as Rigidtex Sdn Bhd) has become a subsidiary of the Company.

**A12 Contingent liabilities**

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

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA SECURITIES BERHAD**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2009**

**B1 Review of performance**

The Group recorded a revenue of RM164.9 million for the current financial quarter ended 31 October 2009, marginally higher as compared to the preceding financial year corresponding quarter's revenue of RM153.4 million. The higher revenue achieved was contributed by both manufacturing and property divisions.

Profit before taxation of the Group for the current financial quarter ended 31 October 2009 was RM14.7 million, an increase of 67.0% as compared to RM8.8 million recorded in the preceding financial year corresponding quarter. The higher profit before taxation was due to higher profit margin achieved by both manufacturing and property divisions.

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**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 RM164.9 million, an increase of 22.4% as compared to RM134.8 million recorded in the preceding financial quarter. The increase in revenue was contributed by both manufacturing and property divisions.

Profit before taxation for the current financial quarter under review was RM14.7 million, marginally lower as compared to RM15.8 million recorded in the preceding financial quarter.

**B3 Current financial year prospects**

Despite the uncertainties which have affected world economies, the Group has adopted an expansionary approach to increase its capacity for its industrial packaging products to meet the growing demand from its key markets for such products. The increase in capacity will result in lower production costs and enable the Group to adopt a more aggressive pricing strategy in penetrating and opening up new markets or to expand its market share in existing markets for its products for the current year.

With the policy measures adopted by the Government and the stimulus packages announced by the Government to stabilise the Malaysian economy, the Board expects that business sentiments and confidence will gradually return to normalcy by 2010. The initiatives announced in Budget 2010 are intended to spur the development and growth in the Iskandar Malaysia region where the Group has recently acquired a sizeable landbank to tap on the growing demand of affordable housing to cater for the influx of knowledge and skilled workers within Iskandar Malaysia as well as Singapore.

Barring any unforeseen circumstances, the Board is of the view that with the on-going capacity and landbank expansion and the prudent management of the Group's cash flow position, the Group's performance for the financial year ending 31 July 2010 would reflect the efforts put into place by the Management to address the on-going market volatility whilst charting the Group's expansion plans for the current year.

**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	
	31.10.2009	31.10.2008
	RM'000	RM'000
In respect of current quarter :		
- Income tax	1,475	954

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.

**B8 Status of corporate proposals**

On 19 October 2009, the Company announced that Scientex Quatari Sdn Bhd ("Scientex Quatari"), its wholly-owned subsidiary, has entered into a Share Sale Agreement to acquire 100% equity interest in Johline Realty Sdn Bhd ("Johline") for a total cash consideration of RM65,313,864. Upon completion of the proposed acquisition, Johline will become a wholly-owned subsidiary of Scientex Quatari.

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**B9 Borrowings and debt securities**

The Group's borrowings as at 31 October 2009 were as follows : -

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Secured	848	
-Unsecured	19,549	20,397
 (b) Short Term Borrowings		
- Secured		
Term loan	51	
- Unsecured		
Term loan	10,530	
Other bank borrowings	10,409	20,990
		41,387
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		11,157
- Japanese Yen		180
		11,337

**B10 Off balance sheet financial instruments**

As at 16 December 2009, the Group has entered into foreign currency forward contracts to hedge its exposure in US Dollar and Japanese Yen.

Foreign Currency	Notional Amount ('000)	Exchange Rate	Equivalent in RM'000	Maturity Date
USD	10,500	3.55	37,303	Dec'09 - Jul'10
Japanese Yen	18,000	0.039	694	Dec'09 - Jan'10

The contracted rates will be used to convert the foreign currency amounts into Ringgit Malaysia.

Financial instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes.

The accounting policy adopted is to recognise exchange gains and losses relating to these foreign currency forward contracts in the income statement in the same period as the underlying hedged item.

Other than as disclosed above, there were no other off balance sheet financial instrument entered into by the Group as at the date of this report.

**B11 Material litigation**

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

**B12 Dividends**

In respect of the financial year ended 31 July 2009, the Board of Directors recommended a single tier first and final dividend of 10%. The dividend has been approved by the shareholders at the Annual General Meeting held on 16 December 2009 and is payable on 5 February 2010 to depositors registered in the Record of Depositor on 20 January 2010.



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**B13 Earnings per share**

		3 months ended	
		31.10.2009	31.10.2008
<b>(a) Basic earnings per share</b>			
Profit attributable to equity holders of the Company	(RM'000)	12,728	7,552
Weighted average number of ordinary shares in issue	('000)	215,404	215,404
Basic earnings per share	(sen)	5.91	3.51

**(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 October 2009.

By Order of the Board

Lau Wing Hong (MAICSA 7010572)  
Company Secretary

16 December 2009