



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2012

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 April 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.4.2012 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2011 RM'000
Revenue	226,760	217,312	655,011	598,823
Operating profit	25,780	26,144	78,319	71,055
Interest expense	(252)	(399)	(697)	(1,174)
Investing results	(14)	140	16	810
Profit before tax	25,514	25,885	77,638	70,691
Taxation	(4,961)	(4,747)	(14,935)	(12,360)
Profit for the period	20,553	21,138	62,703	58,331
Profit attributable to:				
Owners of the parent	19,711	20,388	60,528	56,469
Non-controlling interests	842	750	2,175	1,862
Profit for the period	20,553	21,138	62,703	58,331
Earnings per share attributable to owners of the parent (sen per share)	9.17	9.48	28.15	26.23

(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

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 April 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.4.2012 RM'000	Preceding year corresponding quarter 30.4.2011 RM'000	Current year to date 30.4.2012 RM'000	Preceding year corresponding period 30.4.2011 RM'000
Profit for the period	20,553	21,138	62,703	58,331
Other comprehensive income :				
Foreign currency translation	(672)	-	479	(817)
Total comprehensive income for the period, net of tax	19,881	21,138	63,182	57,514
Total comprehensive income attributable to:				
Owners of the parent	19,103	20,388	60,916	55,796
Non-controlling interests	778	750	2,266	1,718
Total comprehensive income for the period, net of tax	19,881	21,138	63,182	57,514

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2012

	AS AT CURRENT FINANCIAL QUARTER ENDED 30.4.2012 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2011 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	209,487	192,954
Investment properties	4,639	4,692
Land held for property development	264,875	209,274
Investment in jointly controlled entity	22,219	22,499
Investment in associate	9,911	9,614
Other investments	5,037	5,037
	516,168	444,070
Current assets		
Property development costs	62,066	64,912
Inventories	56,893	67,763
Trade and other receivables	128,623	107,377
Cash and bank balances	45,102	40,953
	292,684	281,005
TOTAL ASSETS	808,852	725,075
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	64,652	37,510
Retirement benefit obligations	286	361
Trade and other payables	150,298	136,720
Income tax payable	8,193	7,583
	223,429	182,174
Net current assets	69,255	98,831
Non-current liabilities		
Loans and borrowings	6,250	10,000
Retirement benefit obligations	7,225	7,097
Deferred tax liabilities	25,397	19,682
	38,872	36,779
Total liabilities	262,301	218,953
Net assets	546,551	506,122
Equity attributable to owners of the parent		
Share capital	115,000	115,000
Reserves	399,213	352,344
	514,213	467,344
Non-controlling interests	32,338	38,778
Total equity	546,551	506,122
TOTAL EQUITY AND LIABILITIES	808,852	725,075
Net assets per share attributable to owners of the parent (RM)	2.39	2.17

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



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 APRIL 2012**

	Attributable to owners of the parent								Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable				Reserves						
	Share capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Foreign currency translation reserves RM'000	Treasury shares RM'000	Other reserves RM'000	Capital redemption reserves RM'000	Retained earnings RM'000			
At 1 August 2011	115,000	19,233	29,132	(2,664)	(21,810)	461	17,467	310,525	467,344	38,778	506,122
Total comprehensive income for the period	-	-	-	388	-	-	-	60,528	60,916	2,266	63,182
Transactions with owners:											
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	1,006	1,006	(7,931)	(6,925)
Dividends	-	-	-	-	-	-	-	(15,053)	(15,053)	(775)	(15,828)
Total transactions with owners	-	-	-	-	-	-	-	(14,047)	(14,047)	(8,706)	(22,753)
At 30 April 2012	115,000	19,233	29,132	(2,276)	(21,810)	461	17,467	357,006	514,213	32,338	546,551
At 1 August 2010	115,000	19,233	31,613	(1,372)	(21,081)	2,578	17,467	252,349	415,787	36,552	452,339
Total comprehensive income for the period	-	-	-	(673)	-	-	-	56,469	55,796	1,718	57,514
Transactions with owners:											
Acquisition of treasury shares	-	-	-	-	(728)	-	-	-	(728)	-	(728)
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	-	-	(350)	(350)
Dividends	-	-	-	-	-	-	-	(12,916)	(12,916)	-	(12,916)
Total transactions with owners	-	-	-	-	(728)	-	-	(12,916)	(13,644)	(350)	(13,994)
At 30 April 2011	115,000	19,233	31,613	(2,045)	(21,809)	2,578	17,467	295,902	457,939	37,920	495,859

(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 nine months ended 30 April 2012

	9 MONTHS ENDED 30.4.2012 RM'000	9 MONTHS ENDED 30.4.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	77,638	70,691
Adjustments	17,263	16,370
Operating cash flow before changes in working capital	<u>94,901</u>	<u>87,061</u>
Changes in working capital		
Decrease in inventories	10,870	9,732
Decrease/(increase) in development properties	19,844	(10,043)
Increase in receivables	(21,166)	(27,209)
(Decrease)/increase in payables	(6,939)	19,790
Total changes in working capital	<u>2,609</u>	<u>(7,730)</u>
Cash generated from operations	97,510	79,331
Taxation paid	(14,402)	(7,600)
Gratuity and retirement benefits paid	(75)	(211)
Net cash flows from operating activities	<u>83,033</u>	<u>71,520</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment in an jointly controlled entity	-	(22,500)
Purchase of property, plant and equipment	(33,836)	(11,572)
Payment for additional investments	(52,644)	(300)
Proceeds from disposal of property, plant and equipment	11	1,138
Net dividend received	126	-
Interest received	1,006	115
Net cash flows used in investing activities	<u>(85,337)</u>	<u>(33,119)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(15,828)	(19,378)
Acquisition of treasury shares	-	(728)
Net drawdown/(repayment) of borrowings	23,580	(2,281)
Interest paid	(1,111)	(1,692)
Net cash flows from/(used in) financing activities	<u>6,641</u>	<u>(24,079)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,337	14,322
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>40,765</u>	<u>23,173</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>45,102</u>	<u>37,495</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	25,523	33,223
Short term deposits	19,579	4,452
Bank overdrafts	-	(180)
	<u>45,102</u>	<u>37,495</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 30 APRIL 2012

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

A1. Changes in Accounting Policies and Methods of Computation

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

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

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

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

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

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

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2011 was not qualified.

A3 Seasonal or cyclical factors

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

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

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

A5 Material changes in estimates

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

A6 Changes in debts and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares except for the following:

Treasury shares

For current year-to-date ended 30 April 2012, the Company repurchased 100 ordinary shares of RM0.50 each from the open market. The repurchased shares were held as treasury shares. As at 30 April 2012, the number of treasury shares held was 14,959,762 ordinary shares of RM0.50 each.

A7 Dividends paid

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

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A8 Segment information

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

Current financial quarter ended 30 April 2012

<u>Revenue</u>	RM'000
Manufacturing	167,266
Property development	59,494
Total revenue	226,760
 <u>Results</u>	 RM'000
Manufacturing	8,865
Property development	16,915
Profit from operations	25,780
 <u>Reconciliation of profit before taxation</u>	 RM'000
Profit from operations	25,780
Investing results	(14)
Finance cost	(252)
Profit before taxation	25,514

Current year-to-date ended 30 April 2012

<u>Revenue</u>	RM'000
Manufacturing	469,684
Property development	185,327
Total revenue	655,011
 <u>Results</u>	 RM'000
Manufacturing	25,810
Property development	52,509
Profit from operations	78,319
 <u>Reconciliation of profit before taxation</u>	 RM'000
Profit from operations	78,319
Investing results	16
Finance cost	(697)
Profit before taxation	77,638

A9 Disclosure items

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

	3 months ended		9 months ended	
	30.4.2012	30.4.2011	30.4.2012	30.4.2011
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	323	44	1,006	115
(b) Other income	299	104	982	461
(c) Interest expense	252	399	697	1,174
(d) Depreciation	5,612	5,453	17,580	16,313
(e) Net provision for/(write back) of receivables	(3)	49	(5)	71
(f) Net foreign exchange loss/(gain)	(194)	82	(249)	(503)

In the current quarter and current financial period ended 30 April 2012, there were no:

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

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A10 Events subsequent to the end of the reporting period

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

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group during the current financial quarter under review, except for the following:

- (a) On 16 December 2011, the Company announced that Scientex Quatari Sdn Bhd ("Scientex Quatari"), its wholly-owned subsidiary, has entered into a Share Sale and Purchase Agreement to acquire 70% equity interest in Tropicana Holdings Sdn Bhd ("THSB") for a total cash consideration of RM46,389,000. As all the conditions in the Agreement have been fulfilled and the transaction has been completed on 26 March 2012, THSB has become a subsidiary of Scientex Quatari.
- (b) Scientex Metro Holdings Sdn Bhd, a 95% owned dormant subsidiary of Scientex Quatari, which in turn is a wholly-owned subsidiary of the Company has held its final meeting on 4 June 2012 for the members' voluntary winding-up and will be dissolved on 7 September 2012 pursuant to Section 272(5) of the Companies Act 1965.
- (c) During the current financial quarter, the dormant subsidiaries of the Company, Scientex Resources Sdn Bhd and Scientex Containers Sdn Bhd have been struck off from the register pursuant to Section 308 of the Companies Act 1965.

A12 Contingent liabilities

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

A13 Capital commitments

Authorised capital commitment not recognised in the interim financial statements as at 30 April 2012 are as follows:

	RM'000
Approved and contracted for purchase of plant and machinery	40,096

A14 Related party transactions

The Group's related party transactions in the current financial quarter and current financial period ended 30 April 2012 are as follows:

	3 months ended		9 months ended	
	30.4.2012	30.4.2011	30.4.2012	30.4.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of goods from associated company	10,819	8,193	31,455	21,683
Rental income from jointly controlled entity	(232)	-	(695)	-

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2012

B1 Review of performance

(i) Current quarter review

For the current quarter ended 30 April 2012, the Group recorded revenue of RM226.8 million, an increase of 4.3% as compared to RM217.3 million recorded in the preceding financial year corresponding quarter. Profit before tax was RM25.5 million, marginally lower as compared to RM25.9 million in the preceding year corresponding quarter.

Manufacturing revenue recorded was RM167.3 million, an increase of 5.1% compared to the preceding financial year corresponding quarter. The increase was attributed to the higher demand for our products mainly in the export market in the Asia Pacific region. Profit from operations has also increased from RM8.1 million to RM8.9 million, in line with the higher revenue recognised.

Property revenue recorded was RM59.5 million, as compared to RM58.1 million in the preceding financial year corresponding quarter. However, profit from operations has reduced marginally from RM18.0 million to RM16.9 million mainly due to the product mix.

(ii) 9-months review

For the 9-months financial period ended 30 April 2012, the Group recorded revenue of RM655.0 million as compared to the preceding year corresponding period of RM598.8 million. Profit before tax increased from RM70.7 million to RM77.6 million, an increase of 9.8%. The increase is attributable to both the manufacturing and property segment.

Manufacturing segment recorded revenue of RM469.7 million, an increase of 6.8% as compared to the preceding financial year corresponding period. 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 the current financial quarter. Profit from operations for the 9-months period has increased as a result of the better sales performance achieved.

Property segment recorded revenue of RM185.3 million compared to RM159.0 million in the preceding financial period, an increase of 16.6%. Profit from operations also increased from RM47.8 million to RM52.5 million. The increase was attributable to the higher percentage recognition from the locked-in sales, steady development progress and new launches from our development mainly in Taman Mutiara Mas in Skudai.

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

Profit before taxation for the current financial quarter under review was RM25.5 million, marginally the same as compared to RM25.8 million recorded in the preceding financial quarter.

B3 Current financial year prospects

Manufacturing

The manufacturing division continues to face challenges and volatility in the external environment in light of the current uncertainty in the global economic outlook. Despite these challenges, the Management has been pro-active in exploring new markets to increase sales of our products through competitive pricing and quality products. The Management is also constantly exploring ways to improve efficiency and productivity and to pass through the costs savings to our customers. The commissioning of our latest cast stretch line in September 2011 and two PP strapping band lines in February 2012 have greatly assisted in improving our productivity with resultant costs savings, thus enabling us to remain competitive in the global marketplace.

In addition, in line with our expansion plan for stretch film, we have also committed to purchase 2 additional cast stretch film lines. Our newly acquired 12.54 acre industrial land located in Pulau Indah, Selangor is also in its design stage and preliminary earthworks has commenced.

Property

Our property development projects in Johor and Melaka continue to record good sales. The Management anticipates that our affordable housing in Pasir Gudang and Kulai will continue to see strong demand as the Government embarks on a drive to boost home ownership for the lower and middle income earners. Our high end products in our Skudai project continue to enjoy strong sales as the Government continue to liberalise investment policies and invest in more infrastructure in a bid to attract and encourage foreign investors to relocate their businesses and invest within the Iskandar region as the Government seeks to transform the Iskandar region into a regional medical, educational, hospitality and investment hub.

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

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B4 Variations of actual profit from forecast profit

This note is not applicable as the Group did not issue and publish any profit forecast for the current financial quarter under review.

B5 Taxation

Details of tax expense for the current financial quarter and current year-to-date were as follows :-

	3 months ended		9 months ended	
	30.4.2012	30.4.2011	30.4.2012	30.4.2011
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	4,961	4,747	14,935	12,360

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

B6 Realised and unrealised profits

	Current financial quarter ended 30.4.2012 RM'000	Preceding year corresponding quarter ended 30.4.2011 RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	455,296	322,366
- Unrealised	(800)	593
	<u>454,496</u>	<u>322,959</u>
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	6,907	6,895
- Unrealised	(278)	(203)
	<u>461,125</u>	<u>329,651</u>
Less: Consolidation adjustments	(104,119)	(33,749)
Total Group retained earnings	<u>357,006</u>	<u>295,902</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 30 April 2012 were as follows :-

	RM'000	RM'000
(a) Long Term Borrowings		
Term Loan		
-Unsecured	<u>6,250</u>	6,250
(b) Short Term Borrowings		
- Secured		
Other bank borrowings	500	
- Unsecured		
Term loan	5,000	
Other bank borrowings	<u>59,152</u>	<u>64,652</u>
		<u>70,902</u>
Included in total borrowings are borrowings denominated in foreign currencies		RM'000
- United States Dollars		<u>46,202</u>

B9 Material litigation

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

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B10 Dividends

In respect of the financial year ending 31 July 2012, the Board of Directors declared a single tier interim dividend of 12%; 6 sen per ordinary share (single tier interim dividend for 2011: 5 sen per ordinary share), payable on 27 July 2012.

B11 Earnings per share

		3 months ended		9 months ended	
		30.4.2012	30.4.2011	30.4.2012	30.4.2011
(a) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	19,711	20,388	60,528	56,469
Weighted average number of ordinary shares in issue	('000)	215,040	215,040	215,040	215,251
Basic earnings per share	(sen)	9.17	9.48	28.15	26.23

(b) Fully diluted earnings per share

There was no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 April 2012.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

26 June 2012