



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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 January 2014  
 The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For the six months ended 31 January 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.1.2014 RM'000	Preceding year corresponding quarter 31.1.2013 RM'000	Current year to date 31.1.2014 RM'000	Preceding year corresponding period 31.1.2013 RM'000
<b>Revenue</b>	<b>383,490</b>	<b>271,084</b>	<b>748,301</b>	<b>512,700</b>
<b>Operating profit</b>	<b>45,113</b>	<b>34,174</b>	<b>84,406</b>	<b>65,658</b>
Interest expense	(1,744)	(727)	(3,351)	(895)
Investing results	1,031	(252)	1,121	(239)
<b>Profit before tax</b>	<b>44,400</b>	<b>33,195</b>	<b>82,176</b>	<b>64,524</b>
Taxation	(9,727)	(7,196)	(17,668)	(13,249)
<b>Profit for the period</b>	<b>34,673</b>	<b>25,999</b>	<b>64,508</b>	<b>51,275</b>
<b>Profit attributable to:</b>				
Owners of the parent	33,920	25,607	63,263	50,482
Non-controlling interests	753	392	1,245	793
<b>Profit for the period</b>	<b>34,673</b>	<b>25,999</b>	<b>64,508</b>	<b>51,275</b>
Earnings per share attributable to owners of the parent (sen per share)	15.34	11.91	28.61	23.48

*(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2013)*



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**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 January 2014  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the six months ended 31 January 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.1.2014 RM'000	Preceding year corresponding quarter 31.1.2013 RM'000	Current year to date 31.1.2014 RM'000	Preceding year corresponding period 31.1.2013 RM'000
<b>Profit for the period</b>	<b>34,673</b>	<b>25,999</b>	<b>64,508</b>	<b>51,275</b>
<b>Other comprehensive income :</b>				
Foreign currency translation	-	(707)	-	(1,273)
<b>Total comprehensive income for the period</b>	<b>34,673</b>	<b>25,292</b>	<b>64,508</b>	<b>50,002</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	33,920	25,032	63,263	49,411
Non-controlling interests	753	260	1,245	591
	<b>34,673</b>	<b>25,292</b>	<b>64,508</b>	<b>50,002</b>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2013)*



**SCIENTEX BERHAD**  
(Company No: 7867-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 January 2014**

	<b>AS AT CURRENT FINANCIAL QUARTER ENDED 31.1.2014 RM'000 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2013 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	491,973	491,349
Investment properties	4,520	4,550
Land held for property development	276,334	254,810
Investment in jointly controlled entity	23,512	22,893
Investment in associate	11,374	10,873
Other investments	5,037	5,037
	<b>812,750</b>	<b>789,512</b>
<b>Current assets</b>		
Property development costs	74,393	68,491
Inventories	76,342	80,720
Trade and other receivables	251,673	195,469
Cash and bank balances	89,251	152,177
	<b>491,659</b>	<b>496,857</b>
<b>TOTAL ASSETS</b>	<b>1,304,409</b>	<b>1,286,369</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	205,813	167,625
Retirement benefit obligations	422	422
Trade and other payables	214,168	258,425
Income tax payable	15,769	10,415
	<b>436,172</b>	<b>436,887</b>
<b>Net current assets</b>	<b>55,487</b>	<b>59,970</b>
<b>Non-current liabilities</b>		
Loans and borrowings	163,728	167,812
Retirement benefit obligations	8,573	8,221
Deferred tax liabilities	24,812	24,812
	<b>197,113</b>	<b>200,845</b>
<b>Total liabilities</b>	<b>633,285</b>	<b>637,732</b>
<b>Net assets</b>	<b>671,124</b>	<b>648,637</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	115,000	115,000
Reserves	534,907	513,665
	<b>649,907</b>	<b>628,665</b>
Non-controlling interests	21,217	19,972
<b>Total equity</b>	<b>671,124</b>	<b>648,637</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,304,409</b>	<b>1,286,369</b>
Net assets per share attributable to owners of the parent (RM)	2.94	2.84

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2013)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 JANUARY 2014**

	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 2013	115,000	38,064	22,774	(1,172)	(12,895)	461	17,467	448,966	628,665	19,972	648,637
Total comprehensive income for the period	-	-	-	-	-	-	-	63,263	63,263	1,245	64,508
<b>Transactions with owners:</b>											
Acquisition of treasury shares	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(42,020)	(42,020)	-	(42,020)
Total transactions with owners	-	-	-	-	(1)	-	-	(42,020)	(42,021)	-	(42,021)
At 31 January 2014	115,000	38,064	22,774	(1,172)	(12,896)	461	17,467	470,209	649,907	21,217	671,124
At 1 August 2012	115,000	19,233	26,388	(1,259)	(21,811)	461	17,467	370,236	525,715	33,988	559,703
Total comprehensive income for the period	-	-	-	(1,071)	-	-	-	50,482	49,411	591	50,002
<b>Transactions with owners:</b>											
Arising from dilution of interest in an existing subsidiary	-	-	-	-	-	-	-	(757)	(757)	3,857	3,100
Dividends	-	-	-	-	-	-	-	(17,203)	(17,203)	(700)	(17,903)
Total transactions with owners	-	-	-	-	-	-	-	(17,960)	(17,960)	3,157	(14,803)
At 31 January 2013	115,000	19,233	26,388	(2,330)	(21,811)	461	17,467	402,758	557,166	37,736	594,902

*(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2013)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the six months ended 31 January 2014**

	<b>6 MONTHS ENDED 31.1.2014 RM'000</b>	<b>6 MONTHS ENDED 31.1.2013 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	82,176	64,524
Adjustments	20,738	13,751
Operating cash flows before changes in working capital	<u>102,914</u>	<u>78,275</u>
Changes in working capital		
Decrease in inventories	4,662	12,371
Decrease in development properties	1,121	15,497
Increase in receivables	(51,241)	(15,853)
Decrease in payables	(13,526)	(1,537)
Total changes in working capital	<u>(58,984)</u>	<u>10,478</u>
<b>Cash flows from operations</b>	43,930	88,753
Taxation paid	(13,053)	(9,101)
Gratuity and retirement benefits paid	-	(205)
<b>Net cash flows from operating activities</b>	<u>30,877</u>	<u>79,447</u>
<b>INVESTING ACTIVITIES</b>		
Deposit paid for acquisition of investment	(4,000)	-
Net cash outflow on acquisition of subsidiaries	-	(275,528)
Balance payment for acquisition of a subsidiary	(15,250)	-
Purchase of property, plant and equipment	(20,574)	(21,789)
Purchase of land held for development	(28,500)	-
Proceeds arising from dilution of interest in a subsidiary	-	3,100
Proceeds from disposal of property, plant and equipment	244	-
Interest received	1,073	768
<b>Net cash flows used in investing activities</b>	<u>(67,007)</u>	<u>(293,449)</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(57,501)	(17,903)
Acquisition of treasury shares	(1)	-
Net (repayment)/drawdown of term loans	(3,020)	195,475
Net drawdown of short term borrowings	37,125	52,008
Interest paid	(3,399)	(1,108)
<b>Net cash flows (used in)/from financing activities</b>	<u>(26,796)</u>	<u>228,472</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(62,926)	14,470
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>152,177</u>	<u>36,335</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>89,251</u>	<u>50,805</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	50,766	40,612
Short term deposits	38,485	10,193
	<u>89,251</u>	<u>50,805</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 2013)*

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**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2014**

**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 2013. 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 2013, except for the following:

**(i) Adoption of Amendments to FRSs**

On 1 August 2013, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 August 2013.

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income (Improvements to FRSs (2012))
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associate and Joint Ventures
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))

Except for the changes in accounting policies arising from the adoption of the new disclosures required under the Amendments to 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)**

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 2013 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.

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**A5 Material changes in estimates**

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

**A6 Changes in debts and equity securities**

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

Treasury shares

During the current financial period ended 31 January 2014, the Company repurchased 100 ordinary shares of RM0.50 each from the open market. The repurchased shares were held as treasury shares. As at 31 January 2014, the number of treasury shares held was 8,844,662 ordinary shares of RM0.50 each

**A7 Dividends paid**

The amount of dividend paid by the Company since 31 July 2013 was as follows:

	RM'000
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
Single tier special dividend of 20%; 10 sen per ordinary share declared on 26 September 2013 and paid on 25 November 2013	22,116
Single tier final dividend of 18%; 9 sen per ordinary share declared on 17 December 2013 and paid on 21 January 2014	19,904
	57,501

**A8 Segment information**

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

**6 months ended 31 January 2014**

	Manufacturing RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>	577,671	170,630	748,301
<b>Results</b>			
Profit from operations	33,645	51,523	85,168
Foreign exchange differences			(762)
Operating profit			84,406
Investing results			1,121
Finance cost			(3,351)
Profit before taxation			82,176

**6 months ended 31 January 2013**

	Manufacturing RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>	366,151	146,549	512,700
<b>Results</b>			
Profit from operations	20,959	44,028	64,987
Foreign exchange differences			671
Operating profit			65,658
Investing results			(239)
Finance cost			(895)
Profit before taxation			64,524

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**A9 Disclosure items**

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

	3 months ended		6 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	(355)	(514)	(1,073)	(768)
(b) Other income	(283)	(411)	(470)	(859)
(c) Interest expense	1,744	727	3,351	895
(d) Depreciation	9,824	6,939	19,588	12,698
(e) Net provision for/(write back) of receivables	5	-	(349)	(28)
(f) Net provision for/(write back) of inventories	100	194	(284)	236
(g) Net realised loss/(gain) of foreign exchange	307	(392)	637	(463)
(h) Net unrealised loss/(gain) of foreign exchange	(101)	(138)	125	(208)

In the current financial quarter and current year-to-date ended 31 January 2014, 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**

(i) Proposed acquisition of Seacera Polyfilms Sdn Bhd

On 11 November 2013, the Company announced that Scientex Packaging Film Sdn Bhd ("SPFSB"), its wholly-owned subsidiary, had entered into a Share Sale Agreement ("SSA") with Seacera Polymer Sdn Bhd and Seacera Group Berhad to acquire a total of 12,900,000 ordinary shares of RM1.00 each in the capital of Seacera Polyfilms Sdn Bhd ("Seacera Polyfilms"), representing the entire issued and paid-up share capital of Seacera Polyfilms for a total purchase consideration of RM40,000,000 to be satisfied entirely via cash, upon the terms and conditions contained in the SSA.

The Company subsequently announced that all parties have agreed to amend and vary certain terms of the SSA via a Supplemental Agreement dated 27 January 2014, among others, recording a downward revision to the total purchase consideration from RM40,000,000 to RM39,000,000. All the conditions precedent applicable in respect of the SSA and Supplemental Agreement have been fulfilled or obtained and the transaction has been completed on 13 February 2014. Seacera Polyfilms has become a subsidiary of SPFSB.

(ii) Incorporation of Scientex International (S) Pte Ltd

The Company had on 21 February 2014, incorporated a wholly-owned subsidiary, namely Scientex International (S) Pte Ltd ("SIS") in Singapore with an initial issued and paid-up capital of USD10,000.00. The principal activity of SIS is procurement, distribution, trading of resins, chemicals, films and other packaging related products and such other product that is in the best interests of the Company.

Other than the above, 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 period under review.

**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 are as follows:

	As at	As at
	31.1.2014	31.1.2013
	RM'000	RM'000
Approved and contracted for:		
Purchase of plant and machinery	34,701	31,459
Balance payment for acquisition of subsidiaries	35,000	-
	<u>69,701</u>	<u>31,459</u>



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**A14 Related party transactions**

The Group's related party transactions in the current financial quarter and current year-to-date were as follows:-

	3 months ended		6 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
Purchase of goods from associated company	13,878	10,712	24,609	21,436
Rental income from jointly controlled entity	(232)	(232)	(463)	(463)
	<u>13,646</u>	<u>10,480</u>	<u>24,146</u>	<u>20,973</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA SECURITIES BERHAD**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2014**

**B1 Review of performance**

(i) Current quarter review

For the current quarter ended 31 January 2014, the Group recorded revenue of RM383.5 million, an increase of 41.5% as compared to RM271.1 million recorded in the preceding year corresponding quarter. Profit before tax was RM44.4 million, an increase of 33.8% as compared to RM33.2 million in the preceding year corresponding quarter.

**Manufacturing** revenue recorded was RM288.5 million, an increase of 49.1% compared to RM193.5 million in the preceding year corresponding quarter. The increase was attributed to the higher demand for our stretch film products mainly in the export markets in the Asia Pacific region and contribution from the consumer packaging products. Profit from operations increased from RM10.6 million to RM16.0 million, in line with the higher revenue.

**Property** revenue recorded was RM95.0 million compared to RM77.6 million in the preceding year corresponding quarter, an increase of 22.5%. Profit from operations increased from RM23.0 million to RM29.4 million, an increase of 27.4%. The increase in profit is consistent with the increase in revenue and also higher margin from the product mix.

(ii) 6-month review

For the 6-month financial period ended 31 January 2014, the Group recorded revenue of RM748.3 million compared to the preceding year corresponding period of RM512.7 million. Profit before tax increased from RM64.5 million to RM82.2 million, an increase of 27.4%. The increase is attributable to both the manufacturing and property segments.

**Manufacturing** segment recorded RM577.7 million of revenue, an increase of 57.8% compared to the preceding financial year corresponding period of RM366.2 million. Consistent with the current quarter review as above, profit from operations has also increased from RM21.0 million to RM33.6 million, in line with the higher revenue. The increase in revenue and profit was mainly due to the higher export sales and contribution from the consumer packaging products.

**Property** segment recorded RM170.6 million of revenue in the current financial period, an increase of 16.4% compared to the preceding financial year corresponding period of RM146.5 million. Profit from operations also increased from RM44.0 million in the preceding financial year corresponding period to RM51.5 million in the current financial period. The increase in revenue and profit from operations were due to the higher demand for our new property project launches in Johor and Melaka.

**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 RM44.4 million, an increase of 17.5% compared to RM37.8 million recorded in the preceding financial quarter. The increase was mainly due to contribution from the property division.

**B3 Current financial year prospects**

Manufacturing

The Group continues to tap into existing and new markets in the EU which is slowly emerging from the recession. The emerging economies in the Asia Pacific region are also expected to lead the Group's growth for the demand of its packaging products in the near future as capacity gradually expands. Moreover, with the effect of the electricity tariff hike in January 2014, the Group will remain vigilant and seek ways to improve operational efficiency and reduce overall costs to improve margins by implementing strategic planning, allocation of resources and to achieve economies of scale derived from the enhanced capacity expansion. The Group's planned capacity expansion of its blown film lines for its consumer packaging division remains on schedule and will be fully operational by mid 2014. The increase in capacity will enable the Group to confidently expand its existing markets and penetrate new markets for its products in the Asia Pacific and EU regions.

In addition, the Group has just completed the acquisition of Seacera Polyfilms Sdn Bhd ("Seacera Polyfilms") on 13 February 2014. Seacera Polyfilms is in the business of manufacturing of biaxially oriented polypropylene films for packing products and we expect to see positive contribution moving forward. In the absence of unforeseen circumstances, the Group remains cautiously optimistic of its prospects for the current financial year.

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**B3 Current financial year prospects (Cont'd)**

Property

The Group's recent property launches in Johor and Melaka continue to enjoy good take up rates and has performed credibly for the period under review. The Group continues to find ways to maximise the use of its landbank with strategic and good planning and incorporating fast and efficient building methods as part of its continuous efforts to lower overall construction costs to maintain or boost margins. The Group continues to be supportive of the Government's affordable housing policy and will continue to focus on this segment in the foreseeable future as it seeks to negate the adverse effect which is expected to impact the luxury home market segment due to the negative effect of the real property gains tax hike announced in Budget 2014. Apart from the imposition of real property gains tax, fuel price increase and the electricity tariff hike which came into force in January 2014 is expected to increase overall construction costs as costs of raw materials increase in tandem. In addition, the proposal to impose levy on foreign purchasers which has yet to be implemented and the impending goods and services tax which is expected to come into force in early 2015 are expected to further dampen investor sentiments in the property sector. However, the strategic locations of the Group's projects especially within the Iskandar Region have mitigated in part the adverse impact caused by the Government's cooling measures as demand for its products continue to remain stable. The Group expects to see its growth prospects for the year being maintained in the absence of unforeseen circumstances.

**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		6 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	9,727	7,196	17,668	13,249

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	Preceding year
	quarter ended	corresponding
	31.1.2014	quarter ended
	RM'000	31.1.2013
	RM'000	RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	684,882	609,940
- Unrealised	(8,779)	(701)
	676,103	609,239
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	9,671	7,148
- Unrealised	(284)	(366)
	685,490	616,021
Less: Consolidation adjustments	(215,281)	(213,263)
Total Group retained earnings	470,209	402,758

**B7 Status of corporate proposals**

There were no material corporate proposals announced and not completed as at the date of this report, except as disclosed below:

Establishment of a share grant plan

On 29 October 2013, the Company announced a proposed establishment of a share grant plan of up to five percent (5%) of the issued and paid-up share capital of the Company for the eligible key management and employees of the Company and its subsidiaries ("SGP").

The Company having obtained all approvals from the relevant authorities/parties, had on 21 January 2014 announced that the effective date for SGP has been fixed on 21 January 2014, being the date of submission of the final by-laws and resolution approved by the shareholders of the Company at the Extraordinary General Meeting held on 17 December 2013 to Bursa Malaysia Securities Berhad.

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

**B8 Borrowings and debt securities**

The Group's borrowings as at 31 January 2014 were as follows :-

	RM'000	RM'000
(a) Long Term Borrowings		
Term loan		
- Secured	144,045	
- Unsecured	<u>19,683</u>	163,728
(b) Short Term Borrowings		
- Secured		
Term loan	14,000	
Other bank borrowings	17,500	
- Unsecured		
Term loan	14,893	
Other bank borrowings	<u>159,420</u>	<u>205,813</u>
		<u>369,541</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		255,786
- Japanese Yen		<u>17,655</u>
		<u>273,441</u>

**B9 Material litigation**

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

**B10 Dividends**

The Board of Directors does not recommend any dividend for the current financial quarter under review.

**B11 Earnings per share**

		3 months ended		6 months ended	
		31.1.2014	31.1.2013	31.1.2014	31.1.2013
<b>(a) Basic earnings per share</b>					
Profit attributable to equity holders of the Company	(RM'000)	33,920	25,607	63,263	50,482
Weighted average number of ordinary shares in issue	('000)	221,155	215,040	221,155	215,040
Basic earnings per share	(sen)	<u>15.34</u>	<u>11.91</u>	<u>28.61</u>	<u>23.48</u>

**(b) Fully diluted earnings per share**

There was no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 January 2014.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)  
Company Secretary

20 March 2014