



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2015
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the nine months ended 30 April 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.4.2015 RM'000	30.4.2014 RM'000	30.4.2015 RM'000	30.4.2014 RM'000
Revenue	455,250	426,770	1,349,186	1,175,071
Operating profit	58,359	48,975	147,854	133,381
Interest expense	(2,173)	(1,848)	(5,960)	(5,199)
Investing results	319	950	2,072	2,071
Profit before tax	56,505	48,077	143,966	130,253
Taxation	(12,555)	(10,912)	(31,711)	(28,580)
Profit for the quarter / period	43,950	37,165	112,255	101,673
Profit attributable to:				
Owners of the Company	42,958	36,341	109,279	99,604
Non-controlling interests	992	824	2,976	2,069
Profit for the quarter / period	43,950	37,165	112,255	101,673
Earnings per share attributable to owners of the Company (sen per share)	19.02	16.43	48.69	45.04

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)



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QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2015

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 April 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.4.2015 RM'000	30.4.2014 RM'000	30.4.2015 RM'000	30.4.2014 RM'000
Profit for the quarter / period	43,950	37,165	112,255	101,673
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods				
- Foreign currency translation of foreign operations	-	-	4,191	-
Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
Total comprehensive income for the quarter / period	43,950	37,165	116,446	101,673
Total comprehensive income attributable to:				
Owners of the Company	42,958	36,341	112,528	99,604
Non-controlling interests	992	824	3,918	2,069
	43,950	37,165	116,446	101,673

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)



SCIENTEX BERHAD
(Company No: 7867-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2015

	AS AT CURRENT FINANCIAL QUARTER ENDED 30.4.2015 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2014 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	568,252	552,100
Investment properties	4,426	4,479
Land held for property development	284,464	260,401
Investment in jointly controlled entity	25,591	25,340
Investment in associate	13,945	12,125
Other investments	7,082	5,092
	903,760	859,537
Current assets		
Property development costs	110,508	104,618
Inventories	85,945	108,998
Trade and other receivables	325,235	243,459
Cash and bank balances	63,491	83,766
	585,179	540,841
TOTAL ASSETS	1,488,939	1,400,378
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	115,179	115,000
Reserves	736,387	597,718
Equity attributable to owners of the Company	851,566	712,718
Non-controlling interests	43,697	22,705
Total equity	895,263	735,423
Non-current liabilities		
Borrowings	80,150	77,540
Retirement benefits obligations	19,222	17,343
Deferred tax liabilities	23,832	23,572
	123,204	118,455
Current liabilities		
Borrowings	202,515	262,880
Trade and other payables	255,643	254,441
Dividend payable	-	17,692
Tax liabilities	12,314	11,487
	470,472	546,500
Total liabilities	593,676	664,955
TOTAL EQUITY AND LIABILITIES	1,488,939	1,400,378
Net assets per share attributable to owners of the Company (RM)	3.77	3.22

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 APRIL 2015**

	Reserves							Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable						
	Share capital RM'000	Share premium RM'000	Capital redemption reserves RM'000	Property revaluation surplus RM'000	Foreign currency translation reserves RM'000	Treasury shares RM'000	Other reserves RM'000				
At 1 August 2014	115,000	38,064	17,467	22,774	(1,533)	(12,896)	461	533,381	712,718	22,705	735,423
Profit for the period	-	-	-	-	-	-	-	109,279	109,279	2,976	112,255
Other comprehensive profit for the period	-	-	-	-	3,249	-	-	-	3,249	942	4,191
Total comprehensive income for the period	-	-	-	-	3,249	-	-	109,279	112,528	3,918	116,446
Transactions with owners:											
Arising from dilution of interest in an existing subsidiary	-	-	-	-	-	-	-	22,356	22,356	17,644	40,000
Sale of treasury shares	-	24,472	-	-	-	6,338	-	-	30,810	-	30,810
Acquisition of treasury shares	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Issuance of ordinary shares pursuant to Share Grant Plan	179	2,338	-	-	-	-	-	-	2,517	-	2,517
Dividends	-	-	-	-	-	-	-	(29,362)	(29,362)	(570)	(29,932)
Total transactions with owners	179	26,810	-	-	-	6,337	-	(7,006)	26,320	17,074	43,394
At 30 April 2015	115,179	64,874	17,467	22,774	1,716	(6,559)	461	635,654	851,566	43,697	895,263
At 1 August 2013	115,000	38,064	17,467	22,774	(1,172)	(12,895)	461	448,966	628,665	19,972	648,637
Total comprehensive income for the period	-	-	-	-	-	-	-	99,604	99,604	2,069	101,673
Transactions with owners:											
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 30 April 2014	115,000	38,064	17,467	22,774	(1,172)	(12,896)	461	506,550	686,248	22,041	708,289

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)



SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the nine months ended 30 April 2015

	9 MONTHS ENDED 30.4.2015 RM'000	9 MONTHS ENDED 30.4.2014 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	143,966	130,253
Adjustments	41,002	32,121
Operating profits before working capital changes	<u>184,968</u>	<u>162,374</u>
Movement in working capital:		
Decrease in inventories	23,000	3,629
Increase in development properties	(29,953)	(484)
Increase in receivables	(61,893)	(55,238)
Increase in payables	7,663	4,366
Cash generated from operations	<u>123,785</u>	<u>114,647</u>
Taxation paid	<u>(30,595)</u>	<u>(25,151)</u>
Net cash from operating activities	<u>93,190</u>	<u>89,496</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiaries	-	(36,120)
Balance payment for acquisition of a subsidiary	-	(15,250)
Purchase of other investments	(1,990)	-
Purchase of property, plant and equipment	(54,291)	(28,548)
Deposit paid for purchase of property, plant and equipment	(14,468)	-
Purchase of land held for development	-	(28,500)
Proceeds arising from dilution of interest in an existing subsidiary	40,000	-
Proceeds from disposal of property, plant and equipment	180	376
Net dividend received	103	109
Interest received	916	1,266
Net cash used in investing activities	<u>(29,550)</u>	<u>(106,667)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid to:		
Shareholders of the Company	(47,054)	(57,501)
Non-controlling shareholders of subsidiary	(570)	-
Proceeds from sale of treasury shares	30,810	-
Acquisition of treasury shares	(1)	(1)
Net repayment of term loans	(60)	(11,007)
Net repayment of short term borrowings	(61,080)	(4,850)
Interest paid	(5,960)	(5,263)
Net cash used in financing activities	<u>(83,915)</u>	<u>(78,622)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(20,275)</u>	<u>(95,793)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>83,766</u>	<u>152,177</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>63,491</u>	<u>56,384</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	63,252	47,076
Short term deposits	239	9,308
	<u>63,491</u>	<u>56,384</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2015

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

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 2014.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 July 2014, except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretation effective as of 1 August 2014.

(i) Adoption of Amendments to FRSs and IC Interpretations

The Group and the Company adopted the following amendments to FRSs and IC Interpretations, mandatory for annual financial periods beginning on or after 1 August 2014.

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to FRS 132	Financial Instruments: Presentation (Amendments relating to offsetting Financial Asset and Financial Liabilities)
Amendments to FRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Int 21	Levis
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2010 - 2012 Cycle	
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2011 - 2013 Cycle	

The directors anticipate that the relevant Standards and Amendments adopted will have no material impact on the financial statements of the Group.

(ii) Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the MFRS Framework, a fully-IFRS compliant framework. Entities other than Private Entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and ventures were given a transitional period of two years, which allow these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for TEs has been extended for an additional year.

On 2 September 2014, the MASB announced that Entities other than Private Entities (non-private entities) and Private Entities that have in the alternative chosen to apply the FRS Framework shall comply with the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group and the Company being a TE has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group and the Company will be required to prepare its first set of MFRS financial statements for the financial year ending 31 July 2018.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2014 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 for the current financial period under review except for the following:

(i) Share grant plan

On 20 November 2014, the Company issued and allotted 357,000 new ordinary shares of RM0.50 each to the selected eligible employees of Scientex Berhad's group of companies, pursuant to the Scientex Berhad Share Grant Plan.

As at 30 April 2015, the total number of issued and paid-up share capital was 230,357,000 ordinary shares of RM0.50 each.

(ii) Treasury shares

During the current financial period ended 30 April 2015, the Company repurchased 100 ordinary shares of RM0.50 each from the open market of Bursa Malaysia Securities Berhad. The repurchased shares were held as treasury shares.

The Company also sold 4,347,000 treasury shares in the open market of Bursa Malaysia Securities Berhad at an average price of RM7.09 per share for a total consideration of approximately RM30.8 million (including transaction costs). The cost of the treasury shares was at an average price of RM1.46 per share, amounting to RM6.3 million. This resulted in an increase in share premium and total equity attributable to shareholders of the Company of approximately RM24.5 million and RM30.8 million respectively.

As at 30 April 2015, the Company held 4,497,862 ordinary shares of RM0.50 each of its 230,357,000 issued and paid-up share capital as treasury shares. Such treasury shares are held at a carrying amount of approximately RM6.6 million.

A7 Dividends paid

The amount of dividends paid by the Company since 31 July 2014 were as follows:

RM'000

In respect of the financial year ended 31 July 2014:

Single tier interim dividend of 16%; 8 sen per ordinary share declared on 19 June 2014 and paid on 8 August 2014	17,692
Single tier final dividend of 26%; 13 sen per ordinary share declared on 17 December 2014 and paid on 6 February 2015	29,362
	47,054

A8 Segment information

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

9 months ended 30 April 2015

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	966,055	383,131	1,349,186
Results			
Profit from operations	52,100	113,803	165,903
Foreign exchange differences			(18,049)
Operating profit			147,854
Investing results			2,072
Finance cost			(5,960)
Profit before taxation			143,966

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A8 Segment information (cont'd)

9 months ended 30 April 2014

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	894,878	280,193	1,175,071
Results			
Profit from operations	49,964	83,989	133,953
Foreign exchange differences			(572)
Operating profit			133,381
Investing results			2,071
Finance cost			(5,199)
Profit before taxation			130,253

A9 Disclosure items

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

	3 months ended		9 months ended	
	30.4.2015 RM'000	30.4.2014 RM'000	30.4.2015 RM'000	30.4.2014 RM'000
(a) Interest income	(204)	(193)	(916)	(1,266)
(b) Other income	(342)	(158)	(1,098)	(628)
(c) Interest expense	2,173	1,848	5,960	5,199
(d) Depreciation	11,006	9,890	32,417	29,478
(e) Net provision for/(write back) of receivables	(9)	2	49	(347)
(f) Net provision for/(write back) of inventories	(79)	(22)	53	(306)
(g) Net foreign exchange loss/(gain)	3,077	(190)	18,049	572

In the current financial quarter and current year-to-date ended 30 April 2015, 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

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, except for the following:-

Treasury shares

On 29 June 2015, the Board of Directors of the Company approved the cancellation of 357,000 treasury shares of RM0.50 each. As at the date of this report, the balance of treasury shares held is 4,140,862.

Subsequent to the cancellation of treasury shares, the total number of issued and paid-up share capital is 230,000,000 ordinary shares of RM0.50 each.

Proposed Acquisition of Lands in Mukim Pulai, District of Johor Bahru, State of Johor

On 29 June 2015, the Company announced that Scientex Qatari Sdn Bhd ("SQSB"), its wholly owned subsidiary, entered into two conditional sale and purchase agreements in relation to the proposed acquisition with the following Vendors:-

- (i) A sale and purchase agreement dated 29 June 2015 entered into between SQSB as the Purchaser and:-
 - a. Bukit Gambir Company Sdn Berhad ("BGCSB") as the Vendor, for the acquisition of five (5) parcels of freehold agriculture land and 369 sub-divided lots of freehold building land measuring in aggregate of approximately 249.015 acres in Mukim of Pulai, District of Johor Bahru, State of Johor; and
 - b. Jayaplus Bakti Sdn Bhd as the Vendor, for the acquisition of two (2) parcels of freehold agriculture land measuring in aggregate of approximately 73.845 acres in Mukim of Pulai, District of Johor Bahru, State of Johor,

for a combined cash purchase consideration of RM216.74 million.

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A10 Events subsequent to the end of the reporting period (cont'd)

Proposed Acquisition of Lands in Mukim Pulai, District of Johor Bahru, State of Johor (cont'd)

(ii) A sale and purchase agreement dated 29 June 2015 entered into between SQSB as the Purchaser and BGCSB as the Vendor for the acquisition of a sub-divided freehold agriculture land measuring approximately 3.20 acres in Mukim of Pulai, District of Johor Bahru, State of Johor, for a cash purchase consideration of RM2.23 million ("SPA 2").

The total purchase consideration for SPA 1 and SPA 2 is RM218.97 million.

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, except for the following:

Share Sale Agreement between Scientex Packaging Film Sdn Bhd and Futamura Chemical Co., Ltd

On 8 August 2014, the Company announced that Scientex Packaging Film Sdn Bhd ("SPFSB"), its wholly-owned subsidiary, had on 7 August 2014 entered into a Strategic Alliance Agreement with Futamura Chemical Co., Ltd ("FCC") to build a biaxially oriented polypropylene ("BOPP") film manufacturing plant and to develop and grow the consumer packaging markets.

On 24 September 2014, the Company announced that SPFSB, had entered into a Share Sale Agreement with FCC for the issuance and sale of 5,000,000 new ordinary shares of RM1.00 each in Scientex Great Wall Sdn Bhd ("SGW") representing 5% of the enlarged issued and paid-up capital of SGW to FCC for a total cash consideration of RM40,000,000. The transaction was completed on 2 October 2014.

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 30.4.2015 RM'000	As at 30.4.2014 RM'000
Approved and contracted for:		
Purchase of plant and machinery	175,184	27,753

A14 Related party transactions

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

	3 months ended		9 months ended	
	30.4.2015 RM'000	30.4.2014 RM'000	30.4.2015 RM'000	30.4.2014 RM'000
Purchase of goods from associated company	17,086	10,733	41,588	35,342
Rental income from jointly controlled entity	(232)	(232)	(695)	(695)

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 Review of performance

(i) Current quarter review

For the current quarter ended 30 April 2015, the Group recorded revenue of RM455.3 million, an increase of 6.7% compared to RM426.8 million recorded in the preceding year corresponding quarter. Profit before tax was RM56.5 million, an increase of 17.5% compared to RM48.1 million in the preceding year corresponding quarter.

Manufacturing revenue recorded was RM318.8 million, marginally higher compared to RM317.2 million in the preceding year corresponding quarter. Profit from operations increased from RM16.3 million to RM20.0 million, an increase of 22.3%, mainly due to better sales and margins from consumer packaging products.

Property revenue recorded was RM136.5 million compared to RM109.6 million in the preceding financial year corresponding quarter, an increase of 24.6%. The improvement in revenue is attributed mainly to higher progress billings and sales from Taman Scientex Senai and also on going projects in Taman Scientex Pasir Gudang and Taman Scientex Kulai. These projects are mainly focused on affordable homes. The sales and progress billings for niche projects in Taman Mutiara Mas and Taman Muzaffar Heights remain satisfactory. Profit from operations increased from RM32.5 million to RM41.5 million, an increase of 27.8%. The increase is in tandem with the increase of revenue boosted by better margins recorded by the affordable products sold in Taman Scientex Senai.

(ii) 9-month review

For the 9-month financial period ended 30 April 2015, the Group recorded revenue of RM1,349.2 million, an increase of 14.8% compared to the preceding financial year corresponding period of RM1,175.1 million. Profit before tax increased from RM130.3 million to RM144.0 million, an increase of 10.5%, despite recognition of a foreign exchange loss of approximately RM18.0 million for the 9-month financial period under review, due to the weakening of RM against USD.

Manufacturing segment recorded RM966.1 million of revenue, an increase of 8.0% compared to the preceding financial year corresponding period of RM894.9 million. The increase in revenue was mainly due to the better sales performance achieved from both the industrial and consumer packaging products. Profit from operations also increased from RM50.0 million to RM52.1 million, in line with the higher revenue.

Property segment recorded revenue of RM383.1 million in the current financial period, an increase of 36.7% compared to the preceding financial year corresponding period of RM280.2 million. Profit from operations also increased from RM84.0 million in the preceding financial year corresponding period to RM113.8 million in the current financial period. The better performance in revenue and profit were mainly due to higher progress billings and resilient sales from affordable homes segment in particular Taman Scientex Senai and satisfactory contribution from niche projects in Taman Mutiara Mas and Taman Muzaffar Heights.

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

The Group's revenue for the current financial quarter recorded RM455.3 million, marginally lower compared to the preceding financial quarter of RM462.9 million. However, profit before taxation for the current financial quarter under review was RM56.5 million, an increase of 19.5% compared to RM47.3 million recorded in the preceding financial quarter. This is mainly due to better margin contributions from the consumer packaging products in the current financial quarter and a foreign exchange loss of approximately RM9.7 million being taken up in the preceding financial quarter.

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B3 Current financial year prospects

Manufacturing

The global economy continues on its moderate growth path. Fluctuations in crude oil and commodity prices, coupled with capital flows and currency volatility continue to create great uncertainty in the global marketplace. As the Group's raw materials are mainly derived from resins which prices tend to fluctuate in line with the direction of crude oil prices, the Group continues to remain cautious and vigilant in managing this volatility. In addition, on-going efforts by the Group to boost its operational efficiency and quality of its products remain in focus and has yielded positive results. The setting up of the Scientex Technical Film Centre with its focus on new product development and quality improvements is expected to further boost demand for the Group's products moving forward.

The Group's expansion into cast polypropylene ("CPP") and BOPP film manufacturing is on track with the impending completion and commissioning of the new CPP plant by end of 2015 and BOPP plant in 2016. Demand for the Group's industrial and consumer packaging products remain stable. The Group is optimistic that global demand for its high quality blown film, barrier film and its soon to be commissioned CPP and BOPP plants will continue to see strong demand for its products.

The Group will continue to be on the look out for synergistic business opportunities whilst continuing to improve on its competitiveness through continuous streamlining of activities and restructuring of business units to tap operational efficiencies as it strives to be more efficient and competitive in the marketplace.

Property

The Malaysian economy grew by 5.6% in the first quarter of 2015 (Source : Bank Negara Malaysia Press Release dated 15 May 2015 : Economic and Financial Developments In Malaysia in the First Quarter of 2015).

The Group remains focused mainly on affordable homes which demand is seen to be more resilient and unaffected by the property cooling measures adopted by the Government. For the quarter under review, demand for such affordable homes remain sustainable and the Group expects to see more of such affordable home launches in its existing Senai, Kulai and Pasir Gudang projects in line with the state government's Rumah Mampu Milik Johor (RMMJ) initiative. The Goods and Service Tax (GST) which came into effect on 1 April 2015 has had a limited impact on the Group's products which are mainly residential in nature. However, the GST is expected to lead to higher construction costs and the Group will strive to offset this by improving its operational margins through better planning and tapping operational efficiencies whilst managing its cash flow prudently.

On the proposed acquisition referred to in Note A10, the said acquisition will upon completion, further increase the existing landbank of the Group for its future development with its focus on affordable landed residential housing. The Group foresees this housing segment to remain resilient as population increases and affordable homes is expected to see steady growth in the foreseeable future.

Barring unforeseen circumstances, the Group remains optimistic that its current year growth prospects can be maintained.

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 period under review.

B5 Taxation

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

	3 months ended		9 months ended	
	30.4.2015	30.4.2014	30.4.2015	30.4.2014
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter				
- Income tax	12,555	10,912	31,711	28,580

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

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

B6 Realised and unrealised profits

	As at 30.4.2015 RM'000	As at 30.4.2014 RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	842,643	724,352
- Unrealised	(8,899)	(8,594)
	833,744	715,758
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	14,430	10,621
- Unrealised	(393)	(284)
	847,781	726,095
Less: Consolidation adjustments	(212,127)	(219,545)
Total Group retained earnings	635,654	506,550

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 2015 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
Term loan		
- Secured	70,000	
- Unsecured	10,150	80,150
(b) Short Term Borrowings		
- Secured		
Other bank borrowings	20,500	
- Unsecured		
Term loan	29,356	
Other bank borrowings	152,659	202,515
	152,659	282,665
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		133,914
- Japanese Yen		11,470
		145,384

B9 Material litigation

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

B10 Dividend

In respect of the financial year ending 31 July 2015, the Board of Directors declared a single tier interim dividend of 18% or 9 sen per ordinary share (single tier interim dividend for 2014 of 16% or 8 sen per ordinary share), payable on 7 August 2015.

SCIENTEX BERHAD
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B11 Earnings per share

		3 months ended		9 months ended	
		30.4.2015	30.4.2014	30.4.2015	30.4.2014
(a) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	42,958	36,341	109,279	99,604
Weighted average number of ordinary shares in issue	('000)	225,859	221,155	224,195	221,155
Basic earnings per share	(sen)	19.02	16.43	48.69	45.04

(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 2015.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

29 June 2015