



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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial year ended 31 July 2015

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the financial year ended 31 July 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year
	31.7.2015 RM'000	31.7.2014 RM'000	31.7.2015 RM'000	31.7.2014 RM'000
<b>Revenue</b>	<b>452,498</b>	<b>415,401</b>	<b>1,801,684</b>	<b>1,590,472</b>
<b>Operating profit</b>	<b>77,123</b>	<b>56,239</b>	<b>224,977</b>	<b>189,620</b>
Interest expense	(2,295)	(1,943)	(8,255)	(7,143)
Investing results	2,168	1,718	4,240	3,789
<b>Profit before tax</b>	<b>76,996</b>	<b>56,014</b>	<b>220,962</b>	<b>186,266</b>
Taxation	(27,155)	(6,186)	(58,866)	(34,765)
<b>Profit for the quarter / year</b>	<b>49,841</b>	<b>49,828</b>	<b>162,096</b>	<b>151,501</b>
<b>Profit attributable to:</b>				
Owners of the Company	48,911	48,846	158,190	148,450
Non-controlling interests	930	982	3,906	3,051
<b>Profit for the quarter / year</b>	<b>49,841</b>	<b>49,828</b>	<b>162,096</b>	<b>151,501</b>
Earnings per share attributable to owners of the Company (sen per share)	21.66	22.09	70.43	67.12

*(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)*



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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial year ended 31 July 2015

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 31 July 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.7.2015 RM'000	Preceding year corresponding quarter 31.7.2014 RM'000	Current year to date 31.7.2015 RM'000	Preceding year 31.7.2014 RM'000
<b>Profit for the quarter / year</b>	<b>49,841</b>	<b>49,828</b>	<b>162,096</b>	<b>151,501</b>
<b>Other comprehensive income / (loss), net of income tax:</b>				
Item that may be reclassified subsequently to profit or loss:				
- Foreign currency translation of foreign operations	4,853	(482)	9,044	(482)
Items that will not be reclassified subsequently to profit or loss:				
- Revaluation of land and buildings	36,533	-	36,533	-
- Remeasurement of defined benefit obligations	-	(4,520)	-	(4,520)
Other comprehensive income / (loss) for the quarter / year, net of income tax	41,386	(5,002)	45,577	(5,002)
<b>Total comprehensive income for the quarter / year</b>	<b>91,227</b>	<b>44,826</b>	<b>207,673</b>	<b>146,499</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	89,144	44,162	201,672	143,766
Non-controlling interests	2,083	664	6,001	2,733
	<b>91,227</b>	<b>44,826</b>	<b>207,673</b>	<b>146,499</b>

*(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)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 July 2015

	<b>AS AT CURRENT FINANCIAL YEAR ENDED 31.7.2015 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2014 RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	642,791	552,100
Investment properties	17,000	4,479
Land held for property development	268,616	260,401
Investment in jointly controlled entity	26,155	25,340
Investment in associate	15,369	12,125
Other investments	7,082	5,092
	<b>977,013</b>	<b>859,537</b>
<b>Current assets</b>		
Property development costs	136,499	104,618
Inventories	111,953	108,998
Trade and other receivables	321,698	243,459
Cash and bank balances	90,626	83,766
	<b>660,776</b>	<b>540,841</b>
<b>TOTAL ASSETS</b>	<b>1,637,789</b>	<b>1,400,378</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	115,000	115,000
Reserves	826,978	597,718
Equity attributable to owners of the Company	941,978	712,718
Non-controlling interests	62,784	22,705
<b>Total equity</b>	<b>1,004,762</b>	<b>735,423</b>
<b>Non-current liabilities</b>		
Borrowings	75,510	77,540
Retirement benefits obligations	18,508	17,343
Deferred tax liabilities	38,862	23,572
	<b>132,880</b>	<b>118,455</b>
<b>Current liabilities</b>		
Borrowings	149,921	262,880
Trade and other payables	308,259	254,441
Dividend payable	20,327	17,692
Tax liabilities	21,640	11,487
	<b>500,147</b>	<b>546,500</b>
<b>Total liabilities</b>	<b>633,027</b>	<b>664,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,637,789</b>	<b>1,400,378</b>
Net assets per share attributable to owners of the Company (RM)	4.17	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  
(Company No: 7867-P)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 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 reserves 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 year	-	-	-	-	-	-	-	158,190	158,190	3,906	162,096
Other comprehensive profit for the year	-	-	-	36,367	7,115	-	-	-	43,482	2,095	45,577
Total comprehensive income for the year	-	-	-	36,367	7,115	-	-	158,190	201,672	6,001	207,673
Arising from dilution of interest in an existing subsidiary	-	-	-	-	-	-	-	43,014	43,014	35,986	79,000
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	938	938	(1,338)	(400)
Realisation of revaluation reserves	-	-	-	(3,342)	-	-	-	3,342	-	-	-
Sale of treasury shares	-	24,472	-	-	-	6,338	-	-	30,810	-	30,810
Acquisition of treasury shares	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Cancellation of treasury shares	(179)	(521)	179	-	-	521	-	-	-	-	-
Issuance of ordinary shares pursuant to Share Grant Plan	179	2,338	-	-	-	-	-	-	2,517	-	2,517
Dividends	-	-	-	-	-	-	-	(49,689)	(49,689)	(570)	(50,259)
At 31 July 2015	115,000	64,353	17,646	55,799	5,582	(6,039)	461	689,176	941,978	62,784	1,004,762
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
Profit for the year	-	-	-	-	-	-	-	148,450	148,450	3,051	151,501
Other comprehensive loss for the year	-	-	-	-	(361)	-	-	(4,323)	(4,684)	(318)	(5,002)
Total comprehensive income for the year	-	-	-	-	(361)	-	-	144,127	143,766	2,733	146,499
Acquisition of treasury shares	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(59,712)	(59,712)	-	(59,712)
At 31 July 2014	115,000	38,064	17,467	22,774	(1,533)	(12,896)	461	533,381	712,718	22,705	735,423

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the financial year ended 31 July 2015**

	<b>12 MONTHS ENDED 31.7.2015 RM'000</b>	<b>12 MONTHS ENDED 31.7.2014 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	220,962	186,266
Adjustments	46,964	39,850
Operating profits before working capital changes	<u>267,926</u>	<u>226,116</u>
Movement in working capital:		
Increase in inventories	(2,575)	(23,088)
Increase in development properties	(40,096)	(13,150)
Increase in receivables	(47,693)	(19,758)
Increase in payables	56,355	20,585
<b>Cash generated from operations</b>	<u>233,917</u>	<u>190,705</u>
Taxation paid	(44,025)	(36,904)
<b>Net cash from operating activities</b>	<u>189,892</u>	<u>153,801</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(36,120)
Balance payment for acquisition of a subsidiary	-	(15,750)
Purchase of additional interest in an existing subsidiary	(400)	-
Purchase of other investments	(1,990)	-
Purchase of property, plant and equipment	(100,007)	(65,665)
Deposit paid for purchase of property, plant and equipment	(7,203)	(7,580)
Deposit paid for purchase of land held for development	(21,897)	-
Purchase of land held for development	-	(28,500)
Proceeds arising from dilution of interest in an existing subsidiary	79,000	-
Proceeds from disposal of property, plant and equipment	13,271	1,764
Net dividend received	283	199
Interest received	1,721	2,138
<b>Net cash used in investing activities</b>	<u>(37,222)</u>	<u>(149,514)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
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	(2)	(1)
Net repayment of term loans	(7,460)	(89,232)
Net (repayment)/drawdown of short term borrowings	(113,279)	81,247
Interest paid	(8,255)	(7,211)
<b>Net cash used in financing activities</b>	<u>(145,810)</u>	<u>(72,698)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	6,860	(68,411)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	83,766	152,177
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>90,626</u>	<u>83,766</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	88,020	61,211
Short term deposits	2,606	22,555
	<u>90,626</u>	<u>83,766</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)*

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

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 JULY 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 8 September 2015, 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 2018.

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 2019.

**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.

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

**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 year 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.

(ii) Treasury shares

During the current financial year ended 31 July 2015, the Company repurchased 200 ordinary shares of RM0.50 each from the open market of Bursa Malaysia Securities Berhad at an average price (including transaction costs) of RM7.48 per share. The total consideration paid was RM1,496.00. 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.

On 29 June 2015, the Board of Directors of the Company also approved the cancellation of 357,000 treasury shares of RM0.50 each.

As at 31 July 2015, the total number of issued and paid-up share capital of the Company was 230,000,000 ordinary shares of RM0.50 each and the Company held 4,140,962 ordinary shares of RM0.50 each of its issued and paid-up share capital as treasury shares. Such treasury shares are held at a carrying amount of approximately RM6.0 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

In respect of the financial year ended 31 July 2015:

Single tier interim dividend of 18%; 9 sen per ordinary share declared on 29 June 2015 and paid on 7 August 2015

20,327

67,381

**A8 Segment information**

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

**12 months ended 31 July 2015**

	Manufacturing RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>	1,285,958	515,726	1,801,684
<b>Results</b>			
Profit from operations	76,811	175,394	252,205
Foreign exchange differences			(27,228)
Operating profit			<u>224,977</u>
Investing results			4,240
Finance cost			(8,255)
Profit before taxation			<u>220,962</u>

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

**A8 Segment information (cont'd)**

**12 months ended 31 July 2014**

	Manufacturing RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>	1,192,210	398,262	1,590,472
<b>Results</b>			
Profit from operations	64,928	120,862	185,790
Foreign exchange differences			3,830
Operating profit			189,620
Investing results			3,789
Finance cost			(7,143)
Profit before taxation			186,266

**A9 Disclosure items**

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

	3 months ended		12 months ended	
	31.7.2015 RM'000	31.7.2014 RM'000	31.7.2015 RM'000	31.7.2014 RM'000
(a) Interest income	(805)	(872)	(1,721)	(2,138)
(b) Other income	(1,800)	(1,725)	(2,898)	(2,678)
(c) Interest expense	2,295	1,943	8,255	7,143
(d) Depreciation	11,418	10,062	43,835	39,540
(e) Net provision for/(write back) of receivables	212	-	261	(347)
(f) Net write back of inventories	(433)	(129)	(380)	(444)
(g) Impairment of fixed assets	434	-	434	-
(h) Loss/(gain) on disposal of properties/machinery	3,594	(515)	3,594	(190)
(i) Net foreign exchange loss/(gain)	9,179	(4,402)	27,228	(3,830)
(j) Fair value gain on investment properties	(12,592)	-	(12,592)	-

In the current financial quarter and current financial year ended 31 July 2015, there were no:

- Gain or loss on disposal of quoted or unquoted investments;
- Gain or loss on derivatives; and
- Any other exceptional items.

**A10 Valuation of property, plant and equipment and investment properties**

The valuation of property, plant and equipment and investment properties were brought forward without any amendments from the preceding annual financial statements, except for the followings:

During the financial year ended 31 July 2015, a revaluation exercise was carried out by the Group on land and buildings classified as property, plant and equipment. The revaluation resulted in a property revaluation surplus, net of deferred tax, of RM36.4 million being included in property revaluation reserve. The valuations were carried out by professional independent valuer, Raine & Horne International Zaki + Partners Sdn Bhd.

Revaluation was also carried out on land and building classified as investment properties, giving rise to RM11.9 million net gain recognised in profit or loss. The valuation was carried out by professional independent valuer, Rahim & Co (Johor) Sdn Bhd.

**A11 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:

Acquisition of Scientex Great Wall (Ipoh) Sdn Bhd (formerly known as Mondri Ipoh Sdn Bhd) ("SGW Ipoh")

On 5 August 2015, the Company announced that Scientex Packaging Film Sdn Bhd ("SPFSB"), its wholly-owned subsidiary, entered into a Share Purchase Agreement with Mondri Consumer Packaging International GmbH to acquire a total of 21,045,316 ordinary shares of RM1.00 each in the capital of SGW Ipoh, representing the entire issued and paid-up share capital of SGW Ipoh for a total purchase consideration of RM58,000,000 to be satisfied entirely via cash, upon the terms and conditions contained in the Share Purchase Agreement. The transaction was completed on 11 August 2015 and accordingly, SGW Ipoh became a wholly-owned subsidiary of SPFSB.



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

**A12 Changes in the composition of the Group**

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

(i) Share Sale Agreements between SPFSB and Futamura Chemical Co., Ltd

On 8 August 2014, the Company announced that 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, entered into a Share Sale Agreement ("SSA1") 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. Subsequently, on 23 July 2015, the Company announced that SPFSB, entered into another Share Sale Agreement with FCC to sell 5,000,000 ordinary shares of RM1.00 each in SGW representing 5% of the issued and paid-up share capital of SGW to FCC for a total cash consideration of RM40,000,000, as part of the option granted to FCC under the SSA1. The transaction was completed on 29 July 2015 and FCC held 10% equity interest in SGW with the remaining 90% equity interest held by SPFSB.

(ii) Dissolution of Scientex Polymer (Vietnam) Co., Ltd ("SPV")

On 1 July 2015, the Company announced that SPV, a wholly-owned dormant subsidiary of Scientex Polymer Sdn Bhd in Vietnam, which in turn a wholly-owned subsidiary of the Company, commenced the procedures of dissolution of the company and announced the decision on dissolution to the relevant parties and authorities. Accordingly, SPV shall be dissolved upon discharge of all debts and receipt of an official decision for dissolution from the relevant authorities.

**A13 Contingent liabilities**

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

**A14 Capital commitments**

As at the end of the current financial year under review, the capital commitments not recognised in the financial statements are as follows:

	As at 31.7.2015 RM'000	As at 31.7.2014 RM'000
Approved and contracted for:		
Purchase of plant and machinery	200,398	19,761
Balance payment for purchase of land held for development	197,072	-
	<u>397,470</u>	<u>19,761</u>

**A15 Related party transactions**

The Group's related party transactions in the current financial quarter and current financial year ended 31 July 2015 are as follows:-

	3 months ended		12 months ended	
	31.7.2015 RM'000	31.7.2014 RM'000	31.7.2015 RM'000	31.7.2014 RM'000
Purchase of goods from associated company	15,701	17,749	57,289	53,091
Rental income from jointly controlled entity	(232)	(232)	(927)	(927)
	<u>15,469</u>	<u>17,517</u>	<u>56,362</u>	<u>52,164</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD  
INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 JULY 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 31 July 2015, the Group recorded revenue of RM452.5 million, an increase of 8.9% compared to RM415.4 million recorded in the preceding year corresponding quarter. Profit before tax was RM77.0 million, an increase of 37.5% compared to RM56.0 million in the preceding year corresponding quarter.

**Manufacturing** revenue recorded was RM319.9 million, an increase of 7.6% compared to RM297.3 million in the preceding year corresponding quarter. Profit from operations increased from RM15.0 million to RM24.7 million in line with increase in revenue as well as better profit margins.

**Property** revenue recorded was RM132.6 million compared to RM118.1 million in the preceding financial year corresponding quarter, an increase of 12.3%. The improvement in revenue was mainly due to improved sales revenue from progress billings and new sales in the affordable housing segment, namely Taman Scientex Pasir Gudang, Taman Scientex Kulai and Taman Scientex Senai. Profit from operations increased from RM36.9 million to RM61.6 million, an increase of 67.0%. The increase is due to better margin in Taman Scientex Senai. Meanwhile, contribution from niche projects namely Taman Mutiara Mas and Taman Muzaffar Heights remain satisfactory. In addition, the increase is also attributed to the fair value gain of RM12.6 million due to the valuation exercise carried out on the Group's investment properties.

(ii) 12-month review

For the 12-month financial year ended 31 July 2015, the Group recorded revenue of RM1,801.7 million, an increase of 13.3% compared to the preceding financial year of RM1,590.5 million. Profit before tax increased from RM186.3 million to RM221.0 million, an increase of 18.6%, despite recognition of a foreign exchange loss of approximately RM27.2 million for the 12-month financial year under review, due to the weakening of RM against USD.

**Manufacturing** segment recorded RM1,286.0 million of revenue, an increase of 7.9% compared to the preceding financial year of RM1,192.2 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 RM64.9 million to RM76.8 million, in line with the higher revenue.

**Property** segment recorded revenue of RM515.7 million in the current financial year, an increase of 29.5% compared to the preceding financial year of RM398.3 million. Profit from operations also increased from RM120.9 million in the preceding financial year to RM175.4 million in the current financial year. The better performance in revenue and profit were mainly due to healthy growth in progress billing and sales in the affordable housing segment. In addition, in the current financial year, the Group has also carried out a revaluation exercise on its investment properties, resulting in a fair value gain of RM12.6 million recognised in profit before tax.

**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 RM452.5 million, marginally lower compared to the preceding financial quarter of RM455.3 million. However, profit before taxation for the current financial quarter under review was RM77.0 million, an increase of 36.3% compared to RM56.5 million recorded in the preceding financial quarter. This is mainly due to fair value gain of RM12.6 million arising from the revaluation of investment properties and also better margin contributions from the property and manufacturing divisions in the current financial quarter.

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

**B3 Current financial year prospects**

Manufacturing

Volatility in crude oil prices, the Greek debt crisis, the much feared China slowdown economy, the global stock market rout, excessive capital flows and the currency devaluation that has began to unfold has dampened market sentiment and investor confidence. This has resulted in great uncertainty and volatility in the global marketplace. The group will remain vigilant and responsive to the current uncertainty in the local and global marketplace, particularly the volatility of crude oil and the currency devaluation. To maintain its competitiveness, the Group will continuously strive to boost its operational efficiency and quality of its products whilst reducing wastage. With the setting up of the Scientex Technical Film Centre, the Group can work closely together with its major multinational clients to focus on new product development and quality improvements as part of its efforts to further boost demand for its products in the coming year.

With the construction of the Group's brand new cast polypropylene ("CPP") and biaxially oriented polypropylene ("BOPP") film manufacturing plants on track for commissioning and commercial operations by end of 2015 and mid 2016 respectively, the Group is confident that demand from both local and overseas for these products are expected to be positive for the coming year. In addition, with the completion of the acquisition of SGW Ipoh in August 2015, the Group foresees that with a wider product portfolio and an expanded customer base, the demand for the Group's industrial and consumer packaging products remains encouraging.

Property

The Malaysian economy grew at a slower pace of 4.9% in the second quarter of 2015 (Q1 2015 : 5.6%) (Source : Bank Negara Malaysia Quarterly Bulletin Second Quarter 2015: Economic and Financial Developments In Malaysia in the Second Quarter of 2015).

The Group's performance for the current quarter was focused primarily on affordable homes where demand remains resilient and robust. In May 2015, the Group successfully launched its maiden Rumah Mampu Milik Johor (RMMJ) scheme at Pasir Gudang which was officiated by the Menteri Besar of Johor. The implementation of the Goods and Service Tax (GST) which came into effect on 1 April 2015 is expected to see higher construction costs as constructional materials remain subject to GST even though the residential units are GST exempt. To address this issue, the Group will strive to tap operational efficiencies to reduce costs and wastage and improve its operational margins through better planning and systematic execution of works and better cash flow management to lower financing costs.

The proposed acquisition of the 326 acres located in Pulai, Johor, is expected to substantially boost the landbank of the Group over the medium and longer term with the focus on affordable landed residential housing. For the coming year, the Group foresees that this segment remains the Group's focus as demand for affordable homes is expected to remain resilient.

Barring unforeseen circumstances, the Group remains optimistic that growth prospects for the coming financial year 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 were as follows :-

	3 months ended		12 months ended	
	31.7.2015	31.7.2014	31.7.2015	31.7.2014
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter				
- Income tax	22,968	8,069	54,679	36,648
- Deferred taxation	3,607	(834)	3,607	(834)
In respect of prior years :				
- Income tax	620	(274)	620	(274)
- Deferred taxation	(40)	(775)	(40)	(775)
	<u>27,155</u>	<u>6,186</u>	<u>58,866</u>	<u>34,765</u>

The Group's effective tax rate for the current financial quarter and current financial year is higher than the statutory income tax rate mainly due to non-allowable expenses incurred by the Group.

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

**B6 Realised and unrealised profits**

	As at 31.7.2015 RM'000	As at 31.7.2014 RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	1,001,016	752,330
- Unrealised	(24,917)	(2,488)
	976,099	749,842
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	16,528	12,358
- Unrealised	(483)	(393)
	992,144	761,807
Less: Consolidation adjustments	(302,968)	(228,426)
Total Group retained earnings	689,176	533,381

**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:

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

On 29 June 2015, the Company announced that Scientex Quatari 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 purchase consideration of RM216.74 million.
- (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.

The proposed acquisition had been approved by the Company's shareholders at the Extraordinary General Meeting held on 29 September 2015. At present, it is pending the Estate Land Board's approval and the fulfilment of other relevant approvals and conditions precedent as set out in the SPA 1 and SPA 2. The transaction is expected to be completed by the first quarter of 2016.

**B8 Borrowings and debt securities**

The Group's borrowings as at 31 July 2015 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
Term loan		
- Secured	70,000	
- Unsecured	5,510	75,510
(b) Short Term Borrowings		
- Secured		
Other bank borrowings	13,040	
- Unsecured		
Term loan	28,595	
Other bank borrowings	108,286	149,921
	108,286	149,921
		225,431
Included in total borrowings are borrowings denominated in foreign currencies		RM'000 Equivalent
- United States Dollars		55,925
- Japanese Yen		9,610
		65,535

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

**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 ended 31 July 2015, the Board of Directors recommended a single tier final dividend of 26% or 13 sen per ordinary share (single tier final dividend for 2014 of 26% or 13 sen per ordinary share). The dividend will be payable on 25 January 2016, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

**B11 Earnings per share**

		3 months ended		12 months ended	
		31.7.2015	31.7.2014	31.7.2015	31.7.2014
<b>(a) Basic earnings per share</b>					
Profit attributable to equity holders of the Company	(RM'000)	48,911	48,846	158,190	148,450
Weighted average number of ordinary shares in issue	('000)	225,859	221,155	224,615	221,155
Basic earnings per share	(sen)	21.66	22.09	70.43	67.12

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

There was no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 July 2015.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)  
Company Secretary

29 September 2015