



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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 October 2015  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the three months ended 31 October 2015**

	<b>3 MONTHS ENDED / FINANCIAL PERIOD ENDED</b>	
	<b>Current year quarter</b>	<b>Preceding year corresponding quarter</b>
	<b>31.10.2015 RM'000</b>	<b>31.10.2014 RM'000</b>
<b>Revenue</b>	<b>550,598</b>	<b>431,071</b>
<b>Operating profit</b>	<b>82,065</b>	<b>41,479</b>
Interest expense	(3,092)	(1,911)
Investing results	1,807	595
<b>Profit before tax</b>	<b>80,780</b>	<b>40,163</b>
Taxation	(18,027)	(8,971)
<b>Profit for the quarter / period</b>	<b>62,753</b>	<b>31,192</b>
<b>Profit attributable to:</b>		
Owners of the Company	60,853	30,267
Non-controlling interests	1,900	925
<b>Profit for the quarter / period</b>	<b>62,753</b>	<b>31,192</b>
Earnings per share attributable to owners of the Company (sen per share)	26.94	13.69

*(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015)*



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the three months ended 31 October 2015**

	<b>3 MONTHS ENDED / FINANCIAL PERIOD ENDED</b>	
	Current year quarter  31.10.2015 RM'000	Preceding year corresponding quarter  31.10.2014 RM'000
<b>Profit for the quarter / period</b>	<b>62,753</b>	<b>31,192</b>
<b>Other comprehensive income, net of income tax:</b>		
Items that may be reclassified subsequently to profit or loss:		
- Foreign currency translation of foreign operations	6,141	-
Items that will not be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the quarter / period, net of income tax	6,141	-
<b>Total comprehensive income for the quarter / period, net of income tax</b>	<b>68,894</b>	<b>31,192</b>
<b>Total comprehensive income for the quarter / period attributable to:</b>		
Owners of the Company	65,670	30,267
Non-controlling interests	3,224	925
	<b>68,894</b>	<b>31,192</b>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015)*

**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 October 2015

	<b>AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2015 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2015 RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	754,236	642,791
Investment properties	17,000	17,000
Land held for property development	254,186	268,616
Investment in jointly controlled entity	25,777	26,155
Investment in associate	17,555	15,369
Other investments	7,115	7,082
Deferred tax assets	8,131	2,086
	<b>1,084,000</b>	<b>979,099</b>
<b>Current assets</b>		
Property development costs	139,844	136,499
Inventories	110,125	111,953
Trade and other receivables	404,799	321,698
Cash and bank balances	79,716	90,626
	<b>734,484</b>	<b>660,776</b>
<b>TOTAL ASSETS</b>	<b>1,818,484</b>	<b>1,639,875</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	115,000	115,000
Reserves	892,648	826,978
Equity attributable to owners of the Company	1,007,648	941,978
Non-controlling interests	66,008	62,784
<b>Total equity</b>	<b>1,073,656</b>	<b>1,004,762</b>
<b>Non-current liabilities</b>		
Borrowings	70,000	75,510
Retirement benefits obligations	20,665	18,508
Deferred tax liabilities	40,950	40,948
	<b>131,615</b>	<b>134,966</b>
<b>Current liabilities</b>		
Borrowings	253,048	149,921
Trade and other payables	336,052	308,259
Dividend payable	-	20,327
Tax liabilities	24,113	21,640
	<b>613,213</b>	<b>500,147</b>
<b>Total liabilities</b>	<b>744,828</b>	<b>635,113</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,818,484</b>	<b>1,639,875</b>
Net assets per share attributable to owners of the Company (RM)	4.46	4.17

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 OCTOBER 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 reserve RM'000	Property revaluation surplus RM'000	Foreign currency translation reserve RM'000	Treasury shares RM'000	Other reserves RM'000				
At 1 August 2015	115,000	64,353	17,646	55,799	5,582	(6,039)	461	689,176	941,978	62,784	1,004,762
Profit for the period	-	-	-	-	-	-	-	60,853	60,853	1,900	62,753
Other comprehensive profit for the period	-	-	-	-	4,817	-	-	-	4,817	1,324	6,141
Total comprehensive income for the period	-	-	-	-	4,817	-	-	60,853	65,670	3,224	68,894
At 31 October 2015	115,000	64,353	17,646	55,799	10,399	(6,039)	461	750,029	1,007,648	66,008	1,073,656
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	-	-	-	-	-	-	-	30,267	30,267	925	31,192
Other comprehensive profit for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	30,267	30,267	925	31,192
Arising from dilution of interest in an existing subsidiary	-	35,000	-	-	-	-	-	(12,644)	22,356	17,644	40,000
Sale of treasury shares	-	3,560	-	-	-	919	-	-	4,479	-	4,479
At 31 October 2014	115,000	76,624	17,467	22,774	(1,533)	(11,977)	461	551,004	769,820	41,274	811,094

*(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015)*



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the three months ended 31 October 2015**

	<b>3 MONTHS ENDED 31.10.2015 RM'000</b>	<b>3 MONTHS ENDED 31.10.2014 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	80,780	40,163
Adjustments	15,262	17,755
Operating profits before working capital changes	<u>96,042</u>	<u>57,918</u>
Movement in working capital:		
Decrease in inventories	20,287	25,217
Decrease/(increase) in development properties	11,061	(23,177)
Increase in receivables	(62,043)	(37,330)
Increase/(decrease) in payables	14,539	(12,802)
<b>Cash generated from operations</b>	<u>79,886</u>	<u>9,826</u>
Taxation paid	(16,634)	(8,356)
<b>Net cash from operating activities</b>	<u>63,252</u>	<u>1,470</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash and cash equivalents acquired	(53,592)	-
Purchase of property, plant and equipment	(63,669)	(5,103)
Deposit paid for purchase of property, plant and equipment	(865)	(22,012)
Proceeds arising from dilution of interest in an existing subsidiary	-	40,000
Proceeds from disposal of property, plant and equipment	-	45
Interest received	403	223
<b>Net cash (used in)/from investing activities</b>	<u>(117,723)</u>	<u>13,153</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Dividends paid	(20,327)	(17,692)
Net repayment of term loans	(8,788)	(6,260)
Net drawdown of short term borrowings	75,768	30,336
Interest paid	(3,092)	(1,911)
<b>Net cash from financing activities</b>	<u>43,561</u>	<u>4,473</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(10,910)	19,096
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>90,626</u>	<u>83,766</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>79,716</u>	<u>102,862</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	69,560	52,100
Short term deposits	10,156	50,762
	<u>79,716</u>	<u>102,862</u>

*(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015)*

**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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 2015.

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 2015.

**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 2015 was not qualified.

**A3 Seasonal or cyclical factors**

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

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

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

**A5 Material changes in estimates**

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

**A6 Changes in debts and equity securities**

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

**A7 Dividend paid**

The amount of dividend paid by the Company since 31 July 2015 was as follows:

RM'000

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

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**A8 Segment information**

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

**3 months ended 31 October 2015**

	Manufacturing RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>	392,016	158,582	550,598
<b>Results</b>			
Profit from operations	37,998	47,526	85,524
Foreign exchange differences			(3,459)
Operating profit			82,065
Investing results			1,807
Finance cost			(3,092)
Profit before taxation			80,780

**3 months ended 31 October 2014**

	Manufacturing RM'000	Property Development RM'000	Total RM'000
<b>Revenue</b>	320,312	110,759	431,071
<b>Results</b>			
Profit from operations	14,701	32,026	46,727
Foreign exchange differences			(5,248)
Operating profit			41,479
Investing results			595
Finance cost			(1,911)
Profit before taxation			40,163

**A9 Disclosure items**

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

	3 months ended	
	31.10.2015 RM'000	31.10.2014 RM'000
(a) Interest income	(403)	(223)
(b) Other income	(408)	(387)
(c) Interest expense	3,092	1,911
(d) Depreciation	13,474	10,715
(e) Net write back of receivables	-	(3)
(f) Net provision for inventories	131	126
(g) Net foreign exchange loss	3,459	5,248

In the current financial quarter and current year-to-date ended 31 October 2015, there were no:

- Impairment of assets;
- Gain or loss on disposal of quoted or unquoted investments or properties;
- 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.

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**A11 Events subsequent to the end of the reporting period**

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

(i) Share grant plan

On 20 November 2015, the Company issued and allotted 472,000 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) Establishment of a Sukuk Murabahah Programme for the issuance of up to RM500.0 million in nominal value of Sukuk Murabahah ("Sukuk Murabahah Programme")

On 2 December 2015, the Company announced that its wholly-owned subsidiary, Scientex Quatari Sdn Bhd ("SQSB") had lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to the Sukuk Murabahah Programme pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, revised and effective on 15 June 2015. The Sukuk Murabahah Programme provides SQSB the flexibility to raise funds via the issuance of Sukuk Murabahah from time to time which can be utilised to finance and/or reimbursement of the acquisition of land(s)/property(ies)/investments, to fund working capital requirements and to refinance existing bank borrowings of SQSB and/or its subsidiaries.

The Sukuk Murabahah Programme is unrated and has a tenure of fifteen (15) years from the date of first issuance of the Sukuk Murabahah.

(iii) Treasury shares

On 17 December 2015, the Board of Directors of the Company approved the cancellation of 472,000 treasury shares of RM0.50 each. As at the date of this report, the balance of treasury shares held is 3,668,962.

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.

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

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

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

On 5 August 2015, the Company announced that Scientex Packaging Film Sdn Bhd ("SPFSB"), its wholly-owned subsidiary, had entered into a Share Purchase Agreement with Mondi 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 cash consideration of RM58,000,000, 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.

The provisional fair value of the identifiable assets and liabilities of SGW Ipoh as at the date of acquisition were as follows:

	Provisional fair value recognised on acquisition RM'000
<b>Assets</b>	
Property, plant and equipment	56,691
Other investments	33
Deferred tax assets	6,046
Trade and other receivables	21,358
Inventories	18,590
Cash and bank balances	4,408
	107,126
<b>Liabilities</b>	
Trade and other payables	(19,116)
Borrowings	(27,971)
Provision of taxation	(368)
Retirement benefit obligations	(1,671)
	(49,126)



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**A12 Changes in the composition of the Group (Cont'd)**

	Provisional Fair value recognised on acquisition RM'000
Net identifiable assets	58,000
Goodwill on consolidation	-
Purchase consideration	58,000
<b>Analysis of cash flows on acquisition:</b>	
Net cash acquired	4,408
Cash paid	(58,000)
<b>Net cash outflow</b>	<b>(53,592)</b>

Provisional accounting of acquisition

During the current financial quarter, the fair value of SGW Ipoh's identifiable assets and liabilities were determined on a provision basis. Any differences arising from this acquisition will be adjusted accordingly on a retrospective basis should there be any changes made to the basis.

From the date of acquisition, SGW Ipoh has contributed approximately RM40,483,000 of revenue and net profit of RM3,545,000 to the Group.

(ii) Striking-off of Scientex Solar Sdn Bhd ("SSSS") and Woventex Sdn Bhd ("WSB")

On 22 October 2015, the Company announced that SSSS, a wholly-owned dormant subsidiary of the Company and WSB, a wholly-owned dormant subsidiary of Scientex Polymer Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, have applied to the Companies Commission of Malaysia ("CCM") to be struck off under the provision of Section 308 of the Companies Act, 1965 ("the Act") and have received notification letters dated 22 September 2015 from the CCM that unless cause is shown to the contrary within one month from the date of the notification letters, a notice will be published in the Gazette with a view to striking the name of the subsidiaries off the register, pursuant to Section 308(1) of the Act.

**A13 Contingent liabilities**

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

**A14 Capital commitments**

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

	As at 31.10.2015 RM'000	As at 31.10.2014 RM'000
Approved and contracted for:		
Purchase of plant and machinery	209,907	98,735
Balance payment for purchase of land held for development	197,072	-
	406,979	98,735

**A15 Related party transactions**

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

	3 months ended 31.10.2015 RM'000	31.10.2014 RM'000
Purchase of goods from associated company	17,063	11,402
Rental income from jointly controlled entity	(232)	(232)
	16,831	11,170

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD  
INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2015**

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

**B1 Review of performance**

Current quarter review

For the current quarter ended 31 October 2015, the Group recorded revenue of RM550.6 million, an increase of 27.7% as compared to RM431.1 million recorded in the preceding year corresponding quarter. Profit before tax was RM80.8 million, an increase of more than 100% as compared to RM40.2 million in the preceding year corresponding quarter.

**Manufacturing** revenue recorded was RM392.0 million, an increase of 22.4% compared to RM320.3 million in the preceding year corresponding quarter. The increase was attributed to the higher contribution from both the industrial and consumer packaging products as well as the contribution from the newly acquired subsidiary, SGW Ipoh, of which acquisition was completed in early August 2015. Profit from operations has also increased from RM14.7 million to RM38.0 million due to better profit margins and the contribution from SGW Ipoh.

**Property** revenue recorded was RM158.6 million compared to RM110.8 million in the preceding year corresponding quarter, an increase of 43.2%. The increase is mainly attributed to progress sales recognition from the completion of The Garden Residences Tower A and Tower B in Taman Mutiara Mas, Skudai, as well as steady construction progress and stable demand from our developments in Pasir Gudang, Kulai, Senai and Malacca. Profit from operations increased from RM32.0 million to RM47.5 million, an increase of 48.4%. The increase in profit is in tandem with the increase of revenue.

**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 an increase of 21.7%, from RM452.5 million to RM550.6 million as compared to the preceding financial quarter. The increase is due to better sales from both the manufacturing and property division and also the contribution from the new subsidiary, SGW Ipoh. Profit before taxation for the current financial quarter under review also increased from RM77.0 million to RM80.8 million. The increase is mainly due to better margins from the manufacturing division.

**B3 Current financial year prospects**

Manufacturing

The global economy continues to be weighed in by external factors which remains a drag on market sentiment and investor confidence. Against this backdrop of continued uncertainty and volatility, the Group's stretch film operations will remain focused on improving its operational efficiency, optimising its plant utilisation and reducing wastage through streamlining of its operations to boost its margins whilst maintaining a constant and vigilant watch over currency and crude oil prices fluctuations to minimise such risks. For its consumer packaging segment, the recent acquisition of SGW Ipoh has started to produce results as its revenues and profits contribute positively to the top and bottom lines of the Group post acquisition.

As the consumer packaging segment continues to expand its capacity, the Group's new cast polypropylene and biaxially oriented polypropylene film manufacturing plants remain on track for commissioning and commercial operations by end of 2015 and mid 2016 respectively and the global growth of the consumer packaging market which remains unabated augurs well for the demand for the Group's products once the plants are operational. The Group has also committed to increase the production capacity in SGW Ipoh, to cater for the growing market demand. The expansion is expected to be commissioned in the second half of 2016. For this financial year, the Group foresees that as the Group continues to expand its geographical reach to global markets by offering cost competitive quality products with its diversified product portfolio, demand for the Group's industrial and consumer packaging products is expected to see sustainable growth.

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

Property

The Malaysian economy expanded albeit at a slower pace of 4.7% in the third quarter of 2015 (Q2 2015 : 4.9%) (Source : Bank Negara Malaysia Quarterly Bulletin Third Quarter 2015: Economic and Financial Developments In Malaysia in the Third Quarter of 2015). The growth, driven mainly by private sector demand, was moderated by the impact of the Goods and Services Tax (GST) as household spending adjusted to its implementation. The Group continues to remain focused on affordable homes in its projects. The Group's strategy to focus on the affordable homes segment has shown positive results as demand for this category of housing remains resilient. With the successful launch of its Rumah Mampu Milik Johor (RMMJ) scheme at Pasir Gudang in May 2015, the Group will continue to build more affordable housing to address the needs in this housing category. The Group will also continue to implement better planning and deployment of resources to reduce operational costs and wastage to boost operational margins in light of rising cost pressure.

The proposed acquisition of the 326 acres of land located in Pulai, Johor, is expected to be completed in the coming quarter and will substantially boost the landbank of the Group over the medium and longer term with the focus on affordable landed residential housing. The Group foresees that this segment remains the Group's focus in its coming launches slated for the year.

Barring any unforeseen circumstances, the Group remains optimistic of its performance for this financial year.

**B4 Variations of actual profit from forecast profit**

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

**B5 Taxation**

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

	3 months ended	
	31.10.2015	31.10.2014
	RM'000	RM'000
In respect of current quarter		
- Income tax	18,027	8,971

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 incentive by some of the subsidiaries.

**B6 Realised and unrealised profits**

	As at	As at
	31.10.2015	31.10.2014
	RM'000	RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	1,034,673	791,030
- Unrealised	(15,413)	(9,669)
	1,019,260	781,361
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	18,315	12,891
- Unrealised	(483)	(393)
	1,037,092	793,859
Less: Consolidation adjustments	(287,063)	(242,855)
Total Group retained earnings	750,029	551,004

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**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 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 ("SPA 1").

- (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, the proposed acquisition is pending completion subject to the fulfilment of all the conditions precedent pursuant to the SPA 2 and the full payment of balance purchase consideration. 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 October 2015 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
- Secured		
Term loan		70,000
(b) Short Term Borrowings		
- Unsecured		
Term loan	27,983	
Other bank borrowings	225,065	253,048
		323,048
Included in total borrowings are borrowings denominated in foreign currencies		RM'000
- United States Dollars		Equivalent
- Japanese Yen		99,574
		9,100
		108,674

**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 has been approved by the shareholders at the Annual General Meeting held on 17 December 2015 and is payable on 25 January 2016 to depositors registered in the Record of Depositors on 11 January 2016.

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

**B11 Earnings per share**

		3 months ended	
		31.10.2015	31.10.2014
<b>(a) Basic earnings per share</b>			
Profit attributable to equity holders of the Company	(RM'000)	60,853	30,267
Weighted average number of ordinary shares in issue	('000)	225,859	221,162
Basic earnings per share	(sen)	<u>26.94</u>	<u>13.69</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 October 2015.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)  
Company Secretary

17 December 2015