



SCIENTEX INCORPORATED BERHAD

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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 July 2005
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 July 2005

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 7/31/2005 RM'000	Preceding year corresponding quarter 7/31/2004 RM'000	Current year to date (Unaudited) 7/31/2005 RM'000	Preceding year (Audited) 7/31/2004 RM'000
Revenue	132,940	100,087	507,574	341,149
Operating profit	10,560	7,151	38,364	26,146
Interest expense	(1,053)	(948)	(3,755)	(3,576)
Investing results	220	164	1,493	389
Profit before tax	9,727	6,367	36,102	22,959
Taxation	(170)	1,214	(3,797)	(534)
Profit after tax	9,557	7,581	32,305	22,425
Minority interest	(2,407)	(3,051)	(9,195)	(5,721)
Net profit for the year	7,150	4,530	23,110	16,704
Earnings per share (sen)				
(i) Basic	11.55	7.33	37.34	27.02
(ii) Diluted	11.42	n/a	n/a	n/a

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2004)



SCIENTEX INCORPORATED BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 July 2005

	AS AT END OF FINANCIAL YEAR ENDED 7/31/2005 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 7/31/2004 RM'000 (Audited)
1. Property, plant and equipment	201,116	174,898
2. Land held for development	102,583	97,902
3. Investment in associates	13,383	13,547
4. Other investments	5,179	7,072
5. Intangible assets	1,948	923
	324,209	294,342
6. Current Assets		
Development properties	15,003	22,913
Inventories	65,971	59,473
Trade and other receivables	108,469	100,582
Cash and cash equivalents	20,075	26,827
	209,518	209,795
7. Current Liabilities		
Trade payables and other payables	73,297	66,953
Short term borrowings	81,545	73,207
Provision for taxation	789	1,121
Redeemable preference shares	802	2,627
	156,433	143,908
8. Net current assets	53,085	65,887
	377,294	360,229
9. Shareholders' Funds		
Share capital	62,088	61,994
Reserves	195,348	180,072
	257,436	242,066
10. Minority interest	97,743	78,061
11. Long term borrowings	9,411	25,146
12. Other long term liabilities	154	335
13. Redeemable preference share	-	1,875
14. Deferred taxation	12,550	12,746
	377,294	360,229
15. Net tangible assets per share (RM)	4.13	3.90

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2004)



SCIENTEX INCORPORATED BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2005**

	Reserves								Retained profits RM'000	Total RM'000
	Issued capital RM'000	Share premium RM'000	Non-distributable			Distributable		Capital redemption reserves RM'000		
Property revaluation surplus RM'000			Share buybacks reserves RM'000	Foreign exchange reserves RM'000	Treasury shares RM'000	Warrant and other reserves RM'000				
At 1 August, 2004	61,994	8,990	61,432	387	(111)	(387)	461	6,750	102,550	242,066
Net profit for the year	-	-	-	-	-	-	-	-	23,110	23,110
Dividend	-	-	-	-	-	-	-	-	(7,578)	(7,578)
Redemption of preference shares	-	-	-	-	-	-	-	5,550	(5,550)	-
Currency translation differences, representing net loss not recognised in the income	-	-	-	-	(358)	-	-	-	-	(358)
Issued during the financial year pursuant to ESOS	94	102	-	-	-	-	-	-	-	196
At 31 July, 2005	62,088	9,092	61,432	387	(469)	(387)	461	12,300	112,532	257,436
At 1 August, 2003	61,994	8,643	98,926	387	33	(387)	461	-	95,225	265,282
Net profit for the year	-	-	-	-	-	-	-	-	16,704	16,704
Dividend	-	-	-	-	-	-	-	-	(2,670)	(2,670)
Redemption of preference shares	-	-	-	-	-	-	-	6,750	(6,750)	-
Currency translation differences, representing net loss not recognised in the income	-	-	-	-	(144)	-	-	-	-	(144)
Share premium in associate	-	347	-	-	-	-	-	-	-	347
Disposal of properties	-	-	(41)	-	-	-	-	-	41	-
Impairment losses	-	-	(39,780)	-	-	-	-	-	-	(39,780)
Deferred taxation on impairment losses	-	-	2,279	-	-	-	-	-	-	2,279
Minority interest in impairment losses	-	-	48	-	-	-	-	-	-	48
At 31 July, 2004	61,994	8,990	61,432	387	(111)	(387)	461	6,750	102,550	242,066

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2004)



SCIENTEX INCORPORATED BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 July 2005

	12 MONTHS ENDED 31-07-2005 RM'000	12 MONTHS ENDED 31-07-2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	36,102	22,959
Adjustments for :		
Non-cash items	20,133	14,459
Non-operating items	294	(3,356)
Operating profit before working capital changes	56,529	34,062
Net changes in working capital	(4,472)	1,828
Cash generated from operations	52,057	35,890
Interest received	754	242
Interest paid	(3,755)	(3,985)
Taxation paid	(4,716)	(3,327)
Gratuity and retirement benefits paid	(180)	(134)
Net cash generated from operating activities	44,160	28,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure incurred on product development	-	(120)
Dividends received	56	538
Repayment of preference shares	(3,700)	(4,500)
Purchase of club memberships	(136)	(32)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(30)	11,244
Purchase of additional shares in subsidiaries	(11,477)	(8,327)
Purchase of property, plant and equipment	(42,956)	(44,967)
Proceeds from part disposal of shares in a subsidiary	7,094	779
Proceeds from disposal of other investments	1,509	2,000
Proceeds from disposal of property, plant and equipment	264	18,581
Net cash used in investing activities	(49,376)	(24,803)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(10,021)	(2,716)
Proceeds from exercise of ESOS and warrants in a subsidiary	15,687	-
Proceeds from issuance of shares pursuant to ESOS	196	-
Net drawdown of short term borrowings	22,102	15,249
Net repayment of term loans	(29,188)	(532)
Net cash (used in)/generated from financing activities	(1,224)	12,001
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,440)	15,884
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	25,689	9,805
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19,249	25,689
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	16,075	19,053
Short term deposits	4,000	7,774
Bank overdrafts	(826)	(1,138)
	19,249	25,689

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2004)

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 July 2005

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 (formerly known as MASB 26), Interim Financial Reporting and Chapter 9 Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the year ended 31 July 2004.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 July 2004.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2004 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 of the previous financial years that have a material effect in the current financial quarter under review.

A6 Changes in debts and equity securities

During the financial year ended 31 July 2005, the Company increased its paid up capital by RM94,000 through the issuance of 94,000 ordinary shares of RM1.00 each under the Employees' Share Option Scheme ("ESOS") at an issue price of RM2.08 per ordinary share. There were no issuance, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review.

A7 Dividends paid

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

A8 Segment information

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

Financial quarter ended 31 July 2005

<u>Revenue</u>	RM'000
Manufacturing	107,713
Property development	22,434
Trading	2,780
Investment holdings	20,753
Elimination : Inter-segment revenue	(20,740)
Total revenue	<u>132,940</u>

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A8 Segment information (Cont'd)

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

Financial quarter ended 31 July 2005

<u>Results</u>	RM'000
Manufacturing	5,374
Property development	3,704
Trading	158
Investment holdings	12,956
Elimination	(11,632)
Profit from operations	<u>10,560</u>

12 months ended 31 July 2005

<u>Revenue</u>	RM'000
Manufacturing	426,250
Property development	70,709
Trading	10,741
Investment holdings	32,010
Elimination : Inter-segment revenue	(32,136)
Total revenue	<u>507,574</u>

Results

Manufacturing	23,110
Property development	15,160
Trading	546
Investment holdings	26,140
Elimination	(26,592)
Profit from operations	<u>38,364</u>

A9 Valuation of property, plant and equipment

The valuation of land and buildings have been brought forward, without amendment from the audited financial statements for the year ended 31 July 2004.

A10 Events subsequent to the end of the reporting period

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

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group during the current financial quarter under review.

A12 Contingent liabilities

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

SCIENTEX INCORPORATED BERHAD

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 July 2005

B1 Review of performance

The Group recorded a revenue of RM507.6 million for the financial year ended 31 July 2005, an increase of 48.8% as compared with the preceding year corresponding financial year's revenue of RM341.1 million. The increase in revenue was mainly attributable to improvement in sales especially from the industrial packaging division as a result of increased capacity for stretch film. The property division also contributed to the increase in revenue.

Profit before taxation of the Group for the financial year ended 31 July 2005 was RM36.1 million, an increase of 57.2% over the profit before taxation of RM23.0 million recorded in the preceding year. The increase in the Group profit before taxation was in line with the higher sales achieved by the industrial packaging division and property division.

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

For the current financial quarter under review, the Group recorded a profit before taxation of RM9.7 million, an increase of 15.0% as compared with RM8.5 million recorded in the preceding financial quarter. The increase in the Group profit before taxation mainly due to improved margin particularly in the manufacturing division.

B3 Current financial year prospects

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's overall performance for the coming financial year will be satisfactory.

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 were as follows : -

	3 months ended		12 months ended	
	31.07.2005	31.07.2004	31.07.2005	31.07.2004
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter / year :				
- Income tax	713	1,182	4,036	666
- Transfer from deferred taxation	(196)	(2,551)	(196)	(75)
In respect of prior year :				
- Income tax	(356)	118	(272)	(116)
	161	(1,251)	3,568	475
Share of taxation of associates	9	37	229	59
	170	(1,214)	3,797	534

The Group's effective tax rates for the current financial quarter and current financial year are lower than the statutory income tax rate mainly due to utilisation of reinvestment allowances and certain non-taxable gain.

B6 Profits/(loss) on sale of unquoted investments and/or properties

There was no profit or loss on sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current financial quarter under review and current financial year.

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B7 Quoted securities

(a) Total disposal of quoted securities for the current financial quarter and current financial year ended 31 July 2005 were as follows : -

	3 months ended 31.07.2005 RM'000	12 months ended 31.07.2005 RM'000
Total sales proceeds	-	1,460
Total loss on disposal	-	(27)

There were no additions of quoted securities for the current financial quarter under review and current financial year.

(b) There were no investments in quoted securities as at 31 July 2005.

B8 Status of corporate proposals

There were no material corporate proposals announced and not completed as at the date of this report.

B9 Borrowings and debt securities

The Group's borrowings as at 31 July 2005 were as follows : -

a) Long Term Borrowings		RM'000
- Unsecured Term loan		<u>9,411</u>
b) Short Term Borrowings		
- Secured Other bank borrowings		<u>21,331</u>
- Unsecured Term loan		8,684
Other bank borrowings		<u>51,530</u>
		<u>60,214</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars	USD 1,368,000	5,129
- Japanese Yen	Yen 20,000,000	669
		<u>5,798</u>

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11 Material litigation

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

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B12 Dividends

The Company had declared an interim dividend in respect of the financial year ended 31 July 2005, of 7% less 28% taxation on 61,908,400 ordinary shares, amounting to RM3,120,183 (5 sen net per share). The dividend was paid on 18 May 2005.

The Directors do not recommend any dividend for the current financial quarter under review.

B13 Earnings per share

a) Basic earnings per share		3 months ended		12 months ended	
		31.07.2005	31.07.2004	31.07.2005	31.07.2004
Net profit for the period /year	(RM'000)	7,150	4,530	23,110	16,704
Weighted average number of ordinary shares in issue	('000)	61,908	61,814	61,890	61,814
Basic earnings per share	(sen)	11.55	7.33	37.34	27.02

b) Fully diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue during the financial quarter has been adjusted for the effects of dilutive potential ordinary shares due to the conversion of warrants into ordinary shares.

The fully diluted earnings per share is not presented for the current financial year and for the preceding financial year's corresponding period as any proposed exercising of ESOS and conversion of warrants would result in anti-dilutive situation.

		3 months ended		12 months ended	
		31.07.2005	31.07.2004	31.07.2005	31.07.2004
Net profit for the period /year	(RM'000)	7,150	4,530	23,110	16,704
Weighted average number of ordinary shares in issue	('000)	61,908	61,814	61,890	61,814
Number of shares that would have been issued due to the conversion of warrants at no consideration	('000)	697	-	-	-
Adjusted weighted average number of ordinary shares in issue	('000)	62,605	61,814	61,890	61,814
Diluted earnings per share	(sen)	11.42	n/a	n/a	n/a

By Order of the Board

Lau Wing Hong (MAICSA 7010572)
Company Secretary

27 September 2005