



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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 October 2016
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three months ended 31 October 2016

	3 MONTHS ENDED	
	Current year quarter 31.10.2016 RM'000	Preceding year corresponding quarter 31.10.2015 RM'000
Revenue	534,684	550,598
Operating profit	68,834	82,065
Interest expense	(3,467)	(3,092)
Investing results	1,046	1,807
Profit before tax	66,413	80,780
Taxation	(13,426)	(18,027)
Profit for the quarter / period	52,987	62,753
Profit attributable to:		
Owners of the Company	52,057	60,853
Non-controlling interests	930	1,900
Profit for the quarter / period	52,987	62,753
Earnings per share attributable to owners of the Company (sen per share)	11.32	13.47

Remarks:

The earnings per share for the current financial quarter ended 31 October 2016 and its preceding year corresponding quarter had been adjusted to reflect the bonus issue of one (1) bonus share for every one (1) existing ordinary share of RM0.50 of the Company held by the entitled shareholders. The bonus issue was completed on 15 August 2016.

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2016)



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QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 October 2016
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 October 2016

	3 MONTHS ENDED	
	Current year quarter 31.10.2016 RM'000	Preceding year corresponding quarter 31.10.2015 RM'000
Profit for the quarter / period	52,987	62,753
Other comprehensive income, net of income tax: Items that may be reclassified subsequently to profit or loss:		
- Foreign currency translation of foreign operations	459	6,141
Other comprehensive income for the quarter / period, net of income tax	459	6,141
Total comprehensive income for the quarter / period, net of income tax	53,446	68,894
Total comprehensive income for the quarter / period attributable to:		
Owners of the Company	52,439	65,670
Non-controlling interests	1,007	3,224
	53,446	68,894

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2016)

SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 October 2016

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2016 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	954,319	952,519
Investment properties	17,000	17,000
Land held for property development	433,437	447,034
Investment in jointly controlled entity	22,359	22,531
Investment in associate	27,353	26,135
Other investments	7,967	7,967
Deferred tax assets	2,651	2,651
Intangible assets	12,134	12,134
	1,477,220	1,487,971
Current assets		
Property development costs	226,869	174,718
Inventories	121,502	137,010
Trade and other receivables	375,489	350,801
Cash and bank balances	132,745	100,601
	856,605	763,130
TOTAL ASSETS	2,333,825	2,251,101
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	230,000	115,000
Reserves	997,480	1,060,167
Equity attributable to owners of the Company	1,227,480	1,175,167
Non-controlling interests	67,502	66,495
Total equity	1,294,982	1,241,662
Non-current liabilities		
Borrowings	232,272	238,872
Retirement benefits obligations	24,639	23,782
Deferred tax liabilities	35,032	35,032
	291,943	297,686
Current liabilities		
Borrowings	334,779	232,736
Trade and other payables	392,899	431,372
Dividend payable	-	27,600
Tax liabilities	19,222	20,045
	746,900	711,753
Total liabilities	1,038,843	1,009,439
TOTAL EQUITY AND LIABILITIES	2,333,825	2,251,101
Net assets per share attributable to owners of the Company (RM)	2.67	2.55

Remarks:

The net assets per share for the current financial quarter ended 31 October 2016 and the preceding financial year ended 31 July 2016 had been adjusted to reflect the bonus issue of one (1) bonus share for every one (1) existing ordinary share of RM0.50 of the Company held by the entitled shareholders. The bonus issue was completed on 15 August 2016.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2016)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 OCTOBER 2016**

	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 2016	115,000	104,324	17,882	55,799	8,683	-	461	873,018	1,175,167	66,495	1,241,662
Profit for the period	-	-	-	-	-	-	-	52,057	52,057	930	52,987
Other comprehensive profit for the period	-	-	-	-	382	-	-	-	382	77	459
Total comprehensive income for the period	-	-	-	-	382	-	-	52,057	52,439	1,007	53,446
Bonus issue	115,000	(104,324)	-	-	-	-	-	(10,802)	(126)	-	(126)
At 31 October 2016	230,000	-	17,882	55,799	9,065	-	461	914,273	1,227,480	67,502	1,294,982
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

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2016)

SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the three months ended 31 October 2016

	3 MONTHS ENDED 31.10.2016 RM'000	3 MONTHS ENDED 31.10.2015 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	66,413	80,780
Adjustments	18,414	15,262
Operating profits before working capital changes	<u>84,827</u>	<u>96,042</u>
Movement in working capital:		
Decrease in inventories	15,431	20,287
(Increase)/decrease in development properties	(10,239)	11,061
Increase in receivables	(5,723)	(62,043)
(Decrease)/increase in payables	<u>(34,053)</u>	<u>14,539</u>
Cash generated from operations	<u>50,243</u>	<u>79,886</u>
Taxation paid	<u>(14,472)</u>	<u>(16,634)</u>
Net cash from operating activities	<u>35,771</u>	<u>63,252</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(53,592)
Purchase of property, plant and equipment	(20,399)	(63,669)
Deposit paid for purchase of property, plant and equipment	(17,045)	(865)
Deposit paid for purchase of land held for development	(5,090)	-
Purchase of land held for development	(24,507)	-
Interest received	336	403
Net cash used in investing activities	<u>(66,705)</u>	<u>(117,723)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid	(27,600)	(20,327)
Bonus issue expenses	(126)	-
Net repayment of term loans	(5,916)	(8,788)
Net drawdown of short term borrowings	101,359	75,768
Interest paid	<u>(4,639)</u>	<u>(3,092)</u>
Net cash from financing activities	<u>63,078</u>	<u>43,561</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	32,144	(10,910)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>100,601</u>	<u>90,626</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>132,745</u>	<u>79,716</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	92,279	69,560
Short term deposits	40,466	10,156
	<u>132,745</u>	<u>79,716</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2016)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2016

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 2016.

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 2016, except for the adoption of the new and revised Standards and Amendments effective on or after 1 August 2016.

(i) Adoption of Amendments to FRSs

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 2016.

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Classification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2012 - 2014 Cycle	

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

(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 2014, 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 TEs have availed themselves 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 on 31 July 2019.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2016 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.

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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 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, except for the following:

Bonus issue

A bonus issue of 230,000,000 new ordinary shares of RM0.50 each in the Company ("Scientex Share") on the basis of one (1) bonus share for every one (1) existing Scientex Share were issued and allotted on 12 August 2016. Resultant thereto, the issued and paid-up share capital of the Company stood at RM230,000,000 divided into 460,000,000 ordinary shares of RM0.50 each as at 31 October 2016.

A7 Dividend paid

The amount of dividend paid by the Company since 31 July 2016 was as follows:

RM'000

In respect of the financial year ended 31 July 2016:

Single tier interim dividend of 24%; 12 sen per ordinary share declared on 1 June 2016 and paid on 5 August 2016

27,600

A8 Segment information

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

3 months ended 31 October 2016

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	<u>379,669</u>	<u>155,015</u>	<u>534,684</u>
Results			
Profit from operations	23,753	45,081	68,834
Investing results			1,046
Finance cost			<u>(3,467)</u>
Profit before taxation			<u>66,413</u>

3 months ended 31 October 2015

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	<u>392,016</u>	<u>158,582</u>	<u>550,598</u>
Results			
Profit from operations	34,539	47,526	82,065
Investing results			1,807
Finance cost			<u>(3,092)</u>
Profit before taxation			<u>80,780</u>

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A9 Disclosure items

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

	3 months ended	
	31.10.2016	31.10.2015
	RM'000	RM'000
(a) Interest income	(336)	(403)
(b) Other income	(477)	(408)
(c) Interest expense	3,467	3,092
(d) Depreciation	15,189	13,474
(e) Net write back of receivables	(163)	-
(f) Net provision for inventories	78	131
(g) Net foreign exchange loss	208	3,459

In the current financial quarter and current year-to-date ended 31 October 2016, 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.

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 following:

(i) Share grant plan

Subsequent to the current financial quarter, the Company granted and vested 3,558,000 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. Pursuant thereto, the issued and paid-up share capital of the Company increased from RM230,000,000 divided into 460,000,000 ordinary shares of RM0.50 each to RM231,779,000 divided into 463,558,000 ordinary shares of RM0.50 each

(ii) Formation of a wholly-owned subsidiary

On 10 November 2016, the Company announced that a wholly-owned subsidiary of the Company, Scientex Packaging Film Sdn Bhd ("SPFSB") formed a wholly-owned subsidiary, Scientex Phoenix, LLC in Arizona, United States of America. The principal activities of Scientex Phoenix, LLC are manufacturing and trading of stretch film and other packaging related products and/or such products that are in the best interests of the Company.

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 following:

Members' Voluntary Winding-Up of Scientex Advance Sdn Bhd ("SASB")

On 22 February 2016, the Company announced that SASB, a dormant wholly-owned subsidiary of SPFSB, which in turn is a wholly-owned subsidiary of the Company, commenced Members' Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act, 1965. Subsequently, a Final Meeting was held on 8 September 2016 to conclude the Members' Voluntary Winding-Up and a Return by Liquidator relating to Final Meeting ("Return") was lodged with the Companies Commission of Malaysia and the Official Receiver on 9 September 2016. Accordingly, SASB will be dissolved on the expiration of 3 months from the date of lodgement of the Return pursuant to Section 272(5) of the Companies Act, 1965.

A13 Contingent liabilities

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

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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 31.10.2016 RM'000	As at 31.10.2015 RM'000
Approved and contracted for:		
Purchase of plant and machinery	28,192	209,907
Balance payment for purchase of land held for development	39,494	197,072
	67,686	406,979

A15 Related party transactions

The Group's related party transactions in the current financial quarter and current financial year-to-date ended 31 October 2016 are as follows:-

	3 months ended	
	31.10.2016 RM'000	31.10.2015 RM'000
Purchase of goods from associated company	16,055	17,063
Rental income from jointly controlled entity	(232)	(232)
	15,823	16,831

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2016**

**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 financial quarter ended 31 October 2016, the Group recorded revenue of RM534.7 million compared to RM550.6 million recorded in the preceding year corresponding quarter. Profit before tax was RM66.4 million compared to RM80.8 million in the preceding year corresponding quarter.

Manufacturing revenue recorded was RM379.7 million compared to RM392.0 million in the preceding year corresponding quarter. However, profit from operations decreased from RM34.5 million to RM23.8 million mainly due to lower product margins.

Property revenue recorded was RM155.0 million compared to RM158.6 million in the preceding year corresponding quarter. Profit from operations for the current financial quarter was RM45.1 million, comparable to the preceding year corresponding quarter of RM47.5 million and is in line with the 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 was RM534.7 million as compared to the preceding financial quarter of RM561.1 million. The lower revenue is mainly arising from the lower sales recognition under the property division due to the timing of the progress billings. Profit before taxation for the current financial quarter was RM66.4 million as compared to the preceding financial quarter of RM69.9 million. The decrease is consistent with the reduction in revenue.

B3 Current financial year prospects

Manufacturing

The quarter under review remains challenging as recovery in the global economy remains subdued with global growth set to decline to 3.1% in 2016 before recovering to 3.4% in 2017 (Source : International Monetary Fund : World Economic Outlook October 2016). The recently concluded presidential elections in the United States of America also contributed to the wave of uncertainty and volatility in the markets as investors sought refuge in safe haven currencies such as the US Dollar. This, coupled with the uncertainty of the Federal Reserve in the timing of its long awaited interest rate hike and the policy uncertainties of the incoming newly elected President have caused greater volatility in the currency markets. Amidst all the uncertainties, the Group will continue to monitor and track the crude oil price movements and the fluctuation in the foreign exchange rates which could affect the Group's performance.

The industrial packaging segment has implemented action plans which have seen greater overall operational efficiency with the optimizing of its plant capacity and efficiency. The Group recently announced its plans to set up a new manufacturing facility in Phoenix, Arizona, United States of America which is expected to be fully operational by end of 2017. The manufacturing plant is expected to serve the immediate market within the United States of America in line with the longer term expansion plans of the Company to continuously expand its geographically reach worldwide. With closer proximity, it would be better able to serve its customers. It will also provide a suitable platform to seek opportunities to penetrate into new markets which the combined markets in the North, Central and South Americas offer vast and relative untapped market potential. Apart from proximity to customers, the strategic location of the plant to sources of raw materials will also enable it to procure its raw materials at highly competitive prices without delay. The cost competitive driven model is expected to yield positive result in the middle and longer term.

The consumer packaging segment is also expected to see greater demand for its products such as its BOPP film products from its newly commissioned state-of-the-art plant in Pulau Indah which was officially opened in September 2016. It is now gradually ramping up production capacity and is expected to cater to the exacting demands of its buyers. The capacity expansion for Scientex's plants in Ipoh is expected to be fully completed by 2017 and the Group would focus on increasing sales and consolidating its position as a premier supplier of quality products through greater innovation, automation and stringent quality control of its products as it steps up its efforts to gain bigger market share for its products globally.

With the action plans put in place, the Group is cautiously optimistic that the performance of its industrial and consumer packaging products for this financial year is expected to be satisfactory, barring any unforeseen circumstances.

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B3 Current financial year prospects (Cont'd)

Property

The Group's affordable housing category continues to perform well despite the challenging economic landscape. The overwhelming demand for its maiden launch of its newly acquired 323 acres of Pulau land in July 2016 has inspired and boosted the confidence of the Group and the Group is working on subsequent launches in 2017 to tap into the demand of buyers in this category. The Group has also taken over possession of 2 pieces of lands with a collective acreage of 25 acres located in Meru and Klebang within the vicinity of Ipoh, Perak which marks the Group's maiden foray into Perak. The Group will be launching affordable homes in both locations in the first quarter of 2017.

The Group is reasonably confident that demand for its innovative and affordably priced products which are strategically located in Johor, Melaka and Ipoh will continue to perform satisfactorily as demand for these category of products continue to remain strong and resilient supported by the Government's present accommodative interest rate regime. The Group expects to see demand for affordable housing to be resilient and will continue on its efforts to make its products more affordable through better cost control as well as innovative designs.

Notwithstanding the challenging domestic property market for the coming year, the Group remains cautiously hopeful that its focus on the affordable housing segment shall continue to remain sustainable, barring any unforeseen circumstances.

B4 Variations of actual profit from forecast profit

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

B5 Taxation

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

	3 months ended	
	31.10.2016	31.10.2015
	RM'000	RM'000
In respect of current quarter		
- Income tax	13,426	18,027

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 31.10.2016	As at 31.10.2015
	RM'000	RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	1,046,625	1,034,673
- Unrealised	(7,507)	(15,413)
	1,039,118	1,019,260
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	24,999	18,315
- Unrealised	(787)	(483)
	1,063,330	1,037,092
Less: Consolidation adjustments	(149,057)	(287,063)
Total Group retained earnings	914,273	750,029

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 Pulau, District of Johor Bahru, State of Johor

On 29 June 2015, the Company announced that Scientex Quatari Sdn Bhd, its wholly-owned subsidiary entered into two conditional sale and purchase agreements ("SPAs") in relation to the proposed acquisition of freehold agriculture lands measuring approximately 322.86 acres ("SPA 1") and 3.20 acres ("SPA 2") in Mukim of Pulau, District of Johor Bahru, State of Johor for a total cash purchase consideration of RM218.97 million, from Bukit Gambir Company Sdn. Berhad and/or Jayaplus Bakti Sdn. Bhd.

The acquisition had been approved by the Company's shareholders at the Extraordinary General Meeting held on 29 September 2015. Subsequently, the acquisition in connection with the SPA 1 has been completed on 8 January 2016. The acquisition in connection with SPA 2 is currently pending the fulfilment of all the conditions precedent and full payment of balance purchase consideration. It is expected to be completed by financial year 2017.

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B8 Borrowings and debt securities

The Group's borrowings as at 31 October 2016 were as follows :-

(i) Long Term Borrowings	RM'000	RM'000
Secured - Sukuk Murabahah	100,000	
Secured - Term loan	70,000	
Unsecured - Term loan	<u>62,272</u>	232,272
(ii) Short Term Borrowings		
Secured		
- Other bank borrowings	8,000	
Unsecured		
- Term loan	24,300	
- Other bank borrowings	<u>302,479</u>	<u>334,779</u>
		<u>567,051</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		197,815
- Japanese Yen		<u>40,560</u>
		<u>238,375</u>

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 2016, the Board of Directors recommended a single tier final dividend of 20% or 10 sen per ordinary share (single tier final dividend for 2015 of 26% or 13 sen per ordinary share). This dividend is proposed after the one for one bonus issue which was completed on 15 August 2016, resulting in the issued and paid-up share capital of the Company increasing from 230,000,000 ordinary shares of RM0.50 each to 460,000,000 ordinary shares of RM0.50 each. The dividend has been approved by the shareholders at the Annual General Meeting held on 15 December 2016 and is payable on 13 January 2017 to depositors registered in the Record of Depositors on 30 December 2016.

B11 Earnings per share

		3 months ended	
		31.10.2016	31.10.2015
(i) Basic earnings per share			
Profit attributable to equity holders of the Company	(RM'000)	52,057	60,853
Weighted average number of ordinary shares in issue	('000)	460,000	451,718
Basic earnings per share	(sen)	<u>11.32</u>	<u>13.47</u>

The earnings per share for the current financial quarter ended 31 October 2016 and its preceding year corresponding quarter had been adjusted to reflect the bonus issue of one (1) bonus share for every one (1) existing ordinary share of RM0.50 of the Company held by the entitled shareholders. The bonus issue was completed on 15 August 2016.

(ii) 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 2016.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

15 December 2016