



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

**QUARTERLY REPORT**

Quarterly report on consolidated results for the financial quarter ended 31 October 2010  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the three months ended 31 October 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000	Current year to date 31.10.2010 RM'000	Preceding year corresponding period 31.10.2009 RM'000
<b>Revenue</b>	<b>186,625</b>	<b>164,914</b>	<b>186,625</b>	<b>164,914</b>
<b>Operating profit</b>	<b>20,984</b>	<b>13,954</b>	<b>20,984</b>	<b>13,954</b>
Interest expense	(452)	(99)	(452)	(99)
Investing results	509	835	509	835
<b>Profit before tax</b>	<b>21,041</b>	<b>14,690</b>	<b>21,041</b>	<b>14,690</b>
Taxation	(3,584)	(1,475)	(3,584)	(1,475)
<b>Profit for the period</b>	<b>17,457</b>	<b>13,215</b>	<b>17,457</b>	<b>13,215</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	17,005	12,728	17,005	12,728
Minority interests	452	487	452	487
<b>Profit for the period</b>	<b>17,457</b>	<b>13,215</b>	<b>17,457</b>	<b>13,215</b>
Earnings per share attributable to equity holders of the Company (sen)	7.89	5.91	7.89	5.91

*(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)*



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the three months ended 31 October 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000	Current year to date 31.10.2010 RM'000	Preceding year corresponding period 31.10.2009 RM'000
<b>Profit for the period</b>	<b>17,457</b>	<b>13,215</b>	<b>17,457</b>	<b>13,215</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>17,457</b>	<b>13,215</b>	<b>17,457</b>	<b>13,215</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	17,005	12,728	17,005	12,728
Minority interests	452	487	452	487
	<b>17,457</b>	<b>13,215</b>	<b>17,457</b>	<b>13,215</b>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)*

**SCIENTEX**

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**SCIENTEX BERHAD**  
(Company No.7867-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 October 2010**

	<b>AS AT CURRENT FINANCIAL QUARTER ENDED 31.10.2010 RM'000 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2010 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	203,951	205,083
Land held for property development	216,234	216,675
Investment in associates	9,391	8,882
Other investments	5,037	5,037
	<b>434,613</b>	<b>435,677</b>
<b>Current assets</b>		
Property development costs	56,141	54,404
Inventories	54,519	63,375
Trade and other receivables	107,906	98,254
Derivative financial assets	1,542	-
Cash and bank balances	28,860	23,353
	<b>248,968</b>	<b>239,386</b>
<b>TOTAL ASSETS</b>	<b>683,581</b>	<b>675,063</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	115,000	115,000
Reserves	317,792	299,348
	<b>432,792</b>	<b>414,348</b>
Minority interests	36,654	36,449
<b>Total equity</b>	<b>469,446</b>	<b>450,797</b>
<b>Non-current liabilities</b>		
Borrowings	23,888	26,169
Retirement benefit obligations	6,314	6,314
Deferred tax liabilities	20,639	20,639
	<b>50,841</b>	<b>53,122</b>
<b>Current liabilities</b>		
Borrowings	37,930	42,019
Retirement benefit obligations	613	659
Trade and other payables	119,546	125,183
Income tax payable	5,205	3,283
	<b>163,294</b>	<b>171,144</b>
<b>Total liabilities</b>	<b>214,135</b>	<b>224,266</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>683,581</b>	<b>675,063</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.01	1.92

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)*



**SCIENTEX BERHAD**  
(Company No: 7867-P)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 OCTOBER 2010**

	-----Attributable to Equity Holders of the Company-----											
	-----Non-distributable-----							-----Reserves-----			Minority interests RM'000	Total equity RM'000
	Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Foreign exchange reserve RM'000	Treasury shares RM'000	Warrant and other reserves RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total RM'000			
Distributable												
At 1 August 2010	115,000	21,350	31,613	(1,371)	(21,082)	461	17,467	250,910	414,348	36,449	450,797	
Effect of adopting FRS 139	-	-	-	-	-	-	-	1,439	1,439	103	1,542	
At 1 August 2010, as restated	115,000	21,350	31,613	(1,371)	(21,082)	461	17,467	252,349	415,787	36,552	452,339	
Total comprehensive income for the period	-	-	-	-	-	-	-	17,005	17,005	452	17,457	
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	-	-	(350)	(350)	
At 31 October 2010	115,000	21,350	31,613	(1,371)	(21,082)	461	17,467	269,354	432,792	36,654	469,446	
At 1 August 2009	115,000	21,350	35,878	984	(21,081)	461	17,467	205,035	375,094	36,136	411,230	
Total comprehensive income for the period	-	-	-	-	-	-	-	12,728	12,728	487	13,215	
Acquisition of additional interest in existing subsidiaries	-	-	-	-	-	-	-	-	-	(64)	(64)	
At 31 October 2009	115,000	21,350	35,878	984	(21,081)	461	17,467	217,763	387,822	36,559	424,381	

*(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)*



**SCIENTEX BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the three months ended 31 October 2010**

	<b>3 MONTHS ENDED 31.10.2010 RM'000</b>	<b>3 MONTHS ENDED 31.10.2009 RM'000</b>
Net cash generated from operating activities	23,227	11,100
Net cash used in investing activities	(4,436)	(10,496)
Net cash (used in)/generated from financing activities	(13,284)	4,609
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>5,507</u>	<u>5,213</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>23,173</u>	<u>15,439</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><b>28,680</b></u>	<u><b>20,652</b></u>

Cash and cash equivalents in the cash flow statement comprise :

Cash and bank balances	27,199	18,082
Short term deposits	1,661	2,750
Bank overdrafts	(180)	(180)
	<u>28,680</u>	<u>20,652</u>

*(The Condensed Consolidated Statement of Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)*

**SCIENTEX BERHAD**  
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**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2010**

**A. Compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Bursa Listing Requirements**

**A1. Accounting Policies and Methods of Computation**

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 2010. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 July 2010, except for the following:

**(i) Adoption of New and Revised FRSs, Issues Committee ("IC") Interpretations and Amendments**

In the current period ended 31 October 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 132	Financial Instruments: Presentations
Amendment to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Improvements to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 - The Limit on a Defined benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above pronouncements did not result in any significant changes in the accounting policies and presentation of the financial results of the Group, other than as set out below:

**(a) FRS 101 (revised), Presentation of Financial Statements**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Then Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

The Group has elected to show other comprehensive income in a separate statement from the income statement and hence, the consolidated statement of changes in equity will include only details of transactions with owners. All non-owner changes in equity are presented in the consolidated statement of comprehensive income.

This standard does not have any impact on the financial position and results of the Group.

**(b) FRS 7, Financial Instruments Disclosures**

With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. This standard requires additional disclosures, both quantitative and qualitative of the Group's exposures to risks, enhanced disclosures regarding components of the Group's financial position and performance, and possible changes to the way presenting certain items in the financial statements. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures have been made in these interim financial statements.

**SCIENTEX BERHAD**  
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**A1. (i) Adoption of New and Revised FRSs, Issues Committee ("IC") Interpretations and Amendments (Contd.)**

*(c) FRS 139, Financial Instruments: Recognition and Measurement*

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are initially recorded at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 August 2010. The effects of the remeasurement on 1 August 2010 of the financial instruments brought forward from the previous financial year are adjusted to the opening retained profits as disclosed in the statement of changes in equity.

Prior to the adoption of FRS 139, financial derivatives of the Group were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, the financial derivatives are stated at fair value which is equivalent to the marking of the financial derivatives to market, using prevailing market rates. Financial derivatives with positive market values (unrealised gains) are included under current assets and financial derivatives with negative market values (unrealised losses) are included under current liabilities in the statement of financial position. Any gains or losses arising from changes in fair value on financial derivatives during the financial period that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the income statement.

*(d) Amendments to FRS 117, Leases*

The amendments to FRS 117 requires entities with existing leases of lands and buildings (combined) to reassess the classification of lands as a finance or operating lease. The Group has reclassified the existing leasehold lands to property, plant and equipment following this reassessment, with no effect on the reported profit or equity. However, as a result of the adoption of the Amendments to FRS 117, comparatives balances have been restated as follows:

31 July 2010	As previously reported RM'000	Effects of changes in FRS 117 RM'000	As restated RM'000
Property, plant and equipment	170,906	34,177	205,083
Prepaid land lease payments	34,177	(34,177)	-

**A2 Audit report**

The Group's preceding annual financial statements for the financial year ended 31 July 2010 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 Dividends paid**

A single tier interim dividend of 6% amounted to RM6,462,106 in respect of the financial year ended 31 July 2010 was paid on 10 August 2010.

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**A8 Segment information**

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

**Current financial quarter and current year to date ended 31 October 2010**

<u>Revenue</u>	RM'000
Manufacturing	138,413
Property development	48,212
Total revenue	186,625
<u>Results</u>	RM'000
Manufacturing	7,453
Property development	13,531
Profit from operations	20,984
<u>Reconciliation of profit before taxation</u>	RM'000
Profit from operations	20,984
Share of profits of associate	509
Finance cost	(452)
	21,041

**A9 Valuation of property, plant and equipment**

The valuations of land and buildings have been brought forward, without amendment from the audited financial statements for the year ended 31 July 2010.

**A10 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 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, except for the following:-

- (i) Companies Commission of Malaysia ("CCM") had on 2 August 2010 issued notice to the Company's dormant subsidiary, Scientex Chemical Sdn Bhd for the name to be struck-off from the register under Section 308 of the Companies Act, 1965. At the expiration of the 3 months from the date of the CCM's notice, the subsidiary will be struck off from the register and dissolved thereon.
- (ii) The following dormant subsidiaries have been struck off from the register pursuant to Section 308 of the Companies Act, 1965 during the current financial quarter:
  - a) Scientex Trading Sdn Bhd
  - b) Scientex Enterprise Sdn Bhd
  - c) Scientex Property Sdn Bhd
  - d) Yamatex (Malaysia) Sdn Bhd
  - e) Scientex Auto Industries Sdn Bhd
  - f) Scientex Development (Pasir Gudang) Sdn Bhd

**A12 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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**A13 Capital commitments**

Authorised capital commitment not recognised in the interim financial statements as at 31 October 2010 are as follows:

	RM'000
Approved and contracted for purchase of plant and machinery	<u>13,980</u>

**A14 Related party transaction**

The Group's related party transaction in the current quarter ended 31 October 2010 are as follows:

Purchase of goods from associated company of approximately RM7,072,000

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**  
**OF BURSA MALAYSIA SECURITIES BERHAD**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2010**

**B1 Review of performance**

The Group recorded a revenue of RM186.6 million for the current financial quarter ended 31 October 2010, an increase of 13.2% as compared to RM164.9 million recorded in the preceding financial year corresponding quarter. The higher revenue achieved was contributed mainly by the property division due to higher sales achieved from the launch of properties at the new land acquired in the previous financial year.

Profit before taxation of the Group for the current financial quarter ended 31 October 2010 was RM21.0 million, an increase of 43.2% as compared to RM14.7 million recorded in the preceding financial year corresponding quarter. The higher profit before taxation was consistent with the higher revenue and profit margin achieved by the 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 revenue of RM186.6 million, marginally lower as compared to RM191.7 million recorded in the preceding financial quarter.

Profit before taxation for the current financial quarter under review was RM21.0 million, as compared to RM21.7 million recorded in the preceding financial quarter.

**B3 Current financial year prospects**

In tandem with the general economic recovery experienced by most Asian economies, the Group achieved higher revenue and profit for the current financial quarter ended October 2010 compared to preceding year corresponding financial quarter. The sharp recovery indicates that the global economic recovery has gained traction and this further underscores the expansion efforts undertaken by the Group to increase capacity for its industrial packaging products to cater for the growing demand from its key markets. The Group will continue to leverage on its strength to build up its capacity and to focus on its key markets but will remain wary and vigilant to the fast changing developments in the external environment.

The domestic economy has been resilient and the implementation of the 10th Malaysia Plan coupled with the various initiatives announced by the Government to spur development in particular within the Iskandar Malaysia region would augur well for the Group's development projects which are located in the said region. The Group is cautiously optimistic that such initiatives would spur demand for both commercial and housing products for the current 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.

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**B5 Taxation**

Details of tax expense for the current financial quarter were as follows :-

	3 months ended	
	31.10.2010	31.10.2009
	RM'000	RM'000
In respect of current quarter :		
- Income tax	3,584	1,475
	<u>3,584</u>	<u>1,475</u>

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

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

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

**B7 Quoted securities**

(a) There were no additions or disposals of quoted securities for the current financial quarter under review.

(b) There were no investments in quoted securities as at the end of the current financial quarter under review.

**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 October 2010 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Secured	408	
-Unsecured	<u>23,480</u>	23,888
(b) Short Term Borrowings		
- Secured		
Term loan	204	
Other bank borrowings	3,300	
- Unsecured		
Term loan	10,890	
Other bank borrowings	<u>23,536</u>	<u>37,930</u>
		<u>61,818</u>
Included in total borrowings are borrowings denominated in foreign currencies		RM'000
- United States Dollars		Equivalent 10,030
- Japanese Yen		180
		<u>10,210</u>

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**B10 Derivative financial instruments**

With the adoption of FRS 139, financial derivatives are recognised on their respective contract dates. The related accounting policies are disclosed in Note A1 in the section on Notes to the Interim Financial Report.

As at the date of the statement of financial position 31 October 2010, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract amount RM'000	Fair value amount RM'000
Currency forward contracts: - Less than 1 year	11,414	10,560

The contracted rates will be used to convert the foreign currency amounts into Ringgit Malaysia. No cash outlay was required for the derivatives.

Derivative financial instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes.

For the quarter ended 31 October 2010, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

**B11 Gain and losses arising from Fair Value Changes of Financial Assets/Liabilities**

There are no gains or losses arising from fair value changes of financial assets/liabilities measured at fair value through profit or loss for the current quarter.

**B12 Material litigation**

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

**B13 Dividends**

In respect of the financial year ended 31 July 2010, the Board of Directors recommended a single tier final dividend of 12%. The dividend has been approved by the shareholders at the Annual General Meeting held on 15 December 2010 and is payable on 24 January 2011 to depositors registered in the Record of Depositors on 7 January 2011.

**B14 Earnings per share**

		3 months ended	
		31.10.2010	31.10.2009
<b>(a) Basic earnings per share</b>			
Profit attributable to equity holders of the Company	(RM'000)	17,005	12,728
Weighted average number of ordinary shares in issue	('000)	215,404	215,404
Basic earnings per share	(sen)	7.89	5.91

**(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 2010.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)  
Company Secretary

15 December 2010