



SCIENTEX INCORPORATED BERHAD

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

QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 October 2005

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 October 2005

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 10/31/2005 RM'000	Preceding year corresponding quarter 10/31/2004 RM'000	Current year to date (Unaudited) 10/31/2005 RM'000	Preceding year corresponding period (Unaudited) 10/31/2004 RM'000
Revenue	145,221	112,911	145,221	112,911
Operating profit	11,600	8,760	11,600	8,760
Interest expense	(903)	(956)	(903)	(956)
Investing results	272	515	272	515
Profit before tax	10,969	8,319	10,969	8,319
Taxation	(1,873)	(1,102)	(1,873)	(1,102)
Profit after tax	9,096	7,217	9,096	7,217
Minority interest	(2,260)	(2,244)	(2,260)	(2,244)
Net profit for the year	6,836	4,973	6,836	4,973
Earnings per share (sen)				
(i) Basic	11.04	8.04	11.04	8.04
(ii) Diluted	10.93	n/a	10.93	n/a

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)



SCIENTEX INCORPORATED BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 October 2005

	AS AT END OF FINANCIAL QUARTER ENDED 10/31/2005 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 7/31/2005 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	202,476	200,898
Land held for development	93,234	100,650
Investment in associates	13,612	13,383
Other investments	5,181	5,179
Intangible assets	2,112	2,059
	316,615	322,169
Current assets		
Development properties	22,110	15,003
Inventories	62,895	66,857
Trade and other receivables	113,520	107,375
Cash and cash equivalents	26,120	20,486
	224,645	209,721
Current liabilities		
Trade payables and other payables	89,802	73,729
Short term borrowings	66,926	81,341
Provision for taxation	1,387	809
Redeemable preference shares	-	802
	158,115	156,681
Net current assets	66,530	53,040
	383,145	375,209
Shareholders' funds		
Share capital	62,088	62,088
Reserves	187,949	181,263
	250,037	243,351
Minority interests	99,032	97,794
	349,069	341,145
Non-current liabilities		
Long term borrowings	9,436	9,411
Other long term liabilities	242	255
Deferred taxation	24,398	24,398
	34,076	34,064
	383,145	375,209
Net tangible assets per share (RM)	4.00	3.90

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)



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

	Reserves									Total RM'000
	Issued capital RM'000	Share premium RM'000	Property revaluation surplus RM'000	Share buybacks reserves RM'000	Non-distributable			Distributable		
Foreign exchange reserves RM'000					Treasury shares RM'000	Warrant and other reserves RM'000	Capital redemption reserves RM'000	Retained profits RM'000		
At 1 August, 2005	62,088	9,092	47,245	387	(375)	(387)	461	12,300	112,540	243,351
Net profit for the period	-	-	-	-	-	-	-	-	6,836	6,836
Redemption of preference shares	-	-	-	-	-	-	-	1,200	(1,200)	-
Currency translation differences, representing net loss not recognised in the income statement	-	-	-	-	(150)	-	-	-	-	(150)
At 31 Oct, 2005	62,088	9,092	47,245	387	(525)	(387)	461	13,500	118,176	250,037
At 1 August, 2004	61,994	8,990	61,433	387	(111)	(387)	461	6,750	102,549	242,066
Net profit for the period	-	-	-	-	-	-	-	-	4,973	4,973
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	-	323	-	-	-	-	323
Issued during the financial period pursuant to ESOS	94	102	-	-	-	-	-	-	-	196
At 31 Oct, 2004	62,088	9,092	61,433	387	212	(387)	461	6,750	107,522	247,558

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)



SCIENTEX INCORPORATED BERHAD

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

	3 MONTHS ENDED 31-10-2005 RM'000	3 MONTHS ENDED 31-10-2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,969	8,319
Adjustments for :		
Non-cash items	5,443	4,911
Non-operating items	(778)	332
Operating profit before working capital changes	<u>15,634</u>	<u>13,562</u>
Net changes in working capital	<u>13,676</u>	<u>4,338</u>
Cash generated from operations	29,310	17,900
Interest received	37	55
Interest paid	(903)	(956)
Taxation paid	(1,161)	(1,111)
Gratuity and retirement benefits paid	(13)	(7)
Net cash generated from operating activities	<u>27,270</u>	<u>15,881</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	45	1
Repayment of preference shares	(802)	-
Purchase of other investments	-	(136)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(30)
Purchase of additional shares in existing subsidiary	(1,214)	-
Purchase of property, plant and equipment	(6,780)	(9,737)
Proceeds from disposal of other investments	-	50
Proceeds from disposal of property, plant and equipment	<u>1,505</u>	<u>53</u>
Net cash used in investing activities	<u>(7,246)</u>	<u>(9,799)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(189)
Proceeds from issuance of shares pursuant to ESOS	-	196
Net repayment of short term borrowings	(12,016)	(6,347)
Net repayment of term loans	<u>(2,682)</u>	<u>(1,446)</u>
Net cash used in financing activities	<u>(14,698)</u>	<u>(7,786)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,326	(1,704)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>19,871</u>	<u>25,689</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>25,197</u>	<u>23,985</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	23,918	15,279
Short term deposits	2,202	9,324
Bank overdrafts	<u>(923)</u>	<u>(618)</u>
	<u>25,197</u>	<u>23,985</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 July 2005)

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**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 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 2005.

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 2005.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2005 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

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.

Current financial quarter ended 31 October 2005

<u>Revenue</u>	RM'000
Manufacturing	114,262
Property development	27,853
Trading	3,106
Investment holdings	1,838
Elimination : Inter-segment revenue	<u>(1,838)</u>
Total revenue	<u>145,221</u>

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A8 Segment information (Cont'd)

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

Current financial quarter ended 31 October 2005

<u>Results</u>	RM'000
Manufacturing	5,830
Property development	5,122
Trading	203
Investment holdings	520
Elimination	(75)
Profit from operations	<u>11,600</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 2005.

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 OCTOBER 2005

B1 Review of performance

The Group recorded a revenue of RM145.2 million for the financial quarter ended 31 October 2005, an increase of 28.6% as compared with the preceding year corresponding financial quarter's revenue of RM112.9 million. The increase in revenue was mainly attributable to improvement in sales of the property division. The industrial packaging division also contributed to the increase in revenue as a result of increased capacity and demand for stretch film.

Profit before taxation of the Group for the financial quarter ended 31 October 2005 was RM11.0 million, an increase of 31.9% over the profit before taxation of RM8.3 million recorded in the preceding year corresponding financial quarter. The increase in the Group profit before taxation was in line with the higher sales 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 profit before taxation of RM11.0 million, an increase of 12.8% as compared with RM9.7 million recorded in the preceding financial quarter. The increase in the Group profit before taxation was mainly attributable to higher revenue from the property division.

B3 Current financial year projects

The Group has embarked on the investment of three new extrusion stretch film machinery which will increase the production capacity of the stretch film plant by 70% to 100,000 metric tonnes per annum. The expansion is expected to further strengthen the Group's involvement in stretch film business and achieve better economies of scale. The expansion is targeted for completion in mid-2006. The Group will also be launching new residential properties and implement more aggressive marketing strategies to increase demand for the properties in Johor.

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's overall performance for the financial year ending 31 July 2006 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 were as follows : -

	3 months ended	
	31.10.2005	31.10.2004
	RM'000	RM'000
In respect of current quarter :		
- Income tax	1,702	949
In respect of prior year :		
- Income tax	117	84
	<hr/>	<hr/>
	1,819	1,033
Share of taxation of associates	54	69
	<hr/>	<hr/>
	1,873	1,102

The Group's effective tax rates for the current financial quarter is lower than the statutory income tax rate mainly due to utilisation of tax incentives.

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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.

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 2005 were as follows : -

a) Long Term Borrowings		RM'000
Term Loan		
- Secured		1,448
- Unsecured		7,988
		<u>9,436</u>
b) Short Term Borrowings		
- Secured		
Term loan		230
Other bank borrowings		5,184
		<u>5,414</u>
- Unsecured		
Term loan		5,754
Other bank borrowings		55,758
		<u>61,512</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies	'000	Equivalent
- United States Dollars	USD 1,291	4,872
- Japanese Yen	Yen 5,000	163
		<u>5,035</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.

B12 Dividends

A final dividend of 11% less taxation in respect of the previous financial year ended 31 July 2005 has been declared by the Directors. The dividend was approved by the shareholders on 20 December 2005 and will be paid on 28 February 2006.

The total dividend declared in respect of the previous financial year ended 31 July 2005 was 18% less taxation.

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B13 Earnings per share

		3 months ended	
		31.10.2005	31.10.2004
a) Basic earnings per share			
Net profit for the period	(RM'000)	6,836	4,973
Weighted average number of ordinary shares in issue	('000)	61,908	61,836
Basic earnings per share	(sen)	11.04	8.04

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 preceding year corresponding financial period as any conversion of warrants would result in anti-dilutive situation.

		3 months ended	
		31.10.2005	31.10.2004
Net profit for the period	(RM'000)	6,836	4,973
Weighted average number of ordinary shares in issue	('000)	61,908	61,836
Number of shares that would have been issued due to the conversion of warrants at no consideration	('000)	616	-
Adjusted weighted average number of ordinary shares in issue	('000)	62,524	61,836
Diluted earnings per share	(sen)	10.93	n/a

By Order of the Board

Lau Wing Hong (MAICSA 7010572)
Company Secretary

20 December 2005