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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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SCIENTEX BERHAD

(Company No. 196801000264 (7867-P))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED BONUS ISSUE OF UP TO 1,033,729,744 NEW ORDINARY SHARES IN OUR COMPANY (“SCIENTEX SHARES”) (“BONUS SHARES”) ON THE BASIS OF TWO BONUS SHARES FOR EVERY ONE EXISTING SCIENTEX SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED BY OUR BOARD AT A LATER DATE (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE OF SHARES”); AND**
- (II) **PROPOSED ISSUANCE OF UP TO 103,372,974 FREE WARRANTS IN OUR COMPANY (“WARRANTS”) ON THE BASIS OF ONE WARRANT FOR EVERY FIVE EXISTING SCIENTEX SHARES HELD ON THE SAME ENTITLEMENT DATE AS THE PROPOSED BONUS ISSUE OF SHARES**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



RHB INVESTMENT BANK BERHAD

(Registration No. 197401002639 (19663-P))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of our Company, which is scheduled to be held at Scientex Packaging Film Sdn Bhd, Lot 4, Jalan Sungai Pinang 4/3, Seksyen 4, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan on Thursday, 17 December 2020 at 12.30 p.m., or immediately following the conclusion of our Fifty-Second Annual General Meeting (“**AGM**”) scheduled to be held at the same venue and on the same date at 11.30 a.m., whichever is later, or at any adjournment thereof, together with the Form of Proxy are enclosed herein.

You are entitled to appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, the completed and signed Form of Proxy must be lodged at the registered office of our Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for holding our forthcoming EGM or at any adjournment thereof, as indicated below. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at our forthcoming EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 15 December 2020 at 12.30 p.m.

Date and time of our forthcoming EGM : Thursday, 17 December 2020 at 12.30 p.m., or immediately following the conclusion of our Fifty-Second AGM, whichever is later, or at any adjournment thereof

This Circular is dated 18 November 2020

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Circular:

Act	:	The Companies Act, 2016
Board	:	Board of Directors of our Company
Bonus Shares	:	Up to 1,033,729,744 new Scientex Shares to be issued pursuant to the Proposed Bonus Issue of Shares
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System
Circular	:	This circular dated 18 November 2020 to our shareholders in relation to the Proposals
Constitution	:	The constitution of our Company
COVID-19	:	Coronavirus disease 2019
Deed Poll	:	The document constituting the Warrants to be executed by our Company
DRP	:	An established and subsisting dividend reinvestment plan of our Company
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Our shareholders whose names appear in our Record of Depositors as at the close of business at 5.00 p.m. on the Entitlement Date
Entitlement Date	:	A date to be determined and announced later by our Board, on which the names of our shareholders must appear in our Record of Depositors as at 5.00 p.m. to be entitled to the Proposals
EPS	:	Earnings per Share
Exercise Price	:	The exercise price of the Warrants which will be determined and fixed by our Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date
Exercised Shares	:	New Scientex Shares to be issued arising from the exercise of the Warrants
FYE	:	Financial year ended / ending 31 July, as the case may be
Government	:	Government of Malaysia
Group	:	Collectively, our Company and our subsidiaries
Issue Date	:	Date of issuance of the Warrants
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	9 November 2020, being the latest practicable date prior to the printing of this Circular
MCO	:	A movement control order which was imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
NA	:	Net assets

DEFINITIONS (CONT'D)

Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
Proposals	:	Collectively, Proposed Bonus Issue of Shares and Proposed Issue of Free Warrants
Proposed Bonus Issue of Shares	:	Proposed bonus issue of up to 1,033,729,744 Bonus Shares on the basis of two Bonus Shares for every one existing Scientex Share held on the Entitlement Date
Proposed Issue of Free Warrants	:	Proposed issuance of up to 103,372,974 free Warrants on the basis of one Warrant for every five existing Scientex Shares held on the same Entitlement Date as the Proposed Bonus Issue of Shares
Record of Depositors	:	A record of securities holders established by Bursa Malaysia Depository Sdn Bhd under Chapter 24 of the Rules of Bursa Malaysia Depository Sdn Bhd
RHB Investment Bank	:	RHB Investment Bank Berhad
RM and Sen	:	Ringgit Malaysia and sen, respectively
Scientex or Company	:	Scientex Berhad
Scientex Shares or Shares	:	Ordinary shares in our Company
SGP	:	A subsisting share grant plan of our Company that is in force up to 20 January 2024 whereby our Company is allowed to issue up to 5% of the total number of issued and paid-up Shares (excluding treasury shares, if any) to the eligible employees of our Group
TEAP	:	Theoretical ex-all price
TEBP	:	Theoretical ex-bonus price
VWAMP	:	Volume weighted average market price
Warrant	:	Up to 103,372,974 free warrants in Scientex to be issued pursuant to the Proposed Issue of Free Warrants
Warrant Holders	:	The holders of the Warrants

PRESENTATION OF INFORMATION

References to “**our Company**”, “**we**”, “**us**” and “**our**” in this Circular are to our Company. References to “**our Group**” in this Circular are to our Company and our subsidiaries. All references to “**you**” and “**your**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, if applicable, include the plural and vice versa and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in the quarterly results or annual reports of our Company (as the case may be), are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company’s and/or our Group’s plans and objectives will be achieved. You should not place undue reliance on such forward-looking statements, and we do not undertake any obligation to update publicly or revise any forward-looking statements.

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SCIENTEX BERHAD
(Company No. 196801000264 (7867-P))
(Incorporated in Malaysia)

Registered Office
No. 9, Persiaran Selangor
Seksyen 15
40200 Shah Alam
Selangor Darul Ehsan
Malaysia

18 November 2020

Board of Directors

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	<i>(Chairman and Non-Independent Non-Executive Director)</i>
Lim Peng Jin	<i>(Managing Director/Chief Executive Officer)</i>
Lim Peng Cheong	<i>(Non-Independent Non-Executive Director)</i>
Wong Chin Mun	<i>(Independent Non-Executive Director)</i>
Dato' Noorizah Binti Hj Abd Hamid	<i>(Independent Non-Executive Director)</i>
Ang Kim Swee	<i>(Independent Non-Executive Director)</i>

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED BONUS ISSUE OF SHARES; AND**
- (II) PROPOSED ISSUE OF FREE WARRANTS**

1. INTRODUCTION

On 18 September 2020, RHB Investment Bank had, on behalf of our Board, announced that our Company proposes to undertake the Proposals.

On 9 November 2020, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 9 November 2020, approved the following:

- (i) admission to the Official List of Bursa Securities and the initial listing and quotation of up to 103,372,974 Warrants on the Main Market of Bursa Securities;
- (ii) listing and quotation of up to 103,372,974 Exercised Shares on the Main Market of Bursa Securities; and
- (iii) listing and quotation of up to 1,033,729,744 Bonus Shares on the Main Market of Bursa Securities,

subject to the conditions as set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

As at the LPD, the issued share capital of our Company is RM702,985,199 comprising 516,864,872 Scientex Shares (including 100 treasury shares). Further, our Company confirms it will not grant any new Scientex Shares pursuant to the DRP and/or SGP from the LPD up to and including the Entitlement Date.

2.1 Details of the Proposed Bonus Issue of Shares

2.1.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue of Shares will entail the issuance of up to 1,033,729,744 Bonus Shares on the basis of two Bonus Shares for every one existing Scientex Share held by our Entitled Shareholders on the Entitlement Date.

For illustrative purposes, based on 516,864,872 Scientex Shares as at the LPD, the resultant issued share capital of our Company upon completion of the Proposed Bonus Issue of Shares will be RM702,985,199 comprising 1,550,594,616 Shares. The actual number of Bonus Shares to be issued would depend on the number of Scientex Shares in issue (excluding treasury shares) on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, shall be disregarded and be dealt with in such manner as our Board shall at its absolute discretion deem fit, expedient and to be in the best interest of our Company.

Further, we confirm that the share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50, which is in compliance with Paragraph 6.30(1A) of the Listing Requirements, as shown below:

	RM
(i) 3-month VWAMP of Scientex Shares up to and including 19 October 2020, being the date of submission of listing application for the Proposals to Bursa Securities	10.40
(ii) Adjusted price of Scientex Shares computed based on RM10.40 per Share	3.46

The Proposed Bonus Issue of Shares is not intended to be implemented in stages over a period of time.

2.1.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of our Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Scientex Shares in issue but will not increase the value of share capital of our Company.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank equally in all respects with all the then existing Scientex Shares in issue as at the date of allotment of the Bonus Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid whereby the relevant entitlement date is before the date of allotment of the Bonus Shares.

For the avoidance of doubt, the Bonus Shares will not be entitled to the Warrants.

2.1.4 Listing and quotation of the Bonus Shares

Bursa Securities had, vide its letter dated 9 November 2020, approved the listing and quotation of up to 1,033,729,744 Bonus Shares on the Main Market of Bursa Securities, subject to conditions as set out in Section 6 of this Circular.

2.2 Details of the Proposed Issue of Free Warrants

2.2.1 Basis and number of Warrants

The Proposed Issue of Free Warrants will entail the issuance of up to 103,372,974 Warrants on the basis of one Warrant for every five existing Scientex Shares held by our Entitled Shareholders on the same Entitlement Date as the Proposed Bonus Issue of Shares.

For illustrative purposes, based on 516,864,872 Scientex Shares as at the LPD, the number of Warrants to be issued is 103,372,974 Warrants. The actual number of Warrants to be issued will depend on the number of Scientex Shares in issue (excluding treasury shares) on the Entitlement Date.

The Warrants will be issued at no cost to our Entitled Shareholders and Bonus Shares will not be entitled to the Warrants.

Fractional entitlements arising from the Proposed Issue of Free Warrants, if any, shall be disregarded and be dealt with in such manner as our Board shall at its absolute discretion deem fit, expedient and to be in the best interest of our Company.

The Warrants will be issued in registered form and constituted by the Deed Poll.

The Proposed Issue of Free Warrants is not intended to be implemented in stages over a period of time.

2.2.2 Basis of determining and justifications for the issue price and Exercise Price

The Warrants will be issued at no cost to our Entitled Shareholders.

Our Board intends to fix the Exercise Price at a range of RM4.00 to RM5.00 per Scientex Share. The Exercise Price range was determined after taking into consideration, amongst others, the following:

- (i) the prevailing market conditions and the historical market price of Scientex Shares;
- (ii) the Warrants being exercisable at any time within a 5-year period from the Issue Date;
- (iii) the future funding requirements of our Group; and
- (iv) the stable historical growth and potential future earnings of our Group.

Nevertheless, the actual Exercise Price will be determined and fixed by our Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date after taking into consideration the TEBP of Scientex Shares based on the 5-day VWAMP of Scientex Shares up to and including the day immediately before the price-fixing date.

For illustrative purposes, the Exercise Price range of RM4.00 to RM5.00 per Scientex Share represents a premium of 0.3% to 25.3% over the TEBP of Scientex Shares of RM3.99 per Scientex Share computed based on the 5-day VWAMP of Scientex Shares up to and including the LPD of RM11.99 per Scientex Share.

Please refer to Section 2.3 of this Circular for further details on the TEAP of Scientex Shares pursuant to the Proposals.

2.2.3 Ranking of the Exercised Shares

The Exercised Shares will, upon allotment and issuance, rank equally in all respects with all the then existing Scientex Shares in issue as at the date of allotment of the Exercised Shares, save and except that the Exercised Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid whereby the relevant entitlement date is before the date of allotment of the Exercised Shares.

2.2.4 Listing and quotation of the Warrants and Exercised Shares

Bursa Securities had, vide its letter dated 9 November 2020, approved the following:

- (i) admission to the Official List of Bursa Securities and the initial listing and quotation of up to 103,372,974 Warrants on the Main Market of Bursa Securities; and
- (ii) listing and quotation of up to 103,372,974 Exercised Shares on the Main Market of Bursa Securities;

subject to conditions as set out in Section 6 of this Circular.

2.2.5 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out in Appendix I of this Circular.

2.3 TEAP of Scientex Shares

For illustrative purposes, the TEAP of Scientex Shares, computed based on the 5-day VWAMP of Scientex Shares up to and including the LPD of RM11.99 per Scientex Share, after the Entitlement Date is as follows:

	<u>(I)</u>	<u>(II)</u>
	After the Proposed Bonus Issue of Shares	After (I) and the Proposed Issue of Free Warrants
Theoretical ex-price of Scientex Share	RM3.99	RM3.99

2.4 Utilisation of proceeds

The Proposed Bonus Issue of Shares will not raise any funds for our Company.

The Proposed Issue of Free Warrants will not raise any immediate funds for our Company as the Warrants will be issued at no cost to our Entitled Shareholders.

The quantum of proceeds to be raised by our Company from the exercise of the Warrants by our Warrant Holders in the future would depend on the actual number of Warrants exercised by our Warrant Holders during the exercise period of the Warrants as well as the Exercise Price, which will be determined at a later date. As such, the exact timeframe for the utilisation of the proceeds cannot be determined at this juncture.

For illustrative purposes only, assuming that all Warrant Holders exercise their Warrants at the Exercise Price of RM4.00 per Scientex Share and based on 103,372,974 Warrants, the proceeds to be raised by our Company will amount to approximately RM413.5 million.

Such proceeds to be raised, as and when the Warrants are exercised, shall be utilised for:

- (i) working capital of our Group which may include payment of trade and other payables, and defray operational, marketing and administrative expenses; and
- (ii) future expansion of our existing businesses in manufacturing and property development as and when opportunities arise in the future which may include purchase of plant and equipment for our manufacturing division and/or land bank for our property development division.

The actual allocation of the proceeds to be raised for the intended usage above is subject to the timing when such proceeds are raised from the exercise of the Warrants and our Group's funding requirements at that point in time. Therefore, the actual allocation and utilisation of the proceeds cannot be determined at this juncture.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

The Proposed Bonus Issue of Shares:

- (i) is expected to further enhance the marketability and trading liquidity of Scientex Shares on the Main Market of Bursa Securities as a result of the increase in the number of Scientex Shares in issue;
- (ii) will result in an adjustment to the market price of Scientex Shares which leads to it being more affordable, thus potentially appealing to a wider group of public shareholders and/or investors to participate in the growth of our Company; and
- (iii) enable you to have a larger number of Scientex Shares while maintaining your percentage of equity interest in our Company.

The Proposed Issue of Free Warrants:

- (i) will reward you for your continuous support by enabling you to participate in a derivative of our Company without incurring any costs;
- (ii) provides you with an opportunity to further increase your equity participation in our Company by exercising the Warrants at a pre-determined price during the exercise period. You may also benefit from potential capital appreciation from the exercise of the Warrants;
- (iii) will further strengthen the capital base of our Company with the proceeds from the exercise of Warrants; and

- (iv) is an appropriate avenue to raise funds as opposed to other fund-raising exercises in view that it will progressively raise proceeds as and when the Warrants are exercised to fund the working capital requirements and/or future expansion of our Group without the need of incurring interest costs or offering security as collateral in the case of bank borrowings. This will also consequently improve the gearing of our Group.

As at the date of the announcement of the Proposals on 18 September 2020, there are no other equity fund-raising exercises that have been undertaken by our Company in the past 12 months.

4. INDUSTRY OVERVIEW AND PROSPECTS

Our Group is involved in the manufacturing of flexible plastic packaging products and property development. During the FYE 2020, our Group's revenue was mainly derived from Malaysia representing approximately 51.2% of our Group's total revenue, with the remaining of the revenue contributed from over 60 countries. As such, our Group's financial performance is largely driven by the economic growth of the Malaysian economy, and the outlook of the manufacturing and property sectors.

4.1 Overview and outlook of Malaysian economy

In line with the reopening of the economy from earlier COVID-19 containment measures and improving external demand conditions, the Malaysian economy recorded a smaller contraction of 2.7% in the 3rd quarter of 2020. This recovery is seen across most economic sectors, particularly the manufacturing sector, which turned positive on account of strong electrical and electronics ("E&E") production activity. On the expenditure side, domestic demand contracted at a slower pace, while net exports rebounded. On a quarter-on-quarter seasonally adjusted basis, the economy turned around to register an expansion of 18.2% (2nd quarter of 2020: -16.5%).

Domestic demand recorded a smaller decline of 3.3% in the 3rd quarter of 2020 (2nd quarter of 2020: -18.7%), driven by improvements in both consumption and investment activity. Household spending was mainly supported by gradual recovery in income conditions, while investment activity benefitted from the ease of containment measures. Net exports rebounded to record a positive growth of 21.9% (2nd quarter of 2020: -38.6%), driven by a larger improvement in exports vis-à-vis imports.

Private consumption recovered significantly from the trough in the second quarter to record a smaller contraction of 2.1% (2nd quarter of 2020: -18.5%). Household spending improved with further loosening of movement restrictions, while broad income conditions gradually recovered amid resumption of economic activities. The improvement in spending was reflected in the uptrend across most retail and financing data during the quarter. Private consumption activity was also supported by stimulus measures such as the EPF i-Lestari withdrawals, wage subsidies and sales tax reduction for cars.

(Source: Bank Negara Malaysia, Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2020)

The Government has announced several stimulus packages totalling RM305 billion to support both households and businesses. Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the 2nd half of 2020, cushioning the significant contraction in the 1st half of 2020. Thus, Malaysia's gross domestic product is expected to contract by 4.5% in 2020, before rebounding between 6.5% and 7.5% in 2021. With the bold and swift measures undertaken, Malaysia has been recognised as one of the most successful countries in managing the socio-economic impact of the pandemic.

Domestic demand is expected to contract by 3% in 2020, with private and public sectors' spending declining by 3.2% and 2.1%, respectively. In the 1st half of 2020, domestic demand declined significantly by 7.7%, amid restricted movements to contain the COVID-19 pandemic. Nevertheless, the announcement of various stimulus packages and the gradual resumption of economic activities are expected to restore business and consumer confidence in the 2nd half of the year. Hence, domestic demand is anticipated to turnaround to 1.5% during the period and expand further by 6.9% in 2021.

Private consumption declined by 6% during the 1st half of 2020, affected by the implementation of the MCO. However, household spending is anticipated to pick up during the 2nd half of the year, on the back of various stimulus packages aimed at providing support to households and businesses. The measures include a moratorium on loan repayments, temporary optional reduction in employees' contributions to the Employees Provident Fund and discounts on electricity bill as well as low interest rates. As a result, private consumption is projected to rebound by 4.2% in the 2nd half of 2020, cushioning overall consumption activities, which is expected to record a marginal decrease of 0.7% in 2020.

After a dismal economic performance in 2020 due to the COVID-19 pandemic, the Malaysian economy is expected to rebound firmly in 2021, in line with the expectation of a more synchronised global recovery. At the same time, domestic demand is projected to record a steady growth, supported by improvements in labour market conditions, low inflation and favourable financing conditions as well as the revival of major infrastructure projects. All sectors in the economy are expected to turnaround, with services and manufacturing sectors continuing to spearhead growth. Nevertheless, downside risks to the growth outlook remain, arising from the resurgence of COVID-19 cases and the duration of containment measures domestically and globally. Geopolitical tensions, volatility in financial and commodity markets as well as prolonged trade and tech war may dampen the recovery pace.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

4.2 Overview and outlook of the manufacturing sector in Malaysia

Growth in the manufacturing sector rebounded to 3.3% (2nd quarter of 2020: -18.3%), supported by a broad-based improvement across all the major manufacturing clusters. In the E&E cluster, growth rebounded strongly as production increased to fulfil order backlogs from the previous quarter as well as to cater for front-loading activities amid concerns of rising trade tensions. Growth in the consumer-related cluster also turned positive as Government measures, such as the exemption of export duties and car sales tax, supported the production of refined palm oil and passenger motor vehicles respectively. Meanwhile, the turnaround in the primary-related cluster was driven mainly by strong demand for rubber and pharmaceutical products. Although manufacturing activity in the construction-related cluster continued to record negative growth, the contraction eased as construction activities resumed after the Movement Control Order (MCO) period.

(Source: Bank Negara Malaysia, Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2020)

The manufacturing sector contracted by 8.7% during the 1st half of 2020, as almost all industry operations were temporarily halted, following supply chain disruptions amid the MCO. Within the export-oriented industries, the E&E cluster was severely affected as global demand decelerated sharply. Domestic-oriented industries also recorded sluggish growth, with transport equipment; and non-metal mineral products, basic metal and fabricated metal products segments registering a double-digit contraction.

Nonetheless, the manufacturing sector is expected to improve by 2.4% in the 2nd half of 2020, as industrial activities resume operations in line with the gradual lifting of the MCO. Within the export-oriented industries, the E&E segment is projected to improve following rising demand for computer and electronic products. Chemical and rubber products are anticipated to continue to record high growth, benefitting from higher demand for rubber gloves and pharmaceutical products. Within the domestic-oriented industries, the food products and transport equipment segments are expected to rebound, supported by higher demand. Overall, for the year, the manufacturing sector is expected to decline by 3%.

The manufacturing sector is forecast to rebound by 7% in 2021, driven by steady improvement in both the export- and domestic-oriented industries. The E&E segment is projected to accelerate in line with the digital transformation as work from home and virtual communication become part of new business practices. Higher demand for integrated circuits, memory and microchips within the global semiconductor market will further support the segment. The production of chemical and rubber products is expected to expand rapidly in tandem with the increase in demand for disinfectants, sanitisers and rubber gloves. With the economic recovery, consumer-related products will benefit from higher household disposable income, while construction-related products will be supported by major infrastructure and affordable housing projects.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

4.3 Overview and outlook of the property sector in Malaysia

The property market performance recorded a slight improvement with a marginal increase in 2019. A total of 328,647 transactions worth RM141.4 billion were recorded, showing an increase of 4.8% in volume and 0.8% in value compared to 2018, which recorded 313,710 transactions worth RM140.3 billion.

The residential sub-sector led the overall property market, with 63.7% contribution. This was followed by agriculture sub-sector (20.9%), commercial (7.8%), development land (5.7%) and industrial (1.9%). In terms of value, residential took the lead with 51.2% share, followed by commercial (20.5%), industrial (10.5%), development land (9%) and agriculture (8.8%).

The residential sub-sector is expected to be challenging in 2020. With the downside in the Consumer Sentiment Index at 82.3 points as at 4th quarter of 2019, coupled with the insecurity of employment and household income, there is a high likelihood that the purchase for big-ticket items such as houses may have to be put on hold by prospective purchasers.

Various incentives are initiated to tackle the affordability and home ownership issues for the nation, B40 and M40 groups in particular, which include:

- (i) Youth Housing Scheme by Bank Simpanan Nasional - to extend the scheme from January 1, 2020 until December 31, 2021;
- (ii) Rent-to-own (RTO) financing scheme for first-time homebuyers for housing projects priced up to RM500,000. The applicant will rent the property for up to five years and after the first year, the tenant will have the option to purchase the house based on the price fixed at the time the tenancy agreement is signed;
- (iii) Property Crowdfunding - in September 2019, the Securities Commission Malaysia (SC) announced that EdgeProp Sdn Bhd (EdgeProp) has been registered as the first recognised market operator to establish and operate a property crowdfunding (PCF) platform in Malaysia; and
- (iv) MyKNP (Khidmat Nasihat Pembiayaan) launched by Bank Negara Malaysia to provide free of charge advisory service to applicants who failed to secure home loan.

Further, the Government has introduced several incentives to help cushion-off the impact on the property market namely:

- (i) the revision of the base year for real property gains tax to 1 Jan 2013 (initially 1 Jan 2000) for property purchased before the date;
- (ii) the reduction of price threshold for foreign purchasers from RM1 million to RM600,000 for unsold completed high-rise properties in urban areas; and
- (iii) the reduction of overnight policy rate (“OPR”) by 25 basis points to 2.75% on 22 Jan 2020, will lead to lower borrowing cost for home loans, to remain accommodative and supportive of property market.

Further, on 7 July 2020, Bank Negara Malaysia decided to reduce the OPR by 25 basis points to 1.75%. The reduction in the OPR provides additional policy stimulus to accelerate the pace of economic recovery. On 10 September 2020 and 3 November 2020, Bank Negara Malaysia decided to maintain the OPR at 1.75% in view that the stance of the monetary policy is appropriate and accommodative to create enabling conditions for a sustainable economic recovery.

Despite the economic headwinds, Malaysian property market is expected to remain resilient in the coming year. Affordable housing and finding the right solutions to the property overhang will continue to be the main agenda of the Government. The close monitoring on the implementation of programmes under the National Housing Policy 2.0 (2018 – 2025) and various incentives introduced to promote home ownership among Malaysians, are expected to contain the overhang situation in the coming year. On the development front, the revival of Bandar Malaysia mega project is expected to have positive impact on the property market landscape in the medium and long term. Meanwhile, high-impact major infrastructure projects such as West Coast Expressway and East Coast Rail Link will open up new development areas to attract foreign direct investment, which will entail business and employment opportunities as well as catalyst for development growth.

(Sources: Monetary Policy Statements dated 7 July 2020 (Ref No: 07/20/03), 10 September 2020 (Ref No: 09/20/02) and 3 November 2020 (Ref No: 11/20/02), Bank Negara Malaysia and Property Market Report 2019, Jabatan Penilaian dan Perkhidmatan Harta Malaysia)

The real estate and business services subsector declined by 11.3% in the 1st half of 2020, attributed to temporarily suspension of construction activities during the MCO. The subsector is expected to continue to decline by 11.9% in the 2nd half of 2020 and 11.6% for the whole year. This is mainly due to deferred construction projects and subdued business activities. However, with projected economic recovery and the roll-out of delayed infrastructure projects, the subsector is expected to rebound by 7.6% in 2021. The exemption of Real Property Gains Tax, launching of the National Affordable Housing Policy and Rent-to-Own (RTO) scheme, extension of Youth Housing Scheme (YHS) and Home Ownership Campaign (HOC) are expected to support the subsector. In addition, higher demand for construction-related services is expected to drive the business services segment.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

4.4 Prospects of our Group

(i) Manufacturing division

In response to the outbreak of COVID-19 and its impact on the global economies, stimulus packages have been rolled out to stimulate economic recovery by governments of various countries which are expected to further strengthen industrial and consumer demand. We expect our manufacturing division to remain resilient as we continue to capitalise on our strong presence in the flexible plastic packaging market. In 2019, we completed the acquisitions of Daibochi Berhad and Mega Printing & Packaging Sdn Bhd, which are principally involved in the manufacturing of flexible plastic packaging materials with product offerings comprising roll form and pre-made pouches with multi-layered structures, mainly used for the packaging of food and beverages. Following these acquisitions, our Group emerged as an integrated flexible plastic packaging player offering a diverse portfolio of products stretching across the packaging value chain from plain films and base films to value added products such as printed films and bags, and multi layered flexible plastic packaging solutions. Further, these acquisitions have been in line with our Group's long-term strategy to continuously expand our existing capacity, enhance our capabilities and production facilities, and gain access to new markets.

We intend to leverage on our expertise across the flexible plastic packaging value chain to cater for potential shifts in global trends and demand to ensure our sustainability. As part of our Group's overall long-term strategy, we are taking steps to further enhance our production facilities and improve our process automation to boost production efficiency whilst remaining focused on developments of sustainable and value added products. In achieving this objective, we continue to collaborate with multi-national corporations, local and international brand owners to innovate and develop high quality sustainable and recyclable flexible plastic packaging solutions which would better serve the need of the changing market yet addressing rising environmental concerns.

(Source: Our management)

(ii) Property development division

Our Group remains focused on the affordable housing segment as it is expected to grow and remain resilient on the back of various incentives implemented by the Government and the low interest environment.

Upon the easing of restrictions during the conditional MCO, our Group's property development activities have fully resumed with full compliance with the relevant standard operating procedures. We have continued to monitor the progress of our ongoing projects closely to ensure timely completion and handover to the home buyers.

We will remain focused on our core competency of building and completing affordable homes through acquisition of strategic land bank, efficient utilisation of land spaces via township planning as well as better construction costs control. Our property development division has been continuously expanding our land bank across Peninsular Malaysia, which helps to establish a better foothold for our Group in the property sector in Malaysia and will augur well for our property development division, particularly in the affordable landed properties segment across Peninsular Malaysia.

Continuous efforts are being made to ensure that scheduled launches in the second half of 2020 can be achieved as our Group spreads our affordable housing brand name to both Klang Valley and Penang. We will strive to put more innovative products in the market which are able to address the specific needs of buyers who wish to own homes that are attractive and rich in features whilst being affordable without compromising on quality.

(Source: Our management)

4.5 Impact of COVID-19 on our Group

Since COVID-19 was officially declared a pandemic by the Director General of the World Health Organisation in his opening remarks at the media briefing on COVID-19 on 11 March 2020, we have monitored the operations of our Group closely in attempt to mitigate disruptions to our businesses. On 16 March 2020, the Government announced the imposition of the MCO in an effort to contain the COVID-19 outbreak in Malaysia which required, amongst others, all government and private premises except those involved in providing essential services to be closed during the period of the enforcement of the MCO which took effect from 18 March 2020 until 3 May 2020.

Thereafter, the restrictions under the MCO were gradually eased and relaxed, and extended under a conditional MCO from 4 May 2020 to 9 June 2020. Under the conditional MCO, almost all of our businesses were allowed to recommence whilst observing compliance with the Government's regulations and implementation of strict internal standard operating procedures such as social distancing, temperature measurement and encouraging employees to work from home. Further, during that period, our employees gradually returned to work at our Group's offices and premises based on the work requirements of the various business divisions. The conditional MCO was replaced with a recovery MCO which takes effect from 10 June 2020 until 31 December 2020.

On 12 October 2020, the Government had announced the enforcement of a conditional MCO in Selangor, Kuala Lumpur and Putrajaya which came into effect on 14 October 2020 until 27 October 2020 and subsequently extended to 9 November 2020 ("**Klang Valley CMCO**"). Subsequently, on 7 November 2020, the Government had announced that the conditional MCO will be extended to all states throughout Peninsular Malaysia except Kelantan, Perlis and Pahang from 9 November 2020 until 6 December 2020 ("**Peninsular CMCO**"). The Klang Valley CMCO and Peninsular CMCO impose, amongst others, restrictions on movement of people across districts without work pass or letter of approval by employers and closures of schools, theme parks, and entertainment centres. In compliance with the Klang Valley CMCO and Peninsular CMCO, our Group had limited the number of employees working on site and issued work passes to our employees who were required to be working on site during such period.

The COVID-19 outbreak, and introduction of the MCO, conditional MCO and recovery MCO have had varying impacts and effects on our Group's businesses. The impact on our Group's businesses are as set out below:

(i) Manufacturing division

During the MCO, our manufacturing division which was mainly deemed as part of the essential service supply chain was allowed to gradually resume operations after obtaining approval from the Ministry of International Trade and Industry. We had maintained half of our employees involved in operations to work on site whilst our administrative workforce was working remotely.

Throughout the various stages of the MCO, our manufacturing operations have observed compliance with the Government's regulations and have implemented strict internal standard operating procedures in our plants, worker hostels, and offices. These procedures include COVID-19 screening for all employees, social distancing, temperature screenings, regular sanitisation and allocation of workforce in small groups and on shifts. In addition, we have maintained strong communication with our customers and suppliers to ensure minimal interruption to our supply chain. Despite facing challenges arising from the COVID-19 outbreak, we have managed to achieve growth in our revenue and profit for FYE 2020 mainly due to resilient demand for our products, our product mix as well as improvements in our production efficiency.

(ii) Property development division

Upon the implementation of the MCO, our property development division's sales process was disrupted and construction activities of our ongoing development projects were suspended as these were deemed as non-essential services. To cushion the disruptions in our sales process during this period, our Group had taken several initiatives to establish continuous engagement with our customers through digital channels. These initiatives include the launch of the 'MCO Special Stay@Home', and virtual engagements with customers on various digital platforms to promote sales.

Upon the implementation of the conditional MCO, we were allowed to resume construction activities of our ongoing development projects whilst adhering to the standard operating procedures issued by the National Security Council, which include COVID-19 screening for all employees before resuming worksite operations. We have also been monitoring our work progress closely to ensure timely delivery of our projects and handover to our customers. As at the LPD, we have been able to catch up on the progress of our ongoing development projects and hand over our completed projects to our customers on a timely basis.

Despite temporary disruption to our operations and amidst outbreak of COVID-19, our Group managed to record a marginal increase in revenue and profit in our property division for FYE 2020, mainly due to a good take-up rate for our projects in Johor, Melaka, Selangor and Perak as well as our new projects launched in Pulau, Johor and Durian Tunggal, Melaka.

5. EFFECTS OF THE PROPOSALS

5.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposals on the share capital of our Company are as follows:

	No. of Scientex Shares	RM
Issued share capital as at the LPD ⁽¹⁾	516,864,872	702,985,199
To be issued pursuant to the Proposed Bonus Issue of Shares	1,033,729,744	-
	1,550,594,616	702,985,199
To be issued pursuant to the full exercise of Warrants	103,372,974	413,491,896 ⁽²⁾
Enlarged issued share capital	1,653,967,590	1,116,477,095

Notes:

- (1) *Assuming that the existing 100 treasury shares are resold by our Company in the open market at the acquisition cost.*
- (2) *Assuming that all our Warrant Holders exercised their Warrants at the Exercise Price of RM4.00 per Scientex Share.*

5.2 EPS

The Proposals are not expected to have any material effect on the earnings of our Group for the FYE 2021. However, assuming that the earnings of our Group remain unchanged, the consolidated EPS of our Company will be proportionately diluted as a result of the increase in the number of Scientex Shares in issue pursuant to the Proposed Bonus Issue of Shares and as and when the Warrants are exercised into new Scientex Shares.

The potential effects of the exercise of the Warrants on the future earnings of our Group and consolidated EPS of our Company will depend upon, amongst others, the number of Warrants exercised at any point in time and the returns generated by our Group from the utilisation of proceeds raised from the exercise of the Warrants.

5.3 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Shares will not have any effect on the percentage of shareholdings of the substantial shareholders of our Company as the Bonus Shares will be allotted on a pro-rata basis to all our Entitled Shareholders. However, the number of Scientex Shares held by the substantial shareholders of our Company will increase proportionately as a result of the Proposed Bonus Issue of Shares.

The Proposed Issue of Free Warrants will not have any effect on the percentage of shareholdings of the substantial shareholders of our Company assuming all our Entitled Shareholders exercised their respective Warrants during the exercise period of the Warrants. The number of Scientex Shares held by the substantial shareholders of our Company will increase proportionately pursuant to the exercise of the Warrants into new Scientex Shares.

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5.4 Net Assets (“NA”) per share and gearing

For illustrative purposes, based on our latest audited consolidated statement of financial position as at 31 July 2020 and assuming that the Proposals have been completed on 31 July 2020, the pro forma effects of the Proposals on the consolidated NA and gearing of our Company, and NA per Scientex Share are as follows:

	Audited as at 31 July 2020 (RM'000)	Proforma (I) After subsequent events and treasury shares are resold ⁽¹⁾ (RM'000)	Proforma (II) After the Proposals ⁽²⁾ (RM'000)	Proforma (III) After (II) and assuming full exercise of the Warrants ⁽³⁾ (RM'000)
Share capital	691,782	702,985	702,985	1,116,477
Property revaluation surplus	90,719	90,719	90,719	90,719
Foreign currency translation reserve	15,465	15,465	15,465	15,465
Other reserves	461	461	461	461
Retained earnings	1,762,966	1,684,571	1,684,121	1,684,121
Treasury shares	(1)	-	-	-
Total equity attributable to owners of our Company / NA	2,561,392	2,494,201	2,493,751	2,907,243
Non-controlling interests	194,260	194,260	194,260	194,260
Total equity	2,755,652	2,688,461	2,688,011	3,101,503
Number of Scientex shares in issue ('000)	515,877 ⁽⁴⁾	516,865	1,550,595	1,653,968
NA per Scientex Share (RM) ⁽⁵⁾	4.97	4.83	1.61	1.76
Net borrowings (RM '000) ⁽⁶⁾	627,816	695,007	695,457	281,965
Net gearing (times) ⁽⁷⁾	0.25	0.28	0.28	0.10

Notes:

- (1) After taking into consideration the following:
- (i) issuance of 988,000 Scientex Shares at an issue price of RM11.34 per Scientex Share amounting to approximately RM11.2 million pursuant to the SGP;
 - (ii) assuming that the existing 100 treasury shares are resold in the open market at acquisition cost; and
 - (iii) proposed final dividend for the FYE 2020 of RM0.13 per Scientex Share announced by our Board on 18 September 2020 that amount to approximately RM67.2 million computed based on the total number of shares in issue of 516,864,872 Scientex Shares (including treasury shares which have been assumed to be resold in the open market), subject to your approval at our forthcoming annual general meeting.
- (2) After deducting estimated expenses in relation to the Proposals of RM0.45 million.
- (3) Assuming that 103,372,974 Warrants are exercised into Exercised Shares at the Exercise Price of RM4.00 per Scientex Share.
- (4) Excluding 100 treasury shares held by the Company.
- (5) NA per Scientex Share is computed as NA divided by the number of Scientex Shares in issue.
- (6) Net borrowings is computed as total borrowings less cash and bank balances.
- (7) Net gearing is computed as net borrowings divided by NA.

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5.5 Convertible securities

As at the LPD, our Company does not have any convertible securities.

6. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) admission of the Warrants to the Official List of Bursa Securities;
 - (b) listing and quotation of the Warrants on the Main Market of Bursa Securities; and
 - (c) listing and quotation of the Bonus Shares and Exercised Shares on the Main Market of Bursa Securities;

The approval of Bursa Securities was obtained vide its letter dated 9 November 2020, subject to, amongst others, the following conditions:

- (a) our Company and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;
 - (b) our Company and RHB Investment Bank are required to inform Bursa Securities upon the completion of the Proposals;
 - (c) our Company and RHB Investment Bank are required to furnish Bursa Securities with a written confirmation of our Company and RHB Investment Bank's compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
 - (d) our Company and RHB Investment Bank are required to make the relevant announcements for the Proposals pursuant to Paragraphs 6.35(2)(a) and (b), and 6.35(4) of the Listing Requirements; and
 - (e) our Company is required to furnish Bursa Securities with the following:
 - (1) a certified true copy of the resolutions passed by our shareholders at our forthcoming EGM approving the Proposals; and
 - (2) on a quarterly basis a summary of the total number of Exercised Shares at the end of each quarter together with a detailed computation of listing fees payable.
- (ii) your approval at our forthcoming EGM; and
 - (iii) any other relevant authorities and/or parties, if required.

7. CONDITIONALITY OF THE PROPOSALS

The Proposals are not inter-conditional upon each other. The Proposals are not conditional upon Proposed Acquisition 1 (as defined below), Proposed Acquisition 2 (as defined below) and/or any other corporate proposals undertaken or to be undertaken by our Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and the corporate exercises which are set out below, there are no other corporate exercises which have been announced by our Company but are pending completion prior to the printing of this Circular:

- (i) On 13 August 2020, we announced that Scientex Heights Sdn Bhd, an indirect wholly-owned subsidiary of our Company, had entered into a sale and purchase agreement with IOI Corporation Berhad (as proprietor) and GLM Emerald Industrial Park (Jasin) Sdn Bhd (as vendor) for the proposed acquisition of two parcels of freehold land located in Mukim and District of Jasin, State of Melaka, with an aggregate area of approximately 549.342 hectares for a purchase consideration of approximately RM260.2 million for the purpose of developing a mixed property development (“**Proposed Acquisition 1**”). As at the LPD, the Proposed Acquisition 1 is still on-going; and
- (ii) On 21 September 2020, we announced that Scientex Quatari Sdn Bhd, a wholly-owned subsidiary of our Company, had entered into a sale and purchase agreement with Lee Pineapple Company (Pte) Limited for the proposed acquisition of eight parcels of freehold land located in Mukim of Pulai, District of Johor Bahru, State of Johor, with an aggregate area of approximately 81.8455 hectares for a purchase consideration of approximately RM185.0 million for the purpose of developing a mixed property development (“**Proposed Acquisition 2**”). As at the LPD, the Proposed Acquisition 2 is still on-going.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, major shareholders, Chief Executive and/or persons connected with them have any interest, either direct or indirect, in the Proposals, apart from their respective entitlements as shareholders of our Company under the Proposals, which are also available to all other existing shareholders of our Company on the Entitlement Date.

10. BOARD'S RECOMMENDATION

Our Board, having considered all aspects of the Proposals and the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company.

As such, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

11. TENTATIVE TIMETABLE FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed by the first quarter of 2021. The tentative timetable for the implementation of the Proposals is set out below:

Event	Tentative date
EGM	17 December 2020
Announcement of the Entitlement Date and Exercise Price	Mid December 2020
Entitlement Date	Mid January 2021
Listing and quotation of Bonus Shares	Mid January 2021
Listing and quotation of Warrants / Completion of the Proposals	End January 2021

12. EGM

Our forthcoming EGM, the notice of which is enclosed in this Circular, will be held at Scientex Packaging Film Sdn Bhd, Lot 4, Jalan Sungai Pinang 4/3, Seksyen 4, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan on Thursday, 17 December 2020 at 12.30 p.m., or immediately following the conclusion of our Fifty-Second AGM scheduled to be held at the same venue and on the same date at 11.30 a.m., whichever is later, or at any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions to give effect to the Proposals.

If you are unable to attend our forthcoming EGM, you may appoint one or more proxies to attend, participate, speak and vote on your behalf. If you wish to do so, you should complete and lodge the Form of Proxy enclosed in this Circular at the registered office of our Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for holding our forthcoming EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at our forthcoming EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Please refer to the enclosed appendices for further information.

Yours faithfully,
For and on behalf of the Board of
SCIENTEX BERHAD

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman and Non-Independent Non-Executive Director

APPENDIX I – SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants are as follows:

- Issue size : Up to 103,372,974 Warrants.
- Form and denomination : The Warrants will be issued in a registered form and constituted by the Deed Poll.
- Tenure : Five years commencing from and inclusive of the Issue Date.
- Exercise period : The Warrants may be exercised at any time within five years commencing on and including the Issue Date and ending at the close of business at 5.00 p.m. in Malaysia on the market day immediately preceding the fifth anniversary of the Issue Date. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.
- Exercise price : The Exercise Price will be determined and fixed by our Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, subject to adjustments in accordance with the provisions of the Deed Poll.
- Exercise rights : Each Warrant entitles our Warrant Holder to subscribe for one new Scientex Share at the Exercise Price at any time during the exercise period, subject to adjustments in accordance with the provisions of the Deed Poll.
- Mode of exercise : Our Warrant Holder is required to deliver and lodge an exercise form as set out in the Deed Poll with our Company's share registrar, duly completed, signed and duly stamped together with payment of the Exercise Price by way of banker's draft, cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia as set out in the Deed Poll.
- Participating rights of the Warrant Holder : The Warrants do not entitle our Warrant Holders to any voting rights in any general meeting of our Company or to participate in any forms of distribution and/or offer of securities in our Company unless otherwise resolved by our shareholders and our Warrant Holders (or any of them) who become our shareholders by exercising their exercise rights and upon allotment of Scientex Shares.
- Adjustments in the Exercise Price and/or number of Warrants : The Exercise Price and/or number of Warrants in issue shall from time to time be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
- Transferability : The Warrants shall be transferable in accordance with provisions of the Deed Poll subject always to the prevailing provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.

APPENDIX I – SALIENT TERMS OF THE WARRANTS (CONT'D)

Rights in the events of winding-up, liquidation, compromise and/or arrangement :

If a resolution is passed for a members' voluntary winding-up of our Company or a court order has been granted to approve a scheme of compromise or arrangement pursuant to Section 366 of the Act, then:

- (i) if such winding-up, scheme of compromise and/or arrangement is one to which our Warrant Holders, or some persons designated by them for such purpose by a special resolution, shall be a party, the terms of such winding-up, scheme of compromise or arrangement shall be binding on all our Warrant Holders; or
- (ii) in any other case, every Warrant Holder shall be entitled (subject to the conditions of the Deed Poll) at any time within six weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within six weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the exercise period), by the irrevocable surrender on a market day of the Warrants to our Company, to elect to be treated as if such Warrant Holder had on the market day immediately prior to the commencement of such winding up, compromise or arrangement (as the case may be) exercised the exercise rights (as set out above) represented by such Warrants to the extent specified in the exercise form and had on such date been the holder of Scientex Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Our Company shall give notice to the Warrant Holders in accordance with the Deed Poll of the passing of any such resolution or the granting of the court order within seven days after the passing or granting thereof. Upon the expiry of the above six weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.

Subject to the above, if the Company is wound up (other than by way of a members' voluntary winding-up), all Warrants which have not been exercised prior to the date of commencement of the winding-up shall lapse and the Warrants will cease to be valid for any purpose.

Modification of rights of the Warrant Holders :

We may effect any modification, addition or deletion in respect of any provisions of this Deed Poll (with the exception of the provisions in relation to the Exercise Price, the conditions governing the warrants, and the provisions for the adjustment of Exercise Price and the number of Warrants), at any time and from time to time, without the consent of our Warrant Holders following the provisions of the Deed Poll, if such modification, addition or deletion is not materially prejudicial to the interests of our Warrant Holders or it is of a formal, minor or technical nature or is made to correct a manifest error or it is for the purpose of complying with the mandatory provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Malaysia Depository Sdn Bhd and any applicable law or any regulations issued by any relevant authority.

Subject to the above and the approval of any relevant authority, any modification, addition or deletion in respect of any provisions contained in the Deed Poll proposed or agreed to by us must be sanctioned by special resolution of our Warrant Holders and comply with the requirements of the Deed Poll.

Listing status :

The Warrants will be listed and quoted on the Main Market of Bursa Securities.

Governing law :

The Warrants and the Deed Poll shall be governed by the applicable laws and regulations of Malaysia.

APPENDIX II – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST

RHB Investment Bank, being our Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad ("**RHB Banking Group**") form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses in its ordinary course of business with our Group. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for our Group.

Furthermore, in the ordinary course of business, any member of RHB Banking Group may at any time offer or provide its services to or engage in any transactions (whether on its own account or otherwise) with any member of our Group, hold long or short positions in the securities offered by any member of our Group, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group.

As at the LPD, RHB Banking Group has offered various facilities ("**Facilities**") with a combined limit of RM553.0 million to our Group. Further, the equity derivatives department of RHB Investment Bank ("**RHB EQD**") has issued 40 million units of call warrants over Scientex Shares which expire on 26 August 2021 ("**Call Warrants**"). The issuance of the Call Warrants would expose RHB Investment Bank to the movement in price of Scientex Shares. RHB Investment Bank has utilised and will continue to utilise the proceeds received from the issuance of the Call Warrants for hedging activities that include purchasing of Scientex Shares to mitigate RHB Investment Bank's risk exposure to the Call Warrants. As at the LPD, RHB Investment Bank has purchased Scientex Shares amounting to approximately RM4.6 million as part of its hedging activities.

Notwithstanding the above and as at the LPD, RHB Investment Bank, as part of RHB Banking Group, has confirmed that the abovementioned do not and will not likely result in a conflict of interest situation in its capacity as the Principal Adviser in relation to the Proposals due to the following:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser for the Proposals is in its ordinary course of business. RHB Investment Bank does not have any interest in the Proposals other than as the Principal Adviser based on the terms of engagement which are mutually agreed between both parties. Further, RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as the Principal Adviser for the Proposals;
- (ii) the Facilities provided by RHB Banking Group are on an arms' length basis and is not material when compared to the latest audited shareholders' fund of RHB Banking Group of approximately RM25,775.4 million as at 31 December 2019. Further, the issuance of and the hedging activities of the Call Warrants by RHB Investment Bank are made on an arm's length basis and the value of Scientex Shares purchased by RHB Investment Bank is not material when compared to the market capitalisation of our Company of approximately RM6.2 billion as at the LPD;

APPENDIX II – FURTHER INFORMATION (CONT'D)

- (iii) the Facilities that have been provided by RHB Bank Berhad (as part of RHB Banking Group) are not conditional upon RHB Investment Bank being appointed as the Principal Adviser for the Proposals or upon any other proposal(s) being undertaken by any entity(ies) within the RHB Banking Group;
- (iv) the hedging activities of RHB EQD are governed by internal limits to manage RHB Banking Group's overall exposure to a particular underlying security where, in this case, RHB EQD can only acquire up to RM30.0 million of Scientex Shares ("**Exposure Limit**"). Nevertheless, depending on the market condition and underlying value of Scientex Shares, RHB EQD may increase the Exposure Limit subject to the necessary approvals from the Chief Executive Officer of RHB Investment Bank, Group Investment Underwriting Committee and/or Board Credit Committee (depending on the amount). Hence, RHB Investment Bank's potential exposure to the movement in price of Scientex Shares pursuant to the Call Warrants issued cannot be ascertained at this juncture.
- In any event, based on the Exposure Limit, RHB Investment Bank may only acquire up to 0.49% of our Company's market capitalisation computed as at the LPD, and RHB Banking Group is also governed by other regulatory requirements and its own internal control vis-à-vis exposures to a single counter party;
- (v) the corporate finance division of RHB Investment Bank ("**RHB CF**") is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations. In any event, the team in charge of the Proposals in RHB Investment Bank is independent from the team handling the credit facilities. Further, there is no involvement by RHB CF in respect of any credit application process, and the issuance and hedging activities of the Call Warrants undertaken by other departments within the RHB Banking Group; and
- (vi) the conduct of RHB Banking Group's business is strictly regulated by the Financial Services Act, 2013, the Capital Markets and Services Act, 2007 and RHB Banking Group's own internal controls and checks which include, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

Save as disclosed above, RHB Investment Bank confirms that it is not aware of any circumstance that exists or is likely to exist to give rise to a conflict of interest situation in its capacity as the Principal Adviser in relation to the Proposals.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save as disclosed below, as at 31 July 2020, being the latest practicable date at which such amount could be calculated before the printing of this Circular, our Board is not aware of any other material commitments incurred or known to be incurred by our Group which may have a material impact on our Group's financial position or business:

	<u>RM'000</u>
Approved and contracted for:	
Purchase of plant and machinery	105,109
Balance payment for purchase of land held for development	214,601
Total	<u><u>319,710</u></u>

APPENDIX II – FURTHER INFORMATION (CONT'D)

Further, our Group had, on 13 August 2020 and 21 September 2020, entered into sale and purchase agreements for acquisitions of multiple parcels of freehold lands pursuant to Proposed Acquisition 1 and Proposed Acquisition 2 (as defined in Section 8 of this Circular) whereby approximately RM400.7 million remained payable by our Group to the vendors as at the LPD.

3.2 Contingent liabilities

As at 31 July 2020, being the latest practicable date at which such amount could be calculated before the printing of this Circular, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on our Group's financial position.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of our Group and, to the best of our Board's knowledge and belief, our Board confirms that there are no proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest closing market prices of Scientex Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

Month	Highest	Lowest
	RM	RM
2019		
November	9.50	9.10
December	9.84	9.28
2020		
January	9.65	9.05
February	9.50	9.00
March	9.15	6.09
April	8.30	7.45
May	8.50	8.22
June	9.09	8.46
July	9.35	8.85
August	9.50	9.10
September	10.60	8.90
October	12.50	10.92
Last transacted market price on 17 September 2020, being the last Market Day immediately before the announcement of the Proposals on 18 September 2020		9.17
Last transacted market price as at the LPD		11.94

(Source: Bloomberg)

APPENDIX II – FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for your inspection at our registered office at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our Constitution;
- (ii) our audited consolidated financial statements for the past two financial years, being FYEs 2019 and 2020;
- (iii) the letter of consent referred to in Section 2 of this Appendix; and
- (iv) the draft Deed Poll.

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SCIENTEX BERHAD
(Company No. 196801000264 (7867-P))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Scientex Berhad ("**Scientex**" or "**Company**") will be held at Scientex Packaging Film Sdn Bhd, Lot 4, Jalan Sungai Pinang 4/3, Seksyen 4, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan on Thursday, 17 December 2020, at 12.30 p.m., or immediately following the conclusion of the Fifty-Second Annual General Meeting of Scientex scheduled to be held at the same venue and on the same date at 11.30 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following ordinary resolutions:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 1,033,729,744 NEW ORDINARY SHARES IN SCIENTEX ("SCIENTEX SHARES") ("BONUS SHARES") ON THE BASIS OF TWO BONUS SHARES FOR EVERY ONE EXISTING SCIENTEX SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED AT A LATER DATE ("ENTITLEMENT DATE")

"THAT subject to the approval of all relevant authorities and/or parties being obtained, authority be and is hereby given to the Board of Directors of Scientex ("**Board**") to issue and allot up to 1,033,729,744 Bonus Shares, at no consideration and without capitalisation of the Company's reserves to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business at 5.00p.m. on the Entitlement Date ("**Entitled Shareholders**") on the basis of two Bonus Shares for every one existing Scientex Share held by the Entitled Shareholders ("**Proposed Bonus Issue of Shares**");

THAT fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, shall be disregarded and be dealt with in such manner as the Board shall at its absolute discretion deem fit, expedient and to be in the best interest of the Company;

THAT such Bonus Shares will, upon allotment and issuance, rank equally in all respects with all the then existing Scientex Shares in issue as at the date of allotment of the Bonus Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid whereby the relevant entitlement date is before the date of allotment of the Bonus Shares;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all such acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents to give full effect to and for the purpose of completing and/or implementing the Proposed Bonus Issue of Shares with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by the relevant authorities or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED ISSUANCE OF UP TO 103,372,974 FREE WARRANTS IN SCIENTEX (“WARRANTS”) ON THE BASIS OF ONE WARRANT FOR EVERY FIVE EXISTING SCIENTEX SHARES HELD ON THE SAME ENTITLEMENT DATE AS THE PROPOSED BONUS ISSUE OF SHARES

"THAT subject to the approval of all relevant authorities and/or parties being obtained, authority be and is hereby given to the Board to issue and allot up to 103,372,974 Warrants, in registered form and constituted by a deed poll constituting the Warrants to be executed by the Company ("**Deed Poll**"), to the shareholders of the Company on the basis of one Warrant for every five existing Scientex Shares held on the same Entitlement Date as the Proposed Bonus Issue of Shares ("**Proposed Issue of Free Warrants**");

THAT the Board be and is hereby authorised to allot and issue such additional Warrants as may be required or permitted to be issued in accordance with the provisions in the Deed Poll ("**Consequential Warrants**"), and where required, to adjust from time to time the exercise price and/or the number of the Warrants to which the holders of the Warrant are entitled to be issued in consequence of the adjustments in accordance with the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to allot and issue such appropriate number of new Scientex Shares arising from the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll, including such appropriate number of new Scientex Shares arising from the exercise of the Consequential Warrants;

THAT fractional entitlements arising from the Proposed Issue of Free Warrants, if any, shall be disregarded and be dealt with in such manner as the Board shall at its absolute discretion deem fit, expedient, and to be in the best interest of the Company;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, and/or number of Warrants as may be required or permitted to be revised as a consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effect to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit and/or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT the new Scientex Shares to be issued arising from the exercise of the Warrants and/or the Consequential Warrants shall, upon allotment and issuance, rank equally in all respects with all the then existing Scientex Shares in issue as at the date of allotment of such Scientex Shares, save and except that the new Scientex Shares to be issued arising from the exercise of the Warrants and/or the Consequential Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid whereby the relevant entitlement date is before the date of allotment of such new Scientex Shares;

THAT the proceeds raised from the exercise of the Warrants, if any, be utilised for the purposes set out in the circular to shareholders of the Company dated 18 November 2020 and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, if applicable, and in the best interest of the Company;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all such acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents to give full effect to and for the purpose of completing and/or implementing the Proposed Issue of Free Warrants with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by the relevant authorities or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company."

BY ORDER OF THE BOARD

TUNG WEI YEN (MAICSA 7062671) (SSM Practising Certificate No. 201908003813)
ONG LING HUI (MAICSA 7065599) (SSM Practising Certificate No. 202008000555)
Secretaries

Shah Alam
18 November 2020

Notes:

1. *A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint at least one proxy to attend, participate, speak and vote in his/her stead and where a member appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy need not be a member of our Company. There is no restriction as to the qualification of the proxy.*
2. *Every member of our Company including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who holds ordinary shares in our Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint at least one person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at our EGM, and that such proxy(ies) need not be a member(s) of our Company. The appointment of more than one proxy in respect of any particular securities account or omnibus account shall specify the proportion of the member's shareholding to be represented by each proxy.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, either be executed under its common seal or under the hand of two authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.*
4. *The form of proxy must be deposited at the registered office of our Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for the holding of the meeting or at any adjournment thereof.*
5. *In respect of deposited securities, only members whose names appear in our Record of Depositors as at 9 December 2020 shall be regarded as a member and entitled to attend, participate, speak and vote at the meeting or appoint proxy to attend, participate, speak and/or vote on his/her behalf.*
6. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM will be put to vote by poll.*
7. *In view of the uncertainties in the ongoing outbreak of COVID-19 in Malaysia, our Company may, at short notice, change the arrangements of our EGM including the manner to conduct our EGM. In the event of any change to the arrangements of our EGM, we will use our best endeavours to notify you accordingly, and such notification will be made available on Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com> and the Company's website at <https://www.scientex.com.my> before our EGM.*

FORM OF PROXY



SCIENTEX BERHAD
 (Company No. 196801000264 (7867-P))
 (Incorporated in Malaysia)

I/We NRIC No./Passport No./Registration No.
 Number of Shares Held CDS Account No.
 of
 Contact/Mobile Phone No. Email Address
 being a member(s) of Scientex Berhad, hereby appoint:

Full Name in Block Letters		Proportion of Shareholdings %
NRIC No./Passport No.		
Full Address		
Contact/Mobile Phone No.	Email Address	

And/or failing him/her

Full Name in Block Letters		Proportion of Shareholdings %
NRIC No./Passport No.		
Full Address		
Contact/Mobile Phone No.	Email Address	

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at **Scientex Packaging Film Sdn Bhd, Lot 4, Jalan Sungai Pinang 4/3, Seksyen 4, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan** on Thursday, 17 December 2020 at 12.30 p.m. or immediately following the conclusion of the Fifty-Second Annual General Meeting of Scientex scheduled to be held at the same venue and on the same date at 11.30 a.m., whichever is later, or at any adjournment thereof and to vote as indicated below:

Ordinary Resolution	For	Against
1. Proposed Bonus Issue of Shares		
2. Proposed Issue of Free Warrants		

Please indicate with an "X" in the spaces provided whether you wish your votes to be casted for or against the resolution. In the absence of specific instruction, your proxy/proxies will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2020

 Signature / Common Seal of
 shareholder(s)

Notes:

- A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint at least one proxy to attend, participate, speak and vote in his/her stead and where a member appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy need not be a member of our Company. There is no restriction as to the qualification of the proxy.
- Every member of our Company including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who holds ordinary shares in our Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint at least one person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at our EGM, and that such proxy(ies) need not be a member(s) of our Company. The appointment of more than one proxy in respect of any particular securities account or omnibus account shall specify the proportion of the member's shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, either be executed under its common seal or under the hand of two authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- The form of proxy must be deposited at the registered office of our Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for the holding of the meeting or at any adjournment thereof.
- In respect of deposited securities, only members whose names appear in our Record of Depositors as at 9 December 2020 shall be regarded as a member and entitled to attend, participate, speak and vote at the meeting or appoint proxy to attend, participate, speak and/or vote on his/her behalf.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM will be put to vote by poll.
- In view of the uncertainties in the ongoing outbreak of COVID-19 in Malaysia, our Company may, at short notice, change the arrangements of our EGM including the manner to conduct our EGM. In the event of any change to the arrangements of our EGM, we will use our best endeavours to notify you accordingly, and such notification will be made available on Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com> and the Company's website at <https://www.scientex.com.my> before our EGM.



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AFFIX
STAMP

**THE COMPANY SECRETARY
SCIENTEX BERHAD (196801000264 (7867-P))**

No. 9, Persiaran Selangor,
Seksyen 15,
40200 Shah Alam,
Selangor Darul Ehsan

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