

**SCIENTEX**®

healthy, friendly & happy ...



INTEGRATED  
ANNUAL REPORT

**2024**

**SCIENTEX BERHAD**

196801000264 (7867-P)

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# About This Report

We are proud to present our fifth Integrated Annual Report (the "Report"), detailing our efforts at Scientex Berhad ("Scientex" and/ or the "Group") to create short, medium and long-term value for our business and our stakeholders during the financial year ended 31 July 2024.

This Report is part of a reporting suite that includes our Sustainability Report 2024, with both reports produced based on the guidelines detailed below.

## OUR REPORTING SUITE



Our **Integrated Annual Report** illustrates how we create value over the short, medium and long term by leveraging our resources, and thus contribute to our vision of Sustainable Growth, Better Tomorrow.

The Report is prepared in compliance with the International Integrated Reporting Framework, January 2021 ("<IR> Framework") by Value Reporting Foundation, with disclosures adhering to the Malaysian Financial Reporting Standards, the Malaysian Code on Corporate Governance 2021 and the Malaysian Companies Act 2016.



Our **Sustainability Report** details our initiatives, actions and performance in relation to Environmental, Social and Governance ("ESG") matters that are material to the Group and our stakeholders.

It is prepared with reference to the updated Global Reporting Initiative ("GRI") Standards 2021, in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements and with reference to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> edition). Topics presented within are aligned with the United Nations Sustainable Development Goals ("UN SDGs").

## SCOPE AND BOUNDARY

This Report provides a comprehensive disclosure of our financial and non-financial performance, potential risks and opportunities, and the outcomes we aim to achieve for our key stakeholders. It also highlights and analyses significant factors that may influence our ability to create value within our core business divisions of Packaging and Property.

The disclosures contained within this Report cover the period of 1 August 2023 to 31 July 2024 ("FY2024") and build upon our previous publications, unless specified otherwise.

## FORWARD LOOKING STATEMENTS

This Report includes certain forward-looking statements regarding our future directions, strategies, potential risks or opportunities, and performance. These statements and forecasts are inherently uncertain as they pertain to future events and may not be definitive. Actual results may differ due to various risk factors and market uncertainties.

The inclusion of forward-looking statements should not be interpreted as a guarantee that our plans and objectives will be achieved. Readers are advised not to place undue reliance on such statements, and we do not undertake any obligation to update or revise them publicly.

## STAKEHOLDER RELATIONSHIPS AND MATERIALITY

In alignment with the <IR> Framework, we uphold the principle of Stakeholder Relationships and employ the concept of Materiality. This entails engaging regularly with key stakeholder groups and using the insights we gain from these engagements as part of our materiality determination process, through which we define the most critical matters impacting our ability to create value.

In FY2024, we identified seven material matters (see 'Our Material Matters' on p. 44) and six key stakeholders (see 'Key Stakeholder Engagement' on p. 37).

**VALUE CREATION**

We employ a systematic approach to value creation, which is described in detail within the Value Creation Story (p. 31) and Value Creation Business Model (p. 34) sections of this Report.

In line with our holistic perspective on value creation, this Report adopts the "Six Capitals" model of the <IR> Framework, as detailed below.



**FINANCIAL CAPITAL**

Our financial assets, including cash generated from our operations and investments, and other sources of funding



**MANUFACTURED CAPITAL**

Our physical assets, including plants, machinery and their embedded technology, and our land banks



**INTELLECTUAL CAPITAL**

Our established and systematic processes, collective know-how and expertise, brand values and reputation in our markets and industries of operation



**HUMAN CAPITAL**

Our dynamic leadership, skilled workforce, and their experience, competencies and contributions to innovation and growth



**SOCIAL & RELATIONSHIP CAPITAL**

Our long-standing, trust-based relationships with our stakeholders



**NATURAL CAPITAL**

The natural resources we utilise in our processes and the energy we consume

**RISK CATEGORIES**

The analysis contained within this Report addresses key risks facing the Group across the following four categories:



**STRATEGIC**

Changes in economic conditions and evolving business trends that have the potential to affect the execution of our business strategies



**OPERATIONAL**

Events that have the potential to disrupt our day-to-day operations and business processes



**FINANCIAL**

Risks that have the potential to impact our financial performance



**COMPLIANCE**

Potential legal, reputational and financial implications arising from any instance of non-compliance with laws and regulations

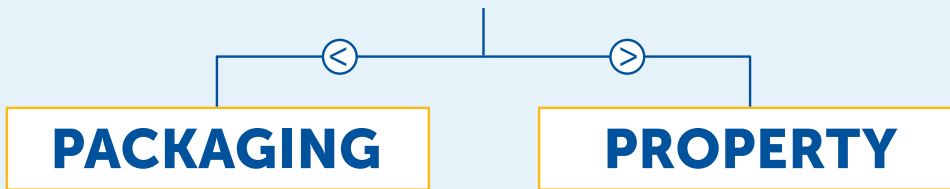
**INTEGRATED REPORTING ACKNOWLEDGEMENT STATEMENT**

Our Board of Directors (the "Board") assumes full responsibility for ensuring the integrity of this Report. In the Board's view, this Report comprehensively addresses all material matters affecting our ability to create value and provides a fair assessment of our financial and non-financial performance during the financial year under review. The Board has actively contributed its collective efforts towards formulating and presenting this Report, with reference to the <IR> Framework.

This Report was approved by the Board on 22 October 2024.

# About Scientex Berhad

## OUR BUSINESSES



Scientex Berhad is a leading global manufacturer of stretch film and an integrated flexible plastic packaging ("FPP") producer, as well as a prominent developer of affordable homes in Malaysia.

Our journey of growth and value creation began with our establishment in 1968, with a key milestone being our listing on the Main Market of Bursa Malaysia in 1990. Since then, we have steadily expanded our reach across the packaging value chain, offering a wide range of stretch films, base films, printed films, bags and multi-layered solutions for both industrial and consumer packaging.

Through our Property Division, meanwhile, we have continued to meet the demand for affordable housing within local communities. We have established our presence and are steadily expanding our footprint across seven states in Peninsular Malaysia, while exploring expansion opportunities in neighbouring countries such as Indonesia and Thailand.

## VISION >

*Sustainable Growth, Better Tomorrow*

## PURPOSE >

OUR PACKAGING DIVISION STRIVES TO PROVIDE FLEXIBLE PLASTIC PACKAGING SOLUTIONS FOR



Protection



Convenience



Hygiene and Safety



Food Waste Reduction



OUR PROPERTY DIVISION ENDEAVOURS TO SUPPORT LOCAL COMMUNITIES IN OUR LOCATIONS OF OPERATION THROUGH THE PROVISION OF **AFFORDABLE YET QUALITY HOMES**

# Our Corporate Philosophy

Our corporate philosophy of 'Management Like Water' has been the driving force behind our achievements. While our strategies may evolve, this philosophy remains the foundation of our operations. It encompasses six distinct yet interconnected facets, as outlined below:

**SCIENTEX**<sup>®</sup>

healthy, friendly & happy ...

MANAGEMENT  
LIKE  
*Water*

## BELIEF

We instil belief that what we produce is as vital and valuable as water, and our output contributes to the betterment of society



## NATURE & SCIENCE

We respect the laws of nature and science as we seek solutions and attempt to tackle different challenges



## ENERGY

Flowing water gathers momentum and builds up energy that we harness to break barriers, leap forward and surge ahead



## MODESTY

We remain humble, like a drop of water in the ocean, yet like the mighty waves, we think big and aim high



## FLEXIBILITY

Like the flexibility of water, we always adopt a fluid and adaptable stance in responding to challenges



## PURITY

In the face of success or failure, the purity and cleansing properties of water remind us to always stay true to ourselves and move forward with positivity



# Our Corporate Tagline



**healthy ...**

We strongly believe that a healthy culture is important, as this ensures our employees can reap the benefits of balanced living, and are focused and committed to their work. The positive flow of energy results in a healthy company with strong ethics to guide compliance and encourage transparency in all business dealings.



**friendly ...**

Being friendly speaks of the way we develop user-friendly products and solutions, and at the same time, extend courtesy, attentiveness and care to suppliers, customers, authorities and society as well as to the global environment.



**happy ...**

Being happy is an emotional state of mind where people find pleasure, real meaning and fulfilment in family, work and life in an environment where they can realise their full potential and embrace a keen sense of belonging in the Group.

# Corporate Information

## BOARD OF DIRECTORS

- |  |  |
|--|--|
| <p>■ <b>Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim</b><br/>Chairman &amp; Non-Independent Non-Executive Director</p> | <p>■ <b>Wong Chin Mun</b><br/>Senior Independent Non-Executive Director</p>              |
| <p>■ <b>Lim Peng Jin</b><br/>Managing Director/Chief Executive Officer</p>   | <p>■ <b>Dato' Noorizah Binti Hj Abd Hamid</b><br/>Independent Non-Executive Director</p> |
| <p>■ <b>Lim Peng Cheong</b><br/>Non-Independent Non-Executive Director</p>   | <p>■ <b>Chin Lam Choong</b><br/>Independent Non-Executive Director</p>                   |

### COMPANY SECRETARIES

**Chua Siew Chuan**  
(MAICSA 0777689)  
(SSM Practising Certificate  
No. 201908002648)

**Tung Wei Yen**  
(MAICSA 7062671)  
(SSM Practising Certificate  
No. 201908003813)

**Ong Ling Hui**  
(MAICSA 7065599)  
(SSM Practising Certificate  
No. 202008000555)

### AUDIT COMMITTEE

**Wong Chin Mun**  
Chairperson

**Dato' Noorizah Binti Hj Abd Hamid**  
Member

**Chin Lam Choong**  
Member

### NOMINATION AND REMUNERATION COMMITTEE

**Chin Lam Choong**  
Chairperson

**Wong Chin Mun**  
Member

**Lim Peng Cheong**  
Member

### RISK MANAGEMENT COMMITTEE

**Dato' Noorizah Binti Hj Abd Hamid**  
Chairperson

**Lim Peng Jin**  
Member

**Chin Lam Choong**  
Member

### AUDITORS

Deloitte PLT  
Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

### SOLICITORS

Koh Kim Leng & Co.  
Shearn Delamore & Co.

### PRINCIPAL BANKERS

Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
RHB Bank Berhad  
Standard Chartered Bank Malaysia  
Berhad  
Sumitomo Mitsui Banking  
Corporation Malaysia Berhad  
United Overseas Bank (Malaysia) Bhd

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

No. 9, Persiaran Selangor  
Seksyen 15, 40200 Shah Alam  
Selangor Darul Ehsan  
Tel : 03-5524 8888/03-5519 1325  
Fax : 03-5519 1884  
Email : info@scientex.com.my  
Website : www.scientex.com.my

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock code: 4731

### SHARE REGISTRAR

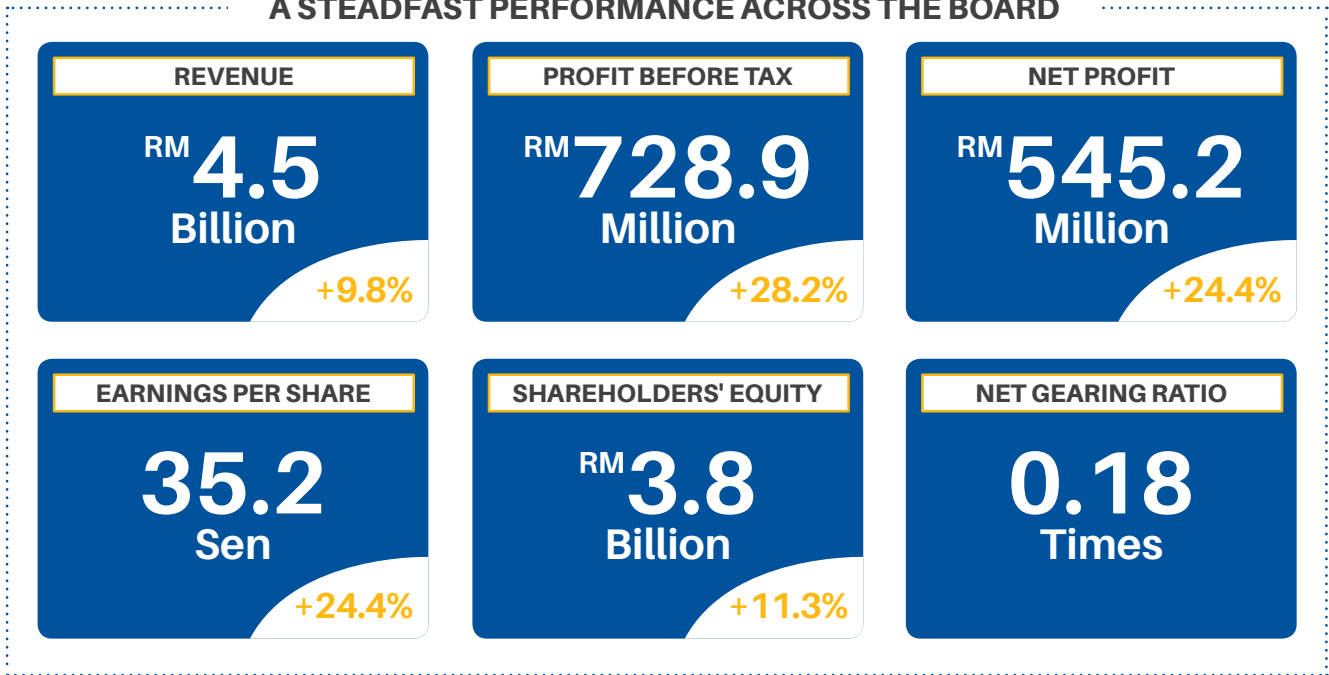
Boardroom Share Registrars Sdn Bhd  
199601006647 (378993-D)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
(Jalan Semangat), Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7890 4700  
Fax : 03-7890 4670  
Email : BSR.Helpdesk@  
boardroomlimited.com  
Website : www.boardroomlimited.com



# A Snapshot of FY2024

Despite ongoing external challenges, our well-established and sustainability-driven strategies have held the Group's performance in good stead and positioned our businesses for future expansion. In FY2024, we sustained our year-on-year revenue growth and improved profitability, reinforcing our ability to deliver steady value to our shareholders.

## A STEADFAST PERFORMANCE ACROSS THE BOARD



### Packaging Division

### Property Division

**266,650**  
metric tonnes ("MT") of  
products sold

**14**  
new machines  
commissioned

**51**  
new innovations  
successfully  
commercialised



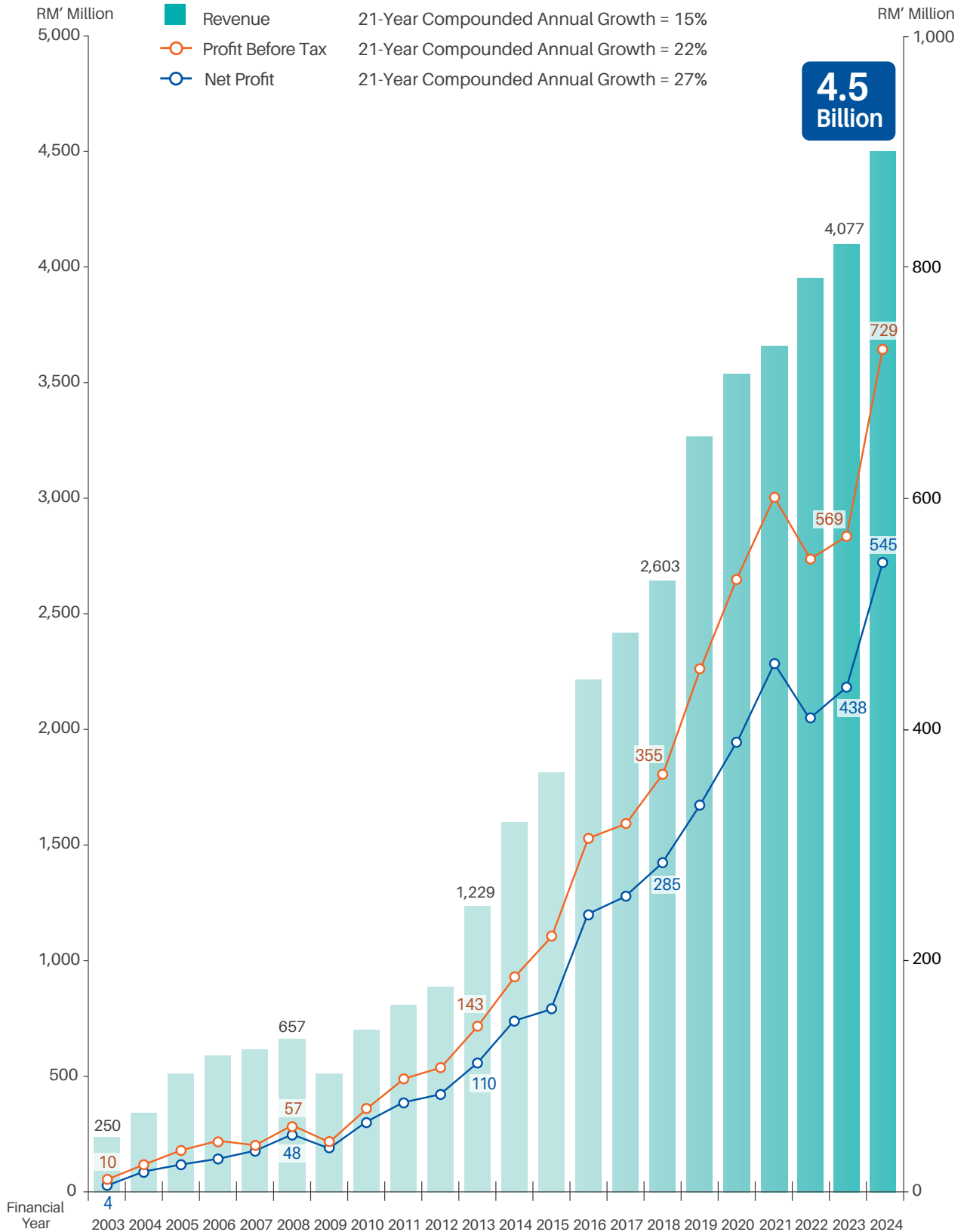
**842**  
acres of land bank  
acquisitions completed

**6,017**  
units of affordable  
homes completed

**36,420**  
units of affordable homes  
completed to date

# Sustainable Growth, Better Tomorrow

## Revenue & Profit Growth 2003 -2024



# Packaging Division Overview



*Our manufacturing plant at Kajang, Selangor*

## BUILDING A GLOBAL PRESENCE IN PACKAGING

Since 1997, we have undergone a remarkable journey of growth in the packaging industry, firmly establishing ourselves as a key player across the FPP value chain. During this time, we have built a firm reputation for quality and innovation, backed by a deeply held commitment to sustainability.

Our foray into packaging began with stretch film, which remains one of our core products. By building one of the world's largest stretch film manufacturing facilities, strategically located on Pulau Indah in Selangor, Malaysia, we were able to expand our capacity and widen our reach to more customers around the world. Concurrently, we implemented a diversification strategy that broadened our manufacturing capabilities, enabling us to produce a wider range of packaging solutions that meet diverse needs in both the industrial and consumer markets.

Collectively, our forward-thinking actions have widened our global reach while equipping us with the capabilities and knowledge to meet evolving market trends and customer needs.

### DRIVING SUSTAINABLE GROWTH VIA STRATEGIC ACQUISITIONS AND INNOVATION

We employ a multi-pronged strategy to drive the long-term growth of our packaging business, in line with our vision, "Sustainable Growth, Better Tomorrow".

Strategic acquisitions play an important role within this plan. By acquiring companies with complementary capabilities across the FPP value chain, we have expanded vertically to become an integrated FPP producer. This has, in turn, unlocked various economies of scale and supply chain efficiencies that fuel our continued competitiveness.

We also leverage the facilities and capabilities gained from our acquisitions to innovate products and solutions that address emerging packaging trends, with a growing focus on plastic circularity.

Since our acquisition of Scientex Packaging (Kajang) Sdn Bhd, we have continued to broaden our commercial product range to include liquid and paste packaging solutions, as well as packaging for medical devices, enabling us to serve a broader range of market needs.

Supported by ongoing investments in advanced equipment and machinery, our efforts have driven consistent growth in various product segments within the FPP value chain, bolstering our reputation as a pioneer of market-leading FPP solutions.

## Packaging Division Overview



Our range of products extends across both industrial and consumer markets

### DELIVERING COMPREHENSIVE PACKAGING SOLUTIONS FOR INDUSTRIAL AND CONSUMER MARKETS

We deliver a wide range of products designed to meet various specific needs within the industrial and consumer packaging segments, including but not limited to:

#### INDUSTRIAL PACKAGING PRODUCTS

- Stretch films
- Polypropylene ("PP") strapping bands
- Stretch and shrink hoods
- Shrink films
- Heavy duty sacks
- Flexible intermediate bulk container ("FIBC") bags
- Raffia high-density polyethylene ("HDPE") and PP tapes
- Agricultural films
- Polyethylene ("PE") flexitanks tubing

#### CONSUMER PACKAGING PRODUCTS

- PE lamination films
- Biaxially oriented polypropylene ("BOPP") films
- Cast polypropylene ("CPP") films
- Metallised films
- General films
- Printed films (roll form)
- Barrier films
- Wicket bags
- Polyurethane ("PU") adhesives
- Multi-layered FPP solutions
- Fully compostable BioPBS™

For detailed information on our packaging solutions, please visit our corporate website.

### SPEARHEADING SUSTAINABLE PACKAGING INNOVATIONS

With demand for sustainable FPP continuing to rise, driven by rapid population growth, evolving urban lifestyles and growing awareness of environmental sustainability, we are staying ahead of the curve.

Powered by our skilled technical team and state-of-the-art innovation centres, each of which are equipped with cutting-edge machinery and in-house testing facilities, we continuously explore new processes, technologies and materials to meet stringent regulatory requirements and evolving customer needs. These efforts are underscored by a shared, Group-wide ethos of innovation, driving progressive improvement to our film extrusion, printing and converting capabilities.

Our achievements in innovation include pioneering the conversion of non-recyclable laminated FPP to recyclable mono-material laminated FPP, a move which has solidified our standing as one of the globally leading FPP producers. In addition, we continue to increase our use of post-consumer recycled ("PCR") and post-industrial recycled ("PIR") resin in our products, through which we support the decarbonisation pledges of multinational corporations.

# Packaging Division Business Process

We have implemented the following business processes to drive the achievement of growth targets within our Packaging Division while maintaining our steadfast commitment to quality, innovation and value maximisation.

## OUR STEADFAST APPROACH TOWARDS STEADY GROWTH

### DEVELOP



#### Description

Conceiving groundbreaking products through innovative, market-driven technologies

#### Principal Activities

- Product innovation
- Investing in state-of-the-art machinery
- Enhancing capacity and capability-building across our plants

### PROCURE



#### Description

Purchasing raw materials efficiently and in a well-planned manner

#### Principal Activities

- Centralised purchasing of main raw materials
- Developing a sustainable supplier pool
- Ensuring a consistent supply of raw materials
- Optimising storage time through inventory monitoring systems

### SELL



#### Description

Constantly expanding our customer base and market reach

#### Principal Activities

- Identifying growth potential in existing sectors
- Strategically expanding into growing market sectors
- Meeting customer needs with value-added products

### PRODUCE



#### Description

Enabling production that is efficient, cutting-edge, innovative and scalable

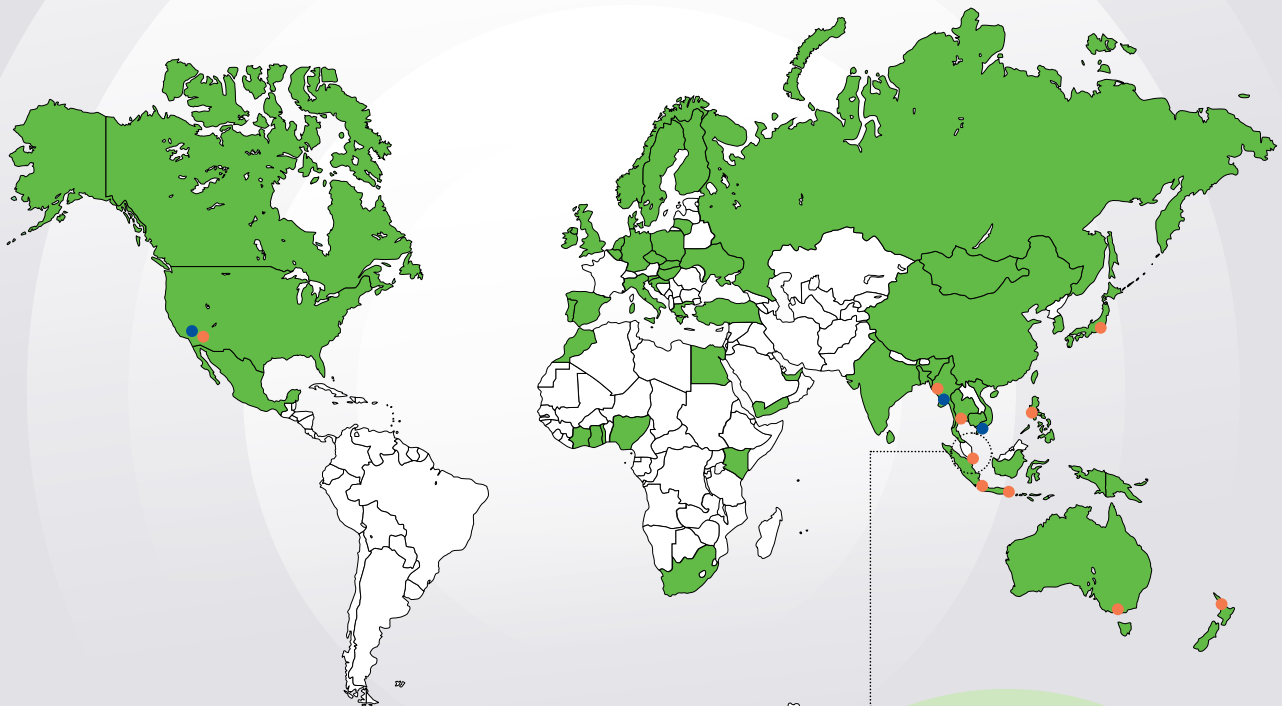
#### Principal Activities

- Enhancing production efficiency through automation and factory specialisation
- Optimising factory layouts to improve productivity
- Carrying out scheduled production planning to increase production efficiency
- Harnessing renewable energy to power production activities through solar photovoltaic ("PV") systems

# Packaging Division Market Presence

We leverage our established market presence and extensive geographical reach to maximise value creation and propel our business forward.

## OUR PACKAGING PRESENCE



### MANUFACTURING PLANTS

- Pulau Indah, Selangor (3 plants)
- Shah Alam, Selangor
- Klang, Selangor
- Rawang, Selangor
- Kajang, Selangor
- Sg Siput, Perak
- Chemor, Perak
- Tanjung Kling, Melaka (2 plants)
- Jasin, Melaka
- Bukit Rambai, Melaka
- Ayer Keroh, Melaka
- Teluk Emas, Melaka
- Ho Chi Minh City, Vietnam
- Phoenix, Arizona, USA
- Yangon, Myanmar

### OVERSEAS SALES OFFICES

- Melbourne, Australia
- Jakarta, Indonesia (2 offices)
- Surabaya, Indonesia
- Tokyo, Japan
- Auckland, New Zealand
- Manila, Philippines
- Singapore
- Bangkok, Thailand
- Phoenix, Arizona, USA
- Yangon, Myanmar

### EXPORT COUNTRIES



# Property Division Overview



*An artistic visualisation of our development in Kundang Jaya, Selangor*

## A PIONEER IN DELIVERING QUALITY AFFORDABLE HOMES

Through our Property Division, we are committed to meeting the growing demand for affordable homes amongst Malaysia's middle-to-lower-income groups through our developments.

Since establishing the division in 1995, we have remained resolute in advancing our mission, solidifying our reputation as one of the nation's leading providers of affordable housing solutions. This success has been powered by our 'Cross Border Development Strategy', which has driven us to expand our presence from the southern to northern states of Peninsular Malaysia and penetrate neighbouring countries.

### ELEVATING MALAYSIAN FAMILIES WITH AFFORDABLE HOMES

From our first affordable housing project in Pasir Gudang, Johor, to the present day, we have steadily expanded our presence across Peninsular Malaysia, growing from the southern states of Johor, Melaka and Negeri Sembilan to penetrate the central and northern markets of Selangor, Perak, Penang and Kedah.

Our growth creates shared value for our business and society at large. By providing quality affordable housing to middle-to-lower-income Malaysians, we improve their quality of life and lay a solid foundation for their future advancement, promoting greater social mobility. In doing so, we are meeting high levels of demand for affordable housing and aligning with various government initiatives aimed at improving access to housing and home financing (see 'Market Review, Outlook and Trends - Property' on p. 42 for more details). This positions us ideally to derive sustained, long-term economic benefits from our property development activities.

With an extensive portfolio of land banks, proven expertise in optimising development layouts and a proven track record in cost and time-efficient construction, we are strategically positioned to further expand our market presence and provide equal opportunities for home ownership to more Malaysians across the country. In support of this, we are intensifying our efforts to acquire additional land, with the aim of reaching over 10,000 acres of land by FY2025.

Concurrently, our sales teams are focused on optimising our efficiency in launching new projects and enhancing customer engagement through social media, strategic marketing and outreach campaigns.

Property Division Overview

THE SCIENTEX TRIFECTA OF BENEFITS



> SPEED

We progress quickly from acquisition to development and are reputed for on-time delivery



> COST

We carefully design and construct homes that provide the best value



> QUALITY

We provide high standards of safety and quality within the affordable home segment

PROGRESSING TOWARDS OUR GOAL OF 50,000 AFFORDABLE HOMES

In alignment with Malaysian federal and state government initiatives to expand home ownership opportunities, we have set a target to complete 50,000 units of affordable homes by 2028. Our progress so far has been robust: we have already constructed 36,420 units nationwide priced below RM500,000, with over 70% of them priced below RM300,000.

In expanding the presence of our Property Division, we will remain unwavering in our commitment to fostering economic prosperity and the holistic well-being of local communities, in line with our vision of "Sustainable Growth, Better Tomorrow."

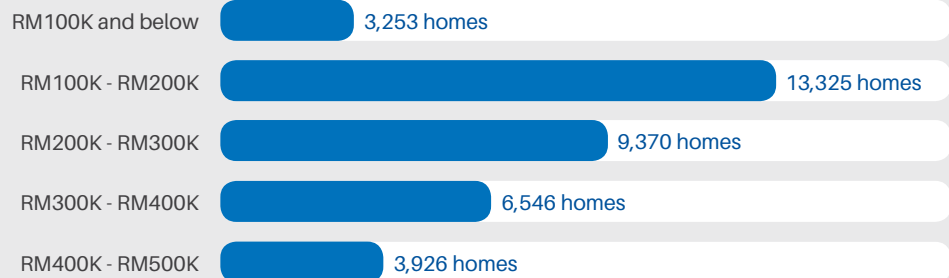


The double-storey terrace homes nestled in Taman Pulau Mutiara, Johor



Total Affordable Homes Completed as at 31 July 2024

36,420 Homes





# Property Division Business Process

We have adopted the following business processes within our Property Division to boost the efficiency, speed and value of our developments, positioning us to meet our goal of completing 50,000 affordable homes by 2028.

## EFFICIENTLY PROGRESSING FROM ACQUISITION TO CONSTRUCTION

### ACQUIRE



#### Description

Acquiring land banks in strategic locations

#### Principal Activities

- Identifying suitable land banks for affordable residential projects
- Purchasing land banks that meet the right specifications and costs

### PLAN



#### Description

Optimising land planning and development layouts

#### Principal Activities

- Maximising land bank utilisation while ensuring a desirable living environment
- Implementing optimised and standardised designs
- Employing an experienced team that stays up-to-date with regulatory approval procedures and requirements

### BUILD



#### Description

Building using efficient construction methods

#### Principal Activities

- Optimising material procurement using centralised bulk purchasing
- Adopting efficient construction processes
- Consistently improving quality and safety by using the Industrialised Building System ("IBS") construction technique

### LAUNCH



#### Description

Selling and promoting through conventional and digital media channels

#### Principal Activities

- Standardising our operating procedures for project launches
- Leveraging digital and social media platforms
- Building a responsible and desirable brand identity

# Property Division Market Presence

## OUR PROPERTY PRESENCE

**35** townships and developments across Malaysia, Thailand & Indonesia

### MALAYSIA

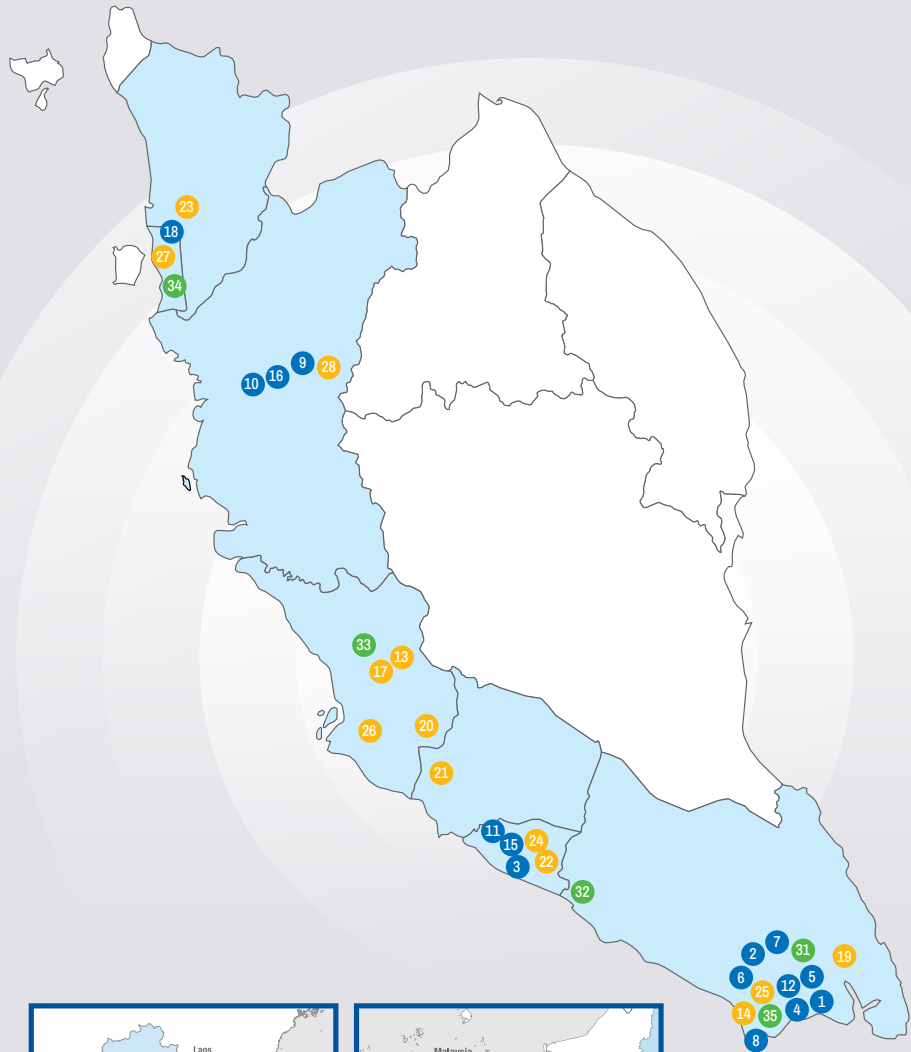
- 1 Scientex Pasir Gudang
- 2 Scientex Kulai
- 3 Scientex Heights
- 4 Scientex Skudai
- 5 Scientex Senai
- 6 Scientex Kulai 2
- 7 Scientex E'Roca Hills
- 8 Scientex Pulau
- 9 Scientex Klebang
- 10 Scientex Meru
- 11 Scientex Durian Tunggal
- 12 Scientex Senai 2
- 13 Scientex Rawang
- 14 Scientex Amber Land
- 15 Scientex Durian Tunggal 2
- 16 Scientex Meru 2 & 3
- 17 Scientex Kundang Jaya
- 18 Scientex Tasek Gelugor
- 19 Scientex Kota Tinggi
- 20 Scientex Cheras
- 21 Scientex Seremban
- 22 Scientex Bandar Jasin
- 23 Scientex Sungai Petani
- 24 Scientex Jasin
- 25 Scientex Pulau 3
- 26 Scientex Jenjarom
- 27 Scientex Sungai Dua
- 28 Scientex Ipoh
- 31 Scientex Bandar Kulai
- 32 Scientex Muar
- 33 Scientex Bestari Jaya
- 34 Scientex Jawi
- 35 Scientex Pulau 4

### THAILAND

- 29 Kraf Vibe Bangna

### INDONESIA

- 30 Mustika Garden Tamansari



**15** Matured Developments

**15** Ongoing Developments

**05** New Developments

# Chairman's Statement

The Group has demonstrated strong financial and operational performance in FY2024, capitalising on our solid fundamentals and innovative strategies to remain resilient in the face of challenges while seizing new opportunities. Our unwavering commitment to integrating sustainability into every facet of our operations positions us well for consistent and sustainable growth moving forward.



## Dear Fellow Shareholders,

On behalf of the Board of Directors (the "Board"), it gives me great pleasure to present the Integrated Annual Report of Scientex Berhad (interchangeably referred to as "Scientex" and/or the "Group") for the financial year ended 31 July 2024 ("FY2024").

### SUSTAINABILITY AS A DRIVER OF RESILIENCE AND GROWTH

Having launched Group-wide action with the introduction of our new vision "**Sustainable Growth, Better Tomorrow**" last year, we have continued to make meaningful strides in driving sustainable strategies and initiatives across our operations.

The Packaging Division continues to lead industry efforts in enhancing plastic circularity through recyclable packaging and recycled resin usage. Meanwhile, our Property Division continues to deliver affordable homes that create meaningful social impact while prioritising sustainable construction practices. This has earned us a place on BCI Asia's Top Ten Developers list for 2024, marking our third consecutive year of recognition.

At the same time, we are intensifying our climate action initiatives. During FY2024, we began installing rooftop solar PV systems at 10 key Malaysian manufacturing plants, as well as our corporate headquarters. This will add around 21 MWp of renewable energy to our energy mix by FY2025, reducing our carbon footprint, energy costs and dependence on the national power grid. This is a prime example highlighting how sustainability can be intrinsically woven into our business and growth strategies, and we will continue to expand future efforts in this direction.

*Further details on our sustainability integration can be found in the Operational Review section on p. 61 of this Report.*

### RESILIENT FINANCIAL PERFORMANCE AMIDST COST CHALLENGES

Despite challenging conditions, particularly in our Packaging segment, the Group leveraged its solid fundamentals and operational efficiencies to achieve a record-breaking financial year.

## Chairman's Statement

The Group sustained its year-on-year revenue growth, increasing by 9.8% from RM4.1 billion in FY2023 to RM4.5 billion in FY2024, while our net profit surpassed RM500 million for the first time, rising 24.4% from RM438.1 million to RM545.2 million.

Earnings per share increased by 24.4% compared to the previous year, from 28.3 sen to 35.2 sen, while we maintained a favourable gearing ratio of 0.18 times, ensuring we retain the financial flexibility to invest in future growth.

*For more on our financial performance, please refer to the Financial Performance Review on p. 56 of this Report.*

### CONSISTENT RETURNS TO SHAREHOLDERS

The Group remains committed to providing strong returns in line with our financial results. For FY2024, we declared a single-tier interim dividend of 6 sen per share, which was paid on 19 July 2024. Additionally, a single-tier final dividend of 6 sen per share has been recommended for approval at the upcoming Annual General Meeting.

The increase in dividends for FY2024 reflects the Group's commitment to distributing at least 30% of our annual net profit. The total dividends paid out amount to approximately RM186.2 million, representing 34.1% of the Group's net profit for the current year.

### NAVIGATING MARKET CHALLENGES WITH STRATEGIC FOCUS

The global packaging market continues to face headwinds, highlighted by soft demand and elevated costs that impact our operational costs. However, our Packaging Division views this as an opportunity to build resilience through innovation, efficiency and sustainability.

Leveraging our extensive innovation capabilities and close working relationships with our customers, we are focusing on creating value-added, sustainable packaging solutions that cater to shifting consumer preferences, while improving operational efficiency and cost management. Our renewable energy initiatives, as previously highlighted, will also help reduce energy costs and embed sustainability into our long-term strategy.

The outlook for packaging demand remains positive and we remain confident in the long-term prospects of this business.

Similarly, cost pressures persist in Malaysia's property sector due to the rise in material and construction costs. While this puts pressure on developers to raise prices to offset these rising costs, our Property Division has refined its operational

strategies to manage costs, ensuring our homes remain as affordable as possible.

To this end, demand for affordable homes remains robust, supported by improving economic conditions and government incentives aimed at increasing home ownership for the middle-to-lower income population. Looking ahead, while we anticipate strong potential across our developments nationwide, we see particular promise in our traditional stronghold of Johor, where projects like the Rapid Transit System ("RTS") link to Singapore and the proposed Johor-Singapore Special Economic Zone are expected to drive sustained long-term demand.

*For an in-depth analysis, please refer to the Market Review, Outlook and Trends on p. 40 of this Report.*

### POSITIONED FOR FUTURE GROWTH AND EXPANSION

The investments we have made into expansion and infrastructure, such as our acquisition of Scientex Packaging (Kajang) Sdn Bhd and the commissioning of our state-of-the-art Robotic Stretch Film Plant in Shah Alam, continue to support and secure our leadership in the packaging industry, expanding our capabilities and broadening our offerings in high-demand segments.

Looking ahead, we remain committed to improving the sustainability of our packaging solutions, leveraging our internal synergies and competences to deliver innovative, high-quality products that meet both established and emerging market demand.

On the property front, our proactive land acquisition efforts have been critical in supporting the completion of a growing number of affordable homes each year. In FY2024, we completed 6,017 new affordable homes, marking a 62.5% increase over the previous year's output.

Our land-banking efforts remain vigorous, and we have expanded our acquisition team to identify and secure suitable land to support our long-term ambitions. In FY2024, we acquired 842 acres in Johor and Selangor, increasing our total land bank to 7,299 acres as of 31 July 2024. With an additional 2,978 acres of strategic land acquisitions in progress, we are set to exceed 10,000 acres by the next financial year.

This positions us well to achieve our target of completing 50,000 affordable homes by 2028, and we will continue to build upon our 'Cross Border Development Strategy' to strengthen our presence across Peninsular Malaysia, delivering quality homes to families in need of affordable housing.

## Chairman's Statement

*For further details, please refer to the Operational Review section on p. 61 of this Report.*

### SPEARHEADING INDUSTRY-WIDE SUSTAINABILITY

With sustainability at the core of our business strategy and a key driver of long-term success, we are making steadfast progress across the ESG spectrum each year. Our large-scale solar rooftop project will tangibly reduce our Scope 2 emissions and the carbon footprint of our products, while we have also ramped up the use of PCR and PIR resin in our materials, supporting global decarbonisation efforts across supply chains.

In tandem, we are pleased to announce that in addition to having six plants accredited by ISCC PLUS, our Scientex Packaging Film Sdn Bhd plant in Pulau Indah has secured the Global Recycled Standard ("GRS") certification, validating our use of recycled content and further enhancing our appeal to eco-conscious customers. Furthermore, our involvement in the Ministry of Natural Resources and Environmental Sustainability's ("NRES") working group reflects our role in driving nationwide plastic sustainability efforts in line with the Malaysian Plastics Sustainability Roadmap ("MPSR") 2021-2030.

We are also strengthening our sustainability reporting, aligning with Bursa Malaysia's Enhanced Sustainability Reporting Framework and enhancing our climate risk management by advancing our Task Force on Climate-Related Financial Disclosures ("TCFD"). The Group remains a proud constituent of the FTSE4GOOD Bursa Malaysia ("F4GBM") Index for the third consecutive year, and continues to receive recognition from various international rating agencies.

*For an in-depth overview of our sustainability efforts, please refer to our Sustainability Report 2024.*

### EMPOWERING AND PROTECTING OUR PEOPLE

The dedication and efforts of our people are crucial to advancing our business objectives. To support their growth, we provided nearly 30,000 hours of training to our employees in FY2024, enhancing both their personal and professional development.

Health and safety remain top priorities. Alongside comprehensive training programmes, we host initiatives such as Safety and Health Week, which includes practical support for employees such as health screenings. We are also integrating automation solutions to further enhance safety and foster a culture of vigilance.

*Learn more in the Occupational Safety and Health section on p. 70 and the Empowering Our People section on p. 76 of our Sustainability Report 2024.*

### STRENGTHENING GOVERNANCE AND OVERSIGHT

We are committed to upholding high standards of governance, which remain an essential driver of long-term value creation for all stakeholders. This year, our Executive Committee has signed a pledge to ensure that our leadership remains dedicated to achieving our strategic goals and financial targets while adhering to sustainability principles and upholding good corporate governance practices.

In line with this, I am pleased to report an improvement in our FTSE Russell ESG score. This advancement underscores our ongoing efforts to enhance corporate governance practices, increase transparency and ensure robust oversight.

Looking ahead, we plan to implement a sustainability software to further refine our data collection processes. This tool will help maintain audit trails that bolster accountability and traceability, and its real-time data monitoring and trend analysis capabilities will enhance our ability to proactively manage risks across the ESG spectrum.

*For more details on our governance practices, please refer to the Responsible Business Conduct and Governance section on p. 32 of our Sustainability Report 2024.*

### ACKNOWLEDGEMENTS

On behalf of the Board, I want to convey our heartfelt thanks to the outstanding Management team, headed by Mr. Lim Peng Jin as Managing Director/Chief Executive Officer, along with the distinguished members of the Executive Committee and our diverse and dedicated workforce. Their perseverance in overcoming challenges has been truly commendable and we are confident their combined efforts will keep driving us towards our growth and sustainability goals.

We also extend our appreciation to our loyal shareholders, valued business partners and discerning customers. Their unwavering support strengthens our drive to deliver steady and sustainable growth. Together, we will advance towards our vision of 'Sustainable Growth, Better Tomorrow', ensuring value creation and prosperity for all our stakeholders.

#### **Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim**

Chairman and Non-Independent Non-Executive Director

# Pernyataan Pengerusi

Kumpulan telah menunjukkan prestasi kewangan dan operasi yang kukuh pada tahun kewangan 2024 ("TK2024"), dengan memanfaatkan asas kukuh dan strategi inovatif untuk kekal berdaya tahan dalam menghadapi cabaran sambil merebut peluang baharu. Komitmen kami yang teguh untuk mengintegrasikan kemampanan dalam setiap aspek operasi berupaya meletakkan kami pada kedudukan yang baik untuk pertumbuhan yang konsisten dan mampan pada masa hadapan.

## Para Pemegang Saham yang dihormati,

Bagi pihak Lembaga Pengarah ("Lembaga"), saya dengan besar hati membentangkan Laporan Tahunan Bersepadu Scientex Berhad (yang juga dirujuk sebagai "Scientex" dan/atau "Kumpulan") bagi tahun kewangan berakhir 31 Julai, 2024 ("TK2024").

### KEMAMAPAN SEBAGAI PEMACU DAYA TAHAN DAN PERTUMBUHAN

Selepas melancarkan tindakan menyeluruh Kumpulan dengan pengenalan visi baharu kami "**Pertumbuhan Mampan, Masa Depan Lebih Baik**" pada tahun lalu, kami terus melangkah maju dengan ketara dalam memacu strategi dan inisiatif mampan dalam semua operasi kami.

Bahagian Pembungkusan menerajui usaha industri dalam meningkatkan kitaran plastik melalui pembungkusan yang boleh dikitar semula dan penggunaan resin kitar semula. Sementara itu, Bahagian Hartanah kami terus menyediakan kediaman mampu milik yang memberi impak sosial yang bermakna dalam mengutamakan amalan pembinaan mampan. Usaha ini berjaya menempatkan kami dalam senarai Sepuluh Pemaju Terbaik BCI Asia bagi tahun 2024, menandakan tahun ketiga berturut-turut kami menerima pengiktirafan ini.

Pada masa yang sama, kami sedang mempergiat inisiatif tindakan iklim kami. Sepanjang TK2024, kami telah mula memasang sistem solar fotovoltaik (PV) atas bumbung di sepuluh kilang pembuatan utama di Malaysia, serta di ibu pejabat korporat kami. Ini akan menambah kira-kira 21 MWp tenaga boleh diperbaharui kepada campuran tenaga kami menjelang TK2025, mengurangkan jejak karbon, kos tenaga dan kebergantungan kami pada grid kuasa nasional. Ini adalah contoh utama yang menyerlahkan kenyataan betapa kemampanan boleh diterapkan secara intrinsik ke dalam strategi perniagaan dan pertumbuhan kami, dan kami akan terus mengembangkan usaha ke arah ini pada masa hadapan.

*Butiran lanjut mengenai integrasi kemampanan kami boleh didapati dalam seksyen Ulasan Operasi di halaman 61 laporan ini.*

### PRESTASI KEWANGAN YANG BERDAYA TAHAN DI SEBALIK CABARAN KOS

Meskipun berhadapan dengan keadaan yang mencabar, terutamanya dalam segmen Pembungkusan, Kumpulan telah memanfaatkan asas kukuh dan kecekapan operasinya untuk mencapai tahun kewangan yang mencatatkan rekod tertinggi.

Kumpulan mengekalkan pertumbuhan hasil tahun ke tahunnya, yang meningkat sebanyak 9.8% daripada RM4.1 bilion pada TK2023 kepada RM4.5 bilion pada TK2024, manakala keuntungan bersih kami melebihi RM500 juta buat kali pertama, meningkat sebanyak 24.4% daripada RM438.1 juta kepada RM545.2 juta.

Pendapatan sesaham meningkat sebanyak 24.4% berbanding tahun sebelumnya, daripada 28.3 sen kepada 35.2 sen, sambil mengekalkan nisbah penggearingan 0.18 kali yang menggalakkan, memastikan kami mengekalkan fleksibiliti kewangan untuk melabur dalam pertumbuhan masa hadapan.

*Untuk maklumat lanjut mengenai prestasi kewangan kami, sila rujuk bahagian Ulasan Prestasi Kewangan di halaman 56 dalam laporan ini.*

### PULANGAN KONSISTEN KEPADA PEMEGANG SAHAM

Kumpulan kekal komited untuk menyediakan pulangan yang kukuh selaras dengan keputusan kewangan kami. Bagi TK2024, kami telah mengisytiharkan dividen interim seperingkat sebanyak 6 sen sesaham, yang telah dibayar pada 19 Julai 2024. Selain itu, dividen akhir seperingkat sebanyak 6 sen sesaham telah dicadangkan untuk kelulusan pada Mesyuarat Agung Tahunan yang akan datang.

Peningkatan dividen bagi TK2024 mencerminkan komitmen Kumpulan untuk mengagihkan sekurang-kurangnya 30% daripada keuntungan bersih tahunan kami. Jumlah dividen yang dibayar adalah kira-kira RM186.2 juta, iaitu 34.1% daripada untung bersih Kumpulan bagi tahun semasa.

## Pernyataan Pengerusi

### MELENDEPANI CABARAN PASARAN DENGAN FOKUS STRATEGIK

Pasaran pembungkusan global terus berhadapan dengan cabaran, terutamanya permintaan yang lemah serta peningkatan kos yang memberi kesan kepada kos operasi kami. Walau bagaimanapun, Bahagian Pembungkusan kami melihat situasi ini sebagai suatu peluang untuk membina daya tahan melalui inovasi, kecekapan dan kemampuan.

Dengan memanfaatkan keupayaan inovasi kami yang luas dan hubungan kerja yang rapat dengan pelanggan kami, kami memberi tumpuan kepada usaha mewujudkan penyelesaian pembungkusan mampan yang bernilai tambah bagi menangani anjakan dalam keutamaan pelanggan, di samping meningkatkan kecekapan operasi dan pengurusan kos. Inisiatif tenaga boleh diperbaharui kami, seperti yang telah diketengahkan sebelum ini, akan juga membantu mengurangkan kos tenaga dan menerapkan faktor kemampuan dalam strategi jangka panjang kami.

Ramalan permintaan untuk pembungkusan kekal positif dan kami tetap yakin terhadap prospek jangka panjang perniagaan ini.

Begitu juga, tekanan kos masih berterusan dalam sektor hartanah di Malaysia disebabkan oleh kenaikan kos bahan dan pembinaan. Walaupun keadaan ini memberikan tekanan kepada pemaju untuk menaikkan harga bagi mengimbangi kos yang semakin bertambah ini, Bahagian Hartanah kami telah memperhalusi strategi operasinya bagi menguruskan kos, yang memastikan kediaman kami kekal dengan ciri mampu milik sebaik mungkin.

Justeru, permintaan terhadap kediaman mampu milik kekal teguh, disokong oleh keadaan ekonomi yang bertambah baik dan insentif kerajaan yang bertujuan untuk meningkatkan pemilikan kediaman bagi golongan berpendapatan sederhana dan rendah. Dengan optimis kami menjangkakan potensi teguh dalam semua pembangunan kami di seluruh negara, khususnya prospek yang amat menjanjikan di kubu tradisional kami di Johor, di mana projek seperti rangkaian Sistem Transit Rapid (RTS) ke Singapura dan cadangan Zon Ekonomi Khas Johor-Singapura dijangka akan memacu permintaan jangka panjang yang mampan.

*Untuk analisis yang lebih mendalam, sila rujuk bahagian Kajian, Prospek dan Trend Pasaran di halaman 40 laporan ini.*

### BERSEDIA UNTUK PERTUMBUHAN DAN PENGEMBANGAN MASA HADAPAN

Pelaburan yang telah kami buat dalam pengembangan dan infrastruktur, seperti pemerolehan Scientex Packaging (Kajang) Sdn Bhd dan pelengkapan kilang filem regangan robotik berteknologi tinggi di Shah Alam, terus menyokong dan menjamin keunggulan kami dalam industri

pembungkusan, memperluaskan keupayaan kami dan melebarkan penawaran dalam segmen yang mempunyai permintaan tinggi.

Kami yakin akan tetap komited untuk meningkatkan kemampuan penyelesaian pembungkusan kami, dengan memanfaatkan sinergi dalaman kami dan kecekapan kami untuk menghasilkan produk yang inovatif, berkualiti tinggi yang memenuhi permintaan kedua-dua pasaran yang sedia ada mahupun yang baharu.

Dalam segmen hartanah, usaha pemerolehan tanah yang proaktif telah menjadi faktor utama dalam menyokong bilangan kediaman mampu milik siap dibina yang semakin bertambah setiap tahun. Pada TK2024, kami telah menyiapkan sebanyak 6,017 kediaman mampu milik baharu, iaitu peningkatan sebanyak 62.5% berbanding pencapaian tahun sebelumnya.

Usaha kami dalam pemerolehan tanah tetap giat, dan kami telah memperluaskan pasukan pemerolehan kami bagi mengenal pasti dan mendapatkan tanah yang sesuai untuk menyokong matlamat jangka panjang kami. Pada TK2024, kami telah memperoleh sebanyak 842 ekar tanah di Johor dan di Selangor, menambahkan jumlah pegangan tanah kami kepada 7,299 ekar setakat 31 Julai 2024. Dengan tambahan sebanyak 2,978 ekar tanah strategik yang sedang dalam proses pemerolehan, kami yakin akan mengatasi bilangan 10,000 ekar menjelang tahun kewangan seterusnya.

Ini meletakkan kami dalam kedudukan yang baik untuk mencapai sasaran kami bagi menyiapkan 50,000 buah kediaman mampu milik menjelang tahun 2028, dan kami akan terus membangunkan 'Strategi Pembangunan Rentas Sempadan' kami untuk memperkukuh kehadiran kami di seluruh Semenanjung Malaysia, menyediakan kediaman berkualiti kepada keluarga yang memerlukan kediaman mampu milik.

*Untuk maklumat lanjut, sila rujuk seksyen Ulasan Operasi di halaman 61 laporan ini.*

### MENERAJUI KEMAMPAHAN INDUSTRI SECARA MENYELURUH

Dengan kemampuan sebagai teras strategi perniagaan kami dan pemacu utama kejayaan jangka panjang, kami terus mencapai kemajuan yang kukuh dalam spektrum ESG setiap tahun. Projek solar atas bumbung berskala besar kami akan mengurangkan pelepasan Skop 2 dan jejak karbon produk kami secara nyata. Di samping itu, kami telahpun meningkatkan penggunaan resin PCR dan PIR dalam bahan kami, menyokong usaha pengurangan karbon global di sepanjang rantaian bekalan.

## Pernyataan Pengerusi

Seiring dengan itu, kami dengan sukacitanya mengumumkan bahawa selain enam kilang kami yang diiktiraf oleh ISCC PLUS, kilang Scientex Packaging Film Sdn Bhd di Pulau Indah telah memperoleh pensijilan Global Recycled Standard ("GRS"), dengan itu mengesahkan penggunaan kandungan kitar semula kami serta meningkatkan daya tarikan kami kepada pelanggan yang mementingkan kelestarian alam sekitar. Tambahan pula, penglibatan kami dalam kumpulan kerja Kementerian Sumber Asli dan Kelestarian Alam Sekitar ("NRES") mencerminkan peranan kami dalam memacu usaha kemampanan plastik di peringkat kebangsaan selaras dengan Pelan Hala Tuju Kelestarian Plastik Malaysia ("MPSR") 2021-2030.

Kami juga sedang memperkukuh pelaporan kelestarian kami, selaras dengan Rangka Kerja Pelaporan Kelestarian yang Dipertingkatkan oleh Bursa Malaysia dan mempertingkatkan pengurusan risiko iklim kami melalui Pelaporan Pasukan Petugas untuk Pendedahan Kewangan Berkaitan Iklim ("TCFD"). Kumpulan kekal berbangga sebagai konstituen Indeks FTSE4GOOD Bursa Malaysia ("F4GBM") untuk tahun ketiga berturut-turut dan terus menerima pengiktirafan daripada pelbagai agensi penarafan antarabangsa.

*Untuk gambaran mendalam mengenai usaha kelestarian kami, sila rujuk Laporan Kelestarian 2024 kami.*

### MEMPERKASA DAN MELINDUNGI WARGA KERJA KAMI

Dedikasi dan usaha warga kerja kami adalah penting dalam memajukan objektif perniagaan kami. Bagi menyokong perkembangan mereka, kami telah menyediakan hampir 30,000 jam latihan kepada pekerja kami pada TK2024 untuk mempertingkatkan pembangunan diri dan profesional mereka.

Kesihatan dan keselamatan kekal sebagai keutamaan penting. Selain program latihan yang komprehensif kami juga menganjurkan inisiatif seperti Minggu Keselamatan dan Kesihatan yang merangkumi sokongan praktikal untuk pekerja seperti saringan kesihatan. Kami turut mengintegrasikan penyelesaian automasi untuk meningkatkan keselamatan dan memupuk budaya waspada.

*Ketahui lebih lanjut dalam seksyen Keselamatan dan Kesihatan Pekerjaan di halaman 70 dan seksyen Memperkasa Warga Kerja Kami di halaman 76 Laporan Kelestarian 2024 kami.*

### MEMPERKUKUH TADBIR URUS DAN PENYELIAAN

Kami komited untuk mengekalkan piawaian tadbir urus yang tinggi, yang kekal sebagai pemacu penting dalam penciptaan nilai jangka panjang untuk semua pihak berkepentingan. Pada tahun ini, jawatankuasa eksekutif kami telah menandatangani ikrar untuk memastikan

kepimpinan kami kekal komited dalam mencapai matlamat strategik dan sasaran kewangan sambil mematuhi prinsip kemampanan serta menjunjung amalan tadbir urus korporat yang baik.

Selaras dengan itu, saya berbesar hati untuk melaporkan peningkatan skor ESG FTSE Russell kami. Pencapaian ini menunjukkan usaha berterusan kami untuk memperkukuh amalan tadbir urus korporat, meningkatkan ketelusan, dan memastikan penyeliaan yang mantap.

Melangkah ke hadapan, kami merancang untuk melaksanakan sistem kelestarian bagi memperhalusi lagi proses pengumpulan data kami. Alat ini akan membantu mengekalkan jejak audit yang memperkukuh aspek kebertanggungjawapan dan kebolehkesanan, serta keupayaan pemantauan data masa nyata dan analisis trendnya akan meningkatkan keupayaan kami untuk mengurus risiko secara proaktif pada seluruh spektrum ESG.

*Untuk butiran lanjut mengenai amalan tadbir urus kami, sila rujuk seksyen Tatalaku Perniagaan Bertanggungjawab dan Tadbir Urus di halaman 32 Laporan Kelestarian 2024 kami.*

### PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan setinggi-tinggi penghargaan kepada pasukan Pengurusan yang cemerlang, diketuai oleh Encik Lim Peng Jin selaku Pengarah Urusan/Ketua Pegawai Eksekutif, bersama anggota Jawatankuasa Eksekutif yang terkemuka serta tenaga kerja kami yang pelbagai dan berdedikasi. Ketabahan mereka dalam mengatasi cabaran amat mengagumkan, dan kami yakin usaha bersama mereka akan terus memacu kami ke arah mencapai matlamat pertumbuhan dan kemampanan.

Kami juga ingin mengucapkan terima kasih kepada para pemegang saham yang setia, rakan perniagaan yang dihargai, dan pelanggan kami yang bijak menilai. Sokongan padu mereka mengukuhkan semangat kami untuk terus berusaha mencapai pertumbuhan yang mantap dan mampan. Bersama-sama, kita akan melangkah maju ke arah visi kami iaitu 'Pertumbuhan Mampan, Masa Depan Lebih Baik' memastikan penciptaan nilai dan kemakmuran untuk semua pihak berkepentingan kami.

**Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim**  
Pengerusi dan Pengarah Bukan Bebas Bukan Eksekutif



# 主席报告书

森德公司在2024财政年取得了强劲的财务和运营表现，凭借稳健的基础和创新战略，在面对挑战中展现了韧性，并成功把握新机遇。同时，我们将可持续发展融入各个运营环节，为未来的稳健和永续增长奠定了坚实基础。

各位股东，

我谨此非常荣幸的代表董事部，为大家汇报森德公司（简称森德或集团）截至2024年7月31日财政年的综合年度报告。

## 以可持续性推动韧性与增长

森德在上一个财政年推出“永续增长，创造美好未来”这一新愿景后，我们在推动所有营运中的永续战略和举措方面取得了显著的进展。

包装业务通过使用可回收包装和再生树脂，继续在提升塑料循环利用方面引领行业。此外，产业业务方面，森德持续为市场提供具有重要社会意义的可负担房屋，并优先采用可持续的建筑实践。这促使我们连续第三年入选2024年BCI亚洲十大发展商名单的荣耀。

与此同时，我们正在加大气候行动的力度。在2024财政年期间，集团开始在马来西亚10个主要厂房及总部安装屋顶太阳能光伏（PV）系统。这一举措预计到2025财政年，将为我们的能源组合增加约21兆瓦的可再生能源，减少我们的碳足迹、能源成本以及对国家电网的依赖。这个典型的例子，彰显了可持续性如何融入我们的业务和增长战略。我们也将继续扩大未来在这方面的努力。

有关我们的可持续性整合详情，请参阅本报告第61页《营运评估》的内容。

## 在成本挑战下的韧性财务表现

尽管面临严峻的市场环境，尤其是在包装业务，集团仍凭借稳健的基础和运营效率，取得创新高的业绩表现。

集团的营业额在2024财政年，取得了9.8%的年度增长，从41亿令吉增加至45亿令吉。净盈利首次超越5亿令吉，上涨24.4%，总额为达到5亿4520万令吉。而2023财政年的净盈利为4亿3810万令吉。

每股盈利也同时增长24.4%，从28.3仙增加至35.2仙，我们维持了0.18倍的良好资产负债率，为集团提供了持续扩展的财务伸缩性。

请翻阅本报告书第56页的《财务审核评估》，以了解更多财务表现详情。

## 稳健的股东回馈

森德将继续依据我们的财务业绩，为股东提供稳健的回酬。为此，集团宣布派发每股6仙的中期单层股息，并于2024年7月19日派发给股东。另外，董事部也建议再派发每股6仙的终期单层股息，回馈股东。有关终期股息的派发，有待即将来临的常年股东大会的通过。

2024财政年股息的增加，再次凸显森德致力兑现派发最低30%年度净盈利给忠诚股东的承诺。总的来说，森德于2024财政年的股息派发总额，达到约1亿8620万令吉，相等于集团约34.1%净盈利。

## 以专注战略应对市场挑战

全球包装市场持续面临挑战，主要是需求疲软和成本上涨，影响运营成本。然而，我们的包装业务团队将此视为通过创新、提高效率 and 推动可持续性来增强韧性的机会。

凭借森德强大的创新能力和与客户的紧密合作关系，我们将专注于创造具有增值的可持续包装解决方案，以满足消费者不断变化的偏好，同时，提升运营效率和成本管理。如前所述，我们的可再生能源举措也将有助于降低能源成本，并将可持续性融入我们的长期战略。

此外，包装需求的前景依然乐观，集团对该业务的长期前景充满信心。

同样的，由于材料和建筑成本的上涨，马来西亚的房地产行业面临持续的成本压力。尽管这迫使发展商提高价格以抵消上升的成本，森德的产业业务已优化其运营策略，通过有效的成本管理，确保我们的房屋尽可能保持在可负担的范围内。

在经济条件的改善以及政府持续推高中低收入群体之居者有其屋的激励措施下，市场对可负担房屋的需求依然强劲。展望未来，我们预计全国各地的项目都具有强劲的潜力，特别是在我们传统优势地区——柔佛。在这里，像柔佛捷运系统（RTS）连接项目以及拟议中的柔佛—新加坡特别经济区等项目预计将推动持续的长期需求。

相关深入分析，请参阅本报告第40页的《市场评估，前景和趋势》。

## 主席报告书

## 未来的增长和扩展准备

集团在扩展和基础设施方面的投资，例如收购森德包装（加影）有限公司（Scientex Packaging (Kajang) Sdn Bhd）和在沙阿南启用最先进的机器人拉伸膜工厂，继续支持并巩固我们在包装业务的领导地位，扩展我们的能力并扩大在高需求领域的产品组合。

展望未来，我们将继续致力于提高可持续包装解决方案，利用我们的内部协同效应和能力，提供创新的高质量产品，以满足既有市场和新兴市场的需求。

在产业业务方面，我们积极的土地收购，已成为支持每年不断新建可负担房屋数量的主要因素。森德在2024财政年已完成了6,017间可负担房屋，比去年同期增加了62.5%。

我们仍积极开展土地储备准备，并已扩大收购团队，以寻找和购入合适的土地来支持我们的长期目标。截至2024年7月31日的财政年，我们在柔佛州和雪兰莪州共收购了842英亩的土地，使我们的总土地储备面积增至7,299英亩。目前，我们还在进行额外2,978英亩的战略土地收购，预计在下一个财政年将超过10,000英亩。

这使我们能够在2028年实现建设50,000间可负担房屋的目标。与此同时，我们将继续推动跨境发展战略，以加强我们在马来半岛的地位，为需要可负担房屋的家庭提供适宜房屋。

请翻阅本报告第61页的《营运评估》，以了解更多相关发展策略。

## 引领行业可持续发展

可持续性作为我们商业战略的核心，也是实现长期成功的重要驱动力。我们每年在环境、社会及治理（ESG）领域都取得稳步进展。我们的大规模屋顶太阳能项目将显著减少我们的范围2排放和产品的碳足迹。同时我们也在材料中加大了再生后消费树脂（PCR）和再生工业树脂（PIR）的使用，以支持全球供应链的脱碳化进程。

与此同时，我们荣幸地宣布，除了六家获得国际可持续发展和碳认证（ISCC PLUS）的厂房外，我们位于英达岛的森德包装膜私人有限公司（Scientex Packaging Film Sdn Bhd）厂房还成功获得了全球回收标准（GRS）认证。该认证确认了我们对使用回收材料的做法，并进一步增强了我们对注重环保意识客户的吸引力。此外，我们积极参与天然资源及环境永续部（NRES）工作组，也反映了我们在推动全国塑料可持续发展倡议方面的努力，与2021-2030 马来西亚塑料可持续发展路线图（MPSR）一致。

我们还在加强我们的可持续性报告，以符合马来西亚证券交易所的增强可持续性报告框架，并通过推进气候相关财务信息披露工作组（TCFD）来提升我们的气候风险管理。集团连续第三年成为富时大马交易所社会责任指数（FTSE4Good Bursa Malaysia, F4GBM）成分股，并继续获得各类国际评级机构的认可。

有关我们可持续性努力的详细概述，请参阅我们的2024财政年的《永续发展报告》。

## 赋能员工的保障与授权

我们员工的奉献和努力对推动我们的业务目标至关重要。为促进员工的成长，我们在2024财政年为员工提供了近30,000小时的培训，提升了他们个人和职业的发展。

员工的健康与安全仍然是我们的首要任务。除了全面的培训计划外，我们还举办诸如安全与健康周等活动，其中包括为员工提供健康筛查等实际支持。我们正在引入自动化解决方案，以进一步提升安全措施并培养主动警觉的文化。

相关详情，请参阅2024年《永续发展报告》中（第70页）《职业安全与健康》和（第76页）《赋能员工》。

## 加强企业监管与监督

我们致力于维护高标准的企业监管，这对于所有利益相关者的长期价值创造至关重要。今年，我们的执行委员会签署了一项承诺，以确保我们的领导层专注于实现战略目标和财务指标，同时遵循可持续性原则，并恪守良好的企业监管实践。

与此一致，我很欣喜地报告，森德的富时罗素环境、社会及公司治理（FTSE Russell ESG）评分有所提升。这一进展突显了我们持续努力加强企业监管实践、提高透明度和确保有效监督的决心。

展望未来，我们计划实施一个可持续发展软件，以进一步完善我们的数据收集流程。该工具将有助于维护审计追踪，增强问责机制和可追溯性。同时，其实时数据监控和趋势分析能力将提升我们在整个环境、社会及公司治理（ESG）领域主动管理风险的能力。

有关更多企业监管的细节，请翻阅《2024年永续发展报告》第32页的《负责任的商业行为和监管》。

## 感谢篇

我谨代表董事部，深切感谢由董事经理兼首席执行官，林炳仁先生领导的杰出管理团队，卓越的执行委员会成员和我们多元化且敬业的员工。他们在克服挑战中的坚韧不拔精神令人钦佩。我们相信，他们的共同努力将继续推动我们实现增长和可持续发展的目标。

此外，我们也向忠实的股东、尊贵的商业伙伴和明智的客户表示衷心的感谢。他们的坚定支持增强了我们实现稳定和可持续发展的动力。携手并进，我们将共同朝着“永续增长，创造美好未来”的愿景迈进，确保为所有股东创造价值与兴盛。

**Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim**  
主席兼非独立非执行董事

# Board Of Directors

## TAN SRI DATO' MOHD SHERIFF BIN MOHD KASSIM

*Chairman and Non-Independent Non-Executive Director*



MALAYSIAN



AGE 85



MALE

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim is a Non-Independent Non-Executive Director and Chairman of the Company. He was appointed to the Board as the Independent Non-Executive Chairman on 20 June 2003 and was re-designated as Non-Independent Non-Executive Chairman on 22 March 2018.

He graduated with a Bachelor of Arts (Honours) in Economics from Universiti Malaya in 1963 and a Diploma in Economic Development from Oxford University, United Kingdom in 1969. He graduated with a Master of Arts in Economics from Vanderbilt University, USA in 1974.

He served as the Secretary General of Treasury, Ministry of Finance for three years from 1991 to 1994 and as Managing Director of Khazanah Nasional Berhad for nine years from 1994 to 2003. He was formerly a Director of United Engineers (Malaysia) Berhad and RHB Bank Berhad, and the former Chairman of Renong Berhad, Projek Penyelenggaraan Lebuhraya Berhad, PLUS Expressways Berhad, PLUS Malaysia Berhad, Malaysian Institute of Economic Research, Manulife Holdings Berhad, Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad. He was also a former President of the Malaysian Economic Association.

He sits on the Board of Trustees of Yayasan UEM, Yayasan MEA and Edunity Foundation. He is also a Non-Executive Chairman of Warisan Pinang Sdn Bhd, a property development company.

## LIM PENG JIN

*Managing Director/Chief Executive Officer*



MALAYSIAN



AGE 57



MALE

Lim Peng Jin is currently the Managing Director/ Chief Executive Officer ("CEO") of the Company. He was appointed to the Board on 20 January 1995 as the Group Executive Director and subsequently as Managing Director on 6 November 2001. He is also a member of the Board's Risk Management Committee.

He graduated with a Bachelor of Science (Honours) in Chemical Engineering from the University of Tokyo, Japan in 1990. He began his career in the chemical industry in Japan before joining the Company in 1991 as Management Consultant. He had also completed a course in Programme Management Development at Harvard University, USA in 1998. He has local and international working experiences in the fields of polymer and chemicals during the early years of his career and is very hands-on in the businesses of Scientex Berhad Group involving packaging, property, polymer and chemicals industries for the past 30 years. The success of the Group owes much to his extensive involvement in its operations and management. He is the brother of Lim Peng Cheong, who is also a Director and major shareholder of Scientex Berhad.

## Board of Directors

**LIM PENG CHEONG***Non-independent Non-Executive Director*

MALAYSIAN



AGE 62



MALE

Lim Peng Cheong is a Non-Independent Non-Executive Director of the Company. He was appointed to the Board as an Executive Director on 9 September 1988, and has held this position until 10 November 2003, when he was re-designated as Non-Executive Director. He is also a member of the Board's Nomination and Remuneration Committee.

He graduated with a Bachelor of Science (Honours) in Business Studies from City University, UK in June 1984. He was the Managing Director of Malacca Securities Sdn Bhd and was re-designated as Executive Chairman on 1 August 2021. He is the brother of Lim Peng Jin, who is also a Director and major shareholder of Scientex Berhad.

**WONG CHIN MUN***Senior Independent Non-Executive Director*

MALAYSIAN



AGE 80



MALE

Wong Chin Mun is a Senior Independent Non-Executive Director of the Company. He was appointed to the Board as a Non-Executive Director on 6 October 2017. He is also the Chairperson of the Board's Audit Committee and a member of the Nomination and Remuneration Committee.

He received the Teacher's Certificate from the Ministry of Education of Malaysia in 1966 and graduated with a Bachelor of Business (Accounting) and Bachelor of Business (Secretarial Administration) from Curtin University, Australia in 1972 and 1974 respectively. He is a Fellow of the Australian Society of Certified Practising Accountants as well as an associate member of the Malaysian Institute of Accountants.

He worked as the Financial Controller/ Company Secretary in Yeo Hiap Seng Bhd from 1974 to 1975. He then joined Nylex (Malaysia) Berhad ("Nylex") as the Financial Controller/ Company Secretary in 1976 and became the first local General Manager/ Director of Nylex in 1980. He was promoted to the position of Managing Director in 1985 and left Nylex at the end of June 1994 to found TEC Asia Centre (now known as Vistage Malaysia Sdn Bhd), an international organisation which aims to help chief executive officers and entrepreneurs to manage change and grow their businesses. He had served on the National Export Council under the Ministry of International Trade and Industry ("MITI") from 1989 to 1992 and was appointed to the National Branding Taskforce of MITI from 2006 to 2009. He also served on the Board of Trustees of the Malaysian Rubber Export Promotion Council from 2000 to 2002 and as the Senior Independent Non-Executive Director of Sunway Berhad from 2011 to 2020.

## Board of Directors

**DATO' NOORIZAH BINTI HJ ABD HAMID***Independent Non-Executive Director*

MALAYSIAN



AGE 64



FEMALE

Dato' Noorizah Binti Hj Abd Hamid is an Independent Non-Executive Director of the Company. She was appointed to the Board as a Non-Executive Director on 7 November 2016. She is also the Chairperson of the Board's Risk Management Committee and a member of the Audit Committee.

She graduated with a Diploma in Accountancy from MARA Institute of Technology in 1980, and a Bachelor of Science in Business Administration (Finance) and a Master's Degree in Business Administration (Finance and Management) from Central Michigan University, USA in 1982 and 1984 respectively.

She was formerly an Independent Non-Executive Director of Amanah Mutual Berhad, Maybank Islamic Asset Management Sdn Bhd, PT Lintas Marga Sedaya, a subsidiary of PLUS Expressways International Berhad ("PEIB"), and a Chairperson and Director of UKM Holdings Sdn Bhd. She was also formerly a Non-Executive Chairperson and Managing Director/Chief Executive Officer of PEIB, and former Managing Director of PLUS Malaysia Berhad and PLUS Expressways Berhad. Presently, she sits on the Board of Directors of Mass Rapid Transit Corporation Sdn Bhd and its wholly-owned subsidiary, Mass Rapid Transit System Sdn Bhd, PNB Merdeka Venture Sdn Bhd, Land & General Berhad and Petron Malaysia Refining & Marketing Berhad.

**CHIN LAM CHOONG***Independent Non-Executive Director*

MALAYSIAN



AGE 58



MALE

Chin Lam Choong is an Independent Non-Executive Director of the Company. He was appointed to the Board on 15 March 2023. He is also the Chairperson of the Board's Nomination and Remuneration Committee and a member of the Audit Committee and Risk Management Committee.

He graduated with a Higher Diploma in Electrical & Electronic Engineering and City & Guilds FTSE (UK). He is also a member of Society of Engineers (UK) AMSE and a trained Master in Six Sigma Blackbelt from ASQ USA. He has cumulated over 30 years of experience in industrial and high-tech manufacturing in the electronics industry of multinational companies.

He was a former Managing Director of Jabil Malaysia and had served the company for 23 years. Jabil Malaysia is a fully owned subsidiary of Jabil Inc, listed in NYSE. Jabil Inc is a global MNC and has over 100 factories in 20 major cities in the world. In Jabil Malaysia, he held various management positions and was promoted to Managing Director in 2008. He was responsible for all the manufacturing plants and a shared services segment in Penang with a stronghold of 15,000 employees serving diversified global top brand name customers in healthcare, enterprise and industry, consumer, telecommunication and IoT.

Save as disclosed above, the above Directors have no family relationship with any Director and/or major shareholder of Scientex Berhad, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, have not been convicted for any offences within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

# Key Management

Our key management personnel includes Mr. Lim Peng Jin, Managing Director/CEO of Scientex Berhad, and the following persons:

## CHOO SENG HONG

*Chief Operating Officer - Packaging*



MALAYSIAN



AGE 56



MALE

Choo Seng Hong graduated with a Bachelor of Accountancy from Universiti Putra Malaysia in 1993 and is also a member of the Malaysian Institute of Accountants. He joined Scientex in 1997 as a Finance and Administration Manager. Prior to that, he was attached to KPMG from 1993 to 1997 and has experience in the fields of banking, oil and gas, and manufacturing. Currently, he is the Executive Director and Chief Operating Officer of Scientex's Packaging Division. He is also the Chairman and Non-Independent Non-Executive Director of Scientex Packaging (Ayer Keroh) Berhad.

## DATUK ALEX KHAW GIET THYE

*Chief Operating Officer - Property*



MALAYSIAN



AGE 56



MALE

Datuk Alex Khaw Giet Thye joined Scientex's Property Division in 1996. Starting off as a project manager in Scientex's subsidiary, Scientex Quatari Sdn Bhd, he was promoted to General Manager on 1 February 2004 and subsequently, to Executive Director of Scientex's Property Division on 1 August 2013. Presently, he is the Chief Operating Officer of the Property Division. He graduated from Universiti Sains Malaysia with a Degree in Housing, Building & Planning and has over 30 years of experience in construction and property development.

## KOAY TEIK CHUAN

*Executive Director - Property*



MALAYSIAN



AGE 64



MALE

Koay Teik Chuan joined Scientex in 1997. During the early stages, he was involved in the construction and development of Scientex's flagship development in Johor. Prior to joining Scientex, he was handling various construction projects in different parts of the country. He was appointed as the Executive Director of Scientex's Property Division on 1 November 2009. He received his higher education from the Institut Teknologi Butterworth in 1978 and has more than 30 years of experience in various aspects of construction and property development including township projects.

## JESSELYN CHANG SIEW SIAN

*Executive Director - Corporate Planning*



MALAYSIAN



AGE 52



FEMALE

Jesselyn Chang Siew Sian is an accountant by profession. She has more than two decades of local and international experience in the field of auditing and accounting. She graduated from University of Malaya with a Bachelor's degree in Accounting. She is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. She joined Scientex Berhad in 2002 as Corporate Finance Manager and was subsequently promoted to Group Financial Controller on 15 May 2003. She was appointed as the Executive Director overseeing corporate planning of the Group since 2014. She completed the Advanced Management Program in Harvard Business School in 2015.

## Key Management

**GAN KOK KHYE***Executive Director - Corporate*

MALAYSIAN



AGE 62



MALE

Gan Kok Khye graduated from North East London Polytechnic, London in 1985 with a Bachelor of Arts (Honours) in Business Studies. He joined Scientex Group in 1988 and has since then held various management positions in the subsidiaries of the Company. For a period from 2016 to 2018, he was assigned to oversee the corporate affairs of the Group. He was appointed as an Executive Director of Scientex's Packaging Division from 2002 to June 2024 and redesignated as an Executive Director of the Corporate Division in July 2024.

**GOH TIAN CHIN***Executive Director - Packaging*

MALAYSIAN



AGE 59



MALE

Goh Tian Chin joined Scientex Polymer Sdn Bhd in September 1995 as Assistant Production Manager. He was promoted to General Manager in February 2001 and, since 1 July 2010, he has assumed the responsibilities of Senior General Manager for the stretch film business. He is a graduate of Universiti Sains Malaysia with a Bachelor's Degree in Technology and has more than 30 years of experience in the polymer industry. Presently, he is the Executive Director of the Packaging Division.

**JACKY PHANG YUEN KHANG***Sales and Marketing Director - Property*

MALAYSIAN



AGE 43



MALE

Jacky Phang Yuen Khang joined Scientex's Property Division in 2010 as Sales and Marketing Manager. He was promoted to Sales and Marketing General Manager in August 2017 and subsequently to Sales and Marketing Director of Scientex's Property Division in February 2020. He graduated from La Trobe University, Australia with a Bachelor of Business in Marketing and has about two decades of experience in marketing and property development.

**TAN HONG KOON***General Manager - Corporate Planning*

MALAYSIAN



AGE 46



FEMALE

Tan Hong Koon is an accountant by profession. She has more than two decades of local and international experience in the field of auditing and accounting. She graduated from University of Melbourne with a Bachelor of Commerce Degree specialising in Accountancy. She is a member of the Chartered Accountants of Australia and New Zealand. She joined Scientex Berhad in 2003 and was appointed as Senior Financial Manager in January 2009. She was promoted to Group Financial Controller of Scientex Berhad in October 2014 and held this position until November 2017. Presently, she is the General Manager of Corporate Planning since January 2019 and the Executive Director of Scientex Packaging (Ayer Keroh) Berhad since July 2022.

Save as disclosed above, the above key management have no family relationship with any Director and/or major shareholder of Scientex Berhad, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, have not been convicted for any offences within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.



# OUR VALUE CREATION STORY

Our integrated value creation process is comprehensive, encompassing stakeholder needs, current trends, potential risks, our Drivers of Growth, and the processes of our two business divisions.

We start by thoroughly analysing industry-level and macroeconomic trends, integrating these insights with continuous feedback from our stakeholders to gain a deeper understanding of our operating environment. Concurrently, we evaluate the matters that are most material to our business performance and sustainability, as well as the risks and opportunities present in the current economic climate and industry landscape.

Using this analysis as a base, we then formulate business strategies that optimise our use of resources across the “Six Capitals”: Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural. By aligning our strategies with these capitals, we aim to drive improvement across our three Drivers of Growth – Capacity, Efficiency and Product Value – and thus strengthen our competitive advantage.

Our strategies are executed through established business processes within our Packaging and Property Divisions, contributing towards our vision of “Sustainable Growth, Better Tomorrow” while continuously generating economic value that we reinvest to drive operational improvement.

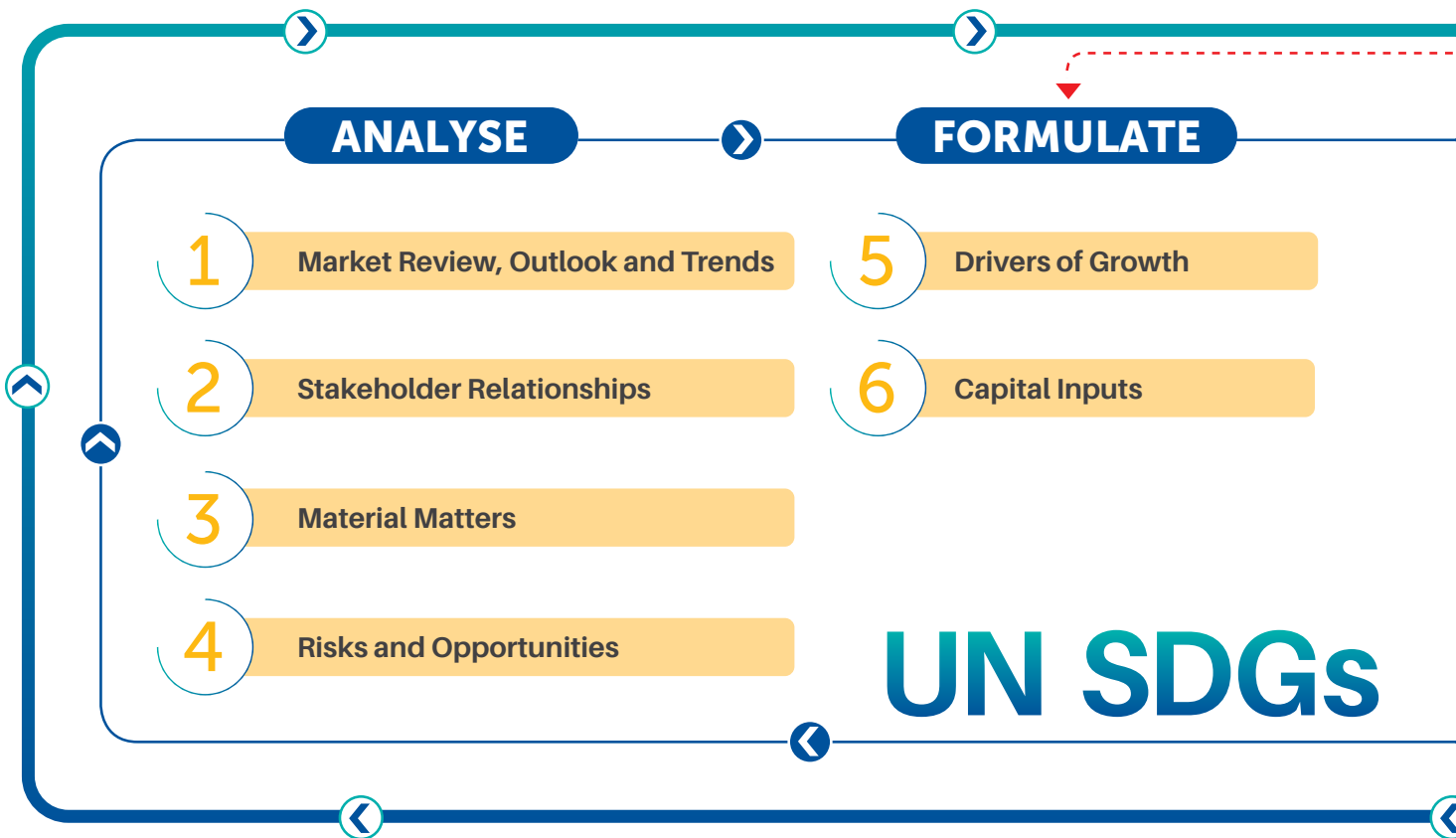
Sustainability is central to all our efforts. We carefully consider ESG factors at each stage of the value creation process and aim to contribute to the UN SDGs through our strategies, initiatives and actions. To learn more about how business and sustainability are integrated at Scientex, kindly read our Sustainability Report 2024.



# Our Value Creation Story

## SCIENTEX VISION

*Sustainable Growth, Better Tomorrow*



# UN SDGs

### 1 Market Review, Outlook and Trends > p. 40

We study global, local and industry trends to identify external forces that may impact our business operations, strategies and overall ability to create value over the short, medium and long term.

### 2 Stakeholder Relationships > p. 37

We engage meaningfully and consistently with our six key stakeholder groups to understand their priorities and expectations.



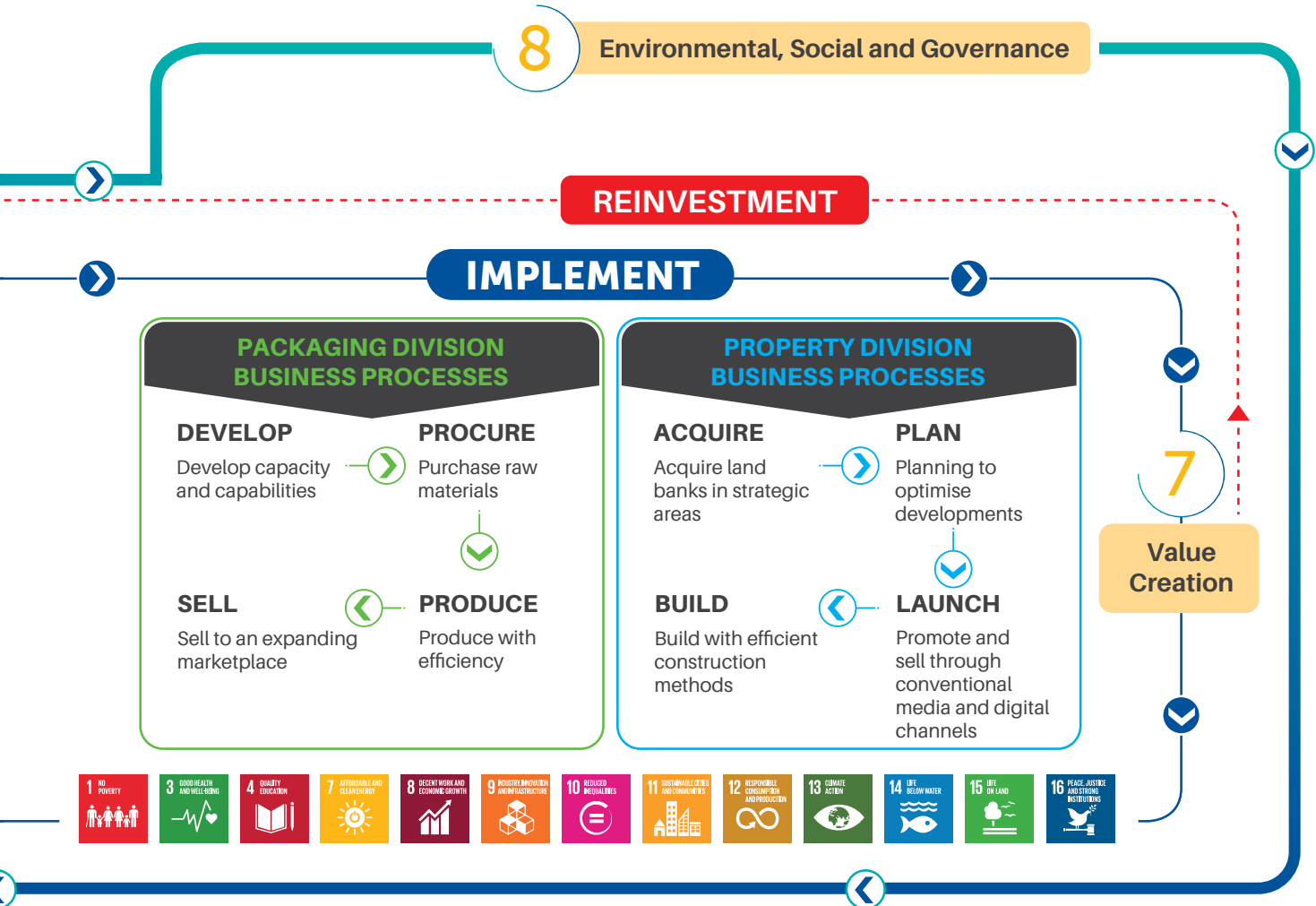
### 3 Material Matters > p. 44

Our seven material matters are thoughtfully considered for their potential to influence our competitiveness and reputation, with strategies developed to maximise value creation in each area.



### 4 Risks and Opportunities > p. 49

We stay vigilant to the evolving business and industry landscape, including strategic, operational, financial and compliance-related risks and opportunities, to protect our



operational processes, reputation and revenue-generating capabilities.

**5 Drivers of Growth** > p. 36

Our Drivers of Growth are the three key factors that most influence our ability to grow and create sustainable value. They guide our collective focus towards continuously driving product development, improving production efficiency, and increasing our capacity in everything we do.



**6 Capital Inputs** > p. 34

We strategically allocate our capital resources - encompassing financial assets, machinery, established processes, expertise, stakeholder relationships and more - to effectively implement our strategies.



**7 Value Creation** > p. 34

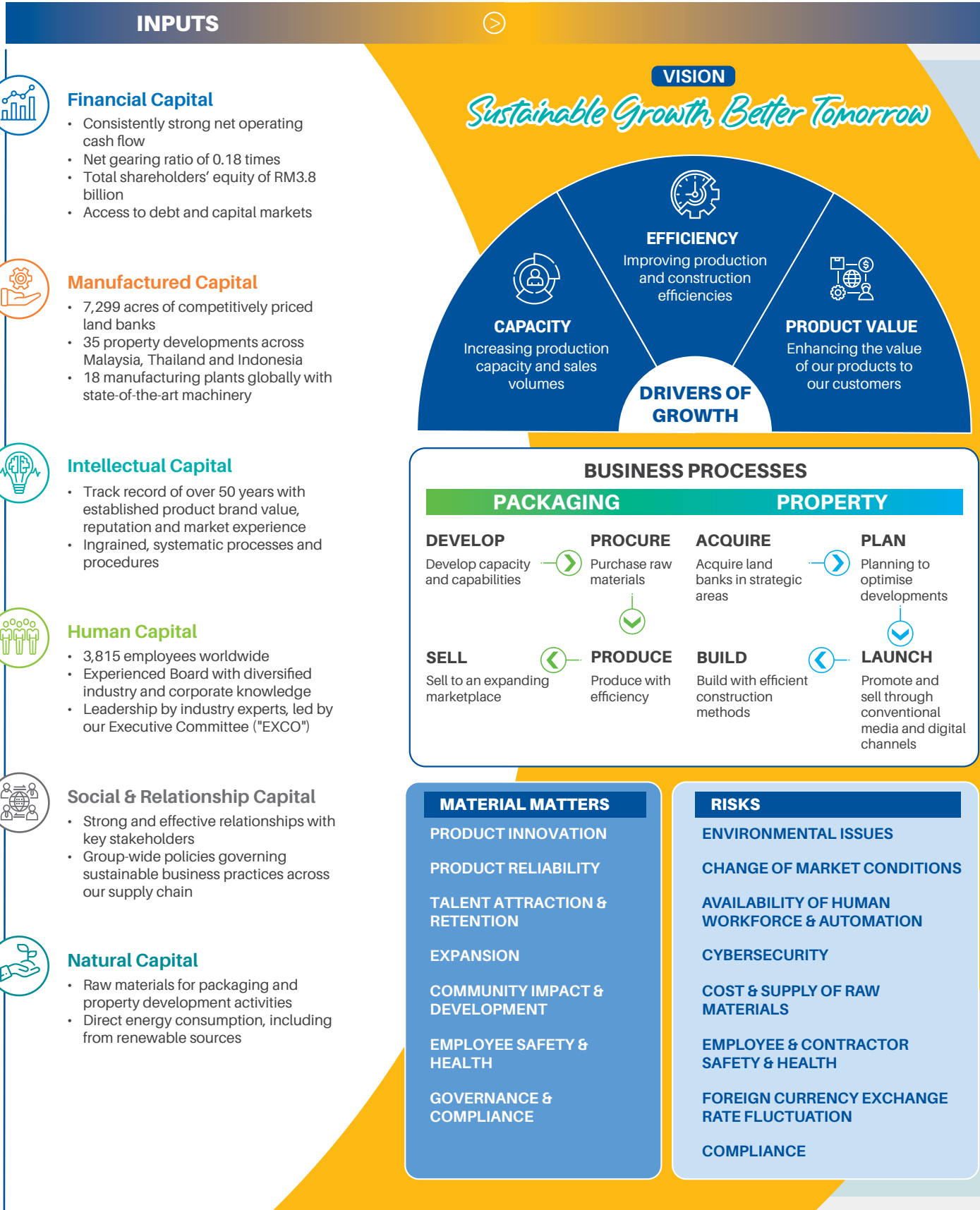
The value we generate extends beyond financial results to include shareholder dividends, contributions to national economies, job creation, and investments in social and environmental initiatives. This economic value is also recirculated and reinvested to foster continuous improvement across all our capitals.

**8 Environmental, Social and Governance**

> read our Sustainability Report 2024 to learn more

Sustainability permeates every aspect of our value creation and business operations, fostering shared value for our stakeholders, communities and planet.

# Our Value Creation Business Model



**OUTPUTS**



**OUTCOMES**

**Financial Capital**

- Revenue of RM4.5 billion
- Net profit of RM545.2 million
- Net operating cash flow of RM859.1 million
- Earnings per share of 35.2 sen
- Dividend payout of 12 sen per share (including proposed dividend pending shareholders' approval)

**Manufactured Capital**

- 266,650 MT of packaging products sold
- 14 new machines commissioned
- 842 acres of land banks acquired
- 6,017 units of affordable housing completed

**Intellectual Capital**

- 51 packaging innovations commercialised
- 2 plants certified with the ISO 45001 standard for occupational safety and health
- Listed on the F4GBM Index as a constituent company

**Human Capital**

- 75% of our workforce hired from local communities
- 29,939 hours of employee training
- Zero work-related fatalities
- RM305.9 million in Board and employee remuneration and benefits

**Social & Relationship Capital**

- Continuous increase in awareness of environmentally sustainable practices among our stakeholders
- Sustainable partnerships with customers and suppliers to co-create products and solutions
- RM164.2 million contributed in income taxes

**Natural Capital**

- 8.1% of recycled resin used in manufacturing activities
- ISCC Plus certifications obtained by six of our manufacturing plants
- 11.1% reduction in greenhouse gas ("GHG") emissions intensity in our Property Division
- 14.4% reduction in scheduled waste generated by the Packaging Division



**Customers**

- Strong, collaborative partnerships with customers to meet their packaging requirements and sustainability objectives
- Increased access to affordable housing for middle-to-lower-income home buyers through our expansion across Peninsular Malaysia and to neighbouring countries



**Suppliers**

- Consistent growth in our supplier base, with a focus on supporting the local businesses
- Ongoing supplier collaboration to drive investment in new innovations
- Promotion of ESG responsibilities within our supply chain



**Investors & Shareholders**

- Consistently healthy financial position
- Continuous value creation via sustained capital growth and dividend payouts



**Employees**

- Attraction and retention of a skilled, capable workforce through:
  - An effective rewards systems, career progression plan and employee training programme
  - High standards in safety and health
  - An inclusive and friendly working environment



**Governments & Regulators**

- Continued contribution to the Malaysian economy through exports and income taxes paid
- Continued support of government policies by developing affordable homes and contributing to the circular plastic economy
- Maintenance of a strong corporate governance framework



**Local Communities**

- Provision of long-term employment opportunities for local community members
- Reduction of our environmental footprint through business strategies and processes
- Mitigation of environmental and socio-economic risks at our property development sites via impact assessments
- Increased environmental awareness through joint initiatives with the Malaysian Plastics Manufacturers Association ("MPMA") and our internal programmes
- Enhanced quality of life through the development of affordable, quality homes
- Improved infrastructure, transport access and job opportunities through the development of integrated, self-sufficient townships

**UN SDGs**



# Our Drivers of Growth

Our Drivers of Growth lie at the heart of our value creation strategy. Consisting of Capacity, Efficiency and Product Value, they are the three most important factors impacting our long-term competitiveness and reputation. By directing our investments and innovation efforts towards driving improvement in each of these three areas, we make progress towards meeting our growth targets and fulfilling our corporate vision.

## OUR VISION

*Sustainable Growth, Better Tomorrow*



### CAPACITY

**Increasing production capacity and sales volume**

- Actively exploring potential mergers and acquisitions to tap into new markets and benefit from synergies with other organisations
- Expanding our acquisition team to source for suitable land banks, thus boosting our capacity to grow in the affordable housing market and achieve our goal of completing 50,000 affordable homes by 2028
- Investing in new machinery with enhanced technology and higher production capacities
- Implementing innovative production and construction methods to respond more effectively to market demands
- Divesting non-performing assets and reinvesting the financial capital gained into high-growth areas to ensure dynamic resource allocation that is aligned with our long-term goals



### EFFICIENCY

**Improving production and construction efficiencies**

- Embracing advanced production technologies and methods, such as automation (Packaging Division) and IBS (Property Division)
- Implementing process innovations to improve time and cost efficiency in production
- Standardising our processes to boost efficiency
- Centrally procuring raw materials to drive economies of scale, while using a 'just-in-time' purchasing strategy to reduce raw material cost volatility
- Adopting efficient factory layouts and effective production planning techniques
- Utilising sustainable production and construction methods that minimise waste and material usage, improve occupational safety and health standards, and enhance energy efficiency
- Implementing customised Enterprise Resource Planning ("ERP") systems






### PRODUCT VALUE

**Enhancing the value of our products to our customers**

- Continually monitoring our consumers' preferences and market trends to drive product innovation
- Leveraging our integrated structure in the Packaging Division to develop tailor-made solutions that cater to our customers' unique requirements
- Developing packaging solutions that support our customers' sustainability agendas
- Utilising our state-of-the-art innovation centres to carry out rigorous product testing and rapid prototyping
- Actively incorporating PCR and PIR resin content in our products
- Embracing digital marketing strategies in our Property Division to drive sales, enhance customer outreach, and efficiently generate and convert leads
- Delivering on our trifecta of benefits - Speed, Cost and Quality - in the Property Division

# Key Stakeholder Engagement

We engage with our key stakeholder groups to gain a deeper understanding of the matters that are significant to them and how we can address their expectations. The insights we gain from these engagements form an important input of our materiality determination process, enabling us to formulate business and sustainability strategies that drive shared, sustainable value creation.

Stakeholders	Why We Engage	How We Engage	How We Address Their Expectations
 <p><b>Customers</b></p>	<p>A strong emphasis on comprehending the evolving needs of our customers and the latest trends in the market enables us to make strategic investments in product innovation that lead to increased product value.</p> <p>This, in turn, enhances our overall sustainability as a business.</p>	<p><u>Packaging Division</u></p> <ul style="list-style-type: none"> <li>• The Scientex corporate website</li> <li>• Customer feedback channels</li> <li>• Regular meetings and plant visits</li> <li>• Collaborations in product development</li> <li>• Product brochures</li> </ul> <p><u>Property Division</u></p> <ul style="list-style-type: none"> <li>• Customer feedback channels</li> <li>• Social media platforms</li> <li>• The Scientex corporate website</li> <li>• Marketing campaigns and promotions</li> <li>• Our customer service offices</li> </ul>	<p><u>Packaging Division</u></p> <ul style="list-style-type: none"> <li>• Working closely with our customers to create products that meet their specific needs, with a focus on sustainability, recyclability, extended shelf life and enhanced physical performance in terms of protection, hygiene, safety and convenience</li> <li>• Utilising our integrated structure to offer fully customised solutions, from film development to converting processes</li> <li>• Addressing our customers' sustainability requirements by providing a wide range of sustainable packaging solutions</li> <li>• Ensuring continuous and open communication channels between our customers, technical staff and sales teams</li> <li>• Managing ESG risks and opportunities by adhering to established frameworks and policies, and attaining globally recognised certifications</li> </ul> <p> <b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Operational Review - Packaging Division &gt; p. 61</a></li> <li><a href="#">Product Innovation &gt; p. 38 of our Sustainability Report 2024</a></li> <li><a href="#">Environmental Compliance &gt; p. 62 of our Sustainability Report 2024</a></li> </ul> <p><u>Property Division</u></p> <ul style="list-style-type: none"> <li>• Leveraging centralised procurement and systematic processes to optimise construction costs and end-sale prices</li> <li>• Expanding our affordable housing reach to serve more communities and middle-to-lower-income individuals</li> <li>• Advertising our latest launches, events and promotions via traditional and digital marketing channels to expand our customer reach</li> </ul> <p> <b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Operational Review - Property Division &gt; p. 67</a></li> <li><a href="#">Providing Affordable Housing &gt; p. 35 of our Sustainability Report 2024</a></li> </ul>

## Key Stakeholder Engagement

Stakeholders	Why We Engage	How We Engage	How We Address Their Expectations
 <p><b>Suppliers</b></p>	<p>Constant engagement with our suppliers is crucial as they are pivotal in upholding our product quality standards, meeting production timelines, and enabling proactive identification and mitigation of operational risks.</p> <p>Besides that, our engagements are a vital channel to promote the adoption of sustainable and ethical business practices that align with industry norms.</p>	<ul style="list-style-type: none"> <li>Regular supplier meetings and progress updates</li> <li>Ongoing evaluations</li> <li>Site visits</li> <li>Exhibitions and trade fairs</li> <li>Technical seminars</li> <li>Our Code of Conduct for Suppliers</li> </ul>	<p><u>Raw material and machinery suppliers</u></p> <ul style="list-style-type: none"> <li>Hosting regular supplier meetings to enable efficient inventory planning and ensure maximum production efficiency</li> <li>Maintaining open lines of communication to understand requirements and technical specifications better, while staying updated on new technologies in the industry</li> <li>Carrying out periodic reviews of these suppliers to enhance the quality of goods and services they deliver</li> </ul> <p><u>Sub-contractors and construction material suppliers</u></p> <ul style="list-style-type: none"> <li>Conducting regular meetings to discuss construction schedules and exchange material demand forecasts</li> <li>Undertaking periodic performance reviews of these suppliers to improve the quality of goods and services they deliver</li> </ul>
 <p><b>Investors &amp; Shareholders</b></p>	<p>By maintaining the trust of our investors and shareholders through transparent disclosure of our financial and non-financial performance, we protect and grow the capital at our disposal, providing ourselves with the means to achieve our business growth and expansion goals.</p>	<ul style="list-style-type: none"> <li>Annual General Meetings ("AGM")</li> <li>Investor relations engagements</li> <li>Integrated Annual Reports and Sustainability Reports</li> <li>The Scientex corporate website</li> <li>Announcements on Bursa Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Adopting integrated reporting to clearly convey the holistic and interconnected nature of our strategies and the value they create</li> <li>Establishing external and internal investor relation teams to ensure effective communication</li> <li>Delivering consistent capital appreciation and robust dividend payouts</li> <li>Intensifying our community-based and environmental efforts, and regularly communicating the outcomes of our initiatives</li> <li>Reinvesting profits into our business to drive continuous improvement across our capitals and accelerate the creation of sustainable shareholder value</li> </ul>
 <p><b>Employees</b></p>	<p>Through ongoing communication with our employees, we gain a clearer understanding of their personal and professional needs, enabling us to develop programmes and initiatives that drive skills development, fuel innovation, drive employee retention and, ultimately, improve the human capital at our disposal.</p>	<ul style="list-style-type: none"> <li>Quarterly Rolling Budget ("QRB") dialogues</li> <li>Employee appraisals</li> <li>Employee engagement events</li> <li>Internal bulletins</li> <li>Progress update meetings</li> <li>Monthly management meetings</li> </ul>	<ul style="list-style-type: none"> <li>Communicating our goals and targets effectively through various channels, including monthly management meetings, biannual QRB dialogues and monthly EXCO meetings</li> <li>Maintaining regular communication via corporate and event videos, notice boards, bulletins and online portals</li> <li>Aligning our employee rewards system with our objectives while instituting performance incentives to motivate and recognise exceptional contributions</li> <li>Promoting continuous professional development through tailored employee training modules and programmes</li> <li>Ensuring a safe and healthy work environment that abides by high occupational safety and health standards</li> <li>Enhancing employee health through the provision of various medical benefits and health talks</li> </ul>

## Key Stakeholder Engagement

Stakeholders	Why We Engage	How We Engage	How We Address Their Expectations
 <p><b>Governments &amp; Regulators</b></p>	<p>We engage with governmental and regulatory authorities to remain abreast of evolving regulatory requirements, enabling us to develop strategies that deliver shared value for our business and our countries of operation.</p> <p>In addition, our engagements empower us to more effectively support public policy goals, especially in expanding access to affordable housing to a broader segment of the population.</p>	<ul style="list-style-type: none"> <li>• Regular meetings and consultations</li> <li>• Seminars, training sessions, dialogues and forums organised by regulatory bodies</li> <li>• On-site inspections and audits</li> </ul>	<p> <b>Read more</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Occupational Safety and Health &gt; p. 70 of our Sustainability Report 2024</a></li> <li>• <a href="#">Empowering Our People &gt; p. 76 of our Sustainability Report 2024</a></li> </ul> <ul style="list-style-type: none"> <li>• Developing affordable housing solutions that meet the specific needs of local communities, in line with government initiatives to improve housing accessibility for middle-to-lower-income groups</li> <li>• Focusing our innovation efforts on products that support government sustainability goals</li> <li>• Actively investing in community development to foster socio-economic progress</li> <li>• Maintaining an internal team and collaborating with external advisors to ensure compliance and stay informed on legal and regulatory developments</li> <li>• Contributing to Malaysia's economic growth by generating foreign currency receipts from exports and fulfilling our tax obligations</li> </ul> <p> <b>Read more</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Responsible Business Conduct and Governance &gt; p. 32 of our Sustainability Report 2024</a></li> <li>• <a href="#">Economic Value Contributed &gt; p. 45 of our Sustainability Report 2024</a></li> </ul>
 <p><b>Local Communities</b></p>	<p>Through active engagement with members of our local communities - who constitute our consumers and most of our workforce in the Packaging and Property Divisions - we gain invaluable insights into their needs and preferences. This understanding guides us in continuously enhancing our product development processes, employment practices and sustainability initiatives.</p>	<ul style="list-style-type: none"> <li>• Social media channels</li> <li>• The Scientex corporate website</li> <li>• Customer service offices (Property Division)</li> <li>• Community events</li> <li>• Dialogue sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Providing local community members with stable employment and abundant opportunities for career growth</li> <li>• Expanding our affordable housing initiatives across Peninsular Malaysia and neighbouring countries to benefit a broader spectrum of middle-to-lower-income individuals</li> <li>• Creating integrated townships that incorporate a variety of services, commercial zones for job creation, and enhanced connectivity to major population centres, thereby strengthening community resilience and enhancing quality of life</li> <li>• Implementing environmental and social impact assessments to mitigate risks at our property development sites</li> <li>• Dedicating financial resources to support initiatives such as school-based programmes and environmental projects that promote sustainable living</li> <li>• Actively supporting socio-economic progress through local community engagement initiatives</li> </ul> <p> <b>Read more</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Providing Affordable Housing &gt; p. 35 of our Sustainability Report 2024</a></li> <li>• <a href="#">Empowering Our People &gt; p. 76 of our Sustainability Report 2024</a></li> <li>• <a href="#">Contributing to Local Communities &gt; p. 82 of our Sustainability Report 2024</a></li> </ul>



# Market Review, Outlook and Trends - Packaging

Amidst a dynamic industry landscape, our Packaging Division remains committed to overcoming challenges and capitalising on opportunities within the packaging sector. By prioritising circularity and sustainability, we are well-placed to drive continued growth in the years ahead.

## Building resilience with sustainable strategies

The global packaging market continues to present a challenging outlook, marked by ongoing supply chain disruptions, geopolitical tensions, currency fluctuations and weak market sentiment. However, we view this period as an opportunity for our Packaging Division to develop resilience through innovation, efficiency and sustainability.

A key focus of our strategy is leveraging our strong product innovation capabilities to develop customised, value-added packaging solutions that meet the increasing demand for recyclable and sustainable packaging.

Simultaneously, we remain focused on improving operational efficiency and cost management. A key initiative in this regard is expanding our renewable energy generation capacity to reduce energy costs and embed long-term sustainability into our operations. During the financial year, we developed a roadmap to install rooftop solar PV systems across our corporate headquarters and 10 key manufacturing plants nationwide, targeting a combined capacity of approximately 21 MWp.

By integrating operational efficiency, innovation in sustainable packaging and renewable energy adoption, alongside an unrelenting focus on quality and timely delivery, we continue to position ourselves as a resilient and competitive player in a dynamic global market.

Looking ahead, we maintain an optimistic long-term outlook for the packaging sector.

## Rising opportunities in the global stretch film market

The global stretch film market is on a growth trajectory, expected to expand to an estimated US\$6.68 billion by 2028, reflecting a compound annual growth rate ("CAGR") of 3.4% during the period.<sup>1</sup> This growth is primarily driven by the robust expansion of the global shipping and warehouse logistics sector, where stretch film plays a crucial role in securing goods for transportation and storage.

Consequently, our stretch film division has continued to experience strong sales growth, not only in the Asia Pacific market but also in Europe and North America. As a leading global stretch film player, we will continue to expand our

capacity, enhance operational efficiency and innovate to capitalise on this growing market.

With our state-of-the-art Robotic Stretch Film Plant in Shah Alam, alongside several other stretch film facilities across Malaysia and the United States, we remain well positioned to capture the rising demand. Looking ahead, we will persist in making strategic investments in advanced robotic automation and machinery to further improve production efficiencies and enhance the sustainability of our products.



Our Robotic Stretch Film Plant in Shah Alam, Selangor

## FPP market continues to expand

Plastic remains a popular choice for packaging due to its versatility and malleability. It is lightweight, cost-effective, and offers a wide range of protective properties while minimising material consumption. Flexible plastic is also estimated to be more energy-efficient than alternatives like paper and cardboard, while producing fewer water and air pollutants.

As a result, the global flexible packaging market is projected to grow from an estimated value of US\$214.2 billion in 2022 to US\$289.0 billion in 2028, at a CAGR of 5.1% during the forecast period, with flexible plastics commanding a significant 67.9% share of the global flexible packaging market in 2022.<sup>2</sup>

The increased demand for food and pharmaceutical products continue to contribute strongly to growth in the FPP market. With cutting-edge technologies advancing research

## Market Review, Outlook and Trends > Packaging

and development in this sector, modern FPP solutions have emerged as a compelling choice for both manufacturers and consumers, offering excellent barrier properties that protect food products and extend shelf life, while providing visually appealing packaging options that are both recyclable and sustainable. Meanwhile, in the healthcare segment, a rising geriatric population is boosting demand for specialised packaging.

From a geographical perspective, Asia Pacific holds the largest market share and is the fastest-growing region, driven by strong demand from the food and beverages ("F&B") and healthcare sectors, along with the expanding e-commerce industry in emerging markets.<sup>2</sup>

Our Packaging Division is poised to capitalise on these trends through our core business objectives and commitment to delivering innovative FPP solutions that prioritise protection, convenience, hygiene, and safety. Our offerings also contribute to the reduction of food waste through packaging solutions that enhance product shelf life and maintain product freshness.

As an integrated flexible packaging manufacturer, we are confident in harnessing our operational synergies and innovation expertise to meet customer needs and capture a growing share of the consumer packaging market in the years ahead. With plants in Melaka serving the F&B and fast-moving consumer goods ("FMCG") sectors, and in Kajang for medical devices, we are well-positioned to meet the rising demand for FPP solutions.

### Leveraging the growing emphasis on plastic circularity

The global sustainable FPP market, including recycled content packaging, is anticipated to experience notable growth, driven by increasing demand from various industries.

This growth is being supported by the global shift towards transforming the plastics sector. In October 2018, the Ellen MacArthur Foundation, in partnership with the United Nations Environment Programme ("UNEP"), launched the New Plastic Economy Global Commitment, which has since gained the support of over 500 signatories.

Malaysia has also demonstrated its dedication to plastic sustainability through its Twelfth Malaysian Plan 2021-2025 ("RMK-12") and the MPSR 2021-2030, furthering its commitment to sustainable development.

Aligned with these initiatives, we continue to embed sustainability into our core business strategies by

collaborating with brand owners to innovate sustainable packaging solutions and advance their sustainability goals. Additionally, we have developed products incorporating both PIR and PCR resin, further advancing circularity in the plastics sector.

Looking ahead, we will continue reinvesting in our business to strengthen our capabilities and capacity, ensuring sustained growth and innovation in sustainable packaging solutions.

#### Sources:

1. *Global and United States Stretch Film Packaging Market Report & Forecast 2022-2028 | Market Research Report | May 2022*
2. *Flexible Packaging Market - Global Outlook & Forecast 2023-2028 | Market Research Report | February 2023*

# Market Review, Outlook and Trends - Property

Despite elevated construction costs, strong demand and the national focus on affordable housing development have positioned our Property Division for steady growth. We remain poised to expand our footprint of developments as we continue delivering accessible housing solutions for local communities.

## A generally positive outlook amidst cost pressures

Cost pressures remain a concern in the Malaysian property sector, with building material and construction costs staying elevated following the price hikes experienced in 2023. This exerts upward pressure on property prices as developers attempt to offset these rising costs.

Our Property Division, however, has continued to leverage on our established operational and pricing strategies to manage these challenges, which include increasing the use of IBS construction techniques, optimising land use and purchasing our materials in bulk quantities to reduce input costs. Through these efforts, we are able to manage costs, allowing potential buyers to continue benefiting from the affordability of our homes.

Despite these ongoing challenges, demand for real estate has remained positive, with an increase in the number and value of transactions recorded in the first half of 2024. This growth has been driven by a strong economy, government housing initiatives and progress in infrastructure and trade, all of which have contributed to higher GDP growth, improved employment rates and rising household income.

In line with this, we continue to witness strong demand for affordable properties, as reflected in the robust take-up rates for our new launches across various states in Peninsular Malaysia. Riding on this momentum, our Property Division expects to roll out more new phases of development in the coming financial year.

Johor presents particularly promising opportunities, with the Rapid Transit System ("RTS") link to Singapore stimulating demand in the surrounding areas. This is reflected by the 2.0% increase in the Sale Demand Index for residential properties in Q1 2024.<sup>1</sup> Additionally, Johor's residential market is poised to benefit from the proposed Johor-Singapore Special Economic Zone and the ensuring rise in data centre developments.

While Johor remains a key stronghold for us, over the years we have steadily established a strong presence in seven states across Peninsular Malaysia. We remain committed to expanding our portfolio of affordable homes, ensuring continued access to quality, affordable housing for a broader demographic.

## Positive economic indicators bode well for purchasing confidence

Malaysia's GDP expanded by 5.9% in Q2 2024, with growth for the first half of the year standing at 5.1%, compared to 4.1% in the previous year's corresponding period. This positions Malaysia favourably to close the year with growth at the upper end of the government's forecast range of 4% to 5%.<sup>2</sup>

This positive trend aligns with improving economic indicators. Employment grew by 2.8% to 16.6 million, with the creation of around 190,000 new jobs keeping the unemployment rate low at 3.3%. Additionally, the value of construction work done surged by 20.2% to RM38.9 million in Q2 2024, driven by robust performance in the civil engineering and residential building subsectors.<sup>2</sup>

We believe that these positive economic factors will boost purchasing confidence in the residential property market. This outlook is further supported by stable interest rates, as Bank Negara Malaysia's Monetary Policy Committee maintained the Overnight Policy Rate ("OPR") at 3.00% in July 2024.<sup>3</sup>

The relatively low and stable OPR will help manage inflation while supporting economic growth. At the same time, attractive interest rates create a conducive environment for potential home buyers to finance property purchases. Reports from Bank Negara Malaysia have already shown an uptick in loan applications, with approved loans for property purchases recording a 15.2% year-on-year growth in April 2024, signalling stronger demand for properties.<sup>4</sup>

## National demand remains focused on affordable properties

We continue to closely monitor the performance and developments in the property sector to ensure our initiatives align with market demand. According to the Malaysian National Property Information Centre's ("NAPIC") Property Market Report 2023, the residential property market saw a marginal increase of 3.0% in transaction volume to 250,586 and a 7.1% rise in transaction value to RM100.9 billion compared to 2022.<sup>5</sup>

Selangor led with the highest market share, contributing 22.0% of the volume and 30.0% of the value. Johor ranked

## Market Review, Outlook and Trends > Property

second highest, with a 16.2% share of volume and 18.0% of value.<sup>5</sup>

Demand remained concentrated on terraced houses, which comprised about 43.6% of total residential transactions, while high-rise units made up 14.7%. Affordable housing continued to lead in demand, with properties priced at RM300,000 and below accounting for 52.8% of transactions, followed by those priced between RM300,001 and RM500,000 at 24.9%.<sup>5</sup>

The residential overhang situation also improved in Q4 2023. There were 25,816 overhang units worth RM17.7 billion, reduced by 7.0% and 4.0% in volume and value, respectively, against Q4 2022.<sup>5</sup>

Property Market Report 2023 - Number of Residential Property Transactions by Sub-Sector and Price <sup>5</sup>		
Time Period & Price Range	Units	
Jan - Dec	2022	2023
100,000 & Below	40,935	38,183
100,001 - 200,000	48,523	46,487
200,001 - 300,000	46,158	47,683
300,001 - 400,000	34,190	35,576
400,001 - 500,000	24,674	26,825
500,001 - 600,000	14,012	15,450
600,001 - 700,000	9,763	11,456
700,001 - 800,000	6,441	7,720
800,001 - 900,000	4,284	5,035
900,001 - 1,000,000	2,858	3,321
1,000,001 & Above	11,352	12,850
<b>Total</b>	<b>243,190</b>	<b>250,586</b>

With annual NAPIC statistics reflecting a stable demand for affordable landed properties in Malaysia, we are reaffirmed in our Property Division's focus on affordable housing. Bolstered by our efforts in significant strategic land bank acquisitions, we remain committed to sustaining our construction activities for affordable homes and growing our footprint in this sector.

### National initiatives remain in support of our long-term ambitions

In response to the public demand for affordable homes, the government has continued efforts to address undersupply. Under the 12<sup>th</sup> Malaysia Plan ("RMK-12"), the government aims to support the construction of 500,000 affordable homes by 2025, focusing on improving access to home financing and enhancing the desirability of affordable homes.

To propel these ambitions, the Ministry of Housing and Local Government ("KPKT") is creating a supportive ecosystem for housing development and financial institutions, helping average Malaysians achieve home ownership. Following the conclusion of the Keluarga Malaysia Home Ownership Initiative ("i-MILIKI") at the end of 2023, the government has introduced additional measures in Budget 2024 to assist home buyers.

These include extending the full stamp duty exemption for first-time buyers on residential homes priced up to RM500,000 until 31 December 2025. In collaboration with the Ministry of Finance, KPKT is also continuing the Malaysian Housing Financing Initiative ("i-Biaya"), which offers various financing schemes to support home ownership among middle-to-lower-income communities, thereby encouraging affordable home development.

A key component is the Housing Credit Guarantee Scheme ("HCGS"), designed to assist vulnerable groups with irregular income, such as gig workers, business owners and small traders, by providing loans up to 120% of the property value (up to RM300,000), covering not only the property's cost but also additional expenses associated with home ownership.

In Budget 2024, the government significantly increased the allocation for HCGS to RM10 billion, doubling the RM5 billion allocated in 2023. This expansion aims to assist 40,000 borrowers from the most vulnerable segments of the population.<sup>6</sup>

With the proven success of past initiatives, we are confident that improved access to financing will drive more middle-to-lower-income individuals to purchase affordable homes. This, in turn, will help us achieve our target of constructing 50,000 affordable homes by 2028.

#### Sources:

1. *Malaysia Property Market Report Q1 2024* | Property Guru | May 2024
2. *Economic Growth Trumps Expectations for Two Straight Quarters In 2024* | Ministry of Finance | August 2024
3. *Monetary Policy Statement* | Bank Negara Malaysia | July 2024
4. *Uptick in loan applications signals stronger demand for properties* | *New Straits Times* | June 2024
5. *Property Market Report 2023* | NAPIC
6. *Budget 2024 special govt guarantee schemes start receiving applications for MSMEs, first-time homebuyers without regular income* | *The Edge Malaysia* | March 2024

# Our Material Matters

Leveraging input from our stakeholders and findings from our internal analysis, we are able to identify the key matters crucial to our value creation in the short, medium and long term across our businesses and communities. These material matters serve as foundational pillars that guide our efforts in mitigating potential risks and seizing emerging opportunities.

Through our established materiality determination process, as depicted in the accompanying table, we have pinpointed seven key matters with the biggest potential to influence our business and stakeholders. Our reasoning and approach towards these matters are further described below.

## THE MATERIALITY DETERMINATION PROCESS

### IDENTIFICATION

We integrate stakeholder feedback with the outcomes of our internal analyses to identify matters that may impact the Group’s financial and non-financial performance. These are done within the context of the Six Capitals of the <IR> Framework.

### EVALUATION AND PRIORITISATION

By carefully assessing the significance of these topics and considering their known or potential impact on value creation for our business and stakeholders, we are empowered to ascertain the material matters that should be prioritised.

### DISCLOSURE

We conduct an intensive exercise to determine the relevant information to disclose within the scope and boundary of each key material matter, which subsequently ensures the thoroughness of our reporting.

## OUR SEVEN KEY MATERIAL MATTERS



### Product Innovation

Promoting collaboration and harnessing new technologies, ideas and methods allows us to enhance our product offerings continually.



### Product Reliability

Embedding quality, safety and delivery standards across our operations helps us exceed expectations and foster brand loyalty amongst customers.



### Talent Attraction & Retention

Aligning rewards with performance and facilitating upskilling fosters continual workforce enrichment, impacting product value and supporting our growth targets.



### Expansion

Engaging in continuous capacity and capability building as an integral part of our corporate strategy enhances our growth potential and leads to improved outcomes.



### Community Impact & Development

Prioritising the needs and well-being of the community in all we do empowers us to drive positive external impacts in tandem with our growth.



### Employee Safety & Health

Protecting the safety and health of our people preserves regulatory compliance, safeguards employee welfare and protects the stability of our business.



### Governance & Compliance

Upholding robust governance systems and vigilantly adhering to applicable laws and regulations promotes operational excellence, ensures effective oversight and enhances our reputation.

Our Material Matters

Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 <p><b>Product Innovation</b></p>	<p><u>Capitals Impacted:</u></p>  <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p> 	<ul style="list-style-type: none"> <li>• Innovation propels our Drivers of Growth, enhancing our production capacity and efficiency, and empowering the development of high-value customer-centric products and solutions</li> <li>• As an integrated FPP producer, we collaborate closely with our customers to develop innovative, tailored packaging solutions that meet their specific needs</li> <li>• Supported by constant innovation, our consumer packaging products offer extended shelf life, elevated safety and hygiene standards, and increased convenience, while our industrial packaging products deliver superior physical performance achieved with lower resource consumption</li> <li>• In our commitment to sustainability and the circular plastic economy, we implement processes that minimise raw material usage, improve energy efficiency and reduce waste</li> <li>• To support our innovation initiatives, we invest in state-of-the-art innovation centres equipped for rapid prototyping and testing of new products and solutions, and leverage comprehensive analyses of market and industry data to inform strategic decisions</li> <li>• In the Property Division, our adoption of IBS construction techniques enhances our efficiency, build quality and employee safety, while significantly reducing construction waste</li> </ul> <p> <b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Operational Review - Packaging Division &gt; p. 61</a></li> <li><a href="#">Product Innovation &gt; p. 38 of our Sustainability Report 2024</a></li> </ul>
 <p><b>Product Reliability</b></p>	<p><u>Capitals Impacted:</u></p>  <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p> 	<ul style="list-style-type: none"> <li>• Our customer-centric approach is underscored by a steadfast emphasis on consistency, reliability and an unwavering commitment to quality</li> <li>• We adhere to international best practices, particularly in mission-critical areas across our two core businesses, with most of our manufacturing plants certified to globally recognised ISO standards</li> <li>• Our systematic processes and procedures are designed to ensure we consistently achieve and maintain quality at scale, delivering reliable and top-notch products to customers</li> <li>• Within our Property Division, we utilise well-established land space and home designs to optimise land use, maximise end-product quality and ensure timely delivery of property developments</li> <li>• Our Packaging Division’s dedication to quality is exemplified by a decade-long track record without major product recalls</li> <li>• Driven by our emphasis on continuous improvement, we actively align our processes with evolving customer needs, regularly seeking feedback and fostering open communication</li> </ul> <p> <b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Packaging Division - Overview &gt; p. 10</a></li> <li><a href="#">Property Division - Overview &gt; p. 14</a></li> <li><a href="#">Operational Review - Packaging Division &gt; p. 61</a></li> </ul>

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 <p><b>Talent Attraction &amp; Retention</b></p>	<p><u>Capitals Impacted:</u></p>  <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p> 	<ul style="list-style-type: none"> <li>• Central to our human capital development and innovation strategies is attracting, developing and retaining a high-quality workforce to accelerate our three Drivers of Growth</li> <li>• As a reputable employer, we ensure full compliance with employment laws and regulatory requirements in all jurisdictions</li> <li>• We provide competitive remuneration packages and impactful talent development opportunities to attract and retain high-quality professionals</li> <li>• We offer performance-based bonuses to incentivise our employees to achieve clearly defined Key Performance Indicators (KPIs), fostering excellence in their roles</li> <li>• We cultivate a culture of transparency and collaboration through two-way communication and an open-door policy, ensuring we stay informed about current and potential impacts on our workforce</li> <li>• We leverage various communication channels, including QRB dialogues, regular meetings, roundtable discussions and performance reviews, to facilitate meaningful interactions with our employees</li> <li>• We prioritise the employment of local talents to foster a stable and sustainable workforce that drives our growth while supporting community progress and mitigating human capital risks</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Key Stakeholder Engagement - Employees &gt; p. 38</a></li> <li>• <a href="#">Key Risks and Mitigation - Availability of Human Workforce and Automation &gt; p. 51</a></li> <li>• <a href="#">Occupational Safety and Health &gt; p. 70 of our Sustainability Report 2024</a></li> <li>• <a href="#">Empowering Our People &gt; p. 76 of our Sustainability Report 2024</a></li> </ul>
 <p><b>Expansion</b></p>	<p><u>Capitals Impacted:</u></p>   <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p> 	<ul style="list-style-type: none"> <li>• Our continual expansion efforts focus on increasing our production capacity, property land bank footprint and customer base, in line with our vision: Sustainable Growth, Better Tomorrow</li> <li>• Guided by our 'Cross Border Development Strategy', our Property Division actively explores new locations within Peninsular Malaysia to provide affordable housing to a broader cross-section of local communities</li> <li>• To further expand our market presence, we are intensifying our efforts to acquire suitable land banks, targeting to achieve over 10,000 acres by the next financial year</li> <li>• In our Packaging Division, ongoing investments in advanced machinery and technology continually boost our production capacity and capabilities</li> <li>• We work closely with our customers to co-create innovative products and solutions, particularly recyclable FPP structures, that enable us to strategically expand our customer base</li> <li>• We prudently reinvest our financial resources into high-growth areas to maximise our growth potential, including via strategic acquisitions, land bank expansions and organic expansions</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Review - Packaging Division &gt; p. 61</a></li> <li>• <a href="#">Operational Review - Property Division &gt; p. 67</a></li> <li>• <a href="#">Product Innovation &gt; p. 38 of our Sustainability Report 2024</a></li> </ul>

Our Material Matters

Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 <p><b>Community Impact &amp; Development</b></p>	<p><u>Capitals Impacted:</u></p>  <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p> 	<ul style="list-style-type: none"> <li>• As encapsulated by our vision, we strive to harmonise our business objectives with the well-being of our people and planet</li> <li>• Our Packaging Division's innovations deliver tangible benefits, including enhanced protection, convenience, hygiene and safety, while also reducing food waste</li> <li>• Our sustainable packaging solutions contribute to promoting plastic circularity, fostering a more sustainable future for generations to come</li> <li>• In our Property Division, we focus on creating quality yet affordable housing to provide equitable home ownership opportunities for diverse local communities</li> <li>• Guided by our goal to complete 50,000 affordable homes by 2028, we aspire to deliver positive and transformative outcomes to an increasing number of Malaysian families</li> <li>• Our planned developments offer holistic benefits for home owners and surrounding communities, including integrated essential services, job creation and enhanced connectivity through purposeful transportation infrastructure</li> <li>• Further to the direct impacts of our business, we extend support to the larger community through partnerships with established NGOs and by undertaking various social initiatives, including regular blood donation drives</li> <li>• Our Green Truck Programme promotes recycling awareness among schoolchildren and educates them on the significance of 3R (Reduce, Reuse and Recycle) practices</li> <li>• We provide preferential employment opportunities to local talent and partner with local suppliers whenever possible</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Key Stakeholder Engagement - Local Communities &gt; p. 39</a></li> <li>• <a href="#">Providing Affordable Housing &gt; p. 35 of our Sustainability Report 2024</a></li> <li>• <a href="#">Product Innovation &gt; p. 38 of our Sustainability Report 2024</a></li> <li>• <a href="#">Empowering Our People &gt; p. 76 of our Sustainability Report 2024</a></li> <li>• <a href="#">Contributing to Local Communities &gt; p. 82 of our Sustainability Report 2024</a></li> </ul>
 <p><b>Employee Safety &amp; Health</b></p>	<p><u>Capitals Impacted:</u></p>  <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p> 	<ul style="list-style-type: none"> <li>• Safeguarding the safety and health of our valued team members at all times is a fundamental priority across our operations, preserving our reputation as a responsible employer of choice</li> <li>• We adhere to rigorous safety and health practices at all our worksites and manufacturing facilities, fully complying with all relevant national, local, industry-specific and occupation-specific laws, regulations and best practices</li> <li>• Our Group-wide Safety and Health Policy provides clear guidance and purpose-fit practices for injury prevention and protection, emergency preparedness and response, and safety and health education, ensuring consistency across all our operations</li> <li>• Our worksites undergo regular evaluations to proactively identify and mitigate potential safety and health concerns</li> <li>• We frequently organise a wide range of occupational safety and health training courses for our employees, keeping them abreast of best practices</li> </ul>



Our Material Matters

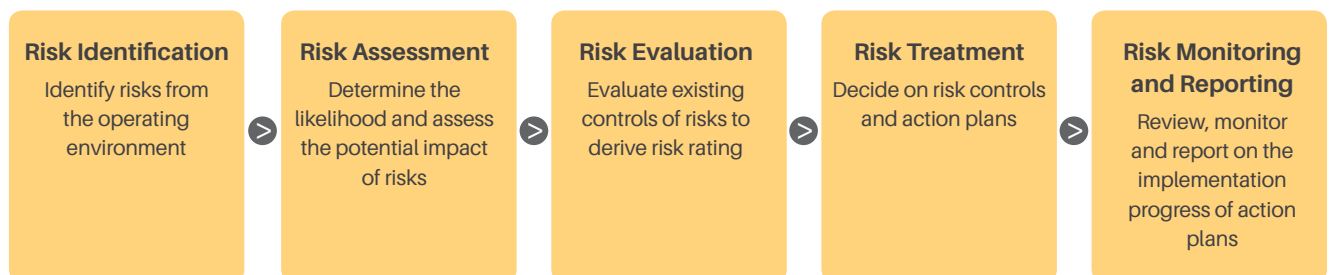
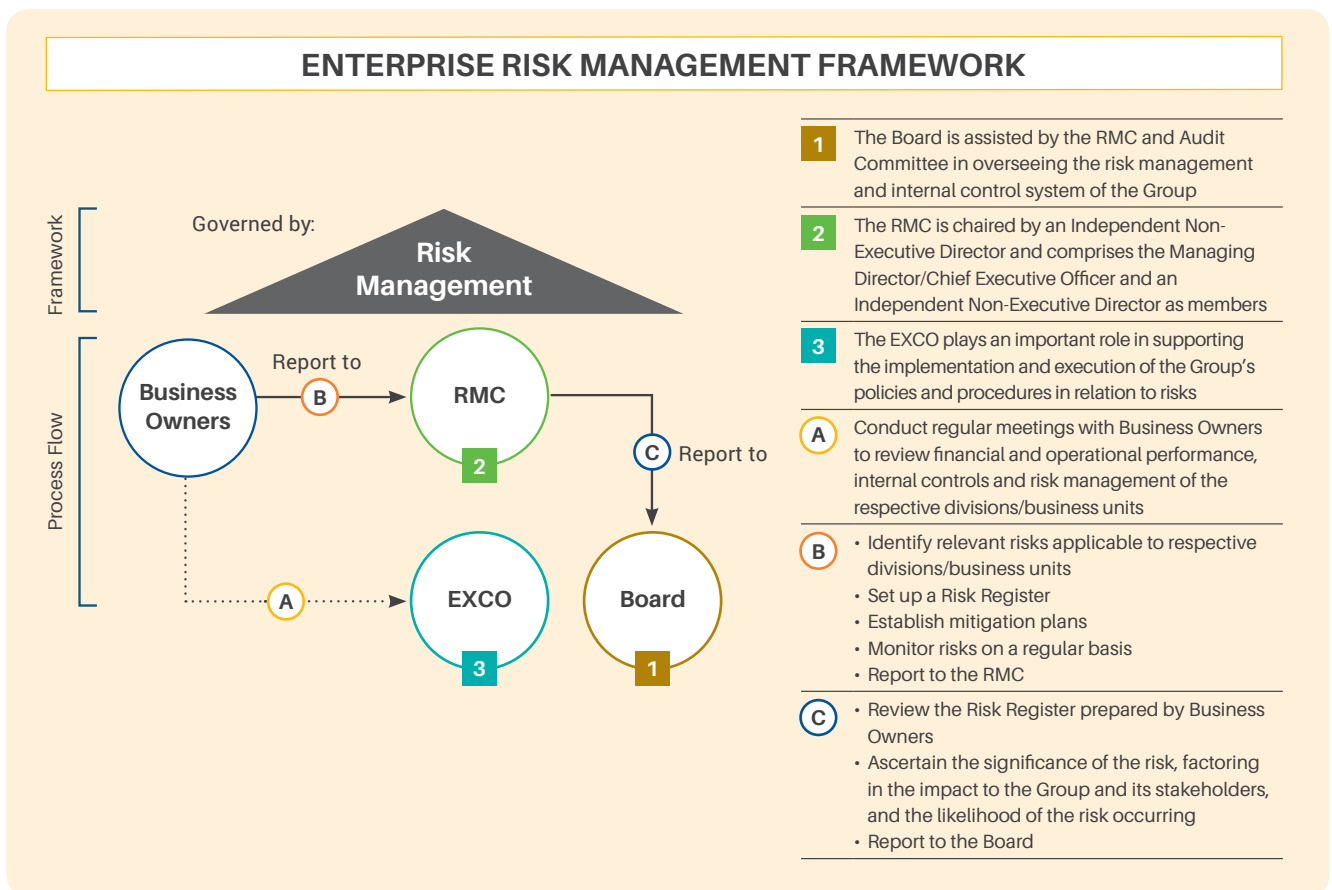
Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 <p><b>Governance &amp; Compliance</b></p>		<ul style="list-style-type: none"> <li>We provide employees with regular talks discussing physical and mental health topics, alongside free health screenings for early detection and treatment of specific diseases</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Occupational Safety and Health &gt; p. 70 of our Sustainability Report 2023</a></li> <li><a href="#">Read our full suite of Group-wide policies on our corporate website</a></li> </ul>
	<p><b>Capitals Impacted:</b></p>  <p><b>Stakeholders Involved:</b></p>  <p><b>Drivers of Growth Impacted:</b></p> 	<ul style="list-style-type: none"> <li>Rigorous oversight of our processes ensures our corporate values are upheld across all Group entities as we expand into diverse geographical areas</li> <li>To achieve excellence in corporate governance, we have implemented an integrated governance structure that fosters collaboration and consolidates input from various business divisions and subsidiaries, facilitating informed decision-making across the organisation</li> <li>Leading this integrated governance structure is our EXCO, which guides the formulation of overarching strategies related to strategic goal planning, resource allocation, governance, stakeholder engagement and community involvement, amongst others</li> <li>EXCO members also play pivotal roles in division-level governance structures to drive effective strategy implementation and alignment of actions with our objectives</li> <li>We adhere to all relevant national, local, industry-specific and occupational-specific laws and regulations, and stay up-to-date on regulatory changes to ensure full compliance</li> <li>Our comprehensive Group-wide policies - including our Code of Ethics and Code of Conduct for Suppliers - outline our resolve and approach to ethical and responsible business practices, ensuring we uphold high standards across our business and supply chain</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Our Corporate Governance - Our Integrated Governance Structure &gt; p. 89</a></li> <li><a href="#">Key Risks and Mitigation - Compliance &gt; p. 53</a></li> <li><a href="#">Responsible Business Conduct and Governance &gt; p. 32 of our Sustainability Report 2024</a></li> <li><a href="#">Read our full suite of Group-wide policies on our corporate website</a></li> </ul>

# Key Risks and Mitigation

Spearheaded by the Enterprise Risk Management ("ERM") Framework, we seamlessly integrate our awareness of relevant risks into our everyday activities across our extensive business operations. This framework, which is guided by the ISO 31000:2018 Risk Management - Guidelines, enables leaders at all levels to proactively identify and address risks that may threaten our business and stakeholders.

Our approach to risk management decentralises responsibility to the management teams of all divisions and business units, referred to as Business Owners. These Business Owners are responsible for identifying risks specific to their operating environments, developing effective mitigation plans and closely monitoring the progress of these plans. This ensures risks are managed in a contextually relevant manner and actions are promptly taken to minimise potential impacts.

This structure is supported by a governance system consisting of two bodies: the EXCO and the Risk Management Committee ("RMC"). The EXCO oversees the implementation of the Group's risk management policies and procedures, ensuring they are consistently applied throughout the organisation. Concurrently, the RMC supervises the entire risk management framework, evaluates its effectiveness, and consolidates detailed reports from Business Owners on identified risks and mitigation measures. These findings are then presented to the Board for review and strategic decision-making.



## Key Risks and Mitigation

### OUR IDENTIFIED RISKS AND MITIGATION PLANS

Guided by our robust ERM framework and ongoing collaborations with our Business Owners, we have identified eight key risks deemed as most relevant to our business operations. These risks, and their corresponding opportunities, have been divided into the four categories of 'Strategic', 'Operational', 'Financial' and 'Compliance', and are described in detail below.

Risks/Opportunities	Description	Mitigation Plans
 <p><b>Environmental Issues</b></p> <p>Includes:</p> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Biodiversity</li> <li>Pollution (Air, Water &amp; Land)</li> <li>Waste Management</li> <li>Natural Resource Utilisation</li> <li>Water Security</li> </ul> <p><u>Risk Category:</u></p>  Strategic <p><u>Material Matters Impacted:</u></p> 	<p><u>Risks:</u></p> <p>Amid increasing climate unpredictability, evolving global consumer preferences and dynamic market trends, failure to adopt environmental sustainability practices can affect us in the following ways:</p> <p><b>Transition Risks</b></p> <ul style="list-style-type: none"> <li>Increased operational costs from the potential implementation of an Extended Producer Responsibility ("EPR") scheme through government initiatives like the MPSR 2021-2030, as Malaysia transitions towards a low-carbon or net-zero economy</li> <li>Additional operational costs to comply with evolving regulations regarding sustainable waste management</li> </ul> <p><b>Physical Risks</b></p> <ul style="list-style-type: none"> <li>Project and production delays, stranded assets and potential damage to our inventories due to more frequent extreme weather events caused by climate change</li> </ul> <p><u>Opportunities:</u></p> <ul style="list-style-type: none"> <li>Becoming a market leader by spearheading the creation of products and solutions that are environmentally friendly, in response to the growing demand from customers for sustainable options</li> <li>Collaborating with suppliers to acquire efficient machinery and production technology, thereby enhancing our competitiveness, reducing operational costs and promoting sustainability across our value chain</li> </ul>	<ul style="list-style-type: none"> <li>Continuously innovating within our Packaging Division, in collaboration with customers and leveraging cutting-edge technology, to develop sustainable packaging solutions that:             <ul style="list-style-type: none"> <li>- are recyclable;</li> <li>- use fewer raw materials;</li> <li>- offer extended shelf life; and</li> <li>- are compostable or biodegradable</li> </ul> </li> <li>Innovating downgauged films and products to reduce material usage during production without compromising on performance</li> <li>Instituting innovative internal processes that reduce our energy, material consumption and waste via advanced technology</li> <li>Developing more products that incorporate PCR and PIR resin as input materials</li> <li>Partnering with external recycling services to convert non-recyclable waste into Processed Engineered Fuel, contributing to waste diversion</li> <li>Implementing the 3R approach to reduce, reuse and recycle construction and production waste at our property development sites and manufacturing plants</li> <li>Standardising the use of the IBS construction technique across all projects in our Property Division to achieve significant savings in raw materials</li> <li>Conducting Environmental Impact Assessment ("EIA") at designated development sites and utilising their insights for our Environmental Management Plan ("EMP") to minimise our land development's environmental impact on local biodiversity and ecosystems</li> <li>Considering climate-related factors in our assessments of potential land acquisitions</li> <li>Strictly adhering to our Group-wide Environmental Policy and enforcing its guidelines throughout our business operations and supply chain to ensure consistent environmental practices</li> <li>Engaging in community activities that promote sustainable living practices and support a more balanced future, particularly by educating the younger generation</li> <li>Continuing our efforts in mangrove planting and adopting solar PV systems across both divisions to mitigate GHG emissions</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Product Innovation &gt; p. 38 of our Sustainability Report 2024</a></li> <li><a href="#">Responsible Waste Management &gt; p. 48 of our Sustainability Report 2024</a></li> <li><a href="#">Optimising Consumption of Materials &gt; p. 53 of our Sustainability Report 2024</a></li> <li><a href="#">Reducing Energy Consumption and Emissions &gt; p. 57 of our Sustainability Report 2024</a></li> <li><a href="#">Environmental Compliance &gt; p. 62 of our Sustainability Report 2024</a></li> </ul>

Key Risks and Mitigation

Risks/Opportunities	Description	Mitigation Plans
 <p><b>Change of Market Conditions</b></p> <p>Risk Category:</p>  Strategic <p>Material Matters Impacted:</p> 	<p><b>Risks:</b></p> <p>Sudden shifts in market conditions may lead to potential business losses. Concurrently, geopolitical instability, international trade disputes and fluctuations in commodity prices can further exacerbate economic slowdowns. Moreover, heightened price sensitivity may intensify competition among companies, triggering price wars. Changes in customer purchasing behaviour, such as buying only when necessary, may further introduce uncertainty into market demand.</p> <p><b>Opportunities:</b></p> <p>The shift in customer preferences towards greener products empowers us to continually innovate sustainable solutions and enhance our operational efficiencies, differentiating us from competitors and aligning us with evolving market demands.</p>	<ul style="list-style-type: none"> <li>Continually investing in our capabilities and technology to optimise operational efficiency, including investments in automation to reduce reliance on manpower, and enhancing quality control measures to minimise the need for rework</li> <li>Implementing a pricing segmentation strategy to target diverse customer groups with varying needs and preferences effectively</li> <li>Leveraging our extensive capabilities, we collaborate closely with customers, understand their requirements and deliver tailored solutions that support their sustainability goals</li> <li>Drawing on our successful track record to navigate competitive market conditions and deliver quality products and solutions</li> <li>Embracing digital channels and streamlined online processes to promote our developments and facilitate property transactions, ensuring broader outreach to our target audience</li> </ul>
 <p><b>Availability of Human Workforce &amp; Automation</b></p> <p>Risk Category:</p>  Operational <p>Material Matters Impacted:</p> 	<p><b>Risks:</b></p> <p>Changes in employment regulations, particularly those affecting foreign labour, may result in workforce shortfalls. This could lead to delays, reduced productivity and increased operational costs, adversely impacting our time-sensitive operations.</p> <p><b>Opportunities:</b></p> <p>By investing in automation technologies and processes, we can streamline our operations, accelerate production cycles and optimise overall efficiency, thereby effectively mitigating labour shortage impacts.</p>	<ul style="list-style-type: none"> <li>Attracting and retaining high-quality talent to support our long-term ambitions via:             <ul style="list-style-type: none"> <li>competitive remuneration packages;</li> <li>updated, industry-relevant training modules and programmes; and</li> <li>an employee reward system that incentivises high-performing employees</li> </ul> </li> <li>Investing in automation across our manufacturing plants to boost productivity and mitigate risks associated with labour shortfalls</li> <li>Implementing the IBS technique in all Property Division projects to improve construction efficiencies and optimise the utilisation of our human and intellectual capitals</li> <li>Prioritising employment opportunities for the local workforce, particularly for communities living near our production facilities and property development sites</li> <li>Partnering with trusted agents to meet our additional labour needs, particularly for enhancing access to reliable foreign labour</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Operational Review - Packaging Division &gt; p. 61</a></li> <li><a href="#">Product Innovation &gt; p. 38 of our Sustainability Report 2024</a></li> <li><a href="#">Occupational Safety and Health &gt; p. 70 of our Sustainability Report 2024</a></li> <li><a href="#">Empowering Our People &gt; p. 76 of our Sustainability Report 2024</a></li> </ul>

## Key Risks and Mitigation

Risks/Opportunities	Description	Mitigation Plans
 <p><b>Cybersecurity</b></p> <p><u>Risk Category:</u></p>  Operational <p><u>Material Matters Impacted:</u></p> 	<p><u>Risks:</u></p> <p>Our use of digital technologies to manage business aspects such as production, distribution and sales processes exposes us to cyberattacks. These can disrupt our operations by causing system outages, data breaches and service interruptions, leading to delays in production and distribution. Consequently, our ability to meet critical deadlines and fulfil customer orders may be compromised.</p>	<ul style="list-style-type: none"> <li>Ensuring all employees understand their roles and responsibilities in maintaining a secure IT environment through our comprehensive IT handbook and policy, which:                             <ul style="list-style-type: none"> <li>complies with Malaysia's Personal Data Protection Act 2010 for processing personal data;</li> <li>outlines our approach to cybersecurity; and</li> <li>defines clear mitigation measures during security breaches</li> </ul> </li> <li>Engaging hardware and software experts through internal hires and reputable external agencies to ensure access to the latest cybersecurity knowledge and expertise</li> <li>Conducting regular health checks and security updates with the support of our internal and external IT experts</li> <li>Reviewing the relevance and effectiveness of our cybersecurity measures annually to maintain a proactive stance against evolving threats and continually strengthen our defences</li> <li>Instituting comprehensive IT data backup, data restoration and disaster recovery plans to minimise impacts on our operations and reduce potential data loss</li> </ul>
 <p><b>Cost &amp; Supply of Raw Materials</b></p> <p><u>Risk Category:</u></p>  Operational <p><u>Material Matters Impacted:</u></p> 	<p><u>Risks:</u></p> <p>Raw material prices can frequently fluctuate due to various factors such as market demand, supply disruptions and geopolitical events. Long delivery lead-times for raw materials sourced from overseas may impact our ability to ensure timely delivery of products to customers.</p>	<ul style="list-style-type: none"> <li>Proactively monitoring raw material prices and stock levels to effectively predict and manage fluctuations in availability and demand, enabling us to react quickly to changes in the market</li> <li>Centralising our raw material procurement to leverage economies of scale, reduce costs and manage day-to-day price fluctuations effectively, enhancing our production planning and ensuring stable input costs</li> <li>Implementing a 'just-in-time' purchasing strategy to reduce inventory holding costs and maintain optimal stock levels for timely production and delivery</li> <li>Actively expanding our supplier base to mitigate the risk of shortfalls with specific suppliers or raw materials</li> <li>Harnessing our economies of scale to optimise manufacturing planning and strategically share raw materials among different plants as needed</li> </ul>
 <p><b>Employee and Contractor Safety &amp; Health</b></p> <p><u>Risk Category:</u></p>  Operational	<p><u>Risks:</u></p> <p>Accidents, incidents and/or exposure to occupational health hazards may cause injuries or harm to our employees and contractors, potentially affecting our production, finances, employee morale and reputation.</p> <p><u>Opportunities:</u></p> <p>Fostering a safety-centric culture within the organisation and nurturing a safe, secure working environment through a robust management system enforces strict</p>	<ul style="list-style-type: none"> <li>Ensuring strict compliance with all relevant national, local, industry-specific and occupation-specific safety and health laws and regulations</li> <li>Adhering to our Group-wide Safety and Health Policy to maintain consistent practices in injury prevention, emergency preparedness and response, and safety and health education</li> <li>Establishing Emergency Response Teams at each worksite to address emergencies as needed</li> <li>Implementing rigorous safety and health oversight across all worksites and manufacturing plants through dedicated Occupational Safety and Health Administration ("OSHA") Committees, supported by comprehensive occupational safety and health management systems</li> <li>Educating our employees to effectively identify and address safety and health-related matters through role-specific and regularly updated training programmes</li> </ul>

Key Risks and Mitigation

Risks/Opportunities	Description	Mitigation Plans
<p><u>Material Matters Impacted:</u></p> 	<p>adherence to safety and health standards, thereby boosting productivity and operational efficiency.</p>	<ul style="list-style-type: none"> <li>Empowering our employees to raise safety and health concerns via worksite OSHA Committees and our whistleblowing procedures</li> <li>Improving employee safety within our Property Division by employing the IBS construction technique and utilising self-climbing platforms</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Our Material Matters - Employee Safety &amp; Health &gt; p. 47</a></li> <li><a href="#">Occupational Safety and Health &gt; p. 70 of our Sustainability Report 2024</a></li> <li><a href="#">Empowering Our People &gt; p. 76 of our Sustainability Report 2024</a></li> </ul>
 <p><b>Foreign Currency Exchange Rate Fluctuation</b></p> <p><u>Risk Category:</u></p>  Financial <p><u>Material Matters Impacted:</u></p> 	<p><u>Risks:</u></p> <p>Many of our raw materials are procured from overseas suppliers with prices denominated in foreign currencies, particularly in USD. Fluctuations in currency exchange rates directly impact the cost of these inputs, resulting in unpredictable and potentially higher production costs that may impact our achievement of financial targets.</p>	<ul style="list-style-type: none"> <li>Mitigating the potentially adverse effects of exchange rate fluctuations by employing a natural hedging strategy, entailing:             <ul style="list-style-type: none"> <li>- Denominating pricing of export product sales in foreign currencies, primarily USD and other relevant foreign currencies</li> <li>- Obtaining borrowings denominated in relevant foreign currencies</li> </ul> </li> </ul>
 <p><b>Compliance</b></p> <p><u>Risk Category:</u></p>  Compliance <p><u>Material Matters Impacted:</u></p> 	<p><u>Risks:</u></p> <p>Our global operations require us to stay abreast of evolving statutory requirements and laws in different geographical locations. Failure to do so may result in incomplete delivery of goods, non-compliance related penalties, reputational damage, financial losses, or even the suspension of operations in specific countries.</p> <p><u>Opportunities:</u></p> <p>Implementing transparent corporate governance practices aligned with international best practices can enhance our organisation's reputation among shareholders, potentially attracting greater investment and reinforcing our market position.</p>	<ul style="list-style-type: none"> <li>Ensuring strict compliance with all applicable national, local, industry-specific and occupation-specific laws and regulations</li> <li>Maintaining a dedicated, specialised team to oversee statutory compliance and stay updated on relevant laws and regulations</li> <li>Engaging internal and external experts for consultancy on statutory compliance</li> <li>Maintaining a robust, integrated governance structure to rigorously oversee compliance across all business operations</li> <li>Ensuring Group-wide adherence to policies covering critical areas such as Anti-Bribery and Anti-Corruption ("ABAC"), sustainability and ethical business conduct to promote consistency and collective responsibility across our workforce and supply chain</li> </ul> <p><b>Read more</b></p> <ul style="list-style-type: none"> <li><a href="#">Our Material Matters - Governance &amp; Compliance &gt; p. 48</a></li> <li><a href="#">Responsible Business Conduct and Governance &gt; p. 32 of our Sustainability Report 2024</a></li> </ul>

# Roadmap Towards Achieving Our Vision

## Packaging Division

Sustainable  
Growth,

Key Business Process	Competitive Advantage	Business Strategies
 <b>DEVELOP</b>	<ul style="list-style-type: none"> <li>Integrated expertise across the packaging value chain</li> <li>Ongoing investments in advanced and sustainable machinery and technology</li> <li>Cutting-edge innovation centres dedicated to research and development ("R&amp;D")</li> <li>Long-standing collaborative relationships with customers</li> </ul>	<ul style="list-style-type: none"> <li>Utilise our integrated expertise across the packaging value chain to seize new market opportunities, particularly by being the first to develop specific films and multi-layered packaging solutions not yet available in the region</li> <li>Intensify efforts to create downgauged films and recyclable FPP structures, while increasing the use of recycled resin in production</li> <li>Enhance our testing capabilities and internal quality assurance processes to further improve product quality</li> <li>Maintain close collaboration with customers in the development of innovative products and solutions</li> </ul>
 <b>PROCURE</b>	<ul style="list-style-type: none"> <li>Centralised purchasing function that enhances economies of scale in procurement</li> <li>Strong reputation and well-established presence in the market</li> <li>Long-standing relationships with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen relationships with suppliers and diversify our supplier base to better manage raw material costs and mitigate supply fluctuations</li> <li>Optimise the 'just-in-time' purchasing function to reduce raw material cost volatility and minimise storage duration through efficient inventory management systems</li> </ul>
 <b>PRODUCE</b>	<ul style="list-style-type: none"> <li>Integrated ERP system embedded across operations</li> <li>Broad range of machinery offering diverse capabilities</li> <li>Efficient factory floor layouts</li> <li>Specialisation across different factories</li> </ul>	<ul style="list-style-type: none"> <li>Refine our machine deployment strategies to promote specialisation and achieve greater economies of scale</li> <li>Improve factory layouts, machine run-time planning and ERP systems to boost production efficiency</li> <li>Continue to explore and adopt process innovations, such as automation, energy-efficient technologies and renewable energy sources, to reduce environmental impact while enhancing production efficiencies</li> <li>Expand the use of recycled resin in our production inputs to lower raw material consumption and support the circular plastic economy</li> </ul>
 <b>SELL</b>	<ul style="list-style-type: none"> <li>Strong and established global market presence</li> <li>Over 55 years of proven industry experience</li> <li>Extensive industry networks</li> <li>Globally recognised and respected certifications</li> <li>Highly experienced sales team</li> <li>Long-standing customer relationships</li> </ul>	<ul style="list-style-type: none"> <li>Leverage our global presence to expedite customer deliveries</li> <li>Strengthen price competitiveness through economies of scale</li> <li>Fast-track product innovation to deliver value-added offerings that align with customer requirements</li> <li>Identify growth opportunities in current sectors while actively expanding to seize new market potential</li> </ul>

Drivers  
Of  
Growth

Aligned with our vision of 'Sustainable Growth, Better Tomorrow', our strategies are purposefully designed to ensure we contribute positively to the Economy, Environment and Society ("EES") while steadily growing our two business divisions. We continually leverage and enhance our competitive advantages across business processes, executing thoughtful strategies that balance EES stewardship with the delivery of robust shareholder value.

## Better Tomorrow



### CAPACITY

Increasing production capacity and sales volumes



### EFFICIENCY





Improving production and construction efficiencies



### PRODUCT VALUE

Enhancing the value of our products to our customers

## Property Division

Key Business Process	Competitive Advantage	Business Strategies
 <p><b>ACQUIRE</b></p>	<ul style="list-style-type: none"> <li>• Solid financial standing</li> <li>• Dedicated team for land bank acquisitions</li> <li>• Extensive expertise and understanding of Malaysia's affordable housing sector</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage our strong financial position to seize opportunities for expanding our land bank portfolio</li> <li>• Prioritise land banks and residential markets that offer swift returns on investment</li> <li>• Advance our 'Cross Border Development Strategy' by strengthening our presence across Peninsular Malaysia and neighbouring countries</li> </ul>
 <p><b>PLAN</b></p>	<ul style="list-style-type: none"> <li>• Experienced and dedicated planning team</li> <li>• Development concepts tailored to market needs</li> <li>• Efficient master planning and layout strategies</li> <li>• Standardised house designs</li> </ul>	<ul style="list-style-type: none"> <li>• Optimise land use and house designs to maximise land bank utilisation while upholding quality standards within the affordable housing sector</li> <li>• Enhance best practices through knowledge sharing across departments and projects</li> <li>• Prioritise community development in the planning stage, including allocating space for community activities, establishing commercial zones to boost job creation, and developing infrastructure to improve connectivity with major population centres</li> </ul>
 <p><b>LAUNCH</b></p>	<ul style="list-style-type: none"> <li>• Proven brand in Malaysia's affordable housing sector</li> <li>• Effective and reliable launch and marketing strategies</li> <li>• Extensive customer database</li> </ul>	<ul style="list-style-type: none"> <li>• Continue leveraging the use of digital and social media campaigns to connect with diverse segments of society</li> <li>• Formulate strategies to boost brand recognition further</li> <li>• Persist in offering appealing packages and timely promotions that align with consumer trends</li> <li>• Foster relationships with media and government representatives to improve collaboration and brand visibility</li> <li>• Make use of our in-house Knowledge Management System for effective database management and to optimise lead follow-up and conversion</li> </ul>
 <p><b>BUILD</b></p>	<ul style="list-style-type: none"> <li>• Standardised quality house designs</li> <li>• Proven track record in effective IBS utilisation</li> <li>• Centralised purchasing function</li> <li>• Long-standing relationships with experienced suppliers and contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Continue utilising IBS to boost construction efficiency and optimise product quality, while minimising resource consumption and costs</li> <li>• Regularly assess house designs to increase uniformity and elevate end-product quality</li> <li>• Strengthen partnerships with reliable contractors and suppliers for timely, cost-effective access to key materials and specialised expertise</li> </ul>



# Financial Performance Review

## ROBUST GROWTH AMIDST HEADWINDS

Despite uncertainties in the business environment, the Group has capitalised on strong fundamentals and operational efficiencies to deliver another record-breaking financial performance. Our solid financial standing ensures we are well-positioned to strategically invest in growth opportunities and maintain forward momentum into the foreseeable future.

### GROUP FINANCIAL PERFORMANCE OVERVIEW

Description	FY2024 RM'000	FY2023 RM'000	Change (%)
Revenue	4,475,599	4,076,896	+ 9.8
Profit Before Tax ("PBT")	728,883	568,667	+ 28.2
Net Profit	545,209	438,141	+ 24.4

The Group maintained its track record of year-on-year revenue growth, marking another historical high of RM4.48 billion during FY2024, a 9.8% increase compared to FY2023. This also translated into a new record PBT of RM728.9 million, a 28.2% rise compared to the previous financial year.

Supported by a robust operational performance across both the Property and Packaging Divisions, our net profit surpassed RM500 million for the first time, climbing 24.4% to RM545.2 million. The increase in net profit was further boosted by the utilisation of tax incentives from capital expenditure expansions at certain packaging plants.

### DIVISION FINANCIAL PERFORMANCE OVERVIEW

Packaging Division	FY2024 RM'000	FY2023 RM'000	Change (%)
Revenue	2,594,478	2,626,191	- 1.2
Operating Profit	217,990	183,963	+18.5
Property Division	FY2024 RM'000	FY2023 RM'000	Change (%)
Revenue	1,881,121	1,450,705	+29.7
Operating Profit	518,544	405,635	+27.8

## PACKAGING DIVISION

Despite operating in a challenging external environment, our Packaging Division's revenue remained stable during FY2024, moderately easing by 1.2% to RM2.6 billion. Benefitting from product mix and improvements to operational efficiencies, the division recorded a 18.5% increase in operating profit for the year, rising to RM218.0 million. It is worth noting, however, that the lower operating profit recorded in FY2023 was impacted by a one-off goodwill impairment of RM22.7 million related to our Myanmar business.

The packaging business continues to face operational headwinds due to global economic uncertainties and elevated cost pressures, including rising inflation, high energy costs and increased freight costs caused by shipping disruptions. Simultaneously, soft market sentiment has also impacted demand.

In response, our Packaging Division has continued to focus on our core business and fundamentals, striving to reduce operational costs by improving efficiency, minimising wastage and finding inventive solutions to manage rising costs. One such measure is our growing commitment to renewable energy, with plans to install rooftop solar PV systems across our headquarters and 10 key manufacturing plants on track for completion by FY2025. This initiative is anticipated to offset a portion of our energy costs, while also reducing the Group's carbon footprint.

## Financial Performance Review

The division will also continue to prioritise innovation and develop value-added products to strengthen its market position, particularly in providing sustainable and fully recyclable packaging solutions to key global customers and markets.

### PROPERTY DIVISION

Our Property Division delivered another year of solid growth, with revenue increasing by 29.7% to RM1.9 billion and operating profit rising by 27.8% to RM518.5 million. This impressive performance was largely driven by higher sales, steady construction progress on ongoing projects and strong demand for new launches.

Given the sustained demand for our affordable housing products, the division has implemented effective strategies to control and manage construction and development costs to bolster profitability. These strategies include bulk purchasing, utilising IBS construction techniques, optimising land use and continuing to acquire competitively priced land banks.

On this note, recent land acquisitions in Muar and Pulai (Johor), Jawi (Penang), and Bestari Jaya (Selangor) are expected to be completed by FY2025, enhancing prospects for future new developments and supporting the division's trajectory of growth and steady financial performance in the coming years.

### GROUP FINANCIAL POSITION

The Group's financial position remains solid, with total assets rising to RM6.2 billion in FY2024 from RM5.5 billion in FY2023. This increase was primarily driven by the Property Division's completion of several land acquisitions in Kulai, Jenjarom and Kundang Jaya, alongside the capitalisation of new machinery for our packaging plants. The Group's current assets also grew in tandem with the expansion of business activities.

Sustained profitability has bolstered total equity attributable to the Company's owners, which grew from RM3.4 billion to RM3.8 billion, largely due to FY2024's net profit of RM545.2 million, offset by dividend payments totalling RM170.6 million.

GROUP CASH FLOW		
Description	FY2024 RM'000	FY2023 RM'000
Net Operating Cash Generated	859,130	804,792
Net Borrowings	680,671	670,429
Equity Attributable to Owners of the Company	3,776,195	3,392,218
Net Gearing Ratio (times)	0.18	0.20

The Group's cash position remains healthy, with net cash from operating activities rising by 6.8% to RM859.1 million in FY2024. Total cash outflow for investing activities reached RM640.1 million, primarily allocated for capital expenditure on development land and machinery. Net cash outflows from financing activities included dividend payments of RM170.6 million and finance costs amounting to RM30.9 million.

Net borrowings increased slightly by 1.5% to RM680.7 million, mainly due to a RM93.2 million drawdown for land purchases earmarked for future development. As at the end of FY2024, the Group retains a favourable gearing ratio of 0.18 times, ensuring financial flexibility to strategically invest in growth and seize emerging opportunities.

### Returns to Shareholders

Valuing the continued support of shareholders, the Board declared a single-tier interim dividend of 6 sen per ordinary share, which was paid on 19 July 2024. Additionally, a single-tier final dividend of 6 sen per ordinary share has been recommended, subject to approval at the upcoming Annual General Meeting.

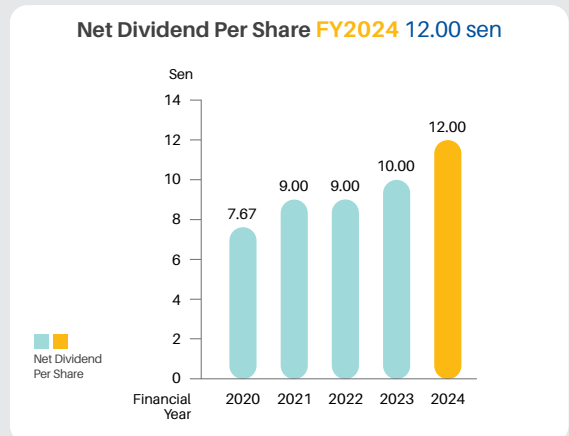
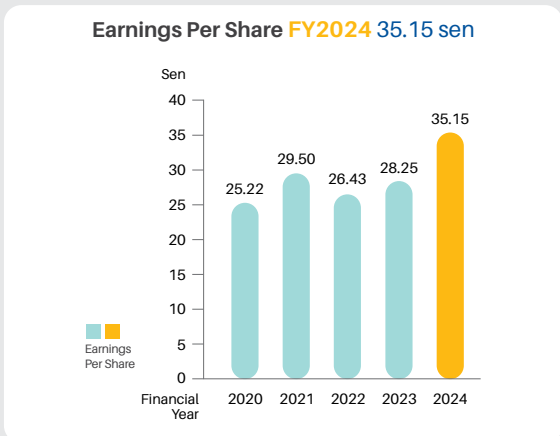
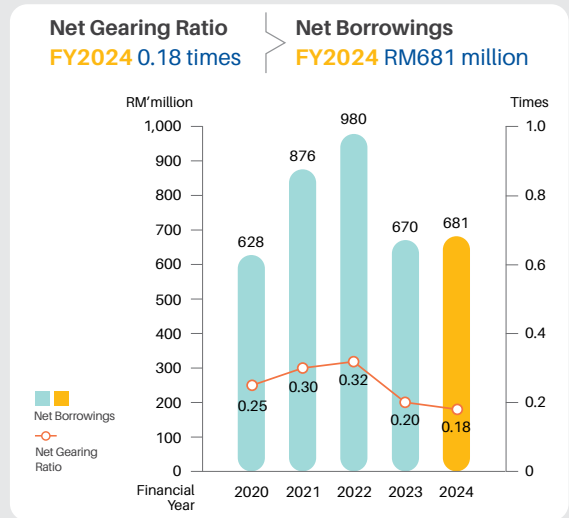
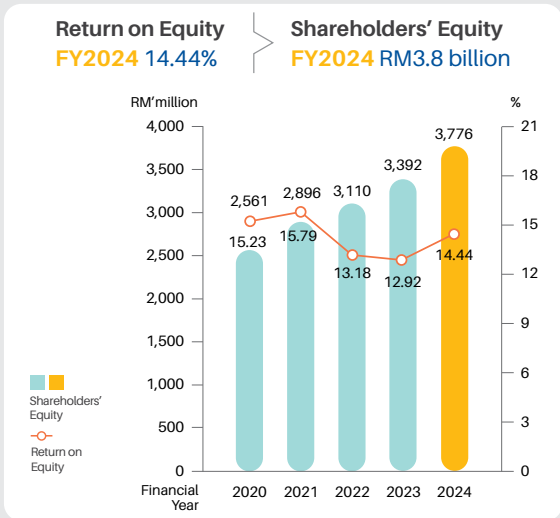
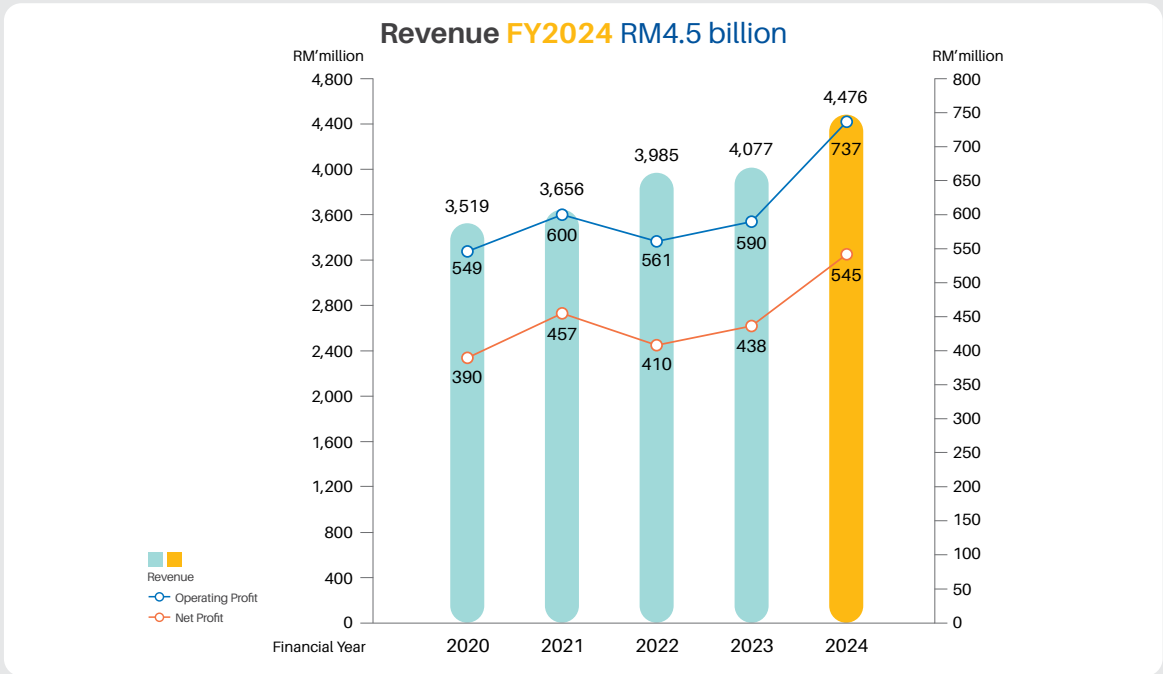
The increase in dividends for FY2024 reflects the Group's commitment to delivering strong annual returns in tandem with our financial performance. The total dividends of 12 sen per ordinary share, amounting to approximately RM186.2 million, represents 34.1% of the Group's net profit for the current year.

# 5-Year Financial Highlights

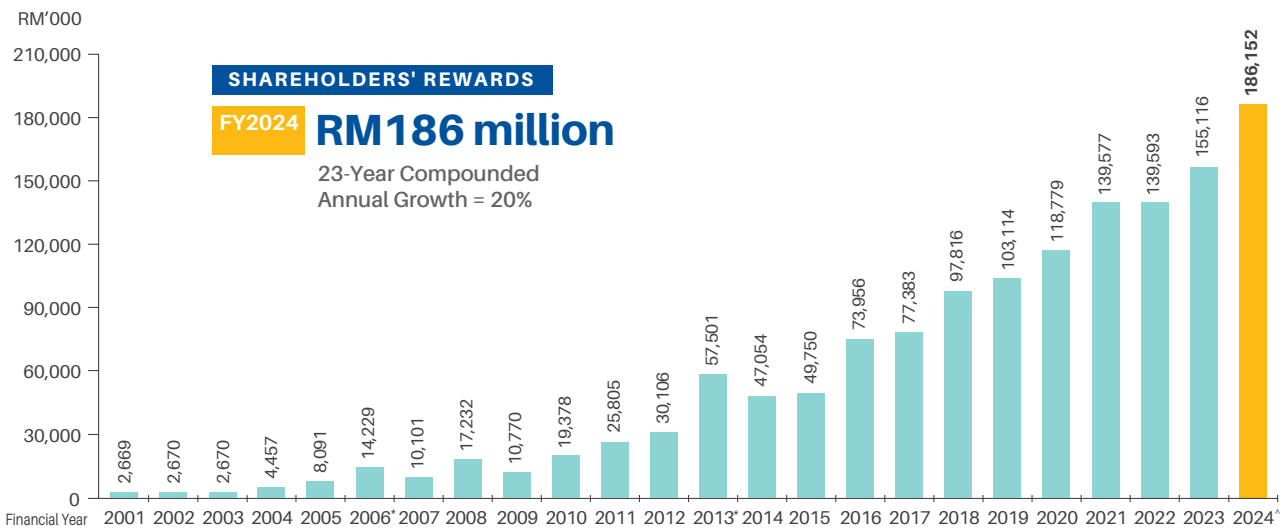
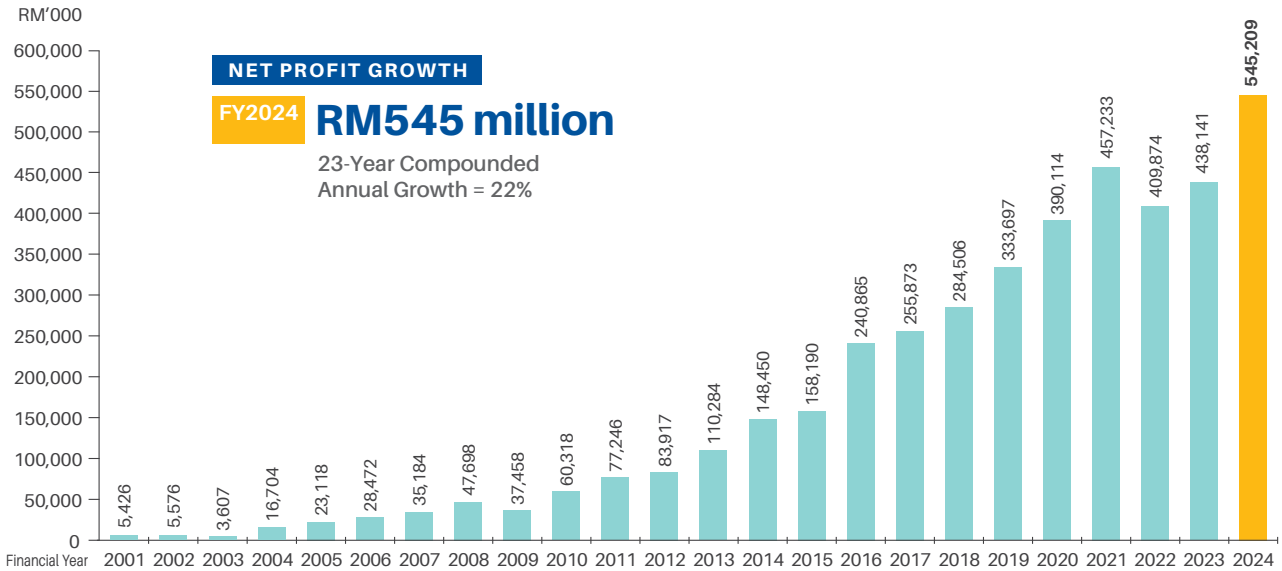
Year ended 31 July	2024 RM '000	2023 RM '000	2022 RM '000	2021 RM '000	2020 RM '000
<b>Results</b>					
Revenue	4,475,599	4,076,896	3,985,318	3,655,966	3,518,601
Operating Profit	736,534	589,598	561,042	600,339	549,455
EBITDA	883,556	726,077	683,207	722,327	671,270
Profit Before Taxation	728,883	568,667	548,307	600,961	544,262
Profit After Taxation	569,185	448,941	432,597	485,776	418,026
Net Profit	545,209	438,141	409,874	457,233	390,114
<b>Group Assets</b>					
Non-current Assets	3,754,985	3,438,753	3,582,302	3,159,980	2,776,719
Current Assets	2,398,644	2,066,462	1,892,253	1,939,853	1,823,716
<b>Total Assets Employed</b>	<b>6,153,629</b>	<b>5,505,215</b>	<b>5,474,555</b>	<b>5,099,833</b>	<b>4,600,435</b>
<b>Financed by</b>					
Share Capital	705,744	705,009	704,799	703,250	691,782
Reserves	3,070,451	2,687,209	2,404,797	2,192,413	1,869,610
Equity attributable to owners of the Company	3,776,195	3,392,218	3,109,596	2,895,663	2,561,392
Non-controlling Interests	235,044	214,127	198,062	201,545	194,260
Current Liabilities	1,916,924	1,680,775	1,782,023	1,571,262	1,353,230
Non-current Liabilities	225,466	218,095	384,874	431,363	491,553
<b>Total Funds Employed</b>	<b>6,153,629</b>	<b>5,505,215</b>	<b>5,474,555</b>	<b>5,099,833</b>	<b>4,600,435</b>
<b>Performance Indicators</b>					
Earnings Per Share (Sen)*	35.15	28.25	26.43	29.50	25.22
Net Dividend Per Share (Sen)*	12.00 <sup>#</sup>	10.00	9.00	9.00	7.67
Net Assets Per Share (RM)*	2.43	2.19	2.00	1.87	1.66
Net Gearing Ratio (Times)	0.18	0.20	0.32	0.30	0.25
Return on Equity (%)	14.44	12.92	13.18	15.79	15.23
Net Operating Cash Flow (RM'000)	859,130	804,792	738,288	699,572	715,337

\* In year 2020, the figures have been restated to take into account the bonus issue in January 2021.

<sup>#</sup> Includes a single tier final dividend of 6 sen per ordinary share proposed for shareholders' approval.

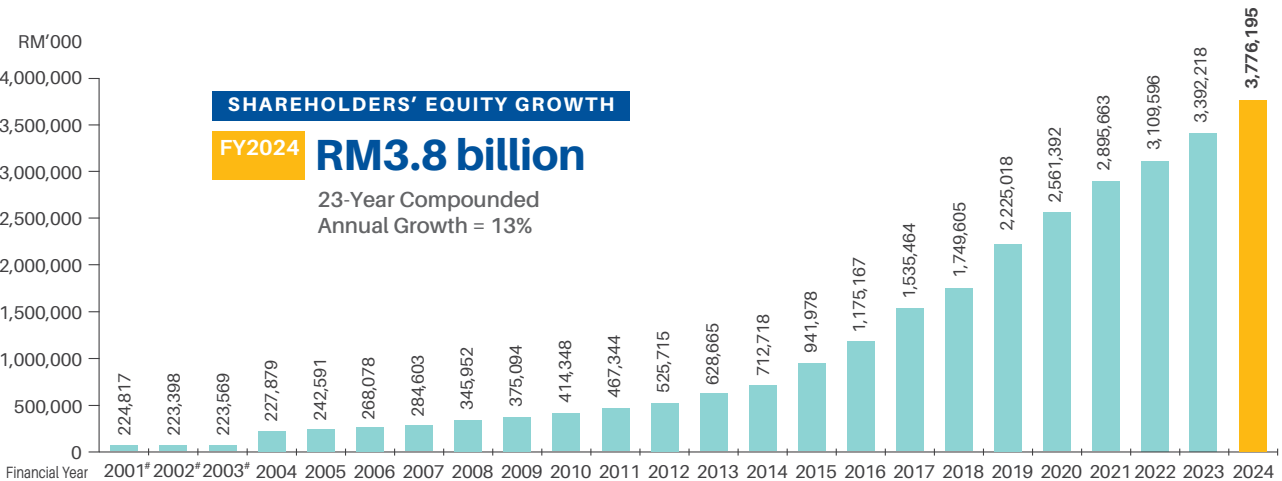


# Scientex Performance Record



\* Includes a special dividend of 4.8m in FY2006 and 22.1m in FY2013.

^ Includes a single tier final dividend of 6 sen per share proposed for shareholders' approval.

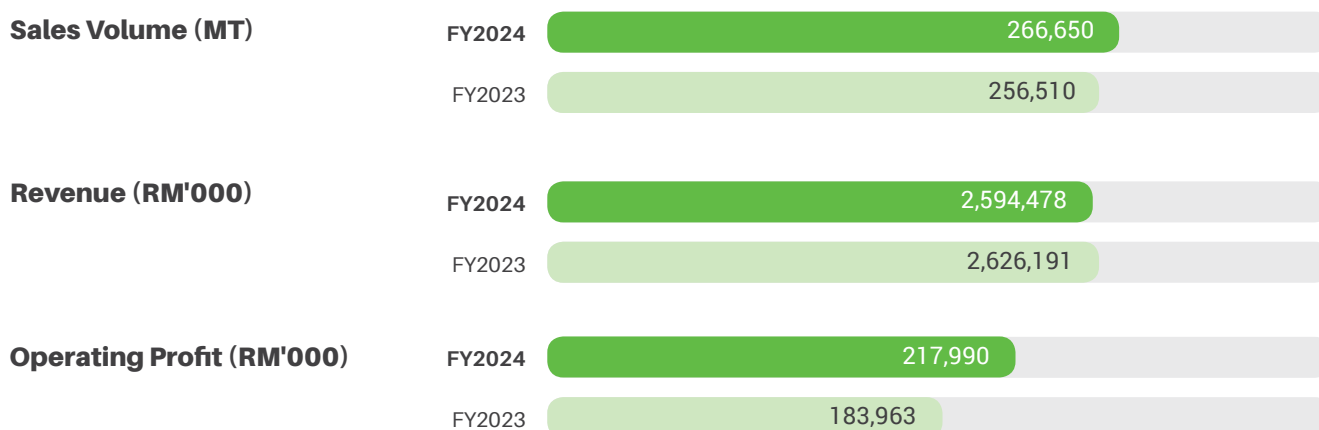


\* The figures have been restated for consistency.

# Operational Review - Packaging Division

## NAVIGATING HEADWINDS WITH RESILIENCE

During FY2024, we faced ongoing market demand fluctuations and increasing operational costs. However, by building on our strategic focus of advancing our six core operational areas, our Packaging Division achieved resilient results and strengthened our fundamentals, supporting stability and growth for the foreseeable future.



Our packaging business continues to navigate challenges in the global market, including ongoing supply chain disruptions, geopolitical tensions, currency fluctuations and weak market sentiment.

Despite these headwinds, we achieved a marginal improvement in sales volume, which rose by 4.0% to 266,650 MT, with revenue holding steady at RM2.6 billion. On the back of enhanced operational efficiencies and a favourable product mix, our operating profit increased by 18.5% during FY2024. It is worth noting, however, that the lower operating profit recorded in FY2023 was impacted by a one-off goodwill impairment of RM22.7 million related to our Myanmar business.

Looking ahead, we remain optimistic about our long-term prospects. By leveraging our well-established competencies as an integrated packaging producer, we will continue to capitalise on significant internal synergies in product development and economies of scale, while maintaining our focus on sustainable strategies and practices.

These efforts will help us build greater resilience and drive steady growth as we navigate present and future challenges.

## MAKING PROGRESS IN OUR KEY OPERATIONAL FOCUS AREAS

In driving operational stability and business growth, we remain guided by six key operational focus areas identified as the primary fuellers of our Drivers of Growth (refer to p. 36 for details). These focus areas enable us to increase production capacity, enhance production efficiencies and elevate the value of our end products, thereby reinforcing strong fundamentals to support our long-term operational and financial performance.

Operational Review > Packaging Division

The following operational review will outline the performance of our Packaging Division during FY2024 through the lens of these six focus areas.



**FOCUS AREA #1: Unlocking innovation synergies as an integrated packaging producer**

As an integrated packaging producer with a presence in both industrial and consumer products, unlocking advantageous synergies is crucial to maintaining our competitive edge.

As one of the few packaging manufacturers with the expertise to develop FPP structures in-house—from base films to complete customised solutions—we work closely with brand owners to develop packaging that meets their functional, quality and sustainability needs.

Our ‘Choose and Focus’ strategy further supports the integration of our consumer packaging operations under one umbrella, enhancing synergies, streamlining processes and enabling rapid response to market trends. By strategically consolidating the production of similar products, we enable each plant to specialise in specific product categories, unlocking greater production and cost efficiencies through economies of scale. At the same time, we maintain a business continuity plan that identifies backup manufacturing plants, ensuring we deliver an uninterrupted and consistent supply for our customers.

**FOCUS AREA #2: Product innovations that address industrial and consumer market trends**

Our packaging solutions are classified into two main market segments: Industrial and Consumer. In both segments, we focus on investing in innovative products that meet the needs of our customers, continually broadening our product range with industry-leading solutions that strengthen our competitive edge.

In FY2024, we initiated 269 R&D projects and successfully commercialised 51 innovations, continuing our momentum in advancing value-added product offerings across the packaging industry.



In FY2024, we initiated  
**269 R&D projects**  
and successfully commercialised  
**51 innovations**

## Operational Review &gt; Packaging Division

**INDUSTRIAL PACKAGING PRODUCT INNOVATIONS**

Our industrial packaging solutions cater to a wide range of industries, including the petrochemical, oleochemical, logistics and warehousing sectors. Our innovation efforts are aimed at improving the protective qualities of these solutions and enhancing their physical properties to ensure the safe transportation of goods over long distances. At the same time, we strive to reduce resource usage in our packaging while maintaining or improving quality and performance, supporting a lower environmental impact and making them more attractive to customers prioritising sustainability.

**> Resource-efficient stretch film**

Stretch film plays a vital role in global logistics by securely wrapping pallets for transport, minimising product damage and wastage. Recognising the industry-wide benefits of improving the sustainability of our stretch films, we consistently work to downgauge them, enhancing their quality and performance attributes while reducing material use.

Nano Ultra XE is a product of our continuous innovation efforts and has earned the EUMOS 40509:2020 certification from the European Safe Logistics Association, highlighting its durability for road transport. Due to its highly stretchable nature, this resource-efficient stretch film reduces material usage by 50% compared to conventional machine wrap films. In FY2024, we further advanced this innovation by commercialising a 9-micron stretch film designed for high-speed wrapping machines.



Our 9-micron stretch film

**> Innovative packaging for delicate products**

Packaging solutions must be tailored to their contents, particularly for susceptible products that require specific properties to ensure protection. One of our innovations,

VentiFlex, is a cutting-edge, heavy-duty, sift-proof packaging solution designed for moisture-sensitive and fine powder products. So far, we have introduced two recyclable variants: VentiFlex Form-Fill-Seal ("FFS"), for form-fill-seal machines, and VentiFlex Valve Sack ("VS"), which incorporates a self-closing check valve for PE valve bags.

In addition, we have developed a new value-added heavy-duty packaging solution – the aluminium-plastic composite barrier bag. This packaging provides exceptional protection against oxygen, water vapour and odour, further extending the shelf life of delicate products. Its three-layer packaging, with an aluminium film sandwiched between PE films, offers mechanical strength across a broad temperature range, while providing excellent barrier properties and suitability for heat-sealing.

**> Industrial packaging solutions with recycled resin content**

We have made significant progress in commercialising industrial packaging solutions that utilise recycled resin, collaborating closely with our business partners to deliver sought-after solutions. One notable innovation in FY2024 was the development of a sustainable coated PP strapping band made from PIR resin recycled from plastic trimmings generated during our metallised and printed film manufacturing processes.

In addition, we successfully commercialised low-density polyethylene ("LDPE") shrink film containing 30% PCR content for packaging beverages in aluminium cans, as well as a printed shrink film with 20% PIR resin for several well-known international beverage manufacturers.

**CONSUMER PACKAGING PRODUCT INNOVATIONS**

In the area of consumer packaging, we focus on fulfilling the needs of leading brand owners in the F&B and FMCG sectors by providing reliable FPP solutions that excel in performance, convenience, resource efficiency and recyclability.

With our strategy centred on being responsive to changing market trends, we cultivate strong partnerships with our valued customers to gain a deep understanding of their evolving requirements and expectations. With these insights, we leverage our expertise across the entire value chain to consistently create customised solutions from initial concept to final commercialisation.



## Operational Review &gt; Packaging Division

### > Recyclable alternatives that support customers' sustainability agenda

As the first mover in Malaysia to develop mono-material laminate packaging that ensures recyclability, we have continuously pursued innovation and expanded the applicability of our solutions to meet the specific needs of our growing customer base.

During FY2023, we successfully commercialised a larger, recyclable packaging for chocolate malt beverages, replacing the polyethylene terephthalate ("PET") content in the packaging. By leveraging our synergies and capabilities, we fulfilled customer requirements for developing this larger recyclable option, which demands greater strength and enhanced sealing properties.

In FY2024, we extended the use of mono-material multi-layered laminated FPP structures for products such as baby milk powder, cereals, oats and other sachet packaging, replacing traditional PET-based packaging.

### > Innovative solutions tailored to customer needs

In addition to enhancing recyclability in our plastic packaging solutions, we have also focused on innovating products tailored to our customers' specific needs.

One notable innovation is our mono-material laminate packaging with cold seal functionality, designed for confectionery and snack bars. The cold seal feature allows for the sealing of heat-sensitive products and offers greater flexibility in the packaging process for food and beverage manufacturers.

In FY2024, we further commercialised this packaging for several brand owners' chocolate bar products. We also developed a cost-effective packaging film specifically designed for high-speed liquid packaging machines, eliminating the need to import such films at high costs.

### > Consumer packaging solutions with recycled resin content

Increasing the use of recyclable plastic as an input is a vital strategy in supporting the circular plastic economy. In FY2024, we introduced packaging for instant noodles containing 50% PCR resin, produced at our ISCC PLUS-certified plants for an Australian client. Additionally, we commercialised packaging for kitchen towels made from 30% PCR resin for a multinational brand.



Sample of kitchen towel packaging with PCR resin content

### FOCUS AREA #3: Embedding sustainability in our processes

A primary focus of our innovation efforts is to embed sustainability into our production processes, which enhances our resource consumption and carbon footprint while simultaneously improving the cost-effectiveness, quality and overall physical attributes of the final product.

### > Advancing sustainability through recycling

Acknowledging the significant role recycling practices play in transforming the packaging industry, we remain committed to recycling our plastic trimmings and rejected films, while continually investing to enhance our recycling capacity and use of recycled resin.

We are constantly improving our recycling processes to facilitate the increased use of PIR resin in our manufacturing operations. This includes relocating our recycling machine at one of our plants closer to the extrusion area and redesigning our processes so that recycled resin can be directly pumped into feedstock silos. These changes have allowed us to enhance our efficiency in handling and monitoring recycled resin, leading to higher-quality recycled input materials.

Emphasising our commitment to utilising recycled resin, six of our manufacturing plants have received ISCC Plus certification, a globally recognised system that ensures the traceability of recycled materials throughout the supply chain. Furthermore, one of our plants has obtained GRS certification, which validates our use of recycled content through stringent chain of custody criteria.

## Operational Review &gt; Packaging Division

### > Minimising our carbon footprint

Recognising energy efficiency as a vital strategy for reducing energy consumption, we consistently invest in energy-efficient technologies and conduct regular monitoring and maintenance activities on our equipment. This ensures our machinery operates optimally, minimising downtime and optimising energy usage.

Another important strategy for optimising our carbon footprint, along with that of our supply chain, is the utilisation of green energy through solar PV systems. We have developed a roadmap to enhance our solar power generation by installing rooftop solar PV systems at our headquarters and 10 key manufacturing plants across the country, targeting a combined capacity of approximately 21 MWp.

This initiative is expected to generate sufficient renewable energy to offset around 14,000 tonnes of carbon dioxide equivalent ("CO<sub>2</sub>e") annually, reducing our Scope 2 emissions, decreasing our dependence on conventional grid electricity and helping our supply chain lower their Scope 3 emissions.

#### **FOCUS AREA #4: Investing to enhance expertise, capacity and automation**

As part of our 'Choose and Focus' strategy, we focus on reinvesting our resources in areas that align with our business objectives and market needs. This ensures that our investments enhance our expertise and capacity while integrating automation to drive operational efficiency and competitiveness.

In FY2024, we allocated RM87.3 million towards new machinery, advanced technologies, and factory enhancements and expansions, with a total of 14 new machines commissioned during the year.



In FY2024, we invested  
**RM87.3 million**  
 towards advanced machinery  
 and technologies, with  
**14 new machines**  
 commissioned

A key initiative undertaken recently was the commissioning of our Robotic Stretch Film Plant in Shah Alam, Selangor, in FY2023. This state-of-the-art facility plays a vital role in advancing our stretch film ambitions. By embracing Industry 4.0 principles and incorporating integrated sustainability features, it further enhances productivity and efficiency.

In FY2024, we further invested in transforming our digital sales management platform. This upgrade provides greater functionality and robust real-time insights, facilitating faster, more informed decision-making while streamlining workflows and fostering transparent collaboration among our sales team by serving as a platform for sharing best practices.

#### **FOCUS AREA #5: Safeguarding product quality and reliability**

We recognise the critical importance of reliability and quality in our packaging solutions, particularly regarding food safety. Our food packaging plants have achieved several globally recognised certifications, including:

- Food Safety Certification 22000 ("FSSC 22000");
- BRC Global Standard for Food Safety; and
- ISO 22000 – Food Safety Management.

Similarly, most of our active manufacturing plants have obtained the ISO 9001:2015 Quality Management Systems certification to ensure robust quality management. Our processes are supported by advanced monitoring systems, including a sophisticated camera inspection system to accurately detect defects or irregularities during base film production, and an advanced gauging system to ensure that film thickness meets specific parameters during the production process.

In FY2024, we enhanced our monitoring process for incoming raw materials by adopting more comprehensive criteria for performance evaluation and verifying key material properties through cross-checking. Additionally, we improved our lab testing procedures for outgoing products to ensure greater alignment with customer requirements and enhance the consistency of our end products.

With these monitoring processes in place, we are empowered to maintain a highly consistent product quality, thereby safeguarding our reputation for reliability across the industry.

## Operational Review &gt; Packaging Division

**FOCUS AREA #6: Investing in our human capital**

As the cornerstone of our success, we are committed to ensuring high standards of safety and health for our workers, as evidenced by two of our plants receiving ISO 45001:2018 certification.

We are actively investing in technologies and processes that minimise accident risks. For instance, we have previously implemented fully automated raw material feeding systems and lifting manipulators in our plants. These enhancements serve to increase manpower productivity, while alleviating the physical strain on workers performing demanding tasks and reducing the risks of accidents.

To ensure our workers are well-informed about best practices, we offer targeted training and resources related to safety and health. These cover a wide array of general and job-specific safety and health-related topics (refer to 'Occupational Safety and Health' on p. 70 of our Sustainability Report 2024 for more details).



*Safety and health training provided to our employees*

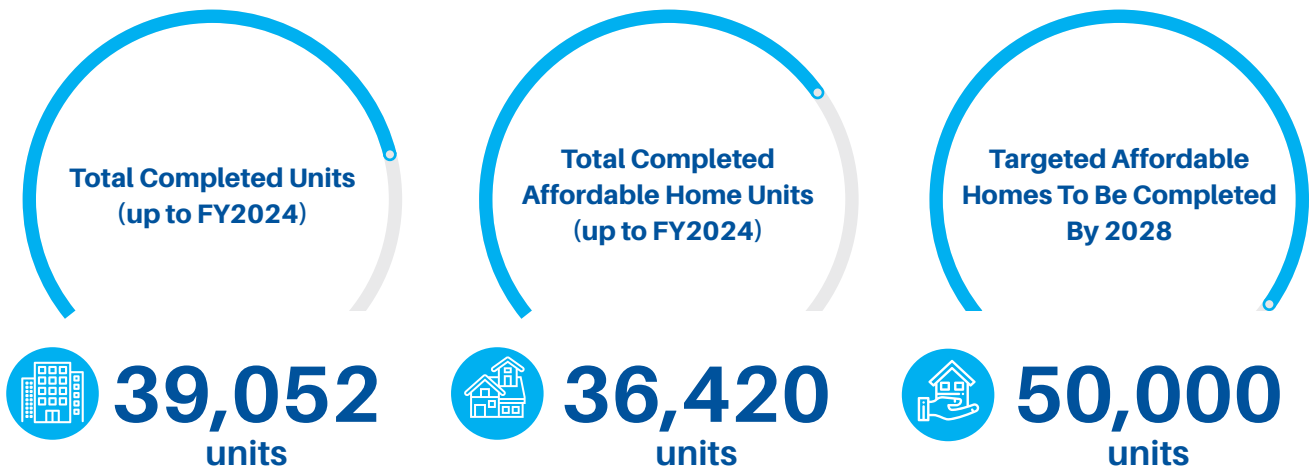
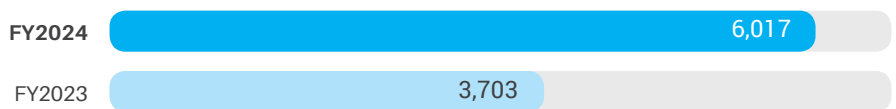
The Group also organises an annual Safety and Health Week, where we educate and empower employees through engaging talks on various relevant topics, while offering practical support through initiatives such as free health screenings and posture assessments.

# Operational Review - Property Division

## LEVERAGING A FAVOURABLE LANDSCAPE TO BROADEN OUR IMPACT

In FY2024, our Property Division encountered rising construction costs but also benefitted from strong demand and ongoing alignment with government policies and incentives. Our active land bank acquisition efforts are paving the way for sustained growth in construction activities, keeping us on track to achieve our Vision 2028 goal of completing 50,000 affordable homes.

### Affordable Homes Completed (Units)



A primary concern in our Property Division is the persistently high cost of construction. However, our ongoing emphasis on expanding the use of IBS construction techniques, optimising land use and implementing bulk purchasing strategies has empowered the effective management of operational costs, allowing us to maintain affordability for our potential home buyers.

Demand for affordable housing remains strong, as evidenced by the impressive take-up rates for our new launches. This strong demand is reflected in our ongoing construction activities, which are thriving with over 6,300 new units launched. In FY2024, we achieved a robust milestone by completing a record-high 6,017 affordable homes, bringing our total to an impressive 36,420 units completed to date.

Consequently, we achieved a divisional revenue of RM1.9 billion in FY2024, with this new historical high reflecting a 29.7% increase from the previous financial year. Simultaneously, our divisional operating profit rose by 27.8%, reaching RM518.5 million.

Operational Review > Property Division

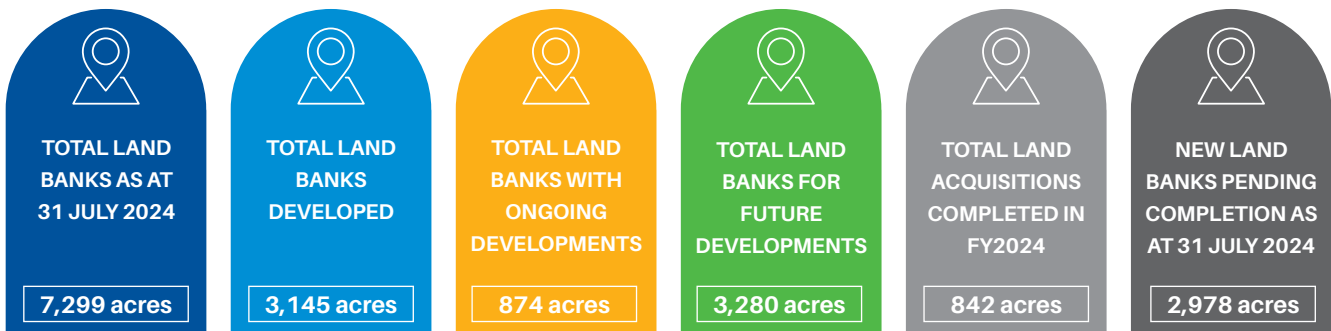
We are proud that our dedication to delivering a significant number of affordable homes while prioritising sustainable construction practices has been acknowledged by the wider industry, earning us a spot on BCI Asia's List of Top Ten Developers for the third consecutive year.

Moreover, our commitment to excellence has been reaffirmed with the prestigious MDA Top-Of-The-Chart award in this year, further solidifying our position among the top 10 developers with a market capitalisation of RM1 billion and above.



Scientex received the prestigious 'Top 10 Developers Award' at the BCI Asia Awards 2024

CONSISTENTLY EXPANDING OUR LAND BANKS



<p><b>FY2024 Land Acquisition Completed</b></p>	<p>Bandar Kulai, Johor - 551 acres</p>	<p><b>TOTAL CONSIDERATION</b> <b>RM552.4 million</b></p>
	<p>Jenjarom, Selangor - 251 acres</p>	
	<p>Kundang Jaya, Selangor - 40 acres</p>	

<p><b>FY2024 Land Acquisition Pending Completion</b></p>	<p>Muar, Johor - 1,094 acres</p>	<p><b>TOTAL CONSIDERATION</b> <b>RM1.4 billion</b></p>
	<p>Pulai, Johor - 350 acres</p>	
	<p>Bestari Jaya, Selangor - 826 acres</p>	
	<p>Jawi, Penang - 708 acres</p>	

Amid robust market demand and various government initiatives aimed at enhancing the accessibility and affordability of home ownership, we remain dedicated to capitalising on long-term growth potential in this sector. According to the NAPIC report 2023, home purchasing statistics show that Selangor and Johor accounted for over one-third of total property transactions, highlighting strong demand in these states.

In response, we have leveraged our solid financial position to aggressively expand our land banks. In FY2024, we successfully acquired 842 acres of land in Johor and Selangor, increasing our total land bank to 7,299 acres as of 31 July 2024. We have also initiated the acquisition process for an additional 2,978 acres in strategic locations to address the rising demand for affordable housing.

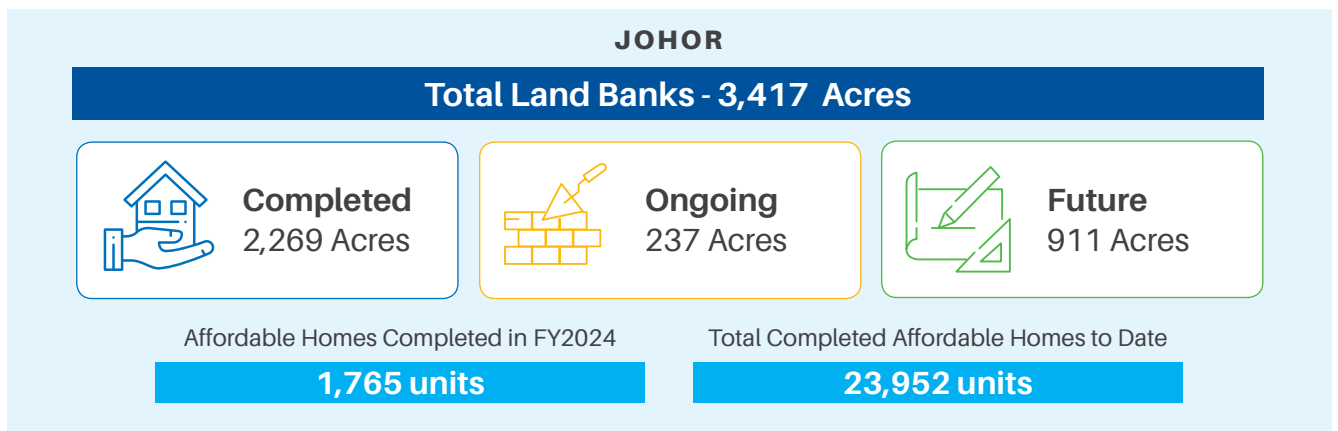
These efforts to expand our land banks provide us with the foundation necessary to realise our Vision 2028 goal of delivering 50,000 units of affordable homes.

Operational Review > Property Division

**OUR DEVELOPMENT PROJECTS**

In accordance with our 'Cross Border Development Strategy', we are focused on fostering sustainable growth and making a positive difference for middle-to-lower-income home buyers across Peninsular Malaysia and beyond.

Through strategic land bank acquisitions over the past years, we have established a robust presence in key regions, including Johor and Melaka, along with the Central and Northern regions of Peninsular Malaysia. The following section provides an overview of our FY2024 progress in each of these regions.



An artistic illustration of our development at Scientex Bandar Kulai, Johor

## Operational Review &gt; Property Division

Since the establishment of our Property Division in 1995 with our maiden development of Scientex Pasir Gudang, we have been at the forefront of property development in the Johor region. The state continues to be the cornerstone of our Property Division, where we have steadily broadened our presence and reinforced our footprint within the state.

In anticipation of the increasing demand for affordable homes in Johor (refer to 'Market Review, Outlook and Trends' on pg. 42 for details), we remain focused on maintaining our expansion momentum in this region with our recent land acquisition and masterplan for Scientex Pulau 3. In FY2024, we launched a significant number of units in Taman Pulau Duta, introducing 342 units of The Pines double-storey terrace houses, which achieved an impressive 96% take-up rate. Furthermore, we launched 507 units of The Oaks double-storey terrace houses. The Oaks achieved an exceptional 100% take-up rate for non-bumi lots, while the Oaks 2 also performed well, attaining a 72% take-up rate for non-bumi lots within just one month of its launch in July 2024.

Additionally, we successfully completed and delivered 450 double-storey terrace houses, 177 three-storey terrace houses, and 104 units of double-storey shop offices in Taman Pulau Mutiara 2.

In FY2024, our Rumah Mampu Milik Johor ("RMMJ") projects similarly recorded notable progress, with the successful delivery of 614 completed units in Taman Pulau Mutiara and 300 completed units in Taman Scientex Utama. To ensure equitable home allocations, we collaborated with Perbadanan Kemajuan Perumahan Negeri Johor ("PKPJ") to organise a series of balloting events for projects launched in Taman Pulau Mutiara, Taman Pulau Mutiara 2 and Taman Scientex Kota Tinggi, where Taman Scientex Kota Tinggi achieved a remarkable take-up rate of 86%. Additionally, we collaborated with PKPJ to host a One Stop Centre ("OSC") event, providing a comprehensive platform for 300 eligible customers to conveniently access various services, such as

collecting RMMJ certificates, submitting loan documents directly to bankers and checking Central Credit Reference Information System ("CCRIS") reports, among others.



*An artistic representation of the double-storey terrace houses at Taman Pulau Duta*

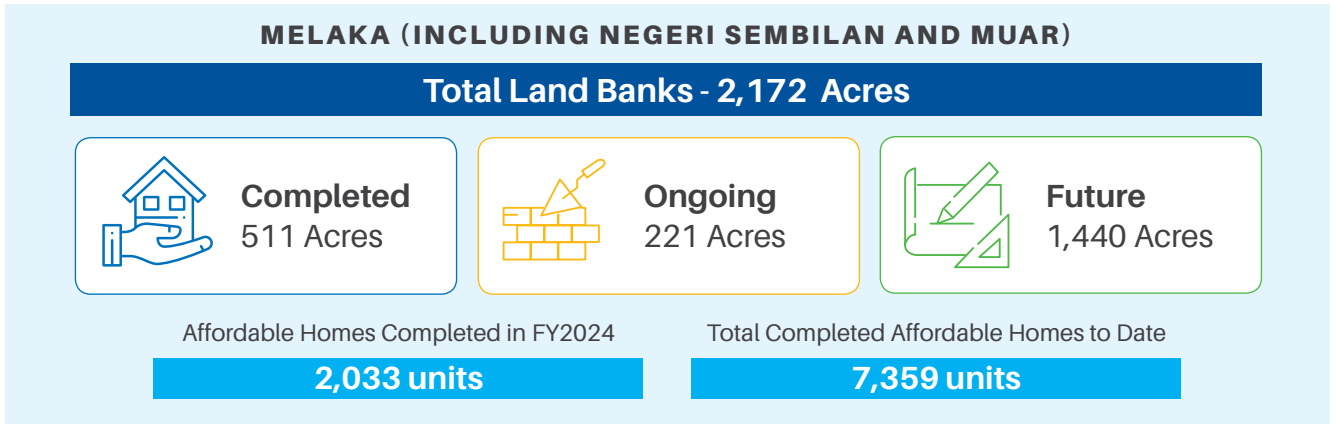
Building on the success of our previous three developments in Kulai, we are excited to announce the launch of our fourth integrated township project - Scientex Bandar Kulai. This development is strategically located and surrounded by a wealth of amenities, including educational institutions, banks, public transport options, and major shopping centres such as the Johor Premium Outlets. The location offers excellent connectivity, with easy access to the North-South Expressway and the Second Link Expressway.

Meanwhile, the surrounding well-established townships provide residents with convenient access to primary and secondary schools, the Kulai Municipal Council, and popular malls. Spanning 551 acres, Scientex Bandar Kulai will feature a diverse range of residential and commercial units, including double-storey terrace and cluster houses, RMMJ, double-storey shop offices, and medium-cost retail shops. Our aim is to promote home ownership by providing approximately 8,000 affordable homes that cater to various family sizes and preferences.

## NEW LAND ACQUISITIONS PENDING COMPLETION

PULAI, JOHOR	
Land Title	Freehold
Land Size	350 acres
Description	Following the successful developments of Taman Pulau Mutiara, Taman Pulau Mutiara 2, and Taman Pulau Duta in Johor, we have strategically acquired our fourth land bank in the region, designated for the future Scientex Pulau 4. This new development is ideally located, with excellent connectivity to the Second Link Expressway (4.5 km) and the North-South Expressway (8 km). Nestled in a mature area, Scientex Pulau 4 is surrounded by a variety of amenities, including reputable educational institutions, banks, healthcare facilities, and shopping centres, ensuring residents enjoy a lifestyle of convenience and comfort. Scientex Pulau 4 will provide affordable, quality homes set amidst tranquil green spaces, promoting a healthy and sustainable lifestyle.

Operational Review > Property Division



An artistic rendering of the Scientex Jasin project

The state of Melaka remains a vital growth area for our Property Division, with our developments in Jasin town significantly enhancing our market presence and supporting our Vision 2028 goal.

Our Bandar Jasin project, which covers 1,357 acres in a prime location, represents the largest development within our portfolio. Following the initial launch of double-storey terrace houses in FY2022, we completed 826 units across various phases of Bandar Jasin Presint 1 in FY2024. To support home ownership within the local community, we introduced two additional phases of Rumah Mampu Milik ("RMM"), offering a total of 277 units, with the first phase achieving a strong take-up rate of 86%. Furthermore, we added 52 shop lots, which saw an impressive 87% take-up rate. Additionally, we launched two new phases of double-storey terrace houses in Scientex Bandar Jasin, offering a total of 625 units starting at below RM300,000.

Similarly, the Taman Scientex Jasin Mutiara project achieved the completion of 714 units in FY2024, with 41% being double-storey terrace houses and 59% designated as RMM units. We also expanded our offerings with new launches, introducing 224 double-storey terrace houses that achieved an impressive 93% take-up rate, demonstrating the strong demand for quality homes in the area. Furthermore, we launched 211 RMM units to provide additional affordable housing options for a wider segment of the community.



## Operational Review &gt; Property Division

Meanwhile, at Durian Tunggal 2, we delivered 128 units of RMM in November 2023, bringing the total number of completed RMM units in this development to 863.

In term of promotional activities, we organised a Cluster Show House Opening Event in Bandar Jasin in FY2024, which was well-received and attracted considerable interest from residents and potential home buyers. The engagement-driven event featured a blood donation drive and various discussions with the local authorities, including PDRM, JPJ, and Bomba. This initiative not only underscored our commitment to community well-being but also served as a platform to promote our double-storey cluster houses and other offerings in Scientex Bandar Jasin.



*An artist's impression of the RMM within our Seremban development*

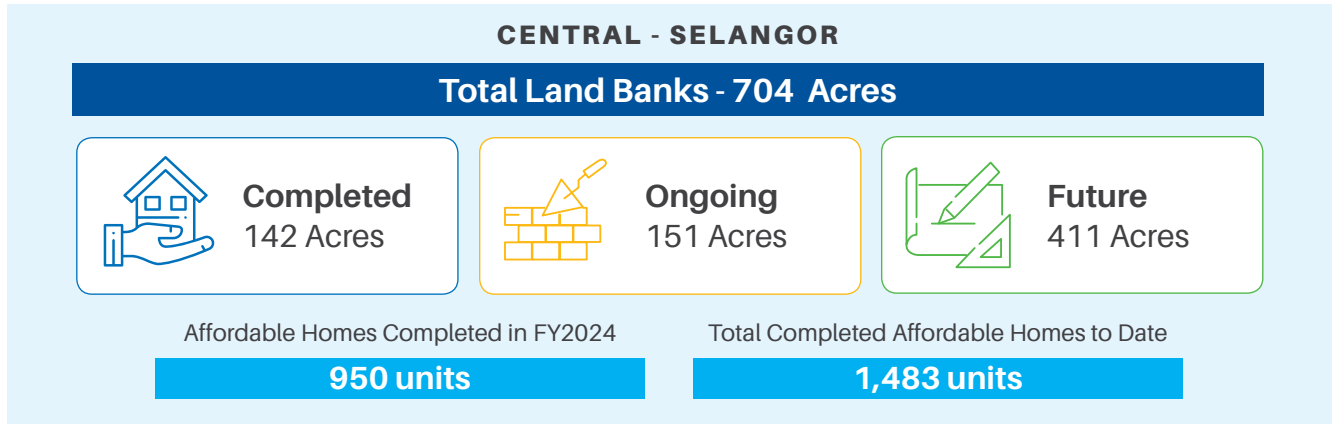
We have also marked our debut in Negeri Sembilan with the Scientex Seremban project, situated on 109 acres of prime freehold land in a rapidly developing area with a growing population. This development offers convenient access to a variety of educational institutions, quality amenities and essential facilities within a 10 km radius. In FY2024, we successfully completed the first two phases of double-storey terrace houses, totalling 365 units, and launched an additional 97 units of RMM, achieving a 95% take-up rate.

## NEW LAND ACQUISITIONS PENDING COMPLETION

## MUAR, JOHOR

<b>Land Title</b>	Freehold
<b>Land Size</b>	1,094 acres
<b>Description</b>	The land parcels are strategically situated along the Muar - Yong Peng main road, providing direct access from Jalan Muar - Yong Peng. This prime location is surrounded by a mix of industrial and agricultural activities, with notable landmarks such as Muar Furniture Park, Bukit Bakri Industrial Area, and Bakri Bukit Muar Airfield in close proximity. Muar town, the commercial and administrative centre of the region, is only 15 km away. Our development plan for these parcels includes a variety of housing types, including double-storey terrace houses, RMM, shop lots, and double-storey cluster homes. By offering a range of housing options tailored to diverse lifestyle needs and financial capabilities, we aim to offer the ideal home option for every individual and family.

Operational Review > Property Division



*An artistic rendering of our development in Jenjarom, Selangor*

In 2017, we took a significant step in expanding our footprint into the central region of Selangor, Malaysia's most urbanised and densely populated state. Our inaugural project in the Klang Valley was Scientex Rawang, where we completed 207 units of double-storey terrace houses and 32 units of double-storey semi-detached houses during FY2024.

In Rawang, we also pioneered the town's first high-rise residential developments, Mori Residence and Mori Residence 2, launched in 2022 and 2023, respectively. These projects are designed with extensive facilities and green spaces to enhance residents' quality of life, while adhering to green building principles to reduce environmental impact.

In May 2024, Mori Residences celebrated a key milestone with its topping-out ceremony, marking the structural completion of the high-rise. This reflects our ongoing commitment to quality and timely delivery, and we now move forward to the next phase, looking forward to welcoming new residents to their homes. We are also working towards obtaining GreenRE certification from the Real Estate and Housing Developers' Association ("REHDA"), highlighting our commitment to sustainability.

Operational Review > Property Division



An artist's impression of the double-storey terrace house at Scientex Kundang Jaya

In our Kundang Jaya development, we completed 277 double-storey terrace houses and 466 2.5-storey terrace houses in FY2024, further strengthening our foothold in the region. To meet strong demand, we also acquired an additional 40 acres of land, bringing our total land bank in Kundang Jaya to 248 acres.

During the financial year saw us mark our entry into the Cheras region with the launch of 48 commercial units, addressing the growing demand in this bustling area. The notable 75% take-up rate within a month of launching underscores the strong potential of Scientex Cheras. Spanning 140 acres, it is strategically situated 8 km northeast of Cheras town, offering easy access to key suburban areas in Klang Valley. The location is well-served by major expressways and close to a range of established amenities, including the Mass Rapid Transit ("MRT"), educational institutions, medical centres, shopping malls and recreational facilities.

Recognising the area's growth potential, we are set to introduce high-rise residential complexes within Scientex Cheras, shaping a vibrant suburban township that offers modern, affordable living amidst lush green surroundings.

In FY2024, we also successfully completed the acquisition of 251 acres in the heart of Jenjarom town. Following this, we introduced several new launches in Scientex Jenjarom across multiple phases. Owing to its strategic location near established residential areas and excellent connectivity, the take-up rate has been highly positive.

We have launched two phases of double-storey terrace houses in Scientex Jenjarom, offering a total of 448 units, with the first phase achieving a 88% take-up rate. Additionally, the launch of 140 commercial units garnered an overwhelming response. To ensure fairness and transparency, we organised a balloting and lot selection event, resulting in an impressive 98% take-up rate.

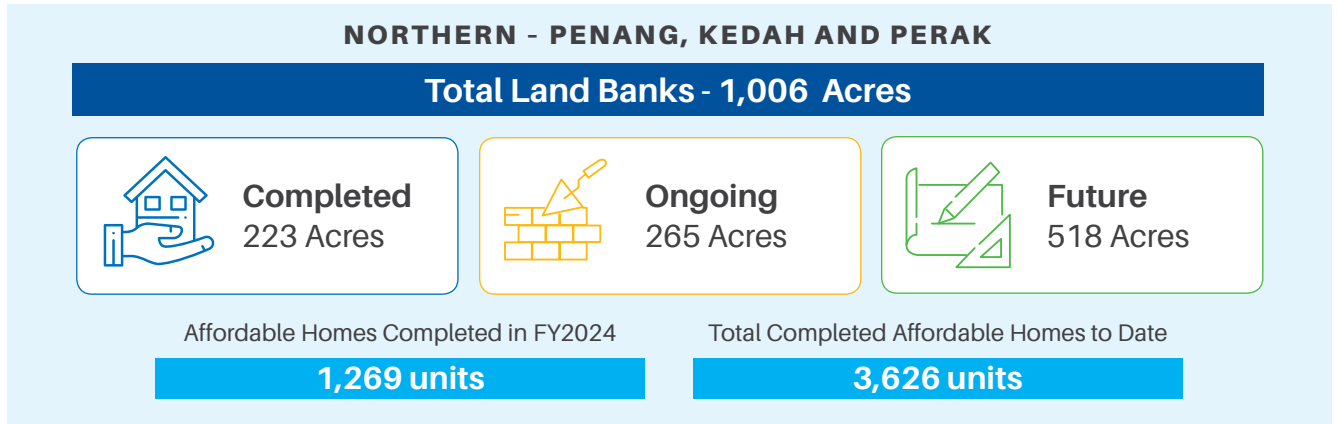


The balloting and lot selection event at Scientex Jenjarom

NEW LAND ACQUISITIONS PENDING COMPLETION

BESTARI JAYA, SELANGOR	
Land Title	Freehold
Land Size	826 acres
Description	Bestari Jaya will be home to our newest 826-acre mixed-development project. This innovative township addresses the increasing demand for affordable housing while seamlessly blending residential, commercial and recreational spaces to offer residents the future of community living. The development is ideally located, offering excellent connectivity to major highways and public transport, ensuring convenient access for residents commuting to key urban centres.

Operational Review > Property Division



*An artist's impression of our development in Ipoh*

The Penang government’s intensified efforts to provide more affordable housing, with a target of 220,000 units by 2030, have fuelled consistent demand in this state, driving growth in the housing sector.

Our first development in the Northern region was situated on prime 180-acre freehold land at Tasek Gelugor. In FY2024, we completed a further 1,269 double-storey terrace houses in this area, bringing our total delivery to nearly 2,000 units.

After acquiring 343 acres in Sungai Dua in FY2022, we have further aligned our strategy with the local government's affordable housing scheme to expand our presence. In FY2024, we launched an additional 948 double-storey terrace houses across four phases, achieving an average take-up rate of 93%. In July 2024, we launched another 291 units of double-storey terrace houses.

Operational Review > Property Division



An artist's representation of our development in Sungai Dua, Penang

With steady demand in Penang, we initiated the acquisition of 708 acres in Jawi to strengthen our presence and continue providing quality affordable homes to local communities.

Beyond Penang, we have further strengthened our footprint in Sungai Petani, Kedah, by launching 268 double-storey terrace houses in FY2024. The strong response, with a 94% take-up rate, signals promising growth potential in the region.

Having expanded our presence in Perak by acquiring a fourth parcel of land in Klebang, Ipoh, during the previous financial year, we have moved forward with our Scientex Ipoh development. This strategic 219-acre site is conveniently located near a variety of mature amenities, including supermarkets, shopping malls, eateries, banks and schools. In FY2024, we launched two phases comprising a total of 360 units of double-storey terrace houses, with Phase 1 achieving a notable 99% take-up rate.

NEW LAND ACQUISITIONS PENDING COMPLETION

JAWI, PENANG	
Land Title	Freehold
Land Size	708 acres
Description	Envisioned as a self-sufficient township, this upcoming development known as Scientex Jawi 2 aims to integrate residential and commercial areas with a comprehensive range of amenities. Its strategic location ensures excellent access to major highways and public transport, and the development will offer affordable, quality homes designed to meet the varied needs of first-time buyers, growing families and investors looking for long-term value. The Jawi area is abundant with essential facilities, including reputable schools, healthcare services, shopping centres and recreational parks, promoting a vibrant community life for residents. Scientex Jawi 2 is set to establish a new benchmark for integrated living in Penang, offering an ideal combination of convenience, comfort and connectivity.

## Operational Review &gt; Property Division

**HARNESSING DIGITAL TECHNOLOGIES AND PARTNERSHIPS**

In a rapidly evolving digital and marketing landscape, our Property Division is committed to leveraging digital technologies and strategic partnerships to enhance our operational and promotional practices, ensuring our long-term competitiveness.

We have embraced 3D virtual house tours to provide potential buyers with an immersive experience, allowing them to explore our properties and enabling our sales teams to connect with a wider, more diverse segment of the Malaysian population.

Additionally, we are utilising a customer relationship management platform that automates sales and marketing processes, empowering our sales personnel to engage effectively with customers. This tool streamlines repetitive tasks such as sending emails, storing contact details, facilitating online sales, tracking revenue and measuring results, allowing our team to focus on building stronger customer relationships and driving greater market growth.

The division has also implemented QR code scanning on our sales brochures, enabling potential buyers to instantly access detailed property information and connect with our sales team with a simple scan. This use of QR codes simultaneously aligns with our sustainability initiatives by reducing our reliance on printed materials.

At the same time, we continue to collaborate with Key Opinion Leaders ("KOLs") to enhance our brand's visibility. These partnerships involve creating engaging and informative short videos that resonate with our target audience and effectively showcase our properties. Further to this, we have engaged multiple property agencies to support our sales and marketing, assisting us to broaden our reach and customer base as we seek to maintain and grow our sales velocity.

The division has also taken steps to adopt cutting-edge digital tools that support our ongoing strategic expansion initiatives. In FY2024, we adopted advanced software mapping tools to identify and evaluate potential land acquisitions, enabling our teams to make informed decisions that take into account the analysis of market trends, demographic shifts and historical land transactions.



*The mapping tools used for evaluating land acquisitions*

# Our Sustainability Journey

Ingrained within our vision of 'Sustainable Growth, Better Tomorrow', we view the integration of sustainable practices into our strategies as essential for ensuring the long-term growth and stability of our business. Through our initiatives, we strive to make consistent progress across the ESG spectrum, operating and expanding our business in a manner that creates a lasting positive impact on people, communities and the planet.



## OVERVIEW

The Scientex Sustainability Report 2024 marks our fourth standalone report, highlighting our strategies and achievements in creating value across the ESG spectrum through various policies, initiatives and practices implemented across the Group's operations.

We present our accomplishments across 11 sustainability topics, organised under three pillars: "Creating Shared Sustainable Value", "For the Betterment of the Environment", and "Our People, Our Pride". Each topic aligns with relevant UN SDGs and discloses corresponding key performance data.

In addition to topic-level disclosures, the report details our ongoing efforts to integrate sustainability into our core business processes and strategies, developing a Group-wide organisational culture that emphasises corporate responsibility across our business operations.

The Scientex Sustainability Report 2024 is prepared with reference to the GRI Standards 2021 and the third

edition of Bursa Malaysia's Sustainability Reporting Guide, and adheres to the Bursa Malaysia Main Market Listing Requirements.

## SCOPE AND BOUNDARY

This report discloses the sustainability initiatives and commitments of Scientex, covering our Malaysian and international subsidiaries across our Packaging and Property divisions. Joint ventures and associates of the Group are excluded from the report.

## REPORTING PERIOD

The disclosures within this report cover the period of 1 August 2023 to 31 July 2024, unless specified otherwise.

## AVAILABILITY

The full report may be downloaded from our corporate website at [www.scientex.com.my](http://www.scientex.com.my).

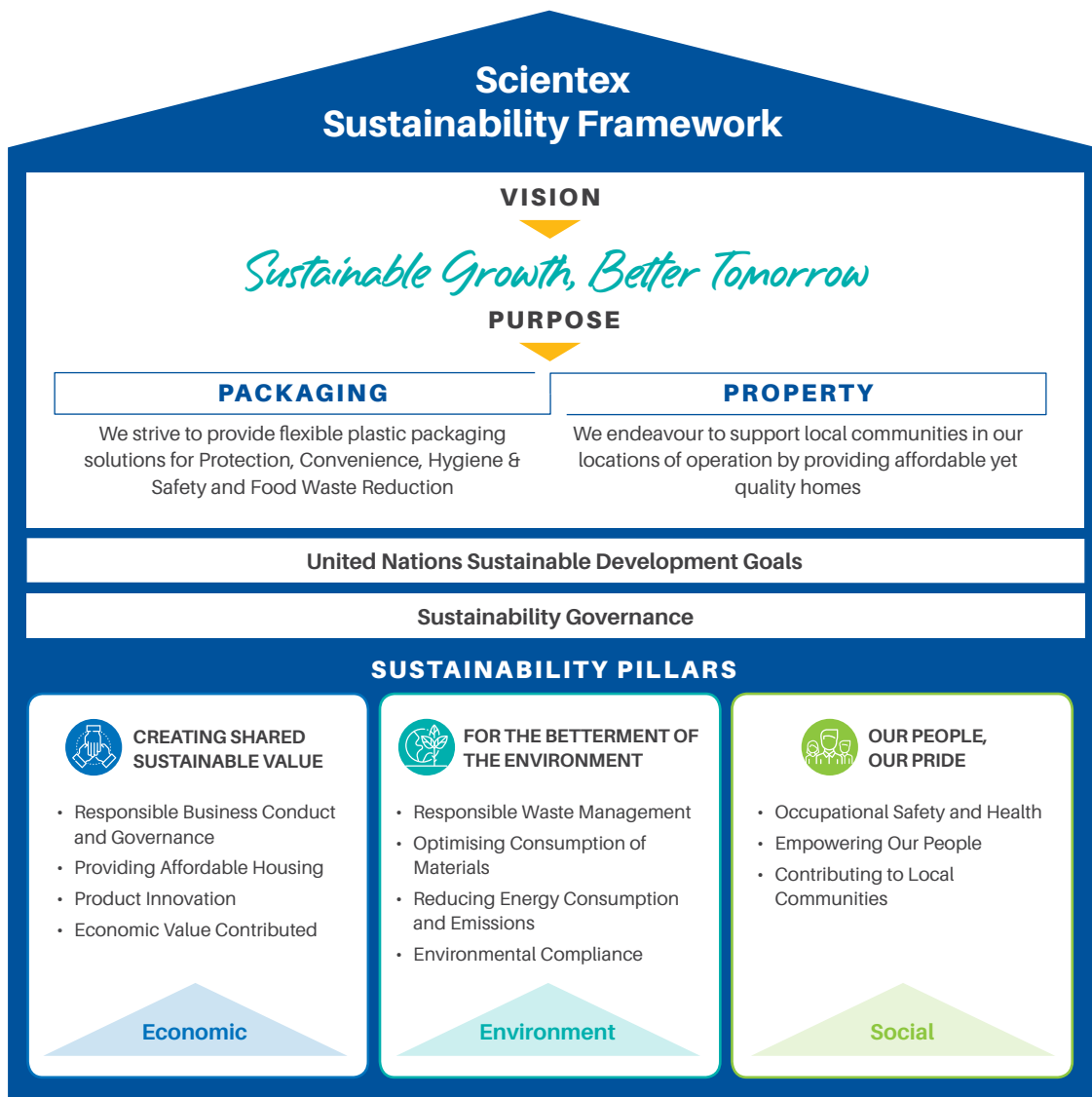
# Sustainability Framework

Our Sustainability Framework is the foundation of how we approach sustainability at Scientex, outlining the interconnected roles of our business processes, governance framework and initiatives in driving growth and creating long-term value, in line with our vision of "Sustainable Growth, Better Tomorrow".

At the base of the framework lies our sustainability pillars: "Creating Shared Sustainable Value", "For the Betterment of the Environment" and "Our People, Our Pride". Each of these pillars house sustainability material topics that are determined and refined through ongoing stakeholder engagements and regular materiality assessments, enabling us to formulate strategies and initiatives that deliver long-term, shared value.

These strategies and initiatives are, in turn, embedded within the business processes of our dual business divisions – Packaging and Property, delivering progress against our corporate Vision and Purpose and supporting the UN SDGs we have identified as relevant to our business.

This framework is underscored by our Sustainability Governance structure, which enforces a collaborative, vigilant and informed approach to sustainability. The structure delegates responsibility for strategising, monitoring and assessing our initiatives to different teams within the Group, empowering us to maximise the positive impact of our actions.





# Our Approach to Sustainability

To maximise the positive impact of our business, we have embedded sustainability considerations within the processes of both of our divisions, as detailed below.

## PACKAGING DIVISION

### DEVELOP

### PROCURE

### PRODUCE

### SELL

#### SUSTAINABLE PROCESSES

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• Research and development ("R&amp;D") of sustainable packaging solutions</li> <li>• Co-creating products with our customers</li> </ul> | <ul style="list-style-type: none"> <li>• Centralised procurement of raw materials</li> <li>• Sourcing of sustainable raw materials</li> </ul> | <ul style="list-style-type: none"> <li>• Investing in advanced, energy-efficient production machinery and lighting</li> <li>• Implementing renewable energy solutions including investing in solar PV systems for our plants</li> <li>• Efficient production planning</li> <li>• Upholding best practices in water usage, waste and effluent management</li> </ul> | <ul style="list-style-type: none"> <li>• Engaging with customers to understand their long-term sustainability objectives</li> <li>• Maintaining efficient and time-tested distribution channels and methods</li> </ul> |
|--|---|--|--|

#### SUSTAINABLE OUTCOMES

- |  |  |  |   |
|--|--|--|---|
| <ul style="list-style-type: none"> <li>• Recyclable FPP solutions</li> <li>• Biodegradable and compostable packaging solutions</li> <li>• Products with reduced material usage</li> <li>• Increased range of sustainable products innovated</li> </ul> | <ul style="list-style-type: none"> <li>• Reduced emissions from transportation due to centralised procurement</li> <li>• Increased accessibility of sustainable raw materials</li> </ul> | <ul style="list-style-type: none"> <li>• Reduced material use, energy use and waste generation</li> <li>• Using recycled resin as a production input</li> <li>• Recycling plastic waste and converting non-recyclable waste to Processed Engineered Fuel</li> <li>• Reducing Scope 2 GHG emissions due to lower use of conventional electricity</li> </ul> | <ul style="list-style-type: none"> <li>• Continuous increase in sustainable products sold</li> <li>• Reduced energy usage and emissions related to product distribution</li> <li>• Continuous expansion of our market base</li> </ul> |
|--|--|--|---|

## PROPERTY DIVISION

### ACQUIRE

### PLAN

### LAUNCH

### BUILD

#### SUSTAINABLE PROCESSES

- |   |   |  |  |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>• Continuously expanding our presence through land bank acquisitions in Malaysia while venturing into neighbouring countries</li> <li>• Identifying suitable land banks at competitive prices</li> </ul> | <ul style="list-style-type: none"> <li>• Efficient planning of land use and house designs</li> <li>• Developing plans that incorporate connectivity and transport infrastructure to larger population hubs and encourage job creation within local communities</li> <li>• Including green spaces and recreation facilities</li> </ul> | <ul style="list-style-type: none"> <li>• Adopting digital channels to promote our developments</li> <li>• Adopting systematic online procedures for property purchasing</li> <li>• Installing solar PV systems to power our sales galleries</li> </ul> | <ul style="list-style-type: none"> <li>• Utilising the IBS construction technique</li> <li>• Adopting good practices in waste and effluent management</li> <li>• Reusing construction materials across multiple construction sites</li> <li>• Optimising logistics planning to minimise emissions</li> </ul> |
|---|---|--|--|

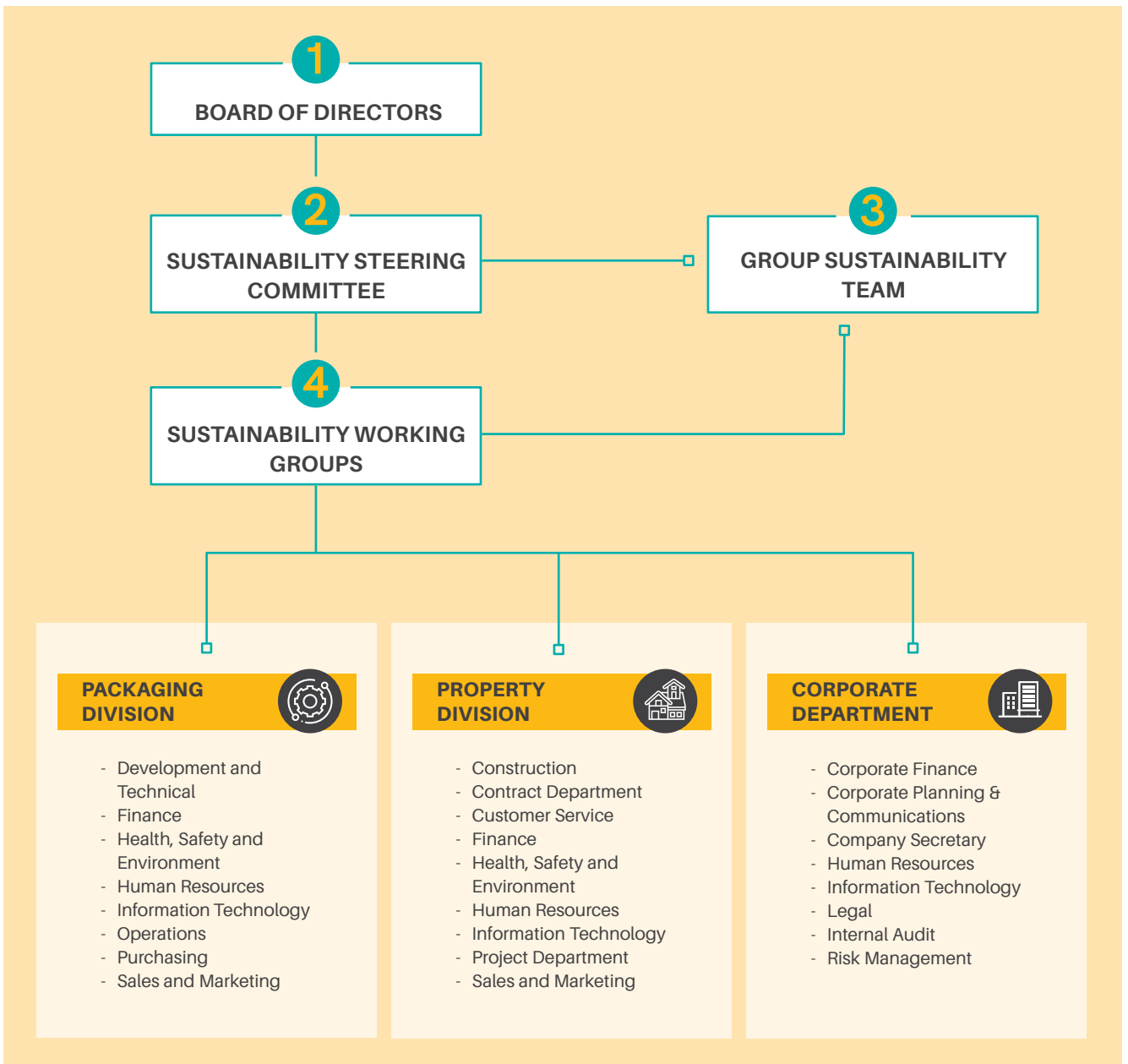
#### SUSTAINABLE OUTCOMES

- |  |  |   |  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>• Capacity to grow in the affordable housing market and enable home ownership for more people in the middle-to-lower-income groups</li> <li>• Cost effective acquisitions of land banks, with savings passed on to home owners</li> </ul> | <ul style="list-style-type: none"> <li>• Creation of townships that cater to holistic economic and social needs</li> <li>• Improved the quality of life for residents</li> <li>• North-south building orientations that reduce heat exposure of dwellings</li> </ul> | <ul style="list-style-type: none"> <li>• Providing equal opportunities for affordable home ownership to people in middle-to-lower-income groups</li> <li>• Enhanced convenience and safety for potential home buyers</li> <li>• Reduced Scope 2 GHG emissions due to installation of solar PV systems at our sales galleries</li> </ul> | <ul style="list-style-type: none"> <li>• Improved employee safety due to the use of the IBS construction technique</li> <li>• Reduced waste generation and optimised material usage due to reuse of materials and use of the IBS construction technique</li> </ul> |
|--|--|---|--|

# Our Sustainability Governance

Our robust governance structure ensures that sustainability matters relevant to our business are identified, addressed and managed in an effective manner.

The structure instils responsibility for sustainability at all levels of the Group, from the Board – who bear responsibility for setting our overall agenda – to our workforce at individual departments and across all subsidiaries. It provides trusted avenues for all employees to raise matters relevant to their work and ensures oversight of actions taken to address these matters, with the Sustainability Steering Committee ("SSC") playing a central role in this process.



*(Composition of working groups are determined based on the specific needs of sustainability topics and their associated initiatives)*

## Our Sustainability Governance

**Board of Directors ("Board")**

1

- Assumes overall responsibility for and oversight of the Group's sustainability agenda, including identifying sustainability topics, setting objectives, and implementing policies and practices
- Nominated by the Nomination and Remuneration Committee, which further evaluates the Board's performance on sustainability matters through a peer evaluation process
- The Board's sustainability responsibilities are led by our Managing Director/Chief Executive Officer, Mr. Lim Peng Jin

**Sustainability Steering Committee ("SSC")**

2

- Comprises members of the Scientex Executive Committee ("EXCO") and is led by our Managing Director/Chief Executive Officer, Mr. Lim Peng Jin
- Regularly engages with stakeholders and staff at the departmental or subsidiary level
- Identifies potential sustainability topics based on these engagements, and subsequently presents said topics to the Board for consideration
- Develops comprehensive strategies for identified sustainability topics
- Sets key performance indicators for strategies identified, involving data management systems, reporting processes and internal control mechanisms
- Creates sustainability-related policies which govern sustainability practices across the Group, and tables these policies to the Board for approval

**Group Sustainability Team**

3

- Provides recommendations to the SSC on potential sustainability topics, and the subsequent development and execution of strategies for identified and approved sustainability topics
- Supports the SSC in the nomination of specific working groups responsible for executing strategies formulated by the SSC
- Implements strategies together with the identified Sustainability Working Groups
- Reports on the outcomes and progress of related strategies during monthly management meetings with the SSC
- Monitors sustainability initiatives, and maintains records for regular reviews of sustainability management procedures and performance
- Takes the lead in preparing and presenting sustainability-related reports, in compliance with applicable reporting requirements

**Sustainability Working Groups**

4




- Appointed on a topic-by-topic basis depending on the needs of the topic and its initiatives
- May include representatives from the various departments and divisions within the Group
- Works with the Group Sustainability Team to ensure the effective implementation of formulated strategies while following specific management procedures
- Maintains accurate records of actions taken and the results achieved
- Delivers comprehensive reports on related actions taken and their outcomes during monthly management meetings
- Serves as a communication channel between the Group Sustainability Team and individual departments and subsidiaries, providing an opportunity for staff members to highlight and elevate potential sustainability matters for consideration

# Our Sustainability Performance



Below is a summary of the key topic-level disclosures from our Sustainability Report 2024. For comprehensive details, we encourage you to review the full report.

Sustainability Topic	Why It Matters	Our Approach	Our Performance in FY2024
<p><b>Responsible Business Conduct and Governance</b></p> 	<p>We recognise our responsibility to maintain responsible business conduct and uphold a strict zero-tolerance policy on unethical behaviour, which is essential for sustaining stakeholder trust and achieving our business objectives.</p>	<ul style="list-style-type: none"> <li>Enforcing responsible business conduct through a robust governance structure across the Group.</li> <li>Adhering to local, international and industry-level rules and regulations, alongside internal codes and policies including our Code of Ethics, Code of Conduct for Suppliers, and ABAC Policy.</li> <li>Providing employees with regular training and reviews on our codes and policies to inform them of our expectations.</li> <li>Conducting corruption risk assessments across various departments to identify potential risks.</li> <li>Implementing internal measures to protect personal data and defend against cyber threats.</li> <li>Communicating our policies and expectations with all new suppliers with an annual supply value exceeding RM50,000.</li> <li>Our EXCO has pledged to drive value creation responsibly, focusing on sustainability and robust corporate governance to achieve our goals.</li> </ul>	<ul style="list-style-type: none"> <li>100% of our employees* have received ABAC training</li> <li>Improved our FTSE Russell ESG score</li> <li>Zero instances of corruption, bribery, unethical business conduct, data privacy breaches or human rights violations were reported or investigated</li> </ul> <p><i>* Employees at executive level and above only</i></p>
<p><b>Providing Affordable Housing</b></p> 	<p>Delivering affordable, quality housing lies at the heart of our mission, supporting both our continued business growth and our commitment to social responsibility.</p>	<ul style="list-style-type: none"> <li>Utilising standardised building designs and layouts to optimise land use and reduce construction costs, enabling us to price homes affordably for the middle-to-lower-income segment.</li> <li>Enhancing our adoption of IBS construction techniques to improve construction speed, quality and safety of construction.</li> <li>Expanding our land bank portfolio in alignment with our 'Cross Border Development Strategy' to facilitate future developments in strategic locations across Peninsular Malaysia, supporting the government initiatives to increase home ownership accessibility.</li> <li>Uplifting local communities through the development of quality affordable homes, improved infrastructure development and the provision of economic opportunities for local vendors.</li> </ul>	<ul style="list-style-type: none"> <li>Completed 6,017 affordable homes</li> <li>A total of 36,420 affordable homes completed by our Property Division since its inception</li> <li>Over 70% of the affordable homes we have completed were priced below RM300,000</li> </ul>



Our Sustainability Performance

Sustainability Topic	Why It Matters	Our Approach	Our Performance in FY2024
<p><b>Product Innovation</b></p> 	<p>Innovation is essential for boosting our capacity, improving efficiency and enhancing the value of our offerings—our three Drivers of Growth that sustain our competitive advantage. We also innovate to reduce resource consumption, optimise energy use, minimise waste generation and support the circular plastic economy.</p>	<ul style="list-style-type: none"> <li>• Consistent investment in new machinery, cutting-edge technologies and factory enhancements, as well as state-of-the-art innovation centres, to advance our research and development initiatives.</li> <li>• Collaborating with customers to develop and commercialise customised packaging solutions tailored to their specific requirements.</li> <li>• Downgauging our stretch films and flexible packaging structures to minimise their environmental footprint.</li> <li>• Driving advancements in the circular plastic economy by producing recyclable base films, films containing PIR or PCR content, and recyclable multi-layered FPP solutions for both industrial and consumer markets.</li> </ul>	<ul style="list-style-type: none"> <li>• RM87.3 million invested to drive innovation across the Group</li> <li>• 269 research and development projects</li> <li>• 51 innovations successfully commercialised</li> </ul>
<p><b>Economic Value Contributed</b></p> 	<p>As we build a lasting presence in diverse locations, we aim to enhance livelihoods and contribute to local economies in a sustainable and meaningful manner.</p>	<ul style="list-style-type: none"> <li>• Distributing the economic value we generate to local and federal governments, shareholders, investors, suppliers, business partners and employees, underscoring our commitment to grow responsibly and sustainably.</li> <li>• Positively impacting local communities through our corporate social responsibility initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• RM3.7 billion in economic value distributed to suppliers, business partners, shareholders, employees and governments, including:                         <ul style="list-style-type: none"> <li>- RM164.2 million in taxes</li> <li>- RM305.9 million in salaries and benefits</li> <li>- RM170.6 million in dividends</li> </ul> </li> <li>• RM809.5 million in economic value retained to support our long-term business growth ambitions</li> </ul>
<p><b>Responsible Waste Management</b></p> 	<p>We acknowledge our responsibility to reduce the negative waste impacts of our manufacturing and construction activities. We remain committed to exploring and adopting sustainable strategies to minimise waste generation and optimise the waste footprint of our packaging solutions.</p>	<ul style="list-style-type: none"> <li>• Upholding our Company-wide Environmental Policy and enhancing our internal processes in line with the seven key focus areas in our waste management framework and our waste management hierarchy.</li> <li>• Reducing waste through innovative efforts, including via downgauging our films, developing recyclable or biodegradable packaging solutions, increasing our use of PCR and PIR resins as inputs, and improving our production processes to reduce waste.</li> <li>• Implementing recycling and repurposing methods for plastic trimmings and other recyclable materials, including converting other waste into Processed Engineered Fuel.</li> </ul>	<ul style="list-style-type: none"> <li>• Total tonnage of non-hazardous plastic waste generated is 4.5% of the total tonnage of our output, of which 86.3% was recycled or converted to energy</li> <li>• We reduced our total scheduled (hazardous) waste generated by 14.4% to 1,421 MT, representing 0.5% of the total tonnage of our output</li> <li>• Six of our manufacturing plants have received the ISCC PLUS accreditation, enabling the traceability of recycled resin throughout the supply chain</li> </ul>



Our Sustainability Performance

Sustainability Topic	Why It Matters	Our Approach	Our Performance in FY2024
		<ul style="list-style-type: none"> <li>• Enhancing our approach to managing effluents and scheduled waste.</li> <li>• Following guidelines to minimise waste at project sites, while incorporating waste-reducing construction techniques and materials.</li> <li>• Introduced QR code scanning for sales brochures, reducing the use of paper and other resources for printing physical brochures.</li> <li>• Fostering a waste-conscious culture across the Group through initiatives like our 3R programme, 'Back to Earth' composting, and fabric recycling efforts.</li> </ul>	
<p><b>Optimising Consumption of Materials</b></p>  	<p>By developing resource-efficient products and embracing circular economy solutions, we can lower the environmental footprint of our production processes while meeting the demands of customers, consumers and industry standards.</p>	<ul style="list-style-type: none"> <li>• Adhering to the guidelines of our Group-wide Environmental Policy, which advocates a whole-lifecycle approach to responsible material and resource use.</li> <li>• Expanding the use of PIR resin by enhancing our internal recycling capabilities, thereby reducing our dependence on virgin resin and attracting sustainability-focused global customers.</li> <li>• Incorporating eco-friendly materials and processes in our FPP production, while continually downgauging films to optimise material usage.</li> <li>• Enhancing resource efficiency in property development by utilising IBS construction techniques, steel and aluminium formworks, and self-climbing platforms.</li> <li>• Prioritising suppliers who commit to responsible and sustainable material sourcing.</li> <li>• Practising responsible water usage by minimising water wastage in our processes, implementing rainwater harvesting, and closely monitoring water consumption.</li> </ul>	<ul style="list-style-type: none"> <li>• Recycled materials constitute 8.1% of total materials used in our Packaging Division (2.4% YoY decrease)</li> <li>• 979.2 ML of water consumed across the Group (8.3% YoY increase)</li> <li>• Water consumption intensity of 0.0027 ML/MT of output in our Packaging Division (6.9% YoY decrease)</li> <li>• Water consumption intensity of 0.1444 ML/RM million of revenue in our Property Division (10.1% YoY increase)</li> </ul>

## Our Sustainability Performance


Sustainability Topic	Why It Matters	Our Approach	Our Performance in FY2024
<p><b>Reducing Energy Consumption and Emissions</b></p> 	<p>As a prominent FPP manufacturer and property developer, we recognise the growing challenges of climate change and our responsibility to adopt energy-efficient production processes, embrace renewable energy and pursue solutions to lower our emissions.</p>	<ul style="list-style-type: none"> <li>Adhering to the energy and emissions guidelines in our Group-wide Environmental Policy.</li> <li>Leveraging our presence across the FPP value chain while continually investing in advanced technologies and energy-efficient machinery to improve energy utilisation.</li> <li>Increasing renewable energy adoption, notably through installing solar PV systems at 10 of our manufacturing plants, as well as our corporate headquarters and property sales galleries.</li> <li>Utilising materials with a lower carbon footprint and streamlining processes to boost energy efficiency.</li> <li>Implementing innovative solutions to reduce indirect emissions across both Packaging and Property Divisions.</li> <li>Offsetting carbon emissions through our mangrove planting programme, with 1,500 mangroves planted since FY2022.</li> </ul>	<ul style="list-style-type: none"> <li>312,113 MWh of total energy consumed across the Group (2.5% YoY increase)</li> <li>Our Packaging Division energy consumption intensity reduced by 1.7% to 1.19 MWh/MT</li> <li>Our Property Division energy consumption intensity reduced by 5.0% to 2.10 MWh/ RM million</li> <li>153,135 MT of CO<sub>2</sub>e emissions (Scope 1 and 2) across the Group (7.7% YoY increase)</li> <li>Our GHG emissions intensity for our Packaging Division is 0.58 MT/MT of output (3.6% YoY increase)</li> <li>Our GHG emissions intensity for our Property Division is 1.04 MT/RM million of revenue (11.1% YoY reduction)</li> </ul>
<p><b>Environmental Compliance</b></p> 	<p>Ensuring strict compliance with applicable environmental regulations in our operational regions, while expecting the same from our suppliers, is essential for minimising our environmental impact and maintaining our reputation as a responsible corporate entity.</p>	<ul style="list-style-type: none"> <li>Upholding continuous compliance with our Group-wide Environmental Policy, which is centred on the four key pillars of energy and emissions, waste management, resource utilisation, and biodiversity, and is further guided by the four enablers of our Environmental Compliance Framework.</li> <li>Ensuring full compliance with environmental laws and regulations across all our operational jurisdictions.</li> <li>Conducting rigorous oversight and monitoring, coupled with employee training and engagement, to foster a strong compliance culture.</li> <li>Periodically reviewing and updating our framework and policies to align with evolving local and global regulations.</li> <li>Securing globally recognised certifications that demonstrate our commitment to responsible practices.</li> <li>Conducting EIA for larger projects to mitigate potential environmental risks and planting diverse tree species at our development sites.</li> <li>Expanding the use of sustainable and green construction methods, laying the groundwork for high-performance green buildings and townships.</li> <li>Actively participating in community-led environmental initiatives, encouraging employee involvement in protecting ecosystems and biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>Communicated our Code of Conduct for Suppliers to all suppliers with an annual supply value of more than RM50,000</li> <li>Planted 1,500 mangroves in Selangor, since the programme's initiation in FY2022</li> <li>No infringements related to environmental compliance were recorded</li> </ul>

Our Sustainability Performance

Sustainability Topic	Why It Matters	Our Approach	Our Performance in FY2024
<p><b>Occupational Safety and Health</b></p> 	<p>Creating a safe and secure work environment for our workforce enhances productivity and the long-term viability of our business, fosters trust with our stakeholders, and reduces the risk of reputational damage.</p>	<ul style="list-style-type: none"> <li>Supporting the Ministry of Natural Resources and Environmental Sustainability ("NRES") in discussions on achieving MPSR 2021–2030 targets through participation in working groups.</li> <li>Adhering to our Group-wide Safety and Health Policy, which is built on six key elements that help us maintain consistently high standards.</li> <li>Implementing robust safety and health management systems in line with region-specific regulations.</li> <li>Investing in enhancing safety and health leadership capabilities among employees, along with developing guidelines to support their physical and mental well-being.</li> <li>Ensuring balanced representation from both employers and employees on OSHA Committees.</li> <li>Conducting regular inspections by internal and external parties at all worksites, overseen by OSHA Committees.</li> <li>Effectively managing work-related hazards and risks to improve workplace safety while proactively safeguarding employees during off-site activities.</li> <li>Leveraging automation and innovative process solutions to minimise risks and enhance worker safety.</li> <li>Promoting health and safety among employees, including through health awareness training and talks, healthcare coverage, and health and fitness activities.</li> </ul>	<ul style="list-style-type: none"> <li>100% of all workplaces are represented by OSHA Committees that include a balanced mix of employer and employee representatives.</li> <li>Workplace incidents recorded across our operations:                             <ul style="list-style-type: none"> <li>31 major accidents</li> <li>75 minor accidents</li> <li>Zero fatal injuries</li> </ul> </li> </ul>
<p><b>Empowering Our People</b></p> 	<p>Our people are the key to our long-term success. By offering attractive and dynamic compensation, comprehensive benefits and opportunities for career advancement, we can retain a dedicated, high-performing and diverse workforce, driving progress towards our growth and sustainability goals.</p>	<ul style="list-style-type: none"> <li>Upholding responsible and ethical labour practices through our Group-wide Code of Ethics, which promotes human rights, fairness, inclusivity and diversity.</li> <li>Adhering to responsible labour practices as outlined by the Supplier Ethical Data Exchange ("SEDEX"), with five of our plants achieving membership as of FY2024.</li> <li>Continually optimising employee remuneration and benefits to enhance talent attraction and retention, while ensuring employees are rewarded in tandem with their contributions.</li> </ul>	<ul style="list-style-type: none"> <li>3,815 employees in total as of FY2024</li> <li>29,939 hours of training undertaken by our employees</li> <li>There were zero recorded incidents of non-compliance concerning our employment practices.</li> </ul>



Our Sustainability Performance

Sustainability Topic	Why It Matters	Our Approach	Our Performance in FY2024
		<ul style="list-style-type: none"> <li>• Maintaining effective and transparent communication with employees through various channels, including performance reviews and QRB dialogues with leadership teams.</li> <li>• Practising an open-door policy and providing a whistleblowing avenue to empower employees to give feedback and voice concerns.</li> <li>• Offering tailored growth and career development programmes that align with employees' needs and aspirations.</li> </ul>	
<p><b>Contributing to Local Communities</b></p> 	<p>We embrace our role in uplifting local communities by creating employment opportunities, developing holistic yet affordable townships, and engaging in outreach initiatives. This approach not only enhances our reputation but also fosters collaboration with governments.</p>	<ul style="list-style-type: none"> <li>• Constructing an increasing number of quality affordable homes to empower home ownership for more people, while designing developments that deliver lasting benefits to communities.</li> <li>• Creating a sustainable economic impact in local communities by prioritising the hiring of local employees and suppliers whenever possible.</li> <li>• Contributing directly to a variety of community-based causes, including schools, NGOs and other community-driven organisations or events.</li> <li>• Encouraging employee volunteerism in activities such as mangrove planting, fabric recycling, charity runs, and other community-driven initiatives.</li> <li>• Implementing regular awareness campaigns to educate local communities about the importance of recycling and adopting circular plastic practices.</li> <li>• Generating compost internally through responsible food waste practices and donating it to nearby farmers and indigenous communities.</li> <li>• Offering free health screenings and health talks, alongside organising blood donation initiatives to support local blood banks.</li> </ul>	<ul style="list-style-type: none"> <li>• Local employees comprise 75% of our workforce</li> <li>• We have continued to broaden and diversify our community initiatives, enhancing our existing programmes in recycling, food composting, blood donation, and mangrove planting, among others.</li> <li>• Our contributions amounted to RM412,280 in direct financial donations, benefiting 44 recipients and generating positive indirect impacts for the local communities.</li> </ul>

# Our Corporate Governance

## OUR INTEGRATED GOVERNANCE STRUCTURE

As our business expands and we grow our operations across various locations, it is essential to maintain leadership cohesion and synergy throughout the Group. In doing so, we can ensure that our practices and processes remain aligned with our corporate values, support our Drivers of Growth, and sustain the positive impact of the value we create.

Our integrated governance model facilitates this synergistic approach by consolidating top-level planning while simultaneously empowering teams from both our Packaging and Property Divisions to contribute their industry-specific insights and expertise to guide our strategic decision-making.

### STEERING TOWARDS SUSTAINABLE SUCCESS

Our integrated governance structure is led by the Scientex EXCO, which is chaired by the Group’s Managing Director/ Chief Executive Officer and comprises key decision-makers from both the Packaging and Property Divisions, as well as our Corporate Department.

The EXCO is tasked with overseeing and guiding the Group’s strategic planning, resource allocation, governance, community building and stakeholder engagement initiatives, all with the aim of achieving long-term, continuous growth and creating shared, sustainable value.

## THE SCIENTEX EXECUTIVE COMMITTEE

*Comprising representatives from:*

**Packaging Division**

**Property Division**

**Corporate Department**

### Strategic Goal Planning and Review

- Establishing short, medium and long-term targets and action plans
- Setting, establishing and reviewing strategic plans and objectives across the Group's business divisions

### Strategic Resource Planning and Allocation

- Identifying focus areas for growth and expansion
- Allocating financial and non-financial capital to meet identified growth areas
- Identifying non-performing operations while reallocating resources accordingly

### Governance, Compliance and Stakeholder Engagement

- Formulating and overseeing long-term policies and approaches to promote sustainability and sound governance, guided by stakeholder engagements
- Promoting a culture of good corporate governance and compliance within the Group
- Formulating and overseeing robust governance and risk management frameworks, backed by internal control systems, policies and procedures

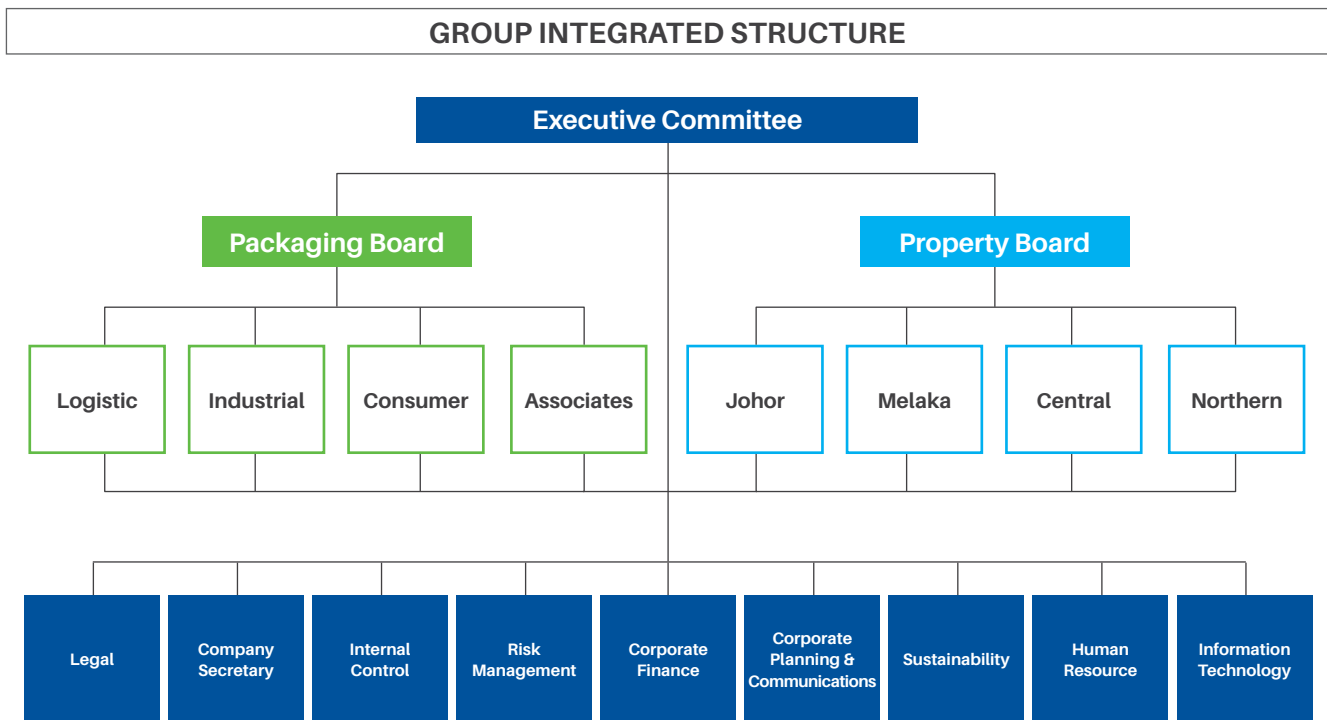
### Nurturing the Scientex Community

- Cultivating a Healthy, Friendly and Happy work environment
- Promoting a culture of openness and transparency, based on mutual trust and respect
- Formulating and overseeing strategies to drive continuous professional and personal development
- Driving the implementation of best practices in sustainability across the ESG spectrum

### Our Integrated Governance Structure

#### DRIVING INTEGRATION ACROSS THE GROUP

Our streamlined governance structure aims to strengthen synergies between our business units, improving communication efficiency and the overall execution of Group-level strategies. With our EXCO-led integrated governance model, we facilitate unified and collaborative decision-making, leading to greater optimisation and efficiency in resource allocation. This enables our teams to quickly adapt to evolving business conditions, drive innovation, enhance operational efficiency and secure competitive advantages in their respective markets.



## Our Integrated Governance Structure

### COMMITTED TO GOOD CORPORATE GOVERNANCE

Our Board upholds the principles of good corporate governance and has delegated specific responsibilities to various Board Committees to ensure effective and diligent fulfilment of its governance duties.

During FY2024, the Board received support from the following Board Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee

The roles and leadership of each committee are detailed below:



For more comprehensive information about the specific responsibilities of each of our Board Committees, please refer to our corporate website.

### BOARD AND KEY MANAGEMENT PROFILES

For complete profiles of our Board and Key Management personnel, please refer to the 'Our Leadership' section of this Report from p. 26 to 30.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**The Board of Directors ("Board") of Scientex Berhad ("Scientex", the "Group" and/or the "Company") recognises the importance of upholding good corporate governance ("CG") and the responsibility of maintaining high standards of transparency, accountability and integrity. These best practices will not only safeguard and enhance sustainable shareholder value but also ensure that the interests of all the stakeholders are protected.**

In addition, the Group is committed to good Environmental, Social and Governance ("ESG") practises and works towards embedding sustainability into its business processes - from its policies, social impact initiatives to its day-to-day operations, to deliver continuous business growth that considers the development of communities and the preservation of the environment. Disclosure on the Group's sustainability efforts are continuously presented in its Sustainability Report 2024, which contains in-depth analysis of its sustainability performance in relation to ESG matters material to the Group and its stakeholders, as well as its support towards the United Nations Sustainable Development Goals.

This CG Overview Statement ("Statement") is prepared in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to provide stakeholders with an overview of the application of the principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") under the leadership of the Board during the financial year ended 31 July 2024 ("FY2024"). This Statement is to be read together with the CG Report 2024 of the Company ("CG Report") which disclose the application of all practices set out in the MCCG 2021 during FY2024. The prescribed CG Report is accessible at [www.scientex.com.my/investor-relations/announcements/](http://www.scientex.com.my/investor-relations/announcements/).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### BOARD RESPONSIBILITIES

The Board is collectively responsible for the long-term success of the Group and the delivery of sustainable values to its stakeholders. The Board together with management takes responsibility for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets. The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of the Group's strategic plans and direction, while overseeing the conduct of the business, risk management and succession planning of the Board and senior management. The Board is also responsible for implementing investor relations programmes and ensuring the systems of internal controls and management information are in place and working effectively. The Board formulates overall objectives, short and medium term plans, policies and business strategies on an on-going basis to respond to rapid changes in the external business environment whilst ensuring that the Group's overall objectives and plan are adhered to.

 [Read more](#)

 [Our Sustainability Governance > p. 81](#)

The Board Charter sets out the Board's strategic intent and outlines the Board's roles and responsibilities, while acting as a source of reference and primary induction literature to provide insights to prospective Board members and senior management. The Board has also developed codes and policies to support the Group's corporate culture/values and commitment to conduct business professionally and ethically, with due regard to ESG elements. The Board Charter, codes and policies of the Company are accessible at [www.scientex.com.my/corporate-governance/](http://www.scientex.com.my/corporate-governance/).

To maintain effective supervision and accountability of the Board and the management, the position of Chairman and Managing Director/ Chief Executive Officer are held by different individuals to ensure balance of power and authority. The roles and responsibilities of the Chairman and the Managing Director/ Chief Executive Officer are specified in the Board Charter as explained in Practice 1.3 of the CG Report and accessible at [www.scientex.com.my/investor-relations/announcements/](http://www.scientex.com.my/investor-relations/announcements/).

The Directors in their individual capacity or as a full Board have full and unrestricted access to all information pertaining to the Group. The Directors also have the advice and services of the suitably qualified and experienced Company Secretary and senior management staff at all times to aid in the proper discharge of their fiduciary duties. The notices and the meeting papers are sent to all members of the Board and Board Committees a week ahead of the scheduled

## Corporate Governance Overview Statement

meetings enabling them to seek clarification and to have sufficient time to peruse the issues to be deliberated at the Board and Board Committees meetings.

### BOARD COMPOSITION

The Board comprises six (6) experienced and competent members with different areas of expertise, out of which three (3) members are Independent Non-Executive Directors ("INED"). The Nomination and Remuneration Committee ("NRC") adheres to a formal and transparent procedure in accordance with the terms of reference of the NRC and Fit and Proper Policy of the Company for the nomination and appointment of new Director. The NRC and the Board met with the prospective candidate to ascertain the candidate's suitability for appointment as a Board member. None of the members of the Board is a former key audit partner of the external auditors of the Company. Mr Wong Chin Mun was appointed as the Senior INED of the Company on 6 October 2017 and he acts as an intermediary between the Company and the shareholders if the shareholders have concerns that have not been addressed through the channels provided.

The Board has established the Audit Committee ("AC"), NRC and Risk Management Committee ("RMC") to assist in the execution of its responsibilities. Each of the Board Committees is chaired by an INED who is not the Chairman of the Board. The functions, duties and authorities of the Board Committees are set out in the Terms of Reference of each of the Board Committees, which is accessible at [www.scientex.com.my/corporate-governance/](http://www.scientex.com.my/corporate-governance/).

The Board through the NRC has conducted the annual peer and self-assessments on the effectiveness of the Board and Board Committees, evaluation of the individual performances of Directors, as well as reviewed the independence of INEDs and the following matters via questionnaires. The board will engage an independent expert to facilitate objective and candid board effectiveness evaluations as and when necessary.

#### (i) Assessment of independence of INEDs

The NRC assessed the independence of all INEDs with the following criteria to ensure the INED would be able to discharge its duties and responsibilities effectively: -

- fulfilment of the definition of "independent director" under the Listing Requirements;
- whether the tenure of INEDs has exceeded a cumulative term of nine (9) years;
- whether INEDs has received any performance-based remuneration or share-based incentives from the Company and the Group;
- whether INEDs are able to exert considerable influence on the Company's financial standing; and
- other criteria such as directorships in other listed issuers and public companies, any family relationship with Directors or major shareholders, any conflict of interest or potential conflict of interest he/she has with the Company, interest in securities in the Company and their attendance of the Board and Board Committees meetings during the financial year.

The NRC has determined that all INEDs have remained objective and independent. Each of the INED has provided a confirmation of his/her independence to the NRC.

#### (ii) Review of the effectiveness of the individual Directors, Board Committees and the Board

The NRC reviewed the competencies, contributions and performances of the individual Directors, Board Committees and the Board as a whole. With regard to the mix of skills, experiences, competencies, independence, diversity and other qualities required to meet the needs of the Group as well as the character, personality, integrity and time commitment of the individual Directors, the NRC is satisfied with the performance and contribution of the Directors, the Board skills matrix, size and composition of the Board and Board Committees.

#### (iii) Review of the AC, external auditors and internal auditors

The NRC has reviewed and is satisfied with the independence, composition, skills and expertise, term of office and overall performance of the AC. The NRC also through AC reviewed the objectivity, independence, competency, professionalism and resource capacity of the external and internal auditors.

## Corporate Governance Overview Statement

### (iv) Review of the remuneration of Directors

The NRC reviewed the remuneration component of the Directors which includes fees, salary, benefits-in-kind and other emoluments. At the recommendation of NRC, the Board is of the view that the current Directors' fees of RM130,000 for Chairman and RM120,000 for other Directors are suffice to attract and retain calibre Directors to serve on the Board. The total proposed Directors' fees of RM775,000 for FY2024 will be tabled at the forthcoming Fifty-Sixth Annual General Meeting ("AGM") of the Company ("56<sup>th</sup> AGM") for the approval of the shareholders.

### (v) Rotation of Directors

The Constitution of the Company ("Constitution") provides that one-third (1/3) of the Directors with a minimum of one (1) and those appointed during the year shall retire from office and shall be eligible for re-election at every AGM. The Constitution also provides that all Directors shall retire from office at least once in every three (3) years.

The Directors, Dato' Noorizah Binti Hj Abd Hamid and Mr Lim Peng Cheong, who are subject to rotation pursuant to Regulation 81 of the Company's Constitution at the forthcoming 56<sup>th</sup> AGM, had indicated their intentions to seek for re-election. Having considered the fit and proper criteria in the Fit and Proper Policy, their past contribution, attendance at the Board and Board Committees meetings as well as other criteria such as directorships in other listed issuers and public companies, any conflict of interest or potential conflict of interest he/she has with the Company, the Board recommended their re-election to be approved by the shareholders at the forthcoming 56<sup>th</sup> AGM.

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the Directors' attendance at the Board and Board Committees meetings and all directors observed the restriction of the Listing Requirements by holding not more than five (5) directorships in listed issuers.

At the beginning of the year, the Board and Board Committees will schedule the meetings according to the availability of the members and convene additional meetings as and when necessary. Senior management and advisers are invited to the Board and Board Committees meetings to present relevant subject matters, if applicable. The Board and Board Committees meetings are conducted based on a formal agenda on matters to be discussed with adequate time allocated for deliberation. The Chairman of the Board and the Chairperson of the respective Board Committees chair the meetings with proper record of minutes kept by the Company Secretary. The draft minutes of the Board and Board Committees meetings are made available to all the members of the Board and Board Committees before the confirmation of minutes at the next meeting. The attendance of the members of the Board and the Board Committees during FY2024 were as follows: -

## Corporate Governance Overview Statement

Name of Director	No. of Meetings Attended/ Total No. of Meetings Held			
	Board	AC	NRC	RMC
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim (Chairman)	4/4 *	N/A	1/1	N/A
Lim Peng Jin (Managing Director/Chief Executive Officer)	4/4	N/A	N/A	2/2
Lim Peng Cheong (Non-Independent & Non-Executive Director)	4/4	N/A	N/A	N/A
Wong Chin Mun (Senior Independent Non-Executive Director)	4/4	5/5*	1/1	N/A
Dato' Noorizah Binti Hj Abd Hamid (Independent Non-Executive Director)	4/4	5/5	N/A	2/2*
Chin Lam Choong (Independent Non-Executive Director) (Appointed as NRC Chairman and members of AC and RMC on 14 December 2023)	4/4	2/2	N/A*	1/1
Ang Kim Swee (Independent Non-Executive Director) (Retired on 14 December 2023)	2/2	3/3	1/1*	1/1

Remarks:

\* Chairperson of the Board/ Board Committees

N/A - Not applicable/ not the member of the respective Board Committees

The Board observed the requirements related to the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities and is mindful that the Directors should continuously update their skills and knowledge to maximise the effectiveness of the Board during their tenure. The Directors are required to evaluate their own training needs continuously to keep abreast with regulatory requirements and ongoing business development. The Board has approved a budget for the Directors to attend relevant training courses which may assist the Directors in discharging their responsibilities. In addition, the Board is notified of a series of training programmes or workshops conducted by Bursa Securities and other training providers for its consideration. The Board receives updates of new statutory and regulatory requirements from time to time from the external auditors, Company Secretary and Chief Sustainability Officer, among others, the amendments to the Malaysian Financial Reporting Standards, Companies Act 2016, Listing Requirements, publications from the Securities Commission Malaysia, sustainability reporting framework and the additional disclosures and reporting requirements arising thereto.

During FY2024, the Directors have attended various training programmes, seminars, conferences and forums, details of which are set out below: -

Directors	Title of Training Programmes/Seminars/Conferences/Forums
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	- Remaking Corporate Governance for an ESG World
Lim Peng Jin	- Global, Regional, and Malaysian Economic Updates - "Value for All" - Mantra or philosophy of QL Group of Companies - Managing Elevated Stress, Accelerated Aging, and Chronic Health Disorders - Managing Corporate Lifecycles: Normal & Abnormal Challenges of Adolescents of Prime Organisations and Suggested Treatments - Current Geopolitical Issues and Its Impacts on businesses in Malaysia
Lim Peng Cheong	- Mandatory Accreditation Programme Part II: Leading for Impact



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Directors	Title of Training Programmes/Seminars/Conferences/Forums
Wong Chin Mun	<ul style="list-style-type: none"> <li>- Global, Regional, and Malaysian Economic Updates</li> <li>- Winning the Sales Game with AI: The Future of Sales and Customer Relationships</li> <li>- "Value for All" - Mantra or philosophy of QL Group of Companies</li> <li>- Managing Elevated Stress, Accelerated Aging, and Chronic Health Disorders</li> <li>- Managing Corporate Lifecycles: Normal &amp; Abnormal Challenges of Adolescents of Prime Organisations and Suggested Treatments</li> <li>- Current Geopolitical Issues and Its Impacts on Businesses in Malaysia</li> <li>- Mandatory Accreditation Programme Part II: Leading for Impact</li> </ul>
Dato' Noorizah Binti Hj Abd Hamid	<ul style="list-style-type: none"> <li>- Woman in Rail Conference</li> <li>- Introduction to Corporate Directorship In the New Era of ESG</li> <li>- Anti Money Laundering Act</li> <li>- PNB Planet Cyber: Securing the Future - Elevating Cyber Resilience</li> <li>- Transparency Matters - An Approach to Handling Conflict of Interest</li> <li>- Mandatory Accreditation Programme Part II: Leading for Impact</li> </ul>
Chin Lam Choong	<ul style="list-style-type: none"> <li>- Board's Role in Value Creation</li> <li>- Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>- Conflict of Interest and Governance of Conflict of Interest</li> </ul>

**REMUNERATION**

The Company's general policy on Directors' remuneration is to offer competitive remuneration packages, which are designed to attract and retain high calibre Directors. The remuneration package for Executive Director(s) is structured to link the rewards to financial performance and long-term objectives of the Group aside from individual performance. The remuneration package comprises a number of separate elements such as basic salary, allowances, bonuses and other benefits-in-kind.

In the case of Non-Executive Directors, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken. The remuneration package for Non-Executive Directors shall be determined by the Board as a whole. The Director concerned shall be abstained from deliberation and voting on decisions in respect of his/her individual remuneration package.

Apart from the remuneration paid and payable by the Company and the Group in respect of FY2024 as follows, the Group has arranged for directors' and officers' liability insurance to indemnify the Directors and officers of the Company and its group of companies. The amount of premium paid for such liability insurance is set out in the Report of the Directors of the Company's Audited Financial Statements for FY2024.

## Corporate Governance Overview Statement

	Company					Group				
	Salaries RM'000	Fees* RM'000	Bonuses and Allowances and Other Emoluments RM'000	EPF Contribution by Employer RM'000	Total RM'000	Salaries RM'000	Fees* RM'000	Bonuses and Allowances and Other Emoluments RM'000	EPF Contribution by Employer RM'000	Total RM'000
<u>Executive Director</u>										
Lim Peng Jin	-	120	-	-	120	4,860	120	3,398	1,486	9,864
<u>Non-Executive Directors</u>										
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	-	130	-	-	130	-	130	-	-	130
Lim Peng Cheong	-	120	-	-	120	-	120	-	-	120
Wong Chin Mun	-	120	-	-	120	-	120	-	-	120
Dato' Noorizah Binti Hj Abd Hamid	-	120	-	-	120	-	120	-	-	120
Chin Lam Choong	-	120	-	-	120	-	120	-	-	120
Ang Kim Swee (Retired on 14 December 2023)	-	45	-	-	45	-	45	-	-	45

\* Subject to the approval by shareholders at the 56<sup>th</sup> AGM.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The AC is led by the Senior INED who is not the Chairman of the Board. The members of the AC comprises one (1) Senior INED and two (2) INEDs, each satisfying the "independence" requirements set out in the Listing Requirements. All AC members are financially literate, with extensive corporate experiences and equipped with the required business skills. The profile of the AC members is stated in the Integrated Annual Report 2024 and is accessible at [www.scientex.com.my/board-of-directors/](http://www.scientex.com.my/board-of-directors/).

The summary of activities carried out by AC in discharging its function and duties for FY2024 is disclosed in the 'Audit Committee Report' of this Integrated Annual Report on page 103.

### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibilities to maintain a sound risk management and internal control system, review its adequacy and effectiveness, and put in place sufficient safeguards to manage the Group's risks in order to safeguard shareholders' interest and the Group's assets.

The Board is assisted by RMC and the AC in the oversight of overall risk management and internal control systems of the Group. The RMC reviewed risks identified by business owners and considered its potential impact to the Company and the Group as well as raised issues of concern and provided feedback for managements actions. Risk related matters which warranted the attention of the Board were highlighted by the RMC to the Board and matters or decisions made within the RMC's purview were escalated to the Board for its notation. The Internal Audit Department supports the AC and the Board to check and

## Corporate Governance Overview Statement

monitor the compliance of the Group's policies and procedures as well as to ensure the adequacy and effectiveness of the internal control system in place.

The Board is also supported by the Scientex Executive Committee ("EXCO"), which is chaired by the Managing Director/Chief Executive Officer and comprises senior management personnel from both Packaging and Property Divisions of the Group. The EXCO implements the Board's policies and procedures on risk and control by identifying and assessing relevant risks, and makes recommendations designed to manage, control and mitigate such risks, whilst continuously monitoring and reviewing the risks and its impact on the Group's operations on a regular basis.

### Read more

[Key Risks and Mitigation > p. 49](#)

[Statement on Risk Management and Internal Control > p. 100](#)

[Audit Committee Report > p. 103](#)

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### ENGAGEMENT WITH STAKEHOLDERS

The Board recognises the importance of transparency and accountability towards its shareholders and of maintaining an effective communication policy that enables both the Board and the management to communicate effectively with its stakeholders.

Pursuant to Paragraph 15.26(a) of the Listing Requirements, the Directors are responsible for the preparation of financial statements for each financial year to give a true and fair view of the financial position of the Company and the Group, and the financial performance and cash flows of the Company and the Group for the financial year then ended. In the preparation of these financial statements, the Directors have: -

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that the applicable approved accounting standards have been complied with.

The Directors are also responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Company and the Group. Additionally, the Directors are responsible for ensuring that the financial statements comply with the Companies Act 2016, the applicable approved accounting standards in Malaysia and the Listing Requirements of Bursa Securities.

Hence, in presenting the annual Audited Financial Statements and quarterly financial results, the Board aims to present a balanced and fair assessment of the Group's financial position and prospects. The AC reviews the Group's quarterly financial results and annual Audited Financial Statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval. The AC and the Board are required to ensure that the financial statements prepared are drawn up in accordance with the applicable approved accounting standards and the provisions of the Companies Act 2016 so as to give a true and fair view of the financial position of the Company and the Group.

To maintain an effective communication with the Company's stakeholders, the Board communicates information on the operations, activities and performance of the Group through its integrated annual report, various corporate announcements made to Bursa Securities and the Company's corporate website, while maintaining a continuous stream of active dialogues, discussions or briefings with the press, fund managers and analysts through planned programme of investor relations activities. Stakeholders may direct their queries or concerns to the Company through [www.scientex.com.my/contact-us/](http://www.scientex.com.my/contact-us/).

By engaging constructively with the stakeholders, it has allowed the Group to understand their needs, address their expectation and managed the risks which were then mapped against with the sustainability topics of the Group in order to provide context to their actual or potential effect on environmental, economic, social and governance outcomes. The Group's efforts to strengthen the relationship with stakeholders are reflected in 'Key Stakeholder Engagement' at page 37.

## Corporate Governance Overview Statement

### CONDUCT OF GENERAL MEETINGS

General meetings serve as an important communication channel for shareholders. Notice of general meetings will be sent to shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days prior to the meeting where any special resolution is to be proposed or where it is an AGM, together with the integrated annual report. The Board ensures all relevant information is disclosed to shareholders to enable them to exercise their rights and hence, each item of special business included in the notice of meeting is accompanied by an explanatory statement on the effects of the proposed resolution. The notice of 56<sup>th</sup> AGM and the administrative notes of AGM were issued at least 28 days before the AGM date. The notice and administrative notes of meeting are published in the Company's corporate website and accessible at [www.scientex.com.my/investor-relations/agm-egm/](http://www.scientex.com.my/investor-relations/agm-egm/). The notice of general meeting is also advertised in a nationally circulated English daily newspaper.

In line with Paragraph 8.29A of the Listing Requirements, the Board has implemented poll voting for all the resolutions set out in the notice of general meetings and the appointment of at least one (1) independent scrutineer to validate the votes cast at the general meetings. The Company has leveraged on technology to facilitate electronic voting for the conduct of polls on all proposed resolutions to expedite verifications and counting of votes, reduce administrative cost and paperwork. The outcome of the general meetings including the poll voting result will be announced to Bursa Securities on the same day after the meetings are concluded and the announcement is accessible at [www.scientex.com.my/investor-relations/announcements/](http://www.scientex.com.my/investor-relations/announcements/) or via [www.bursamalaysia.com/market\\_information/announcements/company\\_announcement](http://www.bursamalaysia.com/market_information/announcements/company_announcement).

At the general meetings, shareholders are given opportunity and sufficient time to express their views or raise questions in connection with the Company's financial performance, business operations, corporate governance, corporate proposals and other matters concerning the shareholders' interests. The Directors and senior management as well as the auditors and advisers of the Company are present at the general meetings to respond to any questions raised by the shareholders. The minutes of the general meeting is published in the Company's corporate website and is accessible at [www.scientex.com.my/investor-relations/agm-egm/](http://www.scientex.com.my/investor-relations/agm-egm/). In addition, as and when necessary, a press conference is held immediately following the conclusion of the general meetings where the Directors brief the press, and answer relevant questions on the Group's operations and financial performance.

In year 2023, the Company had conducted its 55<sup>th</sup> AGM virtually through live streaming and online voting using the Remote Participation and Voting ("RPV") facilities provided by a reputable service provider. The virtual meeting had enabled shareholders to participate remotely and safely from wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf. Shareholders are allowed to send pre-meeting questions prior to the AGM or type question in the text box provided during the virtual meeting. The responses to the pre-meeting questions were shown on screen for shareholders' reference.

The Company will ensure the service provider who handling the general meetings have sufficient controls in place to protect data privacy and to prevent cyber threats during the conduct of general meetings.

### CURRENT KEY FOCUS AREAS AND FUTURE PRIORITIES

Guided by the Group's vision of "Sustainable Growth, Better Tomorrow", sustainable thinking is embedded across the business processes and strategies of the Group to create shared value for the various stakeholders. The Group has implemented a suite of Group-wide codes and policies to strengthen the governance practices and elevate sustainability standards. During FY2024, the Group has intensified the climate action initiatives by embedding climate considerations into the decision-making processes by gradually adopting the Task Force on Climate-Related Financial Disclosure ("TCFD") recommendations. Looking ahead, the Group will adopt a sustainability software to strengthen our sustainability reporting and enhance our ability to proactively manage risks across the ESG spectrum.

#### Read more

 [Chairman's Statement > p. 18](#)

 [Sustainability Report 2024](#)

This CG Overview Statement was approved in accordance with the resolution of the Board on 22 October 2024.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") is pleased to provide a Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control system of the Group during the financial year.

The Group's risk management and internal control system applies principally to Scientex Berhad and its subsidiaries.

### BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility to maintain a sound risk management and internal control system as well as reviewing its adequacy and effectiveness, and to put in place sufficient safeguards to manage the Group's risks in order to protect shareholders' interest and the Group's assets. However, due to the inherent limitations in any system of risk management and internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Thus, the internal control system put in place can only provide reasonable but not absolute assurance against material misstatements or loss. The significant areas covered by the Group's risk management and internal control system are financial, organisational, operational, compliance and information technology.

### RISK MANAGEMENT

The Board understands that all areas of the Group's activities involve some degree of risk and recognises that business decisions involve the taking of appropriate risks, with the ultimate objective of balancing risks involved with potential returns to shareholders. The Board is assisted by the Risk Management Committee ("RMC") and the Audit Committee ("AC") in the oversight of overall risk management and internal control system of the Group and supported by the Scientex Executive Committee ("EXCO"). The EXCO is chaired by the Managing Director/ Chief Executive Officer and comprises senior management personnel from both Packaging and Property Divisions of the Group. The EXCO implements the Board's policies and procedures on risk and control by identifying and assessing the risks, and making recommendations designed to manage, control and mitigate such risks, whilst continuously monitoring and reviewing the risks and its impact on the Group's operations on a regular basis.

 [Read more](#)

 [Key Risks and Mitigation > p. 49](#)

### INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department ("IAD") to support the AC and the Board. The Head of IAD reports to the AC on a quarterly basis. The Group's IAD conducts an audit on the Group's operations as mandated by the AC. IAD checks and monitors compliance with the Group's policies and procedures as well as the adequacy and effectiveness of the internal control system in place. The IAD highlights significant findings in respect of non-compliance to the Board via the AC and follow-up with the Management on the agreed corrective actions to be implemented.

### OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of the Group's risk management and internal control system are as follows: -

- The EXCO was established in January 2009 to assist the Board and to look into daily operational matters and the overall management of the principal areas of risk affecting the Group to ensure that the operations are in line with the Group's overall objectives, direction and budget as well as approved policies and business strategies. The EXCO also formulates operational strategies on an ongoing basis to respond to rapid changes in the external business environment whilst ensuring that the Group's overall objectives, policies and procedures are adhered to. Operational issues and significant risks are raised for deliberation and discussion in EXCO meetings and adequate responses and actions are taken thereafter. The EXCO meets at least once a month and as and when required, depending on the urgency and circumstances, in order to take quick proactive actions to ensure that the interests of the Group are protected at all times.

## Statement On Risk Management And Internal Control

- The RMC was established on 19 June 2014 and led by an Independent Non-Executive Director who is not the Chairman of the Board. The RMC comprises two (2) Independent Non-Executive Directors and the Managing Director/ Chief Executive Officer. The fundamental role of the RMC is to report to the Board and render appropriate advice and recommendations on material risk matters and to review risk management system for timely identification, evaluation and management of significant risks that may have a material impact on the Group. The RMC is assisted by the Risk Management Department to establish and implement an effective risk management framework, policies and processes across the Group as well as to oversee the risk aspect of the Group so as to identify, assess, evaluate, respond, monitor and report any significant risk to the RMC. The respective business owners are responsible for setting up risks registers in accordance with the Enterprise Risk Management Framework and reporting identified risks and the progress of action plans to the RMC. The RMC meets as and when necessary and works closely with the EXCO to ascertain that there are ongoing monitoring processes to manage significant risks.
- The Managing Director/ Chief Executive Officer conducts regular management meetings with the respective Management teams of the various divisions/business units and reviews financial and operational reports in order to monitor the performance and profitability as well as operational issues including internal control matters and risk management of the respective divisions/business units.
- The Group has clearly defined delegation of responsibilities to the various committees of the Board and to the Management including an effective organisational integrated structure and proper authority matrix. For more details, please refer to the Board Charter and terms of reference of respective board committees at [www.scientex.com.my/corporate-governance/](http://www.scientex.com.my/corporate-governance/).
- Policies and codes have been developed to conduct business in a sustainable manner, in adherence to the applicable laws and regulations with high ethical principles. These documents define the Group's commitments towards the relevant issues and are periodically reviewed to ensure relevance and applicability.
- The functional control framework has been documented in the "Internal Control Guidelines" of the Packaging and Property Divisions respectively which set out various key controls and process requirements across all functions, including but not limited to the main areas of financial risks. It provides management with a reference on the Group's Internal Control Guidelines, policies, procedures and practices, and tools to manage business risks that are significant to the fulfillment of the Group's business objectives. It is updated as and when necessary, to reflect changing risk profiles as dictated by changes in the business environment, strategies and functional activities from time to time.
- An annual budgeting process has also been established, whereby all key operating subsidiaries of the Group are required to prepare budgets and business plans for the coming year. The Group practices a Quarterly Rolling Budget system which covers all the key divisions/ business units of the Group. For effective monitoring and review of performance, actual monthly and quarterly performance are duly compared with budgets. Reviews of performances are conducted monthly with major variances being addressed and remedial management actions taken, where necessary.
- The Board and Management are provided with quarterly performance report that gives comprehensive information on financial performance and key business indicators for monitoring purposes.

### CONCLUSION

During the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. All internal control weaknesses identified and highlighted to the AC have been and/or are being addressed. There were no material losses arising from any inadequacy or failure of the risk management and internal control system which required separate disclosure in this Integrated Annual Report. The Board has received assurance from the Managing Director/ Chief Executive Officer and the officer primarily responsible for the financial management of Scientex Berhad that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. Hence, the Board is of the view that the current risk management practices and internal control system instituted throughout the Group are sufficient to safeguard the shareholders' interest and the Group's assets. Nevertheless, the Board and Management maintain a continuing commitment to strengthen the Group's risk management and internal control environment and processes.

## Statement On Risk Management And Internal Control

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the Group's external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in its review of the adequacy and effectiveness of the Group's risk management and internal control system.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board on 22 October 2024.

## AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the report of the Audit Committee ("AC") for the financial year ended 31 July 2024 ("FY2024").

### AC MEMBERS

The AC is led by the Senior Independent Non-Executive Director who is not the Chairman of the Board. The AC comprises three (3) members, all of whom are Independent Non-Executive Directors, who each satisfy the "independence" requirements contained in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The AC meets the requirements of Paragraph 15.09 of the Listing Requirements.

Members	Position
Wong Chin Mun	Chairman <i>(Senior Independent Non-Executive Director)</i>
Dato' Noorizah Binti Hj Abd Hamid	Member <i>(Independent Non-Executive Director)</i>
Chin Lam Choong	Member <i>(Independent Non-Executive Director)</i>

### AC MEETINGS AND ATTENDANCE

The AC convened a total of five (5) meetings during FY2024. These meetings were held on 20 September 2023, 18 October 2023, 14 December 2023, 26 March 2024 and 21 June 2024 respectively. The details of attendance of each member who served the AC during FY2024 are as follows: -

AC Members	Number of Meetings Attended / Total Number of Meetings Held	Percentage of Attendance (%)
Wong Chin Mun	5/5	100
Dato' Noorizah Binti Hj Abd Hamid	5/5	100
Chin Lam Choong <i>(Appointed as AC member on 14 December 2023)</i>	2/2	100
Ang Kim Swee <i>(Retired as AC member on 14 December 2023)</i>	3/3	100

The Executive Directors, Senior Managements, External Auditors, other Board Members and the Company Secretary were invited to attend the meetings, as and when necessary.

### SUMMARY OF ACTIVITIES OF THE AC

The functions and duties of the AC are set out in its terms of reference and available on the Company's corporate website at [www.scientex.com.my/corporate-governance/](http://www.scientex.com.my/corporate-governance/). In discharging its functions, duties and responsibilities, the AC has undertaken the following activities during FY2024: -

#### (i) Financial Reporting and Regulatory Requirements

The AC monitored the financial reporting processes of the Group, included reviewing and discussing the Group's unaudited quarterly financial results and audited financial statements with the management and external auditors to ensure compliance with the applicable financial reporting standards and relevant regulatory requirements, as well as discussing the performance of the Group, before presentation to the Board for consideration and approval.

The AC reviewed and discussed significant accounting, auditing and regulatory issues and the impact of new accounting standards and other regulatory requirements including but not limited to Malaysian Financial Reporting Standards, the Companies Act 2016, Malaysian Code on Corporate Governance 2021, the Listing Requirements and the additional disclosures and reporting requirements arising thereto.

As part of the financial year end reporting process, the AC reviewed the external auditors' professional services planning memorandum, progress report and final report which disclosed, amongst others, the responsibilities of the external auditors and those charged with governance, audit team, materiality level, audit approach and scope, significant risks and areas of audit focus, internal control assessment, involvement of internal auditors, specialists and audit data analytics, use of technology tools, audit process and execution, independence policies, report on system of quality management, audit timeline, analysis of audit misstatements and responses from Management on the findings. There were no significant findings noted from the reports.

#### (ii) External Auditors

In considering the appointment of external auditors, the AC discussed and considered the competency



## Audit Committee Report

and resource capacity of the external auditors, the rotation of audit partners, the audit and service team, the audit work, objectivity, professionalism and the independence of the external auditors. The AC assessed the external auditors annually via questionnaire.

For FY2024, the AC has reviewed the independence and suitability of the external auditors, namely Deloitte PLT, in respect to the provision of non-audit services to the Group and fees paid/payable for such services in accordance with the terms of all relevant professional and regulatory requirements, and was of the opinion that Deloitte PLT's independence is not impaired. Furthermore, Deloitte PLT had established policies, safeguard and procedures to ensure there is no threat to its independence and objectivity. Deloitte PLT has also given their independence assurance for their audit works for FY2024. Pursuant thereto, the AC has recommended to the Board for re-appointment of Deloitte PLT as the external auditors of the Company at the forthcoming Annual General Meeting based on the suitability, performance, objectivity, professionalism and independence of the external auditors.

The AC also had private discussions with the external auditors during the review of the audited financial statements for both FY2023 and FY2024 respectively to discuss any issues arising from the final audit and the assistance given by the management and staff during the course of audit. There were no significant issues highlighted by the external auditors and they received full cooperation from the management and staff, and had unrestricted access to senior management in the performance of the audit. There was neither material disagreement nor significant difficulties encountered while performing the audit works.

### (iii) Internal Auditors

The AC has reviewed and approved the internal audit plan for year 2024 to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and major risk areas are audited accordingly in line with the latest developments of the Group and the overall business environment.

The internal auditors presented the internal audit reports, covering the reviews of project operations and receivables cycle of Property Division and inventory, revenue cycle and engineering store of Packaging Division during the AC meetings held in FY2024. The AC considered the findings highlighted by the internal auditors and the responses from management. There

were no major controls weaknesses noted from the said reports.

The AC assessed the objectivity, independence, competency and resource capacity of the internal auditors annually via questionnaire.

### (iv) Scientex Berhad Share Grant Plan

The tenth batch allocation of shares to the eligible employees of the Company and its subsidiaries under the Scientex Berhad Share Grant Plan ("SGP") was vested on 1 December 2023. The AC reviewed and verified such allocation and concurred that the award of shares under the SGP was in compliance with the criteria determined by the SGP Committee, pursuant to Paragraph 8.17(2) of the Listing Requirements. During FY2024, 203,400 SGP shares have been granted and vested to the eligible employees based on their employment grade and achievement of performance targets for FY2023 as well as their performance and contribution to the Group.

### (v) Others

The AC also: -

- a) Discussed matters related to corporate governance, risk management, internal control, prevention and detection of fraud, including the Group's assessment of risk of fraud, the processes and controls established to mitigate such risk and the framework in place to identify any risk of fraud. There was no risk of fraud detected from the reports presented in the AC meetings.
- b) Reviewed and reported to the Board on any related party transactions, recurrent related party transactions, conflict of interest and potential conflict of interest that may arise. Save as disclosed in the profile of the Directors and key management, none of the Directors and key management have any conflict of interest or potential conflict of interest in any competing business with the Company or its subsidiaries. The Directors and key management undertake to inform the Company immediately if and when they become aware of any conflict of interest or potential conflict of interest situations and recuse themselves from the relevant deliberations and decisions where such conflict may be present.
- c) Reviewed and recommended to the Board for approval, the AC Report, Corporate Governance Overview Statement and Statement on Risk

## Audit Committee Report

Management and Internal Control for inclusion in the Integrated Annual Report 2023. Subsequent to the financial year end, the AC also reviewed and recommended to the Board for approval, the similar report and statements for inclusion in the Integrated Annual Report 2024 together with the prescribed Corporate Governance Report as required under the Listing Requirements.

**INTERNAL AUDIT FUNCTION**

The Group's internal audit function is carried out by the Internal Audit Department, which reports directly to the AC on its activities based on the approved internal audit plan. Its principal function is to undertake regular and systematic review of the internal control system within the Group so as to provide independent assurance on the adequacy and effectiveness of governance and internal control processes.

The Internal Audit Department conducted assurance reviews on adequacy and effectiveness of the internal control system on the business units in accordance with the internal audit plan, by interviewing the relevant personnel, observing the working environment and procedures of the business units, reviewing relevant supporting documents and performing sampling verification. The preliminary internal audit reports which were issued together with the recommendations were circulated to the management for their responses and actions. Audit issues addressed and actions taken by the management were recorded in the final internal audit reports before tabling at the AC meetings. The internal auditors tabled the internal audit plan and internal audit reports to the AC for review and deliberation. The AC Chairman then briefed the Board on the internal audit reports and any major findings contained within. The internal auditors also reviewed the Internal Control Guidelines of the Packaging and Property Divisions respectively and made necessary updates to reflect current business practices and environment.

The cost incurred by the Group's internal audit function for FY2024 amounted to RM840,000.

This AC Report is made in accordance with the resolution of the Board on 22 October 2024.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to the external auditors and its affiliate corporations for the audit and non-audit services rendered to the Company and the Group for FY2024 are as follows: -

Type of Services / External Auditors		Fees (RM'000)	
		Company	Group
Audit	: Deloitte PLT	42	834
	: Deloitte PLT's Affiliates	-	51
	: Other Auditors	-	186
Total Audit Fees		42	1,071
Non-Audit	: Deloitte PLT	9	80
	: Deloitte PLT's Affiliates	8	843
Total Audit and Non-Audit Fees		59	1,994

The non-audit services include the following :

- i) tax compliance and advisory services; and
- ii) review on the Statements on Risk Management and Internal Control of the Group and a listed subsidiary.

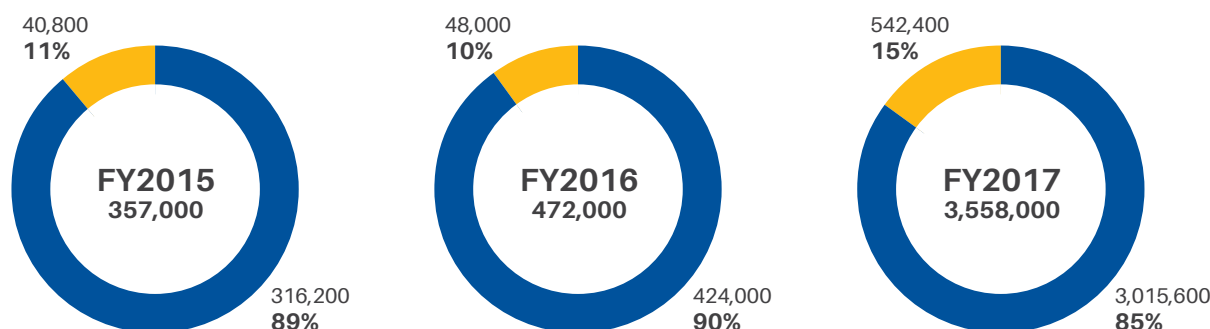
### 2. Material Contracts Involving Directors' and Major Shareholders' Interest

There were no material contracts entered into by or subsisting between the Company and/or its subsidiaries involving Directors' and major shareholders' interests during FY2024.

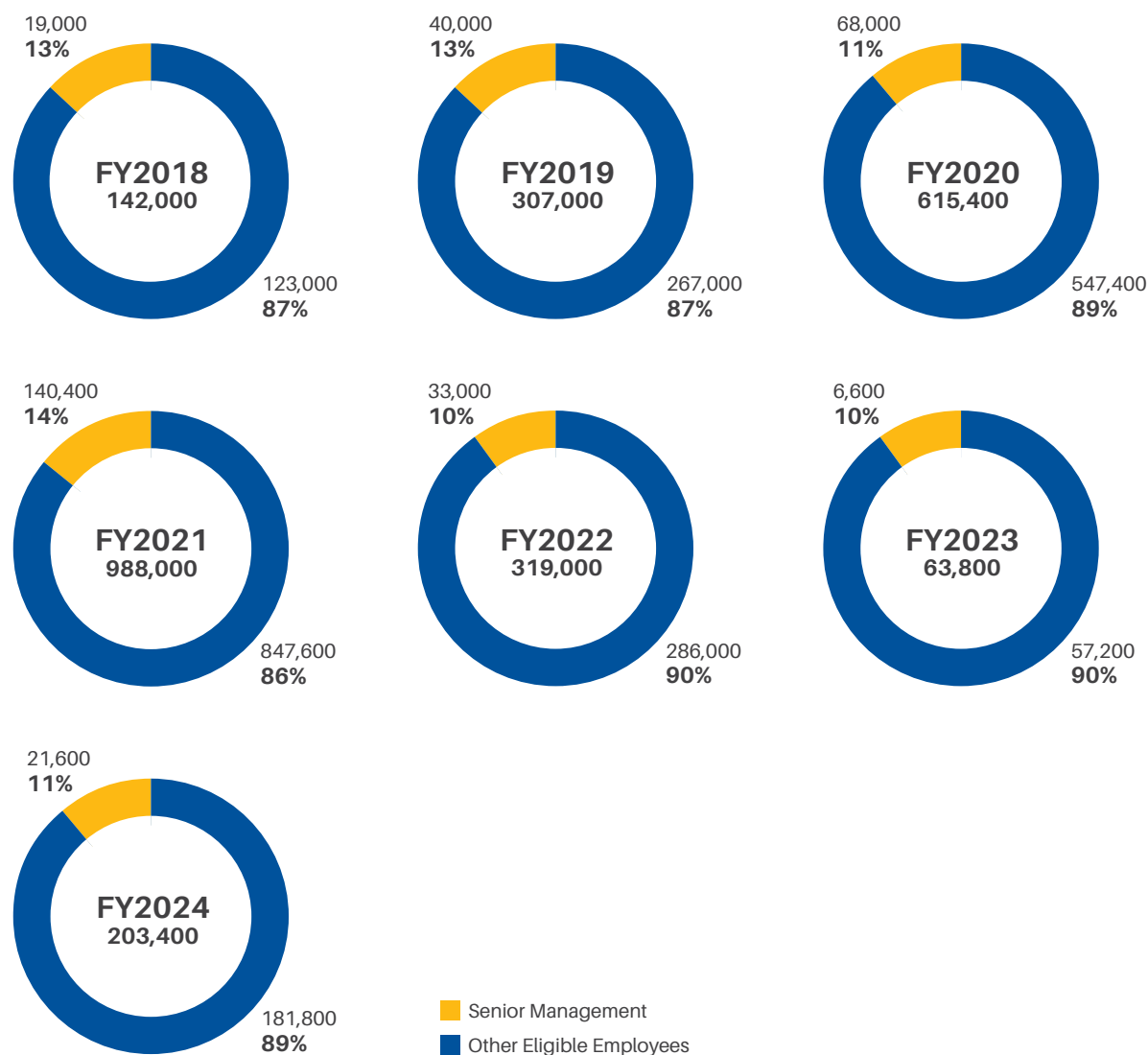
### 3. Scientex Berhad Share Grant Plan

Under the Scientex Berhad Share Grant Plan ("SGP") which is the only share issuance scheme of the Company in FY2024, the Group granted and vested 203,400 new ordinary shares to the eligible employees of the Company and its subsidiaries during FY2024. None of the ordinary shares were granted or vested to the Directors of the Company under the SGP.

Details of the number of SGP ordinary shares granted, vested and outstanding since the commencement of the SGP on 21 January 2014 to FY2024 are set out below: -



## Additional Compliance Information



Based on the By-Laws of the SGP, the total number of ordinary shares that may be awarded under the SGP shall be determined at the sole and absolute discretion of the SGP Committee, subject to the following: -

- i) The total number of ordinary shares which may be awarded to the selected eligible employees under the SGP shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the duration of the SGP;
- ii) The allocation to an eligible employee, who either singly or collectively, through persons connected with the eligible employee, holds 20% or more of the issued shares of the Company (excluding treasury shares), must not exceed 10% of the total number of ordinary shares to be issued under the SGP; and
- iii) Not more than 50% of the ordinary shares to be issued under the SGP shall be allocated to the eligible employees who are in senior management of the Group.

As at 31 July 2024, 11% and 14% of the SGP ordinary shares have been granted and vested to the senior management during FY2024 and since the commencement of the SGP respectively.

Further information of the SGP is set out in the Report of the Directors and Note 26(b) to the Audited Financial Statements of the Company for FY2024.

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# Financial Statements

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## Report of The Directors

The directors of **SCIENTEX BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2024.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries, joint venture and associates are as disclosed in Notes 15, 17 and 18 to the financial statements respectively.

### RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year	569,185	159,635
<b>Profit for the year attributable to:</b>		
Owners of the Company	545,209	159,635
Non-controlling interests	23,976	-
	569,185	159,635

In the opinion of the directors, the results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### DIVIDENDS

Dividends paid and declared since the end of the previous financial year were as follows:

	RM'000
<u>In respect of the financial year ended 31 July 2023:</u>	
Single tier final dividend of 5 sen per ordinary share declared on 14 December 2023 and paid on 26 January 2024	77,563
<u>In respect of the financial year ended 31 July 2024:</u>	
Single tier interim dividend of 6 sen per ordinary share declared on 21 June 2024 and paid on 19 July 2024	93,076
	<u>170,639</u>

On 24 September 2024, the directors proposed a single tier final dividend of 6 sen per ordinary share amounting to approximately RM93,076,000 in respect of the financial year ended 31 July 2024. The proposed single tier final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2025.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

### ISSUE OF SHARES

During the financial year, the Company increased the number of issued shares from 1,551,063,667 ordinary shares to 1,551,268,367 ordinary shares by way of:

- New issue of 203,400 ordinary shares at an issue price of RM3.585 per ordinary share pursuant to the Scientex Berhad Share Grant Plan ("SGP"); and
- New issues of 1,300 ordinary shares pursuant to the exercise of 1,300 warrants at the exercise price of RM4.30 per warrant.

The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company. Further relevant details of the issuance of shares are disclosed in Note 26 to the financial statements.

Continued

**ISSUE OF SHARES (CONT'D)**

As at 31 July 2024, the total number of issued shares of the Company was 1,551,268,367 ordinary shares, out of which 100 ordinary shares were held as treasury shares.

**TREASURY SHARES**

The Company did not purchase any of its issued ordinary shares from the open market during the financial year.

As at 31 July 2024, the Company held a total of 100 ordinary shares as treasury shares out of its 1,551,268,367 issued ordinary shares. Such treasury shares are held at a carrying amount of RM720. Further relevant details are disclosed in Note 27(c) to the financial statements.

**ISSUE OF WARRANTS**

The Company has not issued any new warrants during the financial year.

As at 31 July 2024, the total number of unexercised warrants was 103,285,027. The salient terms and movements of the warrants of the Company are disclosed in Note 26(c) to the financial statements.

**SHARE GRANT PLAN ("SGP")**

The SGP was approved by the shareholders on 17 December 2013 and is administered by the SGP Committee which is appointed by the Board of Directors, in accordance with the SGP By-Laws. The SGP was in force for a period of 5 years from the effective date of 21 January 2014 to 20 January 2019. In financial year 2019, the Company has extended its SGP which expired on 20 January 2019 for another 5 years effective from 21 January 2019 to 20 January 2024 in accordance with the terms and conditions of the SGP By-Laws.

The salient features, terms and conditions, details and vesting conditions of the SGP are as disclosed in Note 26(b) to the financial statements.

During the financial year, the Company granted and vested 203,400 new ordinary shares to the eligible employees of the Company and its subsidiaries under the SGP as disclosed in Note 26(b) to the financial statements. The issue share price as at the date of granting was RM3.585 per ordinary share.

**OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.



Continued

#### OTHER STATUTORY INFORMATION (CONT'D)

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

#### DIRECTORS

The directors of the Company in office during the period since the beginning of the financial year to the date of this report are as follows:

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim  
Lim Peng Jin  
Lim Peng Cheong  
Dato' Noorizah Binti Hj Abd Hamid  
Wong Chin Mun  
Chin Lam Choong  
Ang Kim Swee (Retired on 14 December 2023)

The directors of the subsidiaries of the Company in office during the period since the beginning of the financial year to the date of this report are as follows:

Lim Peng Jin  
Koay Teik Chuan  
Choo Seng Hong  
Khaw Giet Thye  
Gan Kok Khye  
Chang Siew Sian  
Goh Tian Chin  
Yasuo Nagae  
Takeshi Nishimura  
Tan Lian Kung  
Chih Chien May (Chi Jingmei)  
Tan Chee Seng  
Chang Chee Siong  
U Kyaw Win Tun  
U Myo Min Kyaw  
Wong Pei Pei  
Choon Ting Song  
Lim Jian You  
Low Geoff Jin Wei  
Heong Mun Foo  
Beh Chun Chong  
Phang Yuen Khang  
Low Pei Fhoon  
Tang Song Teik  
Cham Chean Fong @ Sian Chean Fong  
Tan Hong Koon  
Saravanan A/L Perumal  
Tin Jie Qi  
Lim Kah Fan  
Koh Huey Min  
Megat Rozlan Bin Abdul Rahman  
Nazri Bin Hassanal Bashry  
Munsir  
Dato' Azman Bin Mahmud  
Tan Chee Teong  
Lim Hong Yee  
Yukinori Kitagawa\*  
Wong Min Heng\*  
Toshihiko Muneyoshi\*  
Masanobu Kamiyama\*

Continued

**DIRECTORS (CONT'D)**

Phang Chi Ming^  
 Datuk Lim Kok Boon^  
 Tadaaki Koyama^  
 Kaoru Watanabe^

\* Appointed during the financial year and up to the date of this report.

^ Resigned during the financial year and up to the date of this report.

**DIRECTORS' INTERESTS**

The interests in shares and warrants in the Company and in the related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			Balance as at 31.7.2024
	Balance as at 1.8.2023	Acquired/ Transfer in	Disposed/ Transfer out	
<b>Shares in the Company</b>				
<b>Direct interests</b>				
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	180,840	-	-	180,840
Lim Peng Jin	7,312,032	-	-	7,312,032
Lim Peng Cheong	1,446,800	33,200	-	1,480,000
Wong Chin Mun	243,000	-	-	243,000
Chin Lam Choong	200,000	-	-	200,000
<b>Deemed/Indirect interests</b>				
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	690,000	-	(76,000)	614,000
Lim Peng Jin	884,490,634	9,006,000	-	893,496,634
Lim Peng Cheong	844,051,550	9,131,000	-	853,182,550
Chin Lam Choong	10,000	-	-	10,000
	Number of warrants			
	Balance as at 1.8.2023	Acquired/ Transfer in	Disposed/ Transfer out	Balance as at 31.7.2024
<b>Warrants in the Company</b>				
<b>Direct interests</b>				
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	17,776	-	-	17,776
Lim Peng Jin	482,904	-	-	482,904
Lim Peng Cheong	10,000	-	-	10,000
Wong Chin Mun	16,200	-	-	16,200
<b>Deemed/Indirect interests</b>				
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	46,000	-	-	46,000
Lim Peng Jin	57,437,713	-	-	57,437,713
Lim Peng Cheong	54,763,073	-	-	54,763,073

Lim Peng Jin and Lim Peng Cheong by virtue of their interests in shares and warrants in the Company are also deemed to have interests in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other directors in office at the end of the financial year did not have any shares and/or warrants or beneficial interest in the shares and/or warrants of the Company or its related corporations during the financial year.

Continued

#### DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefits (other than the fees and benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company or its related corporations as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

The directors' benefits are as follows:

	<b>The Group 2024 RM'000</b>	<b>The Company 2024 RM'000</b>
<b>Directors of the Company</b>		
Executive:		
Salaries and other emoluments	8,258	-
Defined contribution plan	1,486	-
Fees	120	120
	9,864	120
Non-executive:		
Fees	655	655
	10,519	775

#### DIFFERENT FINANCIAL YEAR END OF SUBSIDIARIES

The Group has been granted approval from Companies Commission of Malaysia pursuant to Section 247(3) of Companies Act, 2016 for Scientex Tsukasa (Vietnam) Co., Ltd. ("STV") and Daibochi Packaging (Myanmar) Company Limited ("DPM") to continue to adopt the financial year end that does not coincide with the Group's financial year end of 31 July. The Group has consolidated the financial position and results of STV and DPM based on the unaudited financial statements made up to the financial year end of the Group.

#### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a directors and officers liability insurance throughout the year, which provides appropriate insurance cover for the directors and officers of the Company and its group of companies. The amount of insurance premium paid during the financial year amounted to RM27,500.

No indemnity was given to or insurance effected for auditors of the Company and of the subsidiaries during the financial year.

#### SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Notes 16 and 40 to the financial statements.

Continued

**AUDITORS' REMUNERATION**

The amount paid/payable as remuneration of the auditors of the Group and of the Company for the financial year ended 31 July 2024 amounting to RM1,071,000 and RM42,000 respectively.

**AUDITORS**

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

**LIM PENG JIN****LIM PENG CHEONG**

Shah Alam, Selangor Darul Ehsan  
22 October 2024

# Independent Auditors' Report to The Members of Scientex Berhad (Incorporated in Malaysia)

## Report on Audit of the Financial Statements

### Opinion

We have audited the financial statements of **SCIENTEX BERHAD**, which comprise the statements of financial position as at 31 July 2024 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 119 to 183.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit address the key audit matter
<p><b>Revenue of property development activities recognised over time</b></p> <p>The Group recognises revenue from its property development activities over time according to the stage of completion of the properties. Estimated losses are recognised in full when determined. Property development projects and expense estimates are reviewed and revised periodically as work progresses and as variation orders are approved.</p> <p>Significant judgements are required in determining the stage of completion, the extent of the property development projects completed, the estimated total property development revenue and costs as well as the recoverability of the projects undertaken. In making these judgements, the Group has made reference to past experiences.</p> <p>Refer to "Key sources of estimation uncertainty" in Note 4 to the financial statements.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate the design and implementation and test operating effectiveness of such controls.</li> <li>• Performed site visits for selected ongoing projects to arrive at an overall assessment as to whether information provided by management is reasonable.</li> <li>• Reviewed management prepared budgets for property development projects and ensured that budgets are appropriate and reflected cost incurred, cost to complete and current cost of operations.</li> <li>• Challenged management assumptions used in the preparation of the respective budgets, and performed a retrospective review to establish the reliability of management-prepared budgets.</li> <li>• Performed test of details on actual development costs incurred during the financial year as to whether the development costs recorded are valid and in the correct accounting period.</li> <li>• Verified the gross development value by reviewing the sale and purchase agreement entered into between the purchasers and the Group.</li> <li>• Checked the mathematical accuracy of the revenue and profit recognised based on percentage of completion calculations.</li> </ul>

We had determined that there is no key audit matter in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Continued

**Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Continued

***Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)***

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are as disclosed in Note 15 to the financial statements.

**Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**DELOITTE PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF0080)**

**TEO SWEE CHUA**  
**Partner - 02846/01/2026 J**  
**Chartered Accountant**

Kuala Lumpur  
22 October 2024

## Statements of Profit or Loss

For the financial year ended 31 July 2024

	Note(s)	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	4,475,599	4,076,896	151,939	157,857
Cost of sales	6	(3,466,724)	(3,187,366)	-	-
<b>Gross profit</b>		<b>1,008,875</b>	<b>889,530</b>	<b>151,939</b>	<b>157,857</b>
Other income		21,509	12,174	9,771	826
Selling and distribution expenses		(116,253)	(122,821)	-	-
Administration expenses		(174,219)	(164,755)	(2,125)	(2,241)
Other expenses		(3,378)	(24,530)	-	(17)
Finance costs	7	(22,598)	(33,545)	(23)	-
Share of results of associates and joint venture	17 & 18	14,947	12,614	-	-
<b>Profit before tax</b>	<b>8</b>	<b>728,883</b>	<b>568,667</b>	<b>159,562</b>	<b>156,425</b>
Income tax (expense)/credit	11	(159,698)	(119,726)	73	75
<b>Profit for the year</b>		<b>569,185</b>	<b>448,941</b>	<b>159,635</b>	<b>156,500</b>
<b>Profit for the year attributable to:</b>					
Owners of the Company		545,209	438,141	159,635	156,500
Non-controlling interests		23,976	10,800	-	-
		569,185	448,941	159,635	156,500
<b>Earnings per share</b>					
Basic and diluted (sen per share)	12	35.15	28.25		

The accompanying Notes form an integral part of the Financial Statements.



## Statements of Other Comprehensive Income

For the financial year ended 31 July 2024

	Note(s)	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Profit for the year</b>		569,185	448,941	159,635	156,500
<b>Other comprehensive income/ (loss), net of income tax:</b>					
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
Revaluation of land and buildings		11,418	-	-	-
Fair value loss arising from other investment		(905)	27	(337)	-
Remeasurement of defined benefit obligations		-	(1,203)	-	8,656
<u>Item that may be reclassified subsequently to profit or loss:</u>					
Foreign currency translation of foreign operations		1,718	(2,587)	-	-
<b>Total other comprehensive income/(loss) for the year, net of income tax</b>		12,231	(3,763)	(337)	8,656
<b>Total comprehensive income for the year, net of income tax</b>		581,416	445,178	159,298	165,156
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the Company		553,881	437,548	159,298	165,156
Non-controlling interests	15	27,535	7,630	-	-
		581,416	445,178	159,298	165,156

The accompanying Notes form an integral part of the Financial Statements.

# Statements of Financial Position

As at 31 July 2024

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	13	1,524,044	1,558,202	40,742	41,306
Right-of-use assets	14	4,358	5,017	-	-
Investment in subsidiaries	15	-	-	1,013,435	1,013,435
Land held for property development	16	1,765,614	1,420,231	-	-
Investment in joint venture	17	-	16,826	-	10,000
Investment in associates	18	109,627	100,693	3,000	3,000
Other investments	19	29,365	23,476	24,619	22,567
Deferred tax assets	31	16,955	9,286	-	-
Goodwill	20	305,022	305,022	-	-
		3,754,985	3,438,753	1,081,796	1,090,308
<b>Current Assets</b>					
Property development costs	16	511,593	462,565	-	-
Inventories	21	347,603	377,055	-	-
Trade receivables	22	811,015	668,475	-	-
Other receivables, deposits and prepaid expenses	23	246,556	193,003	74	75
Tax recoverable		5,233	12,747	-	3
Contract assets	24	224,286	186,206	-	-
Cash and cash equivalents	25	252,358	166,411	1,214	3,383
		2,398,644	2,066,462	1,288	3,461
<b>TOTAL ASSETS</b>		<b>6,153,629</b>	<b>5,505,215</b>	<b>1,083,084</b>	<b>1,093,769</b>

## Statements of Financial Position

As at 31 July 2024 - continued

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	26	705,744	705,009	705,744	705,009
Reserves	27	3,070,451	2,687,209	368,700	380,041
Equity attributable to owners of the Company		3,776,195	3,392,218	1,074,444	1,085,050
Non-controlling interests	15	235,044	214,127	-	-
<b>Total Equity</b>		<b>4,011,239</b>	<b>3,606,345</b>	<b>1,074,444</b>	<b>1,085,050</b>
<b>Non-Current Liabilities</b>					
Borrowings	28	70,000	70,000	-	-
Lease liabilities	29	2,443	3,173	-	-
Retirement benefits obligations	30	50,428	48,415	-	-
Deferred tax liabilities	31	102,595	96,507	7,566	7,670
		225,466	218,095	7,566	7,670
<b>Current liabilities</b>					
Borrowings	28	863,029	766,840	-	-
Lease liabilities	29	5,548	3,839	-	-
Trade payables	32	608,018	577,137	-	-
Other payables and accrued expenses	33	234,828	213,184	1,069	1,049
Contract liabilities	24	145,126	89,044	-	-
Tax liabilities		60,375	30,731	5	-
		1,916,924	1,680,775	1,074	1,049
<b>Total Liabilities</b>		<b>2,142,390</b>	<b>1,898,870</b>	<b>8,640</b>	<b>8,719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,153,629</b>	<b>5,505,215</b>	<b>1,083,084</b>	<b>1,093,769</b>

The accompanying Notes form an integral part of the Financial Statements.

# Statements of Changes In Equity

For the financial year ended 31 July 2024

	Share capital RM'000	Treasury shares RM'000	Non-distributable reserves			Distributable reserve			Attributable to owners Company RM'000	Non-controlling interests RM'000	Total equity RM'000
			Property revaluation surplus RM'000	Foreign currency translation reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Other reserves RM'000				
<b>The Group</b>											
<b>As at 1 August 2022</b>	704,799	(1)	90,719	18,168	494	2,295,417	3,109,596	198,062	3,307,658		
Profit for the year	-	-	-	-	-	438,141	438,141	10,800	448,941		
Other comprehensive income/(loss) for the year	-	-	-	201	22	(816)	(593)	(3,170)	(3,763)		
Total comprehensive income for the year	-	-	-	201	22	437,325	437,548	7,630	445,178		
Non-controlling interests arising from acquisition of a subsidiary (Note 15)	-	-	-	-	-	-	-	-	15,746	15,746	
Dilution of interest in existing subsidiary	-	-	-	-	-	-	-	-	30	30	
Acquisition of equity interest in subsidiary by non-controlling interest	-	-	-	-	-	-	-	-	30	30	
Issuance of ordinary shares pursuant to Share Grant Plan (Note 26)	210	-	-	-	-	-	210	-	-	210	
Share of other net asset changes in an associate (Note 18)	-	-	-	-	(30)	-	(30)	-	-	(30)	
Dividends (Note 34)	-	-	-	-	-	(155,106)	(155,106)	(7,371)	(162,477)		
<b>As at 31 July 2023</b>	705,009	(1)	90,719	18,369	486	2,577,636	3,392,218	214,127	3,606,345		
<b>As at 1 August 2023</b>	705,009	(1)	90,719	18,369	486	2,577,636	3,392,218	214,127	3,606,345		
Profit for the year	-	-	-	-	-	545,209	545,209	23,976	569,185		
Other comprehensive income/(loss) for the year	-	-	8,208	1,369	(905)	-	8,672	3,559	12,231		
Total comprehensive income for the year	-	-	8,208	1,369	(905)	545,209	553,881	27,535	581,416		
Capital injection in an existing subsidiary by non-controlling interest	-	-	-	-	-	-	-	14,970	14,970		
Issuance of ordinary shares pursuant to: Share Grant Plan (Note 26)	729	-	-	-	-	-	729	-	729		
Exercise of warrants (Note 26)	6	-	-	-	-	-	6	-	6		
Dividends (Note 34)	-	-	-	-	-	(170,639)	(170,639)	(21,588)	(192,227)		
<b>As at 31 July 2024</b>	705,744	(1)	98,927	19,738	(419)	2,952,206	3,776,195	235,044	4,011,239		

# Statements of Changes In Equity

For the financial year ended 31 July 2024 - continued

The Company	Share capital RM'000	Treasury shares RM'000	Non-distributable reserves			Distributable reserve	Total equity RM'000
			Property revaluation surplus RM'000	Other reserves RM'000	Retained earnings RM'000		
<b>As at 1 August 2022</b>	704,799	(1)	26,089	68	343,835	1,074,790	
Profit for the year	-	-	-	-	156,500	156,500	
Other comprehensive income for the year	-	-	-	-	8,656	8,656	
Total comprehensive income for the year	-	-	-	-	165,156	165,156	
Issuance of ordinary shares pursuant to Share Grant Plan (Note 26)	210	-	-	-	-	210	
Dividends (Note 34)	-	-	-	-	(155,106)	(155,106)	
<b>As at 31 July 2023</b>	705,009	(1)	26,089	68	353,885	1,085,050	
<b>As at 1 August 2023</b>	705,009	(1)	26,089	68	353,885	1,085,050	
Profit for the year	-	-	-	-	159,635	159,635	
Other comprehensive loss for the year	-	-	-	(337)	-	(337)	
Total comprehensive income for the year	-	-	-	(337)	159,635	159,298	
Issuance of ordinary shares pursuant to: Share Grant Plan (Note 26)	729	-	-	-	-	729	
Exercise of warrants (Note 26)	6	-	-	-	-	6	
Dividends (Note 34)	-	-	-	-	(170,639)	(170,639)	
<b>As at 31 July 2024</b>	705,744	(1)	26,089	(269)	342,881	1,074,444	

The accompanying Notes form an integral part of the Financial Statements.

# Statements of Cash Flows

For the financial year ended 31 July 2024

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM/(USED IN)</b>				
<b>OPERATING ACTIVITIES</b>				
Profit before tax	728,883	568,667	159,562	156,425
Adjustments for:				
Depreciation of:				
Property, plant and equipment	128,542	120,131	564	564
Right-of-use assets	3,533	3,734	-	-
Impairment of goodwill	-	22,709	-	-
Finance costs	22,598	33,545	23	-
Unrealised loss/(gain) on foreign exchange	6,888	(8,172)	-	-
Increase in liability for defined benefit plan	6,549	3,555	-	170
(Write back)/Write off of inventories	(2,119)	556	-	-
Fair value gain on other investments	(316)	(766)	(316)	(766)
Share Grant Plan expense	729	210	-	-
Impairment loss on trade receivables	169	629	-	-
Property, plant and equipment written off	596	714	-	-
Gain on lease modification	(21)	(2)	-	-
Dividend income	(338)	(234)	(151,819)	(157,737)
Reversal of impairment loss on trade receivables	(279)	(359)	-	-
Gain on disposal of property, plant and equipment	(800)	(323)	-	-
Reversal of contingent consideration with respect to acquisition of associate	-	(198)	-	-
Fair value gain on money market deposit	(1,087)	(530)	(20)	(25)
Interest income	(5,222)	(4,806)	(71)	(34)
Share of results of associates and joint venture	(14,947)	(12,614)	-	-
Gain on disposal of investment in joint venture	(8,969)	-	(9,334)	-
Write back of bad debts	(39)	-	-	-
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>864,350</b>	<b>726,446</b>	<b>(1,411)</b>	<b>(1,403)</b>
Movement in working capital:				
(Increase)/Decrease in:				
Inventories	31,571	83,148	-	-
Property development costs	189,085	222,855	-	-
Receivables	(208,211)	(157,956)	1	(3)
Increase in payables	113,899	49,787	20	106
<b>Cash Generated From/(Used In) Operations</b>	<b>990,694</b>	<b>924,280</b>	<b>(1,390)</b>	<b>(1,300)</b>
Income tax paid	(132,466)	(122,364)	(26)	(67)
Income tax refunded	5,443	5,157	3	-
Retirement benefits obligations paid	(4,541)	(2,281)	-	-
<b>Net Cash From/(Used In) Operating Activities</b>	<b>859,130</b>	<b>804,792</b>	<b>(1,413)</b>	<b>(1,367)</b>

## Statements of Cash Flows

For the financial year ended 31 July 2024 - continued

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM/(USED IN)</b>				
<b>INVESTING ACTIVITIES</b>				
Interest received	6,309	5,336	91	59
Proceeds from disposal of property, plant and equipment	12,331	3,634	-	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(60,103)	-	-
Deposit refund from termination of purchase of land	54,765	51,815	-	-
Proceed arising from dilution of interest in an existing subsidiary	-	30	-	-
Acquisition of equity interest in subsidiary by non-controlling interest	-	30	-	-
Dividend income received	8,408	2,629	151,819	157,737
Proceed from capital injection in an existing subsidiary by non-controlling interest	14,970	-	-	-
Proceed from disposal of investment in joint venture	17,261	-	17,261	-
Purchase of property, plant and equipment (Note 39(a))	(85,536)	(113,553)	-	-
Deposit paid for purchase of plant and equipment	(6,122)	(9,559)	-	-
Purchase of land held for property development (Note 39(b))	(524,506)	(61,061)	-	-
Deposit paid for purchase of land held for property development	(137,961)	(84,748)	-	-
Investment in associate	-	(4,493)	-	-
<b>Net Cash (Used In)/From Investing Activities</b>	<b>(640,081)</b>	<b>(270,043)</b>	<b>169,171</b>	<b>157,796</b>
<b>CASH FLOWS FROM/(USED IN)</b>				
<b>FINANCING ACTIVITIES</b>				
Net drawdown/(repayment) of short-term borrowings	93,194	(106,203)	-	-
Dividends paid to:				
Shareholders of the Company	(170,639)	(155,106)	(170,639)	(155,106)
Non-controlling shareholders of subsidiaries	(21,588)	(7,371)	-	-
Proceeds from exercise of warrants in the Company	6	-	6	-
Repayment of lease liabilities	(3,227)	(3,461)	-	-
Finance costs paid	(30,848)	(41,119)	(23)	-
Repayment of term loans	-	(246,255)	-	-
Proceeds from subsidiaries in respect of Share Grant Plan	-	-	729	210
<b>Net Cash Used In Financing Activities</b>	<b>(133,102)</b>	<b>(559,515)</b>	<b>(169,927)</b>	<b>(154,896)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>85,947</b>	<b>(24,766)</b>	<b>(2,169)</b>	<b>1,533</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>166,411</b>	<b>191,177</b>	<b>3,383</b>	<b>1,850</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 25)</b>	<b>252,358</b>	<b>166,411</b>	<b>1,214</b>	<b>3,383</b>

The accompanying Notes form an integral part of the Financial Statements.

# Notes to The Financial Statements

For the financial year ended 31 July 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries, joint venture and associates are as disclosed in Notes 15, 17 and 18 respectively.

The Company's registered office and principal place of business are located at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 22 October 2024.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### Adoption of Standard and Amendments to MFRSs

In the current financial year, the Group has applied a number of amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for the financial statements of the Group and the Company for the financial year ended 31 July 2024:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the above standard and amendments to MFRS does not have any material impact on the financial statements of the Group and of the Company in the period of its initial application except as discussed below:

#### Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Group and the Company have adopted Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosure of Accounting Policies* from 1 August 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 3.

#### Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*

The Group and the Company have adopted the amendments to MFRS 112 for the first time in the current financial year. The scope of MFRS 112 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development, including tax laws that implements Qualified Domestic Minimum Top-up Tax aligned with Pillar Two Model Rules as described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in MFRS 112, so that the Group and the Company would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The management is currently in the process of assessing the Group's and the Company's exposure to the Pillar Two income taxes in the jurisdictions in which the Group and Company operates. Accordingly, the Group's and the Company's exposure to Pillar Two income taxes is currently not known or reasonably estimable.



Continued

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

### New and amendments to MFRSs in Issue but Not Yet Effective

As at the date of authorisation of these financial statements, certain new and amendments to MFRS have been published by the MASB but not yet effective, and have not been adopted by the Group and the Company are as listed below:

MFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>
Amendments to MFRS 7 and MFRS 107	Supplier Finance Arrangements <sup>1</sup>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures) <sup>3</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to MFRS 121	Lack of Exchangeability <sup>2</sup>
Amendments to MFRSs	Annual improvements to MFRS Accounting Standards - Volume 11 <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

<sup>5</sup> Effective date deferred to a date to be determined and announced by MASB, with earlier application permitted.

The directors anticipate that the abovementioned MFRSs and amendments to MFRS will be adopted in the annual financial statements of the Group and the Company when they become effective. The adoption of these Standards and Amendments are not expected to have significant impact on the financial statements of the Group and the Company in the period of initial application.

## 3. MATERIAL ACCOUNTING POLICIES

### Basis of Accounting

The financial statements have been prepared on the historical cost basis except as disclosed in this summary of accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transaction that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 are unobservable inputs for the asset or liability.

The material accounting policies are set out below.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

#### Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Goodwill (cont'd)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") that is expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

(i) Sales of goods

Revenue from the sale of goods is recognised at a point in time when the products have been transferred to the customers and coincide with the delivery of products and acceptance by customers.

(ii) Rendering of services

Revenue from rendering of management and technical services is recognised over time when the services have been rendered by reference to the contracts entered into.

(iii) Property development revenue

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

Revenue from property development projects is accounted for using the percentage of completion method where the outcome of the development activity can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the financial year.

(iv) Sale of completed properties

Revenue from sale of completed properties is recognised at a point in time upon the finalisation of sale and purchase agreements by the end of the financial year and when the control of the properties has been passed to the customers.

(v) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the Company and the amount of income can be measured reliably).

#### Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Foreign Currencies (cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- (a) exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gain and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income;
- (b) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- (c) exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- (d) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint venture not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange difference arising are recognised in other comprehensive income.

#### Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment, except for land and buildings, are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at valuation, which is the fair value at the date of valuation, less impairment loss, if any. Long-term leasehold land and buildings are stated at valuation, which is the fair value at the date of the valuation, less accumulated depreciation and impairment loss, if any.

The Group revalues its land and building every five years from the last date of valuation or at shorter intervals whenever the fair value of the said assets is expected to differ substantially from its carrying amounts.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the property revaluation surplus account, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the property revaluation surplus account.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the property revaluation surplus account in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Inventories

##### Materials and goods

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.
- Completed property units: cost of construction materials and raw materials comprises costs of purchase and other direct charges. The cost of completed properties, determined on specific identification basis, comprise cost of land, construction and appropriate development expenditure.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

##### Land Held for Property Development

Land held for property development and costs attributable to the development activities which are held for future development where no significant development has been undertaken, is stated at lower of cost and net realisable value.

Land held for property development is classified as property development costs under current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

##### Property Development Costs

Property development costs are determined on a specific identification basis. Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that meet the definition of inventories are recognised as an asset and stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

#### Financial Instruments

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

#### Financial assets

##### (i) Recognition and Initial Measurement

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset (unless it is a trade receivable without significant financing component) or a financial liability at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issuance. Transaction costs of financial assets at FVTPL are recognised immediately in profit or loss.

Trade receivables without a significant financing component are initially measured at transaction price in accordance with MFRS 15 *Revenue from Contracts with Customers*.

Regular way of purchase or sale of a financial asset is recognised on the trade date, the date on which the Group and the Company commit to purchase or sell an asset.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial assets (cont'd)

##### (ii) Classification and Subsequent Measurement

The Group classifies its financial assets in the following measurement categories:

- (a) those to be measured at fair value (either through other comprehensive income ("FVTOCI") or through profit or loss ("FVTPL")); and
- (b) those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gain and losses will be recorded in either profit or loss or other comprehensive income ("OCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### (a) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding are classified as financial assets at amortised cost. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less accumulated impairment.

Interest income from these financial assets is calculated using the effective interest rate method and is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. For credit-impaired financial assets the effective interest rate shall be applied to the amortised cost of the financial asset in subsequent reporting periods.

##### (b) Financial assets at fair value through other comprehensive income ("FVTOCI")

This category comprises investment in equity instruments which are not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in fair value of the investments in OCI. The election is made on an investment-by-investment basis. On derecognition, gains and losses accumulated in OCI are not reclassified to profit or loss.

Dividend income from these investments is recognised in profit or loss when the right to receive payment of the dividend is established.

The Group and the Company subsequently measure all investments in equity instruments at fair value.

##### (c) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Fair value changes are recognised in profit or loss in the period in which it arises.

##### (iii) Impairment of financial assets and contract assets

An impairment loss is recognised in profit or loss based on expected credit losses ("ECL") at the end of each reporting period. ECL are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Lifetime ECL represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12-month ECL represent the portion of lifetime ECL that are expected to result from defaults event on a financial instrument that are possible within 12 months after the end of reporting period.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial assets (cont'd)

##### (iii) Impairment of financial assets and contract assets (cont'd)

The Group and the Company apply the simplified approach to measure the impairment of trade receivables, contract assets and lease receivables at lifetime ECL. The ECL are estimated based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For other financial assets such as other receivables and amount due from intercompany, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the impairment losses for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without due cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

At the end of each reporting period, the Group and the Company assess whether the financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as debtor who have defaulted on payment, or are in significant financial difficulties, or it is becoming probable that the borrower will enter bankruptcy.

These assets are written off when there is no reasonable expectation of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

Deposits and bank balances of the Group and the Company are placed with reputable financial institution with high credit ratings and no history of default. Hence, the Group and the Company do not expect any losses from default or non-performance by the counterparties.

##### (iv) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss, except for the derecognition of an investment in equity instruments measured at FVTOCI, the cumulative gain or loss is transferred within equity, not recognised in profit or loss.

#### Financial Liabilities and Equity Instruments

##### (i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### (ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial Liabilities and Equity Instruments (cont'd)

##### (iii) Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

##### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;
- it forms part of a contract containing one or more embedded derivatives, and MFRS 9 *Financial Instruments* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of profit or loss.

##### *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### (iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### (v) Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the impairment loss determined in accordance with MFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.



Continued

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, term deposits and other short-term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value, against which bank overdrafts, if any, are deducted.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amount recognised in the financial statements.

#### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the Group and of the Company within the next financial year is disclosed below.

##### Depreciation of property, plant and equipment

The Group and the Company estimate the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimate due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Details are disclosed in Note 13.

##### Impairment losses of trade receivables

The Group recognises impairment loss for financial assets based on assumption about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and impairment loss in the period in which such estimate has been changed. Details are disclosed in Note 22.

##### Property development projects

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation based on the certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to date over the estimated total property development costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a project is completed, but would recognise a loss as soon as the loss becomes evident.

Continued

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

##### Key sources of estimation uncertainty (cont'd)

###### Property development projects (cont'd)

Adjustments based on the progress towards satisfaction of performance obligations are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

Note 3 describes the Group's policy to recognise revenue from sales of properties by reference to the progress towards satisfaction of performance obligations. Property development revenue is recognised in respect of all development units that have been sold.

As at 31 July 2024, the Group recognised revenue of RM1,823,864,000 (2023: RM1,406,998,000) and cost of RM1,179,764,000 (2023: RM918,689,000), arising from the property development activities recognised over time using the stage of completion method.

###### Valuation of land and buildings

The valuation of land and buildings performed by the Group and the Company are based on independent professional valuations with reference to direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and when necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences, and the cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for cost of finance and profit to reflect its profitable present market value. The directors are of the opinion that the chosen valuation techniques and assumptions are appropriate in determining the valuation of the Group's and of the Company's land and buildings. Details are disclosed in Note 13.

###### Impairment of goodwill

The determination of the recoverable amount of the CGU assessed in the annual goodwill impairment test requires an estimate of the fair value net of disposal costs and the value-in-use. The assessment of the value-in-use requires assumptions to be made with respect of the operating cash flows of the CGU as well as the discount rate. The CGUs for the purpose of impairment of goodwill mainly arose from the Group's packaging segment as a result of previous year acquisitions.

Evaluation for impairment is significantly impacted by estimates of future prices for the products, the evolution of expenses, economic trends in the local and international sectors, expectations of long-term development of growing markets and other factors. The results of such evaluation are also impacted by the discount rates and perpetual growth rate used.

The carrying amount of the goodwill at the end of the reporting period is disclosed in Note 20.

###### Net realisable value of completed property units

Inventories of completed property units are stated at the lower of cost and net realisable value. The Group determines net realisable value based on historical trends and management estimates of future products demand and related pricing. Possible changes in these estimates could result in revisions to the valuation of inventories. Details are disclosed in Note 21.

Continued

**5. REVENUE**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers:				
Sale of goods	2,594,478	2,626,191	-	-
Property development:				
Sale of properties under development	1,823,864	1,406,998	-	-
Sale of completed properties	56,815	43,365	-	-
Management fees from associate	120	120	120	120
	4,475,277	4,076,674	120	120
Revenue from other sources:				
Gross dividends from:				
Subsidiaries	-	-	144,624	156,318
Joint venture	-	-	5,000	-
Associate	-	-	1,873	1,197
Unquoted shares outside Malaysia	322	222	322	222
	322	222	151,819	157,737
	4,475,599	4,076,896	151,939	157,857
<u>Timing of revenue recognition</u>				
Revenue from contracts with customers:				
At a point in time	2,651,293	2,669,556	-	-
Over time	1,823,984	1,407,118	120	120
	4,475,277	4,076,674	120	120

**6. COST OF SALES**

	The Group	
	2024 RM'000	2023 RM'000
Cost of inventories sold:		
Manufacturing	2,229,140	2,240,122
Completed properties	30,094	26,686
Property development costs (Note 16(b))	1,179,764	918,689
Contract cost assets (Note 23)	6,435	1,869
Others	21,291	-
	3,466,724	3,187,366

Continued

**7. FINANCE COSTS**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expenses on:				
Sukuk Murabahah	2,745	12,586	-	-
Revolving credits	21,886	24,369	23	-
Invoice financing	5,921	3,803	-	-
Onshore foreign currency loans	-	47	-	-
Lease interest	296	314	-	-
	30,848	41,119	23	-
Less: Amount capitalised in land held for property development (Note 16(a))	(8,250)	(7,574)	-	-
Total finance costs	22,598	33,545	23	-

**8. PROFIT BEFORE TAX**

Profit before tax is arrived at after charging/(crediting) the following:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss/(Gain) on foreign exchange:				
Realised	(3,510)	9,993	(21)	17
Unrealised	6,888	(8,172)	-	-
Rental of:				
Buildings	1,353	1,701	-	-
Machinery and equipment	1,394	1,375	-	-
Auditors' remuneration:				
Statutory audit	1,071	1,258	42	42
Other services	80	74	9	9
Remuneration for other professional services rendered by affiliates of auditors	843	753	8	5
Write back of bad debts	(39)	-	-	-
Property, plant and equipment written off (Write back)/Write off of inventories	596	714	-	-
Interest income	(2,119)	556	-	-
Interest income	(5,222)	(4,806)	(71)	(34)
Rental income	(3,737)	(3,460)	-	-
Dividend income	(16)	(13)	(10)	-
Fair value gain on other investments	(316)	(766)	(316)	(766)
Fair value gain on money market deposits	(1,087)	(530)	(20)	(25)
Impairment of goodwill	-	22,709	-	-
Gain on disposal of investment in joint venture	(8,969)	-	(9,334)	-
Gain on disposal of property, plant and equipment	(800)	(323)	-	-
Gain on lease modification	(21)	(2)	-	-
Reversal of contingent consideration with respect to acquisition of associate	-	(198)	-	-

Continued

**9. EMPLOYEE BENEFITS EXPENSE**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Wages, salaries and other emoluments	261,364	258,837
Contributions to defined contribution plan	22,662	22,172
Increase in liability for defined benefit plan (Note 30)	6,549	3,555
Share Grant Plan	729	210
Social security contributions	2,789	2,990
	294,093	287,764

The Company does not have any employees since it is an investment holding company and the directors' remuneration is disclosed in Note 10.

During the current financial year, the Company granted and vested 203,400 (2023: 63,800) new ordinary shares to eligible employees of the Group under the Scientex Berhad Share Grant Plan (Note 26(b)).

**10. DIRECTORS' REMUNERATION**

The details of remuneration receivable by directors of the Company during the financial year are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	8,258	7,600	-	-
Defined contribution plan	1,486	1,368	-	-
Fees	120	120	120	120
	9,864	9,088	120	120
Non-executive:				
Fees	655	655	655	655
	10,519	9,743	775	775

Continued

**11. INCOME TAX EXPENSE/(CREDIT)**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax expense:				
Malaysian income tax	156,386	103,621	31	29
Foreign tax	5,391	8,383	-	-
Real property gain tax	310	-	-	-
Withholding tax	1,009	550	-	-
Under/(Over)provision in prior years	1,084	(1,544)	-	-
	164,180	111,010	31	29
Deferred tax (Note 31):				
Current year	(1,010)	8,748	(104)	(104)
Overprovision in prior years	(3,472)	(32)	-	-
	(4,482)	8,716	(104)	(104)
	159,698	119,726	(73)	(75)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The below reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

A reconciliation of income tax expense/(credit) applicable to profit before tax at the statutory income tax to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	728,883	568,667	159,562	156,425
Tax at statutory tax rate of 24% (2023: 24%)	174,932	136,480	38,295	37,542
Tax effects of:				
Non-taxable income	(4,512)	(1,341)	(38,779)	(38,051)
Different tax rates in other countries	(1,160)	(2,663)	-	-
Share of results of associates and joint venture	(3,587)	(3,027)	-	-
Non-deductible expenses	2,485	11,705	411	434
Recognition of deferred tax arising from reinvestment allowances/tax incentive	(5,604)	(16,573)	-	-
Utilisation of capital allowances and other deductible temporary differences previously not recognised	(5,920)	(243)	-	-
Utilisation of reinvestment allowances	-	(3,699)	-	-
Deferred tax assets not recognised	4,133	113	-	-
Real property gain tax	310	-	-	-
Withholding tax	1,009	550	-	-
(Over)/Underprovision in prior years:				
Income tax	1,084	(1,544)	-	-
Deferred tax	(3,472)	(32)	-	-
	159,698	119,726	(73)	(75)

Continued

**12. EARNINGS PER SHARE****Basic earnings per share**

The calculation of basic earnings per share ("EPS") is based on the consolidated profit for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit for the year attributable to owners of the Company	545,209	438,141

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>Units '000</b>	<b>Units '000</b>
Weighted average number of ordinary shares in issue	1,551,199	1,551,042

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
Basic EPS (sen)	35.15	28.25

**Diluted earnings per share**

Diluted earnings per ordinary share is not presented as the warrants are anti-dilutive where the average market price of ordinary shares during the current financial year does not exceed the exercise price of the warrants.

Continued

## 13. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Staff quarters and apartment RM'000	Plants and machinery, tools and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Valuation/Cost</b>									
As at 1 August 2022	158,997	159,181	305,784	1,968	1,858,121	78,949	20,701	79,427	2,663,128
Additions	-	89	22,814	-	85,271	8,339	1,234	13,604	131,351
Disposals	-	-	-	-	(4,457)	(61)	(1,153)	-	(5,671)
Written off	-	-	-	-	(19,137)	(1,866)	(17)	-	(21,020)
Reclassification	-	-	22,277	-	56,837	313	-	(79,427)	-
Acquisition of a subsidiary	40,680	-	33,803	81	64,049	25,525	772	-	164,910
Exchange differences	44	53	704	-	762	(108)	(14)	-	1,441
<b>As at 31 July 2023</b>	<b>199,721</b>	<b>159,323</b>	<b>385,382</b>	<b>2,049</b>	<b>2,041,446</b>	<b>111,091</b>	<b>21,523</b>	<b>13,604</b>	<b>2,934,139</b>
<b>Accumulated depreciation</b>									
As at 1 August 2022	-	6,866	25,980	486	1,087,024	62,347	16,670	-	1,199,373
Charge for the year	-	2,325	10,776	39	100,119	5,257	1,615	-	120,131
Disposals	-	-	-	-	(1,216)	(47)	(1,097)	-	(2,360)
Written off	-	-	-	-	(18,431)	(1,858)	(17)	-	(20,306)
Acquisition of a subsidiary	5,983	-	15,419	80	44,746	11,423	761	-	78,412
Exchange differences	-	22	529	-	177	(36)	(5)	-	687
<b>As at 31 July 2023</b>	<b>5,983</b>	<b>9,213</b>	<b>52,704</b>	<b>605</b>	<b>1,212,419</b>	<b>77,086</b>	<b>17,927</b>	<b>-</b>	<b>1,375,937</b>



Continued

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Staff quarters and apartment RM'000	Plants and machinery, tools and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Valuation/Cost</b>									
As at 1 August 2023	199,721	159,323	385,382	2,049	2,041,446	111,091	21,523	13,604	2,934,139
Additions	-	1,554	1,554	-	80,369	5,287	1,801	550	89,561
Disposals	-	-	(1,955)	-	(21,615)	(190)	(2,840)	-	(26,600)
Written off	-	-	(43)	-	(22,674)	(763)	-	-	(23,480)
Reclassification	-	-	-	-	13,604	-	-	(13,604)	-
Revaluation	3,900	9,986	419	-	-	-	-	-	14,305
Elimination of accumulated depreciation on revaluation	-	(1,611)	(15,327)	-	-	-	-	-	(16,938)
Exchange differences	78	95	662	-	3,079	88	11	(11)	4,002
<b>As at 31 July 2024</b>	<b>203,699</b>	<b>167,793</b>	<b>370,692</b>	<b>2,049</b>	<b>2,094,209</b>	<b>115,513</b>	<b>20,495</b>	<b>539</b>	<b>2,974,989</b>
<b>Accumulated depreciation</b>									
As at 1 August 2023	5,983	9,213	52,704	605	1,212,419	77,086	17,927	-	1,375,937
Charge for the year	-	2,330	12,097	39	107,361	5,244	1,471	-	128,542
Disposals	-	-	(594)	-	(11,708)	(29)	(2,738)	-	(15,069)
Written off	-	-	(22)	-	(22,535)	(327)	-	-	(22,884)
Elimination of accumulated depreciation on revaluation	-	(1,611)	(15,327)	-	-	-	-	-	(16,938)
Exchange differences	-	42	136	-	1,131	40	8	-	1,357
<b>As at 31 July 2024</b>	<b>5,983</b>	<b>9,974</b>	<b>48,994</b>	<b>644</b>	<b>1,286,668</b>	<b>82,014</b>	<b>16,668</b>	<b>-</b>	<b>1,450,945</b>
<b>Net book value</b>									
<b>As at 31 July 2023</b>	<b>193,738</b>	<b>150,110</b>	<b>332,678</b>	<b>1,444</b>	<b>829,027</b>	<b>34,005</b>	<b>3,596</b>	<b>13,604</b>	<b>1,558,202</b>
<b>As at 31 July 2024</b>	<b>197,716</b>	<b>157,819</b>	<b>321,698</b>	<b>1,405</b>	<b>807,541</b>	<b>33,499</b>	<b>3,827</b>	<b>539</b>	<b>1,524,044</b>

Continued

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Long-term leasehold land RM'000	Staff quarters and apartment RM'000	Motor vehicles RM'000	Total RM'000
<b>Valuation/Cost</b>				
<b>As at 1 August 2022/31 July 2023</b>	42,700	481	1,006	44,187
<b>Accumulated depreciation</b>				
As at 1 August 2022	1,109	202	1,006	2,317
Charge for the year	554	10	-	564
<b>As at 31 July 2023</b>	1,663	212	1,006	2,881
<b>Valuation/Cost</b>				
<b>As at 1 August 2023/31 July 2024</b>	42,700	481	1,006	44,187
<b>Accumulated depreciation</b>				
As at 1 August 2023	1,663	212	1,006	2,881
Charge for the year	554	10	-	564
<b>As at 31 July 2024</b>	2,217	222	1,006	3,445
<b>Net book value</b>				
<b>As at 31 July 2023</b>	41,037	269	-	41,306
<b>As at 31 July 2024</b>	40,483	259	-	40,742

If the land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Freehold land	189,085	189,007	-	-
Long-term leasehold land	48,311	49,178	683	698
Buildings	320,830	332,218	-	-
	558,226	570,403	683	698

Continued

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Freehold land is not depreciated. Capital work-in-progress represents factory buildings and machineries under installation, is stated at cost and is not depreciated until such time when the asset is available for use. Depreciation of other property, plant and equipment is computed using the straight-line method to write down their cost to residual values over their estimated useful lives at the following period and rates:

	<b>The Group and The Company</b>	
	<b>2024</b>	<b>2023</b>
Long-term leasehold land	31 to 77 years	31 to 77 years
Buildings	2% - 10%	2% - 10%
Staff quarters and apartment	2%	2%
Plants and machinery, tools and equipment	5% - 20%	5% - 20%
Office equipment, furniture and fittings	5% - 33%	5% - 33%
Motor vehicles	12.5% - 20%	12.5% - 20%

Freehold land, long-term leasehold land and buildings of the Group and the Company were revalued in July 2020 by accredited independent professional valuers using the comparison and cost methods, except for that of its subsidiaries, Scientex Packaging (Ayer Keroh) Berhad ("SPAK") and Scientex Packaging (Teluk Emas) Sdn. Bhd. ("SPTE") which were revalued in July 2024. The fair value was categorised as Level 3 of the fair value hierarchy with no transfer between Levels 1 and 2 during the year.

Qualitative information about fair value measurement of freehold land, long-term leasehold land and buildings performed using significant unobservable inputs (Level 3) as are as follows:

<b>Valuation Technique</b>	<b>Significant Unobservable Inputs</b>
Comparison method	Difference in size, location, timing of transaction, freehold/leasehold tenure and improvement on land
Cost method	Construction price per square feet

**Comparison method**

Under comparison method, a property's fair value is estimated based on comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for size, location, timing of transaction, freehold/leasehold tenure and improvement on land and other differences. Fair value of properties derived using the comparison method have been generally included in Level 3 fair value hierarchy due to the adjustments mentioned above. The most significant input into this valuation approach is price per square feet of comparable properties.

**Cost method**

In the cost method of valuation, the market value of the building is assumed to have a direct relationship with its cost of construction. The cost of construction is then adjusted to allow for cost of finance and profit to reflect its present market value.

**14. RIGHT-OF-USE ASSETS**

<b>The Group</b>	<b>Buildings RM'000</b>	<b>Machineries RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 August 2022	6,966	5,654	12,620
Additions	2,442	1,578	4,020
Acquisition of a subsidiary	110	126	236
Modification of lease contract	(128)	(253)	(381)
Written off	(3,229)	(2,634)	(5,863)
Exchange differences	(247)	-	(247)
At 31 July 2023/1 August 2023	5,914	4,471	10,385

Continued

**14. RIGHT-OF-USE ASSETS (CONT'D)**

The Group	Buildings RM'000	Machineries RM'000	Total RM'000
Additions	1,864	1,617	3,481
Modification of lease contract	(762)	(259)	(1,021)
Written off	(411)	(759)	(1,170)
Exchange differences	(8)	-	(8)
<b>As at 31 July 2024</b>	<b>6,597</b>	<b>5,070</b>	<b>11,667</b>
<b>Accumulated Depreciation</b>			
At 1 August 2022	4,128	3,575	7,703
Depreciation for the year	2,113	1,621	3,734
Acquisition of a subsidiary	60	21	81
Modification of lease contract	(69)	(123)	(192)
Written off	(3,229)	(2,634)	(5,863)
Exchange differences	(95)	-	(95)
At 31 July 2023/1 August 2023	2,908	2,460	5,368
Depreciation for the year	1,924	1,609	3,533
Modification of lease contract	(276)	(131)	(407)
Written off	(411)	(759)	(1,170)
Exchange differences	(15)	-	(15)
As at 31 July 2024	4,130	3,179	7,309
<b>Carrying amounts</b>			
<b>As at 31 July 2023</b>	<b>3,006</b>	<b>2,011</b>	<b>5,017</b>
<b>As at 31 July 2024</b>	<b>2,467</b>	<b>1,891</b>	<b>4,358</b>

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the asset on a straight-line basis, as follows:

	2024	2023
Buildings	10% - 50%	10% - 50%
Machineries	25% - 50%	25% - 50%

**15. INVESTMENT IN SUBSIDIARIES**

	The Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost:		
At beginning/end of year	556,106	556,106
Quoted shares, at cost:		
At beginning/end of year	457,329	457,329
	1,013,435	1,013,435
Market value of quoted shares	504,144	567,162

Continued

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the Company's subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2024 %	2023 %	
Scientex Quatari Sdn. Bhd. ("SQSB")	Malaysia	100	100	Investment holding, property investment and development
Scientex Packaging Film Sdn. Bhd. ("SPF")	Malaysia	100	100	Manufacturing of stretch film and investment holding
Scientex Industries Group Sdn. Bhd. ("SIG")	Malaysia	100	100	Sales and marketing of laminating polyurethane adhesives and packaging related materials
Scientex Management Sdn. Bhd. ("SMSB")	Malaysia	100	100	Investment holding
Scientex Polymer Sdn. Bhd.	Malaysia	100	100	Investment holding
Scientex Tsukasa (Vietnam) Co., Ltd. ("STV") <sup>4*</sup>	Vietnam	60	60	Manufacturing of polypropylene ("PP") woven bags, fabrics, bulk bags and polyethylene tying tapes
Scientex Packaging (Ayer Keroh) Berhad ("SPAK")	Malaysia	71.89	71.89	Manufacturing and marketing of flexible packaging materials
<b>Subsidiaries of SQSB</b>				
Scientex Heights Sdn. Bhd. ("SHSB")	Malaysia	100	100	Property development
Scientex Park (M) Sdn. Bhd. ("SPSB")	Malaysia	100	100	Investment holding, property investment and development
Texland Sdn. Bhd.	Malaysia	90	90	Property development
Scientex (Skudai) Sdn. Bhd. ("SKSB")	Malaysia	100	100	Property development
Amber Land Berhad ("ALB")	Malaysia	100	100	Property development
Scientex Contract Sdn. Bhd. ("SCSB") <sup>1</sup>	Malaysia	100	100	Property construction
Scientex Lestari Sdn. Bhd. ("SLSB") <sup>3</sup>	Malaysia	70	70	Property development
<b>Subsidiary of SPSB</b>				
Scientex Jenjarom Sdn. Bhd. ("SJSB") <sup>2</sup>	Malaysia	70	70	Property development

Continued

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the Company's subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2024 %	2023 %	
<b>Subsidiary of SIG</b>				
PT. Scientex Indonesia ("PTSI")*	Indonesia	100	100	Sales and marketing of laminating polyurethane adhesives
<b>Subsidiaries of SPF</b>				
Scientex Tsukasa Strapping Sdn. Bhd. ("STS")	Malaysia	70	70	Manufacturing of PP strapping band
Scientex Great Wall Sdn. Bhd. ("SGW")	Malaysia	90	90	Manufacturing of plastic packaging products
Scientex Great Wall (Ipoh) Sdn. Bhd. ("SGWI")	Malaysia	100	100	Manufacturing of plastic packaging products
Scientex Great Wall (Klang) Sdn. Bhd. ("SGWK")	Malaysia	100	100	Manufacturing of plastic packaging products
Scientex Phoenix, LLC ("SPLLC")***	United States of America	100	100	Manufacturing and sales of industrial stretch film products
Scientex Packaging (Kajang) Sdn. Bhd. ("SPK")	Malaysia	80.20	80.20	Manufacturing and marketing of flexible packaging materials
Scientex Japan Co., Ltd. ("SJ")***	Japan	100	100	Sales and marketing of plastic packaging materials
Scientex International (S) Pte. Ltd.**	Singapore	100	100	Dormant
<b>Subsidiary of SMSB</b>				
KC Contract Sdn. Bhd.	Malaysia	65	65	Property construction
<b>Subsidiaries of SPAK</b>				
Scientex Packaging (Teluk Emas) Sdn. Bhd. ("SPTE")	Malaysia	71.89	71.89	Manufacturing and marketing of flexible packaging materials
Scientex Packaging (Australia) Pty. Ltd. ("SPAU")*	Australia	71.89	71.89	Marketing of flexible packaging materials
Scientex Packaging (New Zealand) Limited ("SPNZ")***	New Zealand	71.89	71.89	Marketing of flexible packaging materials

Continued

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the Company's subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2024 %	2023 %	
<b>Subsidiaries of SPAK (cont'd)</b>				
Scientex Packaging Management Sdn. Bhd. ("SPMSB")	Malaysia	71.89	71.89	Investment holding
Scientex Land Sdn. Bhd.	Malaysia	71.89	71.89	Dormant
<b>Subsidiary of SPMSB</b>				
Daibochi Packaging (Myanmar) Company Limited ("DPM") <sup>4*</sup>	Myanmar	43.13	43.13	Manufacturing and marketing of flexible packaging materials

\* Audited by other auditors.

\*\* Audited by member firm of the auditors of the Company.

\*\*\* Exempted from statutory audit under the rules and regulations of the respective countries of incorporation.

<sup>1</sup> On 12 October 2023, SQSB subscribed for additional 749,998 ordinary shares in SCSB at the issue price of RM1 per ordinary share.<sup>2</sup> On 10 January 2024, SPSB subscribed for additional 34,930,000 ordinary shares in SJSB at the issue price of RM1 per ordinary share. The equity structure of SJSB remains unchanged.<sup>3</sup> On 4 March 2024, SQSB subscribed for 160,000,000 preference shares that are redeemable, convertible, conferring non-cumulative dividends and other rights and privileges ("Class A RCPS") at the issue price of RM1 per Class A RCPS.<sup>4</sup> The Group has been granted approval from Companies Commission of Malaysia pursuant to Section 247(3) of Companies Act, 2016 for STV and DPM to continue to adopt the financial year end that does not coincide with the Group's financial year end of 31 July. The Group has consolidated the financial position and results of STV and DPM based on the unaudited financial statements made up to the financial year end of the Group.Non-controlling interests in subsidiaries

The table below shows details on non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of Subsidiaries	Proportion of ownership interest and voting rights held by non-controlling interests		Total comprehensive income/(loss) allocated to non-controlling interests for the year		Non-controlling interests	
	2024 %	2023 %	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
SPAK	28.11	28.11	13,916	(637)	124,867	115,878
SGW	10	10	2,287	1,767	43,345	51,059
Others			11,332	6,500	66,832	47,190
			27,535	7,630	235,044	214,127

Continued

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)**Non-controlling interests in subsidiaries (cont'd)

Summarised information of subsidiaries with non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before intragroup eliminations. The non-controlling interests of the other subsidiaries are not material to the Group.

	2024 RM'000	2023 RM'000
<b>SPAK</b>		
<b>Summarised statement of financial position</b>		
Non-current assets	348,075	360,757
Current assets	263,554	244,003
Non-current liabilities	(37,353)	(29,096)
Current liabilities	(154,896)	(184,233)
Net assets	419,380	391,431
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Revenue	713,510	774,784
Profit for the financial year	33,992	28,122
Total comprehensive income for the financial year	45,480	22,623
Total comprehensive income/(loss) for the financial year attributable to non-controlling interests	1,574	(9,733)
<b>Summarised cash flows information</b>		
Net cash from operating activities	57,489	92,625
Net cash used in investing activities	(10,375)	(52,704)
Net cash used in financing activities	(29,941)	(37,924)
Net cash inflows	17,173	1,997
<b>SGW</b>		
<b>Summarised statement of financial position</b>		
Non-current assets	494,606	509,627
Current assets	122,419	142,054
Non-current liabilities	(9,811)	(10,822)
Current liabilities	(173,759)	(130,271)
Net assets	433,455	510,588
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Revenue	569,283	614,520
Profit for the financial year	22,866	17,544
Total comprehensive income for the financial year	22,866	17,664



Continued

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Non-controlling interests in subsidiaries (cont'd)

SGW (cont'd)

	2024 RM'000	2023 RM'000
<b>Summarised cash flows information</b>		
Net cash from operating activities	89,132	85,637
Net cash used in investing activities	(22,965)	(31,795)
Net cash used in financing activities	(63,409)	(65,235)
Net cash inflows/(outflows)	2,758	(11,393)

**16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS**

(a) Land held for property development

The Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
<b>Cost</b>				
As at 1 August 2022	1,535,905	87,829	26,738	1,650,472
Acquisition of land	67,746	-	-	67,746
Costs incurred during the year	139,925	6,694	10,391	157,010
Transfer to property development costs (Note 16(b))	(398,186)	(32,198)	(24,613)	(454,997)
<b>As at 31 July 2023</b>	1,345,390	62,325	12,516	1,420,231
As at 1 August 2023	1,345,390	62,325	12,516	1,420,231
Acquisition of land	575,246	-	-	575,246
Costs incurred during the year	194,994	1,800	26,155	222,949
Transfer to property development costs (Note 16(b))	(437,231)	(6,219)	(9,362)	(452,812)
<b>As at 31 July 2024</b>	1,678,399	57,906	29,309	1,765,614

During the financial year 2024, the Group acquired the following freehold lands through its subsidiaries:

- (i) SJSB acquired a piece of land measuring approximately 251 acres in Pekan Jenjarom, District of Kuala Langat, State of Selangor for a total purchase consideration (inclusive of associated administrative costs for the acquisition) of RM215,672,000.
- (ii) SLSB acquired a piece of land measuring approximately 551 acres in Mukim of Senai, District of Kulai, State of Johor for a total purchase consideration (inclusive of associated administrative costs for the acquisition) of RM312,686,000.
- (iii) SPSB acquired a piece of land measuring approximately 40 acres in Mukim of Rawang, District of Gombak, State of Selangor for a total purchase consideration (inclusive of associated administrative costs for the acquisition) of RM46,888,000.

Continued

**16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)****(b) Property development costs**

<b>The Group</b>	<b>Freehold land RM'000</b>	<b>Leasehold land RM'000</b>	<b>Development costs RM'000</b>	<b>Total RM'000</b>
<b>Cumulative property development costs</b>				
As at 1 August 2022	637,355	35,975	625,822	1,299,152
Costs incurred during the year	-	-	560,448	560,448
Transfer from land held for property development (Note 16(a))	398,186	32,198	24,613	454,997
Reversal of completed projects	(226,866)	-	(373,221)	(600,087)
Unsold units transferred to inventories	(4,318)	-	(9,732)	(14,050)
<b>As at 31 July 2023</b>	<b>804,357</b>	<b>68,173</b>	<b>827,930</b>	<b>1,700,460</b>
<b>Cumulative costs recognised in profit or loss</b>				
As at 1 August 2022	(509,673)	(32,521)	(377,099)	(919,293)
Recognised during the year (Note 6)	(385,341)	(23,351)	(509,997)	(918,689)
Reversal of completed projects	226,866	-	373,221	600,087
<b>As at 31 July 2023</b>	<b>(668,148)</b>	<b>(55,872)</b>	<b>(513,875)</b>	<b>(1,237,895)</b>
<b>Property development costs as at 31 July 2023</b>	<b>136,209</b>	<b>12,301</b>	<b>314,055</b>	<b>462,565</b>
<b>Cumulative property development costs</b>				
As at 1 August 2023	804,357	68,173	827,930	1,700,460
Costs incurred during the year	-	-	778,094	778,094
Transfer from land held for property development (Note 16(a))	437,231	6,219	9,362	452,812
Reversal of completed projects	(412,459)	(30,328)	(668,624)	(1,111,411)
Unsold units transferred to inventories	(434)	(354)	(1,326)	(2,114)
<b>As at 31 July 2024</b>	<b>828,695</b>	<b>43,710</b>	<b>945,436</b>	<b>1,817,841</b>
<b>Cumulative costs recognised in profit or loss</b>				
As at 1 August 2023	(668,148)	(55,872)	(513,875)	(1,237,895)
Recognised during the year (Note 6)	(308,792)	(15,963)	(855,009)	(1,179,764)
Reversal of completed projects	412,459	30,328	668,624	1,111,411
<b>As at 31 July 2024</b>	<b>(564,481)</b>	<b>(41,507)</b>	<b>(700,260)</b>	<b>(1,306,248)</b>
<b>Property development costs as at 31 July 2024</b>	<b>264,214</b>	<b>2,203</b>	<b>245,176</b>	<b>511,593</b>

The freehold and leasehold lands under land held for property development with a carrying amount of RM109,500,000 (2023: RM108,000,000) have been charged as a security for borrowings (Note 28(b)(i)).

Included in the land held for development is interest capitalised of RM8,250,000 (2023: RM7,574,000) (Note 7).

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 July 2024 is RM1,705,000,000 (2023: RM1,626,000,000), where the Group expects to recognise it as revenue over the next 1 to 4 years.

Continued

**17. INVESTMENT IN JOINT VENTURE**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
In Malaysia:				
Unquoted shares, at cost	10,000	10,000	10,000	10,000
Share of post-acquisition reserves	365	6,826	-	-
Disposal	(8,292)	-	(7,927)	-
Transfer to other investment	(2,073)	-	(2,073)	-
	-	16,826	-	10,000
Share of post-acquisition reserves:				
At beginning of year	6,826	6,133	-	-
Share of results	(1,461)	693	-	-
Dividend received	(5,000)	-	-	-
At end of year	365	6,826	-	-

Details of the joint venture are as follows:

Name of Joint Venture	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2024 %	2023 %	
MCTI Scientex Solar Sdn. Bhd. ("MSS")	Malaysia	-	50	Manufacturing and distribution of ethylene-vinyl acetate (EVA) and polyolefin (ASCE) encapsulating materials for photovoltaic solar modules

On 30 January 2024, the Company disposed of 40% equity interest in MSS for a consideration of RM17,261,000. Subsequent to the disposal, the shareholding percentage of the Company in MSS reduced from 50% to 10%. Accordingly, MSS ceased to be a joint venture and has been classified as other investment of the Company.

At the Group level, the carrying value of joint venture represents its share of net assets in the joint venture at end of the reporting period. Summarised financial information in respect of the Group's joint venture is as follows:

	The Group	
	2024 RM'000	2023 RM'000
<b>Assets and Liabilities</b>		
Current assets	-	46,809
Non-current assets	-	7,514
Total assets	-	54,323
Current liabilities	-	(20,671)
Total liabilities	-	(20,671)

Continued

**17. INVESTMENT IN JOINT VENTURE (CONT'D)**

	The Group	
	31.1.2024 (6 months) RM'000	31.7.2023 (12 months) RM'000
<b>Results</b>		
Revenue	39,375	91,366
(Loss)/Profit for the year	(2,922)	1,385

**18. INVESTMENT IN ASSOCIATES**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	32,848	37,355	3,000	3,000
Share of post-acquisition reserves	76,779	63,338	-	-
	109,627	100,693	3,000	3,000
Share of post-acquisition reserves:				
At beginning of year	63,338	53,841	-	-
Share of results	16,511	11,921	-	-
Share of reserves	-	(30)	-	-
Dividend received	(3,070)	(2,394)	-	-
At end of year	76,779	63,338	-	-

Details of the associates are as follows:

Name of Associates	Country of Incorporation	Proportion of ownership interest and voting power held by the Group		Principal Activities
		2024 %	2023 %	
Mitsui Chemicals Scientex Sdn. Bhd. ("MCS")*	Malaysia	30	30	Manufacturing and trading of polyurethane adhesive for flexible packaging applications
OPS Paper Products Sdn. Bhd. ("OPS")*	Malaysia	24.60	24.60	Manufacturing and trading of paper products
Hiro Food Packages Manufacturing Sdn. Bhd. ("HIRO")*	Malaysia	30	30	Manufacturing of food packages of all types, mould, packaging materials, crates, boxes and containers

\* Audited by other auditors.

MCS and HIRO have a financial year end of 31 December. For the purpose of applying the equity method of accounting, the unaudited financial statements of MCS and HIRO for the year ended 31 July 2024 have been used.

At the Group level, the carrying value of associates represents the share of net assets in the associates at end of the reporting period.

Continued

**18. INVESTMENT IN ASSOCIATES (CONT'D)**

Summarised financial information in respect of the Group's associates are as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and Liabilities</b>		
Current assets	341,324	327,550
Non-current assets	158,360	158,568
<b>Total assets</b>	<b>499,684</b>	<b>486,118</b>
Current liabilities	(83,937)	(96,350)
Non-current liabilities	(35,460)	(38,203)
<b>Total liabilities</b>	<b>(119,397)</b>	<b>(134,553)</b>
<b>Results</b>		
Revenue	499,019	454,683
Profit for the year	57,369	41,435

**19. OTHER INVESTMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value:</b>				
Unquoted equity instruments outside Malaysia	28,319	22,430	24,482	22,430
Quoted equity instruments in Malaysia	667	667	-	-
Corporate memberships	379	379	137	137
	<b>29,365</b>	<b>23,476</b>	<b>24,619</b>	<b>22,567</b>

The fair value of the unquoted equity instruments is categorised as Level 3 in the fair value hierarchy and are determined using the adjusted net assets method. The unquoted equity instruments are classified as financial assets either at fair value through profit or loss or fair value through other comprehensive income.

The fair value of quoted equity instruments is determined by reference to the exchange quoted market prices at the close of the business on the reporting date and categorised as Level 1 in the fair value hierarchy. The quoted equity instruments are classified as financial assets at fair value through other comprehensive income.

The fair value of corporate memberships of the Group and of the Company is categorised as Level 2 in the fair value hierarchy and classified as financial assets at fair value through profit or loss.

Continued

**20. GOODWILL**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost:</b>		
At beginning of year	305,022	330,423
Impairment of goodwill	-	(22,709)
Foreign exchange differences	-	(2,692)
At end of year	305,022	305,022

The carrying amount of goodwill allocated by CGUs with indefinite useful life allocated are as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
SPAK	201,478	201,478
SPTE	42,786	42,786
SGWK	48,624	48,624
SGWI	12,134	12,134
	305,022	305,022

Goodwill arising from the business combination for subsidiaries are allocated to the CGU of the Group that is expected to benefit from the business combination. The Group's methodology to test goodwill for impairment is described in Note 3.

**Key assumptions used**

The recoverable amount of the CGU is determined based on the higher of fair value less costs to sell or value-in-use. The impairment test for goodwill relating to the CGU was assessed using value-in-use method. Estimating a value-in-use amount requires management to make an estimate of expected future cash flows from the CGU and determine a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period.

The following key assumptions have been applied in the VIU calculation for the five CGUs:

	<b>2024</b>	<b>2023</b>
	<b>(%)</b>	<b>(%)</b>
<b>Key assumptions</b>		
Revenue Compounded Annual Growth Rate ("CAGR")	2.0 - 5.2	2.4 - 4.3
Pre-tax discount rate	10.1 - 11.7	10.1 - 31.0
Long-term inflation rate	1.8	2.0 - 6.0

The directors are of the opinion that a 1% change in the above key assumptions would not cause the recoverable amount of the CGU to be lower than its carrying amount.

Continued

**21. INVENTORIES**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At cost:		
Raw materials and consumables	191,296	202,053
Unsold completed property units	37,726	65,705
Finished products	94,957	84,579
Work-in-progress	21,229	22,295
	345,208	374,632
At net realisable value:		
Unsold completed property units	1,795	1,795
Raw materials	346	386
Finished products	254	242
	2,395	2,423
	347,603	377,055

For the current financial year, the amount of inventories recognised as expenses in the cost of sales of the Group was RM1,762,210,000 (2023: RM1,763,948,000).

**22. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Third parties	812,618	670,257
Associates and joint venture	145	117
	812,763	670,374
Less: Impairment losses	(1,748)	(1,899)
Trade receivables, net	811,015	668,475

Trade receivables are non-interest bearing. The credit terms for trade receivables of the Group range from 7 to 120 days (2023: 7 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from the associates and joint venture are unsecured, non-interest bearing and have credit terms of 60 days (2023: 60 days).

Included in trade receivables are retention sums on property development activities amounting to RM92,088,000 (2023: RM63,552,000).

Continued

**22. TRADE RECEIVABLES (CONT'D)**

The table below is an analysis of trade receivables at the end of the reporting period:

	The Group	
	2024 RM'000	2023 RM'000
Neither past due nor impaired	767,407	626,983
Past due but not impaired	43,608	41,492
Past due and impaired	1,748	1,899
	812,763	670,374
<u>Ageing of past due but not impaired</u>		
1 to 30 days	32,730	26,810
31 to 60 days	7,613	3,948
61 to 90 days	1,734	1,851
More than 90 days	1,531	8,883
	43,608	41,492
<u>Ageing of past due and impaired</u>		
More than 120 days	1,748	1,899

Movement in allowance for impairment loss

The trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	The Group	
	2024 RM'000	2023 RM'000
At beginning of year	1,899	1,325
Acquisition of a subsidiary	-	320
Impairment loss	169	629
Reversal of impairment loss	(279)	(359)
Foreign exchange differences	(41)	(16)
At end of year	1,748	1,899

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM43,608,000 (2023: RM41,492,000) that are past due at the reporting date but not impaired. The Group does not hold any collateral over these balances. These relate to creditworthy customers that the Group continues to trade actively with.

Receivables that are impaired

Trade receivables that are impaired at the reporting date relate to debtors that are in financial difficulties or in dispute and have defaulted on payments. The Group does not hold any collateral over these balances.

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.



Continued

**22. TRADE RECEIVABLES (CONT'D)**

The currency profile of trade receivables of the Group is as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	621,827	491,472
United States Dollar	129,374	110,514
Other currencies	61,562	68,388
	<b>812,763</b>	<b>670,374</b>

**23. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables	9,703	5,805	-	-
Deposit on purchase of land held for property development	137,961	105,505	-	-
Deposit on purchase of property, plant and equipment	6,594	9,909	-	-
Other refundable deposits	35,545	18,282	10	10
Other assets (i)	36,630	37,610	-	-
Prepaid expenses	13,301	11,704	64	65
Contract cost assets (ii)	6,807	4,173	-	-
Amounts due from associates	15	15	-	-
	<b>246,556</b>	<b>193,003</b>	<b>74</b>	<b>75</b>

- (i) Other assets of the Group represent consideration payable to customers to be accounted for as a reduction of property development revenue when the Group recognises revenue for the transfer of the related goods or services to the customers.
- (ii) Contract cost assets relate to agent commission incurred for securing property sales contracts which are expected to be recovered. These costs are subsequently amortised on a systematic basis that is consistent with the pattern of revenue recognition which the assets relate.

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	4,173	-
Addition	9,069	6,042
Cost charged to profit or loss (Note 6)	(6,435)	(1,869)
At end of year	<b>6,807</b>	<b>4,173</b>

Continued

**24. CONTRACT ASSETS AND CONTRACT LIABILITIES**

Contract assets and contract liabilities relate to the sales of property development as at the end of the reporting period are as follows:

	The Group	
	2024 RM'000	2023 RM'000
Contract assets	224,286	186,206
Contract liabilities	(145,126)	(89,044)
	79,160	97,162

The Group issues progress billing to purchasers when the billing milestones are attained and recognises revenue when the performance obligations are satisfied. The contract assets and liabilities at the end of financial year arose as a result of the timing differences between billing to property purchasers and the recognition of property development revenue.

	The Group	
	2024 RM'000	2023 RM'000
At beginning of year	97,162	-
Revenue recognised during the year (Note 5)	1,880,679	1,450,363
Consideration payable to customers	34	2,857
Less: Progress billing during the year	(1,898,715)	(1,356,058)
At end of year	79,160	97,162

**25. CASH AND CASH EQUIVALENTS**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	184,969	159,854	642	216
Short-term deposits with:				
Other financial institutions	48,026	5,085	572	3,167
Licensed banks	19,363	1,472	-	-
	252,358	166,411	1,214	3,383

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to certain subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled. Included in cash and bank balances of the Group is an amount of RM24,015,000 (2023: RM14,357,000) held in the Housing Development Accounts.

Short-term deposits with other financial institutions refer to licensed fund management companies in Malaysia. These deposits have redemption period of one working day upon notification of withdrawal. The weighted average effective interest as at 31 July 2024 for the Group and the Company is 3.50% (2023: 3.44%) per annum.

Short-term deposits with licensed banks for the Group have weighted average effective interest rate of 4.49% (2023: 2.61%) per annum. The average maturities of short-term deposits with licensed banks of the Group as at the end of the reporting date were 80 days (2023: 85 days).

The fair value of the money market deposits is categorised as Level 1 in the fair value hierarchy and are determined using their quoted closing prices at the end of the reporting period. The money market deposits are classified as financial assets at fair value through profit or loss.

Continued

**25. CASH AND CASH EQUIVALENTS (CONT'D)**

The currency profile of cash and cash equivalents is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	135,230	88,300
United States Dollar	88,892	60,570
Other currencies	28,236	17,541
	252,358	166,411

Cash and cash equivalents of the Company are denominated in Ringgit Malaysia.

**26. SHARE CAPITAL**

	The Group and The Company			
	Number of ordinary shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
<b>Issued and fully paid up shares with no par value classified as equity instrument:</b>				
At beginning of year	1,551,064	1,551,000	705,009	704,799
Issued pursuant to the SGP	203	64	729	210
Issued pursuant to exercise of warrants	1	-	6	-
At end of year	1,551,268	1,551,064	705,744	705,009

**(a) Share capital**

During the financial year 2024, the Company:-

- (i) Issued and allotted 203,400 (2023: 63,800) new ordinary shares to eligible employees of Scientex Berhad group of companies, with the issue share price as at the date of granting of RM3.585 (2023: RM3.30) per ordinary share, pursuant to the Scientex Berhad Share Grant Plan ("SGP"); and
- (ii) Issued and allotted 1,300 (2023: Nil) new ordinary shares pursuant to the exercise of 1,300 warrants at the exercise price of RM4.30 (2023: Nil) per warrant.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

As at 31 July 2024, the total number of issued shares of the Company was 1,551,268,367 (2023: 1,551,063,667) ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company as prescribed in the Constitution of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

**(b) Share Grant Plan**

The SGP was approved by the shareholders on 17 December 2013 and is administered by the SGP Committee which is appointed by the Board of Directors, in accordance with the SGP By-Laws. The SGP shall be in force for a period of 5 years from the effective date of 21 January 2014 to 20 January 2019. During the financial year ended 31 July 2019, the Company has extended its SGP which expired on 20 January 2019 for another 5 years from 21 January 2019 to 20 January 2024 in accordance with the terms and conditions of the SGP By-Laws.

Continued

**26. SHARE CAPITAL (CONT'D)****(b) Share Grant Plan (cont'd)**

The salient features, terms and conditions of the SGP are as follows:

- (i) The total number of shares which may be awarded to the selected eligible employees under the SGP shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the duration of the SGP.
- (ii) The total number of shares that may be awarded under the SGP shall be determined at the sole and absolute discretion of the SGP Committee after taking into consideration the employees performance, contribution, employment grade and the fulfilment of the yearly performance targets or such other matters as the SGP Committee may deem fit and shall be subject to the following:
  - the number of new shares made available under SGP shall not exceed the amount stipulated in (i) above;
  - the allocation to an eligible employee, who either singly or collectively, through persons connected with the eligible employee, holds 20% or more of the issued shares of the Company (excluding treasury shares), must not exceed 10% of the total number of shares to be issued under the SGP; and
  - not more than 50% of the shares to be issued under the SGP shall be allocated to the eligible employees who are the senior management of the Group.
- (iii) The SGP Committee has the discretion in determining whether the shares available for vesting under the SGP shall be staggered over the duration of the SGP.
- (iv) The shares will be vested with the grantee at no cost to the grantee on the vesting date(s).

During the current financial year, the Group granted and vested 203,400 (2023: 63,800) new ordinary shares to the eligible employees of the Company and its subsidiaries under the SGP. The issue share price as at the date of granting was RM3.585 (2023: RM3.30) per ordinary share.

**(c) Warrants**

On 15 January 2021, the Company issued 103,372,778 free warrants on the basis of 1 free warrant for every 5 existing ordinary shares held. The warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20 January 2021.

The warrants are constituted by the deed poll dated 17 December 2020.

The salient terms of the warrants are as follows:

	Tenure (Years)	Exercise Period Issue date	Expiry date	Exercise Price (RM)
Warrants	5	15 January 2021	14 January 2026	4.30

- (i) The warrants may be exercised at any time during the tenure of the warrants of five (5) years commencing from the issue date of the warrants and ending on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and ceased to be valid;
- (ii) Each warrant carries the entitlement to subscribe for one (1) new ordinary share at the exercise price of RM4.30 and subject to the adjustments in accordance with the deed poll constituting the warrants;
- (iii) The new shares to be issued upon the exercise of the warrants shall, upon issuance and allotment, rank pari-passu in all respects with the existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or other forms of distribution which may be declared, made or paid by the Company for which the entitlement date for the distribution precedes the date of allotment and issuance of the new shares; and
- (iv) The exercise price and number of unexercised warrants are subject to adjustments in accordance with the provisions as set out in the deed poll.

During the financial year, the Company issued 1,300 (2023: Nil) ordinary shares pursuant to the exercise of 1,300 (2023: Nil) warrants at the exercise price of RM4.30 per warrant. As at 31 July 2024, the total number of unexercised warrants was 103,285,027 (2023: 103,286,327).

Continued

**27. RESERVES**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-distributable reserves:</b>				
Property revaluation surplus	98,927	90,719	26,089	26,089
Foreign currency translation reserve	19,738	18,369	-	-
Other reserves	(419)	486	(269)	68
	118,246	109,574	25,820	26,157
<b>Distributable reserve:</b>				
Retained earnings	2,952,206	2,577,636	342,881	353,885
Treasury shares	(1)	(1)	(1)	(1)
	2,952,205	2,577,635	342,880	353,884
	3,070,451	2,687,209	368,700	380,041

**(a) Property revaluation surplus**

Property revaluation surplus represents increases in the fair value of land and buildings, net of tax and non-controlling interests, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

**(b) Foreign currency translation reserve**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

**(c) Treasury shares**

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of the treasury shares.

During the financial year 2024, the Company did not purchase any of its ordinary shares from the open market.

As at 31 July 2024, the Company held 100 (2023: 100) ordinary shares as treasury shares. Such treasury shares are recorded at a carrying amount of RM720 (2023: RM720).

**(d) Retained earnings**

The Company is able to distribute dividends out of its entire retained earnings as at 31 July 2024 under the single tier system.

Continued

**28. BORROWINGS**

	The Group	
	2024 RM'000	2023 RM'000
<b>Current - at amortised cost</b>		
Unsecured:		
Revolving credits	629,598	650,135
Invoice financing	143,590	102,289
Foreign currency revolving credits	89,841	14,416
	863,029	766,840
<b>Non-current - at amortised cost</b>		
Secured:		
Sukuk Murabahah	70,000	70,000
	933,029	836,840

**Borrowings are repayable as follows:**

	The Group	
	2024 RM'000	2023 RM'000
Current	863,029	766,840
Non-current:		
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	70,000	-
More than 5 years	-	70,000
	933,029	836,840

The weighted average interest/profit rates per annum of the borrowings at the reporting date are as follows:

	The Group	
	2024 %	2023 %
Sukuk Murabahah	3.65	4.11
Revolving credits	3.60	3.66
Invoice financing	3.40	3.36
Foreign currency revolving credits	0.57	0.77

**(a) Sukuk Murabahah Programme**

During the financial year 2016, SQSB, a wholly-owned subsidiary of the Company, had established a Sukuk Murabahah Programme ("Sukuk Murabahah") for the issuance of up to RM500,000,000 in nominal value of Sukuk Murabahah. It provides SQSB the flexibility to raise funds from time to time which can be utilised to finance and/or reimbursement of the acquisition of land(s)/property(ies)/investments, to fund working capital requirements and to refinance existing bank borrowings of SQSB and/or its subsidiaries. The Sukuk Murabahah is unrated and has a tenure of fifteen (15) years from the date of first issuance.

As at 31 July 2024, the total amount of Sukuk Murabahah issued stood at RM70,000,000 in nominal value and bear profit based on cost of fund plus margin, payable monthly.

Continued

**28. BORROWINGS (CONT'D)**

- (b) The term loans and other banking facilities are secured by the following:
- (i) First and third party charge over the freehold and leasehold lands under land held for property development of subsidiaries with carrying value of RM109,500,000 (2023: RM108,000,000) as disclosed in Note 16.
  - (ii) Negative pledges on all the other assets held by the Company and certain subsidiaries.
- (c) The currency profile of borrowings is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	843,188	822,424
Japanese Yen	89,841	14,416
	933,029	836,840

**29. LEASE LIABILITIES**

	The Group	
	2024 RM'000	2023 RM'000
Non-current	2,443	3,173
Current	5,548	3,839
	7,991	7,012
Minimum lease payment:		
Not later than 1 year	5,463	4,015
Later than 1 year but not later than 5 years	2,971	3,558
	8,434	7,573
Less: Unexpired finance charges	(443)	(561)
	7,991	7,012
Present value of lease liabilities:		
Not later than 1 year	5,548	3,839
Later than 1 year but not later than 5 years	2,443	3,173
	7,991	7,012

The Group discounted the lease liabilities by using the Group's incremental borrowing rates ranging from 3.0% to 14% (2023: 3.0% to 14%).

During the year, the Group recognised RM2,374,000 and RM373,000 (2023: RM2,787,000 and RM289,000) respectively of short-term leases and leases of low value assets on a straight-line basis as expenses.

Continued

**30. RETIREMENT BENEFITS OBLIGATIONS**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of year	48,415	45,943	-	8,486
Current and past service cost (Note 9)	6,549	3,555	-	170
Remeasurement of net defined benefit liability	-	1,203	-	(8,656)
Paid during the year	(4,541)	(2,281)	-	-
Foreign exchange differences	5	(5)	-	-
At end of year	50,428	48,415	-	-

The present value of the pension obligation is determined by actuary using the Projected Unit Credit Method. The last actuarial valuation was carried out during the financial year ended 31 July 2023 by Actuarial Partners Consulting Sdn. Bhd., an independent professional actuary.

The Group operates an unfunded defined benefit lump sum plan. A lump sum benefit is payable to the employees at the normal retirement age of 60 (2023: 60). The plan is applicable to employees who have a minimum 5 years of service to the Group.

The amounts recognised in the statements of profit or loss are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost of sales	1,923	1,800	-	-
Administrative expenses	3,690	1,156	-	170
Selling and distribution expenses	936	599	-	-
	6,549	3,555	-	170

The principal assumptions are as follows:

	The Group and The Company	
	2024 %	2023 %
Discount rate	5.00	5.00
Future salary increases	7.00	7.00

No sensitivity analysis on the principal assumptions is prepared as the Group does not expect any material effect on the statements of profit or loss arising from the effect of reasonably possible changes to the above principal actuarial assumptions at the end of the reporting period.



Continued

**31. DEFERRED TAX (ASSETS)/LIABILITIES**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of year	87,221	78,444	7,670	7,774
Recognised in profit or loss (Note 11)	(4,482)	8,716	(104)	(104)
Recognised in equity	2,887	-	-	-
Foreign exchange differences	14	61	-	-
At end of year	85,640	87,221	7,566	7,670
Deferred tax assets	(16,955)	(9,286)	-	-
Deferred tax liabilities	102,595	96,507	7,566	7,670
	85,640	87,221	7,566	7,670

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority.

The deferred tax (assets)/liabilities provided in the financial statements represents the tax effects of the following:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Deferred tax assets (before offsetting):</b>				
Unabsorbed reinvestment allowances	(65,841)	(83,324)	-	-
Unutilised tax losses and unabsorbed capital allowances	(553)	(3)	-	-
Others	(27,138)	(23,214)	-	-
Offsetting	(93,532) 76,577	(106,541) 97,255	- -	- -
<b>Deferred tax assets (after offsetting)</b>	(16,955)	(9,286)	-	-
<b>Deferred tax liabilities (before offsetting):</b>				
Temporary differences arising from:				
Property, plant and equipment	142,025	151,165	604	616
Revaluation of land and buildings	37,083	34,556	6,962	7,054
Others	64	8,041	-	-
Offsetting	179,172 (76,577)	193,762 (97,255)	7,566 -	7,670 -
<b>Deferred tax liabilities (after offsetting)</b>	102,595	96,507	7,566	7,670

Continued

**31. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)**

As mentioned in Note 3, the tax effects of unutilised tax losses, unabsorbed capital allowances, unused tax credit and deductible temporary differences which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax losses, unabsorbed capital allowances, unabsorbed reinvestment allowances and deductible temporary differences can be utilised. As at 31 July 2024, the amount of unutilised tax losses, unabsorbed capital allowances and deductible temporary differences of certain subsidiaries for which deferred tax assets are not recognised in the financial statements due to uncertainty of realisation are as follows:

	<b>The Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Unutilised tax losses	30,285	30,794
Unabsorbed capital allowances	2,556	8,762
Unabsorbed reinvestment allowances	35,046	11,216
Deductible temporary differences	740	1,455
	68,627	52,227

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses will be imposed with a time limit of utilisation. Effective from year of assessment 2018, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of seven consecutive years of assessment.

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the time frame to carry forward unused tax losses for year of assessment 2019 and subsequent years of assessment will be extended from seven to ten consecutive years of assessment. Unutilised tax losses accumulated up to year of assessment 2018 can now be carried forward for ten consecutive years of assessment until year of assessment 2028.

Expiry date of the Group's tax losses is summarised below:

	<b>The Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Year of assessment 2031	6,112	6,112
Year of assessment 2030	8,991	8,991
Year of assessment 2029	13,565	13,565
Year of assessment 2028	464	464
	29,132	29,132

**32. TRADE PAYABLES**

	<b>The Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Third parties	568,787	543,027
Associates	39,231	34,110
	608,018	577,137

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 120 days (2023: 14 to 120 days). The amount due to associates is unsecured, non-interest bearing and has credit terms of 30 to 120 days (2023: 30 to 120 days). Included in the trade payables of the Group is an amount of RM37,242,000 (2023: RM30,234,000) representing retention amount.

Continued

**32. TRADE PAYABLES (CONT'D)**

The currency profile of trade payables is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	371,187	351,007
United States Dollar	232,218	221,488
Other currencies	4,613	4,642
	608,018	577,137

**33. OTHER PAYABLES AND ACCRUED EXPENSES**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Accrued expenses	112,898	85,951	1,069	1,049
Other payables	75,573	78,433	-	-
Other liabilities	44,930	47,901	-	-
Deposits	1,427	899	-	-
	234,828	213,184	1,069	1,049

Other liabilities of the Group represent the obligation for the Group to repay the solicitors in relation to the legal fees on sales and purchase agreement signed between the Group and the purchasers in property development segment.

**34. DIVIDENDS**

	The Group and The Company	
	2024 RM'000	2023 RM'000
<b>In respect of the financial year ended 31 July 2022:</b>		
Single tier final dividend of 5 sen per ordinary share on 1,551,063,567 ordinary shares	-	77,553
<b>In respect of the financial year ended 31 July 2023:</b>		
Single tier interim dividend of 5 sen per ordinary share on 1,551,063,567 ordinary shares	-	77,553
Single tier final dividend of 5 sen per ordinary share on 1,551,266,967 ordinary shares	77,563	-
<b>In respect of the financial year ended 31 July 2024:</b>		
Single tier interim dividend of 6 sen per ordinary share on 1,551,268,267 ordinary shares	93,076	-
	170,639	155,106

On 24 September 2024, the directors proposed a single tier final dividend of 6 sen per ordinary share amounting to approximately RM93,076,000 in respect of the financial year ended 31 July 2024. The proposed single tier final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2025.

Continued

**35. CAPITAL COMMITMENTS**

At the end of the reporting period, the Group has the following capital commitments in respect of the acquisition of land held for property development and plant and machinery.

	<b>The Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Approved and contracted for:		
Balance payment for purchase of land held for property development	1,242,076	949,548
Purchase of plant and machinery	90,438	50,767
	1,332,514	1,000,315

**36. RELATED PARTY TRANSACTIONS**

Amounts owing by/(to) associates and joint venture which arose mainly from trade transactions and expenses paid on behalf have a credit period range from 30 to 120 days (2023: 30 to 120 days).

The Group and the Company have the following transactions with related parties during the financial year, which were determined on terms not more favourable to the related parties than to third parties:

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

		<b>The Group</b>		<b>The Company</b>	
		<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Associates:					
Sales	(i)	(613)	(521)	-	-
Purchases	(ii)	176,320	169,506	-	-
Management fees income	(iii)	(120)	(120)	(120)	(120)
Rental income	(iv)	(557)	(557)	-	-
Dividend income		-	-	(1,873)	(1,197)
Joint venture:					
Sales	(i)	(59)	(263)	-	-
Purchases	(ii)	18	27	-	-
Rental income	(iv)	(463)	(926)	-	-
Dividend income		-	-	(5,000)	-
Subsidiaries:					
Dividend income		-	-	(144,624)	(156,318)

(i) The sales were determined on terms not more favourable to the related parties than to third parties and have credit terms of 60 days (2023: 60 days).

(ii) The purchase of products from associate and joint venture were made according to the published prices and conditions offered by the related party to their major customers and have credit terms of 30 to 120 days (2023: 30 to 120 days)

(iii) The rendering of services to associate was determined on terms not more favourable to the related parties than to third parties and have credit terms of 30 days (2023: 30 days).

(iv) The rental payable by the associate and joint venture were determined on terms not more favourable to the related parties than to third parties and have credit terms of 30 days (2023: 30 days).

Continued

**36. RELATED PARTY TRANSACTIONS (CONT'D)**

(b) Compensation of key management personnel is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and other emoluments	26,911	23,096	-	-
Contribution to defined contribution plans	4,830	4,153	-	-
Retirement benefits	-	1,595	-	-
Share Grant Plan	146	40	-	-
Fees	200	187	120	120
	32,087	29,071	120	120

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly.

Included in compensation of key management personnel of the Group and of the Company is directors' remuneration amounting to RM9,864,000 and RM120,000 (2023: RM9,088,000 and RM120,000) respectively.

**37. SEGMENTAL INFORMATION**

Segment reporting is presented in respect of the Group's business segments in a manner consistent with the internal reporting provided to and regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are within the Group.

**(a) Business segments**

The Group's activities are classified into two major business segments:

- Packaging - mainly in the business of manufacturing, selling, and marketing of various flexible plastic packaging products, which can be further categorised into industrial and consumer-based packaging products.
- Property development - in the business of constructing and developing mainly affordable housing in Peninsular Malaysia.

Management monitors the operating results of its business units separately for the purpose of decision making on resource allocation and performance assessment. Transactions between operating segments are conducted under terms, conditions and prices not materially different from transactions with non-related parties.

Continued

**37. SEGMENTAL INFORMATION (CONT'D)****(b) Analysis by activity**

	Note	Packaging RM'000	Property development RM'000	Consolidated RM'000
<b>2024</b>				
<b>Revenue</b>		2,594,478	1,881,121	4,475,599
<b>Results</b>				
Interest income		1,602	3,620	5,222
Finance costs		17,034	5,564	22,598
Depreciation of property, plant and equipment		124,640	3,902	128,542
Depreciation of right-of-use assets		3,345	188	3,533
Share of results of associates and joint venture		14,947	-	14,947
Other non-cash expenses	(ii)	4,423	(2,035)	2,388
Segment profit	(i)	217,990	518,544	736,534
<b>Assets</b>				
Segment assets		2,635,079	3,386,735	6,021,814
Investment in associates		109,627	-	109,627
Tax recoverable		5,233	-	5,233
Deferred tax assets		505	16,450	16,955
Consolidated total assets				6,153,629
<b>Liabilities</b>				
Segment liabilities		847,333	1,132,087	1,979,420
Tax liabilities		8,361	52,014	60,375
Deferred tax liabilities		97,301	5,294	102,595
Consolidated total liabilities				2,142,390
<b>2023</b>				
<b>Revenue</b>		2,626,191	1,450,705	4,076,896
<b>Results</b>				
Interest income		657	4,149	4,806
Finance costs		22,361	11,184	33,545
Depreciation of property, plant and equipment		116,293	3,838	120,131
Depreciation of right-of-use assets		3,495	239	3,734
Share of results of associates and joint venture		12,716	(102)	12,614
Other non-cash expenses	(ii)	18,046	507	18,553
Segment profit	(i)	183,963	405,635	589,598

Continued

**37. SEGMENTAL INFORMATION (CONT'D)****(b) Analysis by activity (cont'd)**

	Note	Packaging RM'000	Property development RM'000	Consolidated RM'000
<b>Assets</b>				
Segment assets		2,604,042	2,761,621	5,365,663
Investment in associate		96,288	4,405	100,693
Investment in joint venture		16,826	-	16,826
Tax recoverable		10,189	2,558	12,747
Deferred tax assets		898	8,388	9,286
Consolidated total assets				5,505,215
<b>Liabilities</b>				
Segment liabilities		957,987	813,645	1,771,632
Tax liabilities		6,971	23,760	30,731
Deferred tax liabilities		86,555	9,952	96,507
Consolidated total liabilities				1,898,870

## Notes

(i) The following items are added to/(deducted from) segment profit to arrive at profit before tax presented in the statements of profit or loss:

	2024 RM'000	2023 RM'000
Segment profit	736,534	589,598
Finance costs (Note 7)	(22,598)	(33,545)
Share of results of associates and joint venture	14,947	12,614
Profit before tax	728,883	568,667

(ii) Other material non-cash (income)/expenses consist of the following items as presented in the respective notes to the financial statements:

	2024 RM'000	2023 RM'000
Increase in liability for defined benefit plan	6,549	3,555
Net unrealised loss/(gain) on foreign exchange	6,888	(8,172)
Share Grant Plan expense	729	210
Impairment loss on trade receivables	169	629
Impairment of goodwill	-	22,709
Write back of bad debts	(39)	-
Property, plant and equipment written off	596	714
Fair value gain on other investments	(316)	(766)
Reversal of contingent consideration with respect to acquisition of associate	-	(198)
Reversal of impairment loss on trade receivables	(279)	(359)
Gain on disposal of investment in joint venture	(8,969)	-
Gain on disposal of property, plant and equipment	(800)	(323)
Gain on lease modification	(21)	(2)
(Write back)/Write off of inventories	(2,119)	556
	2,388	18,553

Continued

**37. SEGMENTAL INFORMATION (CONT'D)****(b) Analysis by activity (cont'd)**

(iii) Included in segment assets is addition to non-current assets of:

	Packaging RM'000	Property development RM'000	Consolidated RM'000
<b>2024</b>			
Property, plant and equipment	85,287	4,274	89,561
Right-of-use assets	3,279	202	3,481
Land held for property development	-	575,246	575,246
<b>2023</b>			
Property, plant and equipment	128,304	3,047	131,351
Right-of-use assets	3,775	245	4,020
Land held for property development	-	67,746	67,746

**(c) Geographical information**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-Current Assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	2,749,016	2,311,269	3,640,651	3,315,514
Japan	382,583	435,192	-	-
Australia	282,119	298,427	412	610
Korea	173,630	180,782	-	-
Indonesia	159,272	165,133	593	490
Singapore	143,682	148,891	-	19
Thailand	128,611	126,393	-	-
Europe	118,405	65,874	-	-
Philippines	98,038	106,389	-	-
United States of America	96,666	86,328	95,321	101,844
Myanmar	33,114	34,436	4,275	5,143
The Socialist Republic of Vietnam	10,802	10,450	13,733	15,133
Others	99,661	107,332	-	-
Consolidated	4,475,599	4,076,896	3,754,985	3,438,753

Revenue from one major customer amounting to RM292,231,000 (2023: RM273,503,000), arising from sales by the packaging segment.

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2024 RM'000	2023 RM'000
Property, plant and equipment	1,524,044	1,558,202
Right-of-use assets	4,358	5,017
Land held for property development	1,765,614	1,420,231
Investment in joint venture	-	16,826
Investment in associates	109,627	100,693
Other investments	29,365	23,476
Deferred tax assets	16,955	9,286
Goodwill	305,022	305,022
	3,754,985	3,438,753



Continued

**38. FINANCIAL INSTRUMENTS****Capital management**

The primary objective of the Group's capital management is to ensure that the Group maintains healthy capital ratios in order to support its business operations and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2024 and 31 July 2023.

**Gearing Ratio**

The gearing ratio at end of the reporting period was as follows:

		The Group	
		2024 RM'000	2023 RM'000
Debt	(i)	933,029	836,840
Less: Cash and cash equivalents		(252,358)	(166,411)
Net debt		680,671	670,429
Equity attributable to owners of the Company	(ii)	3,776,195	3,392,218
Net debt to equity ratio		0.18	0.20

(i) Debt is defined as long-term and short-term borrowings as disclosed in Note 28.

(ii) Equity includes issued capital and reserves.

**Material accounting policies**

Details of the material accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

**Categories of financial instruments**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial assets</b>				
At amortised cost:				
Trade receivables	811,015	668,475	-	-
Other receivables and deposits	45,263	24,102	10	10
Deposits, cash and bank balances	204,332	161,326	642	216
At FVTPL:				
Other investments	23,792	23,476	22,883	22,567
Short-term deposits with other financial institutions	48,026	5,085	572	3,167
At FVTOCI:				
Other investments	5,573	-	1,736	-
	1,138,001	882,464	25,843	25,960

Continued

**38. FINANCIAL INSTRUMENTS (CONT'D)****Categories of financial instruments (cont'd)**

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial liabilities</b>				
At amortised cost:				
Trade payables	608,018	577,137	-	-
Other payables and accrued expenses	234,828	213,184	1,069	1,049
Borrowings	933,029	836,840	-	-
Lease liabilities	7,991	7,012	-	-
	1,783,866	1,634,173	1,069	1,049

**Financial Risk Management Objectives and Policies**

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

Various risk management policies are made and approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

**Foreign currency risk management**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign exchange rate risk on certain transactions entered into by subsidiaries in currencies other than its functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets The Group		Liabilities The Group	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
United States Dollar	164,810	132,361	198,546	193,358
Japanese Yen	1,915	2,635	93,365	17,009

**Foreign currency sensitivity analysis**

The Group is mainly exposed to the foreign currency of United States Dollar ("USD") and Japanese Yen ("JPY").

The following table details the Group's sensitivity to a 3% increase and decrease in the Ringgit Malaysia against USD and JPY. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

Continued

**38. FINANCIAL INSTRUMENTS (CONT'D)****Foreign currency risk management (cont'd)**Foreign currency sensitivity analysis (cont'd)

The sensitivity analysis below includes:

- (i) Outstanding foreign currency denominated monetary items and adjusts their translation at the financial year end and for a 3% change in foreign currency rates. A positive number below indicates a profit where the Ringgit Malaysia strengthens 3% against the USD and JPY. For a 3% weakening of the Ringgit Malaysia against USD and JPY, there would be a comparable impact on profit or loss and the balances below would be negative.

	The Group	
	2024 RM'000	2023 RM'000
United States Dollar	1,012	1,830
Japanese Yen	2,744	431

- (ii) The Group's sales less cost of sales and other items of expenses denominated in USD and JPY during the financial year ended 31 July 2024 for a 3% change in foreign currency rates. A positive number below indicates profit where the Ringgit Malaysia weakens 3% against USD and JPY. For a 3% strengthening of the Ringgit Malaysia against USD and JPY, there would be a comparable impact on profit or loss, the balances below would be negative.

	The Group	
	2024 RM'000	2023 RM'000
United States Dollar	5,383	3,846
Japanese Yen	1,127	654

- (iii) The Group's sales less cost of sales and other items of expenses denominated in USD and JPY during the financial year ended 31 July 2024, offset against the Group's exposure in USD and JPY in the statements of financial position at the end of the reporting period for a 3% change in foreign currency rates. A positive number below indicates a profit where the Ringgit Malaysia strengthens 3% against the USD and JPY. For a 3% weakening of the Ringgit Malaysia against USD and JPY, a positive number below indicates a loss.

	The Group	
	2024 RM'000	2023 RM'000
United States Dollar	(4,371)	(2,016)
Japanese Yen	1,617	(223)
	(2,754)	(2,239)

**Interest rate risk management**

The Group is exposed to interest rate risk through the impact of rate changes on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 28.

Interest rate sensitivity analysis

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 July 2024 would decrease or increase by RM1,511,000 (2023: RM1,976,000).

Continued

**38. FINANCIAL INSTRUMENTS (CONT'D)****Credit risk management**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation on the customers' financial condition and credit history.

The Company monitors on an ongoing basis the results of the subsidiaries and related parties, and repayments made by the subsidiaries and related parties.

The Group's and the Company's exposure to credit risk in relation to their receivables, should all their customers fail to perform their obligations as at 31 July 2024, is the carrying amount of these receivables as disclosed in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 22. Deposits and short-term placements with licensed banks and financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and impaired

Information regarding trade receivables that are past due and impaired is disclosed in Note 22.

Credit risk concentration profile

As at the reporting date, the Group does not have any significant exposure to any individual customer or counterparty.

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's and of the Company's short-term, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The tables below summarise the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. The tables include both interest and principal cash flows.

The Group	Effective interest rate per annum	Less than 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>2024</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade payables		608,018	-	-	608,018
Other payables and accrued expenses		234,828	-	-	234,828
		842,846	-	-	842,846
Interest bearing:					
Borrowings	0.6% - 3.7%	865,584	78,517	-	944,101
Lease liabilities	3.0% - 14.0%	5,463	2,971	-	8,434
		871,047	81,488	-	952,535
Total undiscounted financial liabilities		1,713,893	81,488	-	1,795,381

Continued

**38. FINANCIAL INSTRUMENTS (CONT'D)****Liquidity risk management (cont'd)**

<b>The Group</b>	<b>Effective interest rate per annum</b>	<b>Less than 1 year RM'000</b>	<b>1 - 5 years RM'000</b>	<b>More than 5 years RM'000</b>	<b>Total RM'000</b>
<b>2023</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade payables		577,137	-	-	577,137
Other payables and accrued expenses		213,184	-	-	213,184
		790,321	-	-	790,321
Interest bearing:					
Borrowings	0.8% - 4.1%	769,719	11,516	70,960	852,195
Lease liabilities	3.0% - 14.0%	4,015	3,558	-	7,573
		773,734	15,074	70,960	859,768
Total undiscounted financial liabilities		1,564,055	15,074	70,960	1,650,089
<b>The Company</b>					
<b>2024</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Other payables and accrued expenses			1,069	1,069	1,069
Total undiscounted financial liabilities			1,069	1,069	1,069
Financial guarantees			Nil	1,236,008	1,236,008
<b>2023</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Other payables and accrued expenses			1,049	1,049	1,049
Total undiscounted financial liabilities			1,049	1,049	1,049
Financial guarantees			Nil	1,137,734	1,137,734

Continued

**38. FINANCIAL INSTRUMENTS (CONT'D)****Liquidity risk management (cont'd)****Financial guarantees**

Corporate guarantees are provided by the Company to certain financial institutions and suppliers to secure banking facilities and credit facilities for the subsidiaries. The directors are of the opinion that the corporate guarantees are not likely to be called upon and regard the value of the credit enhancement provided by the corporate guarantees as minimal.

The maximum exposure to credit risk in relation to the financial corporate guarantees given amounts to RM1,236,008,000 (2023: RM1,137,734,000) as at the end of the reporting period representing the outstanding banking facilities and supplier credit facilities of the subsidiaries as at the end of financial year.

**Fair values of financial instruments**

The carrying amounts of the short-term financial assets and financial liabilities recognised at amortised cost in financial statements approximate their fair values.

The fair value of long-term financial liabilities have been determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between fair value and carrying values of these financial liabilities as at the end of the reporting period.

Fair value hierarchy

The assets and liabilities carried at fair value are categorised into different levels of fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair measurement in its entirety. Details of the fair value hierarchy of the Group's property, plant and equipment, other investments and money market deposits are disclosed in Notes 13, 19 and 25 respectively.

**39. NOTE TO THE STATEMENTS OF CASH FLOWS**(a) Cash outflows on purchase of property, plant and equipment

Purchase of property, plant and equipment during the financial year is financed by the following means:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Additions to property, plant and equipment	89,561	131,351
Less: Deposits paid in prior year	(9,437)	(16,743)
Less: Amount outstanding as other payables	(4,026)	(6,674)
Add: Amount paid in current year from other payables	9,438	5,619
<b>Cash outflows</b>	<b>85,536</b>	<b>113,553</b>

(b) Cash outflows on purchase of land held for property development

Purchase of land held for property development during the financial year is financed by the following means:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Additions to land held for property development	575,246	67,746
Less: Deposits paid in prior year	(50,740)	(6,685)
<b>Cash outflows</b>	<b>524,506</b>	<b>61,061</b>

Continued

**39. NOTE TO THE STATEMENTS OF CASH FLOWS (CONT'D)**(c) Reconciliation of liabilities arising from financing activities

The table below details the reconciliation of the opening and closing balances in the statements of financial position for the liabilities arising from the financing activities in the statements of cash flows of the Group and the Company:

The Group	Note	As at 1 August RM'000	Acquisition of a subsidiary RM'000	Non-cash changes movement RM'000	Cash flows Drawdown RM'000	Repayment RM'000	As at 31 July RM'000
<b>2024</b>							
Borrowings	28	836,840	-	2,995	93,194	-	933,029
Lease liabilities	29	7,012	-	4,206	-	(3,227)	7,991
		843,852	-	7,201	93,194	(3,227)	941,020
<b>2023</b>							
Borrowings	28	1,171,475	24,640	(6,817)	-	(352,458)	836,840
Lease liabilities	29	5,870	156	4,447	-	(3,461)	7,012
		1,177,345	24,796	(2,370)	-	(355,919)	843,852

**40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR**

- (i) On 30 August 2021, the Company announced that SPSB, a wholly-owned subsidiary of the Company entered into a Sale & Purchase Agreement ("SPA") with Seriemas Development Sdn Bhd for the proposed acquisition of 5 pieces of freehold agricultural land, all situated in the State of Selangor, measuring an aggregate area of approximately 250.8 acres ("Jenjarom Lands") for a total purchase consideration of RM207.6 million. On 15 June 2022, the vendor and SPSB have entered into a Supplemental Agreement to extend the conditional period to 24 November 2022. On 9 November 2022, SPSB has agreed with the vendor to jointly invest in a dormant company called Scientex Jenjarom Sdn Bhd ("SJSB"), to terminate the existing SPA and to enter into a SPA with SJSB act as the new purchaser of the Jenjarom Lands at the same purchase consideration of RM207.6 million. On 14 November 2023, all conditions precedent have been satisfied and the proposed acquisition has become unconditional. The vendor, SPSB and SJSB had on 4 December 2023 entered into a Supplemental Shareholders' Agreement to revise the aggregate capital contribution into SJSB, with no change to the shareholding percentage of the vendor and SPSB in SJSB. The revision of the quantum of capital contribution and bank borrowings in SJSB do not have any material financial impact to the Group. On 11 January 2024, the capital injection into SJSB was completed and the full payment of the balance purchase price was made to the vendor which marked the completion of the proposed acquisition.
- (ii) On 5 July 2023, the Company announced that SLSB, an indirect subsidiary of the Company entered into a SPA with Pelangi Sdn Bhd for the proposed acquisition of 8 parcels of freehold land, all situated in Mukim Tebrau, District of Johor Bahru, State of Johor, measuring an aggregate area of approximately 959.7 acres ("Tebrau Lands") for a total purchase consideration of RM547.7 million. On 5 January 2024, the proposed acquisition was terminated due to non-fulfilment of the conditions precedent relating to the approval of Economic Planning Unit for the acquisition of the Tebrau Lands by SLSB. Accordingly, the vendor had made a refund to SLSB the total deposit paid together with interest accrued in accordance with the terms of the SPA. Thereafter, the SPA was lapsed and be of no further effect and the parties were released from all further obligations under the terms of SPA and except for any antecedent breaches. The termination of the proposed acquisition does not have any material financial impact to the Company and SLSB.
- (iii) On 11 July 2023, the Company announced that SLSB, an indirect subsidiary of the Company entered into a SPA with Seriemas Development Sdn Bhd for the proposed acquisition of 6 parcels of freehold land, all situated in Mukim Senai, District of Kulai, State of Johor, measuring an aggregate area of approximately 550.7 acres for a total purchase consideration of RM299.8 million. On 5 December 2023, the Company announced that all conditions precedent of SPA have been satisfied and the proposed acquisition has become unconditional. The full payment of the balance purchase price was made to the vendor on 4 March 2024, hence marking the completion of the proposed acquisition.

Continued

**40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)**

- (iv) On 5 February 2024, the Company announced that SHSB, a wholly-owned subsidiary of the Company entered into a SPA with Guan Hong Plantation Private Limited for the proposed acquisition of 24 parcels of freehold land, all situated in Mukim of Parit Jawa, District of Muar, State of Johor, measuring in aggregate an approximate area of 442.7566 hectares for a total purchase consideration of RM200 million. On 4 July 2024, the Company announced that all conditions precedent of the SPA have been satisfied. Accordingly, the SPA has become unconditional. On 27 September 2024, the full payment of the balance purchase price was made to the vendor which marked the completion of the proposed acquisition.
- (v) On 8 March 2024, the Company announced that SPSB, a wholly-owned subsidiary of the Company entered into a SPA with Metalplex Plantation Sdn Bhd for the proposed acquisition of a freehold land, situated in Mukim of Batang Berjuntai, District of Kuala Selangor, State of Selangor, measuring an approximate area of 826 acres for a purchase consideration of RM335.7 million. On 11 September 2024, the Company announced that all conditions precedent of the SPA have been satisfied. Accordingly, the SPA has become unconditional. The completion of the proposed acquisition shall take place upon full payment of the balance purchase price to be made to the vendor's solicitors. The proposed acquisition is expected to be completed by the fourth quarter of year 2024.
- (vi) On 24 May 2024, the Company announced that SKSB, a wholly-owned subsidiary of the Company entered into a SPA with Land Capacity Sdn Bhd for the proposed acquisition of 37 pieces of freehold land, all situated in District of Seberang Perai Selatan, State of Pulau Pinang, measuring in aggregate an approximate area of 708.477 acres for a total purchase consideration of RM462.5 million.

On 19 July 2024, the Company announced that the approval of the Estate Land Board ("ELB Approval") is not required for the proposed acquisition pursuant to a letter dated 5 July 2024 issued by Pejabat Tanah dan Galian Negeri Pulau Pinang. In view that ELB Approval is no longer a pre-requisite under the SPA, the vendor and SKSB have entered into a Supplemental Agreement to vary certain clauses of the SPA, among others, to pay the balance purchase price no later than 9 October 2024 or subject to payment of agreed interest by 9 November 2024. Additionally, the balance purchase price shall be released to the vendor in accordance to the SPA and upon the due registration of all 37 lots in favour of SKSB as proprietor of the lands free from encumbrances. On 9 October 2024, the full payment of the balance purchase price was made to the vendor's solicitors in accordance to the SPA and the Supplemental Agreement dated 19 July 2024. Accordingly, this marked the completion of the proposed acquisition on 9 October 2024.

- (vii) On 10 June 2024, the Company announced that SQSB, a wholly-owned subsidiary of the Company entered into a SPA with Lee Pineapple Company (Pte) Limited for the proposed acquisition of 14 parcels of freehold land, all situated in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring in aggregate an approximate area of 350.2568 acres for a total purchase consideration of RM381.4 million. The proposed acquisition is expected to be completed in the first half of year 2025.
- (viii) On 27 September 2024 and 9 October 2024, SQSB has made its forth and fifth issuance of RM100,000,000 and RM330,000,000 in nominal value of unrated Sukuk Murabahah, respectively based on Shariah principle of Murabahah (via Tawarruq arrangement) under the Sukuk Murabahah Programme, to part finance land acquisition. The redeemable Sukuk Murabahah are due on 26 September 2030 for RM100,000,000 and 8 October 2030 for RM330,000,000, and bear profit based on cost of fund plus margin, payable monthly.



## Statement By Directors

The directors of **SCIENTEX BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2024 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board in accordance  
with a resolution of the directors,

**LIM PENG JIN**

**LIM PENG CHEONG**

Shah Alam, Selangor Darul Ehsan  
22 October 2024

## Declaration by The Officer Primarily Responsible for The Financial Management of The Company

I, **CHOO SENG HONG**, being the officer primarily responsible for the financial management of **SCIENTEX BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**CHOO SENG HONG**  
(MIA MEMBERSHIP NO. 11057)

Subscribed and solemnly declared by the abovenamed  
**CHOO SENG HONG** at **KUALA LUMPUR, WILAYAH PERSEKUTUAN**  
on this 22nd day of October 2024.

Before me,  
KHATIJAH BINTI KAMARUDDIN (W739)  
Commissioner for Oaths  
Kuala Lumpur  
Wilayah Persekutuan

## List of Properties Held by The Group

As at 31 July 2024

Location	Description/ Existing Use/ Age of Building	Tenure	Land Area (Acres)	Built-up Area (sq.ft.)	Net Book Value (RM'000)	Year of Acquisition/ Revaluation*
H. S. (D) 74874 - 74876 P. T. No. 112721 - 112723 H. S. (D) 75675 - 75677 P. T. No. 112802 - 112804 Mukim Senai, Daerah Kulai, Johor Darul Takzim	Mixed development	Freehold	550.7	-	321,832	2024
H. S. (D) 17394 P. T. No. 7209 H. S. (D) 17395 P. T. No. 7210 GRN 60084 Lot 7561 Mukim and Daerah Jasin, Melaka	Mixed development	Freehold	1,171.2	-	262,163	2021
H. S. (D) 50643 P. T. No. 4006 H. S. (D) 50644 P. T. No. 4007 H. S. (D) 50646 P. T. No. 4009 Pekan Jenjarom GM1839 - 1842 Lot 421 - 424 Mukim Telok Panglima Garang, Daerah Kuala Langat, Selangor Darul Ehsan	Mixed development	Freehold	171.3	-	195,478	2024
GRN 57798 Lot 4358 GRN 19398 Lot 249 GM 288 Lot 248 Mukim 12, Daerah Seberang Perai Utara, Pulau Pinang	Mixed development	Freehold	261.2	-	181,977	2022
GRN 86246 Lot 3002 GRN 86248 Lot 3003 GRN 86256 Lot 3010 GRN 86257 Lot 3011 GRN 553849 Lot 166152 GRN 555512 Lot 166154 GRN 553845 Lot 166156 GRN 553847 Lot 166158 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Mixed development	Freehold	142.5	-	122,943	2022
GRN 38309 Lot 1608 Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Factory, office and warehouse for industrial use (Age: 13 - 26 years)	Freehold	28.7	508,452	121,314	2020 *
Mukim and Daerah Ulu Langat, Selangor Darul Ehsan	Mixed development	Freehold	133.7	-	99,776	2021
H. S. (D) 135841 P. T. No. 129324 Mukim and Daerah Klang, Selangor Darul Ehsan	Factory, office and warehouse for industrial use (Age: 9 - 12 years)	Leasehold for 99 years expiring on 24.02.2097	12.5	282,243	84,832	2020 *
Lot 215, Seksyen 15 Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Corporate office and factory building for industrial use (Age: 2 - 8 years)	Leasehold for 99 years expiring on 27.07.2097	8.2	254,487	84,650	2020 *
Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Mixed development	Freehold	191.7	-	60,927	2023

# Analysis of Shareholdings

**As at 17 October 2024**

Type of Shares	-	Ordinary Shares
Voting Rights	-	One vote per ordinary share
No. of Shareholders	-	11,453

**DISTRIBUTION OF SHAREHOLDINGS**

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held *	% *
Less than 100	232	2.03	5,958	0.00 <sup>^</sup>
100 - 1,000	2,919	25.49	1,866,125	0.12
1,001 - 10,000	5,001	43.66	20,886,289	1.35
10,001 - 100,000	2,587	22.59	83,846,246	5.41
100,001 to less than 5% of issued shares	710	6.20	724,029,527	46.67
5% and above of issued shares	4	0.03	720,634,122	46.45
<b>Total</b>	<b>11,453</b>	<b>100.00</b>	<b>1,551,268,267</b>	<b>100.00</b>

Notes:-

\* Excluding a total of 100 ordinary shares purchased by the Company and retained as treasury shares.

<sup>^</sup> Less than 0.01%.**SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)**

Name	No. of Shares Held			
	Direct Interest	% *	Deemed Interest	% *
1 Lim Peng Jin	7,312,032	0.47	897,546,134 <sup>A</sup>	57.86
2 Lim Peng Cheong	1,500,000	0.10	851,281,002 <sup>B</sup>	54.88
3 Scientex Holdings Sdn Berhad	325,546,872	20.99	141,477,612 <sup>C</sup>	9.12
4 Scientex Infinity Sdn Bhd	174,557,268	11.25	546,076,854 <sup>D</sup>	35.20
5 Scientex Leasing Sdn Bhd	141,477,612	9.12	-	-
6 TM Lim Sdn Bhd	79,052,370	5.10	-	-
7 Sim Swee Tin Sdn Bhd	72,930,600	4.70	79,052,370 <sup>E</sup>	5.10

Notes:-

\* Excluding a total of 100 ordinary shares purchased by the Company and retained as treasury shares.

<sup>A</sup> Deemed interests through Scientex Holdings Sdn Berhad, Scientex Infinity Sdn Bhd, Scientex Leasing Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd and Progress Innovations Sdn Bhd.<sup>B</sup> Deemed interests through Scientex Holdings Sdn Berhad, Scientex Infinity Sdn Bhd, Scientex Leasing Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd and Paradox Corporation Sdn Bhd.<sup>C</sup> Deemed interest through Scientex Leasing Sdn Bhd.<sup>D</sup> Deemed interests through Scientex Holdings Sdn Berhad, Scientex Leasing Sdn Bhd and TM Lim Sdn Bhd.<sup>E</sup> Deemed interest through TM Lim Sdn Bhd.**DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings)**

Name	No. of Shares Held			
	Direct Interest	% *	Deemed/ Indirect Interest	% *
1 Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	180,840	0.01	240,000 <sup>a</sup>	0.02
2 Lim Peng Jin	7,312,032	0.47	897,637,934 <sup>b</sup>	57.86
3 Lim Peng Cheong	1,500,000	0.10	857,338,850 <sup>c</sup>	55.27
4 Wong Chin Mun	243,000	0.02	-	-
5 Dato' Noorizah Binti Hj Abd Hamid	-	-	-	-
6 Chin Lam Choong	120,000 <sup>d</sup>	0.01	10,000 <sup>e</sup>	0.00 <sup>^</sup>

## Analysis of Shareholdings

Lim Peng Jin and Lim Peng Cheong by virtue of their interests in the shares of the Company are also deemed to have interest in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, the Directors in office did not have any other interest in the shares of the Company and its related corporations as at the date of the Analysis of Shareholdings.

Notes:-

\* Excluding a total of 100 ordinary shares purchased by the Company and retained as treasury shares.

^ Less than 0.01%.

<sup>a</sup> Indirect interests through Shareena Binti Mohd Sheriff and Mohd Ridzal Bin Mohd Sheriff.

<sup>b</sup> Deemed/indirect interests through Scientex Holdings Sdn Berhad, Scientex Infinity Sdn Bhd, Scientex Leasing Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Progress Innovations Sdn Bhd and Lee Chung Yau.

<sup>c</sup> Deemed/indirect interests through Scientex Holdings Sdn Berhad, Scientex Infinity Sdn Bhd, Scientex Leasing Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Paradox Corporation Sdn Bhd, Yong Sook Lan, Lim Jian You, Lim Chia Wei and Lim Jian Yen.

<sup>d</sup> Held through nominee company.

<sup>e</sup> Indirect interest through Teh Ai Yim.

## Analysis of Shareholdings

**LIST OF THIRTY (30) LARGEST SHAREHOLDERS**

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Person)

No.	Names	No. of Shares Held	% *
1	Scientex Holdings Sdn Berhad	325,546,872	20.99
2	Scientex Infinity Sdn Bhd	174,557,268	11.25
3	Scientex Leasing Sdn Bhd	141,477,612	9.12
4	TM Lim Sdn Bhd	79,052,370	5.10
5	Sim Swee Tin Sdn Bhd	72,930,600	4.70
6	Progress Innovations Sdn Bhd	48,615,300	3.13
7	Lembaga Tabung Haji	24,485,000	1.58
8	Lim Koy Peng	15,048,913	0.97
9	LG & L Pty Ltd	14,975,496	0.97
10	UOBM Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Malacca Securities Sdn Bhd</i>	13,621,000	0.88
11	Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Pledged Securities Account for Malacca Securities Sdn Bhd (35-00334-000)</i>	12,900,000	0.83
12	Saw Soon Lin	11,801,064	0.76
13	Cartaban Nominees (Tempatan) Sdn Bhd - <i>PAMB for Prulink Equity Fund</i>	10,052,300	0.65
14	CIMB Group Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Malacca Securities Sdn Bhd (NBFI-FIG)</i>	9,760,000	0.63
15	DB (Malaysia) Nominee (Asing) Sdn Bhd - <i>Exempt an for State Street Bank &amp; Trust Company (West CLT OD67)</i>	9,129,800	0.59
16	HSBC Nominees (Asing) Sdn Bhd - <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	8,828,524	0.57
17	Wong Mook Weng @ Wong Tsap Loy	8,579,728	0.55
18	HSBC Nominees (Asing) Sdn Bhd - <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	7,976,400	0.51
19	Cartaban Nominees (Tempatan) Sdn Bhd - <i>Prudential Assurance Malaysia Berhad for Prulink Strategic Fund</i>	7,585,200	0.49
20	Yatee & Sons Sdn Bhd	7,444,698	0.48
21	Lim Peng Jin	7,312,032	0.47
22	Cartaban Nominees (Tempatan) Sdn Bhd - <i>TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund 2</i>	6,600,000	0.43
23	HLB Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Malacca Securities Sdn Bhd (PJCAC)</i>	6,579,000	0.42
24	Chua Ah Nee	6,498,849	0.42
25	ABB Nominee (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Malacca Securities Sdn Bhd</i>	6,000,000	0.39
26	HSBC Nominees (Asing) Sdn Bhd - <i>BBH and Co Boston for Fidelity Global Value Advance Equity Mother Fund (Nomura TB)</i>	5,858,200	0.38
27	Cartaban Nominees (Asing) Sdn Bhd - <i>BBH (LUX) SCA for Fidelity Funds Asean</i>	5,774,600	0.37
28	Amanah Raya Berhad - <i>Kumpulan Wang Bersama Syariah</i>	5,604,900	0.36
29	Loh Hoay Chye & Sons Sdn Bhd	5,376,000	0.35
30	HLB Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account For Mplusonline Sdn Bhd</i>	5,004,500	0.32
<b>Total</b>		<b>1,064,976,226</b>	<b>68.65</b>

Notes:-

\* Excluding a total of 100 ordinary shares purchased by the Company and retained as treasury shares.

## Analysis of Warrantholdings

As at 17 October 2024

Exercise price per warrant	-	RM4.30
Expiry date of warrant	-	14 January 2026

### DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	1,285	24.91	44,433	0.04
100 - 1,000	1,998	38.73	838,922	0.81
1,001 - 10,000	1,370	26.56	4,666,730	4.52
10,001 - 100,000	415	8.04	13,275,697	12.85
100,001 to less than 5% of issued warrants	87	1.69	38,795,752	37.56
5% and above of issued warrants	4	0.07	45,663,493	44.22
<b>Total</b>	<b>5,159</b>	<b>100.00</b>	<b>103,285,027</b>	<b>100.00</b>

### DIRECTORS' WARRANTHOLDINGS

Name	Direct Interest	No. of Warrants Held		
		%	Deemed/ Indirect Interest	%
1 Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	17,776	0.02	46,000 <sup>a</sup>	0.04
2 Lim Peng Jin	482,904	0.47	57,437,713 <sup>b</sup>	55.61
3 Lim Peng Cheong	10,000	0.01	54,763,073 <sup>c</sup>	53.02
4 Wong Chin Mun	16,200	0.02	-	-
5 Dato' Noorizah Binti Hj Abd Hamid	-	-	-	-
6 Chin Lam Choong	-	-	-	-

Lim Peng Jin and Lim Peng Cheong by virtue of their interests in the warrants of the Company are also deemed to have interests in the warrants of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, the Directors in office did not have any other interest in the warrants of the Company and its related corporations as at the date of the Analysis of Warrantholdings.

Notes:-

<sup>a</sup> Indirect interests through Shareena Binti Mohd Sheriff and Mohd Ridzal Bin Mohd Sheriff.

<sup>b</sup> Deemed/indirect interests through Scientex Holdings Sdn Berhad, Scientex Infinity Sdn Bhd, Scientex Leasing Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Progress Innovations Sdn Bhd and Lee Chung Yau.

<sup>c</sup> Deemed/indirect interests through Scientex Holdings Sdn Berhad, Scientex Infinity Sdn Bhd, Scientex Leasing Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Paradox Corporation Sdn Bhd, Yong Sook Lan, Lim Jian You, Lim Chia Wei and Lim Jian Yen.

## Analysis of Warrantholdings

**LIST OF THIRTY (30) LARGEST WARRANTHOLDERS**

(Without Aggregating Warrants from Different Securities Accounts Belonging to the Same Person)

No.	Names	No. of Warrants Held	%
1	Scientex Holdings Sdn Berhad	21,703,124	21.01
2	Scientex Leasing Sdn Bhd	9,431,840	9.13
3	Scientex Infinity Sdn Bhd	9,258,371	8.96
4	TM Lim Sdn Bhd	5,270,158	5.10
5	Sim Swee Tin Sdn Bhd	4,832,000	4.68
6	Malacca Securities Sdn Bhd - <i>IVT(001) Team MK02</i>	3,303,080	3.20
7	Progress Innovations Sdn Bhd	3,241,020	3.14
8	RHB Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Wong Yee Hui</i>	2,037,900	1.97
9	Siow Chin How	1,462,860	1.42
10	Siau Kon Lin	1,400,000	1.36
11	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Chai Hwee Lin (MY0985)</i>	1,387,600	1.34
12	LG & L Pty Ltd	1,274,646	1.23
13	Lim Koy Peng	1,002,594	0.97
14	Lee Rong Sean	771,000	0.75
15	Wong Mook Weng @ Wong Tsap Loy	564,315	0.55
16	Chang Siew Sian	546,640	0.53
17	Yeo Soo Jeng	498,300	0.48
18	Yatee & Sons Sdn Bhd	496,313	0.48
19	Lam Chee Wei	484,600	0.47
20	Lim Peng Jin	482,904	0.47
21	Susy Ding	466,600	0.45
22	Chua Ah Nee	465,256	0.45
23	Chang Siew Yen	416,100	0.40
24	RHB Capital Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Wong Yee Hui</i>	412,100	0.40
25	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Tang Song Teik (ML00023)</i>	393,800	0.38
26	Seow Ming Huey	389,200	0.38
27	Chung Swee Wah @ Chung Bee Hua	383,500	0.37
28	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Tang Song Teik (MP0283)</i>	368,700	0.36
29	Loh Hoay Chye & Sons Sdn Bhd	358,400	0.35
30	Yong Sook Lan	339,134	0.33
	<b>Total</b>	<b>73,442,055</b>	<b>71.11</b>

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Fifty-Sixth Annual General Meeting ("56<sup>th</sup> AGM") of the Company will be held virtually through live streaming from the broadcast venue at Auditorium, Bangunan Scientex, No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan and via the TIIH Online website at <https://tiih.online> on **Wednesday, 18 December 2024 at 11.30 a.m.** for the following purposes: -

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2024 together with the Reports of the Directors and Auditors thereon.
2. To declare a single tier final dividend of 6 sen per ordinary share in respect of the financial year ended 31 July 2024. **(Resolution 1)**
3. To re-elect the following Directors who retire by rotation in accordance with Regulation 81 of the Company's Constitution and being eligible, have offered themselves for re-election: -
  - (a) Dato' Noorizah Binti Hj Abd Hamid **(Resolution 2)**
  - (b) Lim Peng Cheong **(Resolution 3)**
4. To approve the payment of Directors' fees of RM775,000 for the financial year ended 31 July 2024. **(Resolution 4)**
5. To re-appoint Deloitte PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:-

#### 6. Ordinary Resolution I

##### **Authority to Directors to Allot and Issue Shares Pursuant to the Companies Act 2016**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the approvals and/or requirements of the relevant governmental and/or regulatory authorities, where necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company from time to time at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be allotted and issued does not exceed ten percent (10%) of the total number of issued shares of the Company ("New Shares") for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company ("the Mandate").

AND THAT in connection to the above, pursuant to Section 85 of the Act read together with Regulation 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered New Shares and the Company be given the approval to disapply the statutory pre-emptive rights conferred upon the shareholders of the Company and that the Directors are exempted from the obligation to offer such New Shares first to the existing issued shareholders of the Company arising from any issuance of the New Shares ranking pari passu with the existing shares, pursuant to the Mandate."

**(Resolution 6)**

#### 7. Ordinary Resolution II

##### **Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company ("New Scientex Shares"), for the Purpose of the Company's Dividend Reinvestment Plan ("DRP") that Provides the Shareholders of the Company ("Shareholders") the Option to Elect to Reinvest Their Cash Dividend in New Scientex Shares**

"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 6 December 2017 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of New Scientex Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting of the Company upon terms and conditions and to such persons as the Directors of the Company may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said New Scientex Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of New Scientex Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of New Scientex Shares.



## Notice of Annual General Meeting

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they may, in their absolute discretion, deem fit and in the best interest of the Company.”

**(Resolution 7)**

### 8. Ordinary Resolution III Proposed Renewal of Share Buy-Back Authority

“THAT subject to the rules, regulations, orders and guidelines made pursuant to the Companies Act 2016 (“Act”), provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase on the market and/or hold such number of the Company’s issued ordinary shares (“Scientex Shares”) through Bursa Securities (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company (“Directors”) from time to time upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company subject to the following:-

- (a) The maximum number of Scientex Shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (b) The maximum fund to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained earnings of the Company based on its latest audited financial statements. As at 31 July 2024, the audited retained earnings of the Company was RM342,881,000; and
- (c) The authority conferred by this resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless renewed or earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next Annual General Meeting after the date is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.

THAT the Directors be and are hereby authorised to deal with the shares purchased by the Company pursuant to the Proposed Share Buy-Back in their absolute discretion and that the shares so purchased may be retained as treasury shares, distributed as share dividends to the shareholders, resold on the market of Bursa Securities, transferred and/or cancelled in accordance with the Act and/or be dealt with in such other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force, as may be selected and determined by the Directors from time to time.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and to do all such acts and things as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

**(Resolution 8)**

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN THAT** subject to the approval of the shareholders, the proposed single tier final dividend will be paid on 17 January 2025 to shareholders whose names appeared in the Record of Depositors of the Company on 8 January 2025.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the depositor’s securities account before 4.30 p.m. on 8 January 2025;
- (b) Shares deposited into the depositor’s securities account before 12.30 p.m. on 7 January 2025 (in respect of shares which are exempted from mandatory deposit); and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.

By Order Of The Board

**CHUA SIEW CHUAN** (MAICSA 0777689) (SSM Practising Certificate No. 201908002648)

**TUNG WEI YEN** (MAICSA 7062671) (SSM Practising Certificate No. 201908003813)

**ONG LING HUI** (MAICSA 7065599) (SSM Practising Certificate No. 202008000555)

Secretaries

Shah Alam  
19 November 2024

## Notice of Annual General Meeting

Notes:-

### 1. Remote Participation and Online Voting

- (i) The 56<sup>th</sup> AGM will be held virtually through live streaming and online voting via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at <https://tiih.online>. **Please follow the procedures provided in the Administrative Guide of the 56<sup>th</sup> AGM which is accessible at [www.scientex.com.my/investor-relations/agm-egm/](http://www.scientex.com.my/investor-relations/agm-egm/) in order to register, participate and vote remotely via the RPV facilities.**
- (ii) The broadcast venue of the 56<sup>th</sup> AGM is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. **No member(s) or proxy(ies) or corporate representative(s) or attorney(s) shall be physically present or allowed to enter the broadcast venue on the day of the 56<sup>th</sup> AGM.**

### 2. Appointment of Proxies and Entitlement of Attendance

- (i) 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.
- (ii) 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 56<sup>th</sup> AGM, 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.
- (iii) The appointment of a proxy may be made via hard copy form or by electronic means in the following manner:
- (a) In hard copy form
- Please ensure that the duly executed original Form of Proxy is deposited at the registered office of the Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not later than Monday, 16 December 2024 at 11.30 a.m.
- (b) By electronic form
- The Form of Proxy can also be lodged electronically via TIIH Online website at <https://tiih.online> before the submission cut-off time as mentioned in note 2(iii)(a). Please refer to the Administrative Guide of the 56<sup>th</sup> AGM on the Procedure for Electronic Submission of Form of Proxy.
- (iv) In respect of deposited securities, only members whose names appear in our Record of Depositors as at 6 December 2024 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.

### 3. Audited Financial Statements

Agenda 1 is for discussion at the 56<sup>th</sup> AGM and no voting is required.

### 4. Re-election of Directors

The Directors who are subject to re-election have been assessed by the Board of Directors of the Company through the Nomination and Remuneration Committee.

### 5. Directors' Fees

The basis of fees payable to Directors remains unchanged for the financial year 2024. Further information of the Directors' Fees/Remuneration is set out in the Corporate Governance Overview Statement of the Company's Integrated Annual Report 2024.

### 6. Explanatory Notes on Special Business:-

#### (i) Authority to Directors to Allot and Issue Shares Pursuant to the Companies Act 2016

Resolution 6, if passed, will empower the Directors to allot and issue shares up to a maximum of ten percent (10%) of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. This is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Companies Act 2016, to allow new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 14 December 2023 and which will lapse at the conclusion of the 56<sup>th</sup> AGM.

This renewal of general mandate, if approved, will provide flexibility to the Company to avoid any delay and cost in convening a general meeting for such issuance of shares for any possible fund raising exercise(s), including but not limited to placing of shares for the purpose of funding future expansion(s), investment project(s), working capital and/or acquisition(s) and/or for general corporate purposes and/or any strategic reasons.

## Notice of Annual General Meeting

Notes:- (cont'd)

### 6. **Explanatory Notes on Special Business:- (cont'd)**

- (ii) **Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company ("New Scientex Shares"), for the Purpose of the Company's Dividend Reinvestment Plan ("DRP") that Provides the Shareholders of the Company the Option to Elect to Reinvest Their Cash Dividend in New Scientex Shares**

Resolution 7, if approved, will renew the authority given to the Directors to allot and issue New Scientex Shares pursuant to the DRP under the resolution passed at the last AGM held on 14 December 2023, the authority of which will lapse at the conclusion of the 56<sup>th</sup> AGM.

- (iii) **Proposed Renewal of Share Buy-Back Authority**

Resolution 8, if passed, will empower the Company to purchase and/or hold the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. This authority, unless renewed, revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 19 November 2024.

### 7. **Poll Voting**

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

## Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

### 1. **Details of individuals who are standing for election as Directors**

No individual is seeking election as Director at the forthcoming Fifty-Sixth Annual General Meeting of the Company.

### 2. **Statement relating to the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements**

The details of the general mandate are set out in the Notice of Annual General Meeting dated 19 November 2024 under item (i) of the Explanatory Notes on Special Business.

# 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		Proportion of Shareholdings
NRIC No./Passport No.		
Full Address		
Contact/Mobile Phone No.	Email Address	

And/or failing him/her

Full Name		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 vote for me/us and on my/our behalf at the Fifty-Sixth Annual General Meeting ("56<sup>th</sup> AGM") of the Company to be held virtually through live streaming from the broadcast venue at Auditorium, Bangunan Scientex, No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan and via the TIH Online website at <https://tjih.online> on **Wednesday, 18 December 2024 at 11.30 a.m.** or at any adjournment thereof, in the manner indicated below:-

NO.	RESOLUTIONS	PROXY A		PROXY B	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the declaration of a single tier final dividend of 6 sen per ordinary share.				
2.	To re-elect Dato' Noorizah Binti Hj Abd Hamid as a Director of the Company.				
3.	To re-elect Lim Peng Cheong as a Director of the Company.				
4.	To approve the payment of Directors' fees of RM775,000.				
5.	To re-appoint Deloitte PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.				
6.	To authorise the Directors to allot and issue shares pursuant to the Companies Act 2016.				
7.	To approve the Proposed Renewal of Authority to allot and issue new ordinary shares under the Company's Dividend Reinvestment Plan.				
8.	To approve the Proposed Renewal of Share Buy-Back Authority.				

Please indicate with ( X ) how you wish your vote to be cast. In the absence of specific instruction, your proxy/proxies will vote or abstain from voting at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Signature of Member(s)

Notes:-

**1. Remote Participation and Online Voting**

- The 56<sup>th</sup> AGM will be held virtually through live streaming and online voting via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tjih.online>. Please follow the procedures provided in the Administrative Guide of the 56<sup>th</sup> AGM which is accessible at [www.scientex.com.my/investor-relations/agm-egm](http://www.scientex.com.my/investor-relations/agm-egm) in order to register, participate and vote remotely via the RPV facilities.
- The broadcast venue of the 56<sup>th</sup> AGM is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. No member(s) or proxy(ies) or corporate representative(s) or attorney(s) shall be physically present or allowed to enter the broadcast venue on the day of the 56<sup>th</sup> AGM.

**2. Appointment of Proxies and Entitlement of Attendance**

- 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 56<sup>th</sup> AGM, 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 appointment of a proxy may be made via hard copy form or by electronic means in the following manner:
  - In hard copy form**  
Please ensure that the duly executed original Form of Proxy is deposited at the registered office of the Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not later than Monday, 16 December 2024 at 11.30 a.m.
  - By electronic form**  
The Form of Proxy can also be lodged electronically via TIH Online at <https://tjih.online> before the submission cut-off time as mentioned in note 2(iii)(a). Please refer to the Administrative Guide of the 56<sup>th</sup> AGM on the Procedure for Electronic Submission of Form of Proxy.
- In respect of deposited securities, only members whose names appear in our Record of Depositors as at 6 December 2024 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.

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COMPANY SECRETARY  
**SCIENTEX BERHAD**  
Company No. 196801000264 (7867-P)  
No. 9, Persiaran Selangor  
Seksyen 15, 40200 Shah Alam  
Selangor Darul Ehsan, Malaysia

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**SCIENTEX BERHAD** 196801000264 (7867-P)

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

Tel: +603-5524 8888/+603-5519 1325 Fax: +603-5519 1884 Email: [info@scientex.com.my](mailto:info@scientex.com.my)

Website: [www.scientex.com.my](http://www.scientex.com.my)

