

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

Minutes of the Fifty-Fifth (“55<sup>th</sup>”) Annual General Meeting (“AGM” or “Meeting”) of Scientex Berhad (the “Company” or “Scientex”) 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 on Thursday, 14 December 2023 at 11.30 a.m.

**PRESENT** : Directors  
YBhg. Tan Sri Dato’ Mohd Sheriff Bin Mohd Kassim - in the Chair  
Mr Lim Peng Jin  
Mr Lim Peng Cheong  
Mr Wong Chin Mun  
Dato’ Noorizah Binti Hj Abd Hamid  
Mr Ang Kim Swee  
Mr Chin Lam Choong

Shareholders, Proxies and Corporate Representatives as per attendance list.

**IN ATTENDANCE** : Ms Tung Wei Yen } Company Secretary  
Ms Ong Ling Hui }

**BY INVITATION** : Mr Teo Swee Chua - Deloitte PLT  
Ms Joey Wong - Legal Manager  
Mr Choo Yung Siong - Chief Sustainability Officer  
Representatives of Tricor } Poll Administrators  
Investor & Issuing House }  
Services Sdn Bhd }  
Representative of Asia } Scrutineer  
Securities Sdn Bhd }

**VIRTUAL MEETING PLATFORM** : <https://tiih.online>

## **1. WELCOME ADDRESS**

The emcee of the 55<sup>th</sup> AGM, Ms Joey Wong introduced herself. On behalf of the Board of Directors and management of the Company, she welcomed the participation of the attendees to the virtual AGM. She informed that the Company acknowledged general meetings serve as an important communication channel for shareholders’ engagement. Therefore, the Company will continue to adopt various modes of communication including embracing technologies to enhance shareholders’ engagement. The AGM was telecast live from the broadcast venue at the Company’s headquarters located at Shah Alam. The remote participation and voting (“RPV”) facilities adopted by the Company for online voting purposes was provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”). The emcee proceeded to invite the Chairman to commence the AGM.

## **2. CHAIRMAN**

YBhg. Tan Sri Dato’ Mohd Sheriff bin Mohd Kassim chaired the Meeting and commenced the proceedings of the AGM. He welcomed the shareholders, proxies and corporate representatives to the Meeting and introduced the members of the Board of Directors, the Company Secretary, the Auditor and the Chief Sustainability Officer who were seated with him at the broadcast venue.

### **3. QUORUM**

The Chairman called the Meeting to order at 11.33 a.m. after the Secretary confirmed the requisite quorum had logged-in at the start of the Meeting.

### **4. NOTICE OF MEETING AND ADMINISTRATIVE MATTERS**

The Chairman informed that all resolutions stated in the Notice of AGM would be put to vote by way of poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. The Company had appointed an independent service provider, Tricor as the Poll Administrator to facilitate the poll voting via the RPV facilities and Asia Securities Sdn Bhd as the independent Scrutineer to verify the poll results. The poll was conducted electronically via the RPV facilities provided by Tricor. The voting session had commenced from 11.30 a.m. until the Chairman announced the end of voting session. The Poll Administrator briefed the shareholders, proxies and corporate representatives on the online voting procedures adopted for the RPV facilities.

The Chairman briefed the shareholders on the agendas of the Meeting. The Notice of AGM dated 15 November 2023 having been circulated to all shareholders of the Company within the statutory period was taken as read.

### **5. QUESTION AND ANSWER**

The Chairman highlighted that the Company had received a letter from the Minority Shareholders Watch Group (“MSWG”) on 7 December 2023, seeking clarification on the Company’s operational, financial, sustainability and corporate governance matters. He invited the emcee who then read out the questions received from the MSWG and the Company’s responses as set out in the Company’s letter to the MSWG dated 13 December 2023 (attached hereto as Appendix I).

On behalf of the Board of Directors of the Company, the emcee thanked the MSWG for raising the questions in the interest of all shareholders. Following the questions received from the MSWG, the emcee continued to read out the questions and messages received from the shareholders prior to the AGM and the Company’s responses as displayed on the screen (attached hereto as Appendix II).

The Managing Director/ Chief Executive Officer of the Company, Mr Lim Peng Jin then addressed the lives questions received from the shareholders during the AGM (attached hereto as Appendix III).

### **6. POLL VOTING**

As there were no further questions from the shareholders, the Chairman allowed a further 5 minutes for those who has yet to cast their votes to do so prior to the closing of the voting session. Thereafter, the Chairman declared the online voting session closed and adjourned the meeting for the Poll Scrutineer to verify the poll results.

The poll results tabulated by the Poll Administrator and duly validated by the Poll Scrutineer were as follows:

#### Ordinary Resolution 1

<b>Description</b>	To approve the declaration of a single tier final dividend of 5 sen per ordinary share	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	355	10
<b>No. of Shares</b>	1,016,121,177	1,172
<b>% of Voted Shares</b>	99.9999	0.0001
<b>Result</b>	Accepted	

#### Ordinary Resolution 2

<b>Description</b>	To re-elect Tan Sri Dato' Mohd Sheriff bin Mohd Kassim as Director of the Company	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	276	79
<b>No. of Shares</b>	989,392,852	11,875,197
<b>% of Voted Shares</b>	98.8140	1.1860
<b>Result</b>	Accepted	

#### Ordinary Resolution 3

<b>Description</b>	To re-elect Lim Peng Jin as Director of the Company	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	340	28
<b>No. of Shares</b>	1,014,981,028	1,141,261
<b>% of Voted Shares</b>	99.8877	0.1123
<b>Result</b>	Accepted	

#### Ordinary Resolution 4

<b>Description</b>	To re-elect Chin Lam Choong as Director of the Company	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	341	24
<b>No. of Shares</b>	1,001,934,617	14,187,732
<b>% of Voted Shares</b>	98.6037	1.3963
<b>Result</b>	Accepted	

#### Ordinary Resolution 5

<b>Description</b>	To approve the payment of Directors' fees of RM775,000	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	343	21
<b>No. of Shares</b>	1,016,002,717	94,732
<b>% of Voted Shares</b>	99.9907	0.0093
<b>Result</b>	Accepted	

#### Ordinary Resolution 6

<b>Description</b>	To re-appoint Deloitte PLT as the Auditors of the Company and to authorise the Directors to fix remuneration	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	332	38
<b>No. of Shares</b>	1,014,523,486	1,598,863
<b>% of Voted Shares</b>	99.8427	0.1573
<b>Result</b>	Accepted	

#### Ordinary Resolution 7

<b>Description</b>	To authorise the Directors to allot and issue shares pursuant to the Companies Act 2016	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	329	36
<b>No. of Shares</b>	999,984,625	16,137,724
<b>% of Voted Shares</b>	98.4118	1.5882
<b>Result</b>	Accepted	

#### Ordinary Resolution 8

<b>Description</b>	To approve the Proposed Renewal of Authority to allot and issue new ordinary shares under the Company's Dividend Reinvestment Plan	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	341	24
<b>No. of Shares</b>	1,016,036,117	86,232
<b>% of Voted Shares</b>	99.9915	0.0085
<b>Result</b>	Accepted	

#### Ordinary Resolution 9

<b>Description</b>	To approve the Proposed Renewal of Share Buy-Back Authority	
<b>Shareholder's Action</b>	For Voting	
<b>Voted</b>	For	Against
<b>No. of Shareholders</b>	343	21
<b>No. of Shares</b>	1,016,035,917	61,532
<b>% of Voted Shares</b>	99.9939	0.0061
<b>Result</b>	Accepted	

Based on the poll results, all the resolutions tabled at the Meeting were duly passed by the shareholders.

**7. CONCLUSION**

The Chairman then declared the Meeting concluded at 12.35 p.m.

CONFIRMED AS A CORRECT RECORD

- Approved -

CHAIRMAN

Dated this 12<sup>th</sup> day of January 2024

## Appendix I

### Questions from Minority Shareholders Watch Group

No.	Questions	The Company's Responses / Answers
	<u>Operational &amp; Financial Matters</u>	
1.	<p>For FY2023, Scientex's Packaging segment posted another year of single-digit segment profit margin of 7% compared to 8.32% in the previous year (page 183 of AR2023). As a reference, the profit margin recorded in FY2021 was 10.18% (page 181 of AR2021).</p> <p>a) Will the single-digit profit margin be a norm for the division moving forward? Will it continue to face margin compression, especially given the prolonged cost pressures, interest rates and energy costs? How does Scientex plan to maintain the profit margin for the division?</p> <p>b) In a news report dated 25 November 2023, Scientex's MD and CEO Mr Lim Peng Jin expected the Packaging division to improve in the next one to two years. He also said the overstocking issue stemming from supply chain disruptions during the COVID-19 pandemic is likely to be a short-term issue.</p> <p>What are the data or observations that point to easing of the overstocking situation in the industry? What is the basis for the optimistic outlook?</p> <p>c) Scientex also told media that it aspires "to hit RM6 billion in revenue within the next few years".</p> <p>When does the Group aspire to achieve the target? Which business segment will drive revenue growth to hit the target? What will it take for Scientex to achieve this?</p>	<p><u>Reply to Question 1:</u></p> <p>a) In the past 10 years, Scientex's packaging segment profit margins ranged from 3.9% to 10.2%, averaging at 7.7%. The current 7% margin is in line with this historical mid-range. We remain constant to maintain cost competitiveness through various efforts in improving our operational efficiency, including through automation. Additionally, we are implementing solar PV systems across our factories, with plans for future adoption in all domestic plants, to reduce energy costs and enhance our environmental sustainability. Innovation is also key to us, as we continue to develop value-added packaging solutions that meet the evolving needs of customers.</p> <p>b) The improved outlook is supported by gradual increase of orders for our products in recent months.</p> <p>c) There is no definite timeline set but rather a clear target that Scientex aspires to achieve with the distinct advantage of having twin core businesses namely packaging and property contributing to its revenue in this everchanging market. Scientex focusses in its core operations in order to stay competitive in the markets it serves for a sustainable growth.</p>
2.	<p>The acquisition of Scientex Packaging (Kajang) Sdn Bhd (SPK, formerly known as Taisei Lamick Malaysia Sdn Bhd) in September 2022 provides Scientex with immediate access to fast-growing liquid and paste packaging solutions.</p> <p>Notably, the size of SPK was rather small, with revenue of RM61.7 million and a net profit of RM1.34 million before the acquisition.</p>	<p><u>Reply to Question 2:</u></p> <p>a) SPK contributed revenue of RM43.1 million and net profit of RM1.0 million in FY2023. (page 159, Note 15(a) of AR2023)</p> <p>b) The demand for liquid and paste packaging solutions is expected to experience healthy growth.</p> <p>c) The expertise of SPK include hygiene and medical-related packaging solutions. We aim to capitalise on the growing market for these solutions.</p>

No.	Questions	The Company's Responses / Answers
	<p>a) What is the financial contribution of SPK to Scientex in FY2023?</p> <p>b) What is the expected growth rate of the liquid and paste packaging solutions which target mainly the FMCG segment compared to industrial and conventional consumer packaging?</p> <p>c) Across the FPP value chain, Scientex already produces an extensive range of packaging solutions tailored for both industrial and consumer markets. Moving forward, what are the opportunities within the FPP industry that Scientex seeks to capitalise on?</p>	
3.	<p>A key example of minimising resource use is via the downgauging of stretch film and other plastic film products. Since 2007, Scientex recorded a 63% reduction in stretch film handroll thickness from 12 to 4.5 microns (page 54 of Sustainability Report 2023).</p> <p>How thin can stretch film go? What is the industry trend that Scientex is seeing? What are the impacts of thinner stretch film vis-à-vis thicker stretch film in terms of technical data such as stretch rate, tensile strength, puncture and tear resistance?</p> <p>What is the percentage of nano stretch film i.e., nano 4.5 and 6 microns to the overall stretch film production?</p> <p>Please illustrate by percentage the quantum of primary materials Scientex managed to save from downgauging over the years.</p>	<p><u>Reply to Question 3:</u></p> <p>The current threshold for thinness in stretch film is probably 4.5 microns. However, it will also depend on the advancement of cast line machine and raw material development. The downgauging trend is more prevalent in advanced and developed countries with stronger emphasis on efficient material usage and reduced weight for better sustainability performance. The innovation process in downgauging to thinner films involves lower materials usage, while maintaining physical properties with improved performance. Future trends are expected to revolve around sustainability and cost-saving goals.</p> <p>Nano stretch film constitutes approximately 10% of our total stretch film production.</p> <p>Scientex achieved a 35% reduction in primary material usage through downgauging over the past 10 years.</p>
4.	<p>Throughout the FY2023, the Group initiated 235 R&amp;D projects and commercialised a total of 35 innovations.</p> <p>On average, what is the percentage of revenue/profit that Scientex invests in R&amp;D? How long is the time-to-market period for each innovation that is developed, manufactured and introduced to the market?</p> <p>Of the 35 innovations, what is the breakdown of the successfully commercialised innovations by product</p>	<p><u>Reply to Question 4:</u></p> <p>In FY2023, Scientex invested RM10 million in R&amp;D. The time-to-market for new products ranges from 3 months to 2 years subject to various factors such as products' requirement, formulation, lab testing and verification process.</p> <p>Scientex successfully commercialised 25 industrial packaging innovations and 10 consumer packaging innovations in FY2023.</p>

No.	Questions	The Company's Responses / Answers
	segment, i.e., industrial and consumer?	
5.	<p>For the Property division, Scientex collaborated with Creed Group and local partners to expand to Thailand and Indonesia. Scientex holds minority stakes in the two property ventures.</p> <p>What is the role of Scientex in these JVs? What are the experiences that Scientex learnt from these ventures? Will Scientex continue to pursue the JV route in its regional expansion of the property business?</p> <p>What is the take-up rate for the two projects in Thailand and Indonesia?</p>	<p><u>Reply to Question 5:</u> Scientex contributes through its expertise in developing large-scale townships with quality affordable homes based on efficient building technologies. The joint ventures enable us to better understand the rules, regulations, and market dynamics of the respective countries, prior to embarking on future developments. Scientex will continue to explore regional opportunities, undertaken through various routes, including but not limited to joint venture platforms.</p> <p>The two projects are expected to be launched in early-2024.</p>
	<u>Sustainability Matters</u>	
1.	For FY2023, the percentage of recycled resin used in production increased marginally to 8.3% from 7.8% in FY2022 (page 55 of SR2023). Does the Group set a target by percentage for the use of recycled resin in production? Which component, i.e., PIR or PCR, comprised most of the total recycled resin used?	<p><u>Reply to Question 1:</u> We do not have a fixed target. Scientex is working towards the increased use of recycled resin in our production. The use of PIR and PCR is dependent on product and customer requirements.</p>
	<u>Corporate Governance Matters</u>	
1.	<p>Scientex continued to depart from Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG 2021), which encourages a board to comprise at least 30% women directors. As of FY2023, the Board has five male and one female director.</p> <p>In the Corporate Governance Report 2022, Scientex committed to applying the Practice within three years (page 32 of CGR2022). However, the timeline remained unchanged, as page 32 of CGR2023 stated.</p> <p>Generally, the timeline to apply the Practice should decrease progressively. Why has the timeline to apply the said Practice remained the same from year to year?</p>	<p><u>Reply to Question 1:</u> Whilst observing MCCG 2021's recommendation, the board is committed to search for a suitably qualified candidate who possess technical and commercial skills to bring different perspectives to the board. The timeline in CGR2023 has been remained to facilitate our search for candidate with diverse experience who will be able to provide value-added contributions to the company.</p>
2.	Independent director Mr Ang Kim Swee who was appointed on 17 December 2014 will reach his nine-year tenure in Scientex shortly after the conclusion of this meeting.	<p><u>Reply to Question 2:</u> The Board's composition was regularly reviewed by the Nomination and Remuneration Committee and the Board. During FY2023, a new Independent Non-Executive Director was appointed to the Board, demonstrating an on-going Board succession planning process. Mr Ang has been a dedicated and valuable</p>



No.	Questions	The Company's Responses / Answers
	Will he continue to stay on Scientex's board? What is the arrangement and succession planning at board level?	board member since his appointment to the Board. If there is any change to the Board's composition, announcement will be made in due course.

## Appendix II

### Questions Received Prior To the 55<sup>th</sup> Annual General Meeting

No.	Questions	The Company's Responses / Answers
	<u>Questions received prior to 55<sup>th</sup> AGM</u>	
1.	How is the business prospect of the packaging division in FY2024?	<p><u>Reply to Questions 1 to 4</u></p> <p>We expect the packaging division to see a recovery in FY2024. The improved outlook is supported by a gradual increase in orders for our products in recent months.</p> <p>In the past 10 years, Scientex's packaging segment profit margins ranged from 3.9% to 10.2%, averaging at 7.7%. The current 7% margin is in line with this historical mid-range.</p> <p>We continue to strengthen our competitive edge, emphasising on cost, quality, and delivery to our customers. At the same time, we continue to increase our market share, through innovation and development of value-added packaging solutions that meet the evolving needs of our customers. We also address growing demand for sustainable and fully-recyclable packaging solutions.</p> <p>Additionally, we remain constant to maintain cost competitiveness through various efforts in improving our operational efficiency, including through automation. We also leverage economies of scale and supply chain efficiencies, which enhance our competitiveness. Furthermore, we are implementing solar PV systems across our factories, with plans for future adoption in all domestic plants, to reduce energy costs and enhance our environmental sustainability.</p>
2.	When do you expect the performance of the packaging division to return to the profitability of FY2021?	
3.	Nearly half a year has passed since FY2024, will the performance of the packaging department be better than last year?	
4.	In recent STARBIZ dated 27.11.23, management stated that expect to achieve 400K tonnes within 2-3 years from current 256k tonnes, 56% growth. What's the strategies?	
5.	Is Scientex the Largest and most advance and cost efficient Plastic Packaging and stretch film producer in Malaysia?	<p><u>Reply to Questions 5 &amp; 6</u></p> <p>Scientex is one of the largest packaging company in Malaysia and a fully integrated end-to-end flexible plastic packaging producer.</p> <p>We offer our clients market-leading customized FPP solutions ranging from film development to converting processes. We collaborate closely with customers to create tailored products, emphasizing sustainability, recyclability, and enhanced performance in terms of protection, hygiene, safety, and convenience.</p> <p>By leveraging economies of scale and supply chain efficiencies, we enhance our competitiveness and respond swiftly to market dynamics. Furthermore, we widely integrate technology across our operations, coupled with a team of experienced talent, enhances our innovation capabilities and agility in meeting latest customer needs.</p> <p>Scientex is a global player, and our international peers include other packaging players such as Berry Global and Amcor.</p>
6.	Who are the major competitors locally and abroad?	

No.	Questions	The Company's Responses / Answers
7.	Will there be any more impairment in Myanmar?	There is unlikely to be any further impairment in the Myanmar unit, unless unforeseen external circumstances arise.
8.	What is current overall plant utilisation rate?	The Group's current overall plant utilisation is at 53%.
9.	<p>During FY2023, both Malaysian and global economy grew and recovered from the pandemic. There was also contribution from the acquisition of Taisei Lamick Malaysia Sdn Bhd.</p> <p>However, packaging division sales volume declined by 7.5% (page 63 of AR).</p> <p>Does it mean Scientex lose market share to competitors in FY23?</p> <p>If yes, how to regain the market share?</p>	The decline was due to weaker demand, resulting from overstocking in the market and subdued global sentiment.
10.	<p>Packaging division has successfully commercialised 35 new innovations (page 8 of AR)</p> <p>a) How many innovations are for industrial packaging and consumer packaging respectively?</p> <p>b) What was the R&amp;D spending amount in FY23?</p>	This question has been addressed in our response to MSWG.
11.	<p>25 new machines were commissioned for the packaging division in FY23 (page 8 of AR)</p> <p>a) How many machines are for industrial packaging and consumer packaging respectively?</p> <p>b) What was the CAPEX amount?</p>	Scientex commissioned 7 new machines for industrial packaging and 18 new machines for consumer packaging. CAPEX for purchase of property, plant, and equipment for the Group amounted to RM123.1 million in FY2023.
12.	<p>Scientex has acquired many flexible plastic packaging (FPP) players. Do these acquired companies have overlapping customers and product lines such that they may compete against one another?</p> <p>If yes, how does the Group coordinate and optimize their operations? Is there a group level sales function to centrally serve the customers and channel their orders to different companies?</p>	<p>Having evolved from a primary focus on transparent films, we progressed up the value chain and incorporated value-added processes such as printing, bag making, and laminations into our solutions. These advancements are supported by continued investments into new facilities, capabilities, and skilled technical teams, along with advanced equipment and machinery.</p> <p>We prioritise efficient customer service by directing orders to respective plants, each focusing on specialized products and leveraging their core competencies.</p>

No.	Questions	The Company's Responses / Answers
13.	<p>The packaging segment recorded segment revenue of RM2,626m and segment profit of RM184m in FY23 refer Note 37b, page 184)</p> <p>a) What is the breakdown of segment revenue and profit between industrial and consumer sub-segments?</p> <p>b) What are their respective near term prospects?</p>	<p>The packaging division has a near-balanced distribution of both revenue and profit between industrial and consumer packaging.</p> <p>The prospects of the packaging division have been addressed earlier.</p>
14.	What is the external revenue derived from sustainable FPP solution in FY23? What are the operating profit margin and revenue growth rate?	More than 80% of the group's packaging products are recyclable. The profit margin and revenue growth rate are dependent on product specification and customer requirements.
15.	What is the status of the Arizona plant - utilization rate, profitability and prospect? How do the high inflation and wage growth affect it?	<p>The current utilisation rate is approximately 35%. The plant is currently profitable.</p> <p>The demand for stretch film in US remained resilient. The impact of inflation and wage growth is manageable.</p>
16.	When will Scientex achieve its goal of delivering 8,000 affordable houses per year?	<p><u>Reply to Questions 16 &amp; 17</u></p> <p>We are working towards the delivery of 8,000 property units per annum in the next few years.</p>
17.	How many house units have been sold in FY 2023?	In FY2023, Scientex sold 6,038 property units, with approximately 97% comprising residential homes and the remaining 3% comprising commercial units.
18.	What is the expected revenue of the property sector in FY2024?	The property sector is expected to generate growth in FY2024. This will be supported by more launches across our expanded property landbank and new township developments across seven states in Peninsular Malaysia.
19.	<p>Please share on the affordable housing sector in Indonesia and Thailand. What are the background and contribution of the JV partner?</p> <p>What are the targeted revenue and profit from these markets by 2028?</p>	<p>Both Indonesia and Thailand face shortage of affordable homes.</p> <p>In Indonesia, our JV partners are Mustika Land, a reputable Jakarta-based property developer, and Creed Group, a Japanese real estate investment group. In Thailand, our JV partners are Altitude Development, a reputable local property developer, and Creed Group.</p> <p>Our JV partners contribute deep knowledge of the respective local property markets. These JV ventures are treated as associate companies, therefore their revenue are not consolidated. There are no profit projections available as the projects are still in their initial stages.</p>
20.	<p>What are the differences between Indonesian and Thai affordable housing sector? How are they different from Malaysia?</p> <p>How about the Vietnam market?</p>	The key difference between these markets are market size and regulatory requirements. We currently have not explored Vietnam.

No.	Questions	The Company's Responses / Answers
21.	<p>So far is there any property project delay in handover?</p> <p>If yes, what's the reason, and how much cost was incurred?</p>	<p>There were four projects affected with delays in FY2023, due to shortage of labour and materials resulting from COVID-19 related supply chain issues. The situation has been resolved, and the total liquidated ascertain damages amounted to RM1.5 million.</p>
22.	<p>How is the business prospect of the Company?</p>	<p>Scientex operates in two exciting and growing industries – flexible packaging, and property development.</p> <p>In our packaging division, we are optimistic of increasing demand for packaging globally across diverse sectors, including industrial production, F&amp;B, and FMCG. We also recognise the trend towards adoption of more sustainable flexible packaging, driven by rapid population growth, evolving urban lifestyles and heightened concerns for environmental preservation.</p> <p>Our strategy involves capturing more opportunities and increasing our market share, through a focus on innovation, and developing value-added products customised to our clients' needs. This includes addressing increasing demand for sustainable and fully-recyclable packaging solutions.</p> <p>In our property division, we are addressing the insatiable demand for affordably priced homes among the population, and tackling the persistent undersupply in the market. Our mission is to uplift the lives of Malaysian families, and our goal is to complete 50,000 affordable homes by 2028, from 30,430 as at FY2023. Furthermore, we have started to expand into other Southeast Asian markets such as Thailand and Indonesia, broadening the reach of our affordable homes to communities across the region.</p>
23.	<p>Scientex has changed its new tagline, what about the double up every 5 years goal?</p>	<p>In 2023, Scientex has redefined our strategic vision with the tagline: "Sustainable Growth, Better Tomorrow", reflecting our aspirations to grow our business while contributing to the Economy, Environment and Society. This change is based on our track record of doubling revenue four times over the past two decades. Having achieved this substantial growth, we are now transitioning towards a more sustainable approach that will bring meaningful impact in the long run.</p> <p>In our packaging division, we employ a comprehensive strategy to foster sustainable growth. Our strategy includes strategic acquisitions of synergistic packaging businesses, and enhancing our strengths through new capabilities and new product innovations.</p> <p>In our property division, we have a mission to uplift the lives of Malaysian families by offering affordably priced yet desirable residential projects. We have a goal to complete 50,000 affordable homes by 2028, and we continuously refine our business processes aimed at enhancing the efficiency, speed and value of our</p>

No.	Questions	The Company's Responses / Answers
		development activities.
24.	How long will it take for Scientex to reach 6 billion in revenue?	The goal of reaching RM6 billion in revenue is a shared aspiration for Scientex and our people, serving as a common direction towards achieving sustainable growth.
25.	Refer page 60 of AR, ROE has declined to below 13%, versus 15% to 20% range in every year during the 2011 to 2021 period. What are the causes for profitability decline besides the short term effect of pandemic? Is the MD confident of restoring ROE to above 15%?	We have invested significantly into new capabilities, capacities, and landbank to expand our business, amounting to RM3.6 billion over the past five years for future growth. In terms of absolute returns, our net profit has increased significantly from RM77.2 million in FY2011 to RM438.1 million in FY2023.
26.	When resuming physical AGM in the future, please continue to allow remote participation. In other words, make it a hybrid AGM.	We acknowledge your feedback.

## Appendix III

### Questions Received During the 55<sup>th</sup> Annual General Meeting

No.	Questions	The Company's Responses / Answers
	<u>Questions received during to 55<sup>th</sup> AGM</u>	
1.	In page 185 of 2023 IAR, revenue based on geographical location (save for Malaysia) had shown a decrease from FY2022 to FY2023. Revenue generated from Japan dropped from RM480 million in FY2022 to RM435 million in FY2023. Revenue generated from Korea dropped from RM235 million in FY2022 to RM180 million in FY2023. It also mentioned that revenue from one major customer had dropped from RM338 million in FY2022 to RM273 million in FY2023. Would appreciate if the Board can address this issue.	The lower revenue in these regions is due to softening of raw material price in FY2023. However, the sales tonnage of these regions remains relatively stable.
2.	With reference to page 182 of 2023 IAR, a retirement benefit of RM1.595 million was paid in FY2023 as the compensation of key management of the Group. Please elaborate further on this payment. Who were the recipients on this payment? Is it a one-off or recurring payment?	The payment of RM1.595 million is a one-off payment, made to our executive director of the packaging division, Mr Gan Kok Khye. Mr Gan joined Scientex Group in 1988. He is now 61 years old. Kindly refer to page 31 of 2023 IAR for the profile of Mr Gan.
3.	What information can we get from property division unbilled sales.	The unbilled sales of the property division were RM1.76 billion in July 2023 and RM1.63 billion in October 2023.
4.	The packaging division plants' utilisation rate is relatively low at 53%. At what percentage the Group expected in FY2024 and going forward.	Notwithstanding the global uncertainties and challenges in the external operating environment resulting in lower demand of packaging products in FY2023, the Group remains focused on its long-term growth strategy, equipped with innovation and up-to-trend capacity and capability to seize opportunities. The Group expects the utilisation rate will be higher when the market sentiment improves.
5.	In the earlier reply on the Phoenix Arizona plant was operated at 35% utilisation rate. What is the reason for the low utilisation rate in FY2023.	During the COVID-19 pandemic, we faced business challenges and manpower shortages at the Arizona plant. The situation of the Arizona plant has now improved and resumed to a positive position. The Arizona plant will continue to increase sales and utilisation rate in the future.
6.	Is the Company considering setting up additional oversea plant to serve its oversea customer? If yes, which are the countries that the Company looking at.	We have set up a sales office known as Scientex Japan in FY2023 to better serve our customers in Japan. The Group will continue to explore opportunities in other countries.