

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

Minutes of the Fifty-Sixth (“56th”) 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 Wednesday, 18 December 2024 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 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
Mr Goh Chee Hong - Legal Manager
Mr Choo Yung Siong - Chief Sustainability Officer
Representatives of Tricor } Poll Administrators
Investor & Issuing House }
Services Sdn Bhd }
Representative of Quantegic } Scrutineer
Services Sdn Bhd }
- VIRTUAL MEETING PLATFORM** : <https://tjih.online>

1. WELCOME ADDRESS

The emcee of the 56th AGM, Mr Goh Chee Hong introduced himself. On behalf of the Board of Directors and management of the Company, he welcomed the participation of the attendees to the virtual AGM. He 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 Quantegic Services 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 19 November 2024 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 13 December 2024, seeking clarification on the Company’s operational, financial, sustainability and corporate governance matters. He invited the emcee who then read out the summarised questions received from the MSWG and the Company’s responses as set out in the Company’s letter to the MSWG dated 17 December 2024 (attached hereto as Appendix I). For the benefit of all shareholders, the questions raised by MSWG and the reply from the Company were available on the Company’s website prior to the AGM.

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).

Mr Lim Peng Jin ended the question-and-answer session with a note to the industry outlook of the Group’s packaging and property divisions. Despite the challenging outlook, the Group’s packaging division remains focused on leveraging product innovation capabilities, expansion of capacity, improving operational efficiency and cost management to maintain competitiveness in the market. On the other hand, encouraged by the well-received projects, the property division continues to expand the land bank to sustain its project pipeline. The active land bank acquisition efforts will keep us on track to achieve our vision of completing 50,000 affordable homes by 2028.

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 meeting adjourned immediately after the closure of the online voting session for the 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

Description	To approve the declaration of a single tier final dividend of 6 sen per ordinary share	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	374	7
No. of Shares	1,063,195,021	818
% of Voted Shares	99.9999	0.0001
Result	Accepted	

Ordinary Resolution 2

Description	To re-elect Dato' Noorizah Binti Hj Abd Hamid as a Director of the Company.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	257	126
No. of Shares	1,011,606,473	48,963,966
% of Voted Shares	95.3832	4.6168
Result	Accepted	

Ordinary Resolution 3

Description	To re-elect Lim Peng Cheong as a Director of the Company.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	285	77
No. of Shares	979,071,070	51,563,469
% of Voted Shares	94.9969	5.0031
Result	Accepted	

Ordinary Resolution 4

Description	To approve the payment of Directors' fees of RM775,000.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	357	23
No. of Shares	1,062,918,638	264,201
% of Voted Shares	99.9751	0.0249
Result	Accepted	

Ordinary Resolution 5

Description	To re-appoint Deloitte PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	186	169
No. of Shares	939,501,870	91,036,469
% of Voted Shares	91.1661	8.8339
Result	Accepted	

Ordinary Resolution 6

Description	To authorise the Directors to allot and issue shares pursuant to the Companies Act 2016.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	345	36
No. of Shares	1,039,384,938	23,810,901
% of Voted Shares	97.7604	2.2396
Result	Accepted	

Ordinary Resolution 7

Description	To approve the Proposed Renewal of Authority to allot and issue new ordinary shares under the Company's Dividend Reinvestment Plan.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	355	26
No. of Shares	1,062,871,916	323,923
% of Voted Shares	99.9695	0.0305
Result	Accepted	

Ordinary Resolution 8

Description	To approve the Proposed Renewal of Share Buy-Back Authority.	
Shareholder's Action	For Voting	
Voted	For	Against
No. of Shareholders	362	18
No. of Shares	1,063,163,118	19,721
% of Voted Shares	99.9981	0.0019
Result	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 16th day of January 2025

Appendix I

Summarised Questions from Minority Shareholders Watch Group

No.	Questions	The Company's Responses / Answers
	<u>Operational & Financial Matters</u>	
1.	<p>For the Packaging Division, the questions are regarding the decline in demand for Consumer Packaging, FY2024 production volume, and the performance of our Phoenix, Arizona plant. We also received questions on the anticipated catalysts for FY2025, as well as product mix and operational efficiencies that contributed to the increase in operating profit.</p>	<p>Consumer Packaging recorded lower sales due to softer demand and market oversupply. FY2024 revenue was affected by declining selling prices following lower raw material prices. The revenue is nearly equal whereas industrial packaging sales volume is higher.</p> <p>The Group's production volume in FY2024 was consistent with sales achieved, while the average utilisation rate stood at 58%. Our Phoenix, Arizona plant has shown improvement in production volume and is profitable.</p> <p>Market conditions remain challenging. Demand for consumer packaging is present however it is highly competitive. We are actively addressing these challenges by enhancing market outreach and leveraging innovative solutions. Anticipated catalysts for FY2025 include product innovation, operational efficiencies, and the ability to meet evolving customer demands.</p> <p>The improved product mix are mainly from the better margins achieved from industrial packaging products during the year. In FY2024, we enhanced efficiencies through several initiatives such as installing rooftop solar PV systems, automation and adopting energy-efficient equipment.</p>
2.	<p>The next question was about the value added to the company by the ISCC Plus and GRS certifications, the difference between accredited and non-accredited plants, and any plans to get the remaining plants accredited, along with the associated costs.</p>	<p>ISCC PLUS accreditation and GRS certification provide traceability and verification of recycled resin throughout the supply chain, ensuring the credibility of sustainability claims. These certifications offer assurance to our customers regarding the recycled resin used in the production of specific flexible plastic packaging, meeting market demand and enhancing our opportunities to enter new markets.</p> <p>ISCC PLUS accredited plants are required to track and document the flow of recycled materials throughout the production process and implement systems to segregate certified and non-certified materials during production. Training is also provided to our staff to ensure full compliance with these requirements.</p> <p>The cost and investment required for accreditation depend on the existing processes at each plant. We will assess the need for accreditation of the remaining plants based on customer requirements and market demand.</p>

No.	Questions	The Company's Responses / Answers
3.	In respect of the Property Division, the questions pertaining to the key focus region for FY2025, future launches, target sales, the current unbilled sales and the take-up rate for ongoing projects.	<p>All four regions (i.e. Northern, Central, Melaka, and Johor) will remain key focus areas for our Property Division in FY2025. We are targeting the launch of 8,000 units of properties in FY2025, an increase from 6,300 units launched in FY2024. The GDV of these launches will depend on the product mix and market dynamics. The division is poised for growth in FY2025, supported by a robust pipeline of planned launches.</p> <p>As at 30 November 2024, unbilled sales stood at RM1.7 billion. The average take-up rate for projects launched in FY2024 was nearly 90%.</p>
	<u>Sustainability Matters</u>	
1.	Coming to sustainability matters, the question relates to plans for decarbonization, including Scope 1 & 2 emission reductions, carbon neutrality, and net-zero emissions, as well as targets for reducing energy, water consumption, and waste generation.	Currently, we do not have specific targets in place. We are gathering the required information in ensuring the completeness of our GHG inventory, including Scope 3 emissions and are actively working towards reducing our carbon footprint.
2.	We were also asked about questions related to flood risk assessments for both the property and packaging divisions.	<p>Flood risk considerations are integral to both the planning and construction stages of our developments. We work closely with the local authorities to ensure that our developments are align with national flood management strategies. Comprehensive assessments are conducted, and necessary mitigation plans are implemented to ensure resilience against varying flood risks.</p> <p>For Packaging, risk assessments are conducted for all locations, and we have implemented several flood mitigation measures to strengthen resilience. Given the unpredictability of today's weather, we will continue to monitor closely.</p>
	<u>Corporate Governance Matters</u>	
1.	As for Corporate Governance matters, the first question refers to Practice 5.9 of the MCCG regarding the timeframe and progress for achieving at least 30% women directors.	Whilst observing MCCG'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.
2.	The next question is regarding the timeframe for achieving Practice 6.1 of MCCG which recommends for large companies to engage an independent expert at least every three years.	The Board acknowledged the recommendation in Practice 6.1 in the MCCG. The Board will bring this to the Board discussion.

No.	Questions	The Company's Responses / Answers
3.	<p>Lastly, the question pertains to the Board's performance evaluation and the assessment of senior management in terms of governance and sustainability matters.</p>	<p>The Board evaluation assesses the Board's knowledge on the material sustainability matters relevant to the Company and business and its responsibilities in sustainability governance.</p> <p>The Group believes that sustainability should be embedded within its business operations. Therefore, sustainability metrics are evaluated as part of operations due to their interconnected nature. The management team is accountable for the sustainability matrix and data as disclosed in the Sustainability Report 2024.</p>

Appendix II

Questions Received Prior To the 56th Annual General Meeting

No.	Questions	The Company's Responses / Answers
1.	When the performance of the packaging will return to the profitability of FY2021?	In the past 10 years, Scientex's packaging segment profits margins ranged from 3.9% to 10.2%, average at 7.6%. The current 8.4% margin is in line with this historical mid-range.
2.	With Scientex Packaging (Ayer Keroh) Bhd (formerly known as Daibochi) valuation currently attractive, does the management foresee an opportunity or plans to acquire the remaining shares, and if not, what are the key considerations?	Currently, there are no plans as our focus remains on driving the business forward and sustaining growth.
3.	Could management clarify the rationale for disposing of the 40% stake in MCTI in Q2 2024? Was this transaction profitable, and does MCTI remain a supplier to Solarvest or other solar-focused companies?	Scientex dispose of its 40% stake in MCTI Scientex Solar Sdn. Bhd. (MSS) as part of its strategy to focus on core businesses of packaging and property development. The disposal resulted in a gain of RM9.0 million. Subsequently, MSS has been reclassified as other investment, and Scientex no longer holds significant influence over its operations.
4.	Could management share the current utilization rate of the Arizona plant, and do you anticipate positive impacts from U.S. tariff policies on the plant's operations?	Our Phoenix, Arizona plant has shown improvement, with the current utilisation rate at approximately 40%.
5.	Is there any potential to recover the RM22.7 million impairment on the Myanmar business, and what factors influence this recovery?	The operating environment in Myanmar continues to be volatile and challenging due to political instability, socioeconomic pressures, and frequent regulatory changes. We continue to monitor the situation to minimise adverse impacts to our operations.
6.	How much can 21 MWp of solar energy reduce the group's electricity expense?	21 MWp is expected to generate enough renewable energy to reduce the Group's electricity expense by approximately 10%.
7.	What are the prospects for the packaging segment, the company's business outlook, and the profit potential for FY2025 compared to FY2024?	The outlook for the Packaging Division in FY2025 remains influenced by prevailing market conditions and various external challenges, including competition from China and foreign exchange volatility. Despite these headwinds, our packaging division is focused on cost management, operational efficiency, and sustainable practices across our operations. Our efforts include driving product innovation, optimising cost and resources, and delivering value-added solutions to meet evolving customer needs, aiming to position the segment for resilience and long-term growth amidst these challenges.

No.	Questions	The Company's Responses / Answers
		<p>In the affordable housing segment, steady demand and a stable interest rate environment, positions us for continued growth. Strategic land acquisitions and efficient project execution will further support the Group's focus on expanding our portfolio with cost-effective and quality homes to more Malaysians.</p> <p>While challenges persist, the Group remains focused on navigating uncertainties and striving for satisfactory performance in FY2025.</p>
8.	<p>Has the management considered initiating a share buyback program to enhance shareholder value, and if not, could you share the rationale behind this decision?</p>	<p>The Company have an existing share buyback program and is committed to enhance the shareholders' value through various strategies. This is evidenced by the Company's performance in return on equity and earnings per share for FY2024, which were recorded at 14.44% and 35.15 sen respectively. The Board has not initiated share buy-back for the time being as the Board believes that the Company's resources are better allocated toward driving sustainable growth and long-term value creation.</p>
9.	<p>How many house units have been sold in FY2024 and the expected revenue in FY2025?</p>	<p>In FY2024, Scientex sold 6,047 property units, approximately 95% of which were residential homes, with the remaining 5% comprising commercial units.</p> <p>Looking ahead, the property sector is poised for growth in FY2025, supported by higher planned launches in the pipeline.</p>
10.	<p>Could management provide an update on the sales and performance of Mori Residency so far?</p> <p>For The Penang Region</p> <p>a) Did Scientex participate in the Penang's affordable housing project tender awarded to Skyworld Development recently?</p> <p>b) With Skyworld's aggressive expansion, what strategies does Scientex plan to implement to maintain competitiveness in the affordable housing segment in this region?</p> <p>c) Could management provide an update status and potential timeline for developments in Penang, particularly on the 343 acres of land in North Seberang Perai?</p>	<p>Mori Residences, Rawang achieved nearly 100% sales and is scheduled for completion by Q2 2025.</p> <p>Scientex did not participate in the project tender and we appreciate the involvement of more developers in supporting affordable housing initiatives that benefit both the nation and its rakyat. The Group continue to prioritise cost management and construction efficiency through the use of standardised designs and methods. These efforts ensure we can deliver quality, cost-effective homes that meet the needs of local communities while maintaining competitive pricing. We continue to focus on affordable landed properties, where demand remains resilient.</p> <p>The 343-acre Scientex Sungai Dua development successfully launched its maiden phase in June 2023, with a total of 6 launches to date. We recently completed the acquisition of a 708.5-acre parcel of land in Jawi, Penang, further strengthening our footprint in the region.</p>

No.	Questions	The Company's Responses / Answers
11.	<p>Will Muar, Pulau 4, Bestari Jaya, Penang Jawi be launched in FY2025?</p>	<p>We recently completed the land acquisitions in Muar, Johor, Jawi, Penang, and Bestari Jaya, Selangor, in September, October and December 2024, respectively while the acquisitions for Pulau 4, Johor, is slated for completion by the first quarter of year 2025.</p> <p>Accordingly, these projects are planned for launches in the coming years.</p>
12.	<p>What is Scientex's strategy for balancing high-rise and landed property developments and factors primarily influence decisions on the type of development?</p> <p>What drives the incorporation of shop lots into affordable housing townships, and what are their profit margins and price range?</p>	<p>Scientex's primary focus is to develop affordable landed homes. While the emphasis remains on landed homes, property launches are guided by market demand.</p> <p>In Scientex's development, shop lots play a crucial role in enhancing community convenience by providing essential goods and services, supporting local businesses, and creating a vibrant, self-sustaining township that complements the affordable homes focus. The pricing and profit margins of shop lots are subject to various factors, including location, market dynamics, sizes and types.</p>
13.	<p>Given the growing demand for affordable housing in East Malaysia, does the management foresee expansion opportunities in Sabah and Sarawak?</p>	<p>While we are not actively pursuing expansion into East Malaysia at this moment, we may consider exploring should suitable prospect arises.</p>
14.	<p>Could the management provide an update on Scientex's plans for property development in Thailand, particularly regarding partnerships, land acquisition, and project timelines?</p>	<p>The development in Thailand is a joint venture between Scientex, Altitude Development, a reputable local property developer, and Creed Group, a Japanese real estate investment group. The project entails 334 units of affordable housing on a 10-acre land, with construction of the first three blocks in progress.</p>
15.	<p>Could management elaborate on the specific objectives of the RM1.5 billion multi-currency Sukuk programme? How will these funds support Scientex's long-term strategies?</p>	<p>The Sukuk programme is to facilitate land acquisition for property development.</p>

Appendix III

Questions Received During the 56th Annual General Meeting

No.	Questions	The Company's Responses / Answers
1.	<p>The packaging division recorded a 18.5% increase in operating profit (page 53)</p> <p>a) Within the packaging division, how did industrial segment perform relative to the consumer segment in terms of operating margin?</p> <p>b) Scientex Packaging Ayer Keroh (SPAK) has just released a weak quarterly result yesterday. How about other parts (i.e. non-SPAK) of the packaging business?</p>	<p>a) To date, the Company has 19 manufacturing plants worldwide, providing various packaging solutions for both industrial packaging and consumer packaging market segments.</p> <p>The profit margin and revenue growth of the packaging division dependent on the product mix and external marketing environment. In the past 10 years, Scientex's packaging division profit margins ranged from 4% to 10%, average at 8%.</p> <p>b) Generally, the packaging division continues to caution against a challenging outlook for its packaging business. Kindly refer the quarterly financial result of the Company to be announced later for detailed information.</p>
2.	<p>The Company's subsidiary, Scientex Packaging (Ayer Keroh) Berhad reported a decline of more than 100% in Profit After Tax for the 1st Quarter 2025 results. Is this an indication of very challenging outlook for the Packaging Division for FY2025 and whether the FY2024 performance can be sustained?</p>	<p>As mentioned in Scientex Packaging (Ayer Keroh) Berhad's ("SPAK") announcement dated 17 December 2024, the decline in operating profit of SPAK was primarily due to changes in sales mix and fluctuations in foreign exchange rates. Despite the challenging external environment, the Group's packaging division will continue to deliver sustainable performance in FY2025.</p>
3.	<p>When physical AGMs are resumed, please conduct in hybrid mode where remote participation is allowed.</p>	<p>The Board of Directors took note of the comment.</p>
4.	<p>Any plan to involve in Data centre projects?</p>	<p>The Group does not have any plan on the Data centre projects. The Group remains focus on the core businesses of packaging and property development.</p>
5	<p>How is the progress of the JV projects in South East Asia?</p> <p>Please provide updates on the Company's on-going property development in Thailand and Indonesia, namely Kraf Vibe Bangna and Mustika Garden Tamansari.</p>	<p>Please refer to our reply in Question 14 of Appendix II related to the joint venture project in Thailand.</p> <p>The development in Indonesia is a joint venture between Scientex, Mustika Group and Creed Group. To date, the JV in Indonesia launched 51 units (2 blocks) of affordable housing, recorded an approximately 61% take-up rate.</p>

No.	Questions	The Company's Responses / Answers
6	<p>Scientex's Packaging Division has reported growth in sales volume and better profits. In contrast, its 71.89%-owned listed subsidiary, Scientex Packaging Berhad, experienced a decline in sales volume and a significant drop in profit.</p> <p>a) Are both entities produce similar products, operating in similar environments, and facing the same challenges?</p> <p>b) Could you please explain the factors that contributed to these contrasting results?</p>	<p>a) Scientex packaging division is an integrated packaging specialist that supply the films to the global and regional industrial and consumer packaging markets. While SPAK focuses on converting business and providing comprehensive integrated packaging solutions designed to cater to the exact requirements of leading companies across the globe. They are offering different products in different market segments.</p> <p>b) Each market segment experiences different market trend. The general factors contributing to the contrasting results, among others, the market demand, raw material price, crude oil price, forex, and freight cost.</p>
7	<p>What is the % contribution of Phoenix plant to packaging business? Is it viable to keep it as its utilisation rate remain low?</p>	<p>Our Phoenix, Arizona plant contributed 5% of the revenue of Scientex's packaging division and current utilisation rate recorded at approximately 40%.</p> <p>We faced a lot of challenges during the set-up of Arizona plant. In FY2024, Arizona plant has shown improvement in production volume and is profitable. With the new political environment in US, we remain positive with the performance of Arizona plant.</p>