SCIENTEX

healthy, friendly & happy ...

ANNUAL REPORT 2025

SCIENTEX PACKAGING (AYER KEROH) BERHAD

197201001354 (12994-W)

(MEMBER OF SCIENTEX GROUP)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. CHOO SENG HONG
Chairman and Non-Independent Non-Executive Director

MR. CHANG CHEE SIONG
Managing Director

MS. TAN HONG KOON
Executive Director

MR. CHAM CHEAN FONG @ SIAN CHEAN FONG
Senior Independent Non-Executive Director

MR. LIM KAH FAN
Independent Non-Executive Director

MADAM KOH HUEY MIN
Independent Non-Executive Director

COMPANY SECRETARIES

Madam Chua Siew Chuan
MAICSA 0777689
SSM Practising Certificate
No. 201908002648

Ms. Tung Wei Yen
MAICSA 7062671
SSM Practising Certificate
No. 201908003813

Ms. Geetharani Rangganathan
MAICSA 7070549
SSM Practising Certificate
No. 201908000614

AUDIT COMMITTEE

Mr. Lim Kah Fan
Chairman

Mr. Cham Chean Fong @
Sian Chean Fong
Member

Madam Koh Huey Min
Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Cham Chean Fong @
Sian Chean Fong
Chairman

Mr. Lim Kah Fan
Member

Madam Koh Huey Min
Member

RISK MANAGEMENT COMMITTEE

Mr. Cham Chean Fong @
Sian Chean Fong
Chairman

Mr. Chang Chee Siong
Member

Madam Koh Huey Min
Member

AUDITORS

Deloitte Malaysia PLT
(formerly known as Deloitte PLT)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

PRINCIPAL BANKERS

Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Standard Chartered Bank Malaysia Berhad

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Lot 3 & 7, Air Keroh Industrial Estate
Phase IV
75450 Melaka
Tel : 06-231 2746
Fax: 06-232 8988
Website: www.scientexpackagingak.com.my

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
(Stock code: 8125)

SHARE REGISTRAR

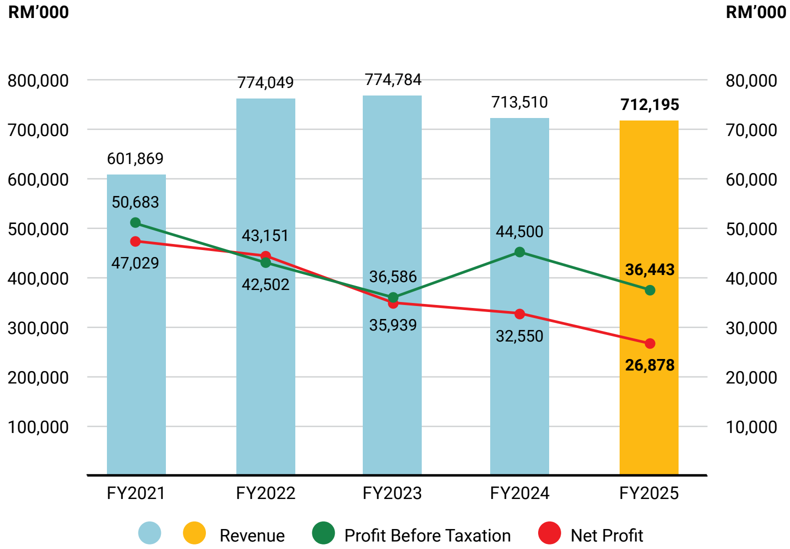
Tricor Investor & Issuing House
Services Sdn. Bhd.
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Email: is.enquiry@vistra.com
Website: https://srmy.vistra.com

5-YEAR GROUP FINANCIAL HIGHLIGHTS

Year ended 31 July	FY2025 RM'000	FY2024 RM'000	FY2023 RM'000	FY2022 RM'000	FY2021 RM'000
Results					
Revenue	712,195	713,510	774,784	774,049	601,869
Operating Profit	40,283	47,930	41,907	45,107	52,188
EBITDA	71,896	80,567	72,993	70,523	76,718
Profit Before Taxation	36,443	44,500	36,586	42,502	50,683
Profit After Taxation	26,500	33,992	28,122	42,317	46,573
Net Profit	26,878	32,550	35,939	43,151	47,029
Group Assets					
Non-Current Assets	335,958	348,075	360,757	358,270	304,927
Current Assets	248,823	263,554	244,003	280,434	219,203
Total Assets Employed	584,781	611,629	604,760	638,704	524,130
Financed by					
Share Capital	222,358	222,358	222,358	222,358	164,235
Treasury Shares	(1,145)	(1,145)	(1,145)	(1,145)	(1,145)
Reserves	178,616	188,436	162,061	147,236	114,130
Equity Attributable To Owners Of The Company	399,829	409,649	383,274	368,449	277,220
Non-controlling Interests	2,655	9,731	8,157	17,890	19,996
Current Liabilities	142,454	154,896	184,233	228,169	197,780
Non-Current Liabilities	39,843	37,353	29,096	24,196	29,134
Total Funds Employed	584,781	611,629	604,760	638,704	524,130
Performance Indicators					
Earnings Per Share (Sen)	7.67	9.28	10.25	13.09	14.37
Net Dividend Per Share (Sen)	2.50	7.50	5.00	5.00	2.00
Net Assets Per Share (RM)	1.14	1.17	1.09	1.05	0.85
Net Gearing Ratio (Times)	0.05	0.02	0.09	0.15	0.20
Return on Equity (%)	6.72	7.95	9.38	11.71	16.96
Net Operating Cash Flow (RM'000)	56,774	57,489	92,625	22,338	80,503

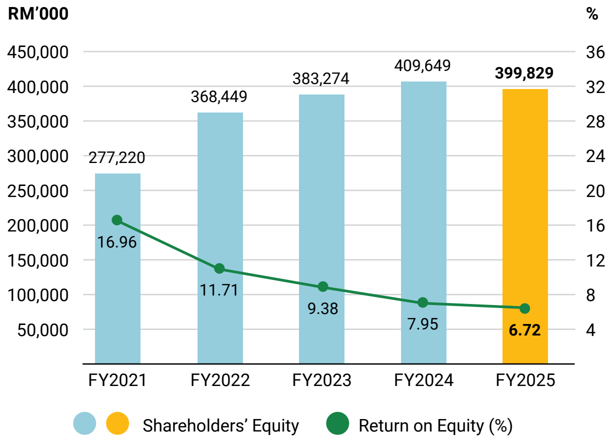
GROUP FINANCIAL RESULTS

Revenue FY2025 RM712.2 million



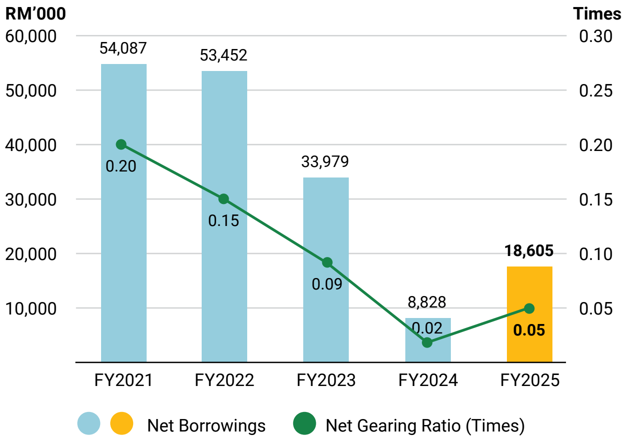
Return on Equity
FY2025 6.72%

Shareholders' Equity
FY2025 RM399.8 million

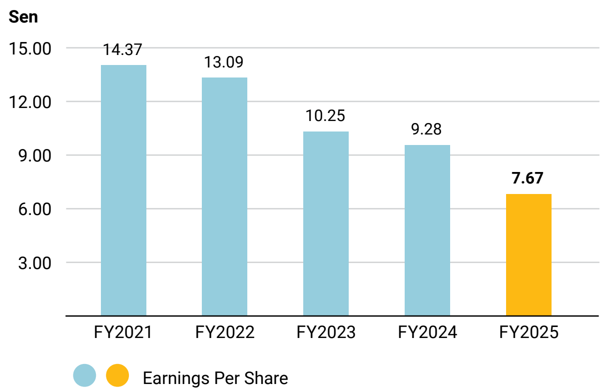


Net Gearing Ratio
FY2025 0.05 times

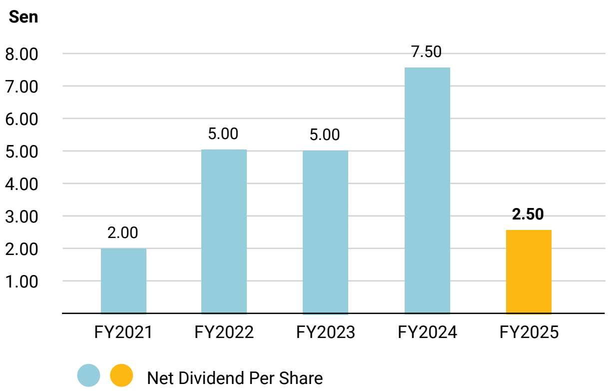
Net Borrowings
FY2025 RM18.6 million



Earnings Per Share (Sen)
FY2025 7.67 sen



Net Dividend Per Share (Sen)
FY2025 2.50 sen



PROFILE OF DIRECTORS

CHOO SENG HONG
Chairman and Non-Independent Non-Executive Director
Malaysian, Age 57, Male

Choo Seng Hong was appointed as a Non-Independent Non-Executive Director and the Chairman of the Board on 1 October 2022.

He 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 Berhad ("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.

CHANG CHEE SIONG
Managing Director
Malaysian, Age 53, Male

Chang Chee Siong was appointed to the position of Managing Director on 13 December 2019. He is also a member of the Risk Management Committee.

He holds a Master of Manufacturing and Production Management from Wawasan Open University and is a member of the Chartered Institute of Marketing (UK). Mr. Chang joined the Company in 1994 and was appointed as the Head of Department, Marketing and Sales in 2006 and the General Manager, Marketing and Sales in 2014. He has extensive experience in sales and marketing.

TAN HONG KOON
Executive Director
Malaysian, Age 47, Female

Tan Hong Koon was appointed to the Board on 1 July 2022 as an Executive Director.

She 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 the 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.

CHAM CHEAN FONG @ SIAN CHEAN FONG

Senior Independent Non-Executive Director
Malaysian, Age 57, Male

Cham Chean Fong @ Sian Chean Fong is a Senior Independent Non-Executive Director of the Company. He was appointed to the Board on 1 July 2022 as an Independent Non-Executive Director. He is the Chairman of the Nomination and Remuneration Committee and Risk Management Committee and a member of the Audit Committee.

He graduated with a LLB (Honours) from Bristol Polytechnic, United Kingdom in 1991 and obtained the Certificate in Legal Practice in 1993. He was called to the Malaysian Bar in September 1995 and has since been in private practice. Currently, he is a partner of a law firm in Kuala Lumpur.

LIM KAH FAN

Independent Non-Executive Director
Malaysian, Age 70, Male

Lim Kah Fan was appointed to the Board on 1 October 2022 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.

He graduated from the University of Malaya with a Bachelor of Accounting (Hons) degree. He is a fellow member of the Chartered Tax Institute of Malaysia (CTIM), a Chartered Accountant of the Malaysian Institute of Accountants and a Certified Public Accountant (Malaysia) of the Malaysian Institute of Certified Public Accountants (MICPA). He was formerly a Tax Partner in a leading international accounting firm in Malaysia and prior to that he worked with the Inland Revenue Board for 6 years. He was the Deputy President and Council Member of CTIM and a former Chief Examiner in Advance Taxation of MICPA. He is currently an Executive Director of Prominent Tax Consulting Sdn Bhd, an Adviser to MICPA for the Advanced Taxation paper and a regular speaker at conferences in Malaysia and overseas.

He has extensive experience in both tax compliance and tax advisory engagements for large local corporations (particularly public listed companies) and multinationals from a wide range of industries. He is also experienced in restructuring of companies for listing purposes, corporatisation and privatisation of Government projects, tax due diligence exercises, mergers and acquisitions, inbound and outbound investments, withholding tax, exchange controls, investment incentives and handling tax audits and tax investigation cases.

KOH HUEY MIN

Independent Non-Executive Director
Malaysian, Age 60, Female

Koh Huey Min was appointed to the Board on 1 October 2022 as an Independent Non-Executive Director. She is a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.

She is a Fellow Member of the Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants.

She has extensive experience in finance, accounting, tax, treasury fields, marketing, business development, property investment and development and shopping complex operations. She was an Executive Director of Berjaya Assets Berhad ("BAssets") from 23 June 2017 to 31 August 2021. Prior to that, she was attached to PricewaterhouseCoopers and subsequent to that, she worked in Hong Leong Group of Companies as an Accountant. She joined Berjaya Times Square ("BTSSB"), a wholly-owned subsidiary of BAssets in March 1994 as the Head of Finance and Administration. She was appointed as an Executive Director of BTSSB from 8 January 2013 to 31 August 2021. She anchored the overall property development and investment division and also managed the overall operations of Berjaya Times Square Group. She also held directorships in various subsidiaries of BAssets. She was formerly an Independent Non-Executive Director, Chairperson of the Audit Committee and a member of the Risk Management and Sustainability Committee of Tropicana Corporation Berhad. Currently, she is an Independent Non-Executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee of Frontken Corporation Berhad and an Independent Non-Executive Director, Chairperson of the Audit Committee and Risk Management Committee and a member of the Nomination and Remuneration Committee of Paragon Union Berhad.

Save as disclosed above, the above Directors have no family relationship with any Director and/or major shareholder of Scientex Packaging (Ayer Keroh) 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 2025.

PROFILE OF KEY SENIOR MANAGEMENT

HEONG MUN FOO
Malaysian, Age 39, Male

Heong Mun Foo was appointed as the Chief Financial Officer of the Company on 4 April 2019.

He graduated with a Bachelor of Accounting with Honours from National University of Malaysia in 2009 and holds a qualification from the Association of Chartered Certified Accountants (ACCA), United Kingdom. He is also a member of the Malaysian Institute of Accountants. Prior to joining Scientex Berhad's group of companies in 2015, he was attached to Deloitte from 2009 to 2015 and has experience in the fields of auditing, initial public offering (IPO) and liquidation.

MOHAMMAD BIN HASHIM
Malaysian, Age 56, Male

Mohammad bin Hashim was appointed to the position of General Manager, Product Development and Technical on 6 September 2021.

He holds a degree in Bachelor of Science (Hons.), majoring in Chemistry from University of Malaya. He joined the Company in June 1993 as a Production Executive and held the position of Head of Department, Product Development and Technical since 2000. He has been with the Company for more than 30 years. He has extensive experience in converting technology and is responsible for the Company's Technical/Research and Development Department, which is highly regarded by our key customers.

TEO CHING LAI
Malaysian, Age 55, Male

Teo Ching Lai was appointed as the Plant Manager of Scientex Packaging (Teluk Emas) Sdn Bhd on 1 September 2013.

Mr. Teo has more than 30 years of experience in manufacturing management. He completed his advanced pre-tertiary qualifications in 1988 and joined Scientex Packaging (Teluk Emas) Sdn Bhd as an Assistant Production Manager in October 2004 and was subsequently promoted to the position of Deputy Plant Manager in December 2011. Over the last 20 years with the company, he has been instrumental in delivering production targets, improving product quality and production efficiency measures.

CHOON TING SONG
Malaysian, Age 35, Male

Choon Ting Song was appointed as the Company's Factory Manager on 1 August 2024.

He holds a degree in Bachelor of Environmental Science with Honours from National University of Malaysia. Mr. Choon joined the Company in 2013 as a Production Executive. He has been with the Company for over a decade and has vast experience in the local and foreign manufacturing industry, including managing the production processes, ensuring efficiency and adherence to quality assurance standards.

Save as disclosed above, the above key senior management have no family relationship with any Director and/or major shareholder of Scientex Packaging (Ayer Keroh) 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 2025.

CHAIRMAN'S STATEMENT

DEAR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors ("Board"), I am honoured to present to you Scientex Packaging (Ayer Keroh) Berhad's ("SPAK") Annual Report for the financial year ended 31 July 2025 ("FY2025").

SPAK is a leading provider of high-quality flexible plastic packaging ("FPP") solutions for renowned food and beverage ("F&B") and fast-moving consumer goods ("FMCG") brands across the Southeast Asia and Oceania region. Leveraging our extensive manufacturing footprint, packaging capabilities and unwavering focus on product safety and quality, we deliver value-added FPP solutions that align with evolving industry trends and support our customers' sustainability goals.

Mr. Choo Seng Hong
Chairman and Non-Independent Non-Executive Director

RESILIENCE IN A DYNAMIC LANDSCAPE

FY2025 unfolded amidst a complex and challenging operating environment. Global market sentiment remained subdued, weighed down by ongoing geopolitical uncertainties, inflationary pressures and a multitude of external challenges. Despite these headwinds, SPAK demonstrated fortitude and agility in navigating the rapidly evolving business environment, leveraging strong fundamentals to sustain profitability in the financial year.

Group revenue moderated to RM712.2 million, characterised by softer market conditions and intense industry competition, compared to RM713.5 million recorded in the preceding year. Profit attributable to owners of the Company tapered to RM26.9 million in FY2025, a reduction of 17.4% from RM32.6 million in FY2024. The decrease was mainly attributable to increased market competition, foreign exchange losses and an asset impairment of RM1.6 million, arising from the cessation of the Group's operations in Myanmar since June 2025.

For details on our financial performance, please refer to the Financial Performance Review section in our Management Discussion and Analysis.

REWARDING OUR SHAREHOLDERS

In rewarding our shareholders, the Group is pleased to have declared a single tier interim dividend of 2.5 sen per ordinary share on 9 June 2025, which was paid on 15 July 2025.

CORPORATE DEVELOPMENT

On 12 September 2025, the Board received a letter of offer ("SCR Offer Letter") from our major shareholder, Scientex Berhad ("Scientex"), requesting SPAK to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 ("Proposed SCR"). Under the Proposed SCR, all shareholders of SPAK, other than Scientex ("Non-Entitled Shareholder") will receive a cash repayment of RM1.50 for each ordinary share in the Company on an entitlement date to be determined later ("Entitled Shareholders").

The Proposed SCR will result in the cancellation of the existing shares held by the Entitled Shareholders. The remaining shares which are not cancelled will continue to be held by Scientex. Upon completion of the Proposed SCR, Scientex will own 100% equity interest in SPAK (excluding treasury shares) and SPAK will become Scientex's wholly-owned subsidiary. The existing 550,100 treasury shares will be cancelled upon completion of the Proposed SCR.

On 24 September 2025, the Board announced the appointment of an independent adviser to provide comments, opinions, information and recommendation on the Proposed SCR. Further thereto, the Board (save for Ms. Tan Hong Koon and myself as interested directors), had deliberated on the contents of the SCR Offer Letter and had resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval.

Please refer to the Company's announcements on Bursa Malaysia Securities Berhad for further details on the Proposed SCR.

POSITIVE OUTLOOK AMIDST MARKET VOLATILITY

Global market conditions are expected to remain constrained in the near term, as operational pressures experienced throughout FY2025 continue to shape the evolving business landscape.

Nonetheless, we remain optimistic on the favourable prospects of the robust FPP market, which continues to demonstrate resilience and growth, with the Asia Pacific market poised to maintain its strong trajectory.

SPAK is strategically positioned to capitalise on these emerging opportunities and sustain growth momentum, underpinned by a strong track record of delivering optimal FPP across a diverse portfolio of products for leading F&B and FMCG customers. Our advanced packaging capabilities, coupled with a customer-centric approach, enable us to develop innovative and sustainable FPP solutions that meet evolving market demands and facilitate the transition towards a circular plastic economy.

The Group maintains a strong focus on prudent cost management and sustaining its competitive edge through key operational improvements, including maximising machine efficiency, minimising waste and enhancing workforce productivity.

SAFEGUARDING OUR PEOPLE AND FOSTERING TALENT DEVELOPMENT

At SPAK, the health and safety of our people are top priorities, with a strong safety culture embedded across our operations. As part of the Group's ongoing commitment to elevating workplace standards, we organised our annual "Safety & Health Week 2025", featuring a range of programmes and initiatives designed to reinforce safety and health awareness across the Group. I am pleased to report that we maintained zero fatality cases in FY2025, underscoring our dedication to maintaining a safe and healthy working environment.

We prioritise training to support our employees' professional development, ensuring they stay well-informed about industry trends and are empowered to thrive in a dynamic business environment. In FY2025, our employees collectively engaged in 9,498 hours of training, reflecting a 30% increase over the previous year. Beyond this, we remain focused on exploring new technologies and automation, while equipping our workforce with the skills required to adapt to these advancements and boost overall productivity.

For further details on our safety and health initiatives and human capital development, please refer to the "Empowering Our People" and "Occupational Safety and Health" sections in our Sustainability Statement.

STRENGTHENING GOVERNANCE AND DRIVING THE SUSTAINABILITY MOMENTUM

Sustainability is central to our business and strategies and anchored within 3 main pillars - "Creating Shared Sustainable Value," "For the Betterment of the Environment" and "Our People, Our Pride." These pillars are strategically aligned with 11 of the United Nations Sustainable Development Goals ("UN SDGs"), spanning key areas such as ethics and integrity, product innovation, safety and health, human capital, environmental conservation and the local communities.

SPAK's corporate culture is grounded in ethical principles and responsible conduct across the environmental, social and governance ("ESG") spectrum. Our robust codes and policies guide employees and stakeholders, ensuring these core values remain at the forefront of our operations. In FY2025, we conducted Anti-Bribery and Anti-Corruption training to reinforce adherence to ethical standards, while also performing corruption-related risk assessments across the Group's operations.

We are resolute in our ongoing pursuit of environmental sustainability and advancing the circularity of our FPP. Our innovative capabilities and packaging technology empower us to drive operational improvements and craft sustainable, cutting-edge packaging formats that promote plastic circularity while staying aligned with evolving trends in the FPP market. In FY2025, we completed the installation of the rooftop solar photovoltaic ("PV") systems with a capacity of 5.3 MWp to harness renewable energy at our manufacturing sites. This initiative marks a pivotal step towards reducing our carbon footprint, lowering energy costs and supporting our customers in achieving their sustainability objectives.

SPAK's Sustainability Statement encapsulates our ongoing efforts to this end.

ACKNOWLEDGEMENTS

On behalf of the Board, I convey my sincere appreciation to all our valued stakeholders for your support and trust in the Group.

I express my gratitude to my esteemed fellow Board members for your astute guidance and steadfast support. I extend the Board's heartfelt appreciation to our dedicated Management team and employees. Your exceptional commitment and resilience have been the cornerstone of the Group's progress and achievements. The Board is confident that your collective efforts will continue to steer the Group towards sustainable growth.

We look forward to SPAK scaling new heights!

Choo Seng Hong
Chairman and Non-Independent Non-Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

SPAK, established in 1972, is a reputable FPP provider to prominent brands across Southeast Asia and Oceania. We offer a myriad of value-added, high-quality and sustainable FPP solutions for the F&B and FMCG sectors. Leveraging industry-leading capabilities, advanced packaging technology and innovative product development, SPAK remains resilient and agile in meeting customers' needs in the evolving FPP market.

Sustainability is integrated into the Group's business and strategies across ESG dimensions, fostering long-term growth and creating value for our stakeholders.

FINANCIAL PERFORMANCE REVIEW

Description	FY2025 RM'000	FY2024 RM'000
Revenue	712,195	713,510
Profit Before Tax ("PBT")	36,443	44,500
Net Profit	26,878	32,550

Group revenue remained stable at RM712.2 million in FY2025, moderately easing by 0.2% from RM713.5 million in the preceding financial year ("FY2024"), attributable to prevailing market conditions. Domestic sales contributed RM387.2 million or 54.4% of the Group's revenue, whilst exports contributed to the remaining RM325.0 million or 45.6% of the Group's revenue.

FY2025 saw our PBT contract by 18.1% to RM36.4 million from RM44.5 million in FY2024. The decrease in PBT was mainly attributable to increased market competition, foreign exchange losses and the impairment on assets of RM1.6 million arising from the cessation of the Group's manufacturing operations in Myanmar. Correspondingly, net profit declined to RM26.9 million in comparison to RM32.6 million in the previous financial year.

Overall, the Group's financial position as at FY2025 remained resilient with a total asset value of RM584.8 million. Non-current assets stood at RM336.0 million and current assets at RM248.8 million, with cash and bank balances at RM19.2 million.

Shareholders' equity totalled RM399.8 million in FY2025. As at 31 July 2025, the Group's total number of issued shares stood at 351,171,292 ordinary shares of which 550,100 ordinary shares were held as treasury shares.

The Group's cash position remains healthy with net cash from operating activities at RM56.8 million in FY2025. Net cash used in investing activities stood at RM20.0 million, whilst net cash used in financing activities totalled RM44.0 million mainly utilised for repayment of bank borrowings and dividend payment.

Net borrowings stood at RM18.6 million in FY2025, with a net gearing ratio of 0.05 times compared to 0.02 times in FY2024. SPAK's firm financial position lends us the resources and flexibility to invest in growth and pursue new opportunities.

DIVIDENDS

In line with our commitment to reward shareholders, the Board declared a single tier interim dividend of 2.5 sen per ordinary share on 9 June 2025, which was paid on 15 July 2025.

OPERATIONAL REVIEW

The Group demonstrated resilience in a year marked by multifaceted operational pressures.

- **Navigating a Volatile Operating Environment**

  FY2025 presented a challenging operating landscape, shaped by global economic uncertainties, intense market competition, prolonged geopolitical tensions and inflationary pressures. These macroeconomic factors collectively weighed on market sentiment and tempered demand, leading to the Group's moderate financial performance.

  Despite persistent headwinds, the Group stayed on course, collaborating with brand owners to co-develop customer-centric and sustainable packaging formats that align with market trends. The Group also remained focused on strengthening manufacturing efficiencies, capabilities and workforce productivity across our operations.

- **Driving Efficiencies and Advancing Sustainability**

  The Group's strategic investments are geared towards improving operational efficiencies and quality, enabling us to stay competitive in the FPP industry.

  Our automated bag-making machines enable us to pursue growth opportunities in the pet food packaging market and offer a broader range of innovative bag formats. Furthermore, advanced inspection systems integrated into our machines promptly detect visual defects to ensure product quality, while equipment upgrades and ongoing process improvements continue to boost production efficiency.

  In FY2025, we completed the installation of the rooftop solar PV systems at our manufacturing plants in Melaka, with a total capacity of 5.3 MWp. These systems began powering our operations with renewable energy, generating 3,233 MWh of renewable energy and avoiding approximately 1,716 tonnes of carbon dioxide equivalent ("CO_2e") emissions. Integrating solar energy has lowered Scope 2 and Scope 3 emissions, reinforcing our commitment to reducing our carbon footprint, lowering operational costs and supporting our customers' sustainability goals.

- **Innovating Value-added FPP**

  The FPP market continues to evolve, driven by technological advancements and changing consumer preferences, alongside growing demand for brands that prioritise sustainability and innovation. Leveraging our manufacturing expertise, integrated resources within the Scientex Group and close engagement with brand owners, we continue to expand our product portfolio with customised circular FPP applications that deliver both performance and consumer convenience.

  In FY2025, we initiated 147 research and development ("R&D") projects and commercialised 13 innovations, demonstrating our focus on advancing value-added packaging solutions aligned with customers' needs and circular plastic economy principles.

  SPAK's collaboration with customers lends us the competitive edge to scale innovations and develop functional, high-performing sustainable FPP that meets the discerning requirements of brand owners.

  Our notable innovations in FY2025 include:

  ➢ Ice cream packaging for one of the world's largest F&B brands, featuring a premium decorative finish fully compatible with the customer's packaging machinery and delivered within a stringent timeline.

  ➢ A chocolate bar wrapper designed to meet specific functional needs, incorporating a cold-seal function that enables pressure sealing for heat-sensitive products, while facilitating easy opening and supporting a faster, more efficient packaging process.

  ➢ A recyclable mono-material laminated gusseted bag for milk powder, offering a cost-effective application that maintains both product performance and sustainability.

Our range of Sustainable and Innovative Packaging Applications

- **Sustainable FPP Applications**

  Building on our sustainability efforts, the Group continued to develop packaging solutions that bridge the circularity gap in the FPP sector. Drawing on our packaging technology and technical expertise, we made further progress in FY2025 by introducing mono-material lamination FPP structure with metallised properties for products such as snacks, cereals, oats, frozen foods, powdered drinks and chocolate bars, eliminating the need for polyethylene terephthalate ("PET") content. These packaging are available in multiple formats, including gusseted bags, pillow pouches, three-side seal pouches and cold-seal bar wrappers.

  Our sustainable packaging development in recent years also extends to FPP with 90% post-consumer recycled ("PCR") resin content for products such as instant noodles and coffee stickpacks produced at our International Sustainability & Carbon Certification Plus ("ISCC PLUS") certified plants. Through ongoing collaborations with brand owners, we continue to offer these FPP solutions, reducing reliance on virgin resin, lowering carbon footprint and supporting circularity.

  The ISCC PLUS accreditation is a global certification system that tracks recycled materials throughout the supply chain. This certification underscores our commitment to high sustainability standards and alignment with international best practices.

OUTLOOK AND GROWTH STRATEGIES

Global market conditions remain challenging, marked by geopolitical tensions, currency fluctuations, persistent inflationary pressures, heightened competition and subdued demand. Amid these market headwinds, SPAK remains focused in proactively implementing strategic responses and pursuing opportunities in the robust FPP market.

The outlook for the FPP industry remains optimistic, with the global market projected to grow at a CAGR of 5.96% from 2025 to 2032[1]. Asia-Pacific leads this upward trend, underpinned by a growing retail sector and increasing demand for packaged food.

- **Capitalising on Growth Trends**

  The Group's credible track record of delivering value-added FPP applications to prominent F&B and FMCG brand owners has placed us in good stead to adeptly seize emerging opportunities. We will continue to harness our technical expertise and capabilities to capitalise on the positive growth prospects in the FPP industry, develop practical and innovative customer-centric FPP solutions with competitive pricing and expand our presence in the rapidly growing regional markets.

- **Driving Operational Efficiencies**

  SPAK remains focused on strengthening operational efficiencies and competitiveness. Strategic investments in packaging technologies, automation and ongoing process improvements have optimised efficiencies and enhance capabilities, placing us in an optimal position to tap into new growth avenues.

  We will continue with prudent management of our operational cost base and sustain our competitive edge through key operational improvements, including maximising machine efficiency, minimising waste, enhancing workforce productivity and supply chain management.

- **Customer-centric Packaging Applications**

  SPAK's extensive industry experience, combined with state-of-the-art manufacturing facilities and cutting-edge technologies, positions us at the forefront of packaging innovation. Our industry-leading R&D capabilities enable us to conceptualise, design and validate novel packaging formats that are tailored to our customers' needs and reflect current market demands.

  Moving forward, we will further enhance our capabilities to advance the innovation and commercialisation of customer-centric FPP. In parallel, we will continue exploring cost-effective sustainable FPP structures that meet customers' preferences, without compromising on the packaging's quality or performance, while supporting the transition to a circular plastic economy.

RISKS

The Group remains vigilant in managing risks and implements strategies to mitigate exposure for sustainable business growth and value creation. The key risks identified, along with their corresponding mitigation measures, are summarised below:

- **Environmental Issues**

  Environmental sustainability and climate change have emerged as global priorities, with growing concern among governments, corporations and consumers about environmental impact. This has prompted businesses to adopt more sustainable practices, supported by innovation and advanced technologies. The Malaysian government has implemented the Extended Producer Responsibility ("EPR") scheme, a strategy in the Malaysian Plastics Conservation Framework 2021-2030 as the country transitions towards a low carbon/net zero-economy. This may lead to additional operating costs to meet the regulatory requirements. Our risk management actions in line with our Environment Policy include advancing the development of sustainable packaging, managing waste efficiently, refining our production process and integrating solar PV systems at our manufacturing sites to minimise our carbon emissions.

- **Change of Market Conditions**

  SPAK's business is exposed to external factors such as geopolitical tensions, international trade disputes, shifts in customers' preferences and commodity price fluctuations, which could lead to an economic slowdown, thus affecting demand for our FPP. The soft market sentiment and heightened industry competition may also increase pricing pressures, potentially affecting the Group's performance. Our risk management plans include optimising operating efficiencies, boosting capabilities, designing value added applications through close engagement with our customers and managing our pricing strategies to remain competitive in the dynamic FPP market.

- **Availability of Skilled Workforce, Safety and Health**

  Challenges in recruiting and retaining skilled workers in our operations and changing employment regulations could lead to delays, affect productivity and our competitiveness in the market. Our risk management strategies include engaging with reliable employment agencies to source for skilled workers, continue to upskill our workforce through training and development programmes and offer a competitive remuneration package to attract and retain talent in line with industry standards. Investing in automation of processes and systems also enables us to become less reliant on labour, enhances safety and operational efficiencies.

  Workplace accidents and occupational health hazards may cause injury or harm to our employees and contractors, property damage, business interruptions and decline in productivity, potentially affecting the Group's reputation. To address this risk, the Safety and Health Committees of the respective manufacturing plants are entrusted with cultivating safe workplace practices in line with the Group's Safety and Health Policy to maintain a safe and healthy working environment.

- **Cybersecurity**

  The utilisation of information technology systems to manage our business processes exposes us to the threat of cyberattacks. This gives rise to security breaches such as hacking, information theft and virus threats that may disrupt operations and/or cause financial or reputational losses. We strive to mitigate this risk by employing and maintaining comprehensive cybersecurity framework to prevent security incidents, including promoting awareness among our employees, performing regular security upgrades for all workstations, use of firewall system, as well as backup and recovery procedures to ensure business continuity.

- **Cost and Supply of Raw Materials**

  Raw materials may be subject to supply availability and frequent price fluctuations driven by factors such as market demand, supply disruptions and geopolitical events. These may affect our operations and the ability to deliver products to customers on a timely basis. Our risk management measures include ongoing monitoring of inventory/stock levels, developing a robust supplier base, engaging with suppliers to ensure adequate supply of key raw materials and regularly monitoring raw material prices to manage fluctuations in raw material prices.

- **Foreign Currency Exchange Rate Fluctuations**

  The Group is exposed to foreign currency risk as some of our business transactions are conducted in foreign currencies including the US Dollar, Australian Dollar and Thai Baht. The volatility of exchange rates can have an impact on our profitability. In this regard, we have, to the extent possible, adopted a natural hedging strategy by matching sales and purchases in the same currency and through hedging instruments to mitigate the potential effects of exchange rate fluctuations.

The Group has ceased its manufacturing operations in Myanmar since June 2025 and is currently managing the operational matters arising from the cessation.

Moving forward, we will capitalise on the positive growth prospects and trends in the FPP industry, while staying agile in adapting to evolving market conditions. We are resolute in enhancing SPAK's competitiveness and operational resilience to navigate external challenges and drive sustainable growth.

Source:
1. https://www.fortunebusinessinsights.com/flexible-packaging-market-104897

SUSTAINABILITY STATEMENT

Sustainability is central to our operations at SPAK. As a leading FPP producer for renowned F&B and FMCG brands, our corporate culture and business practices are built around this core value. We remain committed to promoting environmental and social responsibility, while embedding sustainable practices that support long-term value creation for our stakeholders.

This statement highlights our sustainability initiatives and performance across the ESG spectrum within the Group's operations during FY2025.

STATEMENT OF ASSURANCE

This statement has been prepared in line with principles of good governance and internal reporting practices, and it has been reviewed by the Group's internal audit team and subsequently approved by the Board. We will continue to explore opportunities to refine our data collection, analysis and reporting processes to enhance the quality of our future disclosures.

SUSTAINABILITY GOVERNANCE

SPAK's governance structure is fundamental to propelling the sustainability agenda forward. The Board sets the strategic foundation for a robust sustainability culture whilst Management assumes a pivotal role in operationalising these sound sustainability practices throughout the Group.

Key Leadership	Roles and Responsibilities
Board of Directors	• Assumes overall responsibility of the Group's sustainability agenda
Managing Director	• Reviews material sustainability matters with the Management team • Formulates sustainability strategies and initiatives with the Management team • Reports to the Board on material sustainability matters
Management Team	• Responsible for stakeholder engagement process, identifying material sustainability matters, executing and monitoring implementation of sustainability strategies and initiatives • Reports to the Managing Director on material sustainability matters

STAKEHOLDER ENGAGEMENT

Engaging meaningfully with our stakeholders to gain insights on pertinent sustainability matters that align with their interests is essential for the Group's business and sustained growth. The subsequent section depicts our key stakeholders and their identified interests, derived from our diverse interactions with them.

Stakeholder Group	Mode of Engagement	Areas of Interest
Customers	• Regular meetings and plant visits • Customer satisfaction surveys • Collaboration on product development • Compliance audits	• Ensuring product quality, competitive pricing, and timely delivery • Offering sustainable and innovative products • Managing ESG-related matters effectively
Employees	• Discussions and meetings • Employee appraisals • Employee engagement events • Training programmes • Monthly management meetings	• Providing a safe and conducive working environment • Supporting career progression and growth • Promoting an inclusive working environment and culture • Offering training and development opportunities

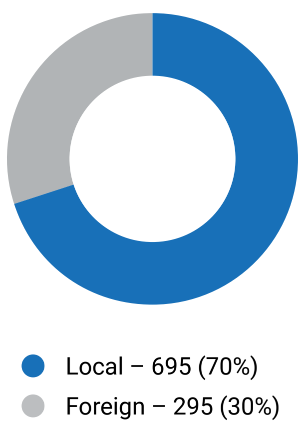
Stakeholder Group	Mode of Engagement	Areas of Interest
Suppliers	• Meetings and discussions • Site visits • Code of Conduct for Suppliers and ongoing supplier assessments or evaluations	• Maintaining ethical standards in procurement • Setting clear expectations on product specification, quality, and delivery • Ensuring prompt supplier payments
Investors and Shareholders	• Annual General Meeting • Annual Report • SPAK's corporate website • Announcements and press releases • Investor engagements	• Delivering consistent returns, including dividend payments and stock price appreciation • Ensuring sustainable business growth • Upholding business ethics and strong governance • Maintaining our reputation as a socially and environmentally responsible organisation
Governments and Regulators	• Meetings and consultations • Audits and on-site inspections • Seminars, trainings, dialogues and forums organised by regulatory bodies	• Ensuring regulatory compliance • Upholding good practices in ESG
Local Communities	• Community events • SPAK's corporate website	• Implementing initiatives that uplift community well-being • Upholding good ESG practices • Providing sustained employment and career opportunities to members of local communities

OUR WORKFORCE

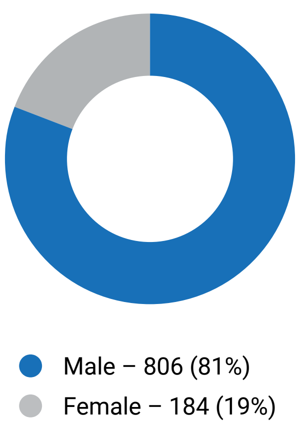
The Group's diverse workforce of 990 employees is integral to our success and remains one of our most valuable assets. Our overall local workforce is 70%, reflecting our dedication to fostering local employment and contributing to community development.

Information on our workforce

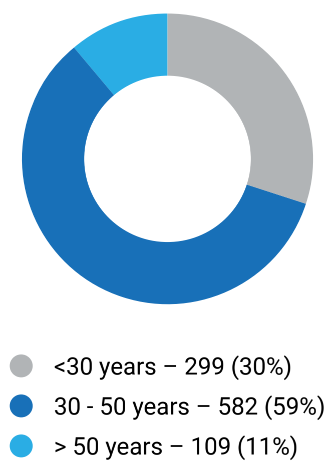
By Origin



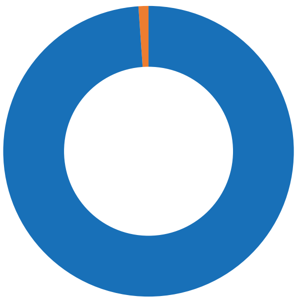
By Gender



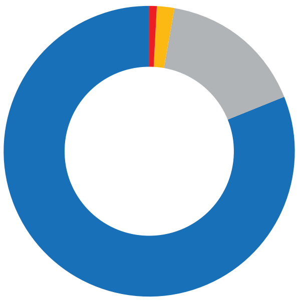
Age Group



By Employment Type



By Employment Category



SUPPLY CHAIN

Maintaining a resilient and sustainable supply chain is imperative for our business. Our selection of suppliers and service providers is based on their capability to ensure a stable supply of raw materials, meet our rigorous quality standards, deliver value-added services and uphold ethical operations. We endeavour to collaborate with local supply chain partners and service providers wherever feasible and in alignment with our operational requirements. In FY2025, over 72% of our procurement needs were sourced through local suppliers.

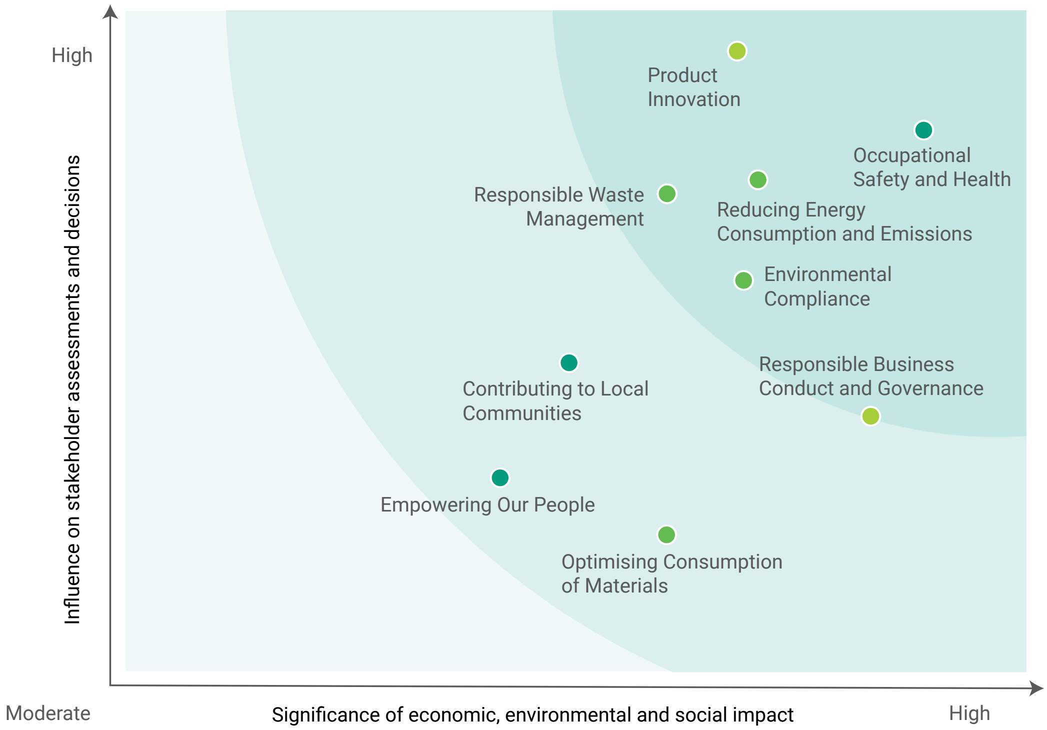
MATERIALITY DETERMINATION PROCESS

Our materiality determination process aims to identify and prioritise key sustainability matters by integrating insights from our key stakeholders. These identified areas form the basis of our sustainability initiatives, guiding our efforts and enabling us to focus strategically on the most relevant and impactful sustainability matters and trends.

Identify	Shortlist	Prioritise	Validate
Aided by credible internal and external sources, the Management undertakes an analysis of industry and sustainability trends, reviews the Group's current sustainability topics, and identifies potential new sustainability topics for inclusion.	Potential sustainability topics undergo a thorough assessment, considering factors that include stakeholder needs and concerns, impacts to local communities where we operate, regulatory matters and the topic's significance to business operations.	The shortlisted sustainability topics are then assessed through various consultations with certain stakeholders and heads of departments, providing a gauge on each topic's materiality.	A materiality matrix is generated, incorporating the proposed list of sustainability topics and the result of the preceding three steps, and is reviewed by the Managing Director for validation. The reviewed matrix is then presented to the Board for final approval.

Following our materiality determination process, a materiality matrix was generated to illustrate the findings of our assessment. This matrix maps our material sustainability matters, reflecting their significance to both the Group and our stakeholders. Our 9 key sustainability topics for FY2025 remain consistent with the prior year, as detailed in the matrix.

Materiality Matrix



SUSTAINABILITY TOPICS

The sustainability topics identified and ranked above are anchored within 3 main pillars:

"Creating Shared Sustainable Value", "For the Betterment of the Environment" and "Our People, Our Pride".

Creating Shared Sustainable Value	For the Betterment of the Environment	Our People, Our Pride
• Responsible Business Conduct and Governance • Product Innovation	• Responsible Waste Management • Optimising Consumption of Materials • Reducing Energy Consumption and Emissions • Environmental Compliance	• Occupational Safety and Health • Empowering Our People • Contributing to Local Communities
Economic	**Environment**	**Social**

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our approach to creating positive impacts for people, communities and the planet is reflected in the alignment of our sustainability topics with 11 UN SDGs, which are outlined in the forthcoming sections.

1. Responsible Business Conduct and Governance

The Group's robust codes and policies provide guidance to our employees and stakeholders, ensuring that our corporate values remain at the forefront of our operations.

Codes and Policies

Whistleblowing Policy Details the procedures for our stakeholders to follow when reporting any actual or suspected incidents of improper business conduct	**Code of Ethics** Sets clear standards for business conduct across the Group, principled on trustworthiness, fairness and objectivity, with specific expectations outlined for labour standards, anti-bribery and anti-corruption, data confidentiality and security, and conflicts of interest	**Anti-Bribery and Anti-Corruption Policy** Details our zero-tolerance policy towards bribery and corruption, which applies to our employees and other relevant stakeholders, and includes controls to ensure compliance with all applicable regulations
Code of Conduct for Suppliers Provides our suppliers with detailed guidance on our sustainability principles – including those pertaining to ethical business conduct, environmental impact and social impact – to promote the upholding of our standards in their business practices	**Safety and Health Policy** Details our commitments to safety and health, including our governance processes, the role of the Safety and Health Committee, our approach to prevention, protection and control, emergency preparedness and response procedures, and the education of safety and health issues across our workforce	**Environmental Policy** Enshrines our commitments and the specific standards mandated across key environmental issues including energy and emissions, waste management, resource utilisation and biodiversity

We acknowledge the importance of communicating our codes and policies effectively to uphold integrity and ethical practices across all facets of our operations. These practices are reinforced via diverse channels, including SPAK's website, employee training sessions and engagement with business partners to instil awareness and encourage adherence.

In FY2025, we organised an Anti-Bribery and Anti-Corruption ("ABAC") awareness session for our executive-level employees to promote awareness and strengthen their understanding of relevant laws and regulations, reinforcing our Group-wide commitment to integrity, transparency and ethical business practices. All new executive employees are also required to attend a briefing session on our ABAC Policy and provide a declaration of commitment. During the year, 100% of employees at executive level and above received ABAC training to ensure high standards of business conduct are upheld across the Group.

Our ABAC Policy and Code of Conduct for Suppliers are also communicated to new vendors with an annual supply value exceeding RM50,000, who are required to submit a declaration of compliance as part of the procurement process. In addition, corruption-related risk assessments were carried out across 100% of the Group's operations during the financial year.

Our Data Privacy Policy, developed in accordance with the Personal Data Protection Act 2010, underscores our commitment to adhering to all relevant legal and regulatory requirements regarding data privacy. Alongside our Code of Ethics, this policy provides clear guidelines to ensure employees handle personal data responsibly, reinforcing our stance on data privacy.

There were no instances of corruption, bribery, unethical business conduct, human rights violations or data privacy breaches reported during FY2025. The Group did not make any political contributions during the financial year.

2. Product Innovation

Driving a culture of innovation is central to the Group's identity. We strive to remain at the forefront of innovation by consistently developing value-added packaging solutions that align with market trends and promote plastic circularity.

With strong technical expertise and manufacturing capabilities, SPAK is well positioned to drive innovation in FPP. Our manufacturing facilities are equipped with state-of-the-art machinery and sophisticated in-house laboratories, enabling the production of high-quality and novel packaging solutions. Our automated bag-making facility features cutting-edge technology designed to optimise efficiency and meet brand owners' demand for customised bag formats. The Group's in-house R&D department oversees research and development efforts across the value chain, enabling us to efficiently develop, test and validate FPP solutions. These capabilities support our dual objectives of enhancing sustainability and meeting customers' discerning requirements.

We maintain stringent operational benchmarks to secure the safety and consistent quality of our products. This is demonstrated by our attainment of industry recognised global certifications, including ISO 9001, ISO 14001, FSSC 22000 ("Food Safety System Certification") and ISCC PLUS. Furthermore, our proactive engagement with customers, coupled with collaborative efforts within the Scientex Group, positions us strategically to conceptualise and develop market-centric and circular FPP applications.

In FY2025, we initiated 147 R&D projects and successfully commercialised 13 innovations.

Designing Recyclable FPP Solutions

Range of Sustainable Packaging Innovations

SPAK's commitment to sustainability has led to the successful co-development and launch of a wide array of sustainable packaging applications for our brand owners. As the first company in Malaysia to commercialise mono-material laminates, we continue to offer sustainable FPP solutions, which utilises a single type of resin across all packaging layers and offers recyclability along with strong functional performance. Building on our manufacturing expertise and innovative capabilities, we have continued to strengthen both the barrier properties and heat-sealing capabilities of these applications, broadening their suitability across more product categories and supporting our customers in achieving their sustainability objectives.

In FY2025, we furthered our sustainable packaging initiatives by introducing mono-material lamination FPP structure with metallised properties for products such as snacks, cereals, oats, frozen foods, powdered drinks and chocolate bars, eliminating the need for PET content. The packaging is available in multiple formats such as gusseted bags, pillow pouches, three-side seal pouches, cold seal bar wrappers and more.

In addition to its recyclability, this FPP was tailored to meet specific customer requirements. For instance, our chocolate bar wrapper incorporates a cold seal function, enabling pressure sealing for heat-sensitive products. This design facilitates easy opening and supports a faster, more efficient packaging process.

A sample of our recyclable packaging solution for frozen food

A sample of our recyclable chocolate bar wrapper with cold seal functionality

Leveraging our ISCC PLUS certification, we have in recent years commercialised FPP with up to 90% PCR resin content for products such as instant noodles and coffee stickpacks. Through ongoing collaborations with brand owners, we continue to offer these sustainable FPP solutions, reducing reliance on virgin resin, lowering carbon footprint and supporting circularity in response to market and consumer demands.

Innovating Customer Centric Packaging Applications

With a strong manufacturing footprint, we have developed the capabilities to craft novel packaging formats that deliver added value to our brand owners and resonate with market trends. Beyond supporting our customers' sustainability goals, we work closely with them to align with their broader business objectives, such as offering cost-effective alternatives that maintain comparable performance. We successfully commercialised a recyclable mono-material laminated gusseted bag for milk powder, offering a cost-effective solution while maintaining both product performance and sustainability.

In FY2025, we also successfully commercialised ice cream packaging for one of the world's largest F&B manufacturers, featuring premium decorative finishing fully compatible with their packaging machinery. Drawing on our extensive expertise and experience, we fulfilled their requirements within a stringent timeline.

The Group's product innovation portfolio includes retort packaging - customisable stand-up pouches designed for high-temperature sterilisation, offering protection, long shelf life and convenience for ready-to-eat foods. Our product development also extends to FPP with easy-peel and straight-tear features to enhance user experience by preventing leaks and spills.

3. Responsible Waste Management

At SPAK, we endeavour to conduct our operations in an environmentally responsible manner, in line with the objectives manifested in our Environmental Policy. Promoting plastic circularity is a cornerstone of our approach, achieved through the adoption of responsible waste management practices across our operations.

Scheduled waste generated from our operations is managed in adherence with all applicable laws and regulations related to transportation, storage and disposal. To facilitate this, we utilise the Electronic Scheduled Waste Information System at our plants, collaborate with licensed waste contractors for responsible disposal and have competent personnel overseeing the processes. Regular inspections and audits are conducted to maintain ongoing compliance with waste management standards.

We aim to minimise waste by bolstering efficiencies in our operational processes. This involves upgrading machinery and refining processes to maximise material usage and reduce incidental raw material waste. Employing a more efficient printing technology has enabled us to minimise solvent usage and reduce ink wastage. By implementing solventless lamination, we have minimised both solvent consumption and disposal in our production process.

In FY2025, we developed a pitch monitoring system which ensures consistent alignment throughout the dry lamination process, enhances product quality consistency and minimises material wastage, while also supporting brand owners' packaging operations by enabling precise cutting and sealing. By reducing defects and ensuring reliable performance on high-speed packing lines, this system not only prevents unnecessary material loss but also strengthens customer confidence in our solutions.

Drawing on our technical capabilities, we continue to offer sustainable FPP solutions which includes mono-material laminates and packaging with PCR content. This further contributes to reducing the overall waste footprint and minimising disposal to the landfill.

Various measures have been implemented as part of our continuous efforts to minimise waste discarded to the landfill. Where possible, non-recyclable production waste is sent to a third-party waste-to-energy incineration facility, where it is converted into alternative fuel. In FY2025, a total of 3,053MT of waste was processed through this method. Non-hazardous recyclable plastic waste is delivered to plastic recycling companies to be recycled for use in the injection moulding industry to produce household items such as waste bins and plastic chairs.

Regular briefings and meetings are held by management with the production team to reinforce waste management awareness and drive continuous process improvements across our manufacturing sites.

Waste Management Data

Type of Waste by Metric Tonne (MT)	**FY2023**	**FY2024**	**FY2025**
Scheduled (Hazardous) Waste	**1,104**	**864**	**930**
Total Non-Hazardous Plastic Waste	**5,692**	**5,119**	**5,242**
- Recycled	1,168	1,281	931
- Recycled (Converted to Energy)	3,121	2,650	3,053
- Non-Recycled (Others)	1,403	1,188	1,258
Waste as a Percentage of Output (%)	**FY2023**	**FY2024**	**FY2025**
Scheduled (Hazardous) Waste	**2.7**	**2.5**	**2.6**
Total Non-Hazardous Plastic Waste	**14.2**	**14.6**	**14.7**
- Recycled	2.9	3.7	2.6
- Recycled (Converted to Energy)	7.8	7.5	8.6
- Non-Recycled (Others)	3.5	3.4	3.5

In FY2025, there were zero instances of non-compliance related to the disposal of scheduled waste.

4. Optimising Consumption of Materials

The efficient and responsible utilisation of materials and resources represents one of the key practices driving sustainability at SPAK. Aligned with the principles of our Environmental Policy, we are dedicated to reducing our carbon footprint and mitigating direct environmental impact.

We optimise our resource footprint and improve material utilisation efficiencies through continuous process improvements, product innovation and advocating sustainable practices amongst our employees.

Our ongoing initiative in process refinements includes the deployment of efficient printing technology which facilitates resource efficiency by minimising setup times and stoppages, leading to lower solvent consumption, reduced ink waste and decreased energy use during start-ups and changeovers.

Furthermore, we prioritise the sustainable sourcing of raw materials, including paper and aluminium, with a preference for suppliers certified by the Forest Stewardship Council or the Aluminium Stewardship Initiative, where feasible.

We continue to practise sustainable water management through responsible consumption across our facilities. Water use is optimised in our production processes via a closed-loop chilling and cooling system that reduces water evaporation. Rainwater harvested at our plants is used for cleaning and landscaping activities. Employees are also encouraged to practise responsible water usage to minimise wastage. The Group's total water consumption was 74.8ML, resulting in a water consumption intensity of 0.0021 ML per MT of output during the financial year.

5. Reducing Energy Consumption and Emissions

The Group actively engages in responsible energy management and emissions reduction initiatives as part of our efforts to lower carbon footprint and mitigate our impact on climate change. These efforts are undertaken in line with the principles outlined in our Environmental Policy.

We minimise energy consumption and emissions across operations by integrating energy-efficient technologies. This includes investing in energy-saving machinery and equipment, installing E-Savers, progressively replacing conventional forklifts with electric models and refining processes within our production lines. Our printing and laminating machines feature drying technology that recirculates hot air, cutting energy use by over 50%. The adoption of solventless lamination has eliminated the need for energy-intensive processes such as overhead drying tunnels, further reducing overall energy consumption. In FY2025, an in-house monitoring system was developed for our lamination curing ovens, equipped with sensors, timers and automated controls that shut off heating once curing is completed, preventing unnecessary electricity use, avoiding over-curing and ensuring consistent product quality across our operations.

During the financial year, we have also completed the installation of the rooftop solar PV systems at our manufacturing plants in Melaka, with a total capacity of 5.3 MWp. These systems began generating renewable energy during the year, producing 3,233 MWh of renewable energy and avoiding approximately 1,716 tonnes of CO_2e emissions. By integrating solar energy into our production lines, we have reduced our Scope 2 greenhouse gas ("GHG") emissions and contributed to lowering Scope 3 GHG emissions across our supply chain. This marks a pivotal step towards harnessing renewable energy and further reducing our overall carbon footprint.

In FY2025, the Group's employees participated in a mangrove planting programme, planting a total of 500 mangroves to support efforts in mitigating GHG emissions. Employees are also encouraged to adopt energy-saving practices in their daily activities. On the procurement side, we encourage our suppliers to adopt energy efficiency practices and reduce their emissions through our Code of Conduct for Suppliers. We continuously track and monitor our energy consumption and GHG emissions with the objective of progressively lowering emissions across our operations. In FY2025, our total energy consumption, including both electricity from the grid and renewable energy was 45,066 MWh, resulting in an energy intensity of 1.27 MWh per metric tonne of output.

6. Environmental Compliance

The Group's operations are responsibly managed to conserve the environment and safeguard the well-being of surrounding communities, in accordance with our Environmental Policy and the principles of a circular plastic economy. Our Environmental Policy defines the standards expected of employees in four key areas: Energy and Emissions, Waste Management, Resource Utilisation and Biodiversity.

The Group's ISO 14001:2015 Environmental Management System certification showcases our ongoing commitment to environmental compliance across our manufacturing sites. Additionally, the ISCC PLUS accreditation certifies our use of recycled plastics, verifying that traceable materials are utilised across the supply chain. These internationally recognised accreditations enable us to secure stakeholders' trust, align with and keep ourselves attuned to global environmental best practices.

We adhere to all relevant laws and regulations in the countries where we operate. Robust processes are in place to monitor and manage resource consumption, emissions, effluents and waste disposal. Regular audits are undertaken to assess operational controls for continuous improvement in environmental management.

In FY2025, we continued to organise training programmes to update employees and enhance their knowledge on environmental matters. On the supply chain front, we engaged with our business partners to drive environmental sustainability by communicating our Code of Conduct for Suppliers to active suppliers and service providers.

There were no instances of non-compliance with applicable environmental laws, rules and regulations in FY2025.

7. Occupational Safety and Health

At SPAK, we recognise that prioritising the safety and health of our employees and stakeholders is essential to nurturing a positive and productive work environment. This is reflected in our Safety and Health Policy, which aims to cultivate a strong culture of safety and health across the organisation.

The Safety and Health Committees of our respective manufacturing plants are entrusted with fostering safe workplace practices, which include developing and administering safety policies, conducting annual safety audits of our worksites and ensuring strict adherence to Occupational Safety and Health laws and regulations.

We have implemented a range of initiatives to reinforce a safe and healthy working environment, accentuating our focus on prioritising the well-being of our people. These initiatives include:

- Establishing a safety and health framework which includes performing reviews on accident cases and implementing precautionary measures to mitigate work-related hazards.
- Performing briefings with production employees on major accident cases to raise safety awareness at the workplace.
- Maintaining a structured reporting protocol where safety and health data are compiled monthly, encompassing investigation outcomes and continuous improvement measures. This data is presented at monthly management meetings to monitor work-related injuries and ill-health.
- Facilitating regular training sessions to ensure employees perform their duties in alignment with safety standards, enhancing competence and vigilance. In FY2025, 504 employees attended a total of 2,277 hours of training, comprising topics such as fire safety, chemical spills, machine safety and accident prevention.
- Engaging with contractors to ensure adherence to the Group's safety and health standards.
- Conducting regular safety inspections and audits across our manufacturing sites.
- Leveraging automation technology in manufacturing processes, where possible, to reduce the risk of workplace accidents.
- Upgrading machinery and refining processes to enhance safety and productivity.
- Managing emissions and materials in accordance with safety and health requirements.

- Providing health screenings for foreign workers employed in Malaysia to reduce the risk of infectious disease transmission at our worksites.
- Offering annual corporate health check benefits for our executive-level employees.
- Complying with relevant laws and regulations regarding workers' accommodation.

In FY2025, we organised the annual "Safety and Health Week" to foster a culture of safety and health amongst our employees. The event, held in collaboration with government departments and hospitals, included the following activities:

- Free basic health screenings, such as blood pressure, cholesterol analysis and blood glucose tests.
- Specialised health screenings, such as body composition analysis, bone density checks and dental screenings.
- Safety and health briefings, covering updates on safety protocols, health management information and best practices for ensuring workplace safety.

Basic health screening

Dental screening

Health awareness talk

Safety briefing

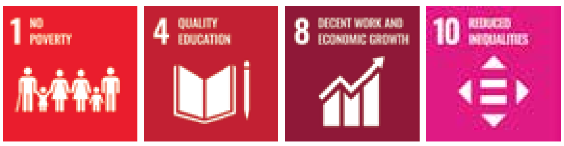
The Group recorded zero fatality cases due to work-related hazards at our manufacturing sites in FY2025.

Safety and Health Data

	FY2023	FY2024	FY2025
WORK RELATED INJURY BY CASE			
Fatal Injury (Number)	–	–	–
Minor# Accident (Number)	15	9	11
Major# Accident (Number)	13	6	8
WORK RELATED ILL-HEALTH BY CASE			
Fatal Injury (Number)	–	–	–
Minor# Accident (Number)	–	–	–
Major# Accident (Number)	–	–	–
	FY2023	**FY2024**	**FY2025**
Total Lost Time Injuries (Number)	28	15	19
Total Number of Hours Worked ('000)	3,345	2,737	2,502
Fatality Rate (N1)	–	–	–
Injury Rate (N2)	1.67	1.10	1.52
Ill Health Rate (N3)	–	–	–
Lost Time Incident Rate (N4)	1.67	1.10	1.52

Notes:
Minor Injury: Injury which resulted in four days or less lost workdays
Major Injury: Injury which resulted in more than four days lost workdays
N1 - Total Number of Fatalities/ Total Number of Hours Worked x 200,000
N2 - Total Number of Injuries/ Total Number of Hours Worked x 200,000
N3 - Total Number of Ill Healths/ Total Number of Hours Worked x 200,000
N4 - Total Number of Lost Time Injuries/Total Number of Hours Worked x 200,000

8. Empowering Our People



The Group's employees are the driving force propelling us towards sustainable growth. We are dedicated to nurturing a dynamic and inclusive corporate culture that ensures a fair, supportive and empowering work environment, enabling our workforce to thrive and advance within the organisation.

Our Group-wide Code of Ethics and Human Resource policies establish the framework for addressing the respective needs of individual entities within the group. The code sets out the core principles for responsible employment and reflects our commitment to upholding human and labour rights. We adhere to applicable labour laws and regulations in the countries where we operate. Additionally, we engage in ethical labour practices, prioritise local employment and foster an inclusive work environment that values diversity. As part of our ongoing efforts to strengthen responsible labour practices, we have also attained membership in the Supplier Ethical Data Exchange ("SEDEX").

We offer a competitive and dynamic remuneration package, aligned with industry standards and based on employees' performance, roles and responsibilities, in line with our aspiration to build a sustainable workforce. This empowers our employees to excel in their roles and enables us to attract and retain the best talents.

We prioritise continuous training to support our employees' professional development and keep them updated on industry trends. In FY2025, our employees accumulated 9,498 training hours, covering areas such as artificial intelligence ("AI") technology to boost productivity and International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards to meet evolving reporting requirements.

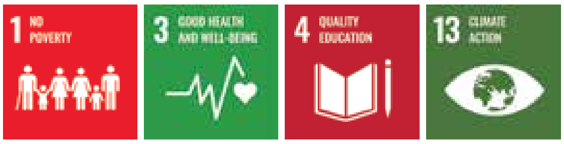
Number of training hours in FY2025	
Key Management	107
Middle Management	413
Executive	2,679
Non-Executive	6,299

The Group's vision, growth plans and strategies are communicated to employees to align their focus with the Group's objectives. Accordingly, our senior management regularly engages with employees, providing updates through Quarterly Rolling Budget sessions as well as meetings and discussions held throughout the year.

We have continued to track and analyse our annual performance in workplace diversity, employee retention and training. In FY2025, we recorded 211 new hires and an employee turnover of 301, primarily among non-executive employees. Of the total number of employee turnover, 87 employees were attributed to the cessation of the Group's manufacturing operations in Myanmar in June 2025.

There were no instances of non-compliance with applicable employment laws, rules and regulations in FY2025.

9. Contributing To Local Communities



As a responsible corporate citizen, we engage in societal initiatives to support the well-being of our local communities and contribute towards their socioeconomic development.

Our efforts during the year include:

- Creating employment opportunities and prioritising the recruitment of local talent to foster sustainable economic growth. Approximately 70% of our workforce comes from local communities, defined as the country where each subsidiary operates.
- Offering internship and industrial training opportunities for 6 trainees at our Malaysian operations to nurture and develop local talent.
- Supporting the local business ecosystem by sourcing goods and services from local suppliers wherever feasible.
- Providing the underprivileged community in Melaka with supplementary work and income by collaborating with a non-profit organisation to supply fresh fruits to the staff canteen.

Our social responsibility efforts to make a positive impact on the local community include:

- Contributing to "Pertubuhan Membantu Pesakit Parah Miskin Malaysia," an association that supports terminally ill patients in need.
- Supporting various social causes through financial aid and donations.
- Organising the annual blood donation campaign for employees in collaboration with Hospital Melaka to help address the shortage of blood supply in the government hospital.

The Group supports environmental conservation efforts with employees through the following initiatives:

- Encouraging participation in recycling activities.
- Promoting the 5R's – 'Refuse, Reuse, Reduce, Repair, Recycle' in daily practices.
- Involving employees in the mangrove planting programme as part of our ecosystem preservation efforts.

Mangrove Planting Event

Blood Donation Campaign

BURSA MALAYSIA SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Key Management Under 30	Percentage	0.00	0.00
Key Management Between 30-50	Percentage	50.00	50.00
Key Management Above 50	Percentage	50.00	50.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	58.62	60.87
Middle Management Above 50	Percentage	41.38	39.13
Executive Under 30	Percentage	14.63	15.49
Executive Between 30-50	Percentage	73.17	67.74
Executive Above 50	Percentage	12.20	16.77
Non-Executive Under 30	Percentage	36.05	34.12
Non-Executive Between 30-50	Percentage	57.11	57.07
Non-Executive Above 50	Percentage	6.84	8.81
Gender Group by Employee Category			
Key Management Male	Percentage	83.33	83.33
Key Management Female	Percentage	16.67	16.67
Middle Management Male	Percentage	58.62	69.57
Middle Management Female	Percentage	41.38	30.43
Executive Male	Percentage	35.77	29.68
Executive Female	Percentage	64.23	70.32
Non-Executive Male	Percentage	87.73	91.69
Non-Executive Female	Percentage	12.27	8.31
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	66.67	66.67
Female	Percentage	33.33	33.33
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	16.67	16.67
Above 50	Percentage	83.33	83.33
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	74.61	72.44

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Key Management	Percentage	100.00	100.00
Middle Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	50.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	–	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	–	No Data Provided
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	–	No Data Provided
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	76.810000	74.820000
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	43,015.58	45,065.53
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	–	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	–	No Data Provided
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	–	No Data Provided
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.10	1.52
Bursa C5(c) Number of employees trained on health and safety standards	Number	533	504

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2024	2025
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Key Management	Hours	68	107
Middle Management	Hours	440	413
Executive	Hours	2,474	2,679
Non-Executive	Hours	4,312	6,299
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.74	1.01
Bursa C6(c) Total number of employee turnover by employee category			
Key Management	Number	0	0
Middle Management	Number	4	3
Executive	Number	19	18
Non-Executive	Number	357	280
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,000.00	2,800.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4	3

Note:

- *At present, disclosures on Waste Management and Emissions Management are not mandatory.*

Internal assurance	External assurance	No assurance	(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of adopting good corporate governance ("CG") and the responsibilities of maintaining transparency, accountability and integrity.

This CG Overview Statement presents our governance framework and application of the principles set out in the Malaysian Code on Corporate Governance ("MCCG") 2021 for the financial year ended 31 July 2025 ("FY2025") and outlines the Group's key focus areas and priorities. This statement is to be read together with our CG Report which is available on the Company's website at https://scientexpackagingak.com.my/bursa-announcements/.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

1.1 The Board sets the tone at the top for the Group's governance standards by taking into account governance and sustainability considerations when exercising its duties. Management is responsible for the alignment of good CG practices across the entire organisation and embedding sustainability into its business processes. Policies and codes were established to respond to rapid changes in the external business environment whilst ensuring that the Group's overall objectives and plans are adhered to.

1.2 The Board comprises six (6) experienced and competent members with different areas of expertise, of which three (3) members are Independent Non-Executive Directors ("INED"), one (1) member is a Non-Independent Non-Executive Director ("NINED") and two (2) members are Executive Directors ("ED").

1.3 The principal responsibilities of the Board, as set out in the Board Charter and explained in Practice 1.1 of the CG Report, include CG matters, overseeing the Group's conduct of business, strategic plan, risk management and internal controls, succession planning for Board and Senior Management, maintaining effective communications with stakeholders, upholding the integrity of the Group's financial and non-financial reporting and embedding sound sustainable business practices throughout the Group's operations.

1.4 There are three (3) Board Committees ("BCs"), namely, the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC") and Risk Management Committee ("RMC") to assist the Board in discharging its duties efficiently. The BCs are chaired by an INED of the Company. The Board, BCs and Directors' duties and responsibilities are set out in the Board Charter and respective Terms of Reference available at https://scientexpackagingak.com.my/corporate-governance/.

1.5 The position of the Chairman and Managing Director are held by two (2) individuals to ensure balance of power and authority. Their roles and responsibilities are specified in the Board Charter and set out in Practice 1.3 of the CG Report.

1.6 The Board has developed codes and policies to support the Group's corporate culture /values and commitment to conduct business professionally and ethically, with due regard to environmental, social and governance ("ESG") elements. The policies and codes are accessible at https://scientexpackagingak.com.my/corporate-governance/.

1.7 The Board, through the AC, reviews related party transactions ("RPT") (including recurrent RPTs) and possible conflict of interest situations (if any) on a quarterly basis. A Director who has an interest in a transaction will abstain from deliberating and voting on the relevant resolution, in respect of such transaction at the Board meeting and at the general meeting convened to consider the said matter. The Company obtained the renewal of its shareholders' mandate in respect of recurrent RPTs at the Annual General Meeting ("AGM") held on 17 December 2024.

1.8 Board meetings are convened on a quarterly basis, with additional meetings held, as and when necessary to deliberate particular matters. Directors may participate in a meeting by means of a conference telephone or similar electronic telecommunication pursuant to Regulation 97 of the Company's Constitution if he/she is unable to attend in person.

1.9 Board meetings are structured with a pre-set agenda. The Board has a formal schedule of matters reserved to it for deliberation and decision, including the approval of annual and interim results, major capital expenditure and investments, yearly budget, strategic issues affecting the Group's business and corporate policies and procedures. The Board also receives briefings from Management pertaining to the operational issues and financial performance of the Group as and when necessary.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

1.10 Notices of meetings and meeting papers are sent a week ahead of the scheduled meetings enabling Directors to seek clarification and to peruse the issues to be deliberated at the Board meetings. External advisors may be invited to attend Board meetings to advise and/or furnish the Board with professional insight and clarification needed on relevant matters. These ensure that members are fully apprised of matters for constructive discussions and effective decision making at meetings.

1.11 The Board convened a total of five (5) Board meetings during FY2025. The respective Directors also attended meetings of the BCs. All proceedings/minutes of the meetings are prepared and circulated in a timely manner to reflect the decision-making process of the Board. Minutes of the Board and BCs meetings are circulated to members for their perusal prior to the confirmation at the following meetings and are signed by the respective Chairpersons. Details of the Directors' attendance at the Board and BCs meetings during FY2025 were as follows:

	No of Meetings Attended/ Total No. of Meetings Held			
Name of Director	**Board**	**AC**	**NRC**	**RMC**
Mr. Choo Seng Hong *(Chairman)*	5/5*	N/A	N/A	N/A
Chang Chee Siong *(Managing Director)*	5/5	N/A	N/A	2/2
Tan Hong Koon *(Executive Director)*	5/5	N/A	N/A	N/A
Cham Chean Fong @ Sian Chean Fong *(Senior INED)*	5/5	5/5	1/1*	2/2*
Lim Kah Fan *(INED)*	5/5	5/5*	1/1	N/A
Koh Huey Min *(INED)*	5/5	5/5	1/1	2/2

Remarks:
**Chairperson of the Board/BC*
N/A – Not applicable

1.12 Decisions of the Board and BCs may also be obtained via circular resolutions, where appropriate. Key matters requiring the Board or BCs' approvals are reserved for resolution at the respective meetings to facilitate discussions as part of good corporate governance.

1.13 Directors have access to all information and receive timely updates from Management in respect of matters pertaining to the Group. They may seek clarification from Management and the Company Secretaries as well as independent professional advice at the Company's expense, if necessary, in furtherance of their duties.

1.14 Directors are expected to notify the Chairman and Company Secretary before accepting any new directorship(s), including an indication of time that they will spend on their new appointment(s). All the Directors observed the restriction on the number of directorships as set out in the Listing Requirements by not holding more than five (5) directorships in listed issuers. The schedule of Board and BCs meetings and general meetings is planned well in advance to facilitate the Directors' time management and to enable them to fit the meetings into their respective schedules. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles on the Board and BCs.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

1.15 The Board recognises the importance of ongoing professional development for the Directors to enable them to discharge their duties effectively. The Directors are empowered by the Board to evaluate or assess their own training needs on a continuous basis. The Directors attended the following professional trainings during FY2025:

Director	Title of Training Programmes
Choo Seng Hong	- Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Global Minimum Tax – Pillar Two - Managing the Transition to Self-Assessment Stamp Duty Regime in Malaysia - Combatting Bribery and Corruption Risk in the Business Organisation - Navigating the National Sustainability Reporting Framework and Latest Bursa Listing Requirements
Chang Chee Siong	- Combatting Bribery and Corruption Risk in the Business Organisation
Tan Hong Koon	- Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Global Minimum Tax – Pillar Two - Managing the Transition to Self-Assessment Stamp Duty Regime in Malaysia - Combatting Bribery and Corruption Risk in the Business Organisation - MIA Webinar: E-Invoice Implementation Treatment for Various Kinds of Business Transactions - Navigating the National Sustainability Reporting Framework and Latest Bursa Listing Requirements
Cham Chean Fong @ Sian Chean Fong	- Embracing a Corporate Governance culture in a newly listed company
Lim Kah Fan	- Invitation to AOB Conversation with Audit Committees 2024
Koh Huey Min	- Invitation to AOB Conversation with Audit Committees 2024 - MIA Webinar Series: Steering Climate Risk and ESG Roadmap for Corporates - Bursa Malaysia Workshop on applying the IFRS Sustainability Disclosure Standards

1.16 All the Directors have observed the requirements related to the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

1.17 The Directors have the support of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary attends to all corporate secretarial matters related to the Company's Constitution, the Companies Act 2016 (the "Act") and Listing Requirements. The appointment and removal of the Company Secretary are within the purview of the Board.

1.18 The Board is mindful that sustainability best practices encompassing ESG matters are integral to the Group's long-term business growth. Details of the Group's sustainability initiatives are set out in the Sustainability Statement in this Annual Report.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition

2.1 The Board comprises six (6) Directors, with diverse expertise in accounting, manufacturing, business, finance, legal, corporate, management, business development, tax, sales and marketing. The Board is of the view that its current composition is adequate for the effective discharge of its functions and responsibilities.

2.2 A balanced Board with members from diverse backgrounds and experiences can offer a variety of insights which are essential to attaining the Group's strategic objectives. The Board acknowledges that women with the right competencies and skills can equally contribute to diversity of perspectives in the Boardroom and Senior Management. In this regard, there are two (2) female Directors (comprising 30% of the Board) and one (1) female senior manager in the Company's Management team.

2.3 The NRC comprises exclusively of INEDs and is chaired by the Senior Independent Director. The NRC's authority and duties are governed by its Terms of Reference, which is available at https://scientexpackagingak.com.my/corporate-governance/.

2.4 The NRC's annual assessment process involves having the Directors complete questionnaires, which will then be collated by the Company Secretary and forwarded to the NRC members for their evaluation and sharing with the Board members. The NRC's assessments for FY2025 included matters pertaining to the effectiveness of the Board and BCs, individual Directors' skills and contributions, the INEDs' independence and re-election of Directors.

(i) *Assessment on effectiveness of the individual Directors, Board and the BCs*
The Board concurs with the NRC that its composition, with a combination of diverse personalities, skills, expertise and core competencies provides a range of perspectives and is conducive for quality decision making. The BCs are operating efficiently and effectively in assisting the Board and the members have sufficient knowledge, skills and expertise in discharging their roles and responsibilities. The Directors provided valuable contributions at Board and BCs' meetings, devoted sufficient time in matters pertaining to the Company and performed their duties professionally.

(ii) *Assessment of independence of INED*
The INEDs comply with the "independence" requirement set out in the Listing Requirements and continue to provide objective and independent advice to ensure proper check and balance at the Board and BCs' meetings. Each of the INEDs has provided a confirmation of his/her independence to the NRC.

(iii) *Rotation of Directors*
Mr. Chang Chee Siong and Madam Koh Huey Min retire by rotation in accordance with Regulation 81 of the Company's Constitution, and being eligible, have offered themselves for re-election at the Company's upcoming AGM.

The Board concurred with the NRC's evaluation that the Directors possess the skills, expertise and competence, have allocated sufficient time and attention to the affairs of the Company, carried out their fiduciary duties professionally and have met the fit and proper criteria in the Fit and Proper Policy. The INED complies with the independence requirements and is able to demonstrate objective judgement in the discharge of her duties. Hence, the Board unanimously supports the re-election of the abovenamed Directors and recommends shareholders to vote in favour of the re-election of the above Directors at the Company's forthcoming AGM. The Directors concerned had abstained from all deliberations and decisions in relation to their own eligibility to stand for re-election and will continue to do so at the AGM.

3. Remuneration

3.1 The Board seeks to provide fair and sufficiently competitive remuneration to attract, motivate and retain high calibre Directors and Senior Management. Directors' remuneration is reviewed annually to ensure that it is reflective of the contribution and responsibilities of the Director concerned.

3.2 The EDs do not receive Directors' fees from the Company and their remuneration package comprises salaries, other emoluments, bonuses and benefits-in-kind. NEDs receive Directors' fees and the fees payable to them for FY2025 will be tabled at the Company's 52nd AGM for shareholders' approval.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration (Cont'd)

3.3 The remuneration of Directors paid and payable by the Company and the Group for FY2025, on a named basis, is as follows:

	Fees* RM'000	Salaries RM'000	Bonus RM'000	EPF Contribution by Employer RM'000	Other Emoluments RM'000	Total RM'000
Executive Directors						
Mr. Chang Chee Siong	–	660	220	176	50	1,106
Ms. Tan Hong Koon	–	60	20	15	1	96
Non-Executive Directors						
Mr. Choo Seng Hong	80	–	–	–	–	80
Mr. Cham Chean Fong @ Sian Chean Fong	80	–	–	–	–	80
Mr. Lim Kah Fan	80	–	–	–	–	80
Madam Koh Huey Min	80	–	–	–	–	80

**Subject to the approval by shareholders at the 52nd AGM.*

3.4 Additionally, Directors have the benefit of Directors' & Officers' Insurance to ensure that they are adequately covered against liabilities in the course of performing their professional duties.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

4. Audit Committee

4.1 The AC is led by an INED who is not the Chairman of the Board, thus ensuring the overall effectiveness and independence of the AC. The AC comprises three (3) members, all of whom are INEDs who each satisfy the "independence" requirements set out in the Listing Requirements. The AC performs its functions and duties pursuant to its terms of reference in the AC Charter. The members are financially literate and able to comprehend matters within the purview of the AC, including the financial reporting process. None of the AC members were previous partners or directors of the Company's existing external audit firm.

4.2 The AC's Policy on the Suitability, Objectivity and Independence of External Auditors is intended to regulate the provision of services by the external auditors to ensure that they do not perform any service that may impair their independence.

4.3 Detailed information of the AC's activities during FY2025 is set out in the AC Report in this Annual Report.

5. Risk Management and Internal Control Framework

5.1 The Board is responsible for the Group's risk management and internal control systems and has established a sound risk management system, supported by effective controls and governance mechanisms. The Board is assisted by the RMC and AC in overseeing the overall risk management approach and the internal control systems of the Group and supported by the Management to safeguard shareholders' interests and assets of the Group. The RMC and AC carry out their functions and duties according to their terms of reference.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

5. Risk Management and Internal Control Framework (Cont'd)

5.2 The AC ensures that the internal audit function is effective and able to function independently. The objectives of the internal audit are to independently assess the system of internal controls and to make appropriate recommendations in relation thereto. The Internal Auditors report directly to the AC and provide independent reviews on the adequacy, integrity and effectiveness of the system of internal controls.

5.3 Details on the Group's risk management and internal control systems are available in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6. Engagement with Stakeholders

6.1 The Board values its communication with shareholders, investors and other stakeholders and the importance of maintaining an effective Corporate Disclosure Policy that enables the Board, Management and employees to communicate the corporate information on a regular and timely basis.

6.2 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 annual report, general meetings, various corporate announcements made to Bursa Securities, the Company's corporate website and investor engagements. Stakeholders may direct their queries or concerns to the Company through https://scientexpackagingak.com.my/contact/.

7. Conduct of General Meetings

7.1 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 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. In line with good CG practice, notices of the Extraordinary General Meeting to table a special resolution and the 52nd AGM will be issued at least twenty-one (21) days and twenty-eight (28) days respectively before the general meetings. The notices of general meetings and administrative notes of meeting, where relevant, will be published in the Company's corporate website and accessible at https://scientexpackagingak.com.my/agm-egm/. The notices of general meeting will also be advertised in a nationally circulated English daily newspaper.

7.2 The Company held its 51st AGM in year 2024 virtually through live streaming and online voting using the Remote Participation and Voting ("RPV") facility provided by a reputable service provider. All the six (6) Board members were present physically at the AGM to engage with the shareholders. The external auditors participated in the 51st AGM to provide professional and independent clarification on the Group's audited financial statements. The virtual meeting enabled shareholders to participate remotely. Any shareholder who was not able to participate in the AGM was given the option of appointing proxy(ies) to participate remotely and vote online on his/her behalf. Shareholders were allowed to send pre-meeting questions and type questions in the text box provided during the virtual meeting. The responses to the pre-meeting questions were shown on screen for shareholders' reference. Shareholders' queries were addressed by the EDs and their comments were noted by the Board and Senior Management.

7.3 In line with Paragraph 8.29A of the Listing Requirements, voting of resolutions at the Company's 51st AGM was conducted by poll and an independent scrutineer was appointed to verify the results of the poll to ensure that the process is carried out fairly. The Company has leveraged on technology to facilitate electronic voting at the general meeting for greater transparency and efficiency in the voting process. The poll results were announced to Bursa Securities on the same day. The minutes of the 51st AGM were also made available on the Company's website at https://scientexpackagingak.com.my/agm-egm/ for the benefit of shareholders who were unable to attend the said AGM.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

7. Conduct of General Meetings (Cont'd)

7.4 The Company will ensure that the service provider which is handling the general meetings has sufficient controls in place for sound cyber hygiene practices, including data privacy and security to prevent cyber threats during the conduct of general meetings.

Paragraph 15.26(a) of the Listing Requirements:
Statement of Directors' Responsibility for Preparing the Financial Statements

8. The Board is required to prepare financial statements for each financial year in accordance with the Act. In this regard, the Directors have the responsibility to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

8.1 The financial statements have been made out in accordance with the Malaysian Financial Reporting Standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of FY2025 and of the results and cash flows of the Group and of the Company for FY2025.

8.2 In preparing the financial statements, the Directors have:
- applied the relevant accounting policies consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all Malaysian Financial Reporting Standards have been followed; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

8.3 The Directors have overall responsibilities for taking such steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Current Key Focus Areas and Future Priorities

Sustainability is embedded in the Group's business and strategies to generate shared value for all stakeholders. Guided by robust group-wide policies and procedures, the Group enhanced its sustainability initiatives and efforts during the financial year. Moving forward, the Group remains resolute to make tangible and lasting positive impacts on natural environments, communities and national economies, while simultaneously opening new avenues for our business to grow.

This CG Overview Statement was approved by the Board on 13 October 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (the "Board") is committed in maintaining sound risk management and internal control systems to safeguard shareholders' interests, the Group's assets and the interests of other stakeholders. This Statement on Risk Management and Internal Control ("Statement") presents the nature and scope of the Group's risk management and internal control systems for the financial year ended 31 July 2025 ("FY2025").

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's risk management and internal control systems, including reviewing its adequacy and effectiveness in line with its business objectives. The Board affirms that there is a comprehensive system in place to identify, evaluate, mitigate and monitor the Group's risks.

The Board recognises that due to inherent limitations in any risk management and internal control systems, such systems are designed to manage and minimise the risk, rather than eliminate the risks involved. Therefore, the approach and systems implemented can provide only reasonable and not absolute assurance against the occurrence of any material misstatement, loss and fraud.

RISK MANAGEMENT

Risk management is integrated into business processes across the entire organisation as this is imperative for the sustainability of the Group's business and enhancement of shareholder's value.

The Board is assisted by the Risk Management Committee ("RMC") and Audit Committee ("AC") in overseeing the overall risk management approach and the internal control systems of the Group and supported by the Management to safeguard shareholders' interests and assets of the Group. The RMC's authority and duties are defined in its Terms of Reference, available on the Company's website at https://scientexpackagingak.com.my/corporate-governance/.

Please refer to the "Risks" section in the Management Discussion and Analysis for information on the Group's key risks.

INTERNAL AUDIT FUNCTION

The AC ensures that the internal audit function is effective and able to function independently. The Group's internal audit function is performed by the Internal Audit Department ("IAD"). The IAD provides independent and objective assurance that adds value and improves operations by evaluating the adequacy and effectiveness of the internal controls established by Management and providing recommendations for improvement.

The internal auditors report directly to the AC and adopt a risk-based approach in performing the internal audits in accordance with the internal audit plan reviewed and approved by the AC. Audit reports together with findings, Management's response and the IAD's recommendations are presented by the internal auditors to the AC. Subsequent audits are conducted by the IAD to follow up on the implementation status of action plans arising from the prior audits. During FY2025, the internal auditors presented audit reports covering reviews of general controls on human resource, scheduled waste management, procurement cycle and information technology. The AC reviewed the adequacy and effectiveness of internal controls on the areas audited and reported the deliberations to the Board.

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 Group has an appropriate organisational structure with clearly defined delegation of responsibilities and lines of authority. The Board and Board Committees' responsibilities are governed by their respective charters/terms of reference available at https://scientexpackagingak.com.my/corporate-governance/. The Group's operations are supported by experienced Management personnel and Heads of Departments ("HODs") who are accountable for the conduct and performance of their respective departments.

➢ The Group has a structured risk management approach/framework to identify, evaluate, mitigate and monitor risks, which is summarised as follows:
- Risk identification: Risk owners (i.e. HODs/Management) are primarily responsible in identifying risks that can adversely impact the achievement of the Group's objectives, in relation to their areas of supervision or control.
- Risk evaluation: Evaluate the identified risks by risk owners to determine the possibility of occurrence and potential impact to the Group.
- Risk mitigation: Propose action plan by risk owners to manage and mitigate the risks.
- Risk monitoring: Ongoing process of monitoring the identified risks by risk owners to ensure that appropriate mitigation plans have been implemented, considering changes in the regulatory and business environment.

➢ The RMC is led by the Senior Independent Non-Executive Director who is not the Chairman of the Board. The RMC comprises two Independent Non-Executive Directors and the Managing Director. 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 the 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 and the Management to establish and implement an effective risk management framework, including implementing the processes of identifying, evaluating, monitoring and reporting of identified risks and internal controls while, establishing the required corrective actions plans to mitigate and manage the risks. The respective risk owners are responsible for setting up risk registers in accordance with the enterprise risk management framework and are invited to attend the RMC meetings, where necessary, to brief the RMC on the identified risks and actions that have been taken to mitigate and control the risks. The Management provides assurance to the Board that these processes have been carried out accordingly.

➢ There are established policies and codes to ensure that the Group conducts business in a sustainable manner and in compliance with applicable laws and regulations. These policies and procedures are communicated to all stakeholders and are periodically reviewed based on current developments within the regulatory and business environment to ensure relevance and appropriateness. The codes and policies are accessible at https://scientexpackagingak.com.my/corporate-governance/.

➢ The Group's "Internal Control Guidelines" set out various key controls and process requirements across all functions. It provides management with a reference on the Group's internal controls, procedures and practices to manage business risks that are significant to achieving the Group's business objectives. It is updated as and when necessary to reflect changing risk profiles in the business environment, strategies and functional activities from time to time.

➢ The Group's annual budget and business plan are prepared by Management for the upcoming year and monitored accordingly. Monthly management meetings are held whereby financial and operational reports are reviewed to monitor the Group's performance as well as operational issues. Key risks are reported by the RMC/Management to the Board on a timely basis. The Management also reports related party transactions, recurrent related party transactions and potential conflict of interest situations (if any) to the AC and Board on a quarterly basis.

➢ Year-end financial statements are audited by the external auditors and discussions on significant matters noted in the course of the audit of the Group's financial statements are presented by the external auditors to the AC. Private discussions are held between the external auditors and the AC members without the presence of the Executive Directors and Management personnel to deliberate on issues pertaining to the audit.

➢ Annual surveillance audits are undertaken by assessors of ISO 9001, ISO 14001, HACCP FSMS and FSSC 22000 certification bodies to ensure sufficient control mechanisms and systems are implemented and maintained.

CONCLUSION

The Board, through the AC and RMC has reviewed the adequacy and effectiveness of the risk management and internal control systems and is pleased to report that to the best of its knowledge 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 systems which require separate disclosure in this Annual Report. The Board has received assurance from the Managing Director and the Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the risk management and internal control systems of the Group. Accordingly, the Board with the concurrence of the AC and RMC is satisfied that the risk management and internal control systems in place for FY2025 are adequate and effective to safeguard shareholders' interests, the Group's assets and the interests of other stakeholders.

The Board remains committed in improving the Group's risk management and strengthening the control environment to ensure the long-term growth and sustainability of the Group's business.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

This Statement has been reviewed by the external auditors for inclusion in this Annual Report in accordance with Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies or is factually inaccurate.

This Statement is made in accordance with the resolution of the Board dated 13 October 2025.

AUDIT COMMITTEE REPORT

The Board of Directors (the "Board") is pleased to present the Audit Committee ("AC") report for the financial year ended 31 July 2025 ("FY2025").

The AC's primary objective is to assist the Board in ensuring proper corporate governance in fulfilling its fiduciary responsibilities, particularly relating to business ethics, policies and practices, financial management, risk management and internal controls. The functions and duties of the AC are set out in the AC Charter and available on the Company's website at https://scientexpackagingak.com.my/corporate-governance/.

AC MEMBERS

The AC is led by an Independent Non-Executive Director ("INED"), who is not the Chairman of the Board, thus ensuring the overall effectiveness and independence of the AC. The AC comprises three (3) members, all of whom are INEDs, who each satisfy the "independence" requirements set out 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. All the AC members are financially literate and able to understand matters within the AC's purview. The composition of the AC as at the date of this report is as follows:

AC Member	Position
Mr. Lim Kah Fan	Chairman INED
Mr. Cham Chean Fong @ Sian Chean Fong	Member Senior INED
Madam Koh Huey Min	Member INED

AC MEETINGS AND ATTENDANCE

The AC convened a total of five (5) meetings during FY2025. Information on the meeting attendance of each member who served the AC during FY2025 is as follows:

AC Member	Number of Meetings Attended/Total Number of Meetings Held	Percentage (%) of Meetings Attended
Mr. Lim Kah Fan Chairman/INED	5/5	100%
Mr. Cham Chean Fong @ Sian Chean Fong Member/Senior INED	5/5	100%
Madam Koh Huey Min Member/INED	5/5	100%

The Managing Director, Executive Directors, members of the Management team, external auditors and internal auditors were invited to attend the AC meetings during FY2025. The Company Secretary acts as the secretary in all AC meetings. The AC Chairman briefs the Board on the AC's proceedings at Board meetings. Minutes of the meetings are recorded and tabled for confirmation at the next AC meeting and circulated to all non-AC members for notation purposes. The AC may also act by way of circular resolutions in lieu of convening a formal meeting.

SUMMARY OF ACTIVITIES OF THE AC

The summary of work undertaken by the AC in the discharge of its functions and duties for FY2025 is as follows:

(i) Financial Reporting

The AC reviewed and discussed 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 before presentation to the Board for consideration and approval.

The AC reviewed the Independent Auditors' Report and discussed the key audit matter(s) raised by the external auditors. Having considered the Group's risk management and internal control systems, reports furnished by the Management and reviews undertaken by the external auditors, the AC was satisfied that sufficient control mechanisms have been implemented and that the Management has assessed and addressed the above matters appropriately.

The AC received assurance from the external auditors that they have not identified any material inconsistencies or material misstatements in respect of the other information included in this Annual Report.

(ii) External Auditors

The AC assessed the performance and independence of the external auditors prior to their re-appointment. The AC reviewed the independence and suitability of the external auditors, namely Deloitte Malaysia PLT (formerly known as 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 Malaysia PLT's independence is not impaired. In addition, the external auditors rotated the audit engagement partner commencing with the FY2025 audit and confirmed that they had complied with the independence requirements prescribed in the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*. Being satisfied with the external auditors' performance, timeliness, technical competency and independence with regard to the conduct of the audit, the AC recommended to the Board for the re-appointment of Deloitte Malaysia PLT as external auditors of the Company at the forthcoming Annual General Meeting ("AGM").

The AC reviewed and discussed with the external auditors the professional services planning memorandum, progress report and final report which disclosed, amongst others, the responsibilities of the external auditors and those charged with governance, members of the 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 or concerns noted by the AC from the reports.

The AC held meetings with the external auditors without the presence of the executive Board members and Management. There were no significant issues highlighted by the external auditors to the AC. The external auditors had unrestricted access to senior management and received full co-operation from the Management and staff in the performance of the audit.

(iii) Internal Auditors

The AC assessed the scope, competency, independence and resources of the internal auditors to ensure that the internal audit function is effective and able to function independently, vide a set of questionnaires circulated to the AC members. Having undertaken the assessment for FY2025, the AC reported to the Board that the internal auditors have the required resources, objectivity and relevant expertise to discharge their duties effectively.

The AC reviewed and approved the Internal Audit Plan proposed by the internal auditors. During the AC meetings held in FY2025, the AC considered the findings highlighted by the internal auditors, responses from Management and actions to be taken to strengthen the internal control systems based on improvement opportunities identified in these reports. The internal auditors also updated the AC on the status of Management's implementation of the internal audit recommendations of previous audits. There were no major weaknesses in internal controls or significant issues noted from the internal audit reviews.

SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

(iv) Related Party Transaction, Conflict of Interest and Potential Conflict of Interest

The AC reviewed and reported to the Board on the progress of the recurrent related party transaction ("RRPT") on a quarterly basis to ensure that RRPT is carried out in compliance with the Listing Requirements, relevant rules and regulations. The AC noted that the RRPT has not exceeded the threshold value in the shareholders' mandate obtained at the AGM held on 17 December 2024.

Save as disclosed in the profile of the Directors and key senior management, none of the Directors and key senior 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 senior 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.

(v) Others

The AC reviewed and recommended the AC Report and Statement on Risk Management and Internal Control to the Board for approval and for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The internal audit function provides an independent assessment on the system of internal controls established by Management and makes appropriate recommendations for improvement or enhancements in relation thereto.

The Group's internal audit function is carried out by the Internal Audit Department which reports directly to the AC and provides independent views on the adequacy, integrity and effectiveness of the system of internal controls after its review. The internal audit plan covers the areas to be audited and is presented for the AC's consideration and approval. During FY2025, the internal auditors presented the internal audit reports covering reviews of general controls on human resource, scheduled waste management, procurement cycle and information technology. The cost incurred by the Group's internal audit function for FY2025 amounted to RM120,000.

Further details of the internal audit function are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

This AC Report is made in accordance with the resolution of the Board on 13 October 2025.

ADDITIONAL COMPLIANCE INFORMATION

(a) Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to the external auditors for the audit and non-audit services rendered to the Company and the Group for financial year ended 31 July 2025 ("FY2025") are as follows:

Type of Services/External Auditors		Fees (RM'000)	
		Company	Group
Audit	: Deloitte Malaysia PLT (formerly known as Deloitte PLT) : Other Auditors	152 –	200 143
	Total Audit Fees	152	343
Non-Audit	: Deloitte Malaysia PLT : Deloitte Malaysia PLT's Affiliates	8 37	8 69
	Total Audit and Non-Audit Fees	197	420

The non-audit services include the following:

(i) tax compliance services; and
(ii) review on the Statement on Risk Management and Internal Control of the Company.

(b) Material Contracts involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by or subsisting between the Company and/or its subsidiaries involving Directors' and major shareholders' interests during FY2025.

(c) Recurrent Related Party Transaction

The Company had renewed the shareholders' mandate in respect of recurrent related party transaction of a revenue and/or trading nature ("RRPT") ("RRPT Mandate") at the Annual General Meeting held on 17 December 2024 ("AGM"). Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the RRPT entered into during FY2025 pursuant to the RRPT Mandate were as follows:

Nature of RRPT	Transacting Parties	Interested Related Party	Value of Transaction RM'000
Sale and purchase of materials related to flexible plastic packaging products	Scientex Packaging (Ayer Keroh) Berhad Group and Scientex Berhad group of companies	Scientex Berhad being the major shareholder of the Company	214,670

The RRPT Mandate will lapse at the conclusion of the forthcoming Fifty-Second AGM ("52nd AGM"), unless such authority is renewed by a resolution passed at the 52nd AGM. Accordingly, the Company will be seeking its shareholders' approval to renew the RRPT Mandate at the 52nd AGM.

FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

The directors of **SCIENTEX PACKAGING (AYER KEROH) BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 July 2025.

PRINCIPAL ACTIVITIES

The Company is principally involved in manufacturing and marketing of flexible packaging materials. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

RESULTS

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

	Group RM'000	Company RM'000
Profit for the year	26,500	13,636
Profit for the year attributable to:		
Owners of the Company	26,878	13,636
Non-controlling interests	(378)	–
	26,500	13,636

In the opinion of the directors, the results of the Group and of the Company during the year have not been substantially affected by any item, transaction or event of a material and unusual nature, except for impairment loss as disclosed in Note 12 to the financial statements.

DIVIDENDS

Since the end of the previous year, dividends declared and paid by the Company were as follows:

	RM'000
In respect of the year ended 31 July 2024	
Single tier final dividend of 5.00 sen per ordinary share declared on 17 December 2024 and paid on 14 January 2025	17,531
In respect of the year ended 31 July 2025	
Single tier interim dividend of 2.50 sen per ordinary share declared on 9 June 2025 and paid on 15 July 2025	8,766
	26,297

The directors do not recommend the payment of any final dividend in respect of the year ended 31 July 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares and debentures during the year.

TREASURY SHARES

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

As at 31 July 2025, the Company held 550,100 treasury shares out of its 351,171,292 issued ordinary shares. The treasury shares are held in accordance with Section 127(6) of the Companies Act 2016 in Malaysia at a carrying amount of RM1,145,000, as disclosed in Note 18 to the financial statements.

SHARE OPTIONS

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 satisfied themselves that there were no 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 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 year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the year.

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 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 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 year in which this report is made.

DIRECTORS

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

Choo Seng Hong
Chang Chee Siong
Cham Chean Fong @ Sian Chean Fong
Tan Hong Koon
Lim Kah Fan
Koh Huey Min

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

Chang Chee Siong
U Kyaw Win Tun
U Myo Min Kyaw
Wong Pei Pei
Choon Ting Song
Low Geoff Jin Wei
Heong Mun Foo
Tan Hong Koon

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 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		
	As at 1.8.2024	**Acquired/ Transferred in**	**Disposed/ Transferred out**	**As at 31.7.2025**
Shares in the holding company, Scientex Berhad				
Direct interests				
Chang Chee Siong	120,000	40,000	–	160,000
Choo Seng Hong	5,198,600	80,000	–	5,278,600
Tan Hong Koon	612,900	–	–	612,900
Deemed interests				
Chang Chee Siong	35,000	1,200	–	36,200
Choo Seng Hong	–	100,000	–	100,000
Tan Hong Koon	48,200	–	–	48,200

DIRECTORS' INTERESTS (CONT'D)

	Number of warrants			
	As at 1.8.2024	Acquired/ Transferred in	Disposed/ Exercised/ Transferred out	As at 31.7.2025
Warrants in the holding company, Scientex Berhad				
Direct interests				
Chang Chee Siong	6,000	–	–	6,000
Choo Seng Hong	313,000	–	–	313,000
Tan Hong Koon	38,660	–	–	38,660
Deemed interests				
Chang Chee Siong	10,000	–	–	10,000
Tan Hong Koon	18,500	–	–	18,500

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

DIRECTORS' BENEFITS

Since the end of the previous 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.

During and at the end of the 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.

The directors' benefits are as follows:

	Group and Company RM'000
Executive directors:	
Salaries and other emoluments	1,011
Defined contribution plans	191
	1,202
Non-executive directors:	
Fees	320
	1,522

DIFFERENT YEAR END OF A SUBSIDIARY

The statutory year end of Daibochi Packaging (Myanmar) Company Limited, a subsidiary of the Company via Scientex Packaging Management Sdn. Bhd. ("SPMSB"), which in turn is a direct subsidiary of the Company, does not coincide with the year end of the Group. SPMSB was granted approval from Companies Commission of Malaysia pursuant to Section 247(3) of the Companies Act 2016 for this subsidiary to continue to adopt the year end that does not coincide with the Company's year end of 31 July.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The ultimate holding company, Scientex Berhad, maintains directors and officers liability insurance throughout the year, which provides appropriate insurance cover for the directors and officers of Scientex Group of Companies. The amount of insurance premium paid by Scientex Berhad during the year is RM27,500.

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

HOLDING COMPANY

The Company is a subsidiary of Scientex Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

SIGNIFICANT EVENT SUBSEQUENT TO THE YEAR

Details of the significant event subsequent to the year are disclosed in Note 31 to the financial statements.

AUDITORS' REMUNERATION

The remuneration of the auditors of the Group and of the Company for the year ended 31 July 2025 amounting to RM343,100 and RM151,500 respectively.

AUDITORS

The auditors, Deloitte Malaysia PLT *(formerly known as Deloitte PLT)*, have indicated their willingness to continue in office.

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

CHOO SENG HONG

CHANG CHEE SIONG

Shah Alam, Selangor Darul Ehsan
13 October 2025

INDEPENDENT AUDITORS' REPORT

To the Members of Scientex Packaging (Ayer Keroh) Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SCIENTEX PACKAGING (AYER KEROH) BERHAD** which comprise the statements of financial position of the Group and of the Company as at 31 July 2025, 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 55 to 102.

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 2025, 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, we do not provide a separate opinion on these matters.

<u>Key audit matter of the Group</u>

Key audit matter	***How our audit addressed the key audit matter***
Impairment assessment of goodwill relates to Scientex Packaging (Teluk Emas) Sdn Bhd ("SPTE")	
As at 31 July 2025, the carrying amount of the goodwill of the Group was RM42,786,000 which arose from the acquisition of SPTE.	We challenged and assessed the reasonableness of the key estimates and assumptions adopted by the management in determining the value-in-use.
We have identified the impairment assessment of goodwill relates to SPTE as a key audit matter because it involves significant management estimates in determining the value-in-use of the cash-generating unit using cash flow projections. The key assumptions include revenue growth rate, discount rate and terminal year growth rate.	We assessed the reasonableness of the discount rate and terminal year growth rate with the involvement of our internal valuation specialist. We performed retrospective review based on the historical financial performance of cash-generating unit.
Details of the key estimation and assumptions used are disclosed in Notes 4 and 13 to the financial statements.	We assessed the sensitivity and the impact of a range of possible outcome on the impairment assessment for any changes in key estimations and assumptions used.

We have determined that there are no key audit matters in the audit of the financial statements of the Company to be communicated in our auditors' report.

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, 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 the 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 of 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.

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

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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 disclosed in Note 12 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 MALAYSIA PLT (LLP0010145-LCA)
(formerly known as Deloitte PLT)
Chartered Accountants (AF 0080)

WONG YEW CHOONG
Partner – 03195/06/2027 J
Chartered Accountant

13 October 2025

STATEMENTS OF PROFIT OR LOSS

For the Year Ended 31 July 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	5	**712,195**	713,510	**465,204**	457,089
Cost of sales		**(629,623)**	(630,510)	**(427,373)**	(413,993)
Gross profit		**82,572**	83,000	**37,831**	43,096
Other income		**1,582**	1,438	**15,963**	6,965
Selling and distribution expenses		**(21,893)**	(19,788)	**(14,162)**	(11,814)
Administrative expenses		**(21,978)**	(16,720)	**(21,021)**	(8,393)
Finance costs	6	**(3,840)**	(3,430)	**(2,432)**	(2,054)
Profit before tax	7	**36,443**	44,500	**16,179**	27,800
Income tax expense	8	**(9,943)**	(10,508)	**(2,543)**	(5,503)
Profit for the year		**26,500**	33,992	**13,636**	22,297
Profit/(Loss) for the year attributable to:					
Owners of the Company		**26,878**	32,550	**13,636**	22,297
Non-controlling interests	12	**(378)**	1,442	**–**	–
		26,500	33,992	**13,636**	22,297
Earnings per ordinary share attributable to owners of the Company					
Basic (Sen)	9	**7.67**	9.28		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the Year Ended 31 July 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Profit for the year		**26,500**	33,992	**13,636**	22,297
Other comprehensive income/ (loss), net of income tax					
Item that will not be reclassified subsequently to profit or loss:					
Revaluation of land and building		**–**	11,418	**–**	9,801
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation of foreign operations		**(16,138)**	70	**–**	–
Other comprehensive (loss)/income for the year, net of income tax		**(16,138)**	11,488	**–**	9,801
Total comprehensive income for the year, net of income tax		**10,362**	45,480	**13,636**	32,098
Total comprehensive income/ (loss) for the year attributable to:					
Owners of the Company		**16,477**	43,906	**13,636**	32,098
Non-controlling interests	12	**(6,115)**	1,574	**–**	–
		10,362	45,480	**13,636**	32,098

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	**292,406**	303,206	**212,845**	223,013
Right-of-use assets	11	**523**	1,736	**523**	954
Investment in subsidiaries	12	**–**	–	**134,185**	142,437
Goodwill	13	**42,786**	42,786	**–**	–
Deferred tax assets	14	**243**	347	**–**	–
Total Non-Current Assets		**335,958**	348,075	**347,553**	366,404
Current Assets					
Inventories	15	**91,093**	84,731	**57,615**	47,961
Trade and other receivables	16	**130,673**	136,999	**86,369**	94,094
Other assets	17	**7,880**	–	**4,807**	–
Tax recoverable		**–**	1,016	**–**	–
Cash and bank balances		**19,177**	40,808	**4,194**	11,940
Total Current Assets		**248,823**	263,554	**152,985**	153,995
Total Assets		**584,781**	611,629	**500,538**	520,399
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	18	**222,358**	222,358	**222,358**	222,358
Treasury shares	18	**(1,145)**	(1,145)	**(1,145)**	(1,145)
Reserves	19	**178,616**	188,436	**150,402**	163,063
Equity attributable to owners of the Company		**399,829**	409,649	**371,615**	384,276
Non-controlling interests	12	**2,655**	9,731	**–**	–
Total Equity		**402,484**	419,380	**371,615**	384,276
Non-Current Liabilities					
Lease liabilities	23	**124**	1,337	**124**	145
Deferred tax liabilities	14	**39,719**	36,016	**28,883**	27,821
Total Non-Current Liabilities		**39,843**	37,353	**29,007**	27,966
Current Liabilities					
Trade and other payables	20	**102,708**	100,854	**72,309**	72,567
Lease liabilities	23	**409**	4,012	**409**	839
Borrowings	22	**37,782**	49,636	**27,143**	34,595
Tax payable		**1,555**	394	**55**	156
Total Current Liabilities		**142,454**	154,896	**99,916**	108,157
Total Liabilities		**182,297**	192,249	**128,923**	136,123
Total Equity and Liabilities		**584,781**	611,629	**500,538**	520,399

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Year Ended 31 July 2025

				Non-distributable reserves		Distributable reserve			
Group	Note	Share capital RM'000	Treasury shares RM'000	Property revaluation surplus RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Attributable to owners of Company RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 August 2023		222,358	(1,145)	7,468	(11,041)	165,634	383,274	8,157	391,431
Profit for the year		–	–	–	–	32,550	32,550	1,442	33,992
Other comprehensive income/(loss) for the year, net of income tax		–	–	11,418	(62)	–	11,356	132	11,488
Total comprehensive income/(loss) for the year		–	–	11,418	(62)	32,550	43,906	1,574	45,480
Dividends	24	–	–	–	–	(17,531)	(17,531)	–	(17,531)
As at 31 July 2024		222,358	(1,145)	18,886	(11,103)	180,653	409,649	9,731	419,380
As at 1 August 2024		**222,358**	**(1,145)**	**18,886**	**(11,103)**	**180,653**	**409,649**	**9,731**	**419,380**
Profit for the year		**–**	**–**	**–**	**–**	**26,878**	**26,878**	**(378)**	**26,500**
Other comprehensive income/(loss) for the year, net of income tax		**–**	**–**	**–**	**(10,401)**	**–**	**(10,401)**	**(5,737)**	**(16,138)**
Total comprehensive income/(loss) for the year		**–**	**–**	**–**	**(10,401)**	**26,878**	**16,477**	**(6,115)**	**10,362**
Dividends	24	**–**	**–**	**–**	**–**	**(26,297)**	**(26,297)**	**(961)**	**(27,258)**
As at 31 July 2025		**222,358**	**(1,145)**	**18,886**	**(21,504)**	**181,234**	**399,829**	**2,655**	**402,484**

Company	Note	Share capital RM'000	Treasury shares RM'000	Non-distributable reserve Property revaluation surplus RM'000	Distributable reserve Retained earnings RM'000	Total equity RM'000
As at 1 August 2023		222,358	(1,145)	7,468	141,028	369,709
Total comprehensive income for the year		–	–	9,801	22,297	32,098
Dividends	24	–	–	–	(17,531)	(17,531)
As at 31 July 2024		222,358	(1,145)	17,269	145,794	384,276
As at 1 August 2024		**222,358**	**(1,145)**	**17,269**	**145,794**	**384,276**
Total comprehensive income for the year		**–**	**–**	**–**	**13,636**	**13,636**
Dividends	24	**–**	**–**	**–**	**(26,297)**	**(26,297)**
As at 31 July 2025		**222,358**	**(1,145)**	**17,269**	**133,133**	**371,615**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended 31 July 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**36,443**	44,500	**16,179**	27,800
Adjustments for:					
Depreciation of:					
Property, plant and equipment		**30,404**	31,340	**21,759**	22,508
Right-of-use assets		**1,209**	1,297	**1,054**	1,023
Unrealised foreign exchange (gain)/loss		**(608)**	3,449	**(846)**	2,160
Finance costs		**3,840**	3,430	**2,432**	2,054
Property, plant and equipment:					
Written off		**32**	9	**32**	9
Gain on disposal		**(374)**	(117)	**(143)**	(102)
Net write-down/(reversal) of inventories		**284**	(493)	**601**	(320)
Provision for employee benefits		**70**	69	**–**	–
Impairment loss on:					
Trade receivables		**–**	48	**–**	–
Investment in a subsidiary		**–**	–	**8,252**	–
Property, plant and equipment		**464**	–	**–**	–
Inventories written off		**1,318**	–	**731**	–
Interest income from short-term deposits		**(993)**	(1,206)	**(6)**	(8)
Reversal of impairment loss on trade receivables		**(191)**	(151)	**–**	–
(Gain)/Loss on lease modification		**(108)**	(13)	**4**	(13)
Net loss arising from financial instruments measured at FVTPL		**5**	26	**5**	26
Dividend received from subsidiaries		**–**	–	**(15,809)**	(6,750)
Operating Profit Before Working Capital Changes		**71,795**	82,188	**34,245**	48,387
Movements in working capital:					
(Increase)/Decrease in:					
Inventories		**(11,571)**	5,571	**(10,985)**	2,118
Trade and other receivables		**(2,828)**	(9,768)	**5,112**	(4,344)
Increase/(Decrease) in trade and other payables		**2,504**	(20,724)	**(490)**	(5,994)
Cash generated from operations		**59,900**	57,267	**27,882**	40,167
Interest received		**993**	1,206	**6**	8
Tax paid		**(4,119)**	(984)	**(1,582)**	(770)
Net Cash From Operating Activities		**56,774**	57,489	**26,306**	39,405
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		**375**	125	**143**	110
Deposits paid for purchase of property, plant and equipment		**(567)**	(2,296)	**(567)**	(413)
Purchase of property, plant and equipment	25(i)	**(19,364)**	(8,204)	**(11,339)**	(5,837)
Dividend received from subsidiaries		**–**	–	**15,809**	6,750
Net Cash (Used In)/From Investing Activities		**(19,556)**	(10,375)	**4,046**	610

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES					
Net repayment of short-term borrowings	25	**(11,854)**	(7,958)	**(7,452)**	(11,129)
Dividends paid to:					
Owners of the Company	24	**(26,297)**	(17,531)	**(26,297)**	(17,531)
Non-controlling interests		**(961)**	–	**–**	–
Interest paid		**(3,754)**	(3,256)	**(2,396)**	(1,997)
Interest paid on lease liabilities	23	**(86)**	(174)	**(36)**	(57)
Repayment of lease liabilities	23	**(1,079)**	(1,022)	**(1,079)**	(1,022)
Net Cash Used In Financing Activities		**(44,031)**	(29,941)	**(37,260)**	(31,736)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(6,813)**	17,173	**(6,908)**	8,279
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR		**40,808**	23,615	**11,940**	3,786
Effect of exchange differences		**(14,818)**	20	**(838)**	(125)
CASH AND CASH EQUIVALENTS AS AT END OF YEAR		**19,177**	40,808	**4,194**	11,940

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 July 2025

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 Company is principally involved in manufacturing and marketing of flexible packaging materials. The principal activities of its subsidiaries are disclosed in Note 12.

The Company's registered office is located at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor.

The principal place of business of the Company is located at Lot 3 & 7, Ayer Keroh Industrial Estate, Phase IV, 75450 Melaka.

The Company is a subsidiary of Scientex Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements of the Group and the Company were authorised by the Board of Directors for issuance on 13 October 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of compliance

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.

(b) Adoption of Amendments to MFRS

In the current year, the Group and the Company have adopted all the Amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for the financial statements of the Group and the Company for the year ended 31 July 2025:

Amendments to:	
MFRS 16	Lease Liability in a Sale and Leaseback
MFRS 101	Classification of Liabilities as Current or Non-current
MFRS 101	Non-current Liabilities with Covenants
MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above Amendments to MFRSs does not have any material impact on the financial statements of the Group and of the Company.

(c) New Standards and Amendments to MFRS that are issued but not yet effective

As at the date of authorisation of these financial statements, certain new Standards and Amendments to MFRS have been published by the MASB but are 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 Statement [3]
MFRS 19	Subsidiaries without Public Accountability: Disclosures [3]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]
Amendments to MFRS 121	Lack of Exchangeability [1]
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments [2]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependant Electricity [2]

[1] Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
[4] Effective date deferred to a date to be determined and announced, with earlier application still permitted.

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

(c) New Standards and Amendments to MFRS that are issued but not yet effective (Cont'd)

The directors anticipate that the abovementioned new Standards 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 the new Standards and Amendments to MFRS is not expected to have significant impact on the financial statements of the Group and the Company in the period of initial application, except for the adoption of MFRS 18.

MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into three defined categories: "operating", "investing" and "financing" and introduces two new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The potential impact of the new standard on the financial statements of the Group and the Company has yet to be assessed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Accounting

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, at the end of each reporting period as explained in the accounting policies below. 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 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Goodwill (Cont'd)

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.

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 arises mainly from the manufacturing and marketing of flexible packaging materials.

(i) Revenue from contracts with customers

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.

Revenue from manufacturing and marketing of flexible packaging materials is recognised at a point in time when the flexible packaging materials have been transferred to the customers and coincide with the delivery of flexible packaging materials and acceptance by customers.

(ii) Other sources of 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 period, 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (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 transactions entered into in order to hedge certain foreign currency risks; and

(c) 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 the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates on the reporting period, unless exchange rates fluctuated significantly during that reporting period, in which case the exchange rates at the dates 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).

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 lands and buildings, are stated at cost less accumulated depreciation and impairment loss, if any.

Freehold land are stated at valuation, which is the fair value at the date of valuation, less impairment loss, if any. Long-term leasehold lands and buildings are stated at valuation, which is the fair value at the date of the valuation less accumulated depreciation and impairment if any. The Group and the Company revalue their lands and buildings 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Inventories

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 and consumables: 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.

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.

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.

The Group and the Company reclassify debt instruments when and only when its business model for managing those assets changes.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial Assets (Cont'd)

(i) Recognition and Initial Measurement (Cont'd)

Financial assets at amortised cost (Cont'd)

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.

(ii) Impairment of financial 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 and the Company in accordance with the contract and the cash flows that the Group and the Company expect 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 the 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.

The Group and the Company apply the simplified approach to measure the impairment of trade 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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial Assets (Cont'd)

(ii) Impairment of financial assets (Cont'd)

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.

(iii) 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.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity.

(iii) Financial liabilities

Financial liabilities are classified as either financial liabilities at "FVTPL" or "other financial liabilities".

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial Liabilities and Equity Instruments (Cont'd)

(iv) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company'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.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of 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.

4. 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 and the Company's accounting policies

In the process of applying accounting policies of the Group's and Company'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 significant effect on the amounts recognised in the financial statements.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty

The following are 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 amounts of assets and liabilities within the next year:

(i) Impairment assessment on goodwill

Goodwill of RM42,786,000 of the Group relates to the acquisition of Scientex Packaging (Teluk Emas) Sdn. Bhd., a company incorporated in Malaysia, which is required to be tested for impairment annually.

In determining the recoverable amount, management estimates value-in-use ("VIU") based on projected future cash flows derived from the business operations of the CGU. Significant estimation had been used to determine the key assumptions applied to the cash flow projections, which includes the revenue growth rate, discount rate and terminal year growth rate used for the CGU.

The details of the carrying amount, key assumptions applied in the impairment assessment on goodwill are disclosed in Note 13.

(ii) Impairment of investment in subsidiaries

Management reviews the investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the VIU of the respective subsidiaries.

The VIU is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. Significant estimation has been applied in determining the key assumptions used in the cash flow projections, which includes the revenue growth rates, discount rate and terminal year growth rate. Impairment losses are recognised when the carrying amount of the investments in subsidiaries exceed their recoverable amount.

The details of the carrying amount and the impairment of investment in subsidiaries of the Company are disclosed in Note 12.

(iii) Valuation of lands and buildings

The valuation of lands and buildings performed by management is based on independent professional valuations with reference to comparison method, being comparison of recent prices in an active market for similar properties in the same location and condition and when necessary, adjusting for location, accessibility, terrain, size, present market trends and other differences, and cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for factors of obsolescence and existing physical condition of the building to reflect its profitable present market value. The management believes that the chosen valuation techniques and assumptions are appropriate in determining the valuation of the Group's and of the Company's lands and buildings.

The details of the revaluation surplus are disclosed in Note 10.

(iv) Consideration payable to customers

The Group and the Company make consideration payable to customers in relation to future sales. These amounts are recognised as a reduction of revenue over the period of the related sales.

Management exercises judgement in determining how consideration payable is allocated against sales to ensure recognition is consistent and reasonable. Estimation is also required in forecasting future sales volumes and contract duration, as these factors affect the timing of recognition. If actual sales differ from expectations, the timing and amount of revenue recognised may be materially affected.

5. REVENUE

Revenue from contracts with customers of the Group and of the Company, which is recognised at a point in time is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sales of flexible packaging materials	**712,195**	713,510	**465,204**	457,089

The Group's revenue disaggregated by primary geographical location of its customers are as disclosed in Note 29.

6. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expenses on:				
Revolving credit	**276**	992	**108**	738
Lease liabilities (Note 23)	**86**	174	**36**	57
Trade loans	**1,447**	523	**1,180**	363
Vendor financing	**2,031**	1,741	**1,108**	896
	3,840	3,430	**2,432**	2,054

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Employee benefits expenses:				
Salaries and other emoluments	**53,002**	51,481	**34,976**	33,984
Defined contribution plans	**4,215**	4,105	**2,684**	2,652
Provision for employee benefits (Note 20)	**70**	69	**–**	–
Depreciation of:				
Property, plant and equipment (Note 10)	**30,404**	31,340	**21,759**	22,508
Right-of-use assets (Note 11)	**1,209**	1,297	**1,054**	1,023
Foreign exchange (gain)/loss:				
Unrealised	**(608)**	3,449	**(846)**	2,160
Realised	**6,091**	(1,229)	**6,032**	(1,035)
Auditors' remuneration:				
Statutory audit	**343**	346	**152**	152
Other services	**8**	8	**8**	8
Remuneration of other professional services rendered by affiliates of auditors	**69**	109	**37**	43
Property, plant and equipment:				
Written off	**32**	9	**32**	9
Gain on disposal	**(374)**	(117)	**(143)**	(102)
Expenses relating to (Note 23):				
Short-term leases	**734**	716	**204**	332
Low-value assets	**9**	10	**–**	–

7. PROFIT BEFORE TAX (CONT'D)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment loss on:				
Trade receivables (Note 16)	**–**	48	**–**	–
Property, plant and equipment (Note 10)	**464**	–	**–**	–
Investment in a subsidiary (Note 12)	**–**	–	**8,252**	–
Interest income from short-term deposits	**(993)**	(1,206)	**(6)**	(8)
Reversal of impairment loss on trade receivables (Note 16)	**(191)**	(151)	**–**	–
(Gain)/Loss on lease modification	**(108)**	(13)	**4**	(13)
Net loss arising from financial instruments measured at FVTPL	**5**	26	**5**	26
Dividend received from subsidiaries	**–**	–	**(15,809)**	(6,750)

Directors' remuneration

The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the year are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Executive:		
Salaries and other emoluments	**1,011**	951
Defined contribution plans	**191**	175
	1,202	1,126
Non-executive:		
Fees	**320**	320
	1,522	1,446

Salaries and other emoluments are inclusive of estimated monetary value of benefits-in-kind received by the directors of the Company during the year amounting to RM Nil (2024: RM 24,250).

8. INCOME TAX EXPENSE

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax:				
Malaysian tax	**4,681**	3,062	**1,479**	1,815
Foreign tax	**1,474**	1,152	**–**	–
(Over)/Under provision in prior year:				
Malaysian tax	**(1)**	(15)	**2**	(1)
Foreign tax	**8**	(368)	**–**	–
	6,162	3,831	**1,481**	1,814
Deferred tax (Note 14):				
Current year	**3,776**	6,528	**1,048**	3,508
Under provision in prior year	**5**	149	**14**	181
	3,781	6,677	**1,062**	3,689
	9,943	10,508	**2,543**	5,503

Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable income for the year.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A numerical reconciliation of profit before tax at the statutory income tax rate to tax expense at the effective income tax rate is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	**36,443**	44,500	**16,179**	27,800
Tax at the Malaysia's statutory income tax rate of 24% (2024: 24%)	**8,746**	10,680	**3,883**	6,672
Effect of different tax rate of subsidiaries operating in other jurisdictions	**421**	74	**–**	–
Effects of:				
Expenses not deductible in determining taxable profit	**889**	166	**2,438**	271
Income not taxable in determining taxable profit	**–**	–	**(3,794)**	(1,620)
Utilisation of previously unrecognised tax losses and other deductible temporary differences	**(131)**	(185)	**–**	–
Deferred tax assets not recognised	**6**	7	**–**	–
Under/(Over) provision in prior year:				
Current tax	**7**	(383)	**2**	(1)
Deferred tax	**5**	149	**14**	181
Income tax expense for the year	**9,943**	10,508	**2,543**	5,503

8. INCOME TAX EXPENSE (CONT'D)

As at 31 July 2025, the estimated amount of unused tax losses for which no deferred tax asset has been recognised in the financial statements due to uncertainty of realisation, amounting to RM181,820 (2024: RM753,997). The tax effects of unused tax losses which would give rise to deferred tax assets are recognised to the extent that it is probable that the future taxable profits will be available against which the unused tax losses can be utilised.

Pillar Two (Global Minimum Tax)

The OECD's Pillar Two Model Rules, introducing a global minimum effective tax rate of 15% for multinational enterprise groups with consolidated revenue of at least €750 million, have been implemented in one of the jurisdictions in which the Group operates.

- In Malaysia, the Multinational Top-up Tax and Domestic Top-up Tax are effective for years beginning on or after 1 January 2025. Accordingly, the Group's year ended 31 July 2025 is not affected by these rules in Malaysia.
- In Australia, Pillar Two legislation is effective for years beginning on or after January 2024. As the Group's year commenced on 1 August 2024, the Group falls within the scope of Pillar Two in this jurisdiction for the current year.

The Group has applied the mandatory temporary exception under MFRS 112 *Income Taxes* and has not recognised deferred tax assets or liabilities related to Pillar Two income taxes.

For Australia, management has applied the Transitional Safe Harbour ETR test, based on its ultimate holding company, Scientex Berhad's Country-by-Country Reporting data. On this basis, the Group's effective tax rate in this jurisdiction meet or exceed the required thresholds, and, accordingly, no Pillar Two top-up tax is expected for the year ended 31 July 2025.

Management will continue to monitor developments in Malaysia and other jurisdictions, reassess its Pillar Two exposure in subsequent years, and provide updated disclosures if material changes occur.

9. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per ordinary share is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue, adjusted by the number of ordinary shares repurchased and disposed during the year.

	Group	
	2025 RM'000	**2024 RM'000**
Profit for the year attributable to owners of the Company	**26,878**	32,550
	Units'000	**Units'000**
Weighted average number of ordinary shares for the purpose of basic earnings per share	350,621	350,621
Basic earnings per ordinary share (Sen)	7.67	9.28

Diluted earnings per ordinary share are not presented as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Staff quarters and apartments RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Equipment, furniture, fixtures and fittings RM'000	Total RM'000
Cost/Valuation								
As at 1 August 2023	3,900	23,325	88,287	739	408,755	3,393	20,596	548,995
Additions	–	–	1,357	–	3,886	–	284	5,527
Disposals	–	–	–	–	(301)	(555)	–	(856)
Written off	–	–	(8)	–	(2,042)	–	(150)	(2,200)
Reclassification	–	–	–	–	–	–	(20)	(20)
Revaluation	3,900	9,986	419	–	–	–	–	14,305
Elimination of accumulated depreciation on revaluation	–	(1,611)	(15,328)	–	–	–	–	(16,939)
Currency translation difference	–	–	22	–	134	(2)	24	178
As at 31 July 2024/1 August 2024	7,800	31,700	74,749	739	410,432	2,836	20,734	548,990
Additions	**–**	**–**	**1,382**	**–**	**20,008**	**–**	**603**	**21,993**
Disposals	**–**	**–**	**–**	**–**	**(541)**	**(1,343)**	**(8)**	**(1,892)**
Written off	**–**	**–**	**–**	**–**	**(3,375)**	**–**	**(257)**	**(3,632)**
Currency translation difference	**–**	**–**	**(661)**	**–**	**(3,863)**	**(50)**	**(706)**	**(5,280)**
As at 31 July 2025	**7,800**	**31,700**	**75,470**	**739**	**422,661**	**1,443**	**20,366**	**560,179**

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Staff quarters and apartments RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Equipment, furniture, fixtures and fittings RM'000	Total RM'000
Accumulated depreciation								
As at 1 August 2023	–	1,270	11,118	94	206,174	3,187	12,517	234,360
Charge for the year	–	341	4,593	15	24,825	122	1,444	31,340
Disposals	–	–	–	–	(293)	(555)	–	(848)
Written off	–	–	(4)	–	(2,038)	–	(149)	(2,191)
Reclassification	–	–	–	–	–	–	(20)	(20)
Elimination of accumulated depreciation on revaluation	–	(1,611)	(15,328)	–	–	–	–	(16,939)
Currency translation difference	–	–	4	–	66	(2)	14	82
As at 31 July 2024/1 August 2024	–	–	383	109	228,734	2,752	13,806	245,784
Charge for the year	**–**	**490**	**4,663**	**15**	**23,892**	**50**	**1,294**	**30,404**
Disposals	**–**	**–**	**–**	**–**	**(541)**	**(1,343)**	**(7)**	**(1,891)**
Written off	**–**	**–**	**–**	**–**	**(3,344)**	**-**	**(256)**	**(3,600)**
Currency translation difference	**–**	**–**	**(221)**	**–**	**(2,545)**	**(47)**	**(575)**	**(3,388)**
As at 31 July 2025	**–**	**490**	**4,825**	**124**	**246,196**	**1,412**	**14,262**	**267,309**
Impairment loss	**–**	**–**	**301**	**–**	**89**	**–**	**74**	**464**
Carrying amount								
As at 31 July 2024	7,800	31,700	74,366	630	181,698	84	6,928	303,206
As at 31 July 2025	**7,800**	**31,210**	**70,344**	**615**	**176,376**	**31**	**6,030**	**292,406**

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Equipment, furniture, fixtures and fittings RM'000	Total RM'000
Cost/Valuation							
As at 1 August 2023	3,900	16,771	68,940	291,418	2,237	12,309	395,575
Additions	–	–	1,293	1,574	–	136	3,003
Disposals	–	–	–	(301)	(495)	–	(796)
Written off	–	–	(8)	(875)	–	(125)	(1,008)
Reclassification	–	–	–	–	–	(20)	(20)
Revaluation	3,900	7,895	382	–	–	–	12,177
Elimination of accumulated depreciation on revaluation	–	(1,166)	(13,127)	–	–	–	(14,293)
As at 31 July 2024/ 1 August 2024	7,800	23,500	57,480	291,816	1,742	12,300	394,638
Additions	**–**	**–**	**1,369**	**9,982**	**–**	**272**	**11,623**
Disposals	**–**	**–**	**–**	**–**	**(566)**	**–**	**(566)**
Written off	**–**	**–**	**–**	**(1,618)**	**–**	**(216)**	**(1,834)**
As at 31 July 2025	**7,800**	**23,500**	**58,849**	**300,180**	**1,176**	**12,356**	**403,861**

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company (Cont'd)	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Equipment, furniture, fixtures and fittings RM'000	Total RM'000
Accumulated depreciation							
As at 1 August 2023	–	914	9,091	145,730	2,114	7,368	165,217
Charge for the year	–	252	4,040	17,307	96	813	22,508
Disposals	–	–	–	(293)	(495)	–	(788)
Written off	–	–	(4)	(871)	–	(124)	(999)
Reclassification	–	–	–	–	–	(20)	(20)
Elimination of accumulated depreciation on revaluation	–	(1,166)	(13,127)	–	–	–	(14,293)
As at 31 July 2024/ 1 August 2024	–	–	–	161,873	1,715	8,037	171,625
Charge for the year	**–**	**370**	**4,149**	**16,462**	**27**	**751**	**21,759**
Disposals	**–**	**–**	**–**	**–**	**(566)**	**–**	**(566)**
Written off	**–**	**–**	**–**	**(1,587)**	**–**	**(215)**	**(1,802)**
As at 31 July 2025	**–**	**370**	**4,149**	**176,748**	**1,176**	**8,573**	**191,016**
Carrying amount							
As at 31 July 2024	7,800	23,500	57,480	129,943	27	4,263	223,013
As at 31 July 2025	**7,800**	**23,130**	**54,700**	**123,432**	**–**	**3,783**	**212,845**

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold land, long-term leasehold land and buildings of the Group and of the Company were revalued in July 2024 by an accredited firm of professional valuers, based on the comparison and cost methods. The fair value is categorised as Level 3 of the fair value hierarchy with no transfer between Level 1 and 2 during the current and prior year.

If the revalued land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Freehold land	2,851	2,851	2,851	2,851
Long-term leasehold land	15,471	15,724	9,452	9,615
Buildings	68,192	72,149	52,590	55,299
	86,514	90,724	64,893	67,765

Freehold land is not depreciated. Depreciation is calculated to write off the cost or valuation of assets (other than freehold land) to their residual values on a straight-line basis over their estimated useful lives.

The principal annual depreciation period and rates are as follows:

	Rates
Long-term leasehold land	67 to 70 years
Buildings	2% - 10%
Staff quarters and apartments	2%
Plant and machineries	6.67% - 50%
Motor vehicles	12.5% - 20%
Equipment, furniture, fixtures and fittings	10% - 27%

11. RIGHT-OF-USE ASSETS

Group	Buildings RM'000	Staff quarters and apartments RM'000	Equipment and machineries RM'000	Total RM'000
Cost				
As at 1 August 2023	2,082	1,530	1,403	5,015
Additions	–	–	630	630
Written off	–	–	(502)	(502)
Modification of lease contract	–	(344)	(238)	(582)
Exchange differences	42	–	–	42
As at 31 July 2024/1 August 2024	2,124	1,186	1,293	4,603
Additions	**–**	**–**	**550**	**550**
Written off	**–**	**–**	**(737)**	**(737)**
Modification of lease contract	**(893)**	**73**	**–**	**(820)**
Exchange differences	**(1,231)**	**–**	**–**	**(1,231)**
As at 31 July 2025	**–**	**1,259**	**1,106**	**2,365**
Accumulated depreciation				
As at 1 August 2023	1,052	458	690	2,200
Charge for the year	274	381	642	1,297
Written off	–	–	(502)	(502)
Modification of lease contract	–	(29)	(115)	(144)
Exchange differences	16	–	–	16
As at 31 July 2024/ 1 August 2024	1,342	810	715	2,867
Charge for the year	**155**	**414**	**640**	**1,209**
Written off	**–**	**–**	**(737)**	**(737)**
Modification of lease contract	**(668)**	**–**	**–**	**(668)**
Exchange differences	**(829)**	**–**	**–**	**(829)**
As at 31 July 2025	**–**	**1,224**	**618**	**1,842**
Carrying amount				
As at 31 July 2024	782	376	578	1,736
As at 31 July 2025	**–**	**35**	**488**	**523**

11. RIGHT-OF-USE ASSETS (CONT'D)

Company	Staff quarters and apartments RM'000	Equipment and machineries RM'000	Total RM'000
Cost			
As at 1 August 2023	1,530	1,403	2,933
Additions	–	630	630
Written off	–	(502)	(502)
Modification of lease contract	(344)	(238)	(582)
As at 31 July 2024/1 August 2024	1,186	1,293	2,479
Additions	**–**	**550**	**550**
Written off	**–**	**(737)**	**(737)**
Modification of lease contract	**73**	**–**	**73**
As at 31 July 2025	**1,259**	**1,106**	**2,365**
Accumulated Depreciation			
As at 1 August 2023	458	690	1,148
Charge for the year	381	642	1,023
Written off	–	(502)	(502)
Modification of lease contract	(29)	(115)	(144)
As at 31 July 2024/1 August 2024	810	715	1,525
Charge for the year	**414**	**640**	**1,054**
Written off	**–**	**(737)**	**(737)**
As at 31 July 2025	**1,224**	**618**	**1,842**
Carrying amount			
As at 31 July 2024	376	578	954
As at 31 July 2025	**35**	**488**	**523**

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:

	Rates
Buildings	10%
Staff quarters and apartments	33%
Equipment and machineries	25% - 50%

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2025	**2024**
	RM'000	**RM'000**
Unquoted shares, at cost	**131,702**	131,702
Loan that is part of net investment	**32,594**	32,594
As at beginning of year/ end of year	**164,296**	164,296
Accumulated impairment losses		
As at beginning of year	**(21,859)**	(21,859)
Charge for the year (Note 7)	**(8,252)**	–
As at end of year	**(30,111)**	(21,859)
Total	**134,185**	142,437

Loan that is part of net investment

Loan that is part of net investment represents an amount receivable from a subsidiary which is non-trade, unsecured, interest-free and do not have fixed repayment terms. The directors are of the view that, in substance, the amount due from a subsidiary provided an exposure similar to an investment in ordinary shares of the subsidiary. Accordingly, the Company has treated this amount as a long-term source of capital to the said subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

Impairment loss

Daibochi Myanmar has ceased its manufacturing operations in Myanmar since June 2025.

Accordingly, during the current year, an impairment loss of RM8,252,518 was recognised in the statement of profit or loss to reduce the carrying amount of the investment to its recoverable amount.

12. 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 2025	2024	Principal activities
Scientex Packaging (Teluk Emas) Sdn. Bhd. ("SPTE")	Malaysia	100%	100%	Manufacturing and marketing of flexible packaging materials
Scientex Packaging (Australia) Pty. Ltd.*	Australia	100%	100%	Marketing of flexible packaging materials
Scientex Packaging (New Zealand) Limited ^	New Zealand	100%	100%	Marketing of flexible packaging materials
Scientex Packaging Management Sdn. Bhd. ("SPMSB")	Malaysia	100%	100%	Investment holding
Scientex Land Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiary of SPMSB				
Daibochi Packaging (Myanmar) Company Limited ("Daibochi Myanmar")*	Myanmar	60%	60%	Manufacturing and marketing of flexible packaging materials. The company has ceased operations since June 2025.

* *Audited by other auditors.*
^ *Exempted from statutory audit under Section 45, Financial Reporting Act 2013 in New Zealand.*

Non-controlling interests in a subsidiary

The Group's subsidiary that has material non-controlling interests is as follows:

Daibochi Myanmar	**2025**	**2024**
Percentage of ownership interest and voting interest (%)	40	40

	2025 RM'000	**2024 RM'000**
Carrying amount of non-controlling interests	2,655	9,731
(Loss)/Profit allocated to non-controlling interests	(378)	1,442
Other comprehensive (loss)/income allocated to non-controlling interests	(5,737)	132
Total comprehensive (loss)/income attributable to non-controlling interests	(6,115)	1,574

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) of Daibochi Myanmar is as below:

	2025 RM'000	2024 RM'000
Summarised statement of financial position		
Non-current assets	–	4,275
Current assets	**9,426**	25,564
Non-current liabilities	–	(1,192)
Current liabilities	**(2,789)**	(4,319)
Net assets	**6,637**	24,328
Summarised statement of profit or loss and other comprehensive income		
Revenue	**6,592**	26,909
(Loss)/Profit for the year	**(946)**	3,606
Other comprehensive (loss)/income for the year	**(14,342)**	330
Total comprehensive (loss)/income for the year	**(15,288)**	3,936
Summarised cash flows information		
Net cash inflow from operating activities	**4,266**	7,693
Net cash inflow/(outflow) from investing activities	**76**	(37)
Net cash outflow from financing activities	**(2,454)**	(116)
Net cash inflow	**1,888**	7,540

13. GOODWILL

	Group	
	2025 RM'000	2024 RM'000
Cost		
As at beginning of year	**68,234**	68,234
Written off	**(25,448)**	–
As at end of year	**42,786**	68,234
Accumulated impairment losses		
As at beginning of year	**25,448**	25,448
Written off	**(25,448)**	–
As at end of year	–	25,448
Carrying amount		
As at end of year	**42,786**	42,786

The carrying amount of goodwill with an indefinite useful life has been allocated to the cash-generating unit ("CGU") identified as SPTE.

13. GOODWILL (CONT'D)

Impairment testing for cash-generating unit ("CGU") containing goodwill

The recoverable amount of the CGU is determined based on its value-in-use ("VIU"). This VIU calculation applies a discounted cash flow model using expected cash flow projection based on forecast approved by Management covering a five-year period. The forecast reflects Management's expectation of revenue growth rate, based on anticipated compounded annual growth rate ("CAGR"), operating costs and margins for CGU based on expectations of market growth. Cash flows beyond the fifth year are extrapolated using an estimated terminal year growth rate.

The following key assumptions have been applied in the VIU calculation of CGU:

Key assumptions	2025 (%)	2024 (%)
Revenue CAGR	**3.10**	3.60
Pre-tax discount rate	**11.90**	11.70
Terminal year growth rate	**1.80**	1.80

Sensitivity analysis

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGU to which goodwill is allocated.

The directors are of the opinion that any reasonably possible change in the key assumptions used to determine the recoverable amount of CGU would not cause the carrying amount to exceed the recoverable amount of the related CGU.

14. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	**243**	347	**–**	–
Deferred tax liabilities	**(39,719)**	(36,016)	**(28,883)**	(27,821)
	(39,476)	(35,669)	**(28,883)**	(27,821)

Movements of deferred tax assets/(liabilities) during the year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at beginning of year	**(35,669)**	(26,108)	**(27,821)**	(21,755)
Recognised in profit or loss (Note 8)	**(3,781)**	(6,677)	**(1,062)**	(3,689)
Recognised in other comprehensive income	**–**	(2,887)	**–**	(2,377)
Currency translation difference	**(26)**	3	**–**	–
As at end of year	**(39,476)**	(35,669)	**(28,883)**	(27,821)

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets/(liabilities) are in respect of temporary differences arising from the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets (before offsetting):				
Inventories	**1,302**	1,931	**402**	305
Provisions	**1,071**	1,382	**538**	834
Unutilised special reinvestment allowance	**–**	2,996	**–**	1,081
	2,373	6,309	**940**	2,220
Offsetting	**(2,130)**	(5,962)	**(940)**	(2,220)
Deferred tax assets (after offsetting)	**243**	347	**–**	–
Deferred tax liabilities (before offsetting):				
Property, plant and equipment	**(35,260)**	(35,337)	**(25,316)**	(25,534)
Revaluation of land and buildings	**(6,589)**	(6,641)	**(4,507)**	(4,507)
	(41,849)	(41,978)	**(29,823)**	(30,041)
Offsetting	**2,130**	5,962	**940**	2,220
Deferred tax liabilities (after offsetting)	**(39,719)**	(36,016)	**(28,883)**	(27,821)

15. INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Raw materials and consumables	**49,055**	43,292	**40,157**	30,447
Work-in-progress	**10,411**	8,556	**8,236**	6,605
Finished goods	**31,627**	32,883	**9,222**	10,909
	91,093	84,731	**57,615**	47,961

Cost of inventories recognised as an expense during the year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised as cost of sales:				
Inventories	**517,132**	515,864	**349,066**	334,471
Net written down/(reversal) of inventories	**284**	(493)	**601**	(320)
Inventories write-off	**1,318**	–	**731**	–

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables:				
Third parties	**126,996**	129,991	**70,098**	69,394
Subsidiaries	**–**	–	**13,526**	22,098
Other related companies	**98**	103	**98**	103
	127,094	130,094	**83,722**	91,595
Less: Impairment loss				
- third parties	**(17)**	(216)	**–**	–
Total trade receivables	**127,077**	129,878	**83,722**	91,595
Other receivables	**1,110**	1,497	**817**	938
Deposits on purchase of property, plant and equipment	**567**	2,603	**567**	413
Other refundable deposits	**355**	374	**317**	343
Prepayments	**1,564**	2,647	**946**	805
Total other receivables	**3,596**	7,121	**2,647**	2,499
	130,673	136,999	**86,369**	94,094

As at 31 July 2025, an amount due from two customers (2024: two customers) to the Group of RM27,953,000 (2024: RM27,288,000) and four customers, including a subsidiary (2024: two customers, including a subsidiary) to the Company of RM47,445,000 (2024: RM35,047,000), represent more than 10% of the Group's and of the Company's trade receivables, respectively.

The credit terms for trade receivables of the Group and of the Company range from 7 to 120 days (2024: 7 to 120 days). No interest was charged on overdue outstanding trade receivables.

Other related companies refer to subsidiaries of the holding company, Scientex Berhad. Transactions with related companies are disclosed in Note 26.

The table below is an analysis of trade receivables at the end of the reporting period:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Neither past due nor impaired	**120,951**	109,474	**79,741**	84,232
Past due but not impaired:				
- 1 to 30 days	**4,838**	17,957	**2,708**	6,764
- 31 to 60 days	**1,053**	1,981	**961**	288
- 61 to 90 days	**135**	275	**24**	124
- More than 90 days	**100**	191	**288**	187
	6,126	20,404	**3,981**	7,363
Past due and impaired:				
More than 90 days	**17**	216	**–**	–
Total	**127,094**	130,094	**83,722**	91,595

16. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group set up a Management level Credit Committee ("CC") to evaluate the credit limits and terms being extended to the customers with a view to minimise the risk of default. In Daibochi Myanmar, it is the responsibility of its Board of Directors to evaluate the credit limits and terms being extended to the customers with a view to minimise the risk of default. CC ensures that monies owed to the Group are to be collected.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records. None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the year.

Any amount outstanding which is past the credit terms of the Group and of the Company will need to be reviewed by CC. Management determined that trade receivables that are impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and has defaulted in payments.

The trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
As at beginning of year	**216**	321
Impairment loss (Note 7)	**–**	48
Reversal of impairment loss (Note 7)	**(191)**	(151)
Foreign exchange difference	**(8)**	(2)
As at end of year	**17**	216

For the purpose of impairment assessment, other receivables are considered to have low credit risks and loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

17. OTHER ASSETS

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other assets	**7,880**	–	**4,807**	–

Other assets represent consideration payable to customers in relation to future sales. Other assets are amortised on a systematic basic that is consistent with the pattern of revenue recognition to which the related revenue is recognised.

18. SHARE CAPITAL AND TREASURY SHARES

Share Capital

	Group and Company			
	Number of ordinary shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid up shares with no par value classified as equity instruments				
At beginning and end of year	**351,171**	351,171	**222,358**	222,358

Treasury shares

The treasury shares held by the Company at the end of the reporting period are as follows:

	Group and Company	
	2025	2024
Number of treasury shares held as at the end of the year (Unit)	**550,100**	550,100
Carrying amount of treasury shares in accordance with Section 127(6) of the Companies Act 2016 in Malaysia (RM'000)	**1,145**	1,145

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

19. RESERVES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-distributable reserves:				
Property revaluation surplus	**18,886**	18,886	**17,269**	17,269
Foreign currency translation reserve	**(21,504)**	(11,103)	**–**	–
Distributable reserve:				
Retained earnings	**181,234**	180,653	**133,133**	145,794
	178,616	188,436	**150,402**	163,063

Property revaluation surplus

Property revaluation surplus arose from increase in the fair value of land and buildings, net of tax, and if applicable, decreases to the extent that such decrease relate to an increase on the same asset previously recognised in other comprehensive income.

19. RESERVES (CONT'D)

Foreign currency translation reserve

Foreign currency translation reserve relates to the foreign exchange differences on translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Retained earnings

The entire retained earnings as at 31 July 2025 of the Company is available for distribution as dividend under the single tier system without incurring additional tax liabilities.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables:				
Third parties	**66,249**	58,571	**52,117**	45,189
Other related companies	**16,098**	23,820	**10,594**	15,284
Total trade payables	**82,347**	82,391	**62,711**	60,473
Other payables	**8,770**	8,501	**3,551**	3,705
Accrued expenses	**11,033**	9,439	**6,020**	8,367
Derivatives financial liabilities (Note 21)	**27**	22	**27**	22
Provisions	**531**	501	**–**	–
Total other payables	**20,361**	18,463	**9,598**	12,094
	102,708	100,854	**72,309**	72,567

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 120 days (2024: 14 to 120 days) and the Company range from 30 to 120 days (2024: 14 to 120 days).

Other related companies refer to subsidiaries and associates of the holding company, Scientex Berhad. Transactions with related companies are disclosed in Note 26.

Other payables of the Group and of the Company include indirect tax payables amounting to RM3,683,000 (2024: RM3,145,000) and RM1,184,000 (2024: RM875,000) respectively.

Provisions comprise provision for annual and long service leave. The movement in the provisions account is as follows:

	Group	
	2025 RM'000	2024 RM'000
As at beginning of year	**501**	605
Provision made during the year (Note 7)	**70**	69
Utilised during the year	**–**	(166)
Currency translation difference	**(40)**	(7)
As at end of year	**531**	501

21. DERIVATIVE FINANCIAL LIABIILITIES

Derivative carried at fair value through profit or loss is as follows:

	Group and Company	
	Contract value RM'000	**Liabilities RM'000**
2025		
Foreign currency forward contracts:		
Sell contracts	**3,253**	**27**
2024		
Foreign currency forward contracts:		
Sell contracts	4,497	22

22. BORROWINGS

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current				
Unsecured:				
Trade loans	**32,332**	45,136	**26,543**	34,595
Revolving credit	**5,450**	4,500	**600**	–
	37,782	49,636	**27,143**	34,595

23. LEASE LIABILITIES

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Maturity analysis				
Year 1	**421**	3,739	**421**	872
Year 2 to Year 5	**126**	1,968	**126**	137
	547	5,707	**547**	1,009
Less: Unearned interest	**(14)**	(358)	**(14)**	(25)
	533	5,349	**533**	984
Present value of lease liabilities analysed as:				
Non-current	**124**	1,337	**124**	145
Current	**409**	4,012	**409**	839
	533	5,349	**533**	984

23. LEASE LIABILITIES (CONT'D)

The total cash outflows for leases are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash used in operating activities				
Payments relating to:				
Short-term leases	**734**	716	**204**	332
Low-value assets	**9**	10	**–**	–
	743	726	**204**	332
Included in net cash used in financing activities				
Repayment of lease liabilities	**1,079**	1,022	**1,079**	1,022
Interest paid on lease liabilities	**86**	174	**36**	57
Total cash outflows for leases	**1,908**	1,922	**1,319**	1,411

24. DIVIDENDS

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

	Group and Company	
	2025 RM'000	2024 RM'000
In respect of the year ended 31 July 2023		
Single tier final dividend of 2.50 sen per ordinary share paid on 22 January 2024	**–**	8,766
In respect of the year ended 31 July 2024		
Single tier interim dividend of 2.50 sen per ordinary share paid on 17 July 2024	**–**	8,765
Single tier final dividend of 5.00 sen per ordinary share paid on 14 January 2025	**17,531**	–
In respect of the year ended 31 July 2025		
Single tier interim dividend of 2.50 sen per ordinary share paid on 15 July 2025	**8,766**	–
	26,297	17,531

25. RECONCILIATION OF CASH FLOWS

(i) Purchase of property, plant and equipment

Purchase of property, plant and equipment during the year is financed by the following means:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Additions to property, plant and equipment	**21,993**	5,527	**11,623**	3,003
Less: Deposits paid in prior year	**(2,296)**	(177)	**(413)**	(30)
Add/(Less):				
Effect of changes in payables for the year	**(333)**	2,854	**129**	2,864
Cash outflows	**19,364**	8,204	**11,339**	5,837

(ii) 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 of the Company:

Group	**Note**	**As at 1 August RM'000**	**Non-cash changes movement RM'000**	**Financing cash outflows RM'000**	**As at 31 July RM'000**
2025					
Borrowings	22	**49,636**	**–**	**(11,854)**	**37,782**
Lease liabilities	23	**5,349**	**(3,737)**	**(1,079)**	**533**
		54,985	**(3,737)**	**(12,933)**	**38,315**
2024					
Borrowings	22	57,594	–	(7,958)	49,636
Lease liabilities	23	4,815	1,556	(1,022)	5,349
		62,409	1,556	(8,980)	54,985
Company					
2025					
Borrowings	22	**34,595**	**–**	**(7,452)**	**27,143**
Lease liabilities	23	**984**	**628**	**(1,079)**	**533**
		35,579	**628**	**(8,531)**	**27,676**
2024					
Borrowings	22	45,724	–	(11,129)	34,595
Lease liabilities	23	1,827	179	(1,022)	984
		47,551	179	(12,151)	35,579

26. RELATED PARTY TRANSACTIONS

As mentioned in Notes 16 and 20, other related companies refer to subsidiaries and associates of holding company, Scientex Berhad.

(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 year:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Subsidiaries				
Sale of goods	**–**	–	**110,845**	113,288
Dividend received from subsidiaries	**–**	–	**15,809**	6,750
Other related companies				
Sale of goods	**37**	2,320	**19**	2,266
Purchase of goods	**214,633**	215,659	**140,586**	130,013
Services received	**120**	120	**120**	120

(b) Compensation of key management personnel is as follows:

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.

The remuneration of key management personnel, excluding directors of the Company, which is disclosed in Note 7, during the year are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Salaries and other emoluments	**1,786**	1,798	**1,415**	1,472
Defined contribution plans	**200**	263	**156**	224
	1,986	2,061	**1,571**	1,696

27. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The table below provides an analysis of financial instruments:

Group	Carrying amount at amortised cost 2025 RM'000	Carrying amount at amortised cost 2024 RM'000	Carrying amount at FVTPL 2025 RM'000	Carrying amount at FVTPL 2024 RM'000
Financial assets				
Trade receivables	**127,077**	129,878	**–**	–
Other receivables and refundable deposits	**1,428**	1,799	**–**	–
Cash and bank balances	**19,177**	40,808	**–**	–
Financial liabilities				
Trade payables	**82,347**	82,391	**–**	–
Other payables and accrued expenses	**16,120**	14,795	**–**	–
Borrowings	**37,782**	49,636	**–**	–
Derivative financial liabilities	**–**	–	**27**	22
Lease liabilities	**533**	5,349	**–**	–

Company	Carrying amount at amortised cost 2025 RM'000	Carrying amount at amortised cost 2024 RM'000	Carrying amount at FVTPL 2025 RM'000	Carrying amount at FVTPL 2024 RM'000
Financial assets				
Trade receivables	**83,722**	91,595	**–**	–
Other receivables and refundable deposits	**1,134**	1,281	**–**	–
Cash and bank balances	**4,194**	11,940	**–**	–
Financial liabilities				
Trade payables	**62,711**	60,473	**–**	–
Other payables and accrued expenses	**8,387**	11,197	**–**	–
Borrowings	**27,143**	34,595	**–**	–
Derivative financial liabilities	**–**	–	**27**	22
Lease liabilities	**533**	984	**–**	–

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including market risk (foreign currency risk and interest rate risk), credit risk, liquidity risk and investment risk. The Group and the Company have taken measures to minimise the Group's and the Company's exposure to risk and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

(a) **Market risk**

Market risk exposures are measured and supplemented by sensitivity analysis as disclosed below.

(i) **Foreign currency risk**

The Group and the Company have significant exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities.

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Exposure to foreign currency risk

The Group's and the Company's significant exposure to foreign currency risk, based on carrying amounts at the end of the reporting period were as follows:

		Denominated in	
Group	**United States Dollar RM'000**	**Australian Dollar RM'000**	**Thai Baht RM'000**
2025			
Trade receivables	**31,126**	**4**	**13,159**
Cash and bank balances	**5,097**	**9**	**–**
Trade payables	**(12,068)**	**–**	**(3,598)**
Other payables	**(1,797)**	**–**	**(9)**
2024			
Trade receivables	36,478	12	8,369
Cash and bank balances	12,347	5	–
Trade payables	(12,646)	–	–
Other payables	(250)	–	–
Lease liabilities	(4,365)	–	–
Company			
2025			
Trade receivables	**29,121**	**13,191**	**13,159**
Cash and bank balances	**3,082**	**9**	**–**
Trade payables	**(10,034)**	**–**	**(3,598)**
Other payables	**(110)**	**–**	**(9)**
2024			
Trade receivables	34,750	21,664	8,369
Cash and bank balances	9,582	5	–
Trade payables	(10,235)	–	–
Other payables	(193)	–	–

Foreign currency sensitivity analysis

A 3% (2024: 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. A 3% (2024: 3%) strengthening of Ringgit Malaysia against the following currencies at the end of the reporting period would have decreased profit after tax by the amounts (before intra-group elimination) as shown below:

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) **Market risk (Cont'd)**

(i) **Foreign currency risk (Cont'd)**

Foreign currency sensitivity analysis (Cont'd)

Decrease in profit after tax

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
United States Dollar	**(509)**	(720)	**(503)**	(774)
Australian Dollar	**(301)**	(494)	**(301)**	(494)
Thai Baht	**(218)**	(191)	**(218)**	(191)
	(1,028)	(1,405)	**(1,022)**	(1,459)

(ii) **Interest rate risk**

The Group and the Company are exposed to interest rate risk through the impact of rate changes on floating interest for short-term borrowings as disclosed in Note 27(c).

Interest rate sensitivity analysis

An interest rate at the end of the reporting period is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonable possible change in interest rates. The Group's and the Company's sensitivity based on a change of 25 basis points (2024: 25 basis points) in interest rates at the end of the reporting period would have increased/decreased the profit after tax by the amount shown below. This analysis assumes that all other variables remain constant.

Group and Company	**2025 RM'000**	2024 RM'000
Increase/Decrease in profit after tax	**±83**	± 68

(b) **Credit risk**

The Group's and the Company's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets are the carrying amounts as presented in the statements of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. The Group and the Company have entered into vendor financing arrangement with certain customers, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Other than the customers disclosed in Note 16, the Group and the Company have no significant concentration of credit risk with respect to trade receivables. The credit risk is further mitigated by the ongoing critical evaluation of the creditworthiness of the customers by the Group's Credit Committee.

The Company is also exposed to credit risk mainly from amount owing by subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries.

For cash and cash equivalents, the credit risk is minimal as the funds are placed with reputable financial institutions.

27. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirements of working capital. The directors are of the view that the Group's and the Company's exposure to liquidity risk is minimal as the Group and the Company maintain available funds to meet daily cash needs, while maintaining controls over cash movements. The Group's and the Company's treasury department also ensure that there are sufficient unutilised standby facilities, funding and liquid assets available (including vendor financing arrangement with certain customers) to meet both short-term and long-term funding requirements.

Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's non-derivative financial liabilities at the end of the reporting period based on undiscounted contractual repayment obligations.

Group	Effective interest rate %	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 5 years RM'000
2025					
Trade and other payables:					
Trade payables	**–**	**82,347**	**82,347**	**82,347**	**–**
Other payables and accrued expenses	**–**	**16,147**	**16,147**	**16,147**	**–**
Borrowings:					
Trade loans	**3.16**	**32,332**	**32,357**	**32,357**	**–**
Revolving credit	**3.32**	**5,450**	**5,463**	**5,463**	**–**
Lease liabilities	**4.00**	**533**	**547**	**421**	**126**
		136,809	**136,861**	**136,735**	**126**
2024					
Trade and other payables:					
Trade payables	–	82,391	82,391	82,391	–
Other payables and accrued expenses	–	14,817	14,817	14,817	–
Borrowings:					
Trade loans	3.40	45,136	45,174	45,174	–
Revolving credit	3.59	4,500	4,505	4,505	–
Lease liabilities	3.00 - 8.70	5,349	5,707	3,739	1,968
		152,193	152,594	150,626	1,968

Company	Effective interest rate %	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 5 years RM'000
2025					
Trade and other payables:					
Trade payables	**–**	**62,711**	**62,711**	**62,711**	**–**
Other payables and accrued expenses	**–**	**8,414**	**8,414**	**8,414**	**–**
Borrowings:					
Trade loans	**3.15**	**26,543**	**12,278**	**12,278**	**–**
Revolving credit	**3.44**	**600**	**600**	**600**	**–**
Lease liabilities	**4.00**	**533**	**547**	**421**	**126**
Financial guarantee contracts	**–**	**–**	**3,528**	**3,528**	**–**
		98,801	**88,078**	**87,952**	**126**

27. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk (Cont'd)

Analysis of non-derivative financial liabilities by remaining contractual maturities (Cont'd)

Company (Cont'd)	Effective interest rate %	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 5 years RM'000
2024					
Trade and other payables:					
Trade payables	–	60,473	60,473	60,473	–
Other payables and accrued expenses	–	11,219	11,219	11,219	–
Borrowings:					
Trade loans	3.40	34,595	34,612	34,612	–
Lease liabilities	3.00 - 4.00	984	1,009	872	137
Financial guarantee contracts	–	–	770	770	–
		107,271	108,083	107,946	137

Financial guarantees

Corporate guarantees are provided by the Company to certain financial institutions to secure 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 RM3,528,000 (2024: RM770,000) as at the end of the reporting period representing the outstanding credit facilities of the subsidiaries as at the end of year.

(d) Investment risk

The Company's subsidiary in Myanmar is subject to certain restrictions imposed by the Myanmar Investment Commission ("MIC"). For the transfer of foreign currencies (such as transfer of shares, dividend and profit share repatriation) out from Myanmar, it will need to apply and obtain the approval from the MIC by submitting the relevant documents.

(e) Fair values

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the short-term maturities of these instrument except for lease liabilities as disclosed in Note 23.

The fair values of the lease liabilities (non-current) are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of lending or borrowing at the end of the reporting period. There is no material difference between the fair values and carrying amount of these liabilities at the end of the reporting period.

28. CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities in the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's approach to capital risk management remain unchanged.

The capital structure of the Group and of the Company consists of total borrowings as detailed in Note 22 and equity of the Group and of the Company which are defined as issued capital, reserves and retained earnings as detailed in Notes 18 and 19.

The gearing ratios of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total borrowings	**37,782**	49,636	**27,143**	34,595
Cash and bank balances	**(19,177)**	(40,808)	**(4,194)**	(11,940)
Total net borrowings	**18,605**	8,828	**22,949**	22,655
Equity attributable to owners of the Company	**399,829**	409,649	**371,615**	384,276
Net gearing ratios	**0.05**	0.02	**0.06**	0.06

With respect to banking facilities that the Group and the Company have with financial institutions, the directors monitor and maintain an optimal debt-to-equity ratio in order to comply with relevant debt covenants and regulatory requirements.

29. OPERATING SEGMENTS

The Group did not present operating segment analysis as the business of the Group focuses solely in the manufacturing and marketing of flexible packaging materials within their internal reporting systems. Accordingly, the chief operating decision makers review the business performance of the Group as a whole.

Information about major customer

Two major customers contribute to the Group's revenue amounting to RM215,016,000 (2024: one customer, RM131,900,000).

29. OPERATING SEGMENTS (CONT'D)

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*	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	**387,196**	381,898	**335,679**	343,388
Australia	**136,894**	138,020	**36**	65
Thailand	**92,702**	72,367	**–**	–
Philippines	**40,685**	27,870	**–**	–
Singapore	**25,809**	42,230	**–**	–
Myanmar	**6,592**	26,909	**–**	4,275
Others	**22,317**	24,216	**–**	–
	712,195	713,510	**335,715**	347,728

* Non-current assets do not include investment in subsidiaries and deferred tax assets.

30. CAPITAL COMMITMENTS

At the end of the reporting period, the Group and the Company have the following capital commitments in respect of the purchase of property, plant and equipment:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Authorised and contracted for	**3,412**	10,936	**2,250**	6,803

31. SIGNIFICANT EVENT SUBSEQUENT TO THE YEAR

On 12 September 2025, the Board received a letter of offer ("SCR Offer Letter") from its immediate holding company cum major shareholder, Scientex Berhad, requesting the Company to undertake a selective capital reduction and repayment exercise persuant to Section 116 of the Companies Act 2016 ("Proposed SCR"). Under the Proposed SCR, all shareholders of the Company , other than Scientex Berhad ("Non-Entitled Shareholder") will receive a cash repayment of RM1.50 for each ordinary share in the Company on an entitlement date to be determined later ("Entitled Shareholders").

The Proposed SCR will result in the cancellation of the existing shares held by the Entitled Shareholders. The remaining shares which are not cancelled will continue to be held by Scientex Berhad. Upon completion of the Proposed SCR, Scientex Berhad will own 100% equity interest in the Company (excluding treasury shares) and the Company will become Scientex Berhad's wholly-owned subsidiary. The existing 550,100 treasury shares will be cancelled upon completion of the Proposed SCR.

On 24 September 2025, the Board announced the appointment of an independent adviser to provide comments, opinions, information and recommendations on the Proposed SCR. Further therto, the Board (save for Mr. Choo Seng Hong and Ms. Tan Hong Koon as interested directors), had deliberated on the contents of the SCR Offer Letter and had resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) & (3) of the Companies Act 2016

The directors of **SCIENTEX PACKAGING (AYER KEROH) 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 2025 and of their financial performance and the cash flows for the year then ended on that date.

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

CHOO SENG HONG

CHANG CHEE SIONG

Shah Alam, Selangor Darul Ehsan
13 October 2025

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

Pursuant to Section 251(1) of the Companies Act 2016

I, **HEONG MUN FOO,** being the officer primarily responsible for the financial management of **SCIENTEX PACKAGING (AYER KEROH) 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.

HEONG MUN FOO
MIA Membership No. 35366

Subscribed and solemnly declared by the
abovenamed **HEONG MUN FOO**
at **KUALA LUMPUR, WILAYAH PERSEKUTUAN**
on this 13th day of October 2025.

Before me,

KHATIJAH BINTI KAMARUDDIN
COMMISSIONER FOR OATHS

LIST OF PROPERTIES

Location	Description / Existing Use	Tenure	Land Area (Acres)	Net Book Value RM'000	Age of Buildings (Year)	Year of Revaluation
Lot Nos. 3531, 3532 & 3533, Mukim and District of Jasin, State of Melaka	Land, factory buildings, office and warehouse for industrial use	Freehold	5.23	28,314	9-12	2024
PT 8933, Mukim of Bukit Baru, District of Melaka Tengah, State of Melaka	Land, factory buildings, office and warehouse for industrial use	Leasehold expiring on 11.05.2094	3.98	26,426	3-31	2024
PT 3070, Mukim of Pernu, District of Melaka Tengah, State of Melaka	Industrial land, land and factory buildings, office and warehouse for industrial use	Leasehold expiring on 19.10.2093	8.01	23,724	14-28	2024
Lot No. 5202, Mukim of Bukit Katil, District of Melaka Tengah, State of Melaka	Land, factory buildings, office and warehouse for industrial use	Leasehold expiring on 24.05.2091	6.65	17,226	29-32	2024
Lot No. 7519, Mukim of Bukit Baru, District of Melaka Tengah, State of Melaka	Land, factory buildings, office and warehouse for industrial use	Leasehold expiring on 24.05.2091	5.10	13,664	20-32	2024

ANALYSIS OF SHAREHOLDINGS

As at 17 October 2025

Type of shares	-	Ordinary shares
Voting rights	-	One vote per ordinary share
No. of shareholders	-	1,346

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Held*	%*
Less than 100	129	9.58	4,281	0.00^
100 - 1,000	335	24.89	140,400	0.04
1,001 - 10,000	438	32.54	1,998,697	0.57
10,001 - 100,000	408	30.31	9,766,199	2.79
100,001 to less than 5% of issued shares	34	2.53	47,512,456	13.55
5% and above of issued shares	2	0.15	291,199,159	83.05
Total	1,346	100.00	350,621,192	100.00

Notes:-

* *Excluding a total of 550,100 ordinary shares purchased by the Company and retained as treasury shares.*

^ *Less than 0.01%.*

SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders)

		No. of Shares Held			
	Name	Direct interest	%*	Deemed interest	%*
1	Scientex Berhad	262,071,835	74.75	–	–
2	HSBC Nominees (Asing) Sdn Bhd - TNTC for Apollo Asia Fund Ltd.	29,127,324	8.31	–	–
3	Scientex Holdings Sdn Berhad	–	–	262,071,835 [A]	74.75
4	Lim Peng Jin	–	–	262,071,835 [B]	74.75
5	Lim Peng Cheong	–	–	262,071,835 [C]	74.75

Notes:-

* *Excluding a total of 550,100 ordinary shares purchased by the Company and retained as treasury shares.*

[A] *Deemed interest through Scientex Berhad.*

[B] *Deemed interests through Scientex Berhad by virtue of his interests in Scientex Holdings Sdn Berhad, Scientex Leasing Sdn Bhd, Scientex Infinity Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd and Progress Innovations Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

[C] *Deemed interests through Scientex Berhad by virtue of his interests in Scientex Holdings Sdn Berhad, Scientex Leasing Sdn Bhd, Scientex Infinity Sdn Bhd, TM Lim Sdn Bhd, Sim Swee Tin Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd and Paradox Corporation Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS

(as per Register of Directors' Shareholdings)

	Name	Direct interest	%*	Deemed/ indirect interest	%*
		No. of Shares Held			
	Interest in Holding Company - Scientex Berhad				
1	Choo Seng Hong	5,278,600	0.34	100,000 [a]	0.01
2	Chang Chee Siong	160,000	0.01	36,200 [b]	0.00^
3	Tan Hong Koon	612,900	0.04	48,200 [a]	0.00^

Notes :

* *Based on 1,556,268,291 ordinary shares of Scientex Berhad in issue (excluding a total of 100 treasury shares held by Scientex Berhad).*

^ *Less than 0.01%.*

[a] *Indirect interest through spouse.*

[b] *Indirect interest through spouse and child.*

Other than as disclosed above, the Directors in office do not have any other interest in shares in the Company and its related corporations as at the date of the 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 Berhad	262,071,835	74.75
2	HSBC Nominees (Asing) Sdn Bhd - TNTC for Apollo Asia Fund Ltd.	29,127,324	8.31
3	HSBC Nominees (Asing) Sdn Bhd - Quintet PB (Europe) S.A. for Samarang UCITS - Samarang Asian Prosperity	16,000,560	4.56
4	Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	13,255,528	3.78
5	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	7,598,160	2.17
6	Amanahraya Trustees Berhad - Public Islamic Emerging Opportunities Fund	1,855,280	0.53
7	Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore For Chiu Hong Keong	1,333,000	0.38
8	Au Yong Mun Yue	971,000	0.28
9	Dr. Ong Soon Hoe @ Patrick Ong	870,912	0.25
10	HSBC Nominees (Asing) Sdn Bhd - Exempt An For HSBC Broking Securities (Asia) Limited (ClientA/C)	700,000	0.20
11	Chan Lee Yuen	640,084	0.18
12	Lee Hau Hian	612,480	0.17
13	Yap Swee Hang	323,200	0.09
14	Leow Yoke Choy	259,248	0.07
15	Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore For Ng Kay Yip	248,900	0.07
16	Nora Ee Siong Chee	209,200	0.06
17	Wong Peng Fook	200,000	0.06
18	Yeoh Chyian Chyin	188,400	0.05
19	Foo Howe Kean	186,624	0.05
20	Lee Sing Gee	169,900	0.05
21	Goh Teck Cheng	155,520	0.04
22	Tey Hock Choon	148,000	0.04
23	Loo Chun Kheong	134,000	0.04
24	Tan Ai Choo	126,100	0.04
25	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Leng Jie Ying (7007689)	122,800	0.04
26	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Mohamad Suffian Bin Ismail	120,800	0.03
27	Lai Thiam Poh	118,100	0.03
28	Yap Wei Khiong	116,000	0.03
29	Tan Ker Huey	114,100	0.03
30	Ng Seow Yang	108,520	0.03
	Total	**338,085,575**	**96.42**

Notes:
**Excluding a total of 550,100 ordinary shares purchased by the Company and retained as treasury shares.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Second ("52nd") Annual General Meeting ("AGM") of the Company will be held at Holiday Inn Melaka by IHG, Jalan Syed Abdul Aziz, 75000 Melaka on Tuesday, 16 December 2025 at 11.00 a.m. or at any adjournment thereof for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2025 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Non-Executive Directors' ("NEDs") fees amounting to RM320,000 for the financial year ended 31 July 2025. **(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) Mr. Chang Chee Siong **(Resolution 2)**

   (b) Madam Koh Huey Min **(Resolution 3)**

4. To re-appoint Deloitte Malaysia PLT (formerly known as Deloitte PLT) as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

5. **Ordinary Resolution I**
   Authority to Directors to Allot and Issue Shares Pursuant to the Companies Act 2016

   "THAT subject to the Companies Act 2016 (the "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 for the time being (the "New Shares") AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") 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 AGM 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 5)**

6. **Ordinary Resolution II**
   Proposed Renewal of Share Buy-Back Authority

   "THAT subject to the rules, regulations, orders and guidelines made pursuant to the Act, provisions of the Constitution of the Company and the Main Market Listing Requirements of 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 ("SPAK Shares") through Bursa Securities ("Proposed Share Buy-Back") as may be determined by the Directors of the Company 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 SPAK 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 2025, the audited retained earnings of the Company was RM133,133,000; 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 AGM 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 AGM 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 6)**

7. **Ordinary Resolution III**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate for RRPT")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries (the "Group") to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part B of the Statement/Circular to Shareholders dated 17 November 2025, which are necessary for the day-to-day operations and within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT, such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which such ordinary resolution for the Proposed Renewal of Shareholders' Mandate for RRPT was passed, at which time it shall lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND THAT, the Directors of the Company be and are hereby authorised to complete and do all such acts and things that they may consider expedient or necessary (including the amendment and/or execution of such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate for RRPT." **(Resolution 7)**

By order of the Board
Madam Chua Siew Chuan (MAICSA 0777689) (SSM Practising Certificate No. 201908002648)
Ms. Tung Wei Yen (MAICSA 7062671) (SSM Practising Certificate No. 201908003813)
Ms. Geetharani Rangganathan (MAICSA 7070549) (SSM Practising Certificate No. 201908000614)
Company Secretaries

Shah Alam
17 November 2025

NOTES:

1. 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 52nd 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 instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, either be executed under its common seal or under the hand of two authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.

(iv) The form of proxy must be deposited at the registered office of the Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for the holding of the meeting or at any adjournment thereof.

(v) In respect of deposited securities, only members whose names appear in our Record of Depositors as at 5 December 2025 shall be regarded as a member and entitled to attend, participate, speak and vote at the meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

2. Audited Financial Statements

Agenda 1 is for discussion at the meeting and no voting is required.

3. Directors' Fees

The NEDs' fees were approved by the Board to be recommended to the shareholders for approval.

4. Re-election of Directors

The Directors who are subject to re-election have been assessed by the Board through the Nomination and Remuneration Committee.

NOTES: (Cont'd)

5. **Explanatory Notes on Special Business:**

   (i) **Authority to Directors to Allot and Issue Shares Pursuant to the Companies Act 2016**

   Resolution 5, 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 17 December 2024 and which will lapse at the conclusion of the 52nd 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.

   (ii) **Proposed Renewal of Share Buy-Back Authority**

   Resolution 6, 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 Part A of the Statement/Circular to Shareholders dated 17 November 2025.

   (iii) **Proposed Renewal of Shareholders' Mandate for RRPT**

   Resolution 7, if passed, will renew the shareholders' mandate obtained at the last AGM held on 17 December 2024 and allow the Group to enter into recurrent related party transactions of a revenue or trading nature as set out in Part B of the Statement/Circular to Shareholders dated 17 November 2025. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

6. **Poll Voting**

   Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of AGM 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 52^{nd} AGM 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 AGM dated 17 November 2025 under item (i) of the Explanatory Notes on Special Business.

FORM OF PROXY

SCIENTEX PACKAGING (AYER KEROH) BERHAD
Company No. 197201001354 (12994-W)
(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 Packaging (Ayer Keroh) 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 on my/our behalf at the Fifty-Second Annual General Meeting ("52nd AGM") of the Company to be held at Holiday Inn Melaka by IHG, Jalan Syed Abdul Aziz, 75000 Melaka on **Tuesday, 16 December 2025 at 11.00 a.m.** or at any adjournment thereof, in the manner indicated below:-

NO.	RESOLUTIONS	PROXY A FOR	PROXY A AGAINST	PROXY B FOR	PROXY B AGAINST
1.	To approve the payment of Non-Executive Directors' fees				
2.	To re-elect Mr. Chang Chee Siong as a Director of the Company				
3.	To re-elect Madam Koh Huey Min as a Director of the Company				
4.	To re-appoint Deloitte Malaysia PLT (formerly known as Deloitte PLT) as Auditors of the Company and to authorise the Directors to fix their remuneration				
5.	To authorise the Directors to allot and issue shares pursuant to the Companies Act 2016				
6.	To approve the Proposed Renewal of Share Buy-Back Authority				
7.	To approve the Proposed Renewal of Shareholders' Mandate for RRPT				

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 ____________________ 2025.

____
Signature of Member(s)

Notes:-

(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 hold 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 52nd 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 instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if such appointor is a corporation, either be executed under its common seal or under the hand of two authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.

(iv) The form of proxy must be deposited at the registered office of the Company at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time fixed for the holding of the meeting or at any adjournment thereof.

(v) In respect of deposited securities, only members whose names appear in our Record of Depositors as at 5 December 2025 shall be regarded as a member and entitled to attend, participate, speak and vote at the meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

(vi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by poll.

Fold this flap for sealing

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AFFIX
STAMP

THE COMPANY SECRETARY
SCIENTEX PACKAGING (AYER KEROH) BERHAD
197201001354 (12994-W)
No. 9, Persiaran Selangor, Seksyen 15,
40200 Shah Alam, Selangor, Malaysia

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SCIENTEX PACKAGING (AYER KEROH) BERHAD 197201001354 (12994-W)
Member Of Scientex Group

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