

SCIENTEX®

healthy, friendly & happy ...



INTEGRATED
ANNUAL REPORT

2025

SCIENTEX BERHAD

196801000264 (7867-P)

Contents

OVERVIEW

- 04 About Scientex Berhad
- 07 Corporate Information
- 08 A Snapshot of FY2025
- 09 Sustainable Growth, Better Tomorrow

OUR BUSINESS

Packaging Division

- 10 Overview
- 12 Business Process
- 13 Market Presence

Property Division

- 14 Overview
- 16 Business Process
- 17 Market Presence

OUR LEADERSHIP

- 18 Chairman's Statement
- 26 Board of Directors
- 29 Key Management

MANAGEMENT DISCUSSION AND ANALYSIS

Value Creation

- 31 Our Value Creation Story
- 34 Our Value Creation Business Model
- 36 Our Drivers of Growth
- 37 Key Stakeholder Engagement

Strategic Review

- 40 Market Review, Outlook and Trends
- 44 Our Material Matters
- 49 Key Risks and Mitigation
- 54 Roadmap Towards Achieving Our Vision

Financial Review

- 56 Financial Performance Review
- 58 Financial Highlights and Performance

Operational Review

- 61 Packaging Division
- 67 Property Division

OUR SUSTAINABILITY JOURNEY

- 78 Overview
- 79 Sustainability Framework
- 80 Our Approach to Sustainability
- 81 Our Sustainability Governance
- 83 Our Sustainability Performance

OUR CORPORATE GOVERNANCE

- 89 Our Integrated Governance Structure
- 92 Corporate Governance Overview Statement
- 100 Statement on Risk Management and Internal Control
- 103 Audit Committee Report
- 106 Additional Compliance Information

FINANCIAL STATEMENTS

- 107 Financial Statements

OTHER INFORMATION

- 185 List of Properties Held by the Group
- 186 Analysis of Shareholdings
- 189 Analysis of Warrantholdings
- 191 Notice of Annual General Meeting
- 194 Statement Accompanying Notice of Annual General Meeting Form of Proxy

About This Report

Scientex Berhad ("Scientex" and/or the "Group") proudly presents our latest Integrated Annual Report (the "Report"), describing our efforts to create short, medium and long-term value for our business and our stakeholders during the financial year ended 31 July 2025.

This Report, together with our Sustainability Report 2025, forms part of our comprehensive reporting suite prepared in line with relevant regulatory guidelines.

OUR REPORTING SUITE



Our **Integrated Annual Report** highlights how we utilise our resources to create value over the short, medium and long term, supporting our vision of 'Sustainable Growth, Better Tomorrow'.

It is prepared in compliance with the Value Reporting Foundation's International Integrated Reporting Framework (January 2021 version) ("<IR> Framework") and adheres to the Malaysian Financial Reporting Standards, Malaysian Code on Corporate Governance 2021 and Malaysian Companies Act 2016.



Our **Sustainability Report** provides comprehensive disclosures on Environmental, Social and Governance ("ESG") matters that are material to the Group and our stakeholders.

It is prepared with reference to the GRI Universal Standards 2021 and Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Sustainability Reporting Guide (3rd edition), and in accordance with Bursa Malaysia's Main Market Listing Requirements. The topics covered are aligned with the United Nations Sustainable Development Goals ("UN SDGs").

SCOPE AND BOUNDARY

This Report offers detailed insights into our financial and non-financial performance. It includes descriptions of potential risks and opportunities in our operating environment, the critical factors influencing value creation across our core Packaging and Property Divisions, and the outcomes we strive to deliver for our key stakeholders.

Disclosures in this Report span the period from 1 August 2024 to 31 July 2025 ("FY2025") and expand on the information shared in our prior reports, unless stated otherwise.

FORWARD-LOOKING STATEMENTS

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

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

STAKEHOLDER RELATIONSHIPS AND MATERIALITY

In line with the <IR> Framework, we adhere to the principle of stakeholder relationships and apply the concept of materiality. This involves ongoing engagement with our key stakeholder groups and leveraging the insights gained to inform our materiality assessment process. In this way, we identify and prioritise the matters most critical to our ability to generate sustainable value.

In FY2025, we identified six key stakeholder groups (see Key Stakeholder Engagement on p. 37 for more) and seven material matters (see Our Material Matters on p. 44).

VALUE CREATION

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

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



FINANCIAL CAPITAL

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



MANUFACTURED CAPITAL

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



INTELLECTUAL CAPITAL

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



HUMAN CAPITAL

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



SOCIAL & RELATIONSHIP CAPITAL

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



NATURAL CAPITAL

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

RISK CATEGORIES

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



STRATEGIC

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



OPERATIONAL

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



FINANCIAL

Risks that have the potential to impact our financial performance



COMPLIANCE

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

INTEGRATED REPORTING ACKNOWLEDGEMENT STATEMENT

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

This Report was approved by the Board on 13 October 2025.

About Scientex Berhad

OUR BUSINESSES



PACKAGING



PROPERTY

We are a leading global manufacturer of stretch films, an integrated producer of flexible plastic packaging ("FPP") and a prominent developer of affordable housing in Malaysia. Established in 1968, our growth and value creation journey reached a major milestone with our listing on the Main Market of Bursa Malaysia in 1990.

Over the years, we have steadily expanded our footprint across the packaging value chain, offering a comprehensive portfolio of stretch films, base films, printed films, bags and multi-layered solutions. We continue to strengthen our capabilities to serve both industrial and consumer segments while driving synergistic product offerings and broadening our market reach.

Through our Property Division, we remain committed to addressing the growing demand for affordable housing in local communities. Backed by our reputation as a trusted developer of quality affordable homes, we continue to expand our presence across seven states in Peninsular Malaysia while exploring regional growth opportunities.

VISION

Sustainable Growth, Better Tomorrow

PURPOSE

OUR PACKAGING DIVISION STRIVES TO PROVIDE FLEXIBLE PLASTIC PACKAGING SOLUTIONS FOR



Protection



Convenience



Hygiene and Safety



Food Waste Reduction



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

Our Corporate Philosophy

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

SCIENTEX[®]

healthy, friendly & happy ...

MANAGEMENT
LIKE
Water



BELIEF

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



NATURE & SCIENCE

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



ENERGY

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



MODESTY

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



FLEXIBILITY

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



PURITY

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

Our Corporate Tagline



healthy ...

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



friendly ...

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



happy ...

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

Corporate Information

BOARD OF DIRECTORS

- | | |
|---|--|
| <p>> Lim Peng Cheong
Chairman & Non-Independent Non-Executive Director</p> <hr/> <p>> Lim Peng Jin
Managing Director/Chief Executive Officer</p> <hr/> <p>> Chang Siew Sian
Executive Director</p> <hr/> <p>> Wong Chin Mun
Senior Independent Non-Executive Director</p> | <p>> Dato' Noorizah Binti Hj Abd Hamid
Independent Non-Executive Director</p> <hr/> <p>> Chin Lam Choong
Independent Non-Executive Director</p> <hr/> <p>> Sabarina Binti Harun
Independent Non-Executive Director</p> |
|---|--|

COMPANY SECRETARIES

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

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

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

AUDIT COMMITTEE

Wong Chin Mun
Chairperson

Dato' Noorizah Binti Hj Abd Hamid
Member

Chin Lam Choong
Member

NOMINATION AND REMUNERATION COMMITTEE

Chin Lam Choong
Chairperson

Wong Chin Mun
Member

Dato' Noorizah Binti Hj Abd Hamid
Member

RISK MANAGEMENT COMMITTEE

Dato' Noorizah Binti Hj Abd Hamid
Chairperson

Chang Siew Sian
Member

Chin Lam Choong
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

SOLICITORS

Koh Kim Leng & Co.
Shearn Delamore & Co.

PRINCIPAL BANKERS

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

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock code: 4731

SHARE REGISTRAR

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

A Snapshot of FY2025

Operating in a mixed landscape during FY2025, the Group demonstrated resilience, achieving record revenue and profit before tax ("PBT"). With solid fundamentals and a focused strategy, we remain well-positioned to capture emerging market opportunities, drive sustainable growth, and navigate challenges effectively to deliver long-term value for all our stakeholders.

A STEADFAST PERFORMANCE ACROSS THE BOARD

Revenue

RM **4.5**
Billion

+0.9%

Profit Before Tax

RM **735.3**
Million

+0.9%

Net Profit

RM **530.8**
Million

-2.7%

Earnings Per Share

34.1
Sen

-2.9%

Shareholders' Equity

RM **4.1**
Billion

+9.2%

Net Gearing Ratio

0.48
Times

REVIEW OF OUR OPERATIONS

PACKAGING DIVISION

267,270
metric tonnes ("MT") of
products sold

14
new machines
commissioned

54
new innovations
successfully commercialised

PROPERTY DIVISION

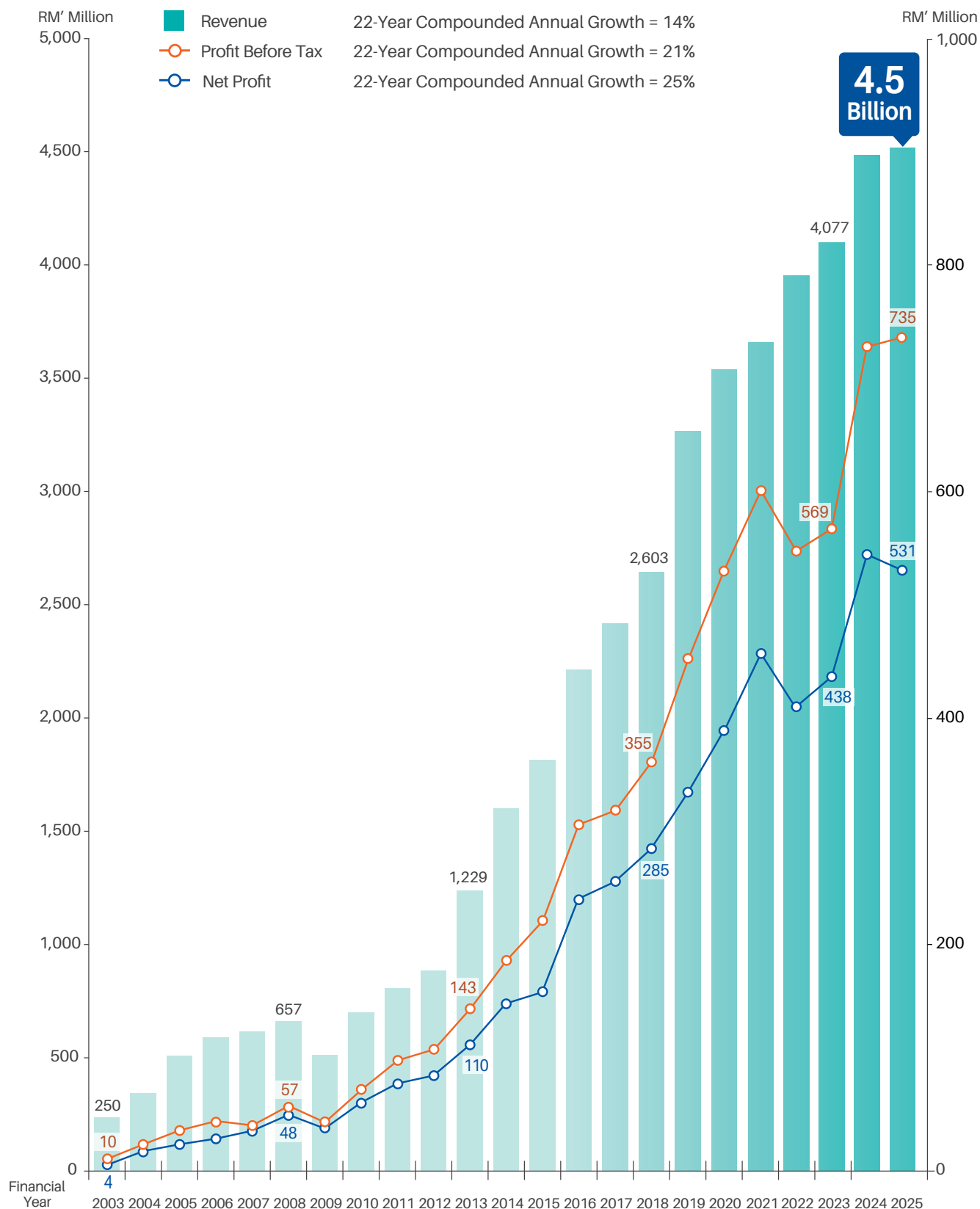
3,735
acres of land bank
acquisitions completed

5,840
units of affordable
homes completed

42,264
units of affordable homes
completed to date

Sustainable Growth, Better Tomorrow

Revenue & Profit Growth 2003 - 2025



Packaging Division Overview



A view of our Robotic Stretch Film Plant in Shah Alam, Selangor

EXPANDING OUR GLOBAL REACH IN PACKAGING

Since 1997, we have charted a remarkable trajectory of growth, firmly establishing the Scientex brand as one of the key players in the global packaging arena, particularly within the FPP value chain. Throughout this journey, we have built a well-regarded reputation for quality and innovation, underpinned by a deep commitment to sustainability.

Stretch film marked a significant milestone in our packaging journey and remains one of our core offerings. The establishment of a major stretch film manufacturing site on Pulau Indah, Selangor, Malaysia – one of the largest globally – provided us with the foundation to scale efficiently and extend our international footprint. Over time, we have expanded our capabilities beyond stretch film, embracing a diversification strategy that has allowed us to manufacture a broader range of packaging products, catering to both industrial and consumer sectors.

These strategic actions have not only enhanced our global reach but also equipped us with the capabilities and expertise to meet evolving market trends and customer needs.

DRIVING SUSTAINABLE GROWTH THROUGH STRATEGIC ACQUISITIONS AND INNOVATION

Our long-term vision of 'Sustainable Growth, Better Tomorrow' is driven by a multifaceted strategy within our Packaging Division, integrating strategic acquisitions, effective business integration and continuous innovation.

Central to this strategy is acquiring companies that strengthen our capabilities across the packaging value chain. These acquisitions have steadily transformed us into an integrated FPP player, unlocking economies of scale and operational synergies that enhance our competitiveness.

Beyond driving revenue and market expansion, strategic acquisitions also fuel product innovation by providing advanced facilities, specialised expertise and technologies that create synergies with our existing operations. These advantages accelerate research and development ("R&D") and streamline product innovation processes, enabling us to meet evolving market demands promptly while supporting the development of sustainable solutions that prioritise recyclability and resource efficiency.

Recent milestones include the acquisition of Scientex Packaging (Kajang) Sdn Bhd, which broadened our product offerings to include packaging for liquids, pastes and medical devices. Additionally, the move to increase our stake in Hiro Food Packages Manufacturing Sdn Bhd from 30% to 70% in FY2025 has strengthened our ability to serve customers with complementary rigid packaging solutions alongside our core FPP offerings.

Supported by continuous investments in advanced equipment and machinery, our efforts have driven sustained growth across various product segments within the packaging value chain, further strengthening our position as a trusted provider of innovative packaging solutions.

Packaging Division Overview



Our range of products extends across both industrial and consumer markets

SERVING DIVERSE MARKET NEEDS WITH SPECIALISED PACKAGING SOLUTIONS

Our packaging solutions are tailored to meet the diverse requirements of various industrial and consumer markets, including but not limited to:

INDUSTRIAL PACKAGING PRODUCTS

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

CONSUMER PACKAGING PRODUCTS

- PE lamination films
- Biaxially oriented polypropylene ("BOPP") films
- Cast polypropylene ("CPP") films
- Metallised films
- General films
- Printed films (roll forms)
- Barrier films
- Wicket bags
- Polyurethane ("PU") adhesives
- Multi-layered FPP solutions
- Fully compostable BioPBS™
- Rigid packaging for the food industry

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

ADVANCING SUSTAINABLE PACKAGING THROUGH INNOVATION

Rising global demand for sustainable FPP – fuelled by population growth, urbanisation and increasing environmental awareness – continues to reshape industry expectations. In response, we are actively advancing our capabilities to remain at the forefront of this transition.

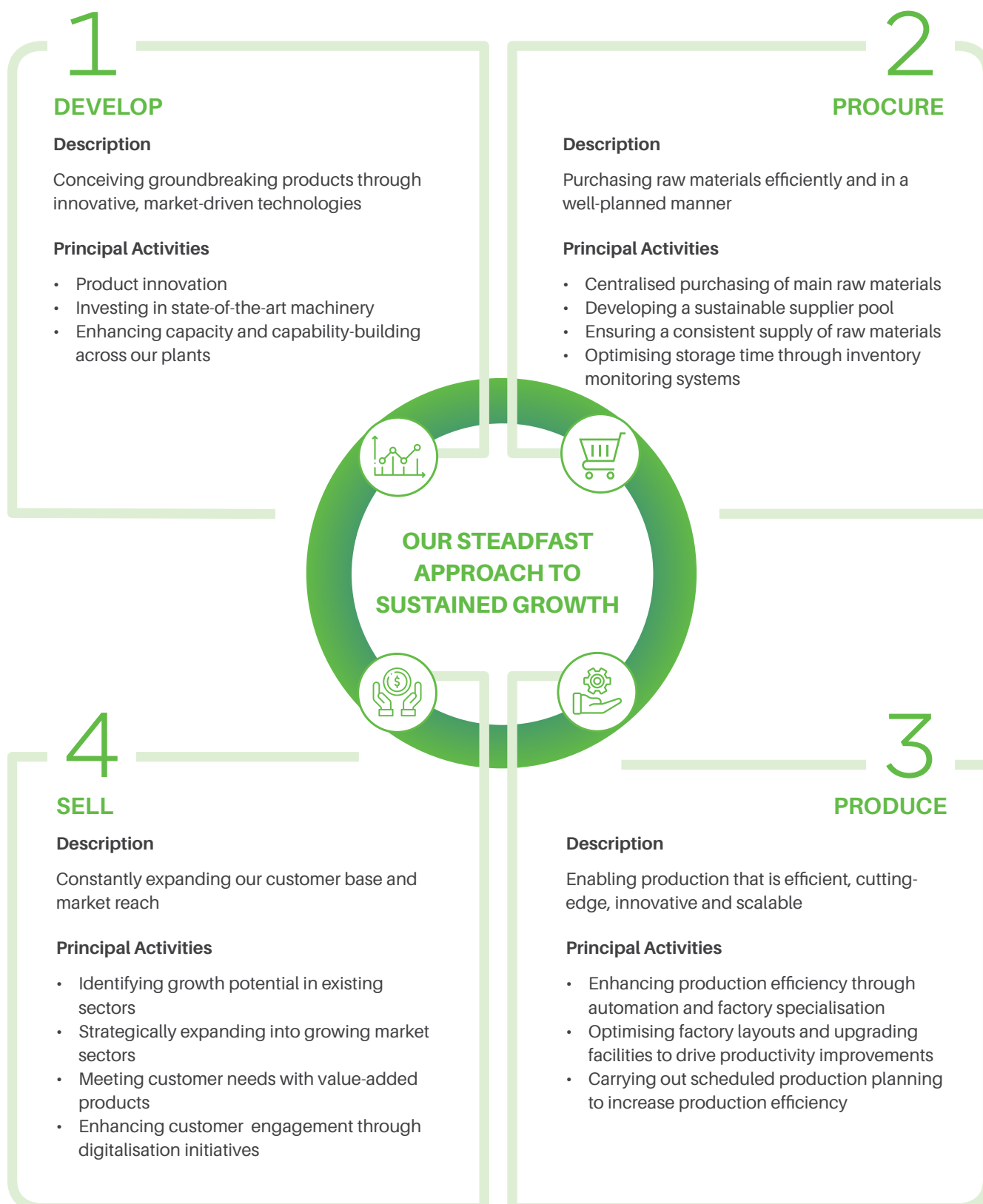
Our innovation efforts are led by a skilled technical team and supported by dedicated innovation centres equipped with advanced machinery and in-house testing facilities. These resources enable us to trial new technologies, explore alternative materials and refine production processes that align with evolving customer expectations and regulatory standards.

A strong culture of innovation across the Group drives continuous enhancements to our film extrusion, printing and converting capabilities. Notably, we were among the first in this region to convert traditionally non-recyclable laminated FPP into recyclable mono-material laminated FPP, a key milestone that reinforced our leadership in sustainable FPP.

We also continue to incorporate post-consumer recycled ("PCR") or post-industrial recycled ("PIR") resin in our product offerings, helping customers, including multinational corporations, meet their decarbonisation commitments while contributing to a more circular plastic economy.

Packaging Division Business Process

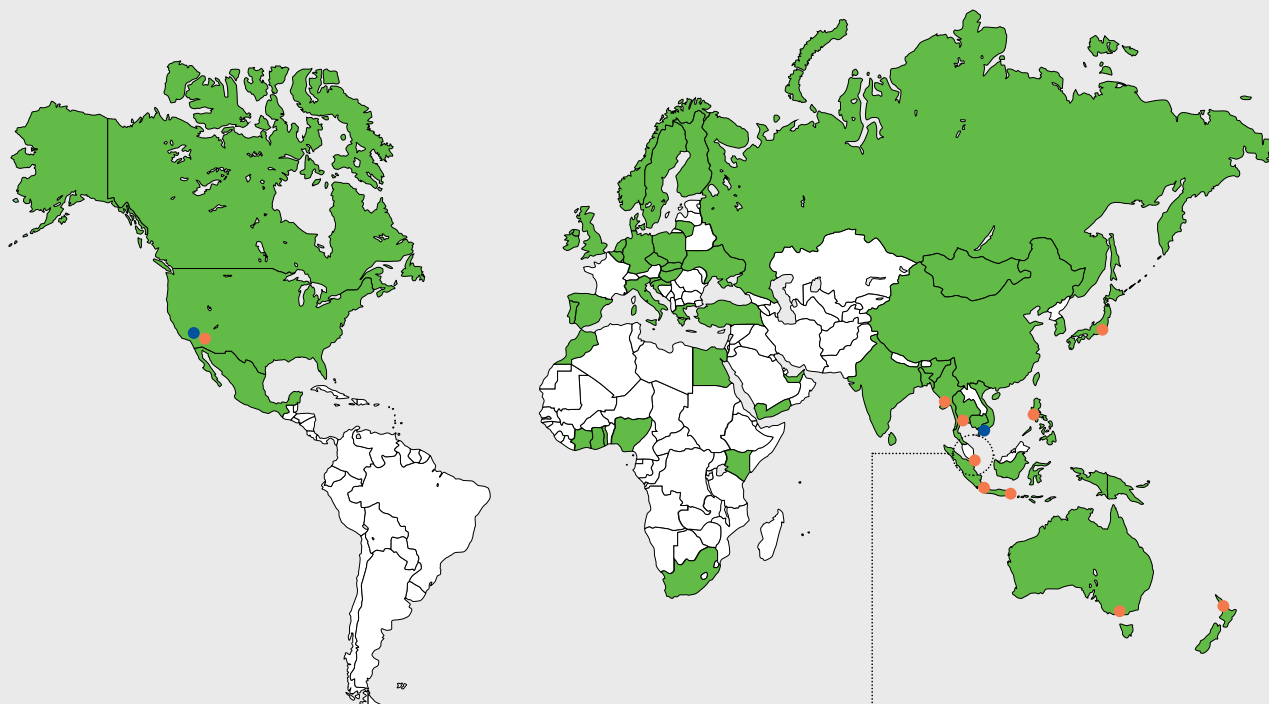
To support growth ambitions in our Packaging Division while maintaining a strong focus on quality, innovation and value creation, we have established and adhere to a structured and proven business process.



Our Reach and Market Presence

Leveraging an established market presence and wide global reach, we remain well-positioned to optimise value creation and drive business growth.

OUR PACKAGING PRESENCE



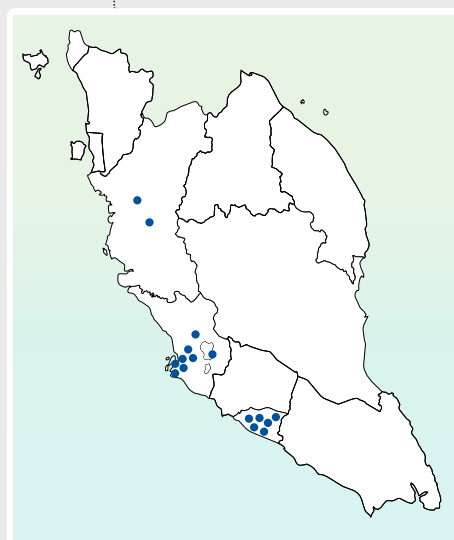
MANUFACTURING PLANTS

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

OVERSEAS SALES OFFICES

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

EXPORT COUNTRIES



Exporting to
more than **60** countries

Overseas sales
offices in **9** countries

18 manufacturing
plants worldwide

Property Division Overview



An artistic rendering of the Scientex Jenjarom project

A PIONEER IN DELIVERING QUALITY AFFORDABLE HOMES

Our Property Division upholds a steadfast dedication to addressing the growing demand for affordable homes among Malaysia's middle-to-lower-income groups. Since the division's establishment in 1995, we have progressively advanced our mission and built a solid reputation as one of the nation's leading providers of affordable housing solutions. Guided by our 'Cross-Border Development Strategy', we have magnified our footprint from the southern to the northern states of Peninsular Malaysia.

UPLIFTING MALAYSIAN FAMILIES WITH AFFORDABLE HOMES

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

This growth creates shared value for both our business and society. By providing quality affordable housing to middle-to-lower-income Malaysians, we help improve their quality of

life, strengthen the foundation for future advancement, and promote greater social mobility. Our commitment to meeting the growing demand for affordable housing also crucially aligns our business strategies with government initiatives aimed at improving access to housing and home financing (see Market Review, Outlook and Trends – Property on p. 42 for more details). This positions us favourably to realise sustained, long-term economic benefits from our property development activities.

With an extensive land bank, expertise in optimising development layouts and a proven track record in cost and time-efficient construction, we are well-positioned to expand our market presence and extend homeownership opportunities to more Malaysians. In FY2025, we successfully achieved our initial target of growing our land bank beyond 10,000 acres, securing the strategic resources needed to maintain a robust growth trajectory.

In parallel, our sales teams are improving the efficiency of project launches and strengthening customer engagement through social media, strategic marketing and outreach campaigns. These efforts broaden our brand reach and reinforce our value proposition across the regions we serve.

Property Division Overview

THE SCIENTEX TRIFECTA OF BENEFITS



SPEED

We swiftly progress from acquisition to development, earning a reputation for on-time delivery



COST

We carefully design and construct homes that deliver the best value for our customers



QUALITY

We uphold high standards of safety and quality within the affordable housing segment

PROGRESSING TOWARDS OUR GOAL OF 50,000 AFFORDABLE HOMES

Committed to supporting Malaysian federal and state government initiatives to enhance homeownership opportunities, we have been steadily advancing towards our target of completing 50,000 affordable homes by 2028. Our progress thus far remains well on track to achieve this target, with 42,264 units priced below RM500,000 constructed nationwide as of 31 July 2025, of which 71% were priced below RM300,000.

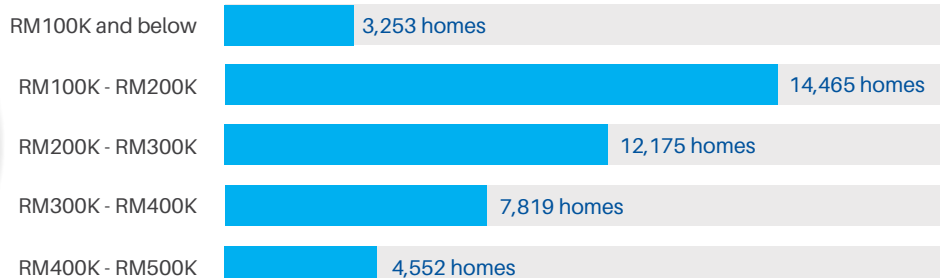
As we continue to advance towards achieving our Vision 2028 target, we aim to deliver an increasing number of homes each year, with the goal of reaching 10,000 affordable homes constructed per annum in the near future.

This mission underscores our dedication to growing our Property Division responsibly, fostering economic prosperity and the holistic well-being of local communities in line with our vision of 'Sustainable Growth, Better Tomorrow'.



Total Affordable
Homes Completed as
at 31 July 2025

42,264
Homes



Exploring Overseas Property Market Prospects

Building on our success in Malaysia, we made our first foray into international markets in FY2023, entering Indonesia and Thailand through joint ventures with local partners.

In FY2025, we further expanded our horizons by establishing our presence in Osaka, Japan, with the aim of providing affordable accommodation through joint ventures. These no-frills, budget-friendly accommodations are designed to meet the needs of the growing number of inbound travellers to Japan, reflecting our commitment to delivering accessible living solutions beyond our domestic market.

Property Division Business Process

We have implemented the following business process within our Property Division to enhance the efficiency, speed and value of our developments, empowering our teams to achieve our goal of completing 50,000 affordable homes by 2028.



Property Division Market Presence

OUR PROPERTY PRESENCE

MALAYSIA

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

THAILAND

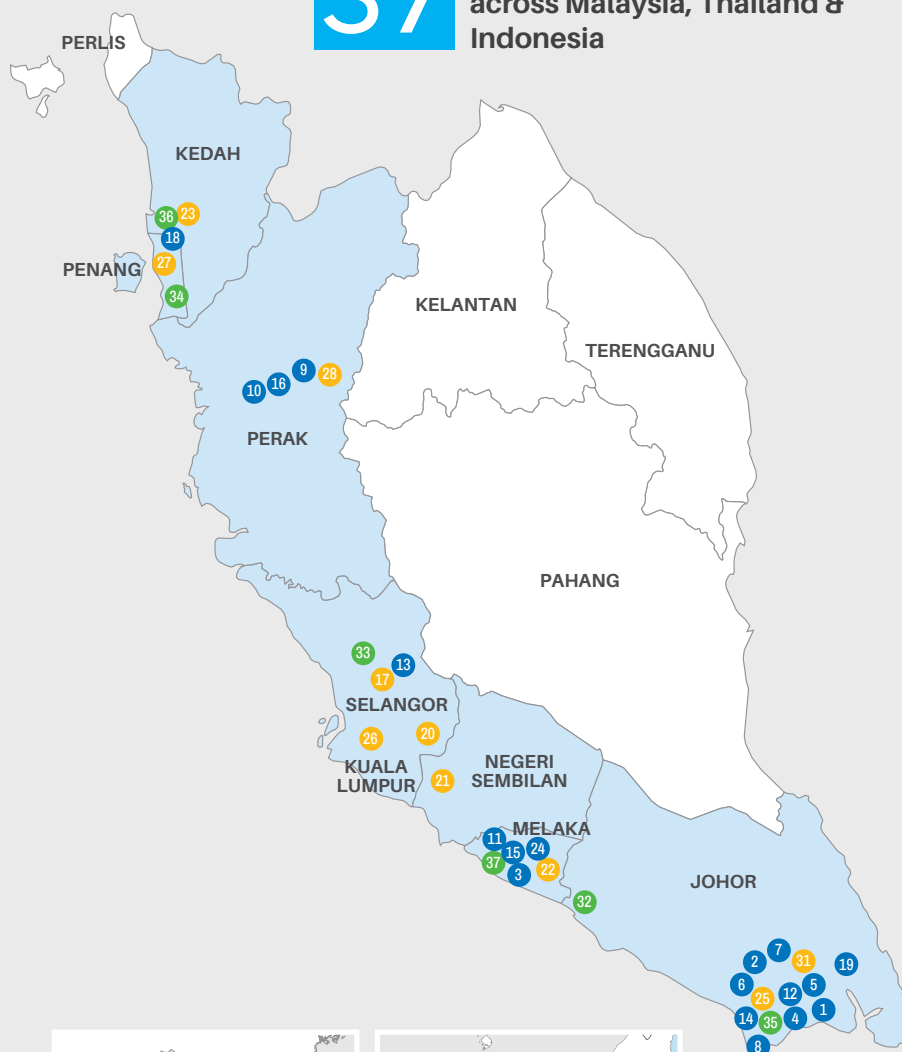
- 29 Kraf Vibe Bangna

INDONESIA

- 30 Mustika Garden Tamansari

37

townships and developments
across Malaysia, Thailand &
Indonesia



19 Matured
Developments

12 Ongoing
Developments

06 New
Developments

CHAIRMAN'S STATEMENT

The Group delivered resilient financial and operational performance in FY2025, underpinned by continued investments in capacity and capabilities, as well as our strategic focus amidst challenges and emerging opportunities. As we continue to advance our sustainability agenda, deepen customer partnerships, and expand with selective focus, we are positioning Scientex for sustainable growth while creating long-term value for all stakeholders.

Dear Fellow Shareholders,

On behalf of the Board of Directors (the "Board"), I am honoured to present the Integrated Annual Report of Scientex Berhad (interchangeably referred to as "Scientex" and/or the "Group") for the financial year ended 31 July 2025 ("FY2025").

RECOGNISING SUSTAINABILITY AS A CATALYST FOR RESILIENCE AND GROWTH

Our vision of 'Sustainable Growth, Better Tomorrow' continues to guide our ambitions and align the Group around a clear purpose: creating sustainable long-term value for shareholders while delivering shared benefits to our broader range of stakeholders.

The Packaging Division continues to provide solutions that support greater plastic circularity. Our teams maintain efforts to develop recyclable FPP solutions and utilise recycled resin, reinforcing the viability of a lower-carbon, resource-efficient value chain.

In Property, we remain steadfast in delivering quality affordable homes that uplift communities and support socioeconomic progress. We also prioritise embedding sustainable construction practices across our developments to enhance liveability, resilience, and environmental stewardship.

Our efforts and results have once again earned us recognition. We were ranked among Malaysia's Top 10 Developers at the Hubexo Asia Awards (formerly the BCI Asia Awards) for the fourth consecutive year, and secured six accolades under the StarProperty Awards for our Mori Residences high-rise series.

Simultaneously, we continue to advance our renewable energy agenda. Rooftop solar photovoltaic ("PV") installations were completed at 10 additional manufacturing plants, our property sales gallery, and our corporate headquarters during FY2025, bringing our total installed capacity to 23.9MWp. With these systems now supplying renewable energy to our operations, we are able to reduce our Scope 2 greenhouse gas ("GHG") emissions and lower operating costs, strengthening our competitiveness while supporting national decarbonisation goals.

Together, these actions reflect our belief that sustainability is not a trade-off – it is a catalyst for resilience, innovation, and lasting value creation.

For a deeper look into our sustainability integration efforts, please refer to the Operational Review section from p. 61 of this Report.

Chairman's Statement

A STEADY FINANCIAL PERFORMANCE DESPITE CHALLENGES

Amid a dynamic operating environment, the Group continued to deliver another year of record revenue and PBT.

Revenue grew by 0.9% from RM4.48 billion in FY2024 to RM4.52 billion in FY2025, while PBT similarly increased 0.9% from RM728.9 million to RM735.3 million. Net profit, however, declined by 2.7% to RM530.8 million, mainly due to higher tax and minority interest allocations, with earnings per share at 34.1 sen. Meanwhile, our net gearing ratio rose to 0.48, reflecting strategic investments in development land to capture strong demand for affordable homes and ensure a sustainable pipeline for future growth.

Our strategic focus and consistent financial performance continue to be recognised. We are honoured to be one of only nine Malaysian companies named to Forbes Asia's 2025 'Best Under A Billion' list, which highlights the top 200 small and mid-sized companies in the Asia-Pacific with annual sales below US\$1 billion. This recognition affirms the resilience of our business model and our commitment to long-term value creation.

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

PROVIDING CONSISTENT RETURNS TO SHAREHOLDERS

In FY2025, the Group declared a single-tier interim dividend of 6 sen per ordinary share, which was paid on 18 July 2025, while an additional single-tier final dividend of 6 sen per ordinary share has been recommended for approval at the upcoming Annual General Meeting.

In total, approximately RM186.8 million will be distributed for FY2025 – equivalent to approximately 35.2% of net profit – reaffirming our policy to pay out at least 30% of annual net profit as dividends.

NAVIGATING A DYNAMIC MARKET WITH FOCUS AND ANTICIPATION

The global packaging landscape remains challenging, shaped by economic uncertainty, intensified competition, geopolitical headwinds, and rising costs – dampening sentiment and prompting more cautious procurement. Anticipating these pressures, we have executed targeted responses to safeguard and strengthen our business competitiveness.

We continue to invest in advanced machinery, talent, and digital transformation to enhance efficiency, strengthen

cost management, and accelerate innovation – positioning the business for sustainable long-term growth. Drawing on our technical expertise and close customer partnerships, we deliver value-added, sustainable packaging solutions aligned to evolving regulatory and market needs. While current market conditions are mixed, the long-term outlook for packaging demand remains positive, and we are confident in the division's long-term prospects.

In Property, market fundamentals remain resilient, supported by steady demand for affordable homes, strong take-up rates, and supportive government policies that broaden access to homeownership. Johor stands out as one of the growth engines, catalysed by the Johor Bahru-Singapore Rapid Transit System ("RTS") Link, the Johor-Singapore Special Economic Zone ("JS-SEZ"), and the Forest City Special Financial Zone ("SFZ") – initiatives expected to spur investment, create jobs, and drive population growth, reinforcing long-term housing demand.

For a more detailed analysis, please refer to the Market Review, Outlook and Trends section from p. 40 of this Report.

SUSTAINING MOMENTUM IN GROWTH AND EXPANSION

In a dynamic packaging landscape, we are proactively optimising our portfolio to sustain growth and sharpen our competitive edge. In FY2025, we advanced our strategy of divesting non-core exposure and reallocating capital to higher-growth areas. This included ceasing operations in Myanmar, where prospects remain limited, and increasing our stake in Hiro Food Packages Manufacturing Sdn Bhd to reinforce our position in rigid plastic packaging.

Looking ahead, the Packaging Division will diligently assess strategic investment opportunities to broaden market access and deepen our capabilities in proprietary technologies, supporting sustainable long-term growth.

In the Property Division, we are primed for expansion amid favourable demand dynamics. In FY2025, we accelerated land banking, acquiring 3,735 acres across Johor, Melaka, Selangor, Penang, and Kedah – bringing our total land bank to 11,034 acres and sustaining a robust project pipeline in high-growth corridors.

We also completed 5,840 affordable homes during the year, bringing cumulative deliveries to 42,264 and keeping us well on track towards our Vision 2028 target of 50,000 affordable homes by 2028.

Looking forward, we aim to progressively increase annual deliveries to 10,000 affordable homes, which will further

Chairman's Statement

strengthen our leadership as a trusted provider of quality affordable housing in Malaysia.

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

ADVANCING ESG WITH INTEGRITY, INNOVATION, AND INTERNAL DEVELOPMENT

Sustainability remains central to our strategy and long-term value creation. Each year, we uphold our commitments while driving progress across the ESG spectrum. Strong governance underpins our approach – ensuring ethical, responsible conduct and well-informed decisions through clear leadership and robust internal communications.

On the environmental front, beyond our rooftop solar PV systems rollout, we continue to provide sustainable, recyclable FPP solutions that support supply chain decarbonisation. We advanced this commitment in FY2025 by obtaining ISCC PLUS certification for 2 additional Malaysian plants, bringing our total to 8 plants and expanding our ability to deliver certified sustainable packaging with traceable recycled resin.

Our sustainability momentum ultimately rests on empowered, future-ready teams. As we embed ESG deeper into our business, we are investing in our people – developing capabilities, fostering an inclusive culture, and equipping our workforce to lead the next phase of growth. In FY2025, we delivered 31,882 hours of training to build skills, deepen sustainability literacy, and strengthen execution across the Group. We are also investing in automation and advanced technologies to reduce manual, repetitive tasks, enhance safety, and enable teams to focus on higher-value work and innovation.

I am encouraged that our progress is being recognised externally. In FY2025, we improved our FTSE Russell ESG score and remain a proud constituent of the FTSE4Good Bursa Malaysia ("F4GBM") Index, alongside continued acknowledgement from other leading international ESG rating agencies.

For in-depth insights into our sustainability strategies and performance, please refer to our Sustainability Report 2025.

ACKNOWLEDGEMENTS

On behalf of the Board, I extend our deepest appreciation to Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim for more than 21 years of exceptional dedication and leadership as Chairman of Scientex. We are sincerely grateful for his invaluable contributions and wish him a fulfilling retirement.

Our heartfelt thanks go to the Management team led by Mr. Lim Peng Jin, Managing Director/Chief Executive Officer, together with the Scientex Executive Committee ("EXCO") and our diverse, committed workforce. Their resilience, teamwork, and passion for excellence have been exemplary. We are confident their collective efforts will continue to propel our growth and sustainability ambitions.

We also warmly welcome Ms. Jesselyn Chang Siew Sian as an Executive Director and Puan Sabarina Binti Harun as an Independent Non-Executive Director to the Board. With their experience and insights, we are confident they will add valuable strategic perspectives and support the Group's next phase of growth.

We are equally grateful to our loyal shareholders, valued business partners, and discerning customers. Your continued trust and support motivate us to deliver consistent and sustainable performance. United by our vision of 'Sustainable Growth, Better Tomorrow', we are committed to building a business that thrives over the long term and creates enduring value for all stakeholders.

LIM PENG CHEONG

Chairman & Non-Independent Non-Executive Director

Pernyataan Pengerusi

Kumpulan telah menunjukkan prestasi kewangan dan operasi yang berdaya tahan sepanjang TK2025, disokong oleh pelaburan yang berterusan dalam kapasiti dan keupayaan, serta tumpuan strategik kami dalam menghadapi cabaran dan peluang yang muncul. Sambil terus memajukan agenda kemampanan kami, memperkukuh perkongsian dengan pelanggan dan berkembang dengan tumpuan terpilih, kami meletakkan Scientex atas landasan pertumbuhan yang mampan sambil mewujudkan nilai jangka panjang bagi semua pihak berkepentingan.

Para Pemegang Saham yang dihormati,

Bagi pihak Lembaga Pengarah ("Lembaga"), saya berbesar hati membentangkan Laporan Tahunan Bersepadu Scientex Berhad (dirujuk secara bertukar ganti dirujuk sebagai "Scientex" dan/atau "Kumpulan") bagi tahun kewangan yang berakhir pada 31 Julai 2025 ("TK2025").

MENGIKTIRAF KEMAMPANAN SEBAGAI PEMANGKIN UNTUK DAYA TAHAN DAN PERTUMBUHAN

Visi kami, 'Pertumbuhan Mampan, Masa Depan Lebih Baik' terus menerajui cita-cita kami dan menyelaraskan Kumpulan mengikut tujuan yang jelas: mewujudkan nilai jangka panjang yang mampan untuk pemegang saham, di samping memberikan manfaat bersama kepada pelbagai pihak berkepentingan kami yang lebih luas rangkumannya.

Bahagian Pembungkusan terus memberikan penyelesaian yang menyokong kitaran plastik yang lebih besar. Pasukan kami mengekalkan usaha untuk membangunkan penyelesaian FPP yang boleh dikitar semula dan menggunakan resin kitar semula, memperkukuh daya maju rantaian nilai yang lebih rendah karbon dan cekap sumber.

Dalam Hartanah, kami kekal teguh dalam menyediakan rumah mampu milik berkualiti yang meningkatkan taraf hidup komuniti dan menyokong kemajuan sosioekonomi. Kami juga memberikan keutamaan dalam memupuk amalan pembinaan yang mampan dalam semua pembangunan kami untuk meningkatkan kemesrahan, daya tahan dan pengawasan alam sekitar.

Usaha dan hasil kami sekali lagi mendapat pengiktirafan. Kami disenaraikan dalam kalangan 10 Pemaju Terbaik di Malaysia di Anugerah Asia Hubexo (dahulunya dikenali sebagai Anugerah Asia BCI) untuk tahun keempat berturut-turut, dan memperoleh enam anugerah di bawah Anugerah StarProperty bagi siri bangunan pencakar langit kami, iaitu Mori Residences.

Pada masa yang sama, kami terus memajukan agenda tenaga boleh diperbaharui. Pemasangan sistem fotovolt (PV) solar atas bumbung telah disiapkan di sejumlah 10 lagi kilang pembuatan, galeri jualan hartanah dan ibu

pejabat korporat kami pada TK2025, menjadikan jumlah kapasiti terpasang kami sebanyak 23.9MWp. Kini, dengan sistem yang membekalkan tenaga boleh diperbaharui kepada operasi, kami dapat mengurangkan pelepasan Skop 2 gas rumah hijau dan mengurangkan lagi kos operasi, mengukuhkan daya saing, di samping menyokong matlamat penyahkarbonan negara.

Tindakan ini mencerminkan kepercayaan kami bahawa kemampanan bukanlah suatu kompromi – ia merupakan pemangkin untuk daya tahan, inovasi dan pewujudan nilai yang berkekalan.

Untuk mengetahui usaha penyepaduan kemampanan kami dengan lebih mendalam, sila rujuk bahagian Ulasan Operasi pada halaman 61 Laporan ini.

PRESTASI KEWANGAN YANG MANTAP WALAUPUN TERDAPAT CABARAN

Di tengah-tengah persekitaran operasi yang dinamik, Kumpulan terus memberikan satu lagi tahun dengan hasil dan untung sebelum cukai ("PBT") yang tertinggi dalam sejarah.

Hasil meningkat sebanyak 0.9% daripada RM4.48 bilion pada TK2024 kepada RM4.52 bilion pada TK2025, manakala PBT juga meningkat sebanyak 0.9% daripada RM728.9 juta kepada RM735.3 juta. Walau bagaimanapun, untung bersih merosot sebanyak 2.7% kepada RM530.7 juta, terutamanya disebabkan oleh cukai yang lebih tinggi dan peruntukan faedah minoriti, dengan pendapatan sesaham pada 34.1 sen. Sementara itu, nisbah penggearing kami meningkat kepada 0.48, mencerminkan pelaburan strategik dalam tanah pembangunan untuk memenuhi permintaan kukuh bagi rumah mampu milik dan memastikan aliran yang mampan untuk pertumbuhan masa hadapan.

Pernyataan Pengerusi

Tumpuan strategik dan prestasi kewangan kami yang konsisten terus diiktiraf. Kami berbesar hati untuk menjadi salah satu daripada hanya sembilan syarikat di Malaysia yang dinamakan dalam senarai "Best Under A Billion", Forbes Asia 2025, yang menonjolkan 200 syarikat kecil dan sederhana terbaik di Asia Pasifik dengan jualan tahunan di bawah AS\$1 bilion. Pengiktirafan ini mengesahkan daya tahan model perniagaan dan komitmen kami terhadap pewujudan nilai jangka panjang.

Untuk mendapatkan maklumat lebih lanjut tentang prestasi kewangan kami, sila rujuk Ulasan Prestasi Kewangan pada halaman 56 Laporan ini.

MEMBERIKAN PULANGAN YANG KONSISTEN KEPADA PEMEGANG SAHAM

Pada TK2025, Kumpulan mengisytiharkan dividen interim satu peringkat sebanyak 6 sen sesaham biasa yang telah dibayar pada 18 Julai 2025, manakala dividen akhir satu peringkat tambahan sebanyak 6 sen sesaham biasa telah dicadangkan untuk kelulusan pada Mesyuarat Agung Tahunan akan datang.

Secara keseluruhan, kira-kira RM186.8 juta akan diagihkan untuk TK2025 – bersamaan dengan kira-kira 35.2% daripada untung bersih – mengesahkan semula dasar kami untuk membayar sekurang-kurangnya 30% daripada untung bersih tahunan sebagai dividen.

MENGEMUDI PASARAN DINAMIK DENGAN TUMPUAN DAN JANGKAAN

Landskap pembungkusan global kekal mencabar, dibentuk oleh ketidaktentuan ekonomi, persaingan yang semakin sengit, cabaran geopolitik dan peningkatan kos - mengurangkan sentimen dan mendorong pemerolehan yang lebih berhati-hati. Dengan menjangkakan tekanan ini, kami telah melaksanakan respons bersasar untuk melindungi dan memperkukuh daya saing perniagaan kami.

Kami terus melabur dalam jentera canggih, bakat dan transformasi digital untuk meningkatkan kecekapan, memperkukuh pengurusan kos dan mempercepat inovasi - sekali gus meletakkan perniagaan pada landasan pertumbuhan jangka panjang yang mampan. Berdasarkan kepakaran teknikal dan perkongsian rapat dengan pelanggan, kami memberikan penyelesaian pembungkusan yang bernilai tambah dan mampan sejajar dengan keperluan kawal selia dan pasaran yang berkembang. Walaupun keadaan pasaran semasa bercampur-campur, ramalan jangka panjang untuk permintaan pembungkusan kekal positif, dan kami yakin terhadap prospek jangka panjang bahagian tersebut.

Dalam Hartanah, asas pasaran kekal berdaya tahan disokong oleh permintaan yang stabil untuk rumah mampu milik, kadar pengambilan yang kukuh dan dasar kerajaan yang menyokong, yang meluaskan akses kepada pemilikan rumah. Johor menonjol sebagai salah satu daripada enjin pertumbuhan yang dimangkin oleh Pautan Sistem Transit Rapid Johor Bahru-Singapura ("RTS"), Zon Ekonomi Khas Johor-Singapura ("JS-SEZ") dan Zon Kewangan Khas Forest City ("SFZ") - inisiatif yang dijangka akan merangsang pelaburan, mewujudkan pekerjaan dan memacu pertumbuhan penduduk yang memperkukuh permintaan perumahan jangka panjang.

Untuk analisis lebih mendalam, sila rujuk Ulasan, Prospek dan Trend Pasaran pada halaman 40 Laporan ini.

MENGEKALKAN MOMENTUM DALAM PERTUMBUHAN DAN PENGEMBANGAN

Dalam landskap pembungkusan yang dinamik, kami memperkukuh semula portfolio dengan proaktif, untuk mengekalkan pertumbuhan dan meningkatkan kelebihan daya saing. Pada TK2025, kami memajukan strategi untuk melucutkan pendedahan bukan teras dan mengagihkan semula modal ke kawasan pertumbuhan yang lebih tinggi. Ini termasuk dengan menghentikan operasi di Myanmar, yang prospeknya kekal terhad, dan meningkatkan kepentingan kami dalam Hiro Food Packages Manufacturing Sdn Bhd untuk memperkukuh kedudukan dalam pembungkusan plastik tegar.

Memandang ke hadapan, Bahagian Pembungkusan akan terus menilai peluang pelaburan yang strategik untuk meluaskan akses pasaran dan memperteguh keupayaan kami dalam teknologi proprietari, yang menyokong pertumbuhan jangka panjang yang mampan.

Dalam Bahagian Hartanah, kami bersedia untuk pengembangan di tengah-tengah dinamik permintaan yang menggalakkan. Pada TK2025, kami mempercepat pemerolehan tanah, memperoleh 3,735 ekar di seluruh Johor, Melaka, Selangor, Pulau Pinang dan Kedah - menjadikan jumlah pegangan tanah kami sebanyak 11,034 ekar dan mengekalkan saluran projek yang kukuh di koridor pertumbuhan tinggi.

Kami juga telah menyiapkan sebanyak 5,840 unit rumah mampu milik sepanjang tahun, menjadikan jumlah keseluruhan rumah yang disiapkan sebanyak 42,264 unit dan memastikan kami berada di landasan yang betul ke arah sasaran Visi 2028 kami, iaitu 50,000 unit rumah mampu milik menjelang 2028.

Pernyataan Pengerusi

Memandang ke hadapan, kami menyasarkan untuk meningkatkan penyerahan tahunan secara berperingkat kepada 10,000 unit rumah mampu milik, yang akan memperkukuh kepimpinan kami sebagai penyedia rumah mampu milik yang berkualiti dan dipercayai di Malaysia.

Untuk butiran lanjut, sila rujuk bahagian Ulasan Operasi pada halaman 61 Laporan ini.

MEMAJUKAN ESG DENGAN INTEGRITI, INOVASI DAN PEMBANGUNAN DALAMAN

Kemampuan kekal menjadi keutamaan dalam strategi kami dan pewujudan nilai jangka panjang. Setiap tahun, kami mendukung komitmen kami, di samping memacu kemajuan merentasi spektrum ESG. Tadbir urus yang kukuh menyokong pendekatan kami – memastikan tingkah laku yang beretika dan bertanggungjawab serta membuat keputusan termaklum melalui kepimpinan yang jelas dan komunikasi dalaman yang mantap.

Dari segi alam sekitar, selain pelaksanaan sistem PV solar atas bumbung, kami terus menyediakan penyelesaian FPP yang mampan dan boleh dikitar semula, yang menyokong penyahkarbonan rantai bekalan. Kami memajukan komitmen ini pada TK2025 dengan memperoleh pensijilan ISCC PLUS untuk 2 kilang tambahan di Malaysia, menjadikan jumlahnya sebanyak 8 buah kilang dan mengembangkan keupayaan kami untuk membuat pembungkusan mampan yang diperakui dengan resin kitar semula yang boleh dikesan.

Momentum kemampanan kami pada akhirnya bergantung kepada pasukan yang diperkasakan dan bersedia untuk masa hadapan. Di samping memupuk ESG dengan lebih mendalam dalam perniagaan kami, kami juga melabur dalam memajukan kakitangan kami – membangunkan keupayaan, memupuk budaya inklusif dan melengkapkan tenaga kerja kami untuk menerajui fasa pertumbuhan seterusnya. Pada TK2025, kami membuat latihan selama 31,882 jam untuk membina kemahiran, memperdalam literasi kemampanan dan mengukuhkan pelaksanaan bagi seluruh Kumpulan. Kami juga melabur dalam automasi dan teknologi canggih untuk mengurangkan tugas manual dan berulang, meningkatkan keselamatan dan memberikan masa terluang kepada pasukan bagi memberikan tumpuan kepada kerja dan inovasi yang bernilai lebih tinggi.

Saya yakin bahawa kemajuan kami diiktiraf oleh pihak luar. Pada TK2025, kami meningkatkan skor ESG FTSE Russell kami dan kekal sebagai konstituen yang membanggakan dalam Indeks FTSE4Good Bursa Malaysia (F4GBM), di samping mendapat pengiktirafan berterusan daripada agensi penarafan ESG antarabangsa terkemuka.

Untuk mendapatkan pandangan yang mendalam tentang strategi dan prestasi kemampanan kami, sila rujuk Laporan Kelestarian 2025 kami.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya merakamkan setinggi-tinggi penghargaan kepada Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim atas dedikasi dan kepimpinan yang luar biasa selama lebih daripada 21 tahun sebagai Pengerusi Scientex. Kami amat berterima kasih atas sumbangan beliau yang tidak ternilai dan mengucapkan selamat memasuki alam persaraan yang amat bermakna.

Ucapan terima kasih kami tujukan kepada pasukan Pengurusan yang diketuai oleh Encik Lim Peng Jin, Pengarah Urusan/Ketua Pegawai Eksekutif, bersama-sama dengan Jawatankuasa Eksekutif dan tenaga kerja kami yang pelbagai dan komited. Daya tahan, semangat kerja berpasukan dan semangat mereka demi kecemerlangan telah menjadi contoh yang unggul. Kami yakin bahawa usaha mereka bersama akan terus mendorong pertumbuhan dan cita-cita kemampanan kami.

Kami juga mengalu-alukan Cik Jesselyn Chang Siew Sian, Pengarah Eksekutif dan Puan Sabarina Binti Harun, Pengarah Bukan Eksekutif Bebas sebagai ahli Lembaga Pengarah. Dengan pengalaman dan pandangan mereka, kami yakin bahawa mereka akan menambah perspektif strategik yang bernilai dan menyokong fasa pertumbuhan Kumpulan yang seterusnya.

Kami juga berterima kasih kepada pemegang saham yang setia, rakan kongsi perniagaan yang dihargai dan pelanggan kami yang bijak menilai. Kepercayaan dan sokongan berterusan anda mendorong kami untuk mencapai prestasi yang konsisten dan mampan. Disatukan oleh visi kami, 'Pertumbuhan Mampan, Masa Depan Lebih Baik', kami komited untuk membina perniagaan yang berkembang maju dalam tempoh jangka panjang dan mewujudkan nilai yang berkekalan bagi semua pihak berkepentingan.

LIM PENG CHEONG

Pengerusi & Pengarah Bukan Bebas Bukan Eksekutif

主席报告书

森德于2025财政年展现出稳健的财务与营运表现，这得益于我们持续在产能与能力方面的投入，以及在面对挑战与机遇并存的环境中始终保持的战略聚焦。随着我们不断推进永续发展，深化客户伙伴关系，并以选择性聚焦的策略推动业务扩展，森德正稳步奠定可持续增长的基础，并为所有股东创造长期价值。

各位股东，

我谨此非常荣幸的代表董事部，为大家汇报森德公司（简称“森德”或“集团”）截至2025年7月31日财政年（“2025财政年”）的综合年度报告。

将永续发展视为增强韧性与推动增长的驱动力

我们的愿景‘永续增长，创造美好未来’持续引领着我们的雄心壮志，并凝聚集团朝着明确的方向前进 – 为股东创造可持续的长期价值，同时为更广泛的利益相关者带来共享的成果。

包装业务持续推出有助于提升塑料循环利用的解决方案。我们的团队不断努力研发可回收的弹性塑料包装方案，并采用再生树脂，以强化低碳、资源高效价值链的可行性。

在产业业务方面，我们始终致力于提供可负担的品质房屋，以提升社区生活水平并推动社会经济进步。同时，我们也优先在各个开发项目中融入可持续建筑实践，以提升宜居性、韧性及环境管理水平。

我们的努力与成果再次获得业界肯定。森德连续第四年在Hubexo亚洲大奖（前身为BCI亚洲大奖）中荣膺马来西亚十大房地产开发商，并凭借森景公寓（Mori Residences）高楼房产系列在星报房产大奖中斩获六项殊荣。

与此同时，我们持续推进可再生能源的发展议程。集团于2025财政年内，额外在10家制造厂房、产业销售廊以及企业总部完成了屋顶太阳能光伏系统的安装，使我们的总装机容量达到23.9兆瓦峰值。这些系统现已为我们的运营提供可再生能源，帮助我们减少范围二的温室气体排放并降低运营成本，从而在支持国家脱碳目标的同时，进一步提升企业竞争力。

总体而言，这些举措体现了我们的信念：可持续发展并非取舍之间的权衡，而是推动韧性、创新与长期价值创造的催化力量。

请参阅本报告第61页的《营运评估》，以深入了解我们在可持续发展整合方面的举措。

逆境中保持稳健的财务表现

在不断变化的营运环境中，森德的营业额与税前盈利依然创新高。

集团的营业额于2025财政年，取得了0.9%的年度增长，从2024财政年的44亿8000万令吉，增加至45亿2000万令吉。

税前盈利同步上扬0.9%，达到7亿3530万令吉，去年同期是7亿2890万令吉，然而，净盈利下滑了2.7%，至5亿3070万令吉，主要归因于更高税务支出及少数股东权益分配增加所致；每股盈利为34.1仙。与此同时，净负债比率上升至0.48倍，反映出集团为把握可负担房屋的强劲市场需求，并确保未来发展的项目储备保持可持续性，而进行的策略性土地投资。

我们的战略专注与稳健的财务表现持续获得肯定。森德很荣幸地成为《福布斯亚洲》2025年“十亿美元以下最佳企业（Best Under A Billion）”榜单中仅有的9家马来西亚入选企业之一。该榜单旨在表彰亚太地区年度销售额少于10亿美元，表现最卓越的200家中小型企业。这一殊荣充分印证了我们业务模式的韧性以及对长期价值创造的坚定承诺。

请翻阅本报告书第56页的《财务审核评估》，以了解更多财务表现详情。

以稳健的股息回馈股东

集团宣布于2025财政年派发每股6仙的中期单层股息，并于2025年7月18日派发给股东。另外，董事部也建议再派发每股6仙的终期单层股息，回馈股东。有关终期股息的派发，有待在即将来临的常年股东大会上通过。

总的来说，森德于2025财政年的股息派发总额，达到约1亿8680万令吉，相等于集团约35.2%净盈利，再次凸显森德致力兑现派发最低30%年度净盈利给忠诚股东的承诺。

聚焦前瞻，掌舵变局

在经济不确定性、竞争加剧、地缘政治逆风及成本上升的影响下，市场情绪受抑，采购趋于谨慎，全球包装业务格局因而仍然充满挑战。鉴于这些压力，森德已采取针对性的应对措施，以保障并强化公司的业务竞争力。

森德继续投资先进机械、人才培养和数码化转型，以提高效率、强化成本管理并加速创新步伐，为业务实现可持续的长期增长做好准备。凭借我们的技术专长和密切的客户合作关系，我们提供具附加价值且可持续的包装解决方案，以契合不断演变的监管与市场需求。尽管当前市场状况好坏参半，但包装需求的长期前景仍然乐观，我们对包装业务的长期前景充满信心。

主席报告书

在产业业务方面，市场基本面依然稳健，主要得益于市场对可负担房屋的稳定需求，强劲的销售率，以及政府推动居者有其屋的有利政策。其中，柔佛州成为集团业务增长的主要动力之一。其发展势头受到柔佛新山-新加坡捷运系统（RTS）、柔佛-新加坡经济特区（JS-SEZ）及森林城市金融特区（SFZ）等举措的带动。这些重大项目有望促进投资、创造就业机会并吸引人口流入，从而进一步巩固长期的房屋需求。

相关深入分析，请参阅本报告第40页的《市场评估，前景和趋势》

保持增长与扩张的动力

在瞬息万变的包装领域，我们积极优化业务布局，以维持增长与强化竞争优势。集团于2025财政年采取了剥离非核心业务并将资本重新配置至高增长领域的战略。这包括停止在前景仍然有限的缅甸业务，以及增加对 Hiro Food Packages Manufacturing Sdn Bhd的持股比例，以巩固我们在硬质塑料包装领域的市场地位。

展望未来，包装业务部将认真评估战略投资机会，致力于拓展市场覆盖面，并深化我们的专有技术能力，以支持业务的可持续长期增长。

在产业业务方面，我们已整装待发，迎接有利的市场需求形式。森德于2025财政年加快土地储备步伐，在柔佛、马六甲、雪兰莪、檳城及吉打共收购了3,735英亩土地，使集团的总土地储备面积增至11,034英亩，并在高增长区域保持强劲的项目储备。

森德于本财政年共完成了5,840间可负担房屋的建设，使累计交付量达到42,264间，稳步迈向“2028愿景”-于2028年建设50,000间可负担房屋的目标。

展望未来，我们计划逐步将可负担房屋的年交付量提升至10,000间，以进一步巩固我们作为马来西亚值得信赖的可负担品质房屋开发商的领先地位。

请翻阅本报告第61页的《营运评估》，以了解更多相关细节。

以廉正、创新与内部提升推动环境、社会及公司治理进程

可持续发展始终是我们战略与长期价值创造的核心。每一年，森德在坚守承诺的同时，持续推动环境、社会及公司治理(ESG)各领域的进展。稳健的企业监管体系构成我们实践的基石，通过清晰的领导方向与完善的内部沟通，确保企业秉持道德、负责任且信息充分的方式作出决策。

在环境方面，除了持续推进屋顶太阳能光伏系统的安装外，我们也不断提供可持续、可回收的弹性塑料包装解决方案，以助力供应链减碳。森德于2025财政年进一步落实这一承诺，旗下另外两家马来西亚厂房获得生物基、可再生和循环原料的可持续认证（ISCC PLUS）认证，使获得该认证的工厂总数增至八家，从而提升我们提供以可追溯再生树脂生产的经认证可持续包装的能力。

我们的可持续发展动力源于具备自主能力、面向未来的团队。随着环境、社会及公司治理在业务中不断深化，我们持续投资于员工发展 - 提升能力、培育多元包容文化，并赋能团队，引领员工迈向下一阶段的成长。我们于2025财政年共开展了31,882小时的培训，以强化技能、深化可持续发展意识，并提升集团整体执行能力。同时，我们也持续投资于自动化与先进技术，以减少人工及重复性作业、提升安全水平，并让团队能够专注于更高价值的工作与创新。

令我感到鼓舞的是，我们的进展得到了外界的认可。2025财政年，森德的富时罗素环境、社会及公司治理（FTSE Russell ESG）评分进一步提升，并持续成为富时大马交易所社会责任指数（FTSE4Good Bursa Malaysia, F4GBM）成份股，同时也继续获得国际主要环境、社会及公司治理评级机构的肯定。

欲深入了解我们的可持续发展战略与绩效表现，敬请翻阅《2025年永续发展报告》

感谢篇

我谨代表董事部，向Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim 表达最诚挚的谢意，感谢他在过去 21 年间以无私的奉献与卓越的领导履任董事长一职。我们诚挚感激他对集团所作出的宝贵贡献，并祝愿他退休生活愉快充实。

同时，我们也感谢由董事经理兼首席执行官，林炳仁先生领导的管理团队、执行委员会成员和我们多元化且敬业的员工。他们的坚韧、协作精神与追求卓越的热忱令人钦佩。我们深信，他们的共同努力将持续推动集团的成长与可持续发展目标进程。

我们也热烈欢迎两位女士加入董事部。郑秀仙女士出任执行董事，Puan Sabarina Binti Harun 则出任独立非执行董事。凭借她们的丰富经验与独到见解，我们深信她们将为集团的下一阶段成长带来宝贵的战略视角与助力。

我们同时也向忠实的股东、尊贵的商业伙伴和眼光独到的客户表示衷心的感谢。他们的信任与支持，激励我们继续实现稳健而可持续的业绩表现。在‘永续增长，创造美好未来’愿景的引领下，我们将致力于打造能够长期稳健发展，并为所有股东创造持久价值的企业。

林炳宗

主席兼非独立非执行董事

Board of Directors

LIM PENG CHEONG

Chairman and Non-Independent Non-Executive Director



MALAYSIAN



AGE 63



MALE

Lim Peng Cheong is a Chairman and Non-Independent Non-Executive Director of the Company. He was appointed to the Board as an Executive Director on 9 September 1988, and has held this position until 10 November 2003, when he was re-designated as Non-Executive Director. On 12 March 2025, he was re-designated as Non-Independent Non-Executive Chairman of the Company.

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

LIM PENG JIN

Managing Director/Chief Executive Officer



MALAYSIAN



AGE 58



MALE

Lim Peng Jin is currently the Managing Director/Chief Executive Officer of the Company. He was appointed to the Board on 20 January 1995 as the Group Executive Director and subsequently as Managing Director on 6 November 2001.

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

JESSELYN CHANG SIEW SIAN

Executive Director



MALAYSIAN



AGE 53



FEMALE

Jesselyn Chang Siew Sian is an Executive Director of the Company. She was appointed to the Board on 12 March 2025. She is also a member of the Risk Management Committee.

She graduated from University of Malaya with a Bachelor's degree in Accounting and completed the Advanced Management Program in Harvard Business School in 2015. She is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. 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 joined Scientex Berhad in 2002 as Corporate Finance Manager and was subsequently promoted to Group Financial Controller on 15 May 2003. She was appointed as the Executive Director overseeing corporate planning of the Group since 2014.

Board of Directors

WONG CHIN MUN*Senior Independent Non-Executive Director***MALAYSIAN****AGE 81****MALE**

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

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

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

DATO' NOORIZAH BINTI HJ ABD HAMID*Independent Non-Executive Director***MALAYSIAN****AGE 65****FEMALE**

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

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

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

Board of Directors

CHIN LAM CHOONG*Independent Non-Executive Director***MALAYSIAN****AGE 59****MALE**

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

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

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

SABARINA BINTI HARUN*Independent Non-Executive Director***MALAYSIAN****AGE 48****FEMALE**

Puan Sabarina Binti Harun is an Independent Non-Executive Director of the Company. She was appointed to the Board on 17 September 2025.

Puan Sabarina graduated with a degree in Commerce from La Trobe University, Australia, in 1998. She is a Fellow of CPA Australia, a Chartered Accountant of the Malaysian Institute of Accountants, and an ASEAN Chartered Professional Accountant. She is also a Project Management Professional certified by the Project Management Institute. She has been honored with the appointment as an Adjunct Professor in Finance and Accounting at Universiti Geomatika Malaysia in May 2025.

Puan Sabarina has more than 25 years of experience in strategy development, financial management, digital transformation and operations. She has solid change management experience in her various positions, proven track record in managing cross-functional teams, implementing successful, robust and efficient operational processes for organisational change.

Prior to joining SIRIM Berhad, Puan Sabarina was the Group Financial Controller to Inai Kiara Group of Companies, which is the fifth largest dredging company in the world. She started her career with Inai Kiara as the Financial Controller for the holding company, orchestrating a prominent impact in 3 different portfolios, namely finance, quality management and project management.

She then joined SIRIM Berhad as the Group Chief Finance Officer to spearhead the overall financial operations, growth and strategies, asset management and procurement activities of SIRIM Berhad and its subsidiaries ("SIRIM Group").

She is currently the Group Chief Operating Officer at SIRIM Berhad, leading the Project Monitoring Office and Digital Services for SIRIM Group, overseeing the asset management and operations of 10 State offices nationwide and leading 2 Strategic Business Units of SIRIM Group under the developmental and commercial mandates.

Presently, she sits on the Board of Directors of Redtone Digital Berhad and DSR Taiko Berhad as an Independent Non-Executive Director. She is also a member of the Audit Committee and Nomination Committee of Redtone Digital Berhad; and Chairperson of the Audit Committee of DSR Taiko Berhad.

Save as disclosed above, the above Directors have no family relationship with any Director and/or major shareholder of Scientex Berhad, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, have not been convicted for any offences within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

Key Management

Our key management personnel includes Mr. Lim Peng Jin, Managing Director/CEO and Ms. Jesselyn Chang Siew Sian, Executive Director of Scientex Berhad, and the following persons:

CHOO SENG HONG

Chief Operating Officer - Packaging



MALAYSIAN



AGE 57



MALE

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

DATUK ALEX KHAW GIET THYE

Chief Operating Officer - Property



MALAYSIAN



AGE 57



MALE

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

KOAY TEIK CHUAN

Executive Director - Property



MALAYSIAN



AGE 65



MALE

Koay Teik Chuan joined Scientex in 1997. During the early stages, he was involved in the construction and development of Scientex's flagship development in Johor. Prior to joining Scientex, he was handling various construction projects in different parts of the country. He was appointed as the Executive Director of Scientex's Property Division on 1 November 2009. He received his higher education from the Institut Teknologi Butterworth in 1978 and has more than 40 years of experience in various aspects of construction and property development, including township projects.

GAN KOK KHYE

Executive Director - Corporate



MALAYSIAN



AGE 63



MALE

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

Key Management

GOH TIAN CHIN*Executive Director - Packaging***MALAYSIAN****AGE 60****MALE**

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

JACKY PHANG YUEN KHANG*Sales and Marketing Director - Property***MALAYSIAN****AGE 44****MALE**

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

SCOTT LIM JIAN YOU*Executive Director - Packaging***MALAYSIAN****AGE 32****MALE**

Scott Lim Jian You graduated from Imperial College London with a Master of Engineering in Electrical and Electronic Engineering with Management. He joined Scientex's Packaging Division in 2016. Starting off as a Production Engineer in Scientex's subsidiary, Scientex Great Wall (Ipoh) Sdn Bhd, he was promoted to Product Manager and subsequently to General Manager in August 2018. He was assigned to oversee the Industrial Packaging Division since August 2022. Presently, he is the Executive Director of the Scientex Packaging Division. He is the son of Lim Peng Cheong, who is a Director and major shareholder of Scientex Berhad.

TAN HONG KOON*General Manager - Corporate Planning***MALAYSIAN****AGE 47****FEMALE**

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

Save as disclosed above, the above key management have no family relationship with any Director and/or major shareholder of Scientex Berhad, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, have not been convicted for any offences within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

Our Value Creation Story



To maximise the value our business generates, we take a holistic and integrated approach to value creation, considering both internal and external factors. By aligning and harmonising stakeholder needs, market trends and potential risks and opportunities with the business processes of our two divisions, we ensure that our strategies, operations and workforce remain agile, focused and prepared for the future.

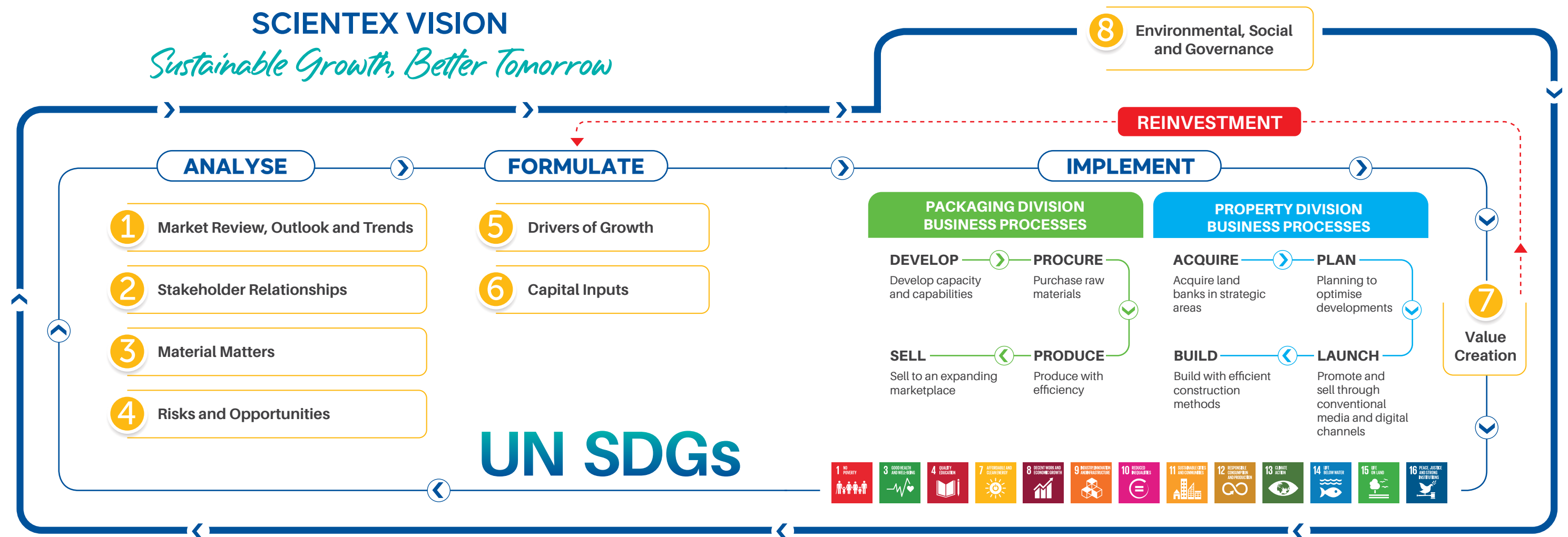
We begin by monitoring macroeconomic and industry trends, combining these insights with continuous stakeholder input to build a clear understanding of our operating environment. This helps us pinpoint the matters that are most material to our business performance and sustainability, as well as the risks and opportunities present in the current economic climate and industry landscape.

Building on this analysis, we develop business strategies that maximise the deployment of our 'Six Capitals' - Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural. By shaping our strategies to make the most of these capitals, we aim to enhance performance across our three Drivers of Growth - Capacity, Efficiency and Product Value - ensuring sustainable and value-driven business development that ultimately reinforces our competitive advantage.

Execution of these strategies has been embedded within the structured business processes of our Packaging and Property Divisions, with a focus on advancing our vision of 'Sustainable Growth, Better Tomorrow' while generating economic value that we reinvest to drive continuous improvements in our operations.

Sustainability remains central to every stage of our value creation process. ESG factors are considered across all aspects of our strategies, initiatives and actions, with our efforts aimed at contributing to UN SDGs relevant to our business and industry. For deeper insights into how sustainability is embedded within our value creation approach, we invite you to explore our Sustainability Report 2025.

Our Value Creation Story



1 Market Review, Outlook and Trends [p. 40](#)

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

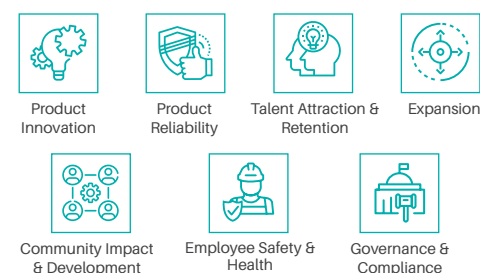
2 Stakeholder Relationships [p. 37](#)

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



3 Material Matters [p. 44](#)

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



4 Risks and Opportunities [p. 49](#)

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

operational processes, reputation and revenue-generating capabilities.

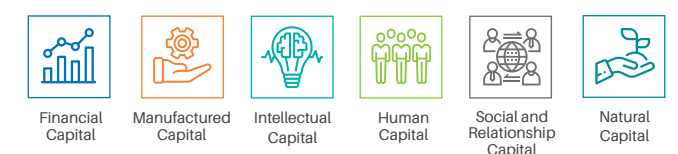
5 Drivers of Growth [p. 36](#)

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



6 Capital Inputs [p. 34](#)

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



7 Value Creation [p. 34](#)

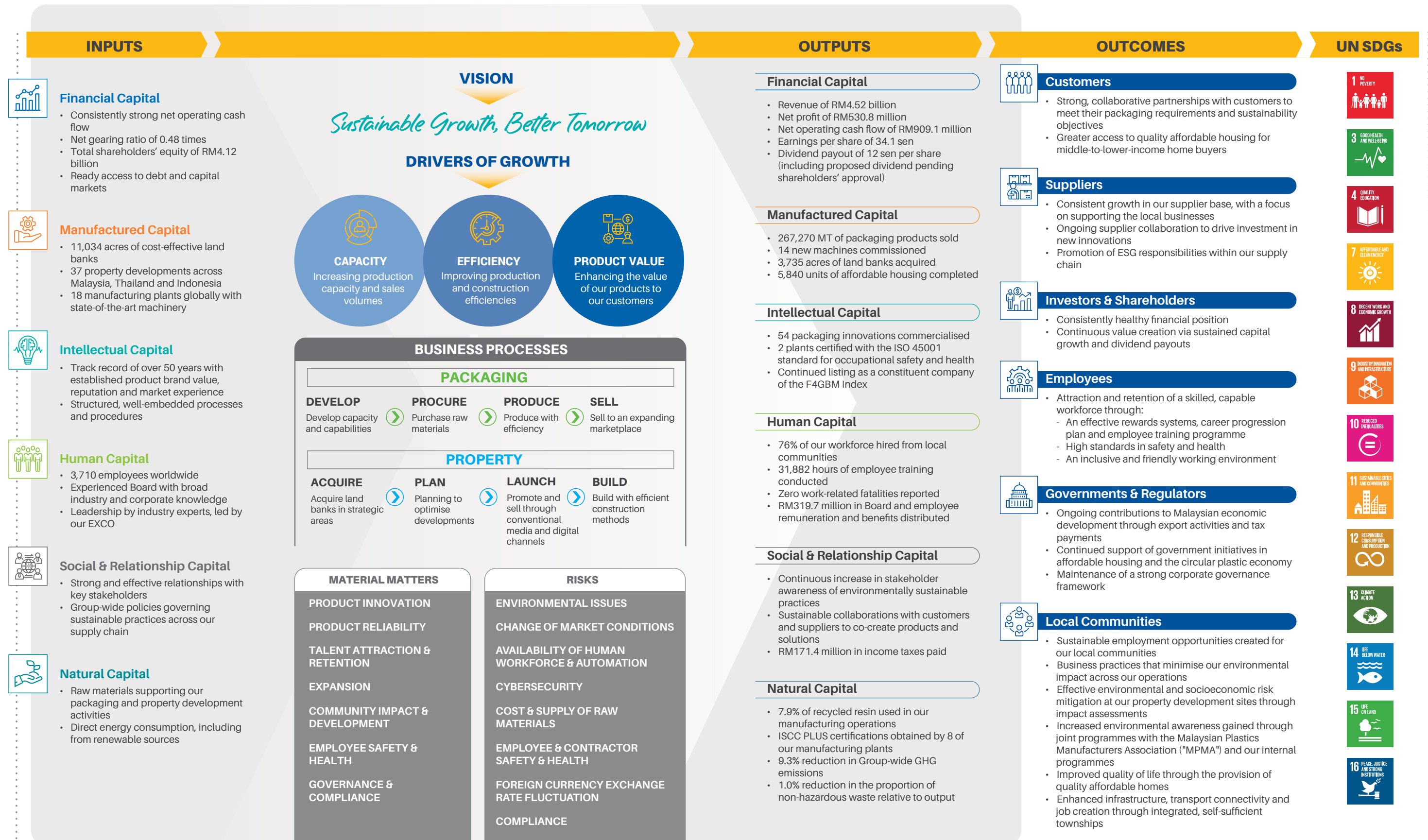
The value we generate extends beyond financial results to include shareholder dividends, contributions to national economies, job creation, and investments in social and environmental initiatives. This economic value is also recirculated and reinvested to foster continuous improvement across all our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

8 Environmental, Social and Governance

[read our Sustainability Report 2025 to learn more](#)

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

Our Value Creation Business Model



Our Drivers of Growth

Our growth and value creation are propelled by three core drivers – Capacity, Efficiency and Product Value – each playing a vital role in enhancing our long-term competitiveness and reputation. By directing our investments and innovation efforts towards driving improvement in each of these three areas, we make progress towards meeting our growth targets and fulfilling our corporate vision.

OUR VISION

Sustainable Growth, Better Tomorrow

CAPACITY

Increasing production capacity and sales volume

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

EFFICIENCY

Improving production and construction efficiencies

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




PRODUCT VALUE

Enhancing the value of our products to our customers




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

Key Stakeholder Engagement






Through ongoing engagement with our key stakeholder groups, we gain valuable insights into the matters that are significant to them and explore solutions for addressing their needs. These insights inform our materiality determination process, which in turn shapes our business and sustainability strategies to promote shared and sustainable value.

Stakeholders	Why We Engage	How We Engage	How We Address Their Expectations
 <p>Customers</p>	<p>A strong emphasis on comprehending the evolving needs of our customers and the latest trends in the market enables us to make strategic investments in product innovation that lead to increased product value.</p> <p>This, in turn, enhances our overall sustainability as a business.</p>	<p><u>Packaging Division</u></p> <ul style="list-style-type: none"> • The Scientex corporate website • Customer feedback channels • Regular meetings and plant visits • Collaborations in product development • Product brochures <p><u>Property Division</u></p> <ul style="list-style-type: none"> • Customer feedback channels • Social media platforms • The Scientex corporate website • Marketing campaigns and promotions • Our customer service offices 	<p><u>Packaging Division</u></p> <ul style="list-style-type: none"> • Working closely with our customers to create products that meet their specific needs, with a focus on sustainability, recyclability, extended shelf life and enhanced physical performance in terms of protection, hygiene, safety and convenience • Utilising our integrated structure to offer fully customised solutions, from film development to converting processes • Addressing our customers' sustainability requirements by providing a wide range of sustainable packaging solutions • Ensuring continuous and open communication channels between our customers, technical staff and sales teams • Managing ESG risks and opportunities by adhering to established frameworks and policies, and attaining globally recognised certifications <p> Read more</p> <ul style="list-style-type: none"> Operational Review - Packaging Division > p. 61 Product Innovation > p. 38 of our Sustainability Report 2025 Environmental Compliance > p. 62 of our Sustainability Report 2025 <p><u>Property Division</u></p> <ul style="list-style-type: none"> • Leveraging centralised procurement and systematic processes to optimise construction costs and end-sale prices • Expanding our affordable housing reach to serve a wider range of communities, especially middle-to-lower-income groups • Advertising our latest launches, events and promotions via traditional and digital marketing channels to expand our customer reach <p> Read more</p> <ul style="list-style-type: none"> Operational Review - Property Division > p. 67 Providing Affordable Housing > p. 35 of our Sustainability Report 2025

Key Stakeholder Engagement

Stakeholders	Why We Engage	How We Engage	How We Address Their Expectations
 Suppliers	<p>Ongoing engagement with our suppliers is essential as they play a critical role in maintaining our product quality, meeting production timelines, and helping us identify and address operational risks proactively.</p> <p>Moreover, these interactions serve as an important platform to encourage the adoption of sustainable and ethical business practices that align with industry standards.</p>	<ul style="list-style-type: none"> • Regular supplier meetings and progress updates • Ongoing evaluations • Site visits • Exhibitions and trade fairs • Technical seminars • Our Code of Conduct for Suppliers 	<p><u>Raw material and machinery suppliers</u></p> <ul style="list-style-type: none"> • Building and maintaining transparent, long-term procurement relationships to improve demand visibility and support mutual business resilience • Engaging in regular discussions to enhance inventory planning, elevate product quality, strengthen supply chain agility and stay abreast of new industry technologies • Conducting regular reviews and offering timely feedback to help suppliers improve their service standards and stay aligned with our evolving business requirements <p><u>Sub-contractors and construction material suppliers</u></p> <ul style="list-style-type: none"> • Holding regular meetings to harmonise construction schedules and share material demand forecasts, ensuring smoother and more coordinated project execution • Performing periodic reviews and providing constructive feedback to help them continuously improve the quality of their goods and services
 Investors & Shareholders	<p>Upholding transparency in disclosing both our financial and non-financial performance enables us to maintain the confidence of our investors and shareholders. This trust allows us to safeguard and grow our capital base, providing the resources needed to pursue our business growth and expansion ambitions.</p>	<ul style="list-style-type: none"> • Annual General Meetings ("AGM") • Investor relations engagements • Scientex Integrated Annual Reports and Sustainability Reports • The Scientex corporate website • Announcements on Bursa Malaysia 	<ul style="list-style-type: none"> • Embracing integrated reporting to communicate the interconnected nature of our strategies and the value they generate • Establishing internal and external investor relations teams to ensure effective shareholder communication • Delivering consistent capital appreciation and robust dividend payouts • Reinvesting our earnings back into our business to drive continuous improvement, enhance our capitals and accelerate the creation of long-term shareholder value • Strengthening our environmental and community-focused initiatives and regularly sharing progress updates
 Employees	<p>Consistently engaging with our employees provides us with meaningful insights into their personal and professional goals. This knowledge enables us to develop programmes and initiatives that build skills, inspire innovation, enhance employee retention and ultimately reinforce the strength of our human capital.</p>	<ul style="list-style-type: none"> • Quarterly Rolling Budget ("QRB") dialogues • Employee appraisals • Employee engagement events • Internal bulletins • Progress update meetings • Monthly management meetings 	<ul style="list-style-type: none"> • Communicating our goals, updates and initiatives across multiple platforms while fostering a culture of open communication between employees and their department heads • Aligning our employee rewards system with our objectives, and implementing performance-based incentives to recognise and motivate exceptional contributions • Supporting ongoing professional growth through customised training modules and development programmes • Upholding a safe and healthy work environment in alignment with occupational safety and health standards • Enhancing employee health through the provision of various medical benefits and health talks

Key Stakeholder Engagement

Stakeholders	Why We Engage	How We Engage	How We Address Their Expectations
 Governments & Regulators	<p>We maintain active engagement with governmental and regulatory authorities to stay informed about evolving regulatory requirements. This enables us to craft strategies that deliver shared value for our business and the countries where we operate.</p> <p>Moreover, these engagements enhance our ability to support public policy objectives, particularly in broadening access to affordable housing for wider segments of the population.</p>	<ul style="list-style-type: none"> Regular meetings and consultations Seminars, training sessions, dialogues and forums organised by regulatory bodies On-site inspections and audits 	<p> Read more</p> <ul style="list-style-type: none"> Occupational Safety and Health > p. 70 of our Sustainability Report 2025 Empowering Our People > p. 76 of our Sustainability Report 2025 <ul style="list-style-type: none"> Developing affordable housing solutions tailored to local community needs, aligning with government efforts to improve housing accessibility for middle-to-lower-income groups Driving innovation in products that contribute to government sustainability agendas Investing in community development initiatives to promote socioeconomic progress Maintaining a dedicated internal team and collaborating with external advisors to ensure compliance and stay informed on legal and regulatory developments Contributing to Malaysia's economic growth by generating foreign currency receipts from exports and fulfilling our tax obligations <p> Read more</p> <ul style="list-style-type: none"> Responsible Business Conduct and Governance > p. 32 of our Sustainability Report 2025 Economic Value Contributed > p. 45 of our Sustainability Report 2025
 Local Communities	<p>Through active engagement with our local communities – who represent both our consumers and the majority of our workforce in the Packaging and Property Divisions – we gain valuable insights into their needs and preferences. This understanding informs the ongoing improvement of our product development, employment practices and sustainability initiatives.</p>	<ul style="list-style-type: none"> Social media platforms The Scientex corporate website Customer service offices (Property Division) Community events Dialogue sessions 	<ul style="list-style-type: none"> Offering stable employment and ample opportunities for career advancement to local community members Expanding our affordable housing projects across Peninsular Malaysia and neighbouring countries to serve a broader segment of middle-to-lower-income populations Developing integrated townships that feature diverse services, commercial zones for job creation and enhanced connectivity to major urban centres, thereby strengthening community resilience and improving quality of life Implementing environmental and social impact assessments to mitigate risks associated with our property development activities Allocating financial resources to support initiatives such as school programmes and environmental projects that promote sustainable living Executing community engagement initiatives as part of our active contribution to socioeconomic development <p> Read more</p> <ul style="list-style-type: none"> Providing Affordable Housing > p. 35 of our Sustainability Report 2025 Empowering Our People > p. 76 of our Sustainability Report 2025 Contributing to Local Communities > p. 82 of our Sustainability Report 2025

Market Review, Outlook and Trends

- Packaging

Our Packaging Division continues to navigate a dynamic global market by focusing on cost efficiency, innovation and sustainability. Through investments in technology and talent that enhance productivity and reduce operating costs, we are strengthening our resilience and setting the stage for long-term growth.

Navigating Market Challenges, Driving Growth

The global packaging market remains challenging, attributed to softened export demand and intensified competition due to overcapacity and pricing, which are placing pressure on the competitiveness of market players. Geopolitical uncertainties, including trade tensions, have further caused challenges in exports, while persistent inflationary pressures have added complexity to the operating environment.

Amidst these headwinds, Scientex persists in proactively implementing strategic responses. Rigorous cost management and enhanced operational efficiency continue to be our priorities, thus ensuring our resilience against market fluctuations. At the same time, product development and innovation remain central, thereby enabling the delivery of customised, value-added, and sustainable packaging solutions that expand our market reach and unlock new opportunities.

To support sustainable and long-term growth, we maintain robust investment in new machinery, talent, and digital transformation, while enhancing our sustainability performance. A key milestone in this journey has been the completion of rooftop solar PV systems at our headquarters and 10 major manufacturing plants. This initiative lowers energy costs, reduces Scope 2 GHG emissions, and reinforces our commitment to embedding sustainability across operations.

Despite the current soft global market conditions, the long-term outlook and recovery for the packaging business remains positive. To further enhance our position for business growth, we diligently evaluate selective merger and acquisition opportunities, particularly those that offer access to new markets or proprietary technologies that complement our existing portfolio.

Stretch Film Market Continues to Grow

The global stretch film market is on a positive growth trajectory, projected to reach an estimated US\$6.68 billion by 2028, reflecting a compound annual growth rate ("CAGR") of 3.4%.¹ This growth is largely driven by the robust expansion in the global shipping and logistics sectors, supported by rising industrial activities in the electronic and electrical sectors as well as the food and beverage ("F&B") segment, which have fueled demand for high-performance stretch

film for packaging. Stretch film remains a critical component for providing secure wrapping to protect goods during transportation and storage.

As one of the leading global stretch film producers, Scientex is well-positioned to capitalise on this growing market. Therefore, we continue to invest in automation in our operations to boost production efficiency and capacity, with the commissioning of our Robotic Stretch Film Plant in Shah Alam, Malaysia. At the same time, our network of manufacturing facilities across Malaysia and the United States of America ("USA") allows us to serve diverse markets with speed, flexibility, and reliability. This has contributed to our resilience, demonstrated by our sales growth despite global trade challenges.

On this note, our strategic decision to establish our manufacturing presence in the USA nine years ago has proven to be timely amid the challenges posed by the current trade tensions. With the ability to serve USA customers directly from our Arizona plant, we are well-positioned to continue strengthening our position in this key market.

Looking ahead, we will continue to invest in automation and advanced machinery to expand our capacity, improve production efficiencies, and enhance the sustainability features of our products, thus ensuring we are well-positioned to capture the rising market demand.

Opportunities Abound in Robust FPP Market

Plastic remains the material of choice for modern packaging, and the flexible packaging market continues to demonstrate resilience and growth. Valued at US\$210.62 billion in 2023, it is projected to reach US\$238.91 billion by 2029, growing steadily at a CAGR of 2.12%.²

Asia-Pacific leads the global flexible packaging market, driven by retail expansion and the demand for organised, convenient packaging solutions, while Europe is set for strong growth, supported by product diversification and the ongoing shift from rigid to flexible formats.

Flexible plastics are particularly critical in the F&B sector, offering a combination of durability, cost efficiency, and lightweight versatility. Their high-barrier properties protect perishables from moisture and humidity, extending shelf life and reducing spoilage. Compared with traditional

Market Review, Outlook and Trends > Packaging

packaging materials such as metal, rigid plastic, and glass, flexible plastics deliver high performance at competitive prices, making them the preferred choice for manufacturers and consumers alike.

Our Packaging Division is well-placed to leverage and capitalise on these growth trends, focusing on delivering practical and innovative market-driven solutions. We prioritise product functionality such as extended shelf life, hygiene, protection and convenience, aligning closely with the needs of F&B and fast-moving consumer goods ("FMCG") manufacturers. Additionally, we co-create packaging solutions with our customers, tailoring innovations to their product and market needs while ensuring practicality, commercial viability and speed-to-market, subsequently strengthening our partnerships.

With our plants across Peninsular Malaysia specialising in serving the consumer packaging segment – particularly F&B, healthcare, personal care, and pet food – we are equipped to meet growing demand and continue advancing flexible packaging solutions for diverse industries.

Prospects in Plastic Circularity

The global sustainable FPP market, particularly recyclable solutions, is set to expand further as consumer awareness and industry demand continue to grow. The New Plastic Economy Global Commitment, launched in 2018 by the Ellen MacArthur Foundation and United Nations Environment Programme ("UNEP"), has gained broad support from over 500 signatories, while Malaysian government initiatives such as the 12th Malaysian Plan 2021-2025 ("RMK-12") and Malaysia Plastics Sustainability Roadmap ("MPSR") 2021-2030 reinforce the country's commitment to plastic sustainability.

These global and national commitments not only shape regulatory expectations but also open avenues for industry players to accelerate innovation and collaboration in sustainable FPP. In line with this, we have integrated sustainability into our core strategies, partnering with brand owners to co-develop recyclable solutions that uphold performance standards while advancing shared sustainability agendas. We have also introduced products incorporating PIR or PCR resin to further support circularity in the plastic sector.

To support our ambitions in this area, we continue to reinvest in our operations, enhancing our capabilities, capacity, and technology to drive innovation in sustainable packaging. Our ISCC PLUS-certified facilities enable us to deliver environmentally responsible solutions while contributing

meaningfully to the circular plastic economy. Through these efforts, we reinforce our position as a leader in sustainable manufacturing, both locally and globally, shaping a more circular future for the industry.

Sources:

1. *Global and United States Stretch Film Packaging Market Report & Forecast 2022-2028 | Market Research Report | May 2022*
2. *Flexible Packaging Market – Global Outlook & Forecast 2024-2029 | Market Research Report | November 2024*

Market Review, Outlook and Trends

- Property

Our Property Division operates in a favourable landscape, underpinned by steady demand, rising consumer confidence, and government policies that support homeownership. By aligning our development strategies with economic trends and evolving market needs, we are well-positioned to deliver an increasing number of affordable homes across key regions in the years ahead.

Sustained Confidence in the Property Market

The Malaysian property market remains resilient, driven by steady demand for affordable housing, strong take-up rates, and supportive government policies that improve access to homeownership. The post-pandemic economic recovery, rising Gross Domestic Demand ("GDP"), and growing consumer confidence have created a favourable environment for property demand across key regions.

To capitalise on these conditions, we continue to enhance operational efficiency through IBS techniques, optimised land use, and bulk procurement of construction materials. These initiatives allow us to deliver projects that balance cost efficiency, speed, and quality – three principles central to our Property Division – while reinforcing buyer confidence in well-designed, affordable homes.

The performance of our new projects reflects the success of this approach. Healthy take-up rates for new launches in Johor, Melaka, Selangor, Perak, Penang, and Kedah underscore sustained demand for affordable housing. Guided by this strong demand, we remain on track to roll out subsequent development phases as planned.

Johor remains a standout growth market, underpinned by improved connectivity via the Johor Bahru-Singapore Rapid Transit System ("RTS") Link and government initiatives such as the Johor-Singapore Special Economic Zone ("JS-SEZ") and Forest City Special Financial Zone ("SFZ"), which are set to spur investments, job creation and population growth, thereby supporting housing demand. Building on this favourable outlook, we further expanded our presence in Johor with the acquisition of 350 acres of land in FY2025, bringing our total land bank in the state to 3,767 acres, of which 1,390 acres are to be developed.

Beyond Johor, we secured major land acquisitions across other key growth regions in Peninsular Malaysia, acquiring a total of 3,735 acres in FY2025. These strategic additions strengthen our development pipeline, support future launches, and provide long-term growth visibility for the Property Division.

For more details, please refer to Operational Review – Property on p. 67.

A Favourable Economic Outlook

Malaysia's economic recovery continues to support strong property market demand. GDP expanded 4.4% in H1 2025, accompanied by a 5.3% increase in household spending and sustained momentum in the construction sector in Q2 2025, which recorded double-digit growth for the sixth consecutive quarter, driven in part by a 12.2% rise in residential building activity.¹

The labour market has also strengthened, with the unemployment rate easing slightly to 3% in Q2 2025 from 3.1% in Q2 2024, alongside a steady increase in employment.¹ This reflects greater income stability and growing consumer confidence, enabling more households to consider homeownership and supporting the ongoing demand for affordable housing. The continued growth in residential construction further reinforces this positive outlook.

In addition, the July 2025 reduction of the Overnight Policy Rate ("OPR") from 3.00% to 2.75%² has improved home loan affordability, complementing our rollout of new affordable housing projects across key growth regions. Coupled with strong buyer demand and our expanding land bank, this creates a favourable environment for our Property Division to continue delivering quality affordable homes.

Stable Demand Persists for Affordable Housing

Market activity in Malaysia remains stable and continues to favour affordable housing. In 2024, residential transactions rose 4.0% to 260,516 units, with total transaction value increasing 5.9% to RM106.92 billion from 2023. Selangor remained the top contributor with 21.6% of volume (56,167 units) and 29.6% of value (RM31.68 billion), followed by Johor at 16.3% of volume (42,565 units) and 19.3% of value (RM20.64 billion).³

Market Review, Outlook and Trends > Property

Property Market Report 2024 – Number of Residential Property Transactions by Sub-Sector and Price³

Time Period & Price Range	Units	
Jan - Dec	2023	2024
100,000 & Below	38,183	40,711
100,001 - 200,000	46,487	48,542
200,001 - 300,000	47,683	47,553
300,001 - 400,000	35,576	36,235
400,001 - 500,000	26,825	27,670
500,001 - 600,000	15,450	16,575
600,001 - 700,000	11,456	11,322
700,001 - 800,000	7,720	7,981
800,001 - 900,000	5,035	5,976
900,001 - 1,000,000	3,321	3,644
1,000,001 & Above	12,850	14,307
Total	250,586	260,516

Homes priced RM300,000 and below accounted for 52.5% of transactions, followed by homes in the RM300,001 to RM500,000 price range at 24.5%. Meanwhile, terraced houses were the most sought-after property type, representing 43.1% of sales. Residential overhang also improved in 2024, declining to 23,149 units valued at RM13.94 billion, down 10.3% in volume and 21.2% in value from 2023.³

These figures underscore a stable and resilient demand for affordable landed properties in Malaysia, in line with our business objectives. To support this, we will continue expanding our presence through strategic land bank acquisitions across seven states in Peninsular Malaysia, enabling us to deliver quality affordable housing developments that meet the needs of growing communities.

Government Initiatives Continue to Support Homeownership

National housing policies remain a key driver in strengthening affordability and expanding access to homeownership in Malaysia. Under RMK-12, 500,000 affordable homes are targeted by 2025, with a further one million units planned under the 13th Malaysia Plan ("RMK-13") between 2026 and 2035.

Complementing these policy targets, targeted financial incentives have been introduced to ease the path to homeownership, particularly for first-time buyers. Full stamp duty exemptions apply to residential properties priced up to RM500,000 for Sales and Purchase Agreements ("SPA") signed by 31 December 2025. In addition, tax relief on housing loan interest is available for SPAs executed from 1 January 2025 to 31 December 2027, up to RM7,000 per year for properties priced RM500,000 and below, and up to

RM5,000 per year for properties between RM500,001 and RM750,000.

In tandem, dedicated governmental programmes are broadening inclusion by supporting vulnerable groups. In 2025, the Housing Credit Guarantee Scheme ("HCGS") allocated an additional RM10 billion to provide government-backed loans of up to RM500,000, specifically targeting first-time home buyers in the gig economy, informal sector and rural communities. Since its inception, the HCGS has approved RM12.8 billion in financing, enabling more than 57,000 Malaysians to own homes.⁴

We are confident that these various government initiatives to improve access to financing will drive greater homeownership among middle-to-lower-income individuals, supporting our goal of delivering 50,000 affordable homes by 2028.

Sources:

1. *Malaysian Economics Statistics Review*, Vol. 8 | 2025 | Statistics Department Malaysia | August 2025
2. *Monetary Policy Statement* | BNM | July 2025
3. *Property Market Report 2024* | NAPIC
4. *Budget 2025 Speech* | Ministry of Finance | 18 October 2024

Our Material Matters

Drawing on insights gathered from stakeholder feedback and our internal analysis, we pinpoint key matters that shape our ability to generate value over the short, medium and long term for both our business and communities we serve. These material matters guide our approach to managing potential risks and seizing emerging opportunities.

Through our established materiality assessment process, we have identified seven critical matters with the greatest potential to influence our business and stakeholders. Details of this process and the matters identified are described below, with insights into our perspectives and actions shared on the following pages.

THE MATERIALITY DETERMINATION PROCESS

IDENTIFICATION

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

EVALUATION AND PRIORITISATION

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

DISCLOSURE

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



Product Innovation

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



Product Reliability

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



Talent Attraction & Retention

Providing performance-linked rewards and upskilling opportunities drives workforce development, impacting product value and supporting our long-term growth objectives



Expansion

Investing in ongoing capacity and capability development as part of our core strategy strengthens our ability to scale and deliver improved performance



Community Impact & Development

Placing community well-being and needs at the centre of our initiatives allows us to generate meaningful social value alongside business growth



Employee Safety & Health

Ensuring a safe and healthy work environment preserves regulatory compliance, safeguards employee welfare, and protects the stability of our business




















Governance & Compliance











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

OUR
7
KEY MATERIAL
MATTERS
















Our Material Matters

Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 <p>Product Innovation</p>	<p><u>Capitals Impacted:</u></p>     <p><u>Stakeholders Involved:</u></p>   <p><u>Drivers of Growth Impacted:</u></p>   	<ul style="list-style-type: none"> • Innovation boosts our three Drivers of Growth by enhancing production capacity and efficiency while enabling the creation of high-value, customer-focused products and solutions • As an integrated FPP producer, we collaborate closely with our customers to develop innovative packaging solutions tailored to their specific needs • Supported by continuous innovation, our consumer packaging products provide longer shelf life, improved safety and hygiene standards, and greater convenience, while our industrial packaging offers superior physical performance with lower resource consumption • As part of our pivot to sustainability and the circular plastic economy, we implement processes that minimise raw material use, improve energy efficiency and reduce waste • To support these innovation efforts, we invest in state-of-the-art innovation centres equipped for rapid prototyping and testing of new products and solutions, and utilise comprehensive market and industry data to inform strategic decisions • In our Property Division, we employ IBS construction methods to enhance efficiency, build quality and employee safety while significantly reducing construction waste <p> Read more</p> <p>Operational Review – Packaging Division > p. 61</p> <p>Product Innovation > p. 38 of our Sustainability Report 2025</p>
 <p>Product Reliability</p>	<p><u>Capitals Impacted:</u></p>   <p><u>Stakeholders Involved:</u></p>   <p><u>Drivers of Growth Impacted:</u></p>   	<ul style="list-style-type: none"> • Our customer-centric approach is built on consistency, reliability and a strong focus on quality • We adhere to international best practices, especially in critical areas of our two core businesses, with most manufacturing plants certified to globally recognised ISO standards • Our systematic processes and procedures are designed to ensure we consistently achieve and maintain quality at scale, delivering reliable and top-notch products to customers • Our Packaging Division's commitment to quality is demonstrated by our track record of having no major product recalls for more than a decade • In our Property Division, we optimise land use and maximise product quality through well-established land space planning and home designs, while ensuring timely project delivery • With a focus on continuous improvement, we regularly align our processes with evolving customer needs by actively seeking feedback and maintaining open communication <p> Read more</p> <p>Packaging Division – Overview > p. 10</p> <p>Property Division – Overview > p. 14</p> <p>Operational Review – Packaging Division > p. 61</p>












Our Material Matters

Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 Talent Attraction & Retention	<p><u>Capitals Impacted:</u></p>   <p><u>Stakeholders Involved:</u></p>  <p><u>Drivers of Growth Impacted:</u></p>   	<ul style="list-style-type: none"> Attracting, developing and retaining a skilled workforce is fundamental to driving our human capital and innovation strategies, fueling our Drivers of Growth As a responsible employer, we uphold full compliance with employment laws and regulations across all jurisdictions We provide competitive remuneration packages and impactful talent development opportunities to attract and retain high-quality professionals We offer performance-based bonuses to incentivise our employees to achieve clearly defined Key Performance Indicators ("KPIs"), fostering excellence in their roles We cultivate an open and transparent culture by encouraging two-way communication and maintaining an open-door policy that keeps us attuned to employee needs and concerns Engagement with our workforce is strengthened through diverse communication channels, including QRB dialogues, regular meetings, roundtable discussions and performance reviews We prioritise the hiring of local talent to build a resilient and sustainable workforce that supports our growth while supporting community progress and mitigating human capital risks <p> Read more</p> <ul style="list-style-type: none"> Key Stakeholder Engagement - Employees > p. 38 Key Risks and Mitigation - Availability of Human Workforce and Automation > p. 51 Occupational Safety and Health > p. 70 of our Sustainability Report 2025 Empowering Our People > p. 76 of our Sustainability Report 2025
 Expansion	<p><u>Capitals Impacted:</u></p>     <p><u>Stakeholders Involved:</u></p>     <p><u>Drivers of Growth Impacted:</u></p>   	<ul style="list-style-type: none"> Our ongoing expansion efforts are centred on increasing our production capacity, property land bank and customer base, in support of our vision: Sustainable Growth, Better Tomorrow Guided by our 'Cross Border Development Strategy', our Property Division actively explores new locations within Peninsular Malaysia to provide affordable housing to a broader cross-section of local communities To date, we have secured over 11,000 acres through strategic land acquisitions, enabling us to scale our affordable housing developments in response to growing demand Continuous investments in advanced machinery and technology enable our Packaging Division to enhance its production capacity and capabilities We work closely with our customers to co-create innovative products and solutions, particularly recyclable FPP structures, that enable us to strategically expand our customer base We prudently reinvest our financial resources into high-growth areas to maximise our growth potential, including via strategic acquisitions, land bank expansions and organic expansions <p> Read more</p> <ul style="list-style-type: none"> Operational Review - Packaging Division > p. 61 Operational Review - Property Division > p. 67 Product Innovation > p. 38 of our Sustainability Report 2025

Our Material Matters

Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 <p>Community Impact & Development</p>	<p><u>Capitals Impacted:</u></p>   <p><u>Stakeholders Involved:</u></p>   <p><u>Drivers of Growth Impacted:</u></p>  	<ul style="list-style-type: none"> As encapsulated by our vision, we strive to harmonise our business objectives with the well-being of our people and planet Innovations in our Packaging Division deliver tangible benefits such as improved protection, convenience, hygiene and safety, while also reducing food waste Our sustainable packaging solutions actively support plastic circularity, fostering a more sustainable future for generations to come Our Property Division focuses on providing quality affordable housing to enable equitable homeownership for diverse local communities Our target to complete 50,000 affordable homes by 2028 encapsulates our drive to create meaningful and lasting impacts for more Malaysian families Our planned developments are designed to offer holistic benefits, including integrated essential services, job opportunities and improved connectivity through purposeful transportation infrastructure Beyond direct business impacts, we engage with the wider community through partnerships with NGOs and various social initiatives such as regular blood donation drives Our Green Truck programme raises recycling awareness among schoolchildren, educating them on the importance of Reduce, Reuse and Recycle ("3R") practices We prioritise hiring local talent and collaborating with local suppliers wherever possible <p> Read more</p> <ul style="list-style-type: none"> Key Stakeholder Engagement - Local Communities > p. 39 Providing Affordable Housing > p. 35 of our Sustainability Report 2025 Product Innovation > p. 38 of our Sustainability Report 2025 Empowering Our People > p. 76 of our Sustainability Report 2025 Contributing to Local Communities > p. 82 of our Sustainability Report 2025
 <p>Employee Safety & Health</p>	<p><u>Capitals Impacted:</u></p>   <p><u>Stakeholders Involved:</u></p>   <p><u>Drivers of Growth Impacted:</u></p>  	<ul style="list-style-type: none"> Safeguarding the safety and health of our valued employees is a core priority throughout our operations, reinforcing our reputation as an employer of choice We adhere to safety and health regulations at all worksites and manufacturing facilities, ensuring full compliance with international, local, and industry-specific laws, regulations and best practices Our Group-wide Safety and Health Policy sets clear standards and purpose-fit practices for injury prevention, emergency preparedness, response protocols and ongoing safety education to maintain consistency across all sites Regular site assessments are conducted to timely identify potential hazards and implement effective mitigation measures We foster a culture of shared responsibility on safety matters through employee involvement initiatives and encourage proactive incident reporting We offer frequent occupational safety and health training programmes to keep our workforce informed of the latest best practices Our employees benefit from regular sessions on physical and mental health topics, complemented by free health screenings, to support early detection and treatment of certain diseases

Our Material Matters

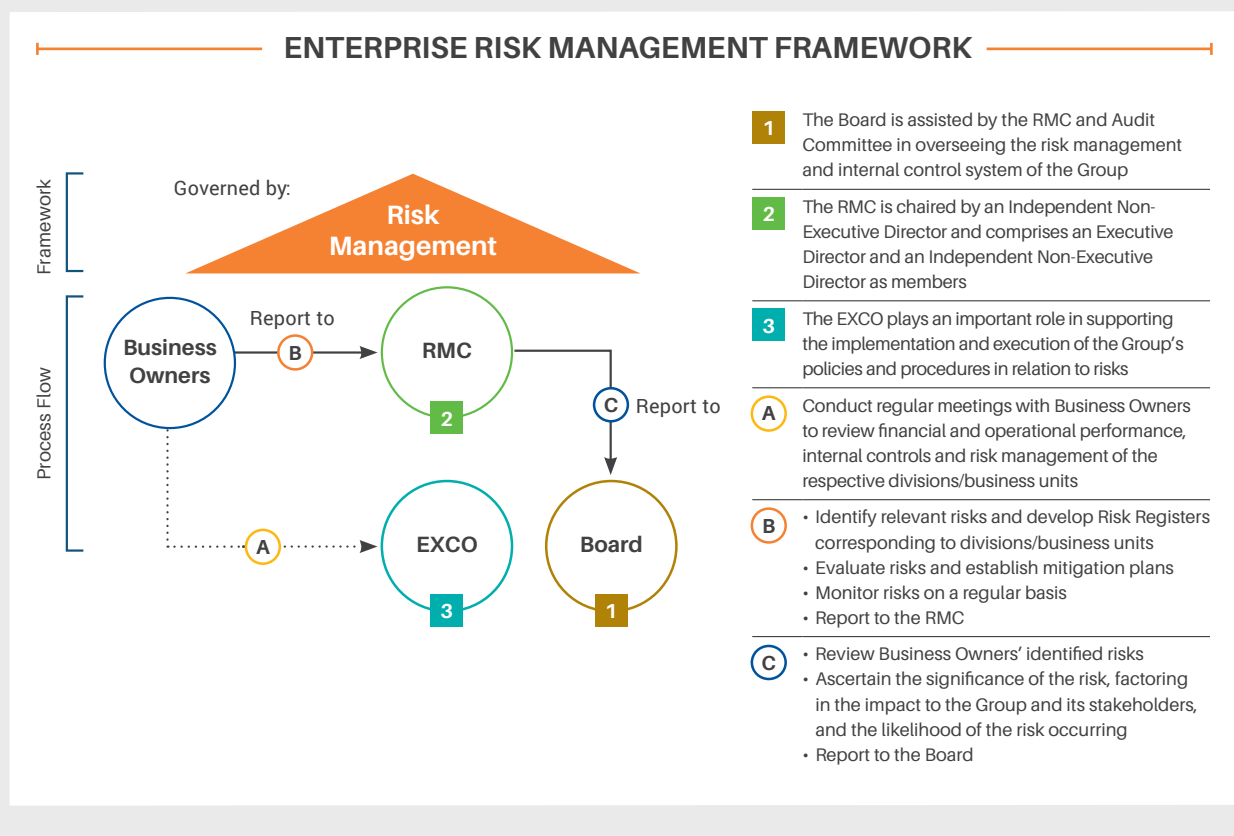
Material Matters	Capitals, Stakeholders and Drivers of Growth Impacted	Description
 Governance & Compliance		<p> Read more</p> <p>Occupational Safety and Health > p. 70 of our Sustainability Report 2025</p> <p>Read our full suite of Group-wide policies on our corporate website</p>
	<p>Capitals Impacted:</p>    <p>Stakeholders Involved:</p>     <p>Drivers of Growth Impacted:</p> 	<ul style="list-style-type: none"> • Strong oversight of our processes ensures that our corporate values are consistently upheld across all Group entities as we expand into new regions • To achieve excellence in corporate governance, we have implemented an integrated governance structure that fosters collaboration and consolidates input from various business divisions and subsidiaries, facilitating informed decision-making across the organisation • This integrated governance framework is led by our EXCO, which oversees strategic planning, resource allocation, governance practices, stakeholder engagement and community initiatives, among other key areas • Our EXCO members also play essential roles within division-level governance structures, ensuring effective execution of strategies and alignment of actions with our overall objectives • We adhere to all applicable international, local, industry-specific and occupation-specific laws and regulations, concurrently remaining vigilant against regulatory changes to maintain full compliance • Our comprehensive Group-wide policies – including our Code of Ethics and Code of Conduct for Suppliers – outline our commitment and approach to ethical and responsible business practices, ensuring we uphold high standards across our business and supply chain <p> Read more</p> <p>Our Corporate Governance – Our Integrated Governance Structure > p. 89</p> <p>Key Risks and Mitigation – Compliance > p. 53</p> <p>Responsible Business Conduct and Governance > p. 32 of our Sustainability Report 2025</p> <p>Read our full suite of Group-wide policies on our corporate website</p>

Key Risks and Mitigation

Our Enterprise Risk Management ("ERM") Framework integrates risk awareness into daily activities across our diverse business operations. Guided by the ISO 31000:2018 Risk Management – Guidelines, this framework empowers leaders at all levels to proactively identify and address risks that could impact our business and stakeholders.

We adopt a decentralised approach to risk management, assigning responsibility to respective management teams across all divisions and business units, known as Business Owners. These Business Owners are responsible for identifying risks specific to their operational contexts, crafting effective mitigation plans and closely tracking their implementation status thus ensuring risks are managed effectively and swift actions are taken to reduce potential impacts.

This structure is reinforced by a governance system comprising the EXCO and our Risk Management Committee ("RMC"). The EXCO ensures the Group's risk management policies and procedures are implemented consistently across the organisation. Meanwhile, the RMC manages the overall framework, evaluates its effectiveness, and consolidates reports from respective Business Owners on identified risks and mitigation measures, highlighting their observations to the Board for strategic decision-making.



Risk Identification

Identify risks from the operating environment

Risk Assessment

Analyse the likelihood and assess the potential impact of risks

Risk Evaluation

Evaluate existing controls of risks to derive risk ratings

Risk Treatment

Establish risk controls and action plans






Risk Monitoring and Reporting

Review, monitor and report the action plan implementation progress

Key Risks and Mitigation

OUR IDENTIFIED RISKS AND MITIGATION PLANS

Governed by our robust ERM Framework and close collaboration with our Business Owners, we have identified eight key risks that are most significant to our business operations. These risks, along with related opportunities, are grouped into four categories – Strategic, Operational, Financial and Compliance – and are described in detail below.

Risks/Opportunities	Description	Mitigation Plans
 <p>Environmental Issues</p> <p>Includes:</p> <ul style="list-style-type: none"> • Climate Change • Biodiversity • Pollution (Air, Water & Land) • Waste Management • Natural Resource Utilisation • Water Security <p><u>Risk Category:</u></p>  Strategic <p><u>Material Matters Impacted:</u></p>  	<p><u>Risks:</u></p> <p>In view of growing climate unpredictability, shifting global consumer preferences and rapidly changing market trends, failing to embrace environmental sustainability could expose us to following risks:</p> <p>Transition Risks</p> <ul style="list-style-type: none"> • Higher operational costs due to the potential introduction of an Extended Producer Responsibility ("EPR") scheme under government initiatives like the MPSR 2021-2030, as Malaysia advances toward a low-carbon or net-zero economy • Additional costs incurred to comply with evolving regulations related to sustainable waste management <p>Physical Risks</p> <ul style="list-style-type: none"> • Project and production delays, stranded assets and potential damage to inventories resulting from increasingly extreme weather events driven by climate change <p><u>Opportunities:</u></p> <ul style="list-style-type: none"> • Developing environmentally friendly products and solutions to meet rising customer demand for sustainable alternatives, thus positioning ourselves as a market leader • Leveraging on suppliers' efficient machinery and production technology, enabling us to enhance our core competencies, lower operational costs and promote sustainability throughout our value chain 	<ul style="list-style-type: none"> • Collaborating with our customers and adopting advanced technology to consistently innovate sustainable packaging solutions in our Packaging Division that: <ul style="list-style-type: none"> - are recyclable; - optimise usage of materials; - prolong shelf life; and - are compostable or biodegradable • Innovating downgauged films and products that use lesser materials during production without compromising performance • Leveraging advanced technologies to improve effectiveness and efficiency of internal processes while reducing energy consumption, material use and waste • Integrating solar PV systems to reduce our carbon emissions • Continuing to develop products incorporating PCR or PIR resin • Partnering with external recycling services to transform non-recyclable waste into Processed Engineered Fuel, supporting waste diversion efforts • Applying the 3R principles to manage construction and production waste at our property sites and manufacturing plants • Expanding the use of IBS techniques across property development projects to significantly reduce raw material consumption • Conducting Environmental Impact Assessments ("EIA") at specific development sites and utilising the results to inform our Environmental Management Plans ("EMP"), minimising our impacts on local biodiversity and ecosystems • Factoring in environmental-related considerations when evaluating potential land acquisitions • Enforcing our Group-wide Environmental Policy and its guidelines to maintain consistent sustainability practices across our operations and supply chain • Nurturing sustainable living practices through community programmes, supporting long-term reductions in the overall environmental footprint of our developments • Planting mangrove trees as part of our long-term nature-based solution to support carbon sequestration and improve ecosystem resilience by protecting coastal areas from storm surges, erosion and flooding, thus reducing associated physical climate risks <p> Read more</p> <ul style="list-style-type: none"> Product Innovation > p. 38 of our Sustainability Report 2025 Responsible Waste Management > p. 48 of our Sustainability Report 2025 Optimising Consumption of Materials > p. 53 of our Sustainability Report 2025 Reducing Energy Consumption and Emissions > p. 57 of our Sustainability Report 2025 Environmental Compliance > p. 62 of our Sustainability Report 2025

Key Risks and Mitigation

Risks/Opportunities	Description	Mitigation Plans
 <p>Change of Market Conditions</p> <p>Risk Category:</p>  Strategic <p>Material Matters Impacted:</p> 	<p>Risks:</p> <ul style="list-style-type: none"> • Rapid changes in market conditions, driven by geopolitical tensions and evolving global trade policies, may disrupt supply chains and weaken export momentum • Heightened price sensitivity shifting customer behaviours, including purchase only when essential, intensify competition and create uncertainty in market demand <p>Opportunities:</p> <p>The growing demand for environmentally friendly products enables us to innovate sustainable solutions and enhance operational efficiency, helping us differentiate ourselves and stay in tune with shifting market trends</p>	<ul style="list-style-type: none"> • Continually investing in our capabilities and technology to optimise operational efficiency, including automation to reduce manpower reliance for repetitive tasks and strengthening quality control to minimise rework • Proactively monitoring global trade policy enactment to facilitate timely response strategies • Executing a market segmentation pricing strategy to effectively cater to the diverse needs and preferences of various customer groups • Collaborating closely with our customers to gain insights into their product requirements and future needs, enabling us to innovate and deliver tailored solutions that advance their business and sustainability goals • Leveraging our proven success records to navigate competitive markets and deliver quality products and solutions • Embracing digital channels and streamlined online processes to promote our developments and facilitate property transactions, ensuring broader outreach to our target audience
 <p>Availability of Human Workforce & Automation</p> <p>Risk Category:</p>  Operational <p>Material Matters Impacted:</p> 	<p>Risks:</p> <p>Regulatory changes affecting foreign labour may create workforce shortages, resulting in decreased productivity and increased costs that could disrupt our time-critical operations and delay deliveries</p> <p>Opportunities:</p> <p>Adopting automation technologies enables us to streamline our operations, accelerate production and improve efficiency, thereby reducing the impact of labour shortages</p>	<ul style="list-style-type: none"> • Attracting and retaining skilled talent to continuously support our long-term goals through: <ul style="list-style-type: none"> - competitive remuneration packages; - industry-relevant training modules and programmes; and - an employee reward system that incentivises high-performing employees • Investing in automation within our manufacturing facilities to enhance productivity and mitigate labour shortages • Utilising the IBS construction method across all Property Division projects to boost efficiency and optimise our workforce • Prioritising offering job opportunities to local communities within the vicinity of our manufacturing plants and property development sites • Engaging trusted recruitment partners to fulfil our additional labour requirements, particularly for dependable foreign workers <p> Read more</p> <ul style="list-style-type: none">  Operational Review – Packaging Division > p. 61  Product Innovation > p. 38 of our Sustainability Report 2025  Occupational Safety and Health > p. 70 of our Sustainability Report 2025  Empowering Our People > p. 76 of our Sustainability Report 2025

Key Risks and Mitigation

Risks/Opportunities	Description	Mitigation Plans
 <p>Cybersecurity</p> <p><u>Risk Category:</u></p>  Operational <p><u>Material Matters Impacted:</u></p>  	<p><u>Risks:</u></p> <ul style="list-style-type: none"> Reliance on digital technologies to manage production, distribution and sales exposes us to cyberattacks, which can disrupt our operations via system outages, data breaches and service interruptions These disruptions may cause delays in production and distribution functions, compromising our commitment to meet critical deadlines and fulfil customer orders 	<ul style="list-style-type: none"> Promoting employee awareness of IT security responsibilities through a detailed handbook and policy that: <ul style="list-style-type: none"> complies with Malaysia's Personal Data Protection Act 2010; communicates our cybersecurity approach; and outlines clear response measures for security breaches Engaging hardware and software professionals through internal recruitment and collaboration with reputable external agencies to stay abreast with cybersecurity advancements Performing regular system health assessments and security updates, supported by our specialised IT personnel Conducting annual review of our cybersecurity protocols to proactively address emerging threats and continuously strengthen data and systems protection Establishing comprehensive data backup, data restoration, and disaster recovery plans to minimise operational disruptions and prevent data loss
 <p>Cost & Supply of Raw Materials</p> <p><u>Risk Category:</u></p>  Operational <p><u>Material Matters Impacted:</u></p>  	<p><u>Risks:</u></p> <ul style="list-style-type: none"> Raw material prices may fluctuate due to various factors, such as market demand, supply disruptions and geopolitical events Unforeseen extensions of delivery lead times for overseas-sourced materials may affect our commitment to timely product delivery to customers <p><u>Opportunities:</u></p> <ul style="list-style-type: none"> Volatility in raw material markets encourages us to diversify our supplier base and explore strategic sourcing from more cost-effective regions, potentially enhancing our pricing competitiveness Ongoing innovation in raw material usage and application – including adopting alternative, substitute or recycled materials – reduces costs, enhances product sustainability and decreases dependence on single-source suppliers 	<ul style="list-style-type: none"> Continuous close monitoring of raw material prices and stock levels to anticipate supply and demand changes, enabling prompt market responses Centralising our raw material procurement to maximise economies of scale, reduce costs, and manage daily price fluctuations effectively, thereby enhancing production planning and ensuring greater stability in input costs Applying a 'just-in-time' purchasing approach to minimise inventory holding costs while ensuring sufficient stock for timely production and delivery Broadening our supplier base to mitigate risks associated with reliance on specific suppliers or materials without compromising our quality standards Leveraging economies of scale to optimise production planning and strategically distribute raw materials among plants as required
 <p>Employee and Contractor Safety & Health</p>	<p><u>Risks:</u></p> <p>Workplace accidents, incidents or exposure to occupational health hazards may result in injuries to employees and contractors, thereby adversely affecting our employee morale and our Company's reputation</p>	<ul style="list-style-type: none"> Maintaining full compliance with all relevant international, local, industry-specific and occupation-specific safety and health laws and regulations Upholding our Group-wide Safety and Health Policy to ensure consistent safety practices

Key Risks and Mitigation

Risks/Opportunities	Description	Mitigation Plans
<p>Risk Category:</p>  Compliance <p>Material Matters Impacted:</p>   	<p>Opportunities:</p> <p>Building a safety-centric culture and maintaining a secure working environment through a structured management system that promotes adherence to safety and health compliance, leading to improved productivity and operational efficiency</p>	<ul style="list-style-type: none"> Deploying Emergency Response Teams at each worksite to promptly handle incidents Exercising effective safety and health supervision at all worksites and manufacturing plants through dedicated Occupational Safety and Health Administration ("OSHA") Committees and structured management systems Providing our employees with tailored and up-to-date safety requirement training programmes to effectively address safety and health concerns Encouraging our employees to raise safety and health concerns through worksite OSHA Committees Improving employee safety in our Property Division by adopting the IBS construction technique and utilising self-climbing platforms <p>Read more</p> <ul style="list-style-type: none"> Our Material Matters - Employee Safety & Health > p. 47 Occupational Safety and Health > p. 70 of our Sustainability Report 2025 Empowering Our People > p. 76 of our Sustainability Report 2025
 <p>Foreign Currency Exchange Rate Fluctuation</p> <p>Risk Category:</p>  Financial <p>Material Matters Impacted:</p> 	<p>Risks:</p> <p>With the majority of our raw materials sourced internationally and priced primarily in foreign currencies like USD, exchange rate fluctuations can cause our input costs to vary unpredictably, potentially increasing our production costs and impacting our ability to meet financial targets</p>	<ul style="list-style-type: none"> Reducing the risks of exchange rate fluctuations by adopting a natural hedging approach, which involves denominating export product sales in the relevant foreign currencies
 <p>Compliance</p> <p>Risk Category:</p>  Compliance <p>Material Matters Impacted:</p>  	<p>Risks:</p> <p>Failure to keep up with evolving requirements and laws across our global footprint may result in delivery disruptions, regulatory penalties, reputational damage, financial losses or operational suspensions in certain countries</p> <p>Opportunities:</p> <p>Adopting transparent corporate governance aligned with international best practices can strengthen our reputation among shareholders, attract increased investment and bolster our market standing</p>	<ul style="list-style-type: none"> Maintaining full compliance with all relevant international, local, industry-specific and occupation-specific laws and regulations Deploying a dedicated, specialised team to oversee statutory compliance and monitor updates in regulations and legislation Partnering with internal and external experts to ensure statutory compliance Maintaining a strong, integrated governance structure to oversee compliance across all operations Implementing Group-wide policies on critical matters such as Anti-Bribery and Anti-Corruption ("ABAC"), sustainability and ethical business conduct to promote uniformity and collective responsibility throughout our workforce and supply chain <p>Read more</p> <ul style="list-style-type: none"> Our Material Matters - Governance & Compliance > p. 48 Responsible Business Conduct and Governance > p. 32 of our Sustainability Report 2025

Roadmap Towards Achieving Our Vision

Guided by our vision of 'Sustainable Growth, Better Tomorrow', our strategies are purposefully crafted to create positive contributions to the Economy, Environment, and Society ("EES") while driving the growth of our two business divisions. We consistently leverage and strengthen our competitive advantages across business processes, executing strategic initiatives that balance EES stewardship with the delivery of strong shareholder value.

PACKAGING DIVISION





Key Business Process	Competitive Advantages	Business Strategies
 DEVELOP	<ul style="list-style-type: none">Integrated expertise across the packaging value chainOngoing investments in advanced and sustainable machinery and technologyCutting-edge innovation centres dedicated to R&DLong-standing collaborative relationships with customers	<ul style="list-style-type: none">Utilise our integrated expertise across the packaging value chain to seize new market opportunities, particularly by being the first to develop specific films and multi-layered packaging solutions not yet available in the regionIntensify efforts to create downgauged films and recyclable FPP structures, while increasing the use of recycled resin in productionEnhance our testing capabilities and internal quality assurance processes to further improve product qualityMaintain close collaboration with customers in the development of innovative products and solutions
 PROCURE	<ul style="list-style-type: none">Centralised purchasing function that enhances economies of scale in procurementStrong reputation and well-established presence in the marketLong-standing relationships with suppliers	<ul style="list-style-type: none">Strengthen relationships with suppliers and diversify our supplier base to better manage raw material costs and mitigate supply fluctuationsOptimise the 'just-in-time' purchasing function to reduce raw material cost volatility and minimise storage duration through efficient inventory management systems
 PRODUCE	<ul style="list-style-type: none">Integrated ERP system embedded across operationsBroad range of machinery offering diverse capabilitiesEfficient factory floor layoutsSpecialisation across different factories	<ul style="list-style-type: none">Refine our machine deployment strategies to promote specialisation and achieve greater economies of scaleImprove factory layouts, machine run-time planning and ERP systems to boost production efficiencyContinue to explore and adopt process innovations, such as automation, energy-efficient technologies and renewable energy sources, to reduce environmental impact while enhancing production efficienciesUtilise recycled resin in production to reduce dependence on virgin resins and reinforce our commitment to a circular plastic economy
 SELL	<ul style="list-style-type: none">Strong and established global market presenceOver 55 years of proven industry experienceExtensive industry networksGlobally recognised and respected certificationsHighly experienced sales teamLong-standing customer relationships	<ul style="list-style-type: none">Leverage our global presence to expedite customer deliveriesStrengthen price competitiveness through economies of scaleFast-track product innovation to deliver value-added offerings that align with customer requirementsIdentify growth opportunities in current sectors while actively expanding to seize new market potential

Sustainable
Growth,

Better
Tomorrow



PROPERTY DIVISION

Key Business Process	Competitive Advantages	Business Strategies
 ACQUIRE	<ul style="list-style-type: none">Solid financial standingDedicated team for land bank acquisitionsExtensive expertise and understanding of Malaysia's affordable housing sector	<ul style="list-style-type: none">Leverage our strong financial position to seize opportunities for expanding our land bank portfolioPrioritise land banks and residential markets that offer swift returns on investmentAdvance our 'Cross Border Development Strategy' by strengthening our presence across Peninsular Malaysia and neighbouring countries
 PLAN	<ul style="list-style-type: none">Experienced and dedicated planning teamDevelopment concepts tailored to market needsEfficient master planning and layout strategiesStandardised house designs	<ul style="list-style-type: none">Optimise land use and house designs to maximise land bank utilisation while upholding quality standards within the affordable housing sectorPromote best practices through knowledge sharing across departments and projectsEmbed community development in the planning stage, including allocating space for community activities, establishing commercial zones to boost job creation, and developing infrastructure to improve connectivity with major population centres
 LAUNCH	<ul style="list-style-type: none">Proven brand in Malaysia's affordable housing sectorEffective and reliable launch and marketing strategiesExtensive customer database	<ul style="list-style-type: none">Continue leveraging the use of digital and social media campaigns to connect with diverse segments of societyFormulate strategies to boost brand recognition furtherPersist in offering appealing packages and timely promotions that align with consumer trendsFoster relationships with media and government representatives to improve collaboration and brand visibilityLeverage our in-house Knowledge Management System for effective database management and to optimise lead follow-up and conversion
 BUILD	<ul style="list-style-type: none">Standardised quality house designsProven track record in effective IBS utilisationCentralised purchasing functionLong-standing relationships with experienced suppliers and contractors	<ul style="list-style-type: none">Continue utilising IBS to boost construction efficiency and optimise product quality, while minimising resource consumption and costsRegularly assess house designs to increase uniformity and elevate end-product qualityStrengthen partnerships with reliable contractors and suppliers for timely, cost-effective access to key materials and specialised expertise

Financial Performance Review

STEADY RESULTS DESPITE HEADWINDS

GROUP FINANCIAL PERFORMANCE OVERVIEW			
Description	FY2025 RM'000	FY2024 RM'000	Change (%)
Revenue	4,517,709	4,475,599	+ 0.9
Profit Before Tax ("PBT")	735,254	728,883	+ 0.9
Net Profit	530,750	545,209	- 2.7

The Group delivered resilient financial results amidst a mixed business landscape, maintaining a solid financial position that enables us to continue strategically investing in growth opportunities while sustaining healthy performance moving forward.

We preserved our track record of consistent annual revenue growth, achieving our highest-ever revenue of RM4.52 billion and a record PBT of RM735.3 million in FY2025. However, provisions for higher taxes and minority interest allocations resulted in a net profit that was marginally lower than the previous year.

DIVISION FINANCIAL PERFORMANCE OVERVIEW			
Packaging Division	FY2025 RM'000	FY2024 RM'000	Change (%)
Revenue	2,483,771	2,594,478	- 4.3
Operating Profit	149,756	217,990	- 31.3
Property Division	FY2025 RM'000	FY2024 RM'000	Change (%)
Revenue	2,033,938	1,881,121	+ 8.1
Operating Profit	592,308	518,544	+ 14.2

PACKAGING DIVISION

Ongoing challenges in the global packaging market continued to weigh on the Packaging Division's performance in FY2025, with revenue dipping 4.3% to RM2.48 billion. Despite these pressures, sales volume remained steady at 267,270 metric tonnes ("MT").

The operating landscape remained demanding, shaped by intense industry competition, persistent inflationary pressures, foreign currency volatility, and geopolitical tensions. These factors contributed to softer demand from export markets and heightened price competition, placing pressure on margins and resulting in a 31.3% contraction in operating profit.

Against this backdrop, the cost optimisation measures we implemented in preceding years and the current year have proven vital in cushioning the impact of adverse conditions. Through digitisation, automation, and continuous process improvements, we are progressively strengthening operational efficiency, enhancing waste control, and lowering overall costs.

Equally, our ongoing focus on product development and innovation has enabled us to deliver customised, value-added, and sustainable packaging solutions tailored to evolving market needs, supporting our ability to retain all key customers in a highly competitive market. Our strategic presence in Arizona has also reinforced our resilience, allowing us to serve USA customers directly and mitigate risks associated with global trade tensions.

Concurrently, we have progressed steadily in expanding our utilisation of renewable energy. Having completed rooftop solar PV installations across our headquarters and 10 key manufacturing plants nationwide, we are now benefiting from reduced energy costs while lowering Scope 2 GHG emissions. This not only strengthens our long-term cost competitiveness but also makes our products more attractive to sustainability-conscious customers across the value chain.

PROPERTY DIVISION

The Property Division benefitted from a more favourable operating environment in FY2025, with demand for affordable

Financial Performance Review

housing remaining resilient across all markets. Revenue rose by 8.1%, supported by rapid construction progress, higher sales from ongoing projects, and strong take-up rates for new launches.

Effective cost management strategies further strengthened performance, driving a notable 14.2% increase in operating profit. Key initiatives included bulk purchasing of construction materials, wider deployment of IBS techniques, and optimising land use to achieve both cost efficiency and delivery speed. These efforts were complemented by our land acquisition strategy, which emphasises investment in strategic and cost-effective land banks, helping us keep overall development costs under control.

Recent acquisitions in Muar, Bestari Jaya, Jawi, Pulau, Paya Rumpit, and Sungai Petani have significantly bolstered our development pipeline, positioning the Property Division to capitalise on favourable market conditions and sustain growth momentum in the years ahead.

Looking forward, we remain well on track to achieve our Vision 2028 goal of delivering 50,000 affordable homes, and aim to progressively increase annual deliveries to 10,000 affordable homes.

GROUP FINANCIAL POSITION

The Group's financial position remains strong, with total assets rising significantly to RM8.07 billion in FY2025 from RM6.15 billion in FY2024. This increase was driven by several strategic land acquisitions, including parcels in Muar, Jawi, Bestari Jaya, Pulau, Paya Rumpit, and Sungai Petani. Assets were further bolstered by the capitalisation of eight affordable accommodations in Osaka, Japan, new plant and machinery for our packaging plants, and the installation of solar facilities. The consolidation of Hiro Food Packages Manufacturing Sdn Bhd, our new subsidiary, also contributed to the growth in total assets.

Total equity attributable to owners of the Company increased from RM3.78 billion to RM4.12 billion, mainly supported by FY2025 net profit of RM530.8 million and a revaluation surplus of RM10.2 million on land and buildings. These were partly offset by a foreign exchange translation loss of RM26.7 million and dividend payments of RM186.8 million.

GROUP CASH FLOW

Description	FY2025 RM'000	FY2024 RM'000
Net Operating Cash Generated	909,081	859,130
Net Borrowings	1,994,583	680,671
Equity Attributable to Owners of the Company	4,123,902	3,776,195
Net Gearing Ratio (times)	0.48	0.18

The Group continues to record a robust cash position, with net cash from operating activities rising from RM859.1 million in FY2024 to RM909.1 million in FY2025.

In FY2025, cash outflow from investing activities which increased to RM1.96 billion, underscores our deliberate reinvestment into growth, largely channelled towards acquiring development land and enhancing our operational efficiency through new machinery. Meanwhile, net cash inflows from financing activities of RM1.25 billion were mainly from the issuance of sukuk and short-term bank borrowings totalling RM1.50 billion to partly finance the development land purchases. This was offset by dividend payments of RM217.1 million and finance cost payments of RM60.2 million.

While our gearing ratio rose from 0.18 to 0.48 due to the investments in development land, the Group's financial position remains healthy, supported by resilient operating cash flows and prudent capital management.

Returns to Shareholders

In line with our commitment to delivering consistent returns, the Group declared a single-tier interim dividend of 6 sen per ordinary share, which was paid on 18 July 2025. In addition, the Board has recommended a single-tier final dividend of 6 sen per ordinary share, subject to approval at the forthcoming AGM.

Together, this represents a total dividend of 12 sen per ordinary share for FY2025, amounting to approximately RM186.8 million and equating to 35.2% of the Group's net profit for the current year.