

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular prior to its issuance as it is an exempt document pursuant to the provisions of Guidance Note 22 of Bursa Securities ACE Market Listing Requirements.

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SCOPE

SCOPE INDUSTRIES BERHAD
[Registration No.: 200201023713 (591376-D)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”)

The above proposal will be tabled as Special Business at the Twenty-First (“**21st**”) Annual General Meeting of Scope Industries Berhad (“**Scope**” or “**the Company**”) to be held at Conference Room, O&G Hotel, 1-L1-5 and 1-L1-6, Jalan Wawasan 4, Taman Wawasan Jaya, 34200 Parit Buntar, Perak on Wednesday, 29 November 2023 at 10.30 a.m. or at any adjournment thereof. The Notice of 21st Annual General Meeting together with the Form of Proxy are enclosed in the Annual Report of the Company for the financial year ended 30 June 2023.

A member entitled to attend, participate, speak and vote at the 21st Annual General Meeting is entitled to appoint proxy(ies) to attend, participate, speak and vote on his/her behalf. In such event, the Form of Proxy must be lodged at our Registered Office at No. 48, Jalan Chow Thye, 10050 George Town, Pulau Pinang not less than 48 hours before the stipulated time appointed for holding the 21st Annual General Meeting or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting at the 21st Annual General Meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Monday, 27 November 2023 at 10.30 a.m.

Date and time of Twenty-First (21st) Annual General Meeting : Wednesday, 29 November 2023 at 10.30 a.m.

This Circular is dated 31 October 2023

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

- “Act” : The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
- “AGM” : Annual General Meeting
- “21st AGM” : Twenty-First Annual General Meeting of the Company
- “Audit Committee” : The Audit Committee of Scope
- “Board” : The Board of Directors of Scope
- “Bursa Securities” : Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
- “Circular” : Circular to Shareholders in relation to the Proposal
- “Constitution” : Constitution of Scope
- “Director” : Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of Scope or any other company which is a subsidiary of Scope or a holding of Scope
- “EPS” : Earnings Per Share
- “LPD” : 2 October 2023, being the latest practicable date prior to the printing of this Circular
- “Listing Requirements” : ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
- “Major Shareholder(s)” : Means a person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in the Company; or
 - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,

and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company

For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act

DEFINITIONS (CONT'D)

| | |
|---|---|
| “NA” | : Net assets attributable to ordinary equity holders of Scope |
| “Proposed Renewal of Shareholders’ Mandate” | : Proposed renewal of existing shareholders’ mandate for Scope Group to enter into RRPTs of a revenue or trading nature |
| “Proposal” | : Proposed Renewal of Shareholders’ Mandate |
| “Related Party(ies)” | : Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of Scope |
| “RRPT(s)” | : A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries |
| “RM” and “sen” | : Ringgit Malaysia and sen, respectively |
| “Scope” or “Company” | : Scope Industries Berhad [200201023713 (591376-D)] |
| “Scope Group” or “Group” | : Scope and its subsidiaries |
| “Scope Share(s)” or “Share(s)” | : Ordinary share(s) in Scope |
| “Shareholders” | : Shareholders of Scope |
| “SMSB” | : Scope Manufacturers (M) Sdn. Bhd. [199101019061 (229373-P)] |
| “Substantial Shareholder(s)” | : A person who has interest or interests in one or more voting Shares in the Company and the number of that Share, or aggregate number of those Shares, is not less than 5% of the total number of all the voting Shares in the Company |
| “2023 Annual Report” | : Annual Report of Scope issued for the financial year ended 30 June 2023 |

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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TABLE OF CONTENTS

| LETTER TO THE SHAREHOLDERS CONTAINING : | PAGE |
|--|-------------|
| 1. INTRODUCTION | 1 |
| 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE | 2 |
| 3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE | 7 |
| 4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE | 7 |
| 5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS / PERSON CONNECTED | 7 |
| 6. APPROVALS REQUIRED | 8 |
| 7. DIRECTORS' RECOMMENDATION | 8 |
| 8. ANNUAL GENERAL MEETING | 9 |
| 9. FURTHER INFORMATION | 9 |
| APPENDIX I - FURTHER INFORMATION | 10 |

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SCOPE

SCOPE INDUSTRIES BERHAD
[Registration No.: 200201023713 (591376-D)]
(Incorporated in Malaysia)

Registered Office
48, Jalan Chow Thye
10050 George Town
Pulau Pinang

31 October 2023

Board of Directors

Lee Min Huat (*Executive Chairman*)
Lim Chiow Hoo (*Managing Director*)
Lim Ee Tatt (*Non-Independent Non-Executive Director*)
Hsu, Ching-Chen (*Non-Independent Non-Executive Director*)
Law Kim Fatt (*Independent Non-Executive Director*)
Yap Ee Seong (*Independent Non-Executive Director*)
Yau Khai Ling (*Independent Non-Executive Director*)

To : The Shareholders of Scope

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the AGM of the Company held on 29 November 2022, the Company sought and obtained from its shareholders the general mandate for Scope Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for Scope Group's day to day operations. The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 21st AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 13 October 2023, the Board of Directors of Scope had announced that the Company has proposed to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate pursuant to Rule 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information of the Proposed Renewal of Shareholders' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 21st AGM, which will be held at Conference Room, O&G Hotel, 1-L1-5 and 1-L1-6, Jalan Wawasan 4, Taman Wawasan Jaya, 34200 Parit Buntar, Perak on Wednesday, 29 November 2023 at 10.30 a.m. or at any adjournment thereof. The notice of the 21st AGM together with the Form of Proxy is enclosed in the 2023 Annual Report.

SHAREHOLDERS OF SCOPE ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 21ST AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following :

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital of RM60.0 million and above :
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the higher.

- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular relating to shareholders' mandate for new RRPT must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Principal Activities of Scope Group

The principal activities of Scope consist of investment holding, while its subsidiary companies are involved in manufacturing of electrical and electronics components and products, property investments and provision of dormitory accommodation and services, trading of electronic products as well as oil palm plantation. The details of Scope's subsidiaries as well as their principal activities as at the LPD are set out in the table below :

| Name of Company | Effective Equity Interest | Principal Activities |
|------------------------------------|----------------------------------|---|
| Scope Manufacturers (M) Sdn. Bhd. | 100% | Manufacturing and assembling of electrical and electronics components and products. |
| Benua Mutiara Sdn. Bhd. | 100% | Cultivation of oil palm. |
| Scope Realty Sdn. Bhd. | 100% | Property investments and provision of dormitory accommodation and services. |
| Pioneer Glow Sdn. Bhd. | 70% | Cultivation of oil palm. |
| Scope Global Distributor Pte. Ltd. | 80% | Trading in electrical and electronics products. |

Due to the diversity of Scope Group, it is anticipated that Scope Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the Scope Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below, provided such transactions are entered into at arm's length and on transaction prices and normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5 below.

2.3 Validity Period of the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until :

- (a) the conclusion of the next AGM of Scope following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340 (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the Proposed Renewal of Shareholders' Mandate.

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2.4 Classes of Related Parties and Nature of RRPTs

The details of the nature and estimated annual value of the RRPT in respect of which the Company is seeking for Proposed Renewal of Shareholders' Mandate is as follows:

| Related Party & Its Principal Activities | Scope Group - Transacting Party | Nature of Transaction with Scope Group | Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 31 October 2022 ("Estimated Value") * (RM'000) | Actual value transacted from date of AGM on 29 November 2022 to the LPD ("Actual Value") (RM'000) | Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000) | Nature of relationship between Scope Group and the Related Party |
|---|---------------------------------|---|--|---|---|---|
| Inventec Appliances Corp. - Manufactures and sells wire and wireless communication products. | SMSB | sales of electrical and electronics products by SMSB to Inventec Appliances Corp. | 60,000 | 29,562 | 60,000 | <ul style="list-style-type: none"> • Inventec Appliances Corp. is a Substantial Shareholder of Scope, with direct holdings of 7.32% of the total number of issued Shares of Scope as at LPD. • Inventec Corporation is a Substantial Shareholder of Scope, with indirect holdings of 7.32% of the total number of issued Shares of Scope as at LPD, through its wholly-owned subsidiary, Inventec Appliances Corp.. • Mr. Hsu, Ching-Chen, the Non-Independent Non-Executive Director of Scope, was nominated by Inventec Appliances Corp. to sit on the Board of Scope. As such, Mr. Hsu, Ching-Chen is deemed interested in the above-mentioned RRPTs. |

Notes :

* The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may be varied from the estimated value disclosed above and subject to changes.

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2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

Scope Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with Scope Group's usual business practices and policies, on transaction prices and terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows :

- (i) The Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) The management of the Scope Group is cognisant that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the terms of the transactions for the products or services will be in accordance with the usual business practice of Scope Group and at rates not more favourable to the Related Parties than those generally available to the public and is not detrimental to the Group;
- (iv) Where RRPT is one with a value equal to or in excess of RM1.0 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is lower), it will be reviewed by the Audit Committee and recommended to be approved by the Board of Directors who has no interest in the transaction. Where the RRPT is one with a value below RM1.0 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is lower), it will be reviewed and approved by any one (1) of the Executive Director or the Board who has no interest in the transaction;
- (v) If a member of the Board or of the Audit Committee has an interest, as the case may be, he/she shall declare their interest in transaction and abstain from any decision making by the Board or Audit Committee in respect of the said transactions;
- (vi) The Audit Committee shall amongst others, review any RRPT and conflict of interest situation that may arise within the Group including any transaction procedures or course of conduct that raises questions of management integrity;
- (vii) Records will be maintained by the respective companies to capture all RRPTs which are entered pursuant to the shareholders' mandate;

- (viii) The Audit Committee shall review on a quarterly basis any related party transaction that may arise within the Company or the Group to ensure that such transactions will be carried out at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and on terms not detrimental to the minority shareholders;
- (ix) The Audit Committee will consider, from time to time, whether the established guidelines and procedures for RRPTs have become inappropriate and/or it is unable to ensure that the transactions will be on normal commercial terms and/or will prejudice the interests of shareholders generally. Notwithstanding the above, the guidelines and procedures for RRPTs will be reviewed by the Audit Committee at least once in a financial year; and
- (x) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.6 Amount Due and Owing Under Recurrent Related Party Transactions

As at the financial year ended 30 June 2023, the amount due and owing to Scope Group by the following party which has exceeded the credit term given arising from the RRPT(s) as per Section 2.4 are as follows :

| Company Name | Credit Terms | Amount (RM) |
|---------------------------|----------------------------|--------------------|
| Inventec Appliances Corp. | a period of 1 year or less | 1,168,570 |

There were no interest and late payment charges imposed by Scope Group on the overdue trade receivable as the imposition of late charges is generally not the normal practice of the Group.

The Board of Directors is of the opinion that there will be no recoverability issue for the outstanding amount owing by Inventec Appliances Corp. as Inventec Appliances Corp. has been gradually making the payments for the settlement of the outstanding sum and the management has followed up closely with Inventec Appliances Corp. on the above-mentioned outstanding amount. As of LPD, the above-mentioned outstanding amount has been fully paid by Inventec Appliances Corp..

2.7 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPTs have been complied with. If it is determined that the procedures stated in Section 2.5 are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.5 above and is of the view that Scope has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner. The Audit Committee is of the opinion that review procedures are sufficient to ensure that the RRPTs will be carried out at arms' length and in accordance with Scope Group's normal commercial terms and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of Scope. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

2.8 Disclosure of Recurrent Related Party Transactions

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information :

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with Scope Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Renewal of Shareholders' Mandate had been obtained.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will enable the Scope Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPTs carried out within the Scope Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the Substantial Shareholders of Scope.

5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS / PERSON CONNECTED

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders and/or person connected to Director and/or Major Shareholder of Scope who are interested and/or do not consider themselves independent in the RRPTs are as follows :

| Interested Director | Direct | % | Indirect | % |
|----------------------------|---------------|----------|-----------------|----------|
| Hsu, Ching-Chen * | - | - | - | - |

| Person connected | Direct | % | Indirect | % |
|---------------------------|---------------|----------|-----------------|----------|
| Inventec Appliances Corp. | 84,444,400 | 7.32 | - | - |
| Inventec Corporation | - | - | 84,444,400 | 7.32 |

* Inventec Appliances Corp. is a wholly owned subsidiary of Inventec Corporation, a public company listed on Taiwan Stock Exchange. Mr. Hsu, Ching-Chen is not a director of Inventec Appliances Corp. or Inventec Corporation. As at LPD, Mr. Hsu, Ching-Chen does not hold any shares in Inventec Appliances Corp. or Inventec Corporation. Mr. Hsu, Ching-Chen does not have interest in the shares held by Inventec Appliances Corp. in Scope.

Mr Hsu, Ching-Chen was nominated by the Substantial Shareholder (i.e. not a Major Shareholder) of Scope, namely Inventec Appliances Corp. to sit on the Board of Scope. As such, Inventec Appliances Corp. is a person connected to Mr. Hsu, Ching-Chen.

Accordingly, Mr. Hsu, Ching-Chen (“**Interested Director**”) has abstained and will continue to abstain from all deliberations and voting on matters relating to the Proposed Renewal of Shareholders’ Mandate at the Board meetings and will abstain from voting in respect of his direct and/or indirect shareholdings in Scope at the forthcoming AGM on the resolution pertaining to the Proposed Renewal of Shareholders’ Mandate.

The person connected to Interested Director, namely Inventec Appliances Corp. and Inventec Corporation will abstain from voting in respect of their direct and/or indirect shareholdings in Scope at the forthcoming AGM on the resolution pertaining to the Proposed Renewal of Shareholders’ Mandate.

Inventec Appliances Corp. is a Substantial Shareholder of Scope, with direct holdings of 7.32% of the total number of issued Shares of Scope as at LPD while Inventec Corporation is a Substantial Shareholder of Scope through Inventec Appliances Corp.. For clarification purpose, Inventec Appliances Corp. and Inventec Corporation are not Major Shareholders of Scope.

The above Interested Director has undertaken that he shall ensure that persons connected to him will abstain from voting in respect of his direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Renewal of Shareholders’ Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with the Directors or Major Shareholders have any interest, directly or indirectly in the Proposed Renewal of Shareholders’ Mandate.

6. APPROVALS REQUIRED

The Proposed Renewal of Shareholders’ Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

7. DIRECTORS’ RECOMMENDATION

The Directors of Scope (save for Mr. Hsu, Ching-Chen) having considered all aspects of the Proposed Renewal of Shareholders’ Mandate and after careful deliberation, are of the opinion that the Proposed Renewal of Shareholders’ Mandate is in the best interest of the Company and accordingly, the Board (save for Mr. Hsu, Ching-Chen) recommended that

the shareholders of Scope vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The ordinary resolution to vote on the Proposed Renewal of Shareholders' Mandate is set out in the Notice of 21st AGM contained in the 2023 Annual Report, which is dispatched together with this Circular. The 21st AGM will be held at Conference Room, O&G Hotel, 1-L1-5 and 1-L1-6, Jalan Wawasan 4, Taman Wawasan Jaya, 34200 Parit Buntar, Perak on Wednesday, 29 November 2023 at 10.30 a.m.

If you are unable to attend and vote in person at the 21st AGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible in any event so as to arrive at our Registered Office at No. 48, Jalan Chow Thye, 10050 George Town, Pulau Pinang not later than forty-eight (48) hours before the time fixed for holding the 21st AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the 21st AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
SCOPE INDUSTRIES BERHAD

Law Kim Fatt
Independent Non-Executive Director

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Scope who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL CONTRACTS

Scope and its subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at LPD, Scope Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board is not aware of any proceeding which is pending or threatened against Scope Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the shareholders of Scope at the Registered Office of Scope at 48, Jalan Chow Thye, 10050 George Town Pulau Pinang during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) Constitution;
- (ii) The audited financial statements of Scope for the past two (2) financial years ended 30 June 2022 and 30 June 2023; and
- (iii) The unaudited consolidated financial results of Scope for the quarter ended 30 June 2023.