

# SCOPE

SCOPE INDUSTRIES BERHAD

[Registration No.: 200201023713 (591376-D)]



## EMPOWERING INTELLIGENCE

ANNUAL REPORT 2024



## EMPOWERING INTELLIGENCE

Scope Industries Berhad ("Scope") set forth to apply technological intelligence through its capabilities as a notable manufacturer within the electronics and palm oil cultivation industry to realise its goals of achieving maximum productivity. Driven by competency, technical resources, and sustainable values, the Group pledges to present the market sphere with visionary, progressive growth and returns from its diversified trades. Thereupon, Scope will carry on to empower intelligence across all operations and continue to gear towards lucrative distinction in the future.

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## DIRECTORS

**Lee Min Huat**  
(Executive Chairman)

**Lim Chiow Hoo**  
(Managing Director)

**Ong Lai Choon**  
(Executive Director)  
(Appointed on 11 March 2024)

**Lim Ee Tatt**  
(Non-Independent  
Non-Executive Director)

**Law Kim Fatt**  
(Independent  
Non-Executive Director)

**Yau Khai Ling**  
(Independent  
Non-Executive Director)

**Chen, Kun-Huei**  
(Non-Independent  
Non-Executive Director)  
(Appointed on 21 October 2024)

**Hsu, Ching-Chen**  
(Non-Independent  
Non-Executive Director)  
(Resigned on 15 May 2024)

**Yap Ee Seong**  
(Independent  
Non-Executive Director)  
(Resigned on 1 October 2024)

## COMPANY SECRETARIES

**Chee Wai Hong** (BC/C/1470)  
SSM PC No. 202008001804

**Tan She Chia** (MAICSA 7055087)  
SSM PC No. 202008001923

## AUDIT COMMITTEE

**Law Kim Fatt** (Chairman)  
**Lim Ee Tatt**  
**Yau Khai Ling**

## REMUNERATION COMMITTEE

**Yau Khai Ling** (Chairman)  
**Lim Ee Tatt**  
**Law Kim Fatt**

## NOMINATION COMMITTEE

**Yau Khai Ling** (Chairman)  
**Law Kim Fatt**

## REGISTERED OFFICE

Suite 16.06, MWE Plaza  
No. 8 Lebuhr Farquhar  
10200 George Town  
Pulau Pinang  
Tel: 04- 226 2188  
Email: enquiry@ascendbps.com

## BUSINESS ADDRESS

Lot 6181 Jalan Perusahaan 2  
Kawasan Perindustrian Parit Buntar  
34200 Parit Buntar, Perak  
Tel: 05-716 9605  
Fax: 05-716 6606  
Email: sales@scope.com.my  
account@scope.com.my

## SHARE REGISTRAR

**Boardroom Share Registrars Sdn. Bhd.**  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7890 4700  
Fax: 03-7890 4670  
Email:  
bsr.helpdesk@boardroomlimited.com

## AUDITORS

**Grant Thornton Malaysia PLT  
Chartered Accountants**  
Level 5, Menara BHL  
51, Jalan Sultan Ahmad Shah  
10050 Penang  
Tel: 04-228 7828  
Fax: 04-227 9828

## PRINCIPAL BANKERS

Affin Islamic Bank Berhad  
AmBank (M) Berhad  
AmInvestment Bank Berhad

## STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia  
Securities Berhad**  
Stock Name for Ordinary Shares:  
SCOPE (Stock Code: 0028)

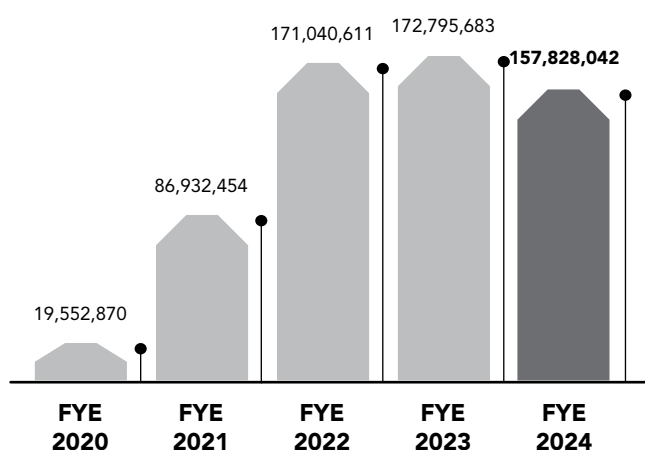
## WEBSITE

<http://www.scope.com.my>

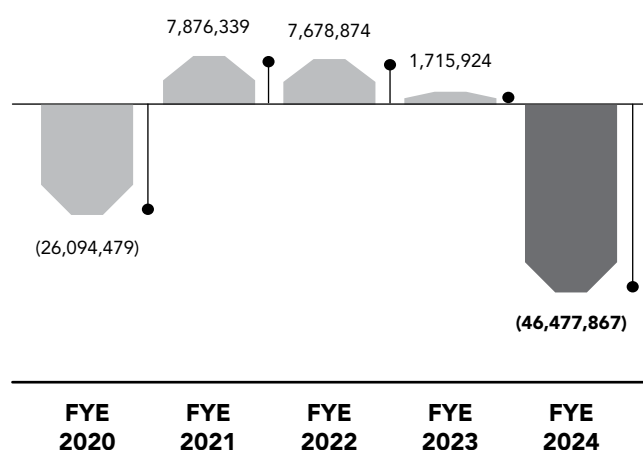


	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Revenue</b>	19,552,870	86,932,454	171,040,611	172,795,683	<b>157,828,042</b>
<b>(Loss) / Profit before tax</b>	(26,094,479)	7,876,339	7,678,874	1,715,924	<b>(46,477,867)</b>
<b>Equity</b>	101,376,713	126,981,890	204,267,397	207,849,168	<b>163,793,308</b>
<b>Net assets per share (sen)</b>	15.33	16.51	17.71	18.02	<b>14.19</b>
<b>Number of Shares in issue</b>	661,458,273	769,115,306	1,153,672,959	1,153,672,959	<b>1,154,399,559</b>

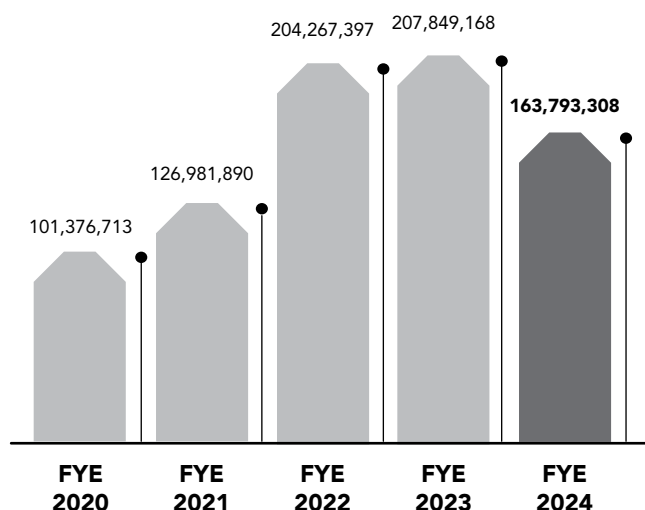
## Revenue



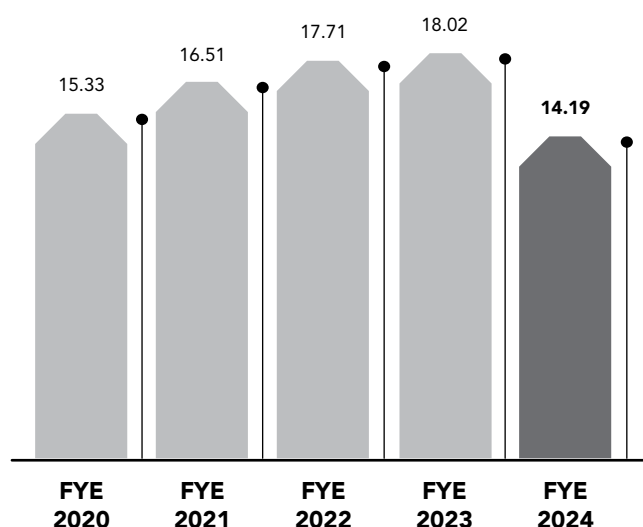
## Profit / (Loss) before tax



## Equity



## Net assets per share (sen)



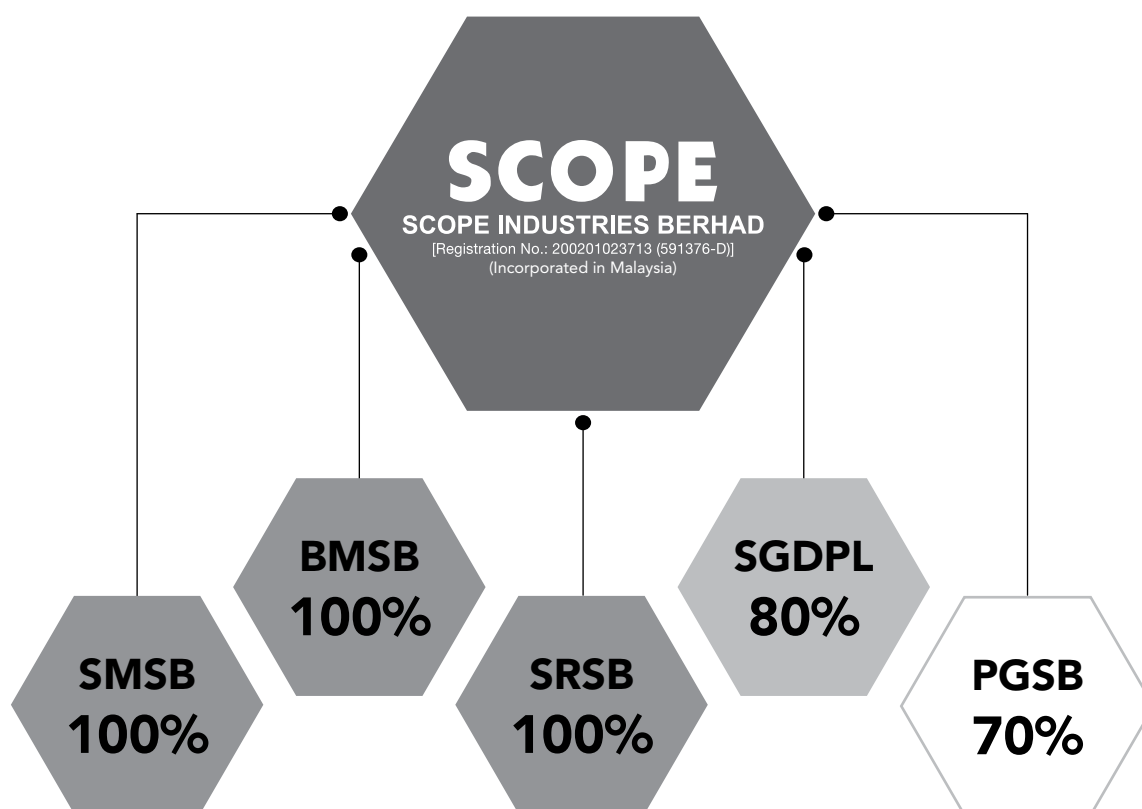
## HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

SCOPE INDUSTRIES BERHAD

Scope Industries Berhad ("Scope") was incorporated in Malaysia on 2 September 2002 under the Companies Act, 1965 as a public limited company under its present name. Scope is principally an investment holding company with three (3) wholly-owned subsidiaries, namely Scope Manufacturers (M) Sdn. Bhd. ("SMSB"), Benua Mutiara Sdn. Bhd. ("BMSB") and Scope Realty Sdn. Bhd. ("SRSB"). Besides that, Scope has a seventy percent (70%) owned subsidiary, Pioneer Glow Sdn. Bhd. ("PGSB") and a eighty percent (80%) owned subsidiary, Scope Global Distributor Pte. Ltd. ("SGDPL").

The core business of Scope Group are manufacture of electrical and electronics components and products, oil palm plantation and trading of electronic products.

The current group structure is as follows:-



The principal activities of its subsidiaries are as follow:-

Companies	Date and Place of Incorporation	Principal activities
<b>Subsidiaries</b>		
Scope Manufacturers (M) Sdn. Bhd. (SMSB)	20 November 1991 Malaysia	Manufacturing and assembling of electrical and electronics components and products.
Benua Mutiara Sdn. Bhd. (BMSB)	28 September 1990 Malaysia	Cultivation of oil palm.
Pioneer Glow Sdn. Bhd. (PGSB)	20 August 1997 Malaysia	Cultivation of oil palm.
Scope Global Distributor Pte. Ltd. (SGDPL)	15 October 2020 Singapore	Trading in electrical and electronic products.
Scope Realty Sdn. Bhd. (SRSB)	2 August 2022 Malaysia	Property investments and provision of dormitory accommodation and services.

**BUSINESS AND OPERATIONS OVERVIEW**

Scope Industries Berhad ("Scope" or "the Company") is principally an investment holding company with its subsidiaries ("the Group") engage in the manufacturing and assembling of electrical and electronics components and products, cultivation of oil palms and trading of electrical and electronic products.

The Group's core business consist of three (3) key segments:-

i)

**Manufacturing Division**

- **Manufacture and assembly of electrical and electronic components and products**

Scope Manufacturers (M) Sdn. Bhd. ("SMSB") is the Group's longest-standing and largest business division which began its operation for more than three (3) decades in the assembly of printed circuit board ("PCBA"). Through effective business network, SMSB has established a strong reputation in the electronic industry as a reliable and high-quality service, offering both PCBA and complete box-build to reputable Original Equipment Manufacturing ("OEM") companies. The main plant of SMSB is strategically located at Parit Buntar industrial area in Perak, which is a state in close proximity to Penang, a key hub for electronics sector.

ii)

**Plantation Division**

- **Cultivation of oil palms**

This division involves in cultivation of oil palms by two (2) subsidiaries: Pioneer Glow Sdn. Bhd. ("PGSB") and Benua Mutiara Sdn. Bhd. ("BMSB"). As at 30 June 2024, the division has a total land area of approximately 1,736 hectare in Sabah, Malaysia.

iii)

**Trading Division**

- **Trading in electrical and electronic products**

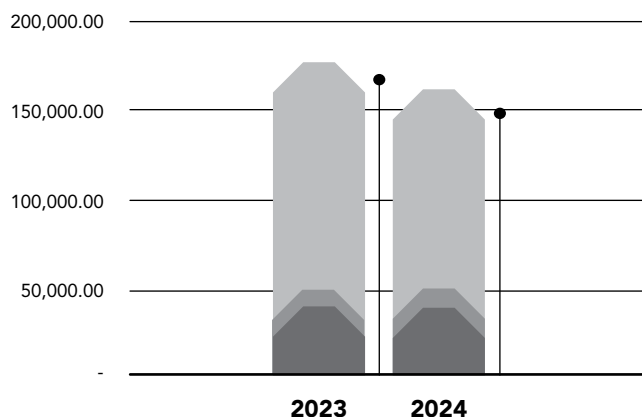
Scope Global Distributor Pte. Ltd. ("SGDPL") is an operating company based in Singapore, a strategic hub in Southeast Asia located at the crossroads of East and West, making it a key global business centre.

The principal activities of SGDPL include trading in electrical and electronics products. As part of the Group's efforts to enhance sales, SGDPL has also expanded into the trading of Information and Communications Technology ("ICT") products. The growing demand for ICT products has been fueled by the accelerating adoption of digital technologies and evolving market trends.

**FINANCIAL PERFORMANCE REVIEW OF THE GROUP****i) Revenue**

The Group revenue for the financial year ended 30 June 2024 ("FY 2024") decreased significantly by 8.7% to RM157.8 million, from RM172.8 million in the financial year ended 30 June 2023 ("FY 2023"). It was mainly due to lower revenue from Trading Division.

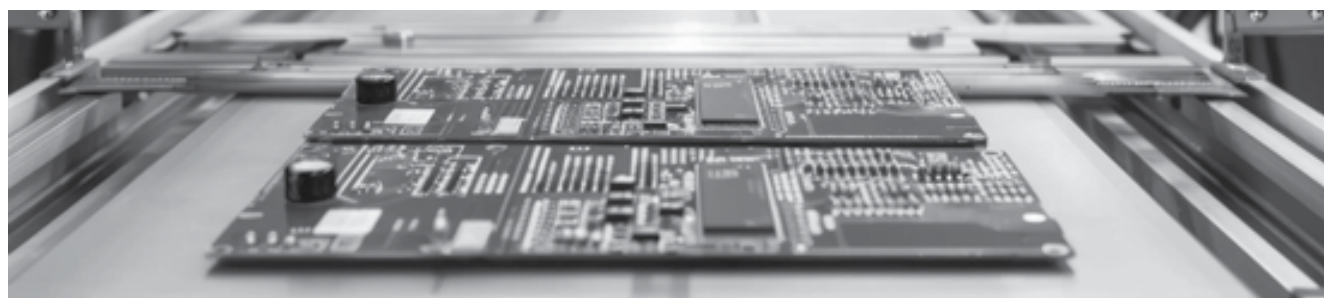
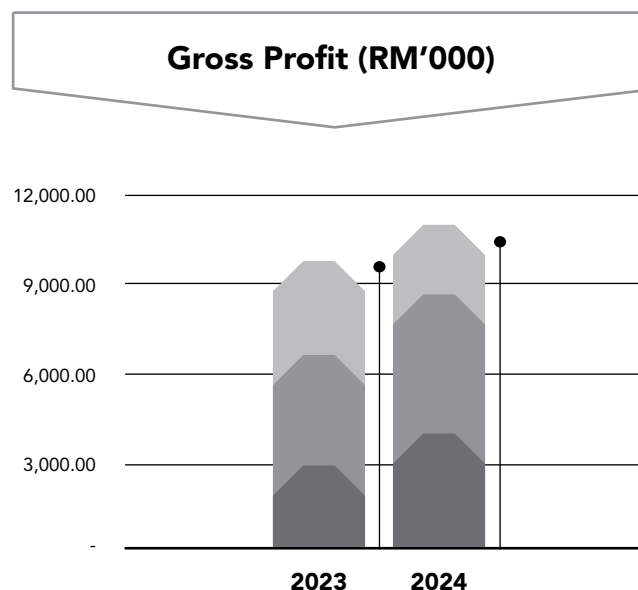
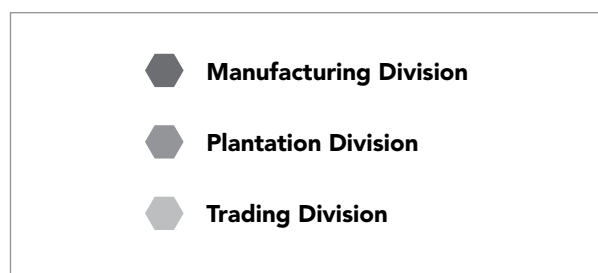
-  **Manufacturing Division**
-  **Plantation Division**
-  **Trading Division**

**Revenue (RM'000)**

## FINANCIAL PERFORMANCE REVIEW OF THE GROUP (Cont'd)

### ii) Gross Profit

The cost of sales decreased by 10%, from RM163.1 million in FY 2023 to RM146.7 million in FY 2024. It was largely attributable to lower operational costs in Trading Division and Plantation Division. The Group recorded higher gross profit at RM11.1 million (FY 2023: RM9.7 million).



### iii) Operating Profit/(Loss)

Operating loss for FY 2024 was RM47.52 million, a decrease of RM48.26 million compared with FY 2023 mainly due to following reasons:

- An expected credit losses of RM45.62 million was recorded in the Trading Division due to overdue receivables; and
- Impairment loss on goodwill at group level amounted to RM7.2 million. This was in relation to one of our subsidiaries, PGSB as a cash-generating unit ("CGU") carrying goodwill. The recoverable amount of this CGU for FY 2024 has been determined based on value in use method. After making an assessment on goodwill impairment and having regard to expecting lower yield from aging trees, the current recoverable amount is lesser than the carrying value of CGU. As such, impairment loss on goodwill has been recognised in other operating expenses.

### iv) Profit/Loss

Profit before tax ("PBT") declined from RM1.72 million in FY 2023 to loss before tax ("LBT") of RM46.4 million in FY 2024. The Group reported a loss before tax ("LAT") of RM44.3 million, compared to a profit after tax ("PAT") of RM1.35 million in FY 2023.

### v) Basic (loss)/earnings Per Share

Total equity as at 30 June 2024 were RM163.79 million, a decrease of 21.20% from RM207.85 million in the last financial year. Loss per share for FY 2024 was 3.17 sen, as compared to earnings per share of 0.70 sen for FY2023.

As of 30 June 2024, despite incurring capital expenditure of RM5.36 million, cash and cash equivalents amounted to RM31.49 million, reflecting an increase of RM0.97 million or 3.18% compared to RM30.52 million in the previous financial year. The Group remains prudent in managing its cash reserves to ensure sufficient financial resources for business strategies, ongoing operations, and future capital needs.

**BUSINESS PERFORMANCE BY SEGMENTS****Manufacturing Division**

Manufacturing Division recorded a revenue of RM38.04 million in FY 2024, a decrease of 8.07% or RM3.34 million as compared to RM41.38 million recorded in FY 2023. As a result, the manufacturing division posted lower PAT of RM0.57 million, compared to RM1.27 million in FY 2023. Despite efforts to control costs, the overall financial performance of the division was weaker than expected.

**Outlook and Prospect**

The global semiconductor market experienced a slowdown in demand, coupled with an unpredictable macroeconomic landscape for FY 2024. This was driven by factors such as inventory corrections, lower consumer spending on electronics, and broader economic uncertainties. Despite these challenges, the Group continues to seek and prepare to attract new customers in order to diversify its revenue streams and offset the decline in semiconductor demand.

We are not limiting ourselves to the electronics and electrical sectors, where competition is intense and margins are under pressure. By broadening our horizons, we aim to tap into new markets, reduce dependence on a single industry, and build a more balanced portfolio that ensures both short-term resilience and long-term growth. This strategic diversification will allow us to navigate economic headwinds while maintaining our commitment to innovation and quality.

**Plantation Division**

This year, the Plantation Division recorded revenue of RM10.76 million, a slightly decrease of 2.6% as compared to RM11.05 million in FY 2023. It was due to decrease in average FFB price by 3.16%, despite the increase in FFB production by 0.46%.

The PAT of the Plantation Division increased to RM4.41 million as compared to RM1.03 million in FY 2023, mainly due to decrease in operating cost.

The FFB production volume and its average selling price are as show below:-

	FYE 2023	FYE 2024
<b>FFB Production (MT)</b>	14,902.79	<b>14,970.63</b>
<b>Average FFB Price (RM)</b>	743.21	<b>719.70</b>

As at 30 June 2024, the total plantation land stands at approximately 1,736 hectares, of which 83% or 1,444 hectares are planted with oil palms. All of the planted area consists of mature trees. The average yield for this year was slightly higher at 10.42 MT/hectare, compared to 10.37 MT/hectare in the previous year. Around 78.55 hectares are still undergoing replanting, with an estimated readiness for harvest in 2027.

The age profile of developed areas is shown below:

	Hectare	Percentage
<b>4-7 years</b>	41	2.8%
<b>8-19 years</b>	693	48.0%
<b>&gt;19 years</b>	710	49.2%
	<b>1,444</b>	<b>100%</b>

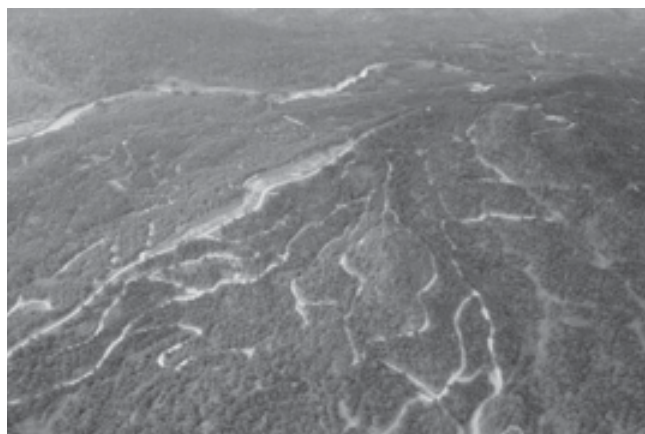
**Outlook and Prospect**

The performance of this division largely depends on FFB production and fluctuations in crude palm oil ("CPO") prices, which directly influence the FFB prices. Additionally, factors such as price volatility, inflationary cost pressures, unpredictable weather, labour shortages, and changes in Indonesia's biofuel policy also significantly impact the Plantation Division.

The Group remains focused on improving estate efficiency to increase the productivity and manage the costs by optimising the harvesting of fruit bunches and collecting loose fruits. We maintain high standards in field operations and replanting efforts to drive better outcomes and yields.

**BUSINESS PERFORMANCE BY SEGMENTS (Cont'd)****Outlook and Prospect (Cont'd)**

The Plantation Division delivered a satisfactory performance in FY 2024, playing a key role in balancing the Company's overall performance. Higher yields and operational efficiencies in the plantation sector enabled it to cushion the financial impact caused by the semiconductor downturn. Additionally, the strong performance of the Plantation Division highlights the Group's strategic focus on maintaining a diversified portfolio.

**Trading Division**

Our subsidiary in Singapore, SGDPL contributed a lower revenue of RM109.02 million to the Group in FY 2024 (FY 2023: RM120.4 million).

This division posted LAT at RM44.58 million in FY 2024 (FY 2023: RM1.07 million). This is due to recognised expected credit losses on trade receivables amounting to RM45.62 million.

**Outlook and Prospect**

The trading division will operate cautiously based on availability of funds and volatility of USD/MYR to ensure the trading activities contribute positively to complement the growth and profitability of the Group.

**DIVIDEND**

The Company does not have a dividend payout policy.

The Board of Directors is taking a conservative stance to maintain a strong cash flow in order to ensure the Group remains resilient amid the present economic uncertainties. The Group will re-invest the earnings to grow its business to enhance shareholders' value in the long run.

Nonetheless, the Company will consider to declare a dividend after taking into consideration of its earnings, capital expenditure and working capital requirements.



Scope Industries Berhad ("Scope" or "the Company") and its subsidiaries ("the Group") recognise the importance of sustainability as a key driver for long-term business growth, where success is not merely judged by its business profitability performance, but also fulfillment of the Group's responsibilities to create value for the stakeholders and community. We are mindful of the need to develop businesses in a sustainable and responsible manner, and endeavour to practice, preserve and promote activities contributing benefit and adding value across the main pillars of the economic, environmental and social aspect.

This Statement covers the efforts and initiatives undertaken in managing the Group's material matters, covering both financial and non-financial aspects, for the period from 1 July 2023 to 30 June 2024 ("FYE2024").

## Guidelines

Bursa Malaysia Securities Berhad ("Bursa Securities")'s Sustainability Reporting Guide (3rd Edition) was referenced in the preparation of our Sustainability Statement 2024.

## Sustainability Governance and Structure

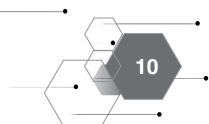
The Group acknowledges the importance of having a proper and functional sustainability governance structure to ensure the effective implementation of sustainability practices in the organization.

The responsibilities and respective roles are illustrated as table below:-

Board of Directors	Management Team	Business & Funtional Units
<ul style="list-style-type: none"> <li>Oversee sustainability performance;</li> <li>Set business strategies incorporating sustainability considerations; and</li> <li>Approve the sustainability and risk management framework.</li> </ul>	<ul style="list-style-type: none"> <li>Identify, assess, monitor and report sustainability matters to the Board;</li> <li>Conduct sustainability awareness and engagement activities; and</li> <li>Promote sustainability and responsible business practices.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the sustainability strategies and activities; and</li> <li>Data collection and reporting to the Management Team on the overall progress of sustainability activities.</li> </ul>

## Stakeholder Engagement

We recognize the critical role our stakeholders play in helping the Group better understand the impact of its operations on economic, environmental, and social factors. We believe that maintaining regular engagement with our stakeholders builds trust, enhances our sustainability performance, and helps us achieve our business goals while positively impacting the environment and society. Stakeholder engagement also enables us to identify emerging market trends, anticipate challenges, and align our sustainability strategy and business activities with the broader interests of Environmental, Social and Governance ("ESG") standards.



# SUSTAINABILITY STATEMENT

SCOPE INDUSTRIES BERHAD

## Stakeholder Engagement (Cont'd)

Our approach with stakeholder group is as follows:-

Stakeholder Group	Concern Topic	Engagement method	Frequency
<b>Investors &amp; Shareholders</b>	<ul style="list-style-type: none"> <li>Group's business &amp; financial performance</li> <li>Future prospects</li> <li>Return on investment</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Company's website</li> <li>Annual General Meetings</li> <li>Announcements &amp; Circulars to Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>Quarterly</li> <li>Annually</li> <li>As needed</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Career development and progression</li> <li>Skill and capability enhancement</li> <li>Remuneration, welfare &amp; benefits</li> <li>Workplace safety</li> <li>Fair employment practices</li> <li>Job security</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisals</li> <li>Policy and procedures</li> <li>Training and development programmes</li> <li>Events and activities</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>On-going</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Product pricing</li> <li>On-time delivery</li> </ul>	<ul style="list-style-type: none"> <li>Meeting(s), discussion(s), business communication(s) on a day-to-day basis</li> <li>Quotation</li> <li>Product delivery confirmation</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>
<b>Suppliers/Contractors</b>	<ul style="list-style-type: none"> <li>Transparent and fair procurement</li> <li>Effective pricing</li> <li>Prompt payment</li> <li>Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing Policy</li> <li>Price competitiveness</li> <li>Periodic meetings &amp; interactions</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>Compliance with applicable licenses and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Inspection by relevant authorities</li> <li>Annual renewal license</li> <li>Participation in government &amp; regulatory events</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>
<b>Local Community(ies)</b>	<ul style="list-style-type: none"> <li>Support deserving community efforts and underprivileged groups</li> <li>Create economic, environmental and social value</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibility events</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>

## Material Sustainability Matter

To address ESG risks within the Group's operations, we have identified and assessed key risks by prioritizing external global factors and stakeholder values. This approach helped us focus on our business priorities, particularly by tackling current and emerging risks that could impact our operations. In response, we proactively implemented action plans and initiatives to strengthen business resilience and continuously create value for our stakeholders.

**Material Sustainability Matter (Cont'd)**

 <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Energy Management</li> <li>• Water Consumption</li> <li>• Waste Management</li> </ul>	 <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Occupational Health &amp; Safety</li> <li>• Community Engagement</li> </ul>	 <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption</li> <li>• Data Privacy and Security</li> </ul>
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**Environmental**

Scope Manufacturers (M) Sdn Bhd ("SMSB") obtained an accreditation of ISO 14001:2015 on 2 April 2020. This is a foundation for the Group's Environmental Management System which aims to monitor, control and improve overall environmental performance throughout operation and supply chain. Scope has always committed to comply with the legal and regulatory requirements of the Malaysian Department of Environment ("DOE") and other regulators and authorities. To this end, environmental protection measures and considerations have long been embedded in our manufacturing processes and day-to-day operations.

**Energy management**

The Group acknowledges the importance of reducing carbon emissions, which are adversely affecting the global climate and environment. As a result, we have taken steps to conserve energy by turning off lights, electrical appliances, and devices when not in use. Additionally, we have adopted energy-efficient practices, such as upgrading our equipment and machinery and utilizing solar-powered construction lighting.

The table below shows the electricity generated and used by SMSB:-

	2024	2023	2022
<b>Electricity Consumption (KWH)</b>	<b>4,909,876</b>	5,636,042	5,414,381
<b>Revenue (RM)</b>	<b>38,044,551</b>	41,379,944	36,246,679
<b>% Electricity Consumption/ Revenue</b>	<b>12.90%</b>	13.62%	14.93%

*Note : Consumption of electricity is measured based on the quantities consumed according to the electricity bill*

Solar panels have been installed on the rooftops of our manufacturing plants, with a total capacity of 1,458.97 kWp. During the current financial year, these panels generated 1,341.74 MWh of energy. This is estimated to save approximately 24.70% of our total yearly energy consumption.



## Environmental (Cont'd)

### Water Consumption

The Group continuously improving its water management practices and protecting clean water sources. We have taken proactive steps to promote mindful water consumption. Eye-catching reminders are placed near water taps throughout our facilities to encourage our employees to conserve water. These initiatives reflect our ongoing dedication to efficient resource management and fostering a culture of conservation.

The table below shows the water consumption during FYE 2024:-

	2024
<b>Water Consumption (M<sup>3</sup>)</b>	<b>58,122</b>
<b>Revenue (RM)</b>	<b>38,044,551</b>
<b>% Water Consumption/ Revenue</b>	<b>0.15%</b>

*Note : Consumption of water is measured based on the quantities consumed according to the water bill.*



### Waste Management

We manage various types of scheduled wastes, such as electronic waste and all of which require special handling under the Environmental Quality Act 1974. A designated area is assigned for proper storage of these wastes, which is regularly monitored to ensure compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. We collaborate with licensed, accredited contractors approved by the DOE (Jabatan Alam Sekitar) for waste disposal. These contractors hold recycling and recovery licenses for SW 104, SW 110, SW 402 and SW 409, ensuring the waste is handled according to regulations and in best practices, minimizing the environmental and health risks.

Our scheduled wastes disposal for FY 2024 were as follows:-

	2024 kg
<b>SW104</b>	<b>60</b>
<b>SW110</b>	<b>790.9</b>
<b>SW402</b>	<b>108.5</b>
<b>SW409</b>	<b>2,063.70</b>

### Social

The Group acknowledges that human capital is the most valuable asset. We take good care of the welfare of our employees and employ them under fair and equitable terms. We are committed to ensure equal opportunity for career advancement and provide a safe and healthy working environment to help them grow and take on new challenges. The Group strives to meet employees' expectations, ambitions, and aspirations by offering relevant training, skill enhancement, and mentoring from senior employees to support personnel at all levels.

### Occupational Health and Safety

We recognize the important of maintain a health and safety environment for our stakeholders. Our Health and Safety Policy was established as below:-

- To fulfill legal and other requirements to which are associated with our work-relate activities;
- To reduce occupational hazards, occupational health and safety risks by using hierarchy of control;
- To do continual improvement of performance of the Occupational Health and Safety Management System; and
- To promote an active mechanism of consultation and participation of workers.

**Social (Cont'd)**

During FYE 2024, we had conducted trainings and programmes as below:-



**ERT competition at Ipoh**



**Chemical Handling training**



**First Aid Training**



**Bomba Fire Evacuation Drill**

## **Social (Cont'd)**

### **Community Engagement**

The Group is unwavering in its commitment to social responsibility and ethical practices. We believe that our sustained efforts will make a meaningful difference in the lives of the less fortunate in our society.

We have organized blood donation drives and, with each passing year, aim to engage in more activities that reflect our long-term commitment to the wellbeing of the wider community.



## **Governance**

We are committed to upholding business ethics and maintaining a high standard of corporate governance, guided by our Code of Conduct and Ethics. The Board continually seeks best practices to foster a culture of strong corporate governance, ensuring sustainable growth across our diverse businesses and enhancing shareholders' value.

### **Anti-Bribery and Corruption**

Our stance against corruption is clearly outlined in our Anti-Bribery and Corruption Policy ("ABC Policy"), which is regularly reviewed to ensure compliance with the Malaysian Anti-Corruption Commission Act 2009. All new employees undergo an induction program to familiarize themselves with the Group's ABC Policy and other key procedures. Refresher training is conducted as needed to ensure awareness of policy updates.

### **Data Privacy and Security**

The rapid adoption of digital technologies and infrastructure has heightened the risk of cybersecurity threats. Consequently, we are responsible for managing these threats and protecting the sensitive information of our employees, suppliers, and customers to prevent data breaches or losses. To strengthen data security, we have implemented various measures, including enhanced CCTV systems, improved user authentication management, and regular IT environment checks.

**LEE MIN HUAT****Age:** 67**Nationality:** Malaysian**Gender:** Male

**Lee Min Huat** was appointed as the Executive Director of Scope on 15 July 2003 and subsequently re-designated as Chairman of the Board on 24 February 2021.

Mr. Lee graduated with a Diploma in Aircraft Maintenance Engineering from Confederation College, Canada in 1979.

Upon graduation, he worked as a Manager at Kalayaan Sdn. Bhd., a property developer, from 1980 to 1984. For the past 20 years, he has been involved in property development and commodity trading.

Mr. Lee is responsible for the formulation of corporate strategies, business plans for the Group and overseeing the Group's operation and financial management function. Besides, he also sits on the board of several other subsidiaries of Scope.

Mr. Lee has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

**LIM CHIOW HOO****Age:** 61**Nationality:** Malaysian**Gender:** Male

**Lim Chiow Hoo** was appointed as the Managing Director of Scope on 15 July 2003. He is a businessman by profession and is the founder of the Group.

After completing his Higher School Certificate, he started his career as a Treasurer at Hup Hin Chan Rice Mill Sdn. Bhd. from 1984 to 1990. In 1990, he became a sole-proprietor setting up the business of assembling printed circuit board ("PCB") for office equipments. In 1991, he found Scope Manufacturers (M) Sdn. Bhd. ("SMSB") and subsequently transferred his business in the sole proprietorship to SMSB. SMSB expanded its operations to the assembly of PCB for telecommunication products. Being the founder, Mr. Lim directly involved in the growth and development of SMSB since its inception in 1991. Under his stewardship, SMSB's operations further expanded to the assembly of PCB for various electronic products specializing in audio and telecommunication equipment.

Backed by more than 34 years of experience in the electronics industry, Mr. Lim possesses in-depth knowledge on the overall operations of SMSB. His functional roles include overseeing the Group's operations, sales and marketing, securing new business and maintaining good relationships with customers.

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

**LIM EE TATT****Age:** 54**Nationality:** Malaysian**Gender:** Male

**Lim Ee Tatt** was appointed as the Non-Independent Non-Executive Director of Scope on 2 December 2013. He is a member of the Audit Committee and Remuneration Committee.

Mr. Lim is a graduate of University of South Australia where he holds his bachelor's degree in Mechanical Engineering majoring in Thermodynamics. He furthered his studies in business and management where he completed a post graduate diploma in Business Administration at the same university. He is also a member of the Australian Institute of Engineers.

Mr. Lim has worked as an engineer in Australia and Malaysia where he has acquired his expertise in solid materials handling. He designed, and commissioned automated delivery and handling systems for powder and granular materials for various industries in Malaysia as well as overseas. After 5 years working in this specialized field, he entered the business in oil palm development and investment with Wah Len Enterprise Sdn. Bhd.. Mr. Lim is now actively involved in Wah Len Enterprise Sdn. Bhd., an established oil palm plantation base company in which he holds the position as Managing Director.

He is also the Managing Director and major shareholder of Wah Len Enterprise Sdn. Bhd., which is a major shareholder of the Company. Save for the disclosed relationship, he has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.



## PROFILE OF DIRECTORS

SCOPE INDUSTRIES BERHAD

### LAW KIM FATT

**Age:** 42

**Nationality:** Malaysian

**Gender:** Male

**Law Kim Fatt** was appointed as Independent Non-Executive Director of Scope on 26 October 2021. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

He is a Fellow member of Association of Chartered Certified Accountants, a Member of Malaysian Institute of Accountants and a Capital Markets Services Representative's Licence holder.

He has 22 years of working experience in audit, accounting and corporate finance advisory. For the past 15 years, he was involved in corporate finance advisory where he advised on initial public offerings, mergers and acquisitions, corporate restructurings and fundraising exercises. Currently, he is a Senior Vice President of a securities firm in Malaysia.

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.



### YAU KHAI LING

**Age:** 41

**Nationality:** Malaysian

**Gender:** Female

**Yau Khai Ling** was appointed as Independent Non-Executive Director of Scope on 1 June 2023. She is the Chairman of the Remuneration Committee and Nomination Committee, and a member of the Audit Committee.

Ms. Yau has over 14 years of experience in the legal field. She was admitted as an advocate and solicitor in the High Court in Malaya in July 2009.

Presently, she is the principal partner of KhaiLing Yau Chambers ("KLYC"), a boutique corporate legal firm which she founded in June 2020 in Malaysia. She is also a counsel of Insights Law LLC, a Singapore law firm closely affiliated with KLYC. Ms. Yau counsels corporate clients on a wide range of corporate matters, including mergers and acquisitions, capital markets, cross-border corporate and commercial transactions, as well as fintech and digital assets related matters. Prior to founding KLYC, Ms. Yau was a director of a regional law firm specialised in Singapore capital markets and corporate commercial work. Prior to that, Ms. Yau practised in the corporate and M&A practice group in a Singapore-based international law firm.

She has no family relationship with any Directors or major shareholders of the Company.

She does not hold any directorships in any other public companies and listed issuers.



### ONG LAI CHOON

**Age:** 52

**Nationality:** Malaysian

**Gender:** Female

**Ong Lai Choon** was appointed as Executive Director of Scope on 11 March 2024. She currently also serves as the Chief Operating Officer of Scope Manufacturers (M) Sdn. Bhd. ("SMSB"), where she oversees the planning, coordination, and monitoring of the manufacturing process.

Ms. Ong has more than 21 years of working experience in manufacturing field of which 19 years was with electronic manufacturing service companies. She joined SMSB in 2006 as production planner and was subsequently promoted to Head of Purchasing cum Planning department in 2009. She assumed the role of Chief Operation Officer on 16 March 2011 and later, she was appointed as Executive Director of Scope on 11 March 2024.

Ms. Ong holds a Diploma in Management from Malaysian Institute of Management.

Ms. Ong has no family relationship with any Directors and/or major shareholders of the Company.

She does not hold any directorships in any other public companies and listed issuers.



**CHEN, KUN-HUEI****Age:** 61**Nationality:** Taiwanese**Gender:** Male

**Chen, Kun-Huei** was appointed to the Board as Non-Independent Non-Executive Director on 21 October 2024.

He graduated with a Master of Electrical Engineering from National Taiwan University, Taiwan in 1986.

Mr. Chen has over 30 years of working experience in the electronics industry. From 1993 to 1996, he joined Taiwan International Standard Electronics LTD as Engineering Manager and was responsible for the management of the R&D Department. In 1996, he joined Inventec Appliances Corporation and currently serves as President in Inventec Appliances (Pudong) Corporation.

He has no family relationship with any Directors or major shareholders of the company.

He does not hold any directorship in other public companies and listed issuers.

**Notes:**

1. All the above Directors do not have any conflict of interest with the Company.
2. Other than traffic offences, none of the Directors of the Company have any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
3. The Directors' shareholdings are as disclosed in this Annual Report.
4. The details of the number of Board Meetings attended by the Directors of the Company for the financial year are disclosed on page 21 of this Annual Report.



## PROFILE OF KEY SENIOR MANAGEMENT

SCOPE INDUSTRIES BERHAD

### HAN SIEW KING

**Age:** 77

**Nationality:** Malaysian

**Gender:** Male

**Han Siew King** was appointed as Managing Director of Pioneer Glow Sdn. Bhd., a subsidiary of the Group on 30 April 2015.

He graduated from the University of Malaya in 1972 with a Bachelor of Agricultural Science degree. In 1978, he completed a course leading to a Certificate in Plant Protection, in the International Agricultural Centre, Wageningen, The Netherlands.

Upon his graduation in 1972, he started his career as an Agricultural Officer in the University of Malaya Faculty of Agriculture's farm in Puchong before joining Sime Darby Plantations as an Agronomist in September of the same year. He worked as an Agronomist for rubber, oil palms and cocoa in Sime Darby Plantations.

In January 1980, he moved on to join Eastern Plantations Agency (J) Sdn. Bhd., a management company of Kulim Malaysia Bhd as Senior Agronomist and established advisory and research division for the company.

There he stayed for only one and half years before moving on to set up his own consultancy services and plantation contracting business in May 1981. He has since 2005 retired from the contracting business. Currently, he involves in the provision of consultancy services upon request.

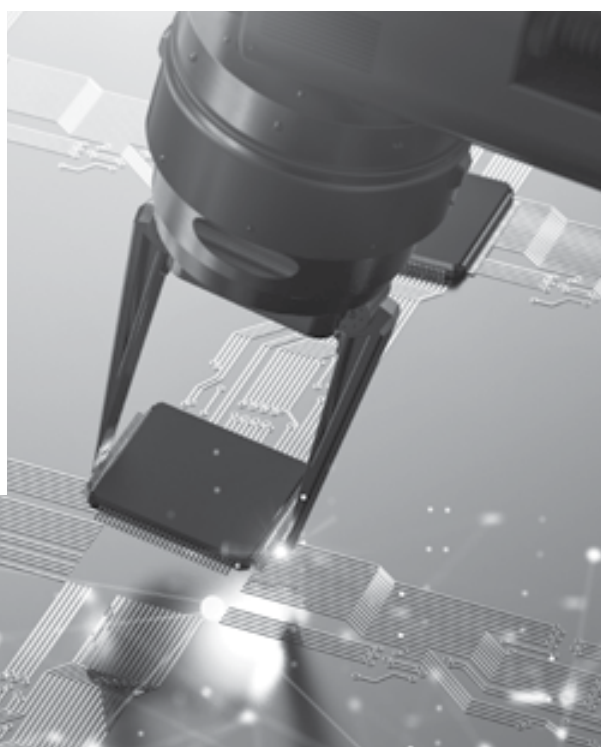
He is a member of several professional bodies, namely Malaysian Society of Soil Science, International Society of Oil Palm Agronomists and Society of Agricultural Scientist, Sabah.

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

#### Notes:

1. The above Key Senior Management does not have any conflict of interest with the Company.
2. Other than traffic offences, none of the Key Senior Management of the Company has any conviction for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.





The Board of Directors of Scope Industries Berhad ("Scope" or "the Company") ("the Board") is committed to maintain high standards of corporate governance within the Company and its subsidiaries ("Group") as a fundamental part of its responsibilities in managing the business and affairs of the Group. The Board operates within the Company's governance framework towards enhancing integrity, transparency and corporate accountability to protect the interests of its shareholders and stakeholders.

Scope has complied substantially with the relevant principles and recommendation of Malaysian Code on Corporate Governance ("the Code") so far as applicable and described herein.

This Statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR") and it is to be read together with the Corporate Governance Report of the Company which is available on the Company's website at [www.scope.com.my](http://www.scope.com.my).

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### I) Board Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:-

- Reviewing and adopting strategic plans for the Group which will enhance the future growth of the Group while addressing sustainability of the Group's business;
- Overseeing the conduct of the Group's businesses to evaluate whether the business are being properly managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems; and
- To consider and implement plans for effective appointments to senior management positions and Board members which includes appropriate and adequate training and ensuring orderly succession of senior management.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

The Executive Chairman is responsible for leadership, governance and effectiveness of the Board in discharging its duties and responsibilities. The Managing Director has overall responsibility for the day-to-day management of the business, implementation of the Board's policies and decisions, and execution of strategic goals.

The positions of Chairman and Managing Director are held by two different individuals. Separation of these positions promotes accountability and facilitates division of responsibilities between them.

All decisions of the Board are made based on decision of the majority and no single Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no single individual or a group of individuals dominates the decision-making process.

### Board Charter

The Board has overall responsibility for the proper conduct of the Group. Scope adopted a Board Charter that clearly sets out the respective roles and responsibilities of the Board to ensure accountability.

The Board Charter will be reviewed periodically to ensure it remains consistent with the Board's objective and to take into consideration any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities. The Board Charter is made publicly available on the Company's website at [www.scope.com.my](http://www.scope.com.my) in line with Practice 2.1 of the Code.

### Code of Ethics

The Directors observed the code in accordance with the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Code of Ethics is made publicly available on the Company's website at [www.scope.com.my](http://www.scope.com.my) in line with Practice 3.1 of the Code.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

SCOPE INDUSTRIES BERHAD

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### I) Board Responsibilities (Cont'd)

#### Code of Conduct

In order to enhance the standard of corporate governance and behaviour, the Board observed the Company's code of conduct which set out the standards of business and ethical conduct for all Directors and employees in the conduct of their business.

#### Anti-Bribery and Corruption Policy

In line with the provisions of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption, the Board has adopted an Anti-Bribery and Corruption Policy ("ABC Policy") to prevent the occurrence of bribery and corrupt practices in relation to the Group's businesses. ABC policy is made publicly available on the Company's website at [www.scope.com.my](http://www.scope.com.my).

#### Whistle Blowing Policy

The Board has adopted a Whistle Blowing Policy for the Group as a measure to promote the highest standard of corporate governance. The Whistle Blowing Policy outlines the avenues for the employees and stakeholders to raise concerns or discloses in good faith any improper conduct within the Group and to enable prompt corrective action and measures to resolve them effectively. Whistle Blowing Policy is made publicly available on the Company's website at [www.scope.com.my](http://www.scope.com.my).

#### Sustainability

The Group recognises the economic, environmental, social and governance aspects of sustainability as key elements in formulation of its objectives and strategies. The Group also recognises the need to safeguard and develop the workforce, strengthen stakeholders' relationship and protect the interest of shareholders. A Sustainability Statement is set out in this Annual Report.

#### Supply of and Access to Information

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. Prior to the meetings, all Directors are provided with sufficient and timely reports and supporting documents which are circulated in advance of each meeting to ensure sufficient time is given to understand the key issues and contents. In addition, the Board is kept informed of the updates and requirements issued by Bursa Securities and various regulatory authorities.

Where necessary, the Directors may obtain independent professional advice at the Company's expense on specific issues to enable the Board to discharge their duties on the matters being deliberated.

#### Company Secretaries

The Board is of the view that current Company Secretaries are suitably qualified, competent and can support the Board in carrying out its roles and responsibilities. The Board obtained appropriate advice and services, if necessary, from Company Secretaries to ensure adherence to Board meeting procedures and compliance with regulatory requirements.

#### Functions of the Board and Management

The Board is responsible for the overall corporate governance of the Group, including the strategic direction, risk management and establishes the vision and strategic objectives of the Group for development. It includes management development, succession planning and policies to ensure all procedures within the Group are carried out in a systematic and orderly manner to ease the decision-making process.

The Senior Management carries out the role of managing the business of the Group under the direction and delegations of the Executive Directors.

**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)****I) Board Responsibilities (Cont'd)****Board Meetings and Time Commitment**

Board Meetings are held on quarterly basis and additional meetings are convened as and when required. Key matters reserved for Board's approval include quarterly results, financial statements, major acquisitions and disposals, major capital expenditure and corporate proposal on fund raising.

The Board met four (4) times during the financial year ended 30 June 2024. The Board is satisfied with the time commitment expected of all Directors in discharging their duties. All Directors devote sufficient time to carry out their responsibilities.

Any proposals for new appointments to the Board are reviewed by the Nomination Committee and presented to the Board for approval. The Nomination Committee is responsible for recommending the right candidates with required skills, experience and attributes to the Board for appointment.

The Directors' attendance at Board Meetings held during the financial year is as follows:-

Directors	Attendance
Mr. Lim Chiow Hoo	4/4
Mr. Lee Min Huat	4/4
Mr. Lim Ee Tatt	4/4
Mr. Law Kim Fatt	4/4
Ms. Yau Khai Ling	4/4
Ms. Ong Lai Choon <sup>(a)</sup>	1/1
Mr. Chen, Kun-Huei <sup>(b)</sup>	-
Mr. Hsu, Ching-Chen <sup>(c)</sup>	2/3
Mr. Yap Ee Seong <sup>(d)</sup>	4/4

**Notes:**

- <sup>(a)</sup> Appointed on 11 March 2024  
<sup>(b)</sup> Appointed on 21 October 2024  
<sup>(c)</sup> Resigned on 15 May 2024  
<sup>(d)</sup> Resigned on 1 October 2024

The Directors are in compliance with the provision of the AMLR on the restriction of not holding more than five (5) directorships in listed issuers.

**Directors' Training**

The Directors are encouraged to attend various training programmes, courses and seminars to enhance their knowledge and professionalism in discharging their duties.

The training attended by the Directors during the financial year 2024 are as follows:-

No.	Director	Seminar/Training Course Attended
1.	Lim Chiow Hoo	<ul style="list-style-type: none"> <li>Know ESG</li> </ul>
2.	Lee Min Huat	<ul style="list-style-type: none"> <li>MAP II: Leading for Impact (LIP)</li> </ul>
3.	Lim Ee Tatt	<ul style="list-style-type: none"> <li>Trading Strategies That Turn Stone into Gold</li> </ul>
4.	Law Kim Fatt	<ul style="list-style-type: none"> <li>Market Professional Series – Momentum Investing</li> </ul>
5.	Yau Khai Ling	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part 1</li> </ul>
6.	Ong Lai Choon	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part 1</li> </ul>



## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### I) Board Responsibilities (Cont'd)

#### Directors' Training (Cont'd)

All Directors appointed to the Board (except for Mr. Chen, Kun-Huei, who was newly appointed on 21 October 2024) have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Bursa Securities had vide its letter dated 6 June 2023 amended the AMLR in relation to sustainability training for directors and requested the existing Directors of all the listed issuers who are appointed prior to 1 August 2023 must attend the MAP Part II which will focus substantively on sustainability on or before 1 August 2025 while the Directors who are appointed on or after 1 August 2023 must attend the MAP Part II within 18 months from the date of his/her appointment. As at the date of this Annual Report, Mr. Lee Min Huat had attended the MAP Part II.

### II) Board Composition

The Board currently consists of seven (7) members, comprising three (3) Executive Directors, two (2) Independent Directors and two (2) Non-Independent Non-Executive Directors.

The Board is led by an Executive Chairman. Further, the complementary role of Non-Executive Directors is to ensure an effective Board with a mix of industry-specific knowledge, skill, expertise and commercial experience. There is a clear division of responsibilities among directors to ensure a balance of power and authority. The number of Independent Directors is in compliance with the AMLR of Bursa Securities which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are independent directors and at least one (1) woman director on Board.

The Nomination Committee and the Board assesses the independence of the Independent Non-Executive Directors annually as well as prior to the appointment as Independent Director, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Nomination Committee had reviewed and assessed independence of Independent Non-Executive Directors during the financial year and is satisfied with the level of independence demonstrated by the respective Directors.

The Company is in compliance with Practice 1.4 of the Code whereby the Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee. In addition, the Board has refrained from appointing an active politician as a director thus aligning with the Code.

Pursuant to the Company's Constitution, re-election of Directors shall take place each year and, at the Annual General Meeting ("AGM"), one-third (1/3) of the Directors shall retire from the office and be eligible for re-election. If their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election.

All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been the longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

A Director who is subject to re-election at next AGM will be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for re-election. Appropriate assessment and recommendation by the Nomination Committee is based on the annual assessment conducted with reference to the Directors' Fit and Proper Policy.

At the forthcoming AGM, Mr. Lee Min Huat and Mr. Law Kim Fatt will retire by rotation pursuant to Article 95 of the Company's Constitution and Ms. Ong Lai Choon and Mr. Chen, Kun-Huei will retire by casual vacancy pursuant to Article 102 of the Company's Constitution ("Retiring Directors"). The Retiring Directors are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the forthcoming AGM. The Nomination Committee has carried out the necessary assessment of the Retiring Directors and concluded that the Retiring Directors met the criteria as prescribed under Fit and Proper Policy of the Company on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors.

The brief profile of each Board member is presented under Directors' Profile of this Annual Report.



## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### II) Board Composition (Cont'd)

#### Nomination Committee

The Nomination Committee of Scope was set up on 19 November 2003. Details of the members of the Committee and their attendance of meetings during the financial year 2024 are as follows:-

Nomination Committee Members	Position in Nomination Committee	Directorate	Attendance
Ms. Yau Khai Ling (Appointed on 21 October 2024)	Chairman	Independent Non-Executive Director	-
Mr. Law Kim Fatt	Member	Independent Non-Executive Director	1/1
Mr. Yap Ee Seong (Resigned on 1 October 2024)	Chairman	Independent Non-Executive Director	1/1

The duties and responsibilities of the Nomination Committee are guided by its terms of reference, which is available on the Company's website at [www.scope.com.my](http://www.scope.com.my). The main responsibilities of the Nomination Committee included the following:-

- Nominate the right candidates with the required skills, knowledge and experience in relation to new appointment of Board member.
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Review and recommend the membership of the Audit and Remuneration Committees, in consultation with the chairman of those committees.
- Assess and review the effectiveness of the Board and the contribution of each individual director and the independence of Independent Directors.
- To develop, maintain and review the criteria to be used in the annual assessment of directors and recruitment process.

The Nomination Committee has developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board's effectiveness is divided into four sections on the following key areas:-

- Board mix & composition;
- Quality of information and decision making; and
- Boardroom activities.

The process also assesses the competencies of each Director in the areas of character and integrity, experience and competence, time and commitment.

The Nomination Committee also undertakes annual assessment of the independence of the independent directors based on required mix skills, criteria of independence as per requirements of AMLR, meeting attendance, ability to ensure effective checks and balances on the Board's decision making process, constructively challenge business propositions and contributes to the development of business strategy and direction of the Company, ensures that adequate systems and controls to safeguard the interests of the Company are in place and continuous updating of knowledge and enhancing of skills through attendance of business related trainings.

The Company has adopted the Fit and Proper Policy on 25 May 2022. When considering new appointment as well as Directors who are seeking for re-election as Director in the Company, the Nomination Committee shall evaluate the balance of skills, knowledge and experience on the board. In identifying suitable candidates, the Committee should consider the following fit and proper criteria of the candidates:-

- Character and Integrity
- Experience and Competence
- Time and Commitment

The Company has conducted the fit and proper assessment on 29 August 2023 on Directors who were proposed for re-election at the Twenty-First AGM of the Company in accordance with the Fit and Proper Policy. The Nomination Committee is satisfied with the performance of the retiring Directors.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

SCOPE INDUSTRIES BERHAD

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### II) Board Composition (Cont'd)

#### Nomination Committee (Cont'd)

The Nomination Committee meets at least once a year and as and when necessary. The Nomination Committee had met one (1) time during the financial year 2024 and the activities of the Nomination Committee are summarised as follows:-

- Assessed the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director, including Independent Non-Executive Directors.
- Reviewed and recommended the re-election of Director who was retiring and seeking for re-election at Twenty-First AGM.
- Reviewed and recommended the appointment of new Directors.
- Assessed the performance of Independent Non-Executive Directors.
- Reviewed the term of office and performance of an Audit Committee and each of its members.
- Reviewed the performance of the Board and Senior Management in addressing the Company's sustainability or Environmental, Social and Governance ("ESG").

#### Gender, Ethnicity and Age Diversity Policy

The Board does not adopt any formal workforce diversity policy as the Board adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. The Company believes in, and provides equal opportunity to candidates with merit.

The Board acknowledges the best practice of the Code that the Board should comprise at least 30% women directors. For the financial year ended 30 June 2024, there was two (2) women serving as members of the Board. With the composition, the Board views that its members have the necessary knowledge, experience, diverse range of skills and competencies to enable them to discharge their duties and responsibilities effectively.

#### Remuneration Committee

The Remuneration Committee was formed on 19 November 2003. The Committee comprises mainly of Non-Executive Directors. The members and their attendance of meetings during the financial year 2024 are as follows:

Remuneration Committee Members	Position in Remuneration Committee	Directorate	Attendance
Ms. Yau Khai Ling <sup>(a)</sup>	Chairman	Independent Non-Executive Director	-
Mr. Lim Ee Tatt	Member	Non-Independent Non-Executive Director	1/1
Mr. Law Kim Fatt	Member	Independent Non-Executive Director	1/1
Mr. Yap Ee Seong <sup>(b)</sup>	Chairman	Independent Non-Executive Director	1/1

Note:

<sup>(a)</sup> Appointed as Chairman on 27 August 2024

<sup>(b)</sup> Redesignated as Member on 27 August 2024 and subsequently resigned on 1 October 2024

The Remuneration Committee is governed by its terms of reference and its primary function is responsible for recommending to the Board from time to time, the remuneration framework and package of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberations and voting on the decision in respect of their own remuneration packages. The Board as a whole decides on the remuneration of the Non-Executive Directors, including the Executive Chairman. The individual concerned should abstain from deliberations of their own remuneration packages. Directors' fees are subject to shareholders' approval at the forthcoming AGM.

**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)****II) Board Composition (Cont'd)****Remuneration Committee (Cont'd)**

The Committee held one (1) meeting during the financial year 2024 to review remuneration package for Executive Directors and Directors' fee for all Directors. The Directors are satisfied with the current levels of remuneration, which are in line with the responsibilities expected by the Company. In general, the remuneration is structured so as to link reward to corporate and individual performance, as in the case of the Executive Directors and senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Directors concerned.

The remuneration of the Directors for the financial year 2024 is set out below:-

Company (RM'000)						
	Fee	Allowance	Salary	Bonus	Statutory Contributions	Total
Executive Directors						
Lee Min Huat	30	2	-	-	-	32
Lim Chiow Hoo	30	2	-	-	-	32
Ong Lai Choon <sup>(a)</sup>	10	0.5	-	-	-	10.5
Non-Executive Directors						
Lim Ee Tatt	30	2	-	-	-	32
Law Kim Fatt	30	2.5	-	-	-	32.5
Yau Khai Ling	30	2	-	-	-	32
Hsu, Ching-Chen <sup>(b)</sup>	25	1.5	-	-	-	26.5
Yap Ee Seong <sup>(c)</sup>	30	2	-	-	-	32
Total:	215	14.5	-	-	-	229.5

Group (RM'000)						
	Fee	Allowance	Salary	Bonus	Statutory Contributions	Total
Executive Directors						
Lee Min Huat	260	2	585	90	111.1	1,048.1
Lim Chiow Hoo	160	2	585	121	111.1	979.1
Ong Lai Choon <sup>(a)</sup>	10	0.5	90	31.1	17.4	149
Non-Executive Directors						
Lim Ee Tatt	230	2	-	-	-	232
Law Kim Fatt	30	2.5	-	-	-	32.5
Yau Khai Ling	30	2	-	-	-	32
Hsu, Ching-Chen <sup>(b)</sup>	25	1.5	-	-	-	26.5
Yap Ee Seong <sup>(c)</sup>	30	2	-	-	-	32
Total:	775	14.5	1,260	242.1	239.6	2,531.2

Note:

<sup>(a)</sup> Appointed on 11 March 2024

<sup>(b)</sup> Resigned on 15 May 2024

<sup>(c)</sup> Resigned on 1 October 2024



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

SCOPE INDUSTRIES BERHAD

## **PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)**

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising majority Independent Non-Executive Directors, with Mr. Law Kim Fatt as the Chairman. The composition of the Audit Committee, including its roles and responsibilities, and a summary of the activities during the financial year are set out in the Audit Committee Report of this Annual Report.

The Group maintains a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with appropriate accounting standards.

The Audit Committee discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the Audit Committee to respond to auditors' enquiries and recommendations, if any, to ensure compliance with various approved accounting standards in the preparation of the Group's financial statements.

The Audit Committee is empowered by the Board to review all issues in relation to appointment and re-appointment, resignation or dismissal of external auditors. The Audit Committee has also assessed the suitability and independence of the external auditors. The external auditors have confirmed that they are independent throughout the conduct of audit engagement in accordance with terms of professional and regulatory requirements.

### **Directors' Responsibility Statement in relation to the compliance with applicable Financial Reporting Standards**

The Board aims to present a true and fair assessment of the Group's position and prospects primarily through the annual and quarterly financial statements to shareholders as well as Management Discussion and Analysis in the Annual Report. The Audit Committee assists the Board to oversee the Group's financial reporting process, ensures its compliance with applicable financial reporting standards and regulatory requirements as well as the quality of financial reporting.

The Directors are responsible for the preparation of financial statements in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia. The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have selected and applied appropriate accounting policies, and made reasonable and prudent judgment and estimates. The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

### **Sound framework to manage risks**

An overview of the state of internal controls and risk management within the Group is set out in this Annual Report under the Statement on Risk Management and Internal Control.

### **Internal audit function**

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with the internal procedures and guidelines. Details of the Company's internal control framework are set out under the Statement on Risk Management and Internal Control and Audit Committee Report in this Annual Report.

**PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS****Corporate Disclosure Policies and Procedures**

Along with good corporate governance practices, the Company is committed to provide the investors and public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted a Corporate Disclosure Policy and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner. The Corporate Disclosure Policy and Procedures is published on the Company's website at [www.scope.com.my](http://www.scope.com.my).

**Effective Dissemination of Information**

The Board recognises the value of investor relations and endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements.

Information of the Group is also accessible through the Company's website ([www.scope.com.my](http://www.scope.com.my)) which is updated on a regular basis. Information available in the website includes among others the Group's annual report, quarterly financial announcements, circulars, major and significant announcements, press release and latest corporate developments of the Group.

**Conduct of General Meeting**

The AGM is the principal forum dialogue with all shareholders. The participation of shareholders and investors, both individual and institutional, at general meeting is encouraged whilst requests for briefings from the press and investment analysts are usually a matter of course.

Notice of AGM and the Annual Report are sent to shareholders at least 21 days before the date of the meeting. Whilst the Annual Report provides comprehensive source of information, the Board members readily avail themselves to answer any questions that may arise as shareholders may seek more information.

In compliance with the AMLR of Bursa Securities, all resolutions set out in the notice of any general meeting or notice of resolution will be voted by poll. It also stipulates that an independent scrutineer shall be appointed to validate the votes cast during polling process.

**COMPLIANCE STATEMENT**

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to create trust and confidence amongst stakeholders.

The Board is satisfied that this Corporate Governance Overview Statement provides the information necessary to enable shareholders to evaluate how the Code has been applied and obligation are fulfilled under the Code and AMLR of Bursa Securities. The Board will continue to strive for sound standards of corporate governance throughout the Group.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 25 October 2024.

## 1. Material Contracts Involving Directors, Chief Executive or Major Shareholders' Interest

There were no material contracts entered into by the Company and its subsidiaries, involving the interests of the Directors, chief executive who is not a director and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

## 2. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The Company is seeking approval from shareholders for the proposed new shareholders' mandate for the Group to enter into RRPT(s) of a revenue or trading nature pursuant at the forthcoming Annual General Meeting to be held on 28 November 2024.

The details of RRPTs of a revenue or trading nature of the Group for the financial year ended 30 June 2024 were as follows:-

Related Party	Scope Group - Transacting Party	Nature of Transaction with Scope Group	Value of Transaction (RM'000)	Nature of relationship between Scope Group and the Related Party
Inventec Appliances Corp.	Scope Manufacturers (M) Sdn. Bhd. ("SMSB")	Sales of electrical and electronics products by SMSB to Inventec Appliances Corp.	37,677	<p>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 1 October 2024.</p> <p>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 1 October 2024, through its wholly-owned subsidiary, Inventec Appliances Corp.</p> <p>Mr. Hsu, Ching-Chen, the Non-Independent Non-Executive Director of Scope, was nominated by Inventec Appliances Corp. on the Board of Scope. As such, Mr. Hsu, Ching-Chen was deemed interested in the above-mentioned RRPTs.</p>

## 3. Audit and Non-Audit Fees

During the financial year, the amount of audit and non-audit fees paid and payable to the external auditors by the Company and the Group respectively are as follows:-

	Company Level (RM)	Group Level (RM)
Audit Fee	49,000	113,000
Assurance-related and non-audit fees:		
• Review of Statement on Risk Management and Internal Control	3,000	3,000
• Agreed-upon procedures engagement	-	6,000



#### 4. Utilisation of Proceeds

##### Rights Issue

The renounceable rights issue of up to 384,557,653 new ordinary shares in the Company ("Scope Shares") at an issue price of RM0.175 per rights share on the basis of 1 rights share for every 2 existing Scope Shares ("Right Issue"), was completed following the listing of and quotation for 384,557,653 Scope Shares on the ACE Market of Bursa Malaysia Securities Berhad on 27 July 2021. The total gross proceeds raised from the Rights Issue were amounted to RM67.3 million.

As at 1 October 2024, the details and status of the utilisation of proceeds from the Rights Issue are as follows:-

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Timeframe for Utilisation
Construction of a new manufacturing plant	31,000	31,000	-	Within 36 months
Expansion of electronic business	19,000	19,000	-	Within 36 months
Working capital	16,298	16,453	*(155)	Within 24 months
Expenses for the Rights Issue	1,000	845	*155	Within 6 months
<b>Total</b>	<b>67,298</b>	<b>67,298</b>	<b>-</b>	

Note:

\* The unutilised portion in category of Expenses for the Rights Issue amounted to RM155,000 has been re-allocated to Working Capital category and was fully utilized.

#### 5. Employees' Share Scheme

The Employees' Share Scheme ("ESS") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 19 May 2021.

The Company had on 16 July 2021 implemented the ESS. It shall be in force for a duration of five (5) years until 15 July 2026. However, the Board of Directors shall have the discretion upon recommendation of the ESS Committee, be extended provided always that the initial ESS period stipulated above and such extension made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years.

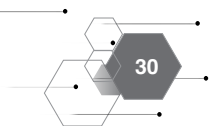
The ESS entails the granting to selected eligible persons the right to receive award of ordinary shares of the Company ("Scope Shares"), which comprises award of Scope Shares ("Share Grant") and options to subscribe for the Scope Shares ("ESS Options") under ESS.

The information in relation to the ESS as at 30 June 2024 is as follows:-

Share Grant	Total Number	Aggregate for Directors
Granted	1,479,800	Nil
Vested	(726,600)	-
Lapsed	(146,800)	-
Total shares outstanding	606,400	Nil

ESS Options	Total Number	Aggregate for Directors
Granted	42,754,900	20,000,000
Exercised	-	-
Lapsed	(1,587,000)	-
Total shares outstanding	41,167,900	20,000,000

ESS Granted to Directors and Senior Management	During the Financial Year	Since commencement up to 30 June 2024
Aggregate maximum allocation in percentage	80%	80%
Actual percentage granted	-	21%



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SCOPE INDUSTRIES BERHAD

The Malaysian Code on Corporate Governance ("MCCG" or "Code") stipulates that listed companies should maintain a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. Guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"), the Board is pleased to provide the Statement on Risk Management and Internal Control which is prepared in compliance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

## Board Responsibility

The Board affirms its overall responsibility for the Group's system of risk management and internal control which includes the establishment of appropriate control framework, and for reviewing the adequacy and integrity of the system. Because of the limitations that are inherent in any system of internal control, those systems are designed to manage rather than eliminate the risk that may impede the achievement of the Group's business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The process of identifying, evaluating and managing risks has been continuously reviewed by the Board with the assistance and support from management.

## Risk Management

The Board acknowledges that the business operations are run with some degree of risks that may affect successful achievement of the Group's business objectives. The Board also recognises that an effective risk management system is part of good business management practice.

The Board has delegated its authority to the management to review and determine the level of risk tolerance. The senior management, head of department and key personnel from the major business units are responsible for identifying and assess all types of risks in terms of likelihood and magnitude of impact. The key business, operational and financial issues faced by the Group are discussed during the weekly management meeting. Remedial actions are formulated and taken to ensure significant risks are addressed appropriately. As and when necessary, summary of the key findings would be presented to the Audit Committee and Board of Directors.

## Key Elements of Internal Control

The Group has established internal control structure to ensure effective control over the business operations and to safeguard the Group's assets. Key elements in the system of internal controls and procedures are as follows:-

- (a) An organisational structure with clear lines of accountability and responsibility.
- (b) An organisation chart that delineates reporting lines with delegation of authority to the various levels, thus ensuring an adequate system of checks and balance.
- (c) Documented standard operating policies and procedures to ensure compliance with internal controls, law and regulations which are subjected to regular reviews, have been communicated to all levels.
- (d) Regular and comprehensive information are provided to the management, covering finance, operations and key business indicators for effective monitoring and decision making.
- (e) Meetings for all business units are conducted regularly to consider business development, financial and operational performance, and to rectify area of discrepancies.
- (f) Annual budget for each business are reviewed and approved by the Directors.
- (g) The Board is briefed on any exceptions or deviation to the Group's policies, and the weakness on internal control system.
- (h) Limits of authorities are implemented for capital expenditure for all operating units to keep potential exposure under control.

## Internal Audit Function

The Group has outsourced its internal audit work to a professional internal audit service provider firm, JWC Consulting Sdn. Bhd. ("JWC") to provide the Board with independent and objective reports on the adequacy and integrity of the system of internal control of the business units within the Group.

The Engagement Director is Ms. Joyce Wong, who has diverse professional experience in internal audit, external audit, risk management and corporate governance. She graduated from University of Tasmania with a Bachelor of Commerce, majoring in Accounting and Finance. She is an accountant by profession, a member of the Malaysian Institute of Accountants and a Fellow member of The Certified Practicing Accountants, Australia.

The number of staff deployed for the internal audit reviews is normally two. The staff involved in the internal audit reviews possesses accounting qualifications or a university degree. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## Internal Audit Function (Cont'd)

The internal auditors report directly to the Audit Committee and has direct access to the Chairman of the Audit Committee on all the internal control and internal audit issues.

Regular internal audits are carried out yearly to review the internal control system in the key activities of business units, as per the internal audit plan approved by the Audit Committee. The internal audit team recommends to the executive and operational management on areas of improvement and subsequently initiates follow-up review to determine the extent of implementation of those recommendations by the management. The findings arising from internal audits and the management's responses were reported by the internal auditors at the Audit Committee meeting.

## Review of Statement by External Auditors

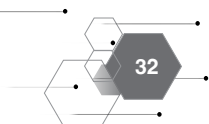
As required by Paragraph 15.23 of the Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, the external auditor has reported to the Board that nothing has come to their attention to cause them to believe the Statement on Risk Management and Internal Control set out above is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate.

## Conclusion

The Board was satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems. The Board had received assurance from the Executive Chairman and Managing Director that the Group's risk management and internal control systems, in all material aspects, were operating adequately and effectively. The Board recognises that the risk management and internal controls systems, however well-designed, can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

This Statement is made in accordance with a resolution of the Board of Directors dated 25 October 2024.



# AUDIT COMMITTEE REPORT

SCOPE INDUSTRIES BERHAD

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

## COMPOSITION OF AUDIT COMMITTEE

Chairman	:	Mr. Law Kim Fatt, Independent Non-Executive Director
Members	:	Mr. Lim Ee Tatt, Non-Independent Non-Executive Director
		Ms. Yau Khai Ling, Independent Non-Executive Director (Appointed on 21 October 2024)

There were four (4) Audit Committee meetings held during the financial year ended 30 June 2024. The record of attendance is as follow:-

Name of Committee Members	Attendance
Mr. Law Kim Fatt	4/4
Mr. Lim Ee Tatt	4/4
Ms. Yau Khai Ling (Appointed on 21 October 2024)	-
Mr. Yap Ee Seong (Resigned on 1 October 2024)	4/4

In carrying out its duties, the Audit Committee reported to and updated the Board on significant issues and concerns discussed during the Committee's meetings and where appropriate, made necessary recommendations to the Board. The Company Secretary was responsible to record all proceedings and minutes of all meetings of the Audit Committee.

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms and reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 30 June 2024 in discharging its functions and duties :-

### (i) Financial Reporting

- Reviewed the unaudited quarterly financial results with the management and thereafter recommended to the Board for approval, for announcement to Bursa Malaysia Securities Berhad.
- Reviewed the annual audited financial statements with the external auditors and the management.
- Reviewed the Group's related party transactions and recurrent related party transactions.

### (ii) External Audit

- Discussed and reviewed the audit plan, scope of work and proposed audit fee for the year under review with the external auditors.
- Reviewed the audit findings of the external auditors, focusing on the management's comment in response to the audits to ensure appropriate action is taken.
- The Audit Committee met twice with the external auditors without the presence of the Executive Directors and management staff to discuss any issues of concern arising from the annual statutory audit.
- Reviewed the performance and independence of the external auditors, considered and recommended to the Board for the re-appointment of Grant Thornton Malaysia PLT for the ensuing financial year.

### (iii) Internal Audit

- Reviewed and approved the internal audit plan for the financial year 2024 as tabled by the internal auditors.
- Reviewed the internal audit report from internal auditors and assessed their findings, recommendations together with the management's comments.
- Assessed the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.

**SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (Cont'd)****(iv) Reviewed the Related Party Transactions and Conflict of Interest ("COI")**

Reviewed procedures for identifying, monitoring, reporting, and reviewing related party transactions ("RPTs"), recurrent RPTs ("RRPTs") annually, and potential conflict-of-interest ("COI") situations. On a quarterly basis, the AC reviews RPTs that occurred within the Company and the Group during the financial year, including revenue and trading-related RRPTs. It also assessed potential COI situations.

The Audit Committee is satisfied that :-

- procedures are sufficient to ensure related party transactions are conducted at arm's length, on terms no more favourable to related parties than those available to the public, and not detrimental to minority shareholders;
- the Group has adequate procedures for timely and orderly identification, monitoring, tracking, and reporting of related party transactions and recurrent related party transactions;
- no COI situations arose, persisted, or may have arisen during the financial year that required resolution, elimination, or mitigation measures.

**(v) Other matter considered by committee**

- a) Reviewed the Audit Committee Report for inclusion in the Annual Report.
- b) Reviewed the Circular to Shareholders in relation to Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature.

**INTERNAL AUDIT FUNCTION**

The Group outsourced its internal audit function to an independent professional firm, namely JWC Consulting Sdn. Bhd. to assist the Audit Committee in discharging their responsibilities and duties.

The internal audit function is primarily responsible to undertake regular and systematic reviews of the business units, processes and procedures so as to provide reasonable assurance that the system of internal control continues to operate adequately and effectively.

The Audit Committee approved the internal audit plan proposed by the internal auditors before the commencement of audit. The internal audit plan is derived based on the risk-based assessment of all units and operations of the Group. The internal audit reports highlight any deficiencies of findings which were discussed with the management and relevant action plans agreed to be implemented. Significant findings are presented in the Audit Committee Meetings for consideration and reported to the Board. An audit review is also conducted to determine whether the recommendations made by internal auditor are implemented.

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

The total costs of the internal audit function incurred for the financial year ended 30 June 2024 amounted to RM14,000.

The Board recognises that the internal controls systems, however well-designed, can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.



# DIRECTORS' REPORT

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended **30 June 2024**.

## PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year	<u>(44,342,061)</u>	<u>(39,996,450)</u>
Attributable to:		
Owners of the Company	(36,538,064)	(39,996,450)
Non-controlling interests	<u>(7,803,997)</u>	<u>-</u>
	<u>(44,342,061)</u>	<u>(39,996,450)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **30 June 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature except for the following items which have been charged to profit or loss for the financial year:

	GROUP RM	COMPANY RM
Allowance for expected credit losses on:		
- trade receivables	45,617,271	-
- amount due from a subsidiary	-	43,896,282
Impairment loss on (Note 24):		
- goodwill on consolidation	7,200,000	-
- investment in subsidiaries	<u>-</u>	<u>5,854,642</u>

## DIVIDENDS

The Company is not in a position to pay any dividend in view of the current year loss and the accumulated losses as at the end of the reporting period.

## RESERVES AND PROVISIONS

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



## SHARE CAPITAL AND DEBENTURE

During the financial year, the Company increased its issued and fully paid-up ordinary share capital by way of issuance of 726,600 new ordinary shares pursuant to the Employees' Share Scheme ("ESS"). The related fair value of the ESS amounting to RM163,485 was transferred from the ESS reserve to share capital upon vesting of ESS.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

## WARRANTS B 2021/2024

During the financial year, no Warrants B 2021/2024 ("Warrants") were exercised. As at 30 June 2024, there was a total of 346,101,878 unexercised warrants.

The salient terms of the Warrants are disclosed in Note 34 to the financial statements.

Details of Warrants issued to directors are disclosed in the Directors' Interests In Shares section of this report.

## EMPLOYEES' SHARE SCHEME ("ESS")

The Company's ESS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 19 May 2021. The ESS comprises of ESS options and ESS shares for eligible directors and employees of the Group and will be in force for a period of five (5) years commencing from 16 July 2021 and will expire on 15 July 2026.

The movement of ESS options and ESS shares during the financial year are as follows:

Grant date	Exercise price RM	Number of ESS options				
		Balance at 1.7.2023	Granted	Exercised	Lapsed	Balance at 30.6.2024
27.7.2021	0.225	42,754,900	-	-	(1,587,000)	41,167,900

Grant date	Number of ESS shares				
	Balance at 1.7.2023	Granted	Vested	Lapsed	Balance at 30.6.2024
27.7.2021	1,479,800	-	(726,600)	(146,800)	606,400

The salient features of the ESS are disclosed in Note 33 to the financial statements.

Details of ESS options granted to directors are disclosed in the Directors' Interests In Shares section of this report.

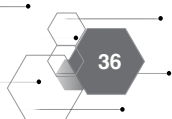
## DIRECTORS

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

### Directors of the Company:

**Lee Min Huat \***  
**Lim Chiow Hoo \***  
**Lim Ee Tatt \***  
**Law Kim Fatt**  
**Yau Khai Ling**  
**Ong Lai Choon (appointed on 11.3.2024) \***  
**Chen, Kun-Huei (appointed on 21.10.2024)**  
**Hsu, Ching-Chen (resigned on 15.5.2024)**  
**Yap Ee Seong (resigned on 1.10.2024)**

\* Directors of the Company and certain subsidiaries.



# DIRECTORS' REPORT

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

## DIRECTORS (Cont'd)

### Directors of the Subsidiaries:

Han Siew King  
Tan Eng Siang  
Lee Yung Ming

## DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares, Warrants and ESS of the Company and of its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.7.2023/ Date of appointment	Bought	(Sold)	Balance at 30.6.2024

### The Company

#### Direct Interest:

Lee Min Huat	92,098,800	-	-	92,098,000
Lim Chiow Hoo	70,113,100	3,000,000	-	73,113,100
Lim Ee Tatt	4,519,500	-	-	4,519,500
Ong Lai Choon	3,128,100 <sup>(i)</sup>	-	(1,205,000)	1,923,100

#### Deemed Interest:

Lim Ee Tatt <sup>(ii)</sup>	98,412,600	-	-	98,412,600
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	Number of Warrants			
	Balance at 1.7.2023/ Date of appointment	Bought	(Sold)	Balance at 30.6.2024

### The Company

#### Direct Interest:

Lim Chiow Hoo	14,118,930	-	-	14,118,930
Lee Min Huat	27,629,640	-	-	27,629,640
Lim Ee Tatt	1,355,850	-	-	1,355,850
Ong Lai Choon	451,510 <sup>(i)</sup>	-	-	451,510

#### Deemed Interest:

Lim Ee Tatt <sup>(ii)</sup>	29,523,780	-	-	29,523,780
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**DIRECTORS' INTERESTS IN SHARES (Cont'd)**

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares, Warrants and ESS of the Company and of its related corporations during the financial year are as follows: (Cont'd)

	Number of ESS options			
	Balance at 1.7.2023/ Date of appointment	Granted	Exercised	Balance at 30.6.2024
<b>The Company</b>				
<b>Direct Interest:</b>				
Lee Min Huat	10,000,000	-	-	10,000,000
Lim Chiow Hoo	10,000,000	-	-	10,000,000
Ong Lai Choon	4,333,400 <sup>(i)</sup>	-	-	4,333,400

<sup>(i)</sup> At date of appointment.

<sup>(ii)</sup> Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Wah Len Enterprise Sdn. Bhd.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in the ordinary shares in the Company or its related corporation during the financial year.

**DIRECTORS' REMUNERATION AND BENEFITS**

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

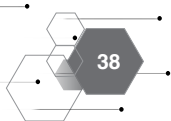
	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	215,000	560,000	775,000
Salaries, bonus and allowances	14,500	1,502,104	1,516,604
Defined contribution plan	-	239,690	239,690
Equity-settled share-based payment	-	209,166	209,166
	<b>229,500</b>	<b>2,510,960</b>	<b>2,740,460</b>

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the ESS options pursuant to the ESS.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interests, other than those related party transactions disclosed in the notes to the financial statements.

**INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS**

No indemnity has been given to or insurance effected for any of the directors and officers of the Group and of the Company during the financial year.



# DIRECTORS' REPORT

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

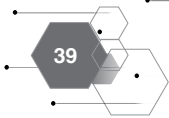
- (i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which would render any amount stated in the financial statements of the Group and of the Company misleading; or
- (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.



AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 30 June 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	113,000	49,000
Assurance related and non-audit services	9,000	3,000
Total	122,000	52,000

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

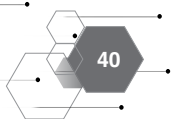
Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....  
**Lee Min Huat**

.....  
**Lim Chiow Hoo**

**Penang,**

**Date: 25 October 2024**



## DIRECTORS' STATEMENT

SCOPE INDUSTRIES BERHAD

In the opinion of the directors, the financial statements set out on pages 45 to 98 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 June 2024** and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....  
**Lee Min Huat**

.....  
**Lim Chiow Hoo**

**Date: 25 October 2024**

## STATUTORY DECLARATION

I, **Lee Min Huat**, the director primarily responsible for the financial management of **Scope Industries Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 45 to 98 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by           )  
the abovenamed at Penang, this **25th**        )  
day of **October 2024**.                                )

.....  
**Lee Min Huat**

**Before me,**

.....  
**Liew Juan Leng**  
**No. P162**  
**Commissioner for Oaths**



## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Scope Industries Berhad**, which comprise the statements of financial position as at **30 June 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 45 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 June 2024**, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

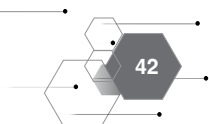
### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b>Impairment assessment of goodwill</b> (Note 6 to the financial statements)</p> <p>As at the reporting date, the Group has goodwill amounting to RM4.54 million which has been allocated to its plantation operation as the cash-generating unit ("CGU").</p> <p>The management is required to perform annual impairment assessment for the goodwill arising from consolidation. We focus on this area as management's assessment of the value in use of the CGU involves estimation uncertainty and judgements about the future results of the business and key assumptions applied to future cash flows projection.</p> <p>For the financial year ended 30 June 2024, management has recognised an impairment loss on goodwill on consolidation amounting to RM7.20 million which was in relation to the CGU of Pioneer Glow Sdn. Bhd.</p>	<p>Our audit procedures in relation to the impairment assessment on goodwill included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the model used in determining the value in use of the CGU as well as assessed the discount rate used;</li> <li>• Assessed the reasonableness of key assumptions based on our knowledge of the business and industry;</li> <li>• Compared actual performance of the CGU to assumptions applied in prior years model and assessed the accuracy of management's estimates;</li> <li>• Performed sensitivity analysis on the key assumptions inputted to the model and assessed the impact on the overall carrying amount of goodwill with the alterations to the key assumptions; and</li> <li>• Assessed the adequacy of disclosures in the financial statements.</li> </ul>



# INDEPENDENT AUDITORS' REPORT

to the members of Scope Industries Berhad

SCOPE INDUSTRIES BERHAD

## Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Impairment of trade receivables</b> (Note 11 to the financial statements)  The Group has significant trade receivables as at 30 June 2024 which include certain amounts that are long outstanding and these are subject to credit risk exposure.  We focus on this area as the assessment of expected credit losses of trade receivables involves management's judgement and estimation uncertainty in determining the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.	<p>Our audit procedures in relation to the impairment of trade receivables included, amongst others, the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of:<ul style="list-style-type: none"><li>- the Group's control over the trade receivables' collection process;</li><li>- the process of identifying and assessing impairment of trade receivables; and</li><li>- the basis of how the Group makes the accounting estimates for impairment of trade receivables;</li></ul></li><li>• Reviewed the application of the Group's policy for calculating expected credit losses and whether it complies with MFRS 9;</li><li>• Reviewed the ageing of trade receivables and tested the reliability thereof;</li><li>• Reviewed subsequent collections for major customers and overdue amounts;</li><li>• Made inquiries of management regarding the action plans to recover overdue balances;</li><li>• Examined other evidence including customer correspondences; and</li><li>• Assessed the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.</li></ul>

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

## Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

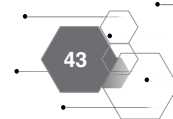
In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

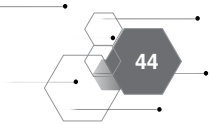
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.



# INDEPENDENT AUDITORS' REPORT

to the members of Scope Industries Berhad

SCOPE INDUSTRIES BERHAD

## Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Grant Thornton Malaysia PLT**  
**AF: 0737**  
**201906003682 (LLP0022494-LCA)**  
**Chartered Accountant**

**Penang**

**Date: 25 October 2024**

**Teh Khang Xuen**  
**No. 03805/12/2025 J**  
**Chartered Accountant**

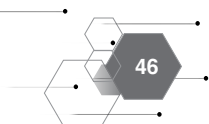
# STATEMENT OF FINANCIAL POSITION

as at 30 June 2024



		GROUP		COMPANY	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	65,848,554	67,247,775	-	-
Right-of-use assets	4	65,712,423	67,322,667	-	-
Investment in subsidiaries	5	-	-	71,137,531	76,656,272
Goodwill on consolidation	6	4,536,954	11,736,954	-	-
Deferred tax assets	7	1,900,000	-	-	-
Amount due from subsidiaries	8	-	-	12,992,863	25,250,280
		137,997,931	146,307,396	84,130,394	101,906,552
Current assets					
Inventories	9	1,314,600	1,450,229	-	-
Biological assets	10	435,541	377,499	-	-
Trade receivables	11	8,824,729	47,083,369	-	-
Other receivables, deposits and prepayments	12	517,503	670,673	-	-
Amount due from subsidiaries	8	-	-	44,416,668	71,719,591
Other investment	13	265,190	193,190	265,190	193,190
Current tax assets		188,754	333,411	112,171	82,294
Cash and cash equivalents	14	31,487,751	30,516,237	30,383,011	27,698,845
		43,034,068	80,624,608	75,177,040	99,693,920
TOTAL ASSETS		181,031,999	226,932,004	159,307,434	201,600,472
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	192,151,994	191,988,509	192,151,994	191,988,509
Other reserves	16	34,857,672	34,377,668	2,435,263	2,262,847
(Accumulated losses)/ Retained profits		(65,038,298)	(28,500,234)	(35,568,947)	4,427,503
		161,971,368	197,865,943	159,018,310	198,678,859
Non-controlling interests		1,821,940	9,983,225	-	-
Total equity		163,793,308	207,849,168	159,018,310	198,678,859

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



# STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

SCOPE INDUSTRIES BERHAD

	Note	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current liabilities</b>					
Lease liability	4	-	232,788	-	-
Deferred tax liabilities	7	<b>12,856,344</b>	13,621,529	-	311,737
		<b>12,856,344</b>	13,854,317	-	311,737
<b>Current liabilities</b>					
Trade payables	17	<b>1,028,119</b>	649,072	-	-
Other payables and accruals	18	<b>3,265,659</b>	4,147,016	<b>289,124</b>	240,496
Amount due to a subsidiary	8	-	-	-	2,369,380
Borrowing	19	-	71,127	-	-
Lease liability	4	-	240,014	-	-
Current tax liabilities		<b>88,569</b>	121,290	-	-
		<b>4,382,347</b>	5,228,519	<b>289,124</b>	2,609,876
<b>Total liabilities</b>		<b>17,238,691</b>	19,082,836	<b>289,124</b>	2,921,613
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>181,031,999</b>	226,932,004	<b>159,307,434</b>	201,600,472

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

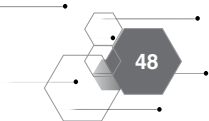
# STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2024



	Note	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	20	157,828,042	172,795,683	4,708,700	1,334,070
Cost of sales		(146,727,720)	(163,090,822)	-	-
<b>Gross profit</b>		<b>11,100,322</b>	<b>9,704,861</b>	<b>4,708,700</b>	<b>1,334,070</b>
Other income	21	803,469	1,351,562	2,817,944	4,597,282
Administrative expenses		(6,604,416)	(7,485,502)	(465,636)	(555,451)
Other operating expenses		(7,200,000)	(2,828,842)	(5,854,642)	-
Allowance for expected credit losses on:					
- trade receivables		(45,617,271)	-	-	-
- amount due from a subsidiary		-	-	(43,896,282)	-
<b>Operating (loss)/profit</b>		<b>(47,517,896)</b>	<b>742,079</b>	<b>(42,689,916)</b>	<b>5,375,901</b>
Finance income	22	1,045,124	1,027,484	2,387,600	2,295,489
Finance costs	23	(5,095)	(53,639)	-	-
<b>(Loss)/Profit before tax</b>	24	<b>(46,477,867)</b>	<b>1,715,924</b>	<b>(40,302,316)</b>	<b>7,671,390</b>
Taxation	25	2,135,806	(370,754)	305,866	(301,889)
<b>(Loss)/Profit for the financial year</b>		<b>(44,342,061)</b>	<b>1,345,170</b>	<b>(39,996,450)</b>	<b>7,369,501</b>
<b>Total other comprehensive income, net of tax:</b>					
<b>Item that will be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operation		250,300	2,288,376	-	-
<b>Total comprehensive (loss)/income for the financial year</b>		<b>(44,091,761)</b>	<b>3,633,546</b>	<b>(39,996,450)</b>	<b>7,369,501</b>

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



# STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

		GROUP		COMPANY	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		<b>(36,538,064)</b>	824,275	<b>(39,996,450)</b>	7,369,501
Non-controlling interests		<b>(7,803,997)</b>	520,895	-	-
		<b><u>(44,342,061)</u></b>	<u>1,345,170</u>	<b><u>(39,996,450)</u></b>	<u>7,369,501</u>
<b>Total comprehensive (loss)/ income attributable to:</b>					
Owners of the Company		<b>(36,230,476)</b>	3,115,246	<b>(39,996,450)</b>	7,369,501
Non-controlling interests		<b>(7,861,285)</b>	518,300	-	-
		<b><u>(44,091,761)</u></b>	<u>3,633,546</u>	<b><u>(39,996,450)</u></b>	<u>7,369,501</u>
<b>(Loss)/Earnings per share attributable to owners of the Company (sen)</b>					
- Basic/Diluted	26	<b>(3.17)</b>	0.07		

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

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the financial year ended 30 June 2024

	Attributable to Owners of the Company						Total Equity RM
	Share Capital RM	Capital Reserve RM	Non-distributable		Accumulated Losses RM	Non- controlling Interests RM	
				Foreign Currency Translation Reserve RM			ESS Reserve RM
2024							
Balance at beginning	191,988,509	28,002,381	4,112,440	2,262,847	(28,500,234)	9,983,225	207,849,168
Total comprehensive loss for the financial year	-	-	307,588	-	(36,538,064)	(7,861,285)	(44,091,761)
Transaction with owners of the Company:							
Issuance of shares pursuant to ESS	15/16	163,485	-	-	(163,485)	-	-
Recognition of equity-settled share-based payment	16	-	-	-	335,901	-	335,901
Dividend paid to non-controlling interest		-	-	-	-	(300,000)	(300,000)
Total transactions with owners		163,485	-	-	172,416	-	35,901
Balance at end		192,151,994	28,002,381	4,420,028	2,435,263	(65,038,298)	163,793,308

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

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

Attributable to Owners of the Company							
		Non-distributable			Non-controlling Interests		
	Share Capital RM	Capital Reserve RM	Foreign Currency Translation Reserve RM	ESS Reserve RM	Accumulated Losses RM	Total RM	Total Equity RM
2023							
Balance at beginning	191,988,509	28,002,381	1,821,469	1,417,226	(29,482,023)	193,747,562	204,267,397
Total comprehensive income for the financial year	-	-	2,290,971	-	824,275	3,115,246	3,633,546
Transaction with owners of the Company:							
Effects of change in shareholding	5	-	-	-	157,514	157,514	(13,316)
Recognition of equity-settled share-based payment	16	-	-	845,621	-	845,621	845,621
Dividend paid to non-controlling interest	-	-	-	-	-	-	(884,080)
Total transactions with owners	-	-	-	845,621	157,514	1,003,135	(51,775)
Balance at end	191,988,509	28,002,381	4,112,440	2,262,847	(28,500,234)	197,865,943	207,849,168

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

# STATEMENT OF CHANGE IN EQUITY

for the financial year ended 30 June 2024



		Non-distributable		(Accumulated Losses)/ Retained Profits RM	Total Equity RM
	Note	Share Capital RM	ESS Reserve RM		
<b>2024</b>					
Balance at beginning		191,988,509	2,262,847	4,427,503	198,678,859
Total comprehensive loss for the financial year		-	-	(39,996,450)	(39,996,450)
<i>Transaction with owners of the Company:</i>					
Issuance of shares pursuant to ESS	15/16	163,485	(163,485)	-	-
Recognition of equity-settled share-based payment	16	-	335,901	-	335,901
Total transactions with owners		163,485	172,416	-	335,901
Balance at end		192,151,994	2,435,263	(35,568,947)	159,018,310
<b>2023</b>					
Balance at beginning		191,988,509	1,417,226	(2,941,998)	190,463,737
Total comprehensive income for the financial year		-	-	7,369,501	7,369,501
<i>Transaction with owners of the Company:</i>					
Recognition of equity-settled share-based payment	16	-	845,621	-	845,621
Balance at end		191,988,509	2,262,847	4,427,503	198,678,859

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

# STATEMENT OF CASH FLOW

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	<b>(46,477,867)</b>	1,715,924	<b>(40,302,316)</b>	7,671,390
Adjustments for:				
Accretion of interest on lease liability	<b>3,868</b>	12,222	-	-
Allowance for expected credit losses on:				
- trade receivables	<b>45,617,271</b>	-	-	-
- amount due from a subsidiary	-	-	<b>43,896,282</b>	-
Depreciation of:				
- property, plant and equipment	<b>6,453,715</b>	6,375,946	-	-
- right-of-use assets	<b>1,436,383</b>	1,360,006	-	-
Dividend income	<b>(8,700)</b>	(7,950)	<b>(4,708,700)</b>	(1,334,070)
Equity-settled share-based payment	<b>335,901</b>	845,621	-	-
Fair value (gain)/loss on biological assets	<b>(58,042)</b>	28,689	-	-
Fair value (gain)/loss on quoted equity instruments	<b>(72,000)</b>	5,700	<b>(72,000)</b>	5,700
Gain on derecognition of right-of-use assets and lease liability	<b>(23,299)</b>	-	-	-
Gain on disposal of property, plant and equipment	<b>(10,682)</b>	(3,006)	-	-
Impairment loss on:				
- goodwill on consolidation	<b>7,200,000</b>	2,828,842	-	-
- investment in subsidiaries	-	-	<b>5,854,642</b>	-
Interest expenses	<b>1,227</b>	41,417	-	-
Interest income	<b>(1,045,124)</b>	(1,027,484)	<b>(2,387,600)</b>	(2,295,489)
Inventories written down:				
- addition	<b>154,555</b>	-	-	-
- reversal	<b>(930)</b>	(454)	-	-
Inventories written off	<b>72,244</b>	2,155	-	-
Property, plant and equipment written off	<b>134,160</b>	35,068	-	-
Unrealised loss/(gain) on foreign exchange	<b>38,755</b>	89,040	<b>(537,111)</b>	(2,227,030)
Unwinding of discount on amount due from a subsidiary	-	-	<b>(2,208,833)</b>	(2,083,805)
Operating profit/(loss) before working capital changes	<b>13,751,435</b>	12,301,736	<b>(465,636)</b>	(263,304)
Net changes in:				
Inventories	<b>(90,240)</b>	591,478	-	-
Receivables	<b>(7,205,461)</b>	343,613	-	-
Payables	<b>(502,310)</b>	(8,612,304)	<b>48,628</b>	(42,882)
Cash generated from/(used in) operations	<b>5,953,424</b>	4,624,523	<b>(417,008)</b>	(306,186)
Income tax paid	<b>(491,177)</b>	(849,640)	<b>(35,748)</b>	(67,320)
Income tax refunded	<b>73,734</b>	108,012	-	-
Interest paid	<b>(1,227)</b>	(41,417)	-	-
Net cash from/(used in) operating activities	<b>5,534,754</b>	3,841,478	<b>(452,756)</b>	(373,506)

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

# STATEMENT OF CASH FLOW

for the financial year ended 30 June 2024



		GROUP		COMPANY	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment in a subsidiary		-	-	-	(10)
Acquisition of non-controlling interest of a subsidiary		-	(13,316)	-	(13,316)
Acquisition of right-of-use assets		(175,810)	(4,052,221)	-	-
Acquisition of property, plant and equipment		(5,188,656)	(19,904,646)	-	-
Dividend received from quoted equity instruments		8,700	7,950	8,700	7,950
Dividend received from a subsidiary		-	-	4,700,000	1,326,120
Interest received		1,045,124	1,027,484	1,014,183	996,585
Proceeds from disposal of property, plant and equipment		10,684	6,400	-	-
Net cash (used in)/from investing activities		(4,299,958)	(22,928,349)	5,722,883	2,317,329
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid to non-controlling interest		(300,000)	(884,080)	-	-
Net changes in subsidiaries’ balances		-	-	(2,585,961)	(15,948,576)
Repayment of finance lease liability	A	(71,127)	(1,565,826)	-	-
Payment of lease liability	A	(103,809)	(144,460)	-	-
Net cash used in financing activities		(474,936)	(2,594,366)	(2,585,961)	(15,948,576)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
		759,860	(21,681,237)	2,684,166	(14,004,753)
Effects of foreign currency translation differences for foreign operations		250,300	2,288,376	-	-
Effects of foreign exchange rate changes		(38,646)	(173,472)	-	(229,303)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>					
		30,516,237	50,082,570	27,698,845	41,932,901
<b>CASH AND CASH EQUIVALENTS AT END</b>					
		31,487,751	30,516,237	30,383,011	27,698,845
<b>The cash and cash equivalents are represented by:</b>					
Short-term fund with a licensed financial institution		29,328,390	27,419,577	29,328,390	27,419,577
Cash and bank balances		2,159,361	3,096,660	1,054,621	279,268
		31,487,751	30,516,237	30,383,011	27,698,845

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

# STATEMENT OF CASH FLOW

for the financial year ended 30 June 2024

SCOPE INDUSTRIES BERHAD

## A. Reconciliation of liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Others <sup>1</sup> RM	Balance at end RM
<b>GROUP</b>				
<b>2024</b>				
Finance lease liability	71,127	(71,127)	-	-
Lease liability	472,802	(103,809)	(368,993)	-
	<u>543,929</u>	<u>(174,936)</u>	<u>(368,993)</u>	<u>-</u>
<b>2023</b>				
Finance lease liability	1,636,953	(1,565,826)	-	71,127
Lease liability	651,449	(144,460)	(34,187)	472,802
	<u>2,288,402</u>	<u>(1,710,286)</u>	<u>(34,187)</u>	<u>543,929</u>

<sup>1</sup> Others consist of non-cash items represented by:

	<b>GROUP</b>	
	2024 RM	2023 RM
Accretion of interest on lease liability	3,868	12,222
Derecognition of lease liability	(375,183)	-
Foreign currency translation	2,322	(46,409)
	<u>(368,993)</u>	<u>(34,187)</u>

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



## 1. CORPORATE INFORMATION

### General

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 16.06, MWE Plaza, No. 8 Lebh Farquhar, 10200 George Town, Pulau Pinang.

The principal place of business of the Company is located at Lot 6181, Jalan Perusahaan 2, Kawasan Perindustrian Parit Buntar, 34200 Parit Buntar, Perak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 October 2024.

### Principal Activities

The principal activity of the Company consists of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for other investment and biological assets that are measured at fair values.

### 2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

### 2.4 Adoption of New Standard/Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following new standard/amendments to MFRSs that are mandatory for the current financial year:

#### Effective for annual periods beginning on or after 1 January 2023

*MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*

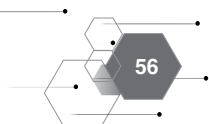
*Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information*

*Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

*Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

*Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules*



# NOTES TO THE FINANCIAL STATEMENT

30 June 2024

SCOPE INDUSTRIES BERHAD

## 2. BASIS OF PREPARATION (Cont'd)

### 2.4 Adoption of New Standard/Amendments to MFRSs (Cont'd)

Initial application of the above new standard/amendments to MFRSs did not have material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in *MFRS 101* with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in *MFRS 101* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in *MFRS Practice Statement 2*.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's financial statements.

### 2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and the Company:

#### **Effective for annual periods beginning on or after 1 January 2024**

*Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback*

*Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants*

*Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements*

#### **Effective for annual period beginning on or after 1 January 2025**

*Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*

#### **Effective for annual period beginning on or after 1 January 2026**

*Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*

*Annual Improvements to MFRS Accounting Standards - Volume 11*

#### **Effective for annual period beginning on or after 1 January 2027**

*MFRS 18 Presentation and Disclosure in Financial Statements*

*MFRS 19 Subsidiaries without Public Accountability: Disclosure*

#### **Effective date yet to be confirmed**

*Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the above new standard/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

*MFRS 18* introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.



## 2. BASIS OF PREPARATION (Cont'd)

### 2.6. Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 2.6.1 Judgement made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

#### 2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profit will be available against which those deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 7 to the financial statements.

##### (ii) Useful lives of depreciable assets

###### Plant and machinery

Plant and machinery are depreciated on a straight-line basis over their estimated useful lives. Management estimates that the useful lives of the plant and machinery to be between 8 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and machinery. Therefore, the future depreciation charges could be revised.

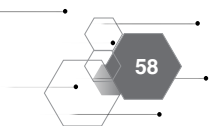
The carrying amount and depreciation charges of plant and machinery is disclosed in Note 3 to the financial statements.

###### Bearer plants

The costs of bearer plants are amortised on a straight-line basis over the assets' estimated economic useful lives of 20 to 25 years. The useful lives are within the commercial life span of oil palms.

Changes in the conditions of the bearer plants could impact the productivity of the produce which could ultimately impact the economic useful lives and residual value of the bearer plants. Therefore, the future amortisation charges could be revised.

The carrying amount and depreciation charges of bearer plants is disclosed in Note 3 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENT

30 June 2024

SCOPE INDUSTRIES BERHAD

## 2. BASIS OF PREPARATION (Cont'd)

### 2.6. Significant Accounting Estimates and Judgements (Cont'd)

#### 2.6.2 Key sources of estimation uncertainty (Cont'd)

##### (iii) Impairment of plant and equipment and bearer plants

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of the plant and machinery and bearer plants does not exceed their recoverable amounts. The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

The carrying amount of plant and equipment and bearer plants is disclosed in Note 3 to the financial statements. No impairment losses are provided for plant and equipment and bearer plants during the financial year.

##### (iv) Impairment of investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the higher of value in use or fair value less cost to sell as at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM5,854,642** (2023: RM Nil) is recognised in profit or loss to write down the subsidiaries to their recoverable amount.

An assessment is also made at each end of the reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

##### (v) Impairment of goodwill relating to oil palm plantation

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management assess the higher of the fair value less costs to sell and value in use. The value in use is determined by estimating expected future cash flows from each cash-generating unit using a suitable discount rate in order to calculate the present value of those cash flows. During the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

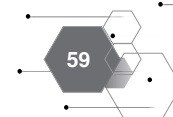
In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Details of the carrying value, key assumptions applied in the impairment assessment and sensitivity analysis to changes in the assumptions are disclosed in Note 6 to the financial statements.

##### (vi) Inventories

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 9 to the financial statements.



## 2. BASIS OF PREPARATION (Cont'd)

### 2.6. Significant Accounting Estimates and Judgements (Cont'd)

#### 2.6.2 Key sources of estimation uncertainty (Cont'd)

##### (vii) Fair value of biological assets

Biological assets comprise of fresh fruit bunches ("FFB") prior to harvest. The fair value of the biological assets is measured at present value of the net cash flows expected to be generated from the sale of FFB.

Management considered the oil content of the unripe FFB and derived the assumption that only unripe FFB on bearer plants which are within 15 days of harvest will only be used for valuation purposes as the net cash flow to be generated from unripe FFB over 15 days to harvest is negligible.

The fair value measurement of the produce growing on bearer plants is determined by using the market approach, which takes into consideration the market price of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting and transport cost.

The carrying amount of the Group's biological assets are disclosed in Note 10 to the financial statements.

##### (viii) Provision for expected credit loss ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

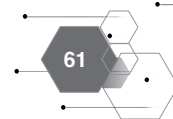
The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 30.3.1 to the financial statements.

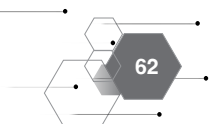
## 3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Buildings RM	Bearer plants RM	Plant and machinery RM	Renovation and electrical installation RM	Office equipment, furniture and fittings RM	Solar photovoltaic ("PV") system RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
<b>2024</b>										
<b>At cost</b>										
Balance at beginning	5,772,865	17,970,163	16,455,625	49,491,425	2,264,935	8,230,582	1,813,844	4,157,160	16,905,577	123,062,176
Additions	-	18,400	13,510	2,331,828	18,335	501,648	1,165,000	29,800	1,110,135	5,188,656
Disposal	-	-	-	-	-	-	-	(356,000)	-	(356,000)
Written offs	-	-	(130,189)	(58,650)	-	(1,280,353)	-	-	-	(1,469,192)
Reclassification	-	-	-	-	-	(1,511,788)	-	-	1,511,788	-
Balance at end	5,772,865	17,988,563	16,338,946	51,764,603	2,283,270	5,940,089	2,978,844	3,830,960	19,527,500	126,425,640
<b>Accumulated depreciation</b>										
Balance at beginning	-	7,410,177	10,629,921	28,909,798	1,334,006	4,129,219	196,499	3,204,781	-	55,814,401
Current charge	-	604,533	740,139	4,218,566	132,457	446,016	191,093	120,911	-	6,453,715
Disposal	-	-	-	-	-	-	-	(355,998)	-	(355,998)
Written offs	-	-	-	(56,141)	-	(1,278,891)	-	-	-	(1,335,032)
Balance at end	-	8,014,710	11,370,060	33,072,223	1,466,463	3,296,344	387,592	2,969,694	-	60,577,086
<b>Carrying amount</b>	5,772,865	9,973,853	4,968,886	18,692,380	816,807	2,643,745	2,591,252	861,266	19,527,500	65,848,554



## 3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land RM	Buildings RM	Bearer plants RM	Plant and machinery RM	Renovation and electrical installation RM	Office equipment, furniture and fittings RM	Solar PV system RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
2023										
At cost										
Balance at beginning	-	17,956,746	16,061,042	40,361,013	1,991,377	7,382,974	1,813,844	3,615,991	14,609,619	103,792,606
Additions	5,772,865	13,417	394,583	9,540,209	273,558	892,857	-	721,199	2,295,958	19,904,646
Disposals	-	-	-	(367,000)	-	-	-	(33,915)	-	(400,915)
Written offs	-	-	-	(42,797)	-	(45,249)	-	(146,115)	-	(234,161)
Balance at end	5,772,865	17,970,163	16,455,625	49,491,425	2,264,935	8,230,582	1,813,844	4,157,160	16,905,577	123,062,176
Accumulated depreciation										
Balance at beginning	-	6,952,119	9,874,127	24,974,799	1,205,493	3,730,035	15,115	3,283,381	-	50,035,069
Current charge	-	458,058	755,794	4,315,483	128,513	440,643	181,384	96,071	-	6,375,946
Disposals	-	-	-	(366,997)	-	-	-	(30,524)	-	(397,521)
Written offs	-	-	-	(13,487)	-	(41,459)	-	(144,147)	-	(199,093)
Balance at end	-	7,410,177	10,629,921	28,909,798	1,334,006	4,129,219	196,499	3,204,781	-	55,814,401
Carrying amount	5,772,865	10,559,986	5,825,704	20,581,627	930,929	4,101,363	1,617,345	952,379	16,905,577	67,247,775



# NOTES TO THE FINANCIAL STATEMENT

30 June 2024

SCOPE INDUSTRIES BERHAD

## 3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The carrying amount of plant and machinery amounting to **RM Nil** (2023: RM418,979) which are pledged to a licensed bank as securities for finance lease liability as disclosed in Note 19 to the financial statements.

In prior financial year, a wholly-owned subsidiary of the Company, Scope Realty Sdn. Bhd., has entered into Sales and Purchases Agreement with third parties to acquire four pieces of freehold land amounting to RM5,517,392. The acquisition has been completed in the prior financial year.

### Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over the shorter of the lease term and the estimated useful life, at the following annual rates:

Buildings	Over the lease period of 10 to 26 years
Bearer plants	4% - 5%
Plant and machinery	10% - 12.5%
Renovation and electrical installation	10%
Office equipment, furniture and fittings	10%
Solar PV system	10%
Motor vehicles	10% - 20%

Freehold land is not depreciated as it has an infinite useful life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

## 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

### Group as a lessee

The Group recognised prepaid land lease payment and leasehold land as right-of-use assets with lease period of 16 years and 37 to 87 years respectively.

The Group has lease contracts for the rental of office premises used in its operations. The lease term is for a period of 2 years with the option to extend the lease for another 1 year. The lease contract restricted the Group from assigning and subleasing the leased asset.

The Group also has certain leases of hostel, warehouse and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

**4. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (Cont'd)**

Set out below are the carrying amounts of right-of-use assets and lease liability recognised and their movements during the financial year:

**Right-of-use assets**

	Prepaid land lease payment RM	Leasehold land RM	Office premises RM	Total RM
<b>GROUP</b>				
<b>2024</b>				
<b>At cost</b>				
Balance at beginning	1,690,000	76,065,107	700,753	78,455,860
Addition	-	175,810	-	175,810
Derecognition	-	-	(704,195)	(704,195)
Foreign currency translation	-	-	3,442	3,442
Balance at end	1,690,000	76,240,917	-	77,930,917
<b>Accumulated depreciation</b>				
Balance at beginning	502,000	10,381,028	250,165	11,133,193
Current charge	54,000	1,281,466	100,917	1,436,383
Derecognition	-	-	(352,311)	(352,311)
Foreign currency translation	-	-	1,229	1,229
Balance at end	556,000	11,662,494	-	12,218,494
<b>Carrying amount</b>	<b>1,134,000</b>	<b>64,578,423</b>	<b>-</b>	<b>65,712,423</b>
<b>2023</b>				
<b>At cost</b>				
Balance at beginning	1,690,000	72,012,886	662,144	74,365,030
Additions	-	4,052,221	-	4,052,221
Foreign currency translation	-	-	38,609	38,609
Balance at end	1,690,000	76,065,107	700,753	78,455,860
<b>Accumulated depreciation</b>				
Balance at beginning	448,000	9,305,248	11,038	9,764,286
Current charge	54,000	1,075,780	230,226	1,360,006
Foreign currency translation	-	-	8,901	8,901
Balance at end	502,000	10,381,028	250,165	11,133,193
<b>Carrying amount</b>	<b>1,188,000</b>	<b>65,684,079</b>	<b>450,588</b>	<b>67,322,667</b>

In prior financial year, a wholly-owned subsidiary of the Company, Scope Manufacturers (M) Sdn. Bhd., has entered into a Sale and Purchase Agreement with a third party to acquire a piece of leasehold industrial land amounting to RM4,052,221. The acquisition has been completed in the prior financial year.

# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

## 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (Cont'd)

Set out below are the carrying amounts of right-of-use assets and lease liability recognised and their movements during the financial year:

### Lease liability

	Office Premises	
	2024 RM	2023 RM
<b>GROUP</b>		
Balance at beginning	472,802	651,449
Accretion of interest	3,868	12,222
Payment	(103,809)	(144,460)
Derecognition	(375,183)	-
Foreign currency translation	2,322	(46,409)
Balance at end	-	472,802
Represented by:		
Non-current liabilities	-	232,788
Current liabilities	-	240,014
	-	472,802

The maturity analysis of lease liability is disclosed in Note 30.4 to the financial statements.

The following amounts are recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	3,868	12,222
Depreciation of right-of-use assets	1,436,383	1,360,006
Expense relating to lease of low-value assets	76,726	93,032
Expense relating to short-term leases	22,300	172,824
Gain on derecognition of right-of-use assets and lease liability	(23,299)	-
<b>Total amount recognised in profit or loss</b>	<b>1,515,978</b>	<b>1,638,084</b>

The Group's total cash outflows for lease is amounted to **RM202,835** (2023: RM410,316).



#### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (Cont'd)

##### Material accounting policy information

##### Right-of-use assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Prepaid land lease payment	Over the lease period of 16 to 83 years
Leasehold land	Over the lease period of 30 years
Office premises	Over the lease period of 3 years

The Group has elected not to recognise right-of-use assets and lease liability for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

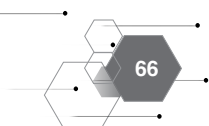
#### 5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
<b>Unquoted shares, at cost</b>		
Balance at beginning	76,656,272	75,797,325
Additions	-	13,326
Allocation of ESS expenses in respect of ESS shares and options granted to the employees of a subsidiary	335,901	845,621
Balance at end	76,992,173	76,656,272
Less: Accumulated impairment losses		
Current year/Balance at end	(5,854,642)	-
	<b>71,137,531</b>	<b>76,656,272</b>

The details of the subsidiaries, all of which were incorporated and principal place of business in Malaysia, except where indicated, are as follows:

Principal Activities	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
Scope Manufacturers (M) Sdn. Bhd. ("SMSB")	100	100	Manufacturing and assembling of electrical and electronic components and products.
Pioneer Glow Sdn. Bhd. ("PGSB")	70	70	Cultivation of oil palm.
Benua Mutiara Sdn. Bhd. ("BMSB")	100	100	Cultivation of oil palm.
* Scope Global Distributor Pte. Ltd. ("SGDPL") (Incorporated in Singapore)	80	80	Trading in electrical and electronic products.
Scope Realty Sdn. Bhd. ("SRSB")	100	100	Property investments and provision of dormitory accommodation and services.

\* Not audited by Grant Thornton Malaysia PLT.



# NOTES TO THE FINANCIAL STATEMENT

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## 5. INVESTMENT IN SUBSIDIARIES (Cont'd)

2024

### Impairment loss on investment in subsidiaries

The Company reviews the material investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the adjusted net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of **RM5,854,642** (2023: RM Nil) was recognised in respect of investment in SMSB and BMSB during the financial year.

2023

#### (i) Acquisition of a subsidiary

On 2 August 2022, the Company had incorporated a new subsidiary by the name of SRSB for a total cash consideration RM10.

#### (ii) Non-controlling interests ("NCI") in a subsidiary

On 23 February 2023, the Company acquired an additional 20% equity interest in SGDPL for a total cash consideration of RM13,316, increasing its ownership from 60% to 80%. The Group recognised a decrease in NCI of RM170,830 and an increase in accumulated losses of RM157,514.

The following summarises the effect of changes in the equity interest in SGDPL that is attributable to owners of the Company:

	RM
Equity interest as at 1 July 2022	933,535
Effects of increase in the Company's ownership interest	(170,830)
Dividend paid to NCI	(884,080)
Share of comprehensive income	358,413
Equity interest as at 30 June 2023	237,038

### Subsidiaries with material NCI

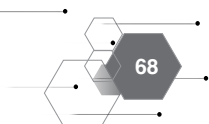
The details of the material NCI are as follows:

	PGSB	SGDPL	Total
2024			
Percentage of ownership interest and voting interest	30%	20%	
Carrying amount of NCI (RM)	10,558,244	(8,736,304)	1,821,940
Profit/(Loss) allocated to NCI (RM)	1,112,057	(8,916,054)	(7,803,997)
2023			
Percentage of ownership interest and voting interest	30%	20%	
Carrying amount of NCI (RM)	9,746,187	237,038	9,983,225
Profit allocated to NCI (RM)	159,887	361,008	520,895

**5. INVESTMENT IN SUBSIDIARIES (Cont'd)**

The summarised of financial information of material NCI presented below is the amount before inter-company elimination:

	PGSB RM	SGDPL RM
<b>2024</b>		
<b>Assets and liabilities</b>		
Non-current assets	42,639,718	-
Current assets	1,133,297	321,035
Non-current liabilities	(7,881,928)	-
Current liabilities	(696,940)	(44,002,569)
Net assets/(liabilities)	35,194,147	(43,681,534)
<b>Results</b>		
Revenue	7,710,607	109,016,330
Net profit/(loss) for the financial year	3,706,858	(44,580,271)
Total comprehensive income/(loss) for the financial year	3,706,858	(44,866,716)
<b>Cash flows</b>		
Net cash from operating activities	2,671,812	151,960
Net cash from investing activities	9,330	-
Net cash used in financing activities	(2,900,000)	(485,758)
Net changes in cash and cash equivalents	(218,858)	(333,798)
<b>Other information</b>		
Dividend paid to NCI	300,000	-
<b>2023</b>		
<b>Assets and liabilities</b>		
Non-current assets	42,099,431	450,588
Current assets	1,370,568	43,410,433
Non-current liabilities	(7,979,688)	(232,788)
Current liabilities	(3,003,022)	(42,443,051)
Net assets	32,487,289	1,185,182
<b>Results</b>		
Revenue	7,571,286	120,355,849
Net profit for the financial year	532,955	1,074,518
Total comprehensive income for the financial year	532,955	1,061,544
<b>Cash flows</b>		
Net cash from/(used in) operating activities	2,199,152	(5,497,139)
Net cash used in investing activities	(21,405)	-
Net cash (used in)/from financing activities	(2,106,576)	120,010
Net changes in cash and cash equivalents	71,171	(5,377,129)
<b>Other information</b>		
Dividend paid to NCI	-	884,080



# NOTES TO THE FINANCIAL STATEMENT

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## 5. INVESTMENT IN SUBSIDIARIES (Cont'd)

### Material accounting policy information

Investments in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

## 6. GOODWILL ON CONSOLIDATION

The goodwill is allocated to the Group's subsidiary, Pioneer Glow Sdn. Bhd., as the cash-generating unit ("CGU") as follows:

	GROUP	
	2024 RM	2023 RM
At cost	14,565,796	14,565,796
Less: Allowance for impairment		
Balance at beginning	(2,828,842)	-
Current year	(7,200,000)	(2,828,842)
Balance at end	(10,028,842)	(2,828,842)
	<u>4,536,954</u>	<u>11,736,954</u>

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five (5)-year period.

### Key assumptions used in value-in-use calculations

The recoverable amount of the CGU has been determined based on value-in-use calculations derived from the cash flow projections using the following key assumptions:

- |   |  |
|---|--|
| (i) Projection period                     | <b>5 years</b> (2023: 5 years)                           |
| (ii) Terminal value                       | Based on discounted present fair value of the estate     |
| (iii) FFB Price                           | <b>RM422/MT to RM760/MT</b> (2023: RM708/MT to RM797/MT) |
| (iv) Average yield over projection period | <b>10.2MT/HA</b> (2023:15.5MT/HA)                        |
| (v) Pre-tax discount rate                 | <b>10.89%</b> (2023: 11.20%)                             |

The FFB price is forecasted based on current market outlook of future crude palm oil prices taking into consideration past historical trend and current market condition.

The yield depends on the age of the palm oil tree.

The pre-tax discount rate reflects the weighted average cost of capital of PGSB.

### Impairment loss recognised

Following the management's assessment, the CGU within the oil palm plantation segment was carried in excess of its value in use. Therefore, impairment loss of **RM7,200,000** (2023: RM2,828,842) is recognised during the financial year.

**6. GOODWILL ON CONSOLIDATION (Cont'd)****Sensitivity to changes in key assumptions**

The management believes that any reasonable change in the key assumptions would not cause the recoverable amount of the CGU to differ materially from its carrying amounts.

**7. DEFERRED TAX (ASSETS)/LIABILITIES**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance at beginning	<b>13,621,529</b>	13,515,693	<b>311,737</b>	-
Recognised in profit or loss	<b>(2,665,185)</b>	105,836	<b>(311,737)</b>	311,737
Balance at end	<b>10,956,344</b>	13,621,529	-	311,737

The recognised deferred tax (assets)/liabilities, after appropriate offsetting, are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	<b>(1,900,000)</b>	-	-	-
Deferred tax liabilities	<b>12,856,344</b>	13,621,529	-	311,737
	<b>10,956,344</b>	13,621,529	-	311,737

The deferred tax (assets)/liabilities at the end of the reporting period are made up of the temporary differences arising from:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	<b>118,981</b>	-	-	-
Revaluation surplus	<b>12,751,814</b>	12,951,635	-	-
Biological assets	<b>104,530</b>	90,600	-	-
Unused tax losses	<b>(1,788,524)</b>	-	-	-
Unabsorbed capital allowances	<b>(134,457)</b>	-	-	-
Other deductible temporary differences	<b>(96,000)</b>	579,294	-	311,737
	<b>10,956,344</b>	13,621,529	-	311,737



# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

## 8. AMOUNT DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
<b>Non-current:</b>		
Amount due from subsidiaries	<u>12,992,863</u>	<u>25,250,280</u>
<b>Current:</b>		
Amount due from subsidiaries	<b>88,312,950</b>	71,719,591
Less: Allowance for expected credit losses		
Current year/Balance at end	<u>(43,896,282)</u>	<u>-</u>
	<u>44,416,668</u>	<u>71,719,591</u>
<b>Total amount due from subsidiaries</b>	<u><b>57,409,531</b></u>	<u>96,969,871</u>
<b>Current:</b>		
Amount due to a subsidiary	<u>-</u>	<u>2,369,380</u>

(i) The currency profile of the amount due from subsidiaries is as follows:

	COMPANY	
	2024 RM	2023 RM
Ringgit Malaysia ("RM")	<b>57,409,531</b>	55,480,201
United States Dollar ("USD")	<u>-</u>	<u>41,489,670</u>
	<u><b>57,409,531</b></u>	<u>96,969,871</u>

The amount due to a subsidiary is denominated in RM.

(ii) The amount due from subsidiaries is non-trade related, unsecured, and classified based on the expected timing of realisation and to be settled in cash except for **RM Nil** (2023: RM41,489,670) on which is charged at **Nil** (2023: 3.50%) per annum.

(iii) The amount due to a subsidiary is non-trade related, unsecured, non-interest bearing and repayable on demand.

## 9. INVENTORIES

	GROUP	
	2024 RM	2023 RM
<b>At cost:</b>		
Raw materials	<b>1,008,240</b>	1,041,040
Finished goods	<b>171,017</b>	203,850
Consumables	<u>135,343</u>	<u>205,339</u>
	<u><b>1,314,600</b></u>	<u>1,450,229</u>

**9. INVENTORIES (Cont'd)**

	GROUP	
	2024 RM	2023 RM
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	146,501,851	163,089,121
Inventories written down:		
- current year	154,555	-
- reversal	(930)	(454)
Inventories written off	72,244	2,155

The reversal of inventories written down was made during the financial year when the related inventories were used for production.

**10. BIOLOGICAL ASSETS**

	GROUP	
	2024 RM	2023 RM
<b>At fair value through profit or loss:</b>		
Fresh fruit bunches ("FFB")		
Balance at beginning	377,499	406,188
Changes in fair value	58,042	(28,689)
Balance at end	435,541	377,499

The biological assets of the Group comprise of FFB prior to harvest. The fair value of the biological assets is measured at present value of the net cash flows expected to be generated from the sale of FFB. Management considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible, therefore quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 95% of the ripe FFB. The fair value measurement of the produce growing on bearer plants is determined by using the market approach, which takes into consideration the market price of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting and transport cost.

The fair value measurement of the Group's biological assets is categorised within Level 3 of the fair value hierarchy (refer to Note 31.2 to the financial statements). There were no transfers between all 3 levels of the fair value hierarchy during the financial year.

**Material accounting policy information**

Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for when the fair value cannot be measured reliably. Any gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

If the fair value less costs to sell of a biological asset could not be measured reliably, it is recognised at its cost less any accumulated depreciation and any impairment losses. Inability to measure fair value reliably is presumed only on the initial recognition of a biological asset for which market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. Once the fair value of such a biological asset becomes reliably measurable, the Group measures it at its fair value less costs to sell.



# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

## 11. TRADE RECEIVABLES

	GROUP	
	2024 RM	2023 RM
Third parties	54,442,000	47,083,369
Less: Allowance for expected credit losses:		
Current year/Balance at end	(45,617,271)	-
	<u>8,824,729</u>	<u>47,083,369</u>

The currency profile of trade receivables is as follows:

	GROUP	
	2024 RM	2023 RM
RM	699,003	860,075
USD	8,125,726	46,223,294
	<u>8,824,729</u>	<u>47,083,369</u>

The trade receivables are non-interest bearing and are generally on **30 to 120 days** (2023: 30 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP	
	2024 RM	2023 RM
Other receivables	57,044	53,359
Deposits:		
- Non-refundable	-	104,734
- Refundable	186,981	213,217
Prepayments	273,478	299,363
	<u>517,503</u>	<u>670,673</u>

The Group's non-refundable deposits represents deposit paid for the acquisition of plant and equipment by a subsidiary.

The currency profile of other receivables, deposits and prepayments is as follows:

	GROUP	
	2024 RM	2023 RM
RM	489,988	627,727
Singapore dollar ("SGD")	20,511	42,946
USD	7,004	-
	<u>517,503</u>	<u>670,673</u>

**13. OTHER INVESTMENT**

	<b>GROUP AND COMPANY</b>	
	<b>2024 RM</b>	<b>2023 RM</b>

**At fair value through profit or loss:**

- Quoted equity instruments	<b>265,190</b>	193,190
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**Material accounting policy information**

The Group recognised its other investment at fair value with any changes therein recognised in profit or loss for the period in which they arise.

**14. CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Short-term fund with a licensed financial institution	<b>29,328,390</b>	27,419,577	<b>29,328,390</b>	27,419,577
Cash and bank balances	<b>2,159,361</b>	3,096,660	<b>1,054,621</b>	279,268
	<b>31,487,751</b>	30,516,237	<b>30,383,011</b>	27,698,845

The currency profile of cash and cash equivalents is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
RM	<b>31,158,280</b>	29,548,307	<b>30,368,325</b>	27,684,526
USD	<b>269,609</b>	957,774	<b>14,686</b>	14,319
SGD	<b>59,862</b>	10,156	-	-
	<b>31,487,751</b>	30,516,237	<b>30,383,011</b>	27,698,845

Short-term fund with a licensed financial institution is a fund that invest in money market instruments. The fund can be redeemed at any time upon one (1) day prior notice given to the financial institution.

**15. SHARE CAPITAL**

	<b>Number of ordinary shares</b>		<b>Amount</b>	
	<b>2024</b>	<b>2023</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>Issued and fully paid with no par value:</b>				
Balance at beginning	<b>1,153,672,959</b>	1,153,672,959	<b>191,988,509</b>	191,988,509
Issuance of shares pursuant to ESS	<b>726,600</b>	-	<b>163,485</b>	-
Balance at end	<b>1,154,399,559</b>	1,153,672,959	<b>192,151,994</b>	191,988,509



# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

## 15. SHARE CAPITAL (Cont'd)

During the financial year, the Company increased its issued and fully paid-up ordinary share capital by way of issuance of 726,600 new ordinary shares pursuant to ESS. The related fair value of the ESS amounting to RM163,485 was transferred from the ESS reserve to share capital upon vesting of ESS.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

## 16. OTHER RESERVES

		GROUP		COMPANY	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable:					
Capital reserve	16.1	28,002,381	28,002,381	-	-
Foreign currency translation reserve	16.2	4,420,028	4,112,440	-	-
ESS reserve	16.3	2,435,263	2,262,847	2,435,263	2,262,847
		34,857,672	34,377,668	2,435,263	2,262,847

### 16.1 Capital reserve

Capital reserve relates to fair value adjustment to the shares issued for the acquisition of subsidiaries.

### 16.2 Foreign currency translation reserve

The foreign currency translation reserve is in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiary.

### 16.3 Employees' share scheme ("ESS")

The ESS reserve represents the fair value of equity-settled shares/share options granted and accepted by eligible employees and directors of certain subsidiary. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the shares/share options and is reduced by the expiry or exercise of the shares/share options. The salient terms and key assumptions used in deriving the fair value of the ESS options are disclosed in Note 33 to the financial statements.

The movements of ESS reserve are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance at beginning	2,262,847	1,417,226	2,262,847	1,417,226
Vesting of ESS	(163,485)	-	(163,485)	-
Recognition of equity-settled share-based payment	335,901	845,621	335,901	845,621
Balance at end	<b>2,435,263</b>	<b>2,262,847</b>	<b>2,435,263</b>	<b>2,262,847</b>

**17. TRADE PAYABLES**

The currency profile of trade payables is as follows:

	GROUP	
	2024 RM	2023 RM
RM	1,028,119	646,272
USD	-	2,800
	<u>1,028,119</u>	<u>649,072</u>

The trade payables are non-interest bearing and are normally settled within **7 to 90 days** (2023: 7 to 90 days) credit terms.

**18. OTHER PAYABLES AND ACCRUALS**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	243,155	399,440	22,124	15,496
Accruals	3,015,504	3,745,376	267,000	225,000
Deposits received	7,000	2,200	-	-
	<u>3,265,659</u>	<u>4,147,016</u>	<u>289,124</u>	<u>240,496</u>

The currency profile of other payables and accruals is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
RM	3,244,323	3,554,938	289,124	240,496
USD	-	580,397	-	-
SGD	21,336	11,681	-	-
	<u>3,265,659</u>	<u>4,147,016</u>	<u>289,124</u>	<u>240,496</u>

**19. BORROWING**

	GROUP	
	2024 RM	2023 RM

**Current liabilities**

Finance lease liability	-	71,127
-------------------------	---	--------

The effective interest rate and maturity of the finance lease liability is **Nil** (2023: 3.40%) per annum and **Nil** (2023: within one year).

The finance lease liability is secured over the leased assets as disclosed in Note 3 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENT

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## 20. REVENUE

### 20.1 Disaggregation of revenue information

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Type of revenue:</b>				
Sales of electronic components and products	<b>147,060,881</b>	161,735,793	-	-
Sales of FFB	<b>10,758,461</b>	11,051,940	-	-
<b>Total revenue from contracts with customers</b>	<b>157,819,342</b>	172,787,733	-	-
Gross dividend income from subsidiaries	-	-	<b>4,700,000</b>	1,326,120
Dividend income from quoted equity instruments	<b>8,700</b>	7,950	<b>8,700</b>	7,950
<b>Other revenue</b>	<b>8,700</b>	7,950	<b>4,708,700</b>	1,334,070
<b>Total revenue</b>	<b>157,828,042</b>	172,795,683	<b>4,708,700</b>	1,334,070

Revenue information based on geographical location of customers are disclosed in Note 28 to the financial statements.

### 20.2 Timing of revenue recognition

Revenue is recognised at a point in time upon the satisfaction of performance obligations which is upon the delivery of goods to customers.

### 20.3 Contract balance

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 11)	<b>8,824,729</b>	47,083,369

### 20.4 Performance obligations

The performance obligations to recognise revenue are as follows:

#### Sale of electrical components/products and FFB

Revenue from sales of electrical components/products and FFB is recognised at a point in time when control of the components/products and FFB has been transferred to the customers. Generally, control is transferred upon delivery of the components/products and FFB to a location specified by the customer and acceptance of the goods have acknowledged by the customer.

**21. OTHER INCOME**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value gain on biological assets	58,042	-	-	-
Fair value gain on quoted equity instruments	72,000	-	72,000	-
Gain on disposal of property, plant and equipment	10,682	3,006	-	-
Gain on derecognition of right-of-use assets and lease liability	23,299	-	-	-
Miscellaneous	218,567	433,406	-	-
Realised gain on foreign exchange	143,512	597,551	-	286,447
Rental income	26,400	14,400	-	-
Scrap sales	250,967	303,199	-	-
Unrealised gain on foreign exchange	-	-	537,111	2,227,030
Unwinding of discount on amount due from a subsidiary	-	-	2,208,833	2,083,805
	<b>803,469</b>	<b>1,351,562</b>	<b>2,817,944</b>	<b>4,597,282</b>

**22. FINANCE INCOME**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from:				
- amount due from a subsidiary	-	-	1,373,417	1,298,904
- licensed financial institution	1,045,124	1,027,484	1,014,183	996,585
	<b>1,045,124</b>	<b>1,027,484</b>	<b>2,387,600</b>	<b>2,295,489</b>

**23. FINANCE COST**

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	3,868	12,222
Interest expenses on:		
- bank overdraft	169	150
- finance lease liability	1,058	41,181
- others	-	86
	<b>5,095</b>	<b>53,639</b>



# NOTES TO THE FINANCIAL STATEMENT

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## 24. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
<b>Fees for statutory audit:</b>				
- Grant Thornton Malaysia PLT ("GTM PLT")	113,000	99,000	49,000	37,000
- Other auditors	17,814	17,113	-	-
<b>Fees for assurance related and non-audit services:</b>				
- GTM PLT	9,000	3,000	3,000	3,000
Depreciation of:				
- Property, plant and equipment	6,453,715	6,375,946	-	-
- Right-of-use assets	1,436,383	1,360,006	-	-
Directors' fee:				
- Executive directors of the Company	430,000	60,000	70,000	60,000
- Executive directors of the subsidiaries	230,000	-	-	-
- Non-executive directors of the Company	345,000	315,000	145,000	125,000
Fair value loss on quoted equity instruments	-	5,700	-	5,700
Fair value loss on biological assets	-	28,689	-	-
Impairment loss on:				
- goodwill on consolidation	7,200,000	2,828,842	-	-
- investment in subsidiaries	-	-	5,854,642	-
Inventories written down:				
- addition	154,555	-	-	-
- reversal	(930)	(454)	-	-
Inventories written off	72,244	2,155	-	-
Property, plant and equipment written off	134,160	35,068	-	-
* Staff costs	23,365,167	23,962,558	14,500	12,000
Unrealised loss on foreign exchange	38,755	89,040	-	-

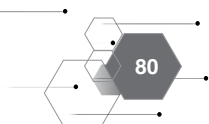
**24. (LOSS)/PROFIT BEFORE TAX (Cont'd)**

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>* Staff costs</b>				
- Salaries, wages, allowances and bonus	<b>21,008,075</b>	21,153,129	<b>14,500</b>	12,000
- Defined contribution plan ("EPF")	<b>1,713,746</b>	1,658,093	-	-
- Social security contribution ("SOCSO") and employment insurance scheme ("EIS")	<b>307,445</b>	305,715	-	-
- Equity-settled share-based payment	<b>335,901</b>	845,621	-	-
	<b>23,365,167</b>	23,962,558	<b>14,500</b>	12,000

Included in the staff costs is directors' remuneration as shown below:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Executive directors:</b>				
Directors of the Company:				
- Salaries, bonus and allowances	<b>1,506,604</b>	1,634,000	<b>4,500</b>	4,000
- EPF	<b>239,690</b>	167,400	-	-
- Equity-settled share-based payment	<b>209,166</b>	350,416	-	-
	<b>1,955,460</b>	2,151,816	<b>4,500</b>	4,000
Directors of the subsidiaries:				
- Salaries, bonus and allowances	<b>323,709</b>	547,535	-	-
- EPF	<b>20,987</b>	21,372	-	-
- SOCSO and EIS	<b>1,040</b>	1,005	-	-
- Equity-settled share-based payment	<b>48,054</b>	83,962	-	-
	<b>393,790</b>	653,874	-	-
	<b>2,349,250</b>	2,805,690	<b>4,500</b>	4,000
<b>Non-executive directors:</b>				
Directors of the Company:				
Allowances	<b>10,000</b>	8,000	<b>10,000</b>	8,000
<b>Total</b>	<b>2,359,250</b>	2,813,690	<b>14,500</b>	12,000
<b>Analysed by:</b>				
Present directors:				
- Executive	<b>2,349,250</b>	2,805,690	<b>4,500</b>	4,000
- Non-executive	<b>8,500</b>	7,500	<b>8,500</b>	7,500
	<b>2,357,750</b>	2,813,190	<b>13,000</b>	11,500
Past directors:				
- Non-executive	<b>1,500</b>	500	<b>1,500</b>	500
	<b>2,359,250</b>	2,813,690	<b>14,500</b>	12,000



# NOTES TO THE FINANCIAL STATEMENT

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## 25. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(448,808)	(371,544)	(1,300)	(10,000)
- Deferred tax relating to the origination and reversal of temporary differences	2,665,185	(105,836)	311,737	(311,737)
	2,216,377	(477,380)	310,437	(321,737)
(Under)/Over provision of current tax in prior year	(80,571)	106,626	(4,571)	19,848
	2,135,806	(370,754)	305,866	(301,889)

Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before tax	(46,477,867)	1,715,924	(40,302,316)	7,671,390
Income tax at Malaysian statutory tax rate of 24%	11,154,688	(411,822)	9,672,556	(1,841,134)
Effects of different tax rate in foreign jurisdiction	59,316	84,697	-	-
Expenses not deductible for tax purposes	(11,971,201)	(1,069,377)	(11,410,629)	(127,330)
Income not subject to tax	96,929	101,284	2,048,510	1,646,727
Annual crystallisation of deferred tax on revaluation reserve	199,821	196,483	-	-
Deferred tax on fair value adjustment of biological assets	(13,930)	6,885	-	-
Deferred tax assets not recognised	(1,448,328)	-	-	-
Utilisation of unrecognised unabsorbed capital allowances	4,139,082	614,470	-	-
	2,216,377	(477,380)	310,437	(321,737)
(Under)/Over provision in prior year	(80,571)	106,626	(4,571)	19,848
	2,135,806	(370,754)	305,866	(301,889)

**25. TAXATION (Cont'd)**

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP	
	2024 RM	2023 RM
<b>Deferred tax recognised:</b>		
Property, plant and equipment	15,243,264	16,584,221
Unabsorbed capital allowances	(3,241,908)	(5,608,268)
Unabsorbed reinvestment allowance	(12,001,356)	(10,975,953)
	-	-
<b>Deferred tax assets not recognised:</b>		
Unused tax losses	(6,911,358)	(14,363,542)
Unabsorbed capital allowances	-	(2,332,960)
Unabsorbed reinvestment allowance	(8,736,603)	(9,762,006)
Others	(885,618)	(1,286,547)
	(16,533,579)	(27,745,055)

The gross amount and future availability of unused tax losses and unabsorbed capital allowances and reinvestment allowance which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP	
	2024 RM	2023 RM
Unused tax losses	14,363,542	14,363,542
Unabsorbed capital allowances	3,802,146	7,941,228
Unabsorbed reinvestment allowance	20,737,959	20,737,959

The unused tax losses can be carried forward for ten consecutive years of assessment ("YAs") immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. The unabsorbed reinvestment allowance can be utilised for seven consecutive YAs from the expiry of the eligibility period of 15 years while the unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses and unabsorbed reinvestment allowance will be disregarded in the following YAs:

	GROUP	
	2024 RM	2023 RM
<b>Unused tax losses</b>		
YA 2029	9,870,304	9,870,304
YA 2030	2,199,900	2,199,900
YA 2031	2,293,338	2,293,338
	14,363,542	14,363,542
<b>Unabsorbed reinvestment allowance</b>		
YA 2026	20,737,959	20,737,959

# NOTES TO THE FINANCIAL STATEMENT

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## 26. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2024	2023
(Loss)/Profit attributable to owners of the Company (RM)	<u>(36,538,064)</u>	<u>824,275</u>
Weighted average number of ordinary shares in issue	<u>1,153,901,262</u>	<u>1,153,672,959</u>
Basic (loss)/earnings per share (sen)	<u>(3.17)</u>	<u>0.07</u>

### (b) Diluted (loss)/earnings per share

The (loss)/earnings per share is not diluted as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period. The issued ESS and Warrants were anti-dilutive as the exercise price was higher than the prevailing mother share price.

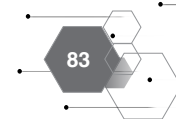
## 27. CAPITAL COMMITMENTS

	GROUP	
	2024 RM	2023 RM
Property, plant and equipment		
- Contracted but not provided for	<u>-</u>	<u>3,121,065</u>
Analysis of capital commitments:		
Buildings	-	498,457
Plant and machinery	-	1,680,000
Solar PV system	-	942,608
	<u>-</u>	<u>3,121,065</u>

## 28. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments. The primary format and business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**28. SEGMENTAL INFORMATION (Cont'd)**

The Group is organised into business units based on their products and services, which comprise the following:

- (i) Manufacturing and assembling of electronics ("Manufacturing");
- (ii) Cultivation of oil palm ("Plantation");
- (iii) Wholesale, trading and dealing in all kinds of electronic product ("Trading"); and
- (iv) Investment holding.

No other business segments have been aggregated to form the above reportable segments. Performance is reviewed by the Chief Operating Decision Maker ("CODM"), i.e., the Group's executive directors, up to profit before tax (excluding interest expense and interest income) as management believes that such information is the most appropriate and relevant in evaluating and comparing the results of each segment against other entities that operate within these operating segments.

Segment assets and liabilities information excluding current tax positions, cash and cash equivalents and borrowings are included in the internal management reports by business segments for CODM's analysis on the financial position of each reportable business segment.

# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

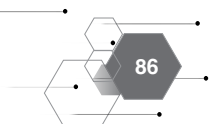
## 28. SEGMENTAL INFORMATION (Cont'd)

### By business segments

2024	Manufacturing RM	Plantation RM	Trading RM	Investment holding RM	Elimination RM	Note	Total RM
Revenue from external customers	38,044,551	10,758,461	109,016,330	8,700	-		157,828,042
Inter-segment revenue	-	-	-	4,700,000	(4,700,000)	A	-
<b>Total revenue</b>	<b>38,044,551</b>	<b>10,758,461</b>	<b>109,016,330</b>	<b>4,708,700</b>	<b>(4,700,000)</b>		<b>157,828,042</b>
<b>Segment results</b>	<b>556,430</b>	<b>2,607,672</b>	<b>(43,087,730)</b>	<b>(42,699,615)</b>	<b>35,105,347</b>		<b>(47,517,896)</b>
Interest expenses							(5,095)
Interest income							1,045,124
Loss before tax							(46,477,867)
Taxation							2,135,806
<b>Loss for the financial year</b>							<b>(44,342,061)</b>
<b>Assets</b>							
Segment assets	72,592,200	64,260,769	27,515	134,585,118	(124,010,108)		147,455,494
Deferred tax assets							1,900,000
Current tax assets							188,754
Cash and cash equivalents							31,487,751
<b>Total assets</b>							<b>181,031,999</b>
<b>Liabilities</b>							
Segment liabilities	54,428,626	1,170,003	43,917,618	6,083,344	(101,305,813)		4,293,778
Deferred tax liabilities							12,856,344
Current tax liabilities							88,569
<b>Total liabilities</b>							<b>17,238,691</b>
<b>Other information</b>							
Additions to non-current assets	5,170,693	17,963	175,810	-	-	B	5,364,466
Depreciation of:							
- property, plant and equipment	5,572,550	881,165	-	-	-		6,453,715
- right-of-use assets	392,322	943,144	100,917	-	-		1,436,383
Impairment loss on goodwill on consolidation	-	7,200,000	-	-	-		7,200,000
Non-cash expenses/ (income) other than depreciation and impairment loss	186,587	137,577	45,604,103	-	(72,367)	C	45,855,900

**28. SEGMENTAL INFORMATION (Cont'd)****By business segments**

2023	Manufacturing RM	Plantation RM	Trading RM	Investment holding RM	Elimination RM	Note	Total RM
Revenue from external customers	41,379,944	11,051,940	120,355,849	7,950			172,795,683
Inter-segment revenue	-	-	-	1,326,120	(1,326,120)	A	-
Total revenue	41,379,944	11,051,940	120,355,849	1,334,070	(1,326,120)		172,795,683
Segment results	452,298	945,691	2,519,972	5,364,236	(8,540,118)		742,079
Interest expenses							(53,639)
Interest income							1,027,484
Profit before tax							1,715,924
Taxation							(370,754)
Profit for the financial year							1,345,170
Assets							
Segment assets	69,095,163	68,621,098	42,947,367	179,592,198	(164,173,470)		196,082,356
Current tax assets							333,411
Cash and cash equivalents							30,516,237
Total assets							226,932,004
Liabilities							
Segment liabilities	50,157,936	3,252,570	42,554,549	8,394,396	(99,090,561)		5,268,890
Borrowings							71,127
Deferred tax liabilities							13,621,529
Current tax liabilities							121,290
Total liabilities							19,082,836
Other information							
Additions to non-current assets	17,718,107	465,895	-	5,772,865	-	B	23,956,867
Depreciation							
- property, plant and equipment	5,394,799	981,147	-	-	-		6,375,946
- right-of-use assets	186,634	943,146	230,226	-	-		1,360,006
Non-cash expenses/ (income) other than depreciation and impairment loss	19,495	69,898	-	(2,221,330)	2,301,351	C	169,414



# NOTES TO THE FINANCIAL STATEMENT

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## 28. SEGMENTAL INFORMATION (Cont'd)

Notes to segment information:

A. Inter-segment revenue are eliminated on consolidation.

B. Additions to non-current assets consist of:

	2024 RM	2023 RM
Property, plant and equipment	5,188,656	19,904,646
Right-of-use assets	175,810	4,052,221

C. Other material non-cash expenses/(income) other than depreciation and impairment loss consist of the following items:

	2024 RM	2023 RM
Accretion of interest on lease liability	3,868	12,222
Allowance for expected credit losses on trade receivables	45,617,271	-
Fair value (gain)/loss on biological assets	(58,042)	28,689
Fair value (gain)/loss on other investment	(72,000)	5,700
Gain on disposal of property, plant and equipment	(10,682)	(3,006)
Gain on derecognition of right-of-use assets and lease liability	(23,299)	-
Inventories written down:		
- addition	154,555	-
- reversal	(930)	(454)
Inventories written off	72,244	2,155
Property, plant and equipment written off	134,160	35,068
Unrealised loss on foreign exchange	38,755	89,040
	45,855,900	169,414

### By geographical segments

Revenue and non-current assets (excluding goodwill) information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	11,134,310	13,772,109	133,460,977	134,119,854
Taiwan	37,677,402	38,667,725	-	-
Hong Kong	109,016,330	120,355,849	-	-
Singapore	-	-	-	450,588
	157,828,042	172,795,683	133,460,977	134,570,442

**28. SEGMENTAL INFORMATION (Cont'd)****Information about major customers**

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segments
	2024 RM	2023 RM	
Customer A	<b>37,677,402</b>	40,838,349	Manufacturing
Customer B	<b>63,704,334</b>	120,355,849	Trading
Customer C	<b>24,076,671</b>	-	Trading
Customer D	<b>21,235,325</b>	-	Trading
	<b><u>146,693,732</u></b>	<u>161,194,198</u>	

**29. RELATED PARTY DISCLOSURES****(i) Identify related parties**

The Group has related party relationship with its subsidiaries, key management personnel and the following party:

Related party	Relationship
Inventec Appliances Corp. ("IAC")	: A substantial shareholder of the Company.

**(ii) Related party transactions**

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Sales to IAC	<b>37,677,402</b>	40,838,349	-	-
Net repayment from subsidiaries	-	-	<b>2,585,961</b>	15,948,576
Gross dividend income from subsidiaries	-	-	<b>4,700,000</b>	1,326,120
Interest income received from a subsidiary	-	-	<b>1,373,417</b>	1,298,904

**(iii) Compensation of key management personnel**

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been disclosed in Note 24 to the financial statement.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

## 30. FINANCIAL INSTRUMENTS

### 30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
<b>GROUP</b>			
<b>2024</b>			
<b>Financial assets</b>			
Trade receivables	8,824,729	8,824,729	-
Other receivables and refundable deposits	244,025	244,025	-
Other investment	265,190	-	265,190
Cash and cash equivalents	31,487,751	31,487,751	-
	<u>40,821,695</u>	<u>40,556,505</u>	<u>265,190</u>
<b>Financial liabilities</b>			
Trade payables	1,028,119	1,028,119	-
Other payables and accruals	3,265,659	3,265,659	-
	<u>4,293,778</u>	<u>4,293,778</u>	<u>-</u>
<b>2023</b>			
<b>Financial assets</b>			
Trade receivables	47,083,369	47,083,369	-
Other receivables and refundable deposits	266,576	266,576	-
Other investment	193,190	-	193,190
Cash and cash equivalents	30,516,237	30,516,237	-
	<u>78,059,372</u>	<u>77,866,182</u>	<u>193,190</u>
<b>Financial liabilities</b>			
Borrowing	71,127	71,127	-
Trade payables	649,072	649,072	-
Other payables and accruals	4,147,016	4,147,016	-
	<u>4,867,215</u>	<u>4,867,215</u>	<u>-</u>

**30. FINANCIAL INSTRUMENTS (Cont'd)****30.1 Categories of financial instruments (Cont'd)**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL"). (Cont'd)

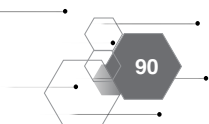
	Carrying amount RM	AC RM	FVTPL RM
<b>COMPANY</b>			
<b>2024</b>			
<b>Financial assets</b>			
Amount due from subsidiaries	57,409,531	57,409,531	-
Other investment	265,190	-	265,190
Cash and cash equivalents	30,383,011	30,383,011	-
	<u>88,057,732</u>	<u>87,792,542</u>	<u>265,190</u>
<b>Financial liabilities</b>			
Other payables and accruals	<u>289,124</u>	<u>289,124</u>	<u>-</u>
<b>2023</b>			
<b>Financial assets</b>			
Amount due from subsidiaries	96,969,871	96,969,871	-
Other investment	193,190	-	193,190
Cash and cash equivalents	27,698,845	27,698,845	-
	<u>124,861,906</u>	<u>124,668,716</u>	<u>193,190</u>
<b>Financial liabilities</b>			
Other payables and accruals	240,496	240,496	-
Amount due to a subsidiary	2,369,380	2,369,380	-
	<u>2,609,876</u>	<u>2,609,876</u>	<u>-</u>

**30.2 Financial risk management**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency exchange risk and equity price risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

**30.3 Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from advances to its subsidiaries.



# NOTES TO THE FINANCIAL STATEMENT

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SCOPE INDUSTRIES BERHAD

## 30. FINANCIAL INSTRUMENTS (Cont'd)

### 30.3 Credit risk

#### 30.3.1 Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group extends credit terms to existing customers that range between **30 to 120 days** (2023: 30 to 120 days). In deciding whether credit terms shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis via Group's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount as disclosed in Note 11 to the financial statements.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
<b>GROUP</b>			
<b>2024</b>			
Not past due	8,790,425	-	8,790,425
1 to 30 days past due	34,304	-	34,304
Individually impaired	45,617,271	(45,617,271)	-
	<u>54,442,000</u>	<u>(45,617,271)</u>	<u>8,824,729</u>
<b>2023</b>			
Not past due	47,041,666	-	47,041,666
1 to 30 days past due	41,703	-	41,703
	<u>47,083,369</u>	<u>-</u>	<u>47,083,369</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been recognised during the financial year.

The Group has trade receivables amounting to **RM34,304** (2023: RM41,703) that are past due as at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

The allowance for ECL in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has concentration of credit risk on **1 customer** (2023: 1 customer) which represent **92%** (2023: 90%) of total trade receivables.

**30. FINANCIAL INSTRUMENTS (Cont'd)****30.3 Credit risk (Cont'd)****30.3.1 Trade receivables (Cont'd)**

The exposure of credit risk for trade receivables as at the end of the reporting period is as follows:

	<b>GROUP</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
<b>By geographical region:</b>		
Malaysia	<b>699,003</b>	860,075
Taiwan	<b>8,125,726</b>	3,769,461
Hong Kong	-	42,453,833
	<b>8,824,729</b>	<b>47,083,369</b>

	<b>GROUP</b>			
	<b>2024</b>		<b>2023</b>	
	<b>RM</b>	<b>% of total</b>	<b>RM</b>	<b>% of total</b>
<b>By industry segments:</b>				
- Trading	-	-	42,453,833	90.20
- Manufacturing	<b>8,192,638</b>	<b>92.80</b>	3,881,146	8.20
- Plantation	<b>632,091</b>	<b>7.20</b>	748,390	1.60
	<b>8,824,729</b>	<b>100.00</b>	<b>47,083,369</b>	<b>100.00</b>

**Maximum exposure to credit risk**

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	<b>Gross RM</b>	<b>Allowance for expected credit losses RM</b>	<b>Net RM</b>
<b>Credit risk rating</b>			
<b>GROUP</b>			
<b>2024</b>			
Low risk	<b>8,824,729</b>	-	<b>8,824,729</b>
Individually impaired	<b>45,617,271</b>	<b>(45,617,271)</b>	-
	<b>54,442,000</b>	<b>(45,617,271)</b>	<b>8,824,729</b>
<b>2023</b>			
Low risk	<b>47,083,369</b>	-	<b>47,083,369</b>



# NOTES TO THE FINANCIAL STATEMENT

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## 30. FINANCIAL INSTRUMENTS (Cont'd)

### 30.3 Credit risk (Cont'd)

#### 30.3.1 Trade receivables (Cont'd)

##### Maximum exposure to credit risk

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as gross domestic product rate has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

#### 30.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors their results regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 8 to the financial statements.

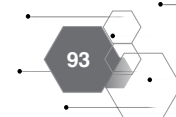
As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable except for the impairment made for advance to the subsidiaries which the Company deems uncollectible as disclosed in Note 8 to the financial statements. The Company does not specifically monitor the ageing of these advances.

#### 30.3.3 Financial guarantees

The Company provides unsecured corporate guarantees to financial institutions in respect of credit facilities granted to its subsidiary up to a limit of **RM2,000,000** (2023: RM2,000,000) of which none of the said credit facilities have been utilised as at the end of the reporting period.

### 30.4 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient level of cash and cash equivalents to meet their working capital requirements.

**30. FINANCIAL INSTRUMENTS (Cont'd)****30.4 Liquidity risk (Cont'd)**

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM
<b>GROUP</b>				
<b>2024</b>				
<b>Non-derivative financial liabilities</b>				
Trade payables	1,028,119	1,028,119	1,028,119	-
Other payables and accruals	3,265,659	3,265,659	3,265,659	-
Total undiscounted financial liabilities	4,293,778	4,293,778	4,293,778	-
<b>2023</b>				
<i>Non-derivative financial liabilities</i>				
Borrowings	71,127	72,185	72,185	-
Trade payables	649,072	649,072	649,072	-
Other payables and accruals	4,147,016	4,147,016	4,147,016	-
Lease liability	472,802	483,120	247,754	235,366
Total undiscounted financial liabilities	5,340,017	5,351,393	5,116,027	235,366
<b>COMPANY</b>				
<b>2024</b>				
<b>Non-derivative financial liabilities</b>				
Other payables and accruals, representing total undiscounted financial liabilities	289,124	289,124	289,124	-
<b>2023</b>				
<i>Non-derivative financial liabilities</i>				
Other payables and accruals	240,496	240,496	240,496	-
Amount due to a subsidiary	2,369,380	2,369,380	2,369,380	-
Total undiscounted financial liabilities	2,609,876	2,609,876	2,609,876	-

# NOTES TO THE FINANCIAL STATEMENT

30 June 2024

SCOPE INDUSTRIES BERHAD

## 30. FINANCIAL INSTRUMENTS (Cont'd)

### 30.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	GROUP	
	2024 RM	2023 RM
<b>Fixed rate instruments</b>		
Financial liabilities	-	71,127

### Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

### 30.6 Foreign currency risk

The objectives of the Group's and of the Company's foreign exchange policies are to allow the Group and the Company to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group and the Company to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in USD of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies principally giving rise to the risk are USD and SGD.

### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's (loss)/profit before tax and equity to a reasonably possible change in the various exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	(Decrease)/Increase			
	2024		2023	
	Equity RM	Loss before tax RM	Equity RM	Profit before tax RM
<b>GROUP</b>				
USD/RM - strengthened 10%	(620,687)	(816,168)	290,391	382,094
- weakened 10%	620,687	816,168	(290,391)	(382,094)
SGD/USD - strengthened 10%	(18,290)	(24,066)	3,251,047	4,277,693
- weakened 10%	18,290	24,066	(3,251,047)	(4,277,693)
<b>COMPANY</b>				
USD/RM - strengthened 10%	(1,116)	(1,469)	3,154,303	4,150,399
- weakened 10%	1,116	1,469	(3,154,303)	(4,150,399)



### 30. FINANCIAL INSTRUMENTS (Cont'd)

#### 30.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investment which are investment in equity securities quoted in Malaysia.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company. While for the short-term fund with a licensed financial institution, the management of the Group monitors the short-term fund and it can be redeemed at any time upon notice given to the financial institution.

#### Sensitivity analysis for equity price risk

A 5% increase in prices of the short term fund at the end of the reporting period, with all other variables held constant, would have an insignificant impact to the Group's and the Company's loss/(profit) before tax and equity, arising as a result of higher/lower fair value gain on short-term fund.

### 31. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and the Company's financial assets (other than other investment) and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature.

The carrying amount of the non-current portion of finance lease liability is reasonable approximation of fair values due to the insignificant impact of discounting.

#### 31.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
<b>GROUP AND COMPANY</b>					
<b>2024</b>					
<b>Financial asset</b>					
Other investment	265,190	-	-	265,190	265,190
<b>2023</b>					
<b>Financial asset</b>					
Other investment	193,190	-	-	193,190	193,190

#### Level 1 fair value

Level 1 fair value of the other investment is derived by reference to their quoted market prices in active markets at the end of reporting period.

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

# NOTES TO THE FINANCIAL STATEMENT

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## 31. FAIR VALUE MEASUREMENT (Cont'd)

### 31.2 Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
<b>GROUP</b>					
<b>2024</b>					
Biological assets	-	-	435,541	435,541	435,541
<b>2023</b>					
Biological assets	-	-	377,499	377,499	377,499

#### Level 3 fair value

The valuation techniques used in the determination of fair value of biological assets have been disclosed in Note 10 to the financial statements.

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

## 32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

There was no capital requirements imposed on the Group and the Company as at the end of the reporting period.

## 33. EMPLOYEES' SHARE SCHEME ("ESS")

The Company's ESS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 19 May 2021. The ESS comprises of ESS options and ESS shares for eligible directors and employees of the Group and will be in force for a period of five (5) years commencing from 16 July 2021 and will expire on 15 July 2026.

The salient features of the ESS are as follows:

- The total number of new ordinary shares which are available to be issued under the ESS shall not exceed 15% of the total issued and fully paid-up share capital of the Company (excluding treasury shares) at any time throughout the duration of the ESS.
- Any employee or director of any company comprised in the Group shall be eligible to participate in the ESS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is employed on a continuous full-time basis and must be a confirmed employee.

**33. EMPLOYEES' SHARE SCHEME ("ESS") (Cont'd)**

The salient features of the ESS are as follows: (Cont'd)

- (iii) The director and senior management of the Group shall not participate in the deliberation or discussion of their respective allocation.
- (iv) The new ordinary shares of the Company allocated to the directors and senior management of the Company and of its subsidiaries shall not exceed 80% of the total number of new ordinary shares to be issued under the ESS.
- (v) The new ordinary shares of the Company allocated to a director of the Company and of its subsidiaries shall not exceed 10% of the total number of new ordinary shares to be issued under the ESS.
- (vi) The number of new ordinary shares of the Company allocated to any employee or director ("Eligible Persons") of the Group, either singly or collectively through persons connected with such Eligible Persons who holds 20% or more of the issued and paid-up share capital of the Company (excluding any treasury shares) does not exceed 10% of the total number of new ordinary shares to be issued under the ESS.
- (vii) The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company's shares as quoted on the ACE Market of Bursa Malaysia for the five (5) market days immediately preceding the date of the offer.
- (viii) The shares under options shall remain unissued until the options are exercised and shall, on allotment, rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the options.
- (ix) The Board of Directors has the absolute discretion, without the approval of the Company's shareholders in the general meeting to extend the duration of the ESS for up to a further five (5) years.

The movements of ESS options and ESS shares during the financial year are as follows:

Grant date	Exercise price RM	Number of ESS options				Balance at 30.6.2024
		Balance at 1.7.2023	Granted	Exercised	(Lapsed)	
27.7.2021	0.225	42,754,900	-	-	(1,587,000)	41,167,900

Grant date	Number of ESS shares				Balance at 30.6.2024
	Balance at 1.7.2023	Granted	Vested	(Lapsed)	
27.7.2021	1,479,800	-	(726,600)	(146,800)	606,400

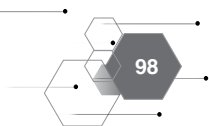
The fair value of the share options granted was estimated at the grant date using Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.

The following table are inputs relevant in deriving the fair value of the share options:

Weighted average share price (RM)	0.235
Weighted average exercise price (RM)	0.225
Expected volatility (%)	30.00
Risk-free interest rate (% p.a.)	2.547
Dividend yield (%)	Nil
Expected life of option (years)	4.00

The ESS options and ESS shares have a vesting condition of 25% of the options/shares for each calendar year.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.



# NOTES TO THE FINANCIAL STATEMENT

30 June 2024

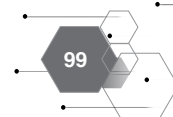
SCOPE INDUSTRIES BERHAD

## 34. WARRANTS B 2021/2024

During the financial year, no Warrants were exercised. As at 30 June 2024, there was a total of 346,101,878 unexercised warrants.

The salient features of the Warrants B 2021/2024 ("Warrants") are as follows:

Terms	Details
Form	The Warrants will be issue in registered form and constituted by the Deed Poll.
Expiry date	Three (3) years from the date of issuance of the Warrants.
Exercise price	RM0.30 payable upon exercise of each Warrant.
Exercise period	The Warrants may be exercised at any time within the period commencing the date of issue of the Warrants and will be expiring on 5 December 2024. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise rights	Each Warrants carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Governing law	Laws and regulations of Malaysia.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's shares or unless otherwise resolved by Company in a general meeting.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank <i>pari passu</i> in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.



NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("**22nd AGM**") of the Company 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 Thursday, 28 November 2024 at 10.30 a.m. for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS :

- |  |  |
|--|--|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.                         | <b>Please refer to the Explanatory Notes</b> |
| 2. To approve the payment of Directors' fees and Directors' benefits of RM789,500.00 for the financial year ended 30 June 2024.  | <b>Ordinary Resolution 1</b>                 |
| 3. To re-elect Mr. Lee Min Huat as a Director who retires in accordance with Article 95 of the Company's Constitution.   | <b>Ordinary Resolution 2</b>                 |
| 4. To re-elect Mr. Law Kim Fatt as a Director who retires in accordance with Article 95 of the Company's Constitution.   | <b>Ordinary Resolution 3</b>                 |
| 5. To re-elect Ms. Ong Lai Choon as a Director who retires in accordance with Article 102 of the Company's Constitution.   | <b>Ordinary Resolution 4</b>                 |
| 6. To re-elect Mr. Chen, Kun-Huei as a Director who retires in accordance with Article 102 of the Company's Constitution.  | <b>Ordinary Resolution 5</b>                 |
| 7. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | <b>Ordinary Resolution 6</b>                 |

### AS SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modifications the following resolutions:-

#### 8. **ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "**Act**"), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and/or the approvals of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act."

**Ordinary  
Resolution 7**



# NOTICE OF ANNUAL GENERAL MEETING

SCOPE INDUSTRIES BERHAD

## 9. ORDINARY RESOLUTION

### **PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

"THAT subject always to the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries ("**Scope Group**") to enter into and give effect to specific recurrent related party transactions of a revenue or trading nature of Scope Group with specified classes of Related Parties (as defined in the Listing Requirements of Bursa Securities) as set out in Section 2.4 of the Circular to Shareholders dated 30 October 2024, which are necessary for the day-to-day operations of Scope Group provided that transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public as well as are not detrimental to the minority shareholders of the Company and such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting;
- (b) the expiration of the period within which the next AGM of the Company after that 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 of the Company in a general meeting,

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**Ordinary  
Resolution 8**

## 10. ORDINARY RESOLUTION

### **PROPOSED ALLOCATION OF ORDINARY SHARES OF THE COMPANY ("SCOPE SHARES") ("SHARES GRANT") AND/OR OPTIONS TO SUBSCRIBE FOR AND/OR ACQUIRE SCOPE SHARES ("ESS OPTIONS") PURSUANT TO THE SCOPE EMPLOYEES' SHARE SCHEME 2021 ("ESS") TO MS. ONG LAI CHOON**

"THAT subject to the approvals of all the relevant authorities being obtained, approval be and is hereby given to the Board of Directors of the Company or ESS Committee from time to time throughout the duration of the ESS, to offer and to grant to Ms. Ong Lai Choon, being the Executive Director of the Company, Shares Grant and/ or ESS Options in accordance with the By-Laws of ESS, provided always that :

- (i) she must not participate in the deliberation or discussion of her own allocation;
- (ii) not more than 10% of the total Shares Grant and the ESS Options collectively to be issued and/or transferred to her pursuant to ESS; and
- (iii) not more than 10% of the total number of Scope Shares which may be made available under the ESS (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) shall be allotted to her, if she, either singly or collectively through persons connected with her, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

10. **ORDINARY RESOLUTION**

**PROPOSED ALLOCATION OF ORDINARY SHARES OF THE COMPANY ("SCOPE SHARES") ("SHARES GRANT") AND/OR OPTIONS TO SUBSCRIBE FOR AND/OR ACQUIRE SCOPE SHARES ("ESS OPTIONS") PURSUANT TO THE SCOPE EMPLOYEES' SHARE SCHEME 2021 ("ESS") TO MS. ONG LAI CHOON**

AND subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws governing and constituting the ESS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board of Directors of the Company be and is hereby authorised to allot and issue and/or procure the transfer of such number of new or existing Scope Shares arising from the exercise of the ESS Options and/or the vesting of the Shares Grant under ESS to Ms. Ong Lai Choon that may be awarded to her under ESS."

**Ordinary  
Resolution 9**

11. To transact any other business of which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

**CHEE WAI HONG (BC/C/1470)**  
**SSM PC No. 202008001804**  
**TAN SHE CHIA (MAICSA 7055087)**  
**SSM PC No. 202008001923**  
 Company Secretaries

Penang

Date : 30 October 2024

Notes :

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time of holding the meeting.
7. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
8. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
9. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
10. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to the Article 69 of the Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 18 November 2024 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
11. All the resolutions as set out in this notice of Annual General Meeting will be put to vote by poll.



# NOTICE OF ANNUAL GENERAL MEETING

SCOPE INDUSTRIES BERHAD

## Explanatory Notes on Ordinary Business

### Item 1 of the Agenda

#### **To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon**

The item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

### **Ordinary Resolutions 2, 3, 4 and 5 – Re-election of Directors**

The following Directors are standing for re-election as Directors of the Company pursuant to Article 95 and Article 102 of the Company's Constitution respectively at the 22<sup>nd</sup> Annual General Meeting of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution :-

- a) Mr. Lee Min Huat (Article 95)
  - b) Mr. Law Kim Fatt (Article 95)
  - c) Ms. Ong Lai Choon (Article 102)
  - d) Mr. Chen, Kun-Huei (Article 102)
- (collectively referred to as "**Retiring Directors**")

The Board has through the Nomination Committee ("**NC**") carried out the necessary assessment of the Retiring Directors and concluded that the Retiring Directors met the criteria as prescribed under Fit and Proper Policy of the Company on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors.

The Board has also through the NC carried out assessment on the independence of the Independent Non-Executive Directors ("**INEDs**") and is satisfied with the independence and performance of the INEDs.

The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Profile of Directors of the Annual Report 2024.

## Explanatory Notes on Special Business

### **Ordinary Resolution 7 – Authority to issue shares**

#### **Renewal of authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 7, if passed, primarily to renew the mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general authority granted to the Directors at the Twenty-First Annual General Meeting held on 29 November 2023 and which will lapse at the conclusion of the 22<sup>nd</sup> Annual General Meeting to be held on 28 November 2024.

A renewal of this authority is being sought at the 22<sup>nd</sup> Annual General Meeting under proposed Ordinary Resolution 7.

The renewal mandate if granted will provide flexibility to the Company for the allotment of shares for the purpose of fund raising activities including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

Pursuant to Section 85 of the Companies Act 2016 read together with Article 57 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 7, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

**Explanatory Notes on Special Business (Cont'd)****Ordinary Resolution 8 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 8, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 30 October 2024.

**Ordinary Resolution 9 – Proposed allocation of ordinary shares of the Company ("Scope Shares") ("Shares Grant") and/or options to subscribe for and/or acquire Scope Shares ("ESS Options") pursuant to the Scope Employees' Share Scheme 2021 ("ESS") to Ms. Ong Lai Choon**

The proposed Ordinary Resolution 9, if passed, will allow the Directors or ESS Committee to offer and to grant to Ms. Ong Lai Choon, being the Executive Director of the Company, Shares Grant and/or ESS Options of not more than 10% of the total number of Scope Shares which may be made available under the ESS, in accordance with the By-Laws governing and constituting the ESS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities.

**PERSONAL DATA POLICY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

SCOPE INDUSTRIES BERHAD

(Pursuant to Rule 8.29(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with the Rule 6.04(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 7 as stated in the Notice of Annual General Meeting of the Company for the details.



	Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Land Area	Built up Area	Existing Use	Audited Net Carrying Amount as at 30 June 2024 RM
1	Scope Manufacturers (M) Sdn Bhd HS(D) 8228 PT 4149 Lot 6181 Jalan Perusahaan 2 Kawasan Perindustrian Parit Buntar 34200 Parit Buntar Perak, Malaysia	27.02.1998	Industrial Land & Building	Leasehold for 60 years (expiring on 16.02.2049)	23	65,340 sq. ft	79,200 sq. ft	Double storey factory and office for use as factory and office	6,170,214
2	Scope Manufacturers (M) Sdn Bhd HS(D) 2841, PT 1803 Lot 10123 Jalan Perusahaan 2 Kawasan Perindustrian Parit Buntar 34200 Parit Buntar Perak, Malaysia	14.11.2002	Industrial Land & Building	Leasehold for 60 years (expiring on 13.03.2039)	17	87,120 sq. ft	66,000.0 sq. ft	Double storey office with annexed single storey factory building for use as office and factory	4,346,929
3	Scope Manufacturers (M) Sdn Bhd PN 343873 Lot 11455 Jalan Perusahaan 3 Kawasan Perindustrian Parit Buntar 34200 Parit Buntar Perak, Malaysia	12.01.2021	Industrial Land	Leasehold for 60 years (expiring on 16.02.2049)	N/A	2.5 acres	N/A	Construction in progress for manufacturing plant	3,187,424 (for land portion)  19,527,499 (Capital expenditure in progress)
4	Scope Manufacturers (M) Sdn Bhd PN 160492 Lot 10124 (Previously known as H.S.(D) 2842) Mukim Parit Buntar Daerah Kerian Perak, Malaysia	03.03.2023	Industrial Land	Leasehold for 60 years (expiring on 13.03.2039)	N/A	87,145 sq. ft	N/A	Warehousing	4,022,342



	Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Land Area	Built up Area	Existing Use	Audited Net Carrying Amount as at 30 June 2024 RM
5	Pioneer Glow Sdn Bhd Title No. CL 095331801 District of Kinabatangan (Tongod) Locality of Sungai Milian Sabah	19.7.2012	Plantation land	Leasehold for 99 years (expiring on 31.12.2094)	N/A	3,496.47 acres	N/A	Plantation land	35,036,364
6	Pioneer Glow Sdn Bhd Title No. CL 095331801 District of Kinabatangan (Tongod) Locality of Sungai Milian Sabah	19.7.2012	Estate building	Leasehold for 99 years (expiring on 31.12.2094)	N/A	N/A	N/A	Estate office, warehouse, workshop and labour quarters	23,364
7	Benua Mutiara Sdn Bhd Title No. CL 095311167 District of Kinabatangan Locality of Segaliud-Lokan Off KM 83 Sandakan-Lahad Datu Highway Sabah	20.6.2013	Plantation land	Leasehold for 99 years (expiring on 31.12.2079)	N/A	793.2 acres	N/A	Plantation land	21,765,637
8	Scope Realty Sdn Bhd GM 1645, Lot 7410 GM 1646, Lot 7411 GM 1647, Lot 7412 and GM 1648, Lot 7413 Mukim Parit Buntar Daerah Kerian Perak, Malaysia	31.10.2022	Vacant land	Freehold	N/A	7.45 acres	N/A	Vacant	5,772,866



- A.** Class of Shares : Ordinary Shares  
 Voting Rights : On show of hands – One vote for one person  
 On a poll – One vote for one ordinary share

**B. ANALYSIS BY SIZE OF SHAREHOLDINGS**

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	73	1.06	2,988	0.00
100 – 1,000	483	7.01	327,076	0.03
1,001 – 10,000	1,945	28.23	12,771,826	1.11
10,001 – 100,000	3,339	48.46	138,539,150	12.00
100,001 – 57,719,977(*)	1,047	15.20	755,792,219	65.47
57,719,978 and above (**)	3	0.04	246,966,300	21.39
<b>Total</b>	<b>6,890</b>	<b>100.00</b>	<b>1,154,399,559</b>	<b>100.00</b>

Remark : \* - Less than 5% of Issued Holdings

\*\* - 5% and above of Issued Holdings

**C. SUBSTANTIAL SHAREHOLDERS**

Name	Number of Ordinary Shares			
	Direct	%	Indirect	%
Lim Chiow Hoo	73,113,100	6.33	-	-
Lee Min Huat	92,098,800	7.98	-	-
Wah Len Enterprise Sdn Bhd	98,412,600	8.53	-	-
Dato' Lim Chee Wah	-	-	98,412,600*	8.53
Lim Ee Tatt	4,519,500	0.39	98,412,600*	8.53
Lim Ee Keong	-	-	98,412,600*	8.53
Lim Saw Khim	-	-	98,412,600*	8.53
Inventec Appliances Corp.	84,444,400	7.32	-	-
Inventec Corporation	-	-	84,444,400^	7.32

Notes:

\* Deemed interested in the shares held by Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

^ Deemed interested through its wholly-owned subsidiary, Inventec Appliances Corp.



# ANALYSIS OF SHAREHOLDINGS

as at 1 October 2024

SCOPE INDUSTRIES BERHAD

## D. DIRECTORS' SHAREHOLDINGS

Name	Number of Ordinary Shares			
	Direct	%	Indirect	%
Lim Chiow Hoo	73,113,100	6.33	-	-
Lee Min Huat	92,098,800	7.98	-	-
Lim Ee Tatt	4,519,500	0.39	98,412,600*	8.53
Law Kim Fatt	-	-	-	-
Yau Khai Ling	-	-	-	-
Ong Lai Choon	1,923,100	0.17	-	-

Notes:

- \* Deemed interested in the shares held by Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Companies Act 2016

## INTEREST IN RELATED CORPORATION(S)

None of the above Directors have any interest in shares in the Company's related corporations.

## E. THIRTY LARGEST SHAREHOLDERS

Name of Shareholders		No. of Shares	% of total issued shares
1.	Wah Len Enterprise Sdn Bhd	98,412,600	8.53
2.	Inventec Appliances Corp	84,444,400	7.32
3.	Lee Min Huat	64,109,300	5.55
4.	Lim Chiow Hoo	48,063,100	4.16
5.	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An for Standard Chartered Bank Singapore Branch (BJSSSGBR-CL FR)</i>	35,162,700	3.05
6.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Min Huat (7005950)</i>	27,989,500	2.43
7.	Lim Chiow Hoo	25,050,000	2.17
8.	Ooi Keng Thye	20,401,300	1.77
9.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tay Hock Soon (MY1055)</i>	17,494,400	1.52
10.	Er Soon Puay	16,500,000	1.43
11.	Lee Tack Chong	15,548,440	1.35
12.	Ooi Eng Leong	8,610,000	0.75
13.	Teoh Kee Peng	8,020,000	0.70
14.	Cheng Chew Giap	7,650,000	0.66
15.	Tang Boon Hiap	7,417,500	0.64
16.	Nina Jan A/P Nagarajan	7,111,100	0.62
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Liew Haw Chin (3007974)</i>	6,500,000	0.56
18.	Tan Ai Fung	6,330,000	0.55
19.	Lim Ee Tatt	4,519,500	0.39

**E. THIRTY LARGEST SHAREHOLDERS (Cont'd)**

	<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>% of total issued shares</b>
20.	Tan Ah Pan	4,433,500	0.38
21.	Lee Sep Pian	4,417,500	0.38
22.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Eng Choong (D JAYA-CL)</i>	4,400,000	0.38
23.	Citigroup Nominees (Asing) Sdn Bhd <i>CBHK for China Everbright Securities (HK) Limited</i>	4,200,000	0.36
24.	Ng Chooi Lee	4,180,000	0.36
25.	Yap Pei Pei	4,100,000	0.36
26.	Lee Meow Lim @ Lee Meow Yee	4,014,500	0.35
27.	Ong Ching Joo	4,000,000	0.35
28.	Ong Chooi Ewe	3,828,000	0.33
29.	Ong Kar Fatt	3,700,000	0.32
30.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Lee Mei (E-BMM)</i>	3,660,000	0.32



# ANALYSIS OF WARRANT HOLDINGS

as at 1 October 2024

SCOPE INDUSTRIES BERHAD

- A.** Number of outstanding Warrants B 2021/2024 ("Warrants") : 346,101,878  
Exercise Price Per Warrant : RM0.30 each

## B. ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of holdings	No. of holders	%	No. of Warrants	%
1 – 99	657	13.94	29,374	0.01
100 – 1,000	678	14.39	329,492	0.09
1,001 – 10,000	1,974	41.89	8,243,975	2.38
10,001 – 100,000	1,054	22.36	36,797,074	10.63
100,001 – 17,305,093 (*)	347	7.36	226,612,073	65.48
17,305,094 and above (**)	3	0.06	74,089,890	21.41
<b>Total</b>	<b>4,713</b>	<b>100.00</b>	<b>346,101,878</b>	<b>100.00</b>

Remark : \* - Less than 5% of Issued Holdings

\*\* - 5% and above of Issued Holdings

## C. DIRECTORS' WARRANT HOLDINGS

Name	Number of Warrants			
	Direct	%	Indirect	%
Lim Chiow Hoo	14,118,930	4.08	-	-
Lee Min Huat	27,629,640	7.98	-	-
Lim Ee Tatt	1,355,850	0.39	29,523,780*	8.53
Law Kim Fatt	-	-	-	-
Yau Khai Ling	-	-	-	-
Ong Lai Choon	451,510	0.13	-	-

Notes:

\* Deemed interested in the warrants held by Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Companies Act 2016

## D. THIRTY LARGEST WARRANT HOLDERS

Name of Warrant holders	No. of Warrants	% of total issued Warrants
1. Wah Len Enterprise Sdn Bhd	29,523,780	8.53
2. Inventec Appliances Corp	25,333,320	7.32
3. Lee Min Huat	19,232,790	5.56
4. Lim Chiow Hoo	14,118,930	4.08
5. Cartaban Nominees (Asing) Sdn Bhd Exempt An for Standard Chartered Bank Singapore Branch (BJSSSGBR-CL FR)	10,548,810	3.05
6. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Min Huat (7005950)	8,396,850	2.43

**D. THIRTY LARGEST WARRANT HOLDERS (Cont'd)**

	<b>Name of Warrant holders</b>	<b>No. of Warrants</b>	<b>% of total issued Warrants</b>
7.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Lim Fook Hin</i>	8,000,000	2.31
8.	Yuhadi Bin Sanuddin	6,470,000	1.87
9.	Lee Tack Chong	4,664,532	1.35
10.	Agriculturists Incorporated Development Sdn Bhd	4,330,022	1.25
11.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Yee Kan (A KEROH-CL)</i>	4,250,000	1.23
12.	De Jye	4,000,100	1.16
13.	Ong Kar Fatt	4,000,000	1.16
14.	Moomoo Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tee Kuang Yik</i>	3,750,000	1.08
15.	Chong Kim Choon	3,595,000	1.04
16.	Low Lay Ping	3,500,000	1.01
17.	Lee Chong Loo	3,100,000	0.90
18.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ang Kiat Siong (6000791)</i>	2,784,600	0.81
19.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Goh Chin Ewe (E-BMM)</i>	2,510,800	0.73
20.	Thaw Chee Hou	2,500,000	0.72
21.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Cha Chin Hong (E-PPG)</i>	2,351,800	0.68
22.	Eng Sheng Hao	2,310,000	0.67
23.	Chu Wan Chek	2,000,000	0.58
24.	Lee Fook Mee	2,000,000	0.58
25.	Zhou, Yun	1,908,000	0.55
26.	Khor Lin Ling	1,852,500	0.54
27.	Chai Chi Ling	1,800,000	0.52
28.	Tan Kheak Chun	1,800,000	0.52
29.	Ruhayat Bin Mohd Nazir	1,738,600	0.50
30.	Kow Gah Chie	1,691,100	0.49

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# PROXY FORM

# SCOPE

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

<b>CDS ACCOUNT NO.</b>				-				-									
<b>NO. OF SHARES HELD</b>																	
<b>TELEPHONE NO.</b>																	
<b>EMAIL ADDRESS</b>																	

I/We .....  
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Registration No.....)

of .....  
(FULL ADDRESS)

being a \*member/members of **SCOPE INDUSTRIES BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

\*and

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

or failing \*him/her, the Chairman of the meeting , as \*my/our proxy, to vote for \*me/us and on \*my/our behalf at the Twenty-second Annual General Meeting of 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 Thursday, 28 November 2024 at 10:30 a.m., and at any adjournment thereof to vote as indicated below:

No. of Resolution	Resolutions	For	Against
Ordinary Resolution 1	Approval of the payment of Directors' fees and Directors' benefits for the financial year ended 30 June 2024		
Ordinary Resolution 2	Re-election of Mr. Lee Min Huat as Director		
Ordinary Resolution 3	Re-election of Mr. Law Kim Fatt as Director		
Ordinary Resolution 4	Re-election of Ms. Ong Lai Choon as Director		
Ordinary Resolution 5	Re-election of Mr. Chen, Kun-Huei as Director		
Ordinary Resolution 6	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
Ordinary Resolution 8	Proposed New Shareholders' Mandate for the Recurrent Related Party Transactions of a revenue or trading nature		
Ordinary Resolution 9	Proposed Shares Grant and/or ESS Options to Ms. Ong Lai Choon		

(Please indicate with an "X" in the spaces provided above to how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/ her discretion)

In case of a vote taken by a show of hands, the First Proxy shall vote on \*my/ our behalf.

As witness my hand this ..... day of ..... 2024.

Signature of Member(s)/ Common Seal

\* Strike out whichever is not desired



Notes :

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time of holding the meeting.
7. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
8. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
9. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
10. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to the Article 69 of the Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 18 November 2024 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
11. All the resolutions as set out in this notice of Annual General Meeting will be put to vote by poll.

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**AFFIX  
STAMP**

The Company Secretaries  
**SCOPE INDUSTRIES BERHAD**  
200201023713 (591376-D)  
Suite 16.06, MWE Plaza  
No. 8 Lebuhr Farquhar  
10200 George Town  
Pulau Pinang

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## **SCOPE INDUSTRIES BERHAD**

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

Lot 6181 Jalan Perusahaan 2  
Kawasan Perindustrian Parit Buntar  
34200 Parit Buntar, Perak  
Tel : 05-716 9605 Fax : 05-716 6606  
Email : [sales@scope.com.my](mailto:sales@scope.com.my) / [account@scope.com.my](mailto:account@scope.com.my)

**[www.scope.com.my](http://www.scope.com.my)**