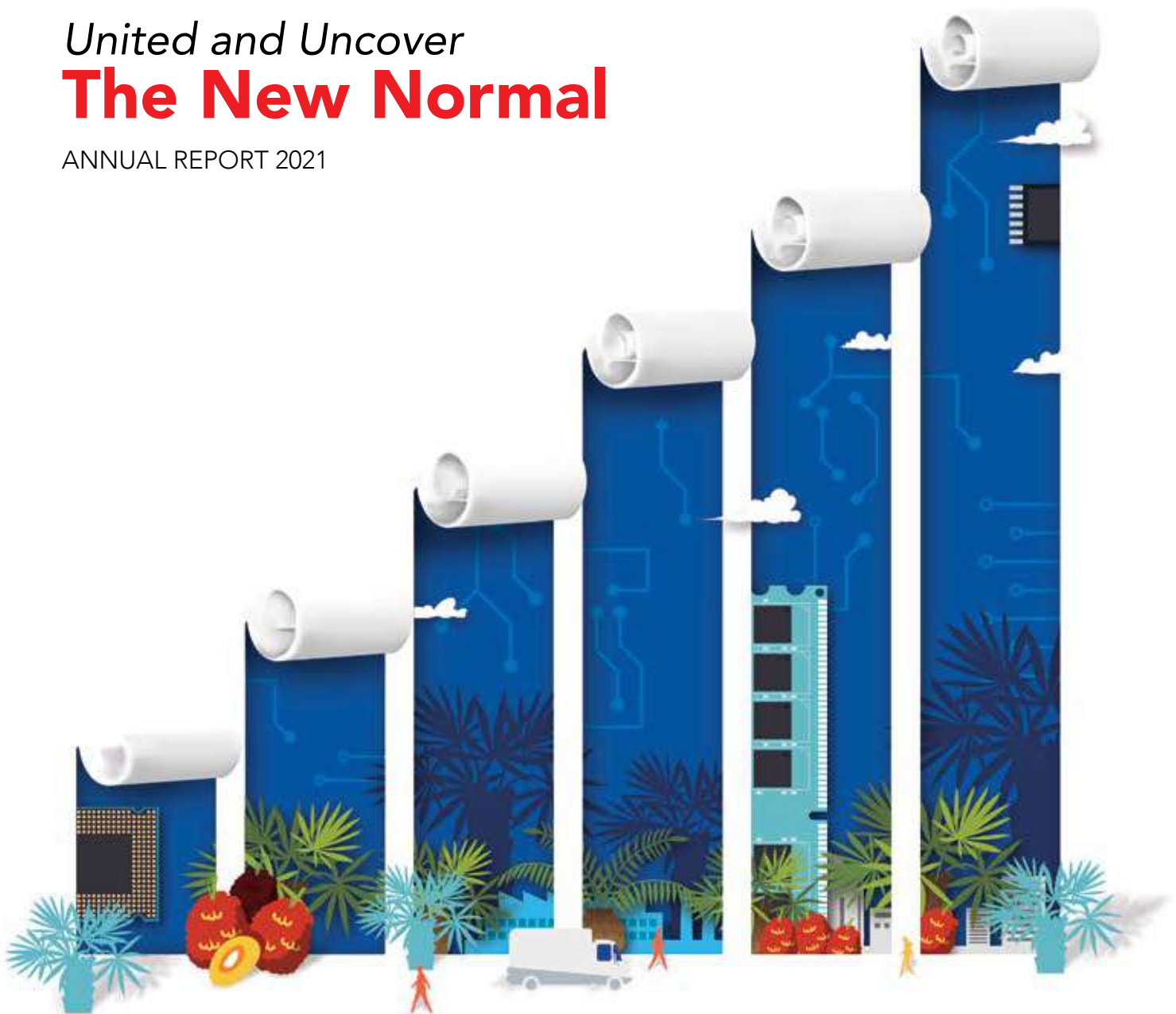


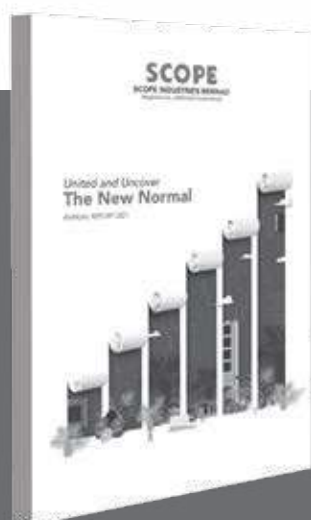
SCOPE

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

United and Uncover
The New Normal

ANNUAL REPORT 2021





United and Uncover The New Normal

Scope Industries Berhad uncovers the New Normal during challenging times and unites one another with everyone to grow along and set a new vision beyond. The Company with its involvement in both electronics and plantation ensures its precision to breakthrough challenges ahead, satisfying expectations from clients. Scope Industries Berhad will reaches greater height with its well-developed manufacturing capability, progressive growth along each sector.

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Enclosed PROXY FORM

CORPORATE INFORMATION

DIRECTORS

Lee Min Huat

(Executive Chairman)

(Re-designated on 24 February 2021)

Lim Chiow Hoo

(Managing Director)

Tan Choon Heong

(Executive Director)

(Appointed on 25 August 2021)

Tan Poh Heng

(Senior Independent Non-Executive Director)

Yong Loong Chen

(Independent Non-Executive Director)

Lim Ee Tatt

(Non-Independent Non-Executive Director)

Hsu, Ching-Chen

(Non-Independent Non-Executive Director)

(Appointed on 25 August 2021)

Yee Wei Meng

(Non-Independent Non-Executive Director)

(Appointed on 25 August 2021)

Chew Kong Yoon

(Chairman, Non-Independent Non-Executive Director)

(Resigned on 13 January 2021)

Yvonne Chew Siok Fong

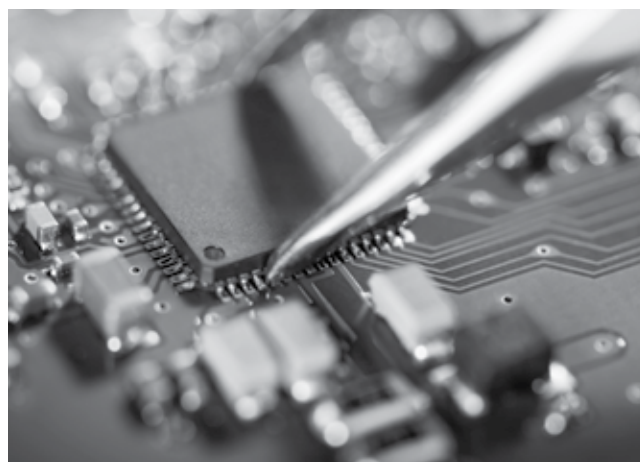
(Alternate Director to Chew Kong Yoon)

(Cessation of office on 13 January 2021)

Law Kim Fatt

(Independent Non-Executive Director)

(Appointed on 26 October 2021)



COMPANY SECRETARIES

Chee Wai Hong (BC/C/1470)

SSM PC No. 202008001804

Tan She Chia (MAICSA 7055087)

SSM PC No. 202008001923

AUDIT COMMITTEE

Tan Poh Heng (Chairman, Senior Independent Non-Executive Director)

Yong Loong Chen (Member, Independent Non-Executive Director)

Lim Ee Tatt (Member, Non-Independent Non-Executive Director)

REGISTERED OFFICE

48, Jalan Chow Thye
10050 Georgetown
Penang
Tel: 04- 226 2188

BUSINESS ADDRESS

Lot 6181 Jalan Perusahaan 2
Kawasan Perindustrian Parit Buntar
34200 Parit Buntar, Perak
Tel: 05-716 9605
Fax: 05-716 6606

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

AUDITORS

**Grant Thornton Malaysia PLT
Chartered Accountants**

Level 5, Menara BHL
51, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel: 04-228 7828
Fax: 04-227 9828

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

WEBSITE

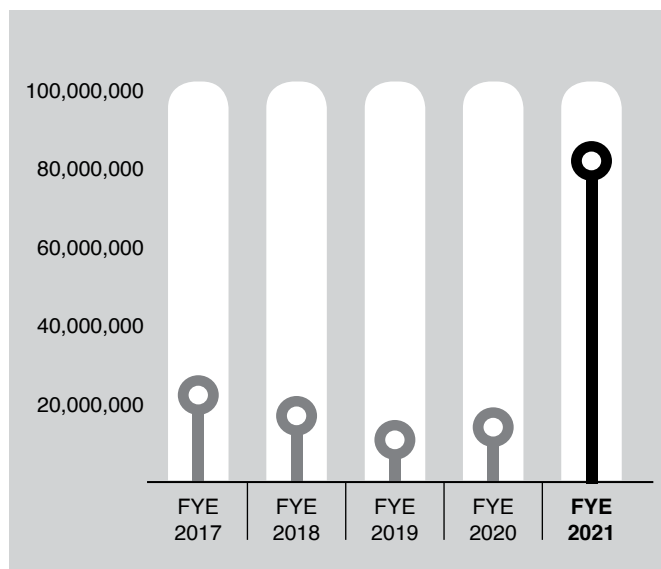
<http://www.scope.com.my>

FINANCIAL HIGHLIGHTS

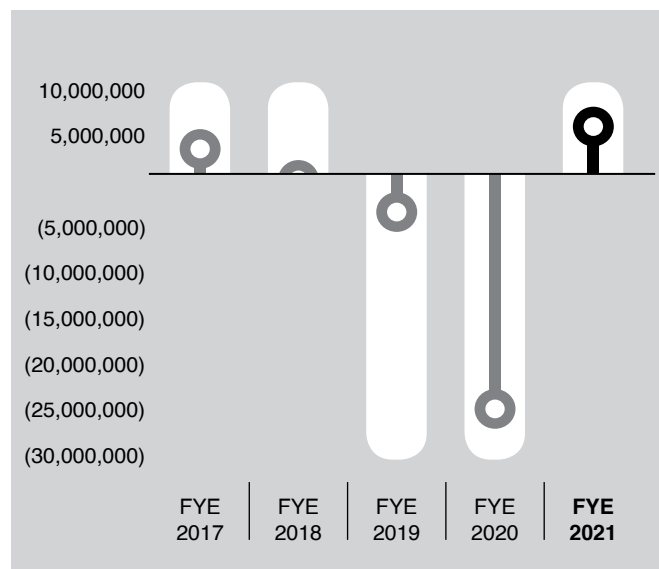


	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Revenue	26,106,409	22,291,018	15,550,162	19,638,255	87,188,214
Profit / (Loss) before tax	5,395,290	1,761,190	(5,209,069)	(26,094,479)	7,876,339
Equity	118,522,095	117,473,601	121,184,130	101,376,713	126,981,890
Net assets per share (sen)	21.15	20.96	19.57	15.33	16.51
Number of Shares in issue	560,484,430	560,484,430	619,132,873	661,458,273	769,115,306

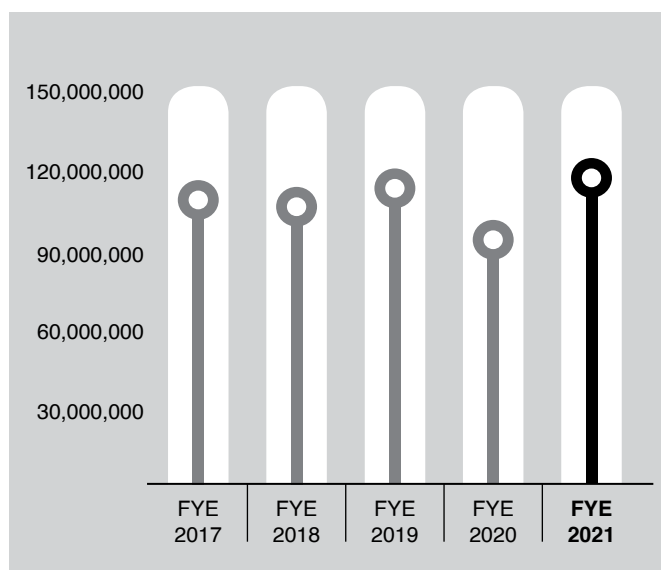
REVENUE



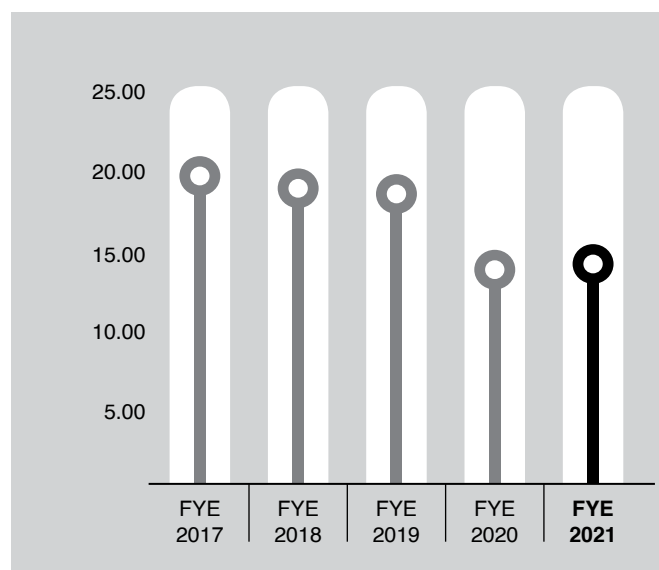
PROFIT/(LOSS) BEFORE TAX



EQUITY



NET ASSETS PER SHARE (SEN)

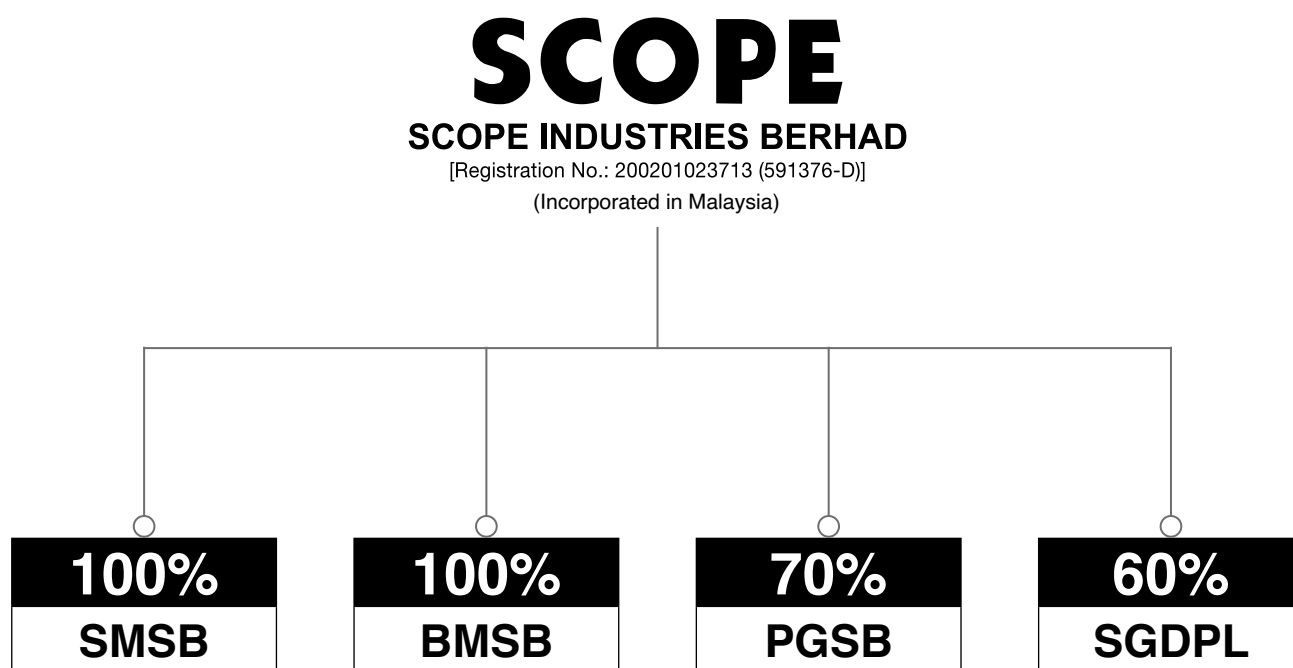


HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

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 two (2) wholly-owned subsidiaries, namely Scope Manufacturers (M) Sdn. Bhd. ("SMSB") and Benua Mutiara Sdn. Bhd. ("BMSB"). Besides that, Scope has a seventy percent (70%) owned subsidiary namely Pioneer Glow Sdn. Bhd. ("PGSB"). On 15 October 2020, Scope Global Distributor Pte. Ltd. ("SGDPL") was incorporated in Singapore under the Trading Division.

The core business of Scope Group are manufacturing and assembling of electrical and electronics components and products as well as cultivation of oil palm. Following the new incorporation of SGDPL during the financial year, the Group has expanded its business to trading of electrical and 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
Subsidiaries		
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.

MANAGEMENT DISCUSSION AND ANALYSIS



The Board of Directors (“the Board”) and Management of Scope Industries Berhad (“Scope” or “the Group”) are pleased to present the Management Discussion and Analysis (“MD&A”) for the financial year ended 30 June 2021 (“FY 2021”). The MD&A provides our commentary on the Group’s business operations and financial performance.

FY 2021 has been a challenging year amid the COVID-19 pandemic. the Malaysian government has mandated movement control nationwide, and implemented precautionary measures on limiting the number of workers in factories, resulted in delay of the Company’s projects and interruption on its business operations. Despite the unfavourable circumstances, the Management has made a broad and calculated assessment to mitigate the situation by introducing certain measures that have successfully minimised the impact of the Group’s business operations and financial position.

Despite continuous challenges resulting from COVID-19 pandemic, the Group is able to make commendable profit this financial year mainly due to better utilisation of production capacity on elevated demand by customer, production efficiency and cost control measures. Scope had registered a profit before tax (“PBT”) of RM7.9 million on the back of the increase in revenue from RM19.6 million to RM87.2 million.

Global supply chain disruption and fluctuation in material and rising labour cost are anticipated to pose challenges to the Group, especially the manufacturing operation. Nonetheless, the Management negated the adverse impact by implementing cost cutting measures to enable production lines to continue running profitably.

OVERVIEW OF OUR GROUP'S BUSINESS

Scope Industries Berhad was incorporated in Malaysia on 2 September 2002 under the Companies Act 1965 as a public limited company. The principal activities of Scope involve in:

- i) Manufacturing - manufacture and assembly of electrical and electronic components and products;
- ii) Plantation - cultivation of oil palms;
- ii) Trading - trading of electrical and electronic products.

Manufacturing Division

Scope Manufacturers (M) Sdn. Bhd. (“SMSB”) is the Group’s largest business division which began operation over 25 years ago in the assembly of printed circuit board (“PCBA”). Through effective business network, SMSB has established itself in the electronic industry as a reliable and high quality service provider for PCBA and complete box-build to reputable OEM companies after a culmination of 25 years in the industry.

Plantation Division

This division involved in cultivation of oil palms by two (2) subsidiaries: Pioneer Glow Sdn. Bhd. and Benua Mutiara Sdn. Bhd. As at 30 June 2021, the division has a land area of approximately 1,736 hectares in Sabah, Malaysia.

Trading Division

The subsidiary in this division is Scope Global Distributor Pte. Ltd. that was incorporated during the financial year under review. The principal activities of this company are to carry on the business of trading of electrical and electronic products for the Information and Communications Technology industry.

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES

The Group recorded a revenue of RM87.2 million, which is equivalent to 344% increase in revenue in FY 2021, as compared to RM19.6 million for financial year ended 30 June 2020 (“FY 2020”). The increase in revenue was mainly due to higher sales volume for the manufacturing division, in tandem with the higher demand in electronic products catering for work from home and stay at home environment during the outbreak of COVID-19 pandemic and contributions from the trading division.

In FY 2020, the Group incurred a loss before tax of RM26.1 million, as a result of the goodwill impairment amounting to RM20.4 million in relation to plantation division.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES (Cont'd)

Manufacturing Division

The manufacturing division recorded a 214% increase in revenue to RM41.62 million for FY 2021 mainly due to higher sales volume, in tandem with positive demands on the electronic products and audio equipments. This division posted profit after tax at RM5.59 million for FY2021 compared to a loss of RM5.23 million in FY2020, mainly due to higher revenue generated.

The division invested RM7.41 million in the year under review (2020:RM6.09 million) to expand its manufacturing facilities, including acquisition of machinery and construction of new manufacturing plant. Our plant in Parit Buntar, Perak is not only continuously operating its core business in printed circuit board assembly ("PCBA") but also focusing on manufacture of complete box-build products which complements PCBA business.

In view of the supply and demand dynamics, we have been closely monitoring and evaluating our production schedule for achieving optimal operating condition, which is crucial to meet deadline of product delivery. Efficiency in production process remains the key area of focus for manufacturing division. In addition, Management is continuously making its efforts to secure more orders from customers.

Plantation Division

This year, the plantation division recorded revenue of RM8.59 million (2020:RM6.30 million). This was due to increase in average Fresh Fruit Bunches ("FFB") price by 60.8%, while FFB production dropped by 15.1%.

The table below shows FFB production volume and its average selling price together with the changes in percentage.

Production volume and Price	FY 2021	FY 2020		Changes in Percentage
FFB Production (MT)	12,691	14,955	↓	-15.1%
Average FFB price (RM)	677	421	↑	+60.8%

The plantation division posted profit after tax at RM1.67 million compared to loss of RM0.34 million in FY 2020 mainly due to higher revenue generated in view of increase in average crude palm oil prices.

As at 30 June 2021, total plantation land stands at approximately 1,736 hectare of which 87.3% or 1,516 hectare are planted with oil palms. As at 30 June 2021, all of the planted area comprise of mature trees. The average yield for this year was lower at 8.37MT/hectare compared to 9.87MT/hectare in the previous year. The division continues to be affected by shortage of workers for plantations in Malaysia due to COVID-19 resulting in a lower yield.

The management will strive to improve FFB production and manage the costs to improve profitability.

The age profile of developed areas is shown below:

Particulars	Hectare	%
4 - 7 years	443	29.2%
8 – 19 years	752	49.6%
> 19 years	321	21.2%
	1,516	100.0%

Trading Division

Trading division comprises of results of our newly incorporated subsidiary in Singapore. For the FY 2021, revenue and profit after tax was RM36.72 million and RM1.18 million respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)



RIGHT ISSUE EXERCISE

On 19 March 2021, Scope announced the renounceable rights issue of up to 384,557,653 new ordinary shares in Scope at an issue price of RM0.175 for each Rights Share ("Scope Shares") ("Rights Shares") on the basis of 1 Rights Share for every 2 existing Scope Shares held by shareholders on the entitlement date ("Right Issue").

On 27 July 2021, Scope completed the Rights Issue exercise following the listing of 384,557,653 Scope Shares on the ACE Market of Bursa Malaysia Securities Berhad.

The aforesaid exercise successfully raised RM67.3 million in proceeds.

PROSPECT

Manufacturing Division

Our factory is gearing for further expansion in the production facilities to accommodate increase in orders. The Board express confidence to the anticipation of immediate, and future sales orders that will continue to grow over time which will inevitably contribute to add value to the Company and its profitability.

With the COVID-19 pandemic continuing to affect lives around the world, the outlook for the financial year 2022 remains challenging and uncertain. In view of the direction of the government to ease control on economic activities, the Management will remain judicious by continuing the measures in maintaining cost control to anticipate any unforeseen circumstances that may develop. In addition, the company will continue to focus proactively in production efficiency and productivity to improve profitability.

Plantation Division

The performance of this division is fundamentally contingent on FFB production and the movement of crude palm oil ("CPO") price which has a direct impact on FFB price. Scope Group will continue to face challenges from increasing costs, manpower shortage and unpredictable weather conditions.

Production of FFB still short of the target in this division, however, it recorded significant increase in revenue due to rapid rise in the price of CPO. The plantation division is facing manpower shortage. This will remain the sector's significant challenge to improve productivity.

Nevertheless, Management will continue to improve yield and manage cost to deliver better performance.

Trading Division

This division has contributed positively to the Group's earnings in FY 2021. Moving forward, the management will identify trading opportunity in the market in order to deliver profitable results.

Dividend Policy

The Company does not have a dividend payout policy. However, the Company will consider to declare a dividend payout when the Company has excess funds and after looking at the capital commitments, working capital requirement and earnings.

SUSTAINABILITY STATEMENT

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.

The Group continues to pursue business sustainability by managing its economic, environmental, and social risks and opportunities.

Economic

Despite the outbreak of COVID-19 pandemic, the Group’s revenue for the financial year ended 30 June 2021 increased by 344% to RM87.19 million compared with the previous financial year. The increase in revenue was largely driven by the higher demands and orders in electronic products such as audio equipments, which cater to work-from-home and stay-at-home environment.

Nonetheless, we will continuously adopt a more prudent approach and cost control while operating and moving forward in a challenging business environment, given a shortage of electronic components worldwide and uncertainty in the supply chain which could limit the Group’s ability to meet customer orders,

- Customer Relations

The Group recognises the importance of maintaining strong customer relationship as it affects the Group’s business. We are committed to provide quality products and services in meeting our customers’ expectation through continuous upgrading of our technology, process and service.

A customer survey is conducted on an annual basis. We sincerely accept opinions, requests, and suggestions from customers we receive on various occasions and strive to use these for development and improvement of our products and services and for improvement of customer satisfaction.

- Supplier Relations

We build fair, ethical and lasting relationships with our suppliers. It is essential to have a sustainable supply chain. We review the suppliers based on the price and payment terms, product and service quality, operation scale and geographical proximity to the production facilities. We also regularly monitor the performance of the suppliers. Quotations from various suppliers are obtained to ensure the competitiveness of the pricing. In order to ensure the quality of our finished products, a supplier who fails to fulfill the requirements on product and services quality, may be removed from our approved vendor list.

- Investor Relations

We recognise the importance of being transparent and accountable to the Company’s investors. As such, we ensure proper corporate governance practices are in place and monitored closely and reviewed periodically. The Company’s website, www.scope.com.my provides pertinent information and announcements concerning the Group with the objective to foster and maintain a good relationship and provide timely information to the investors.

Furthermore, Annual General Meeting serves as a platform for the shareholders to engage directly with the Board and key senior management.

In term of ethical business, the Group recognises that upholding high standards of integrity and ethical corporate conducts in all business activities is necessary to strengthen its corporate reputation and maintain the trust and confidence of all our stakeholders. The Directors are always guided by a Code of Ethics whilst a Code of Conduct spells out the guiding principles for all the employees to do what is right and behave with integrity and honesty. It requires the employees to have stringent obligation as to how they deal with the issues including compliance of law, conflict of interest, confidentiality, insider trading and fair dealing.

In line with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption which come into force on 1 June 2020, the Board has adopted an Anti-Bribery and Corruption Policy to prevent the occurrence of bribery and corrupt practices in relation to the Group’s businesses.

SUSTAINABILITY STATEMENT (Cont'd)



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.

- Environmental Compliance

Scope has always been 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.

- Waste Management

We emphasize on managing manufacturing waste in line with the Group's focus on cost efficiency. Our factory has implemented measures to segregate, reduce and recycle our waste to minimize the environment impact. We keep track of the materials that we use, aiming to minimize unnecessary waste of materials from the printed circuit board ("PCB") assembly and other related manufacturing process.

Solid waste produced in the manufacturing area is disposed in a responsible manner. A reliable authorised solid waste disposal company, which is registered under DOE, has been contracted to handle all waste disposal.

- Paper Consumption

In order to reduce the paper consumption, we promote the use of electronic reporting via internet and emails within the Group. The employees are also encouraged to play a part in protecting the environment by promoting recycle paper usage in workplace.



SUSTAINABILITY STATEMENT (Cont'd)

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 according to performance, qualifications and experience.

In order to fight against the COVID-19 pandemic in the workplace, we have adopted various precautionary measures to protect the wellbeing of our employees:-

- a) Temperature scanning is conducted for the employees and visitors at entry point of our office premises.
- b) Face masks are provided to the employees and hand-sanitizer are available at various locations around our office.
- c) Infection prevention initiatives have been taken to disinfect the workplace and ensure good ventilation in the office area and production floor.
- d) Encourage the practice of good personal hygiene, such as washing hands frequently with soap and water, and keeping physical distancing in all daily work activities.
- e) Quarterly meetings such as Audit Committee and Board of Directors' Meetings had been held via virtual platform such as Zoom.
- f) Swab test has been conducted in the workplace to ensure health and safety of our employees. In addition, COVID-19 saliva test kits are provided to the employees, which will allow them to test at any time and place.
- g) Encourage the employees to register and get inoculated under the Public-Private Partnership COVID-19 Industry Immunisation Programme ("PIKAS"). As a result, a total of 508 employees have registered under this Programme, and have been fully vaccinated.

We continue to focus on recruiting and developing our talent pool to support the business sustainability and growth. As such, training programme is provided to upgrade the competency, skills sets, knowledge and technical expertise of the employees.

An industrial safety training such as firefighting and emergency response by fire brigade is regularly conducted for the employees to increase awareness and ensure emergency preparedness at all times. The office premises are equipped with relevant fitting and equipment in case of fire. It includes fire alarms, fire extinguisher and fire proof door. We also ensure that the office security is strictly maintained at all times through CCTV surveillance and thumbprint access control. In addition to that, security guards are hired to safeguard the entrance of our main plant.

The Group's social responsibility extended to the community it operates in. We regularly recruit interns from various universities and polytechnics. A practical training is useful for them to gain working experience and develop their job skills.

PROFILE OF DIRECTORS



LEE MIN HUAT

Age: 64
Nationality: Malaysian
Gender: Male

Lee Min Huat, a Malaysian, male, aged 64, 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.

He 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, plans for the Group and oversee the Group finance and operations. Besides, he also sits on the board of several other subsidiaries of Scope.

Mr. Lee Min Huat is a member of the Remuneration Committee. He has no family relationship with any Director or major shareholders of the Company.

Currently, he is also an Executive Director of Menang Corporation (M) Berhad.

LIM CHIOU HOO

Age: 58
Nationality: Malaysian
Gender: Male

Lim Chiow Hoo, a Malaysian, male, aged 58, 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 when he set up his business of assembling printed circuit board ("PCB") for office equipments. In 1991, he founded Scope Manufacturers (M) Sdn. Bhd. ("SMSB") and his business in the sole proprietorship was subsequently transferred to SMSB. SMSB's operations expanded to include the assembly of PCB for telecommunication products. Being the founder, he is directly involved in the growth and development of SMSB since its inception in 1991. Under his stewardship, SMSB's operations have since expanded to include the assembly of PCB for various electronic products with specialisation in audio and telecommunication equipment.

Backed by more than 26 years of experience in the electronics industry, Mr. Lim Chiow Hoo possesses in-depth knowledge on the overall operations of SMSB. His functional roles in the Group include the overall management of sales and marketing of the Group.

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

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

TAN CHOON HEONG

Age: 60
Nationality: Malaysian
Gender: Male

Tan Choon Heong, a Malaysian, male, aged 60, was appointed as the Executive Director of Scope on 25 August 2021.

Upon completion of his upper secondary education, he worked as branch manager in Top-Point Corporation (M) Sdn. Bhd. from 1984 to 1987 and J.E Skincare & Cosmetics Sdn. Bhd. from 1988 to 1992. In 1993 to 1998, Mr Tan Choon Heong worked as branch manager of Limsa Group of Company. In 1993 to 2003, he worked as manager at GCT Wood Industries (M) Sdn. Bhd. He was appointed as director of Kinwell Corporation Limited at Hong Kong in 2014, Dongguan Long Term Trading Co Limited at China in 2015 and Fei Shang Resources Sdn Bhd in 2017. He has founded several companies with international trading businesses since 2014. He is a businessman with vast experience in the trading of timber, electronic, building materials and food.

Mr. Tan is a shareholder of the Company's subsidiary, namely Scope Global Distributor Pte. Ltd. ("SGDPL"). He is primarily responsible for the sales and operations of SGDPL.

He does not hold any directorships in other public companies and listed issuers. He has no family relationship with any Director or major shareholders of the Company.

PROFILE OF DIRECTORS (Cont'd)

TAN POH HENG

Age: 64

Nationality: Malaysian

Gender: Male

Tan Poh Heng, a Malaysian, male, aged 64, was appointed as the Independent Non-Executive Director of Scope on 13 May 2008 and designated as Senior Independent Non-Executive Director on 16 April 2015. He is a member of both the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

He joined Messrs. Price Waterhouse & Co. as an Audit Assistant in May 1978 until March 1983 when he completed his professional examination and qualified as an accountant. In April 1983, he joined Messrs. Peat, Marwick, Mitchell & Co. as a Qualified Assistant. In January 1985, he left the accounting firm as an Audit Supervisor to join South Island Garment Sdn. Bhd. ("SIG") as a Chief Accountant. He left SIG in March 2002 when he held the position of Senior General Manager. He was attached to Messrs. JB Lau & Associates as the Senior Audit Manager from June 2002 to September 2003. He was the Chief Financial Officer of GPS Tech Solutions Sdn. Bhd. He was the Financial Controller of Punch Industry Malaysia Sdn. Bhd., which is a wholly owned subsidiary of a listed company in Japan, Punch Industry Co. Ltd. from September 2012 until he attained his statutory retirement age in September 2017.

Currently, he is an Independent Non-Executive Director of Magni-Tech Industries Berhad.

Mr. Tan Poh Heng is also the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of Scope. He has no family relationship with any Director or major shareholders of the Company.

YONG LOONG CHEN

Age: 55

Nationality: Malaysian

Gender: Male

Yong Loong Chen, a Malaysian, male, aged 55, was appointed as the Independent Non-Executive Director of Scope on 1 December 2008. He is a Chartered Accountant by profession as well as a member of the Malaysian Institute of Certified Public Accountants and also member of the Malaysian Institute of Accountants.

He joined Messrs KMPG Peat Marwick as audit senior in year 1990 until 1994. Subsequently, he was attached with Paul Chuah & Co as Audit Manager from year 1994 to 1995. From year 1995 to 2010, he was a dealer representative with Affin Investment Bank Berhad.

Mr. Yong Loong Chen is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He has no family relationship with any Director or major shareholders of the Company.



PROFILE OF DIRECTORS (Cont'd)



LIM EE TATT

Age: 51

Nationality: Malaysian

Gender: Male

Lim Ee Tatt, a Malaysian, male, aged 51, was appointed as the Non-Independent Non-Executive Director of Scope on 2 December 2013.

Mr. Lim is a graduate of University of South Australia where he holds his bachelor's degree in Mechanical Engineer 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 Ee Tatt 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.

Mr. Lim Ee Tatt is a member of the Audit Committee. 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 any family relationship with any Director or major shareholders of the Company.

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

HSU, CHING-CHEN

Age: 63

Nationality: Taiwanese

Gender: Male

Hsu, Ching-Chen, a Taiwanese, male, aged 63, was appointed to the Board as a Non-Independent Non-Executive Director on 25 August 2021.

He graduated from Tamkang University, Taiwan with a Professional Qualification of Mechanical Engineering in 1986.

Mr. Hsu started his career with Inventec Corporation, Taiwan in 1983. In 1989, he was attached to Supercom Electric Industrial Co. Ltd. as Factory Director. From 1990 to 1997, Mr. Hsu set up a company providing Original Equipment Manufacturers ("OEM") services for electronic products. In 1997, he joined Q-Run Technology Corporation as Material Manager. From 1999 to 2002, he re-joined Inventec Appliances (Shanghai) Co. Ltd. as Vice President and he was responsible for the factory management. In 2003, he was a General Manager of Amtek Sysytem (Shanghai) Co. Ltd. prior to joining Quanta Shanghai Manufacturing City as a Director.

In 2016, he re-joined Inventec Appliances (Pudong) Corporation until his current position as Vice President in Production Engineering Division.

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

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

PROFILE OF DIRECTORS (Cont'd)

YEE WEI MENG

Age: 43

Nationality: Malaysian

Gender: Male

Yee Wei Meng, a Malaysian, male, aged 43, was appointed to the Board as a Non-Independent Non-Executive Director on 25 August 2021.

Mr. Yee holds a Bachelor of Laws from the University of Leicester, United Kingdom and a Certificate in Legal Practice (CLP) issued by Legal Profession Qualifying Board, Malaysia. He also holds a Master of Business Administration (MBA) from Charles Sturt University, Australia.

Prior to 2004, Mr. Yee worked as a legal assistant in various advocates and solicitors' firms where he was responsible for conveyancing, corporate finance and litigation matters.

On 2 April 2021, he was appointed as Group Managing Director of Axteria Group Berhad (formerly known as Acoustech Berhad). Besides, he also sits on the board of Fontern International Group of companies and Transgrow Group of companies, which involved in the business of steel and hardware trading, oil palm and rubber plantations, plantations development, property and share investment, business investment and acquisition, property development and hotel industry. He is responsible for the daily business operations, accounts, legal matters, marketing and business expansion.

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

LAW KIM FATT

Age: 39

Nationality: Malaysian

Gender: Male

Law Kim Fatt, a Malaysian, male, aged 39, was appointed as Independent Non-Executive Director of Scope on 26 October 2021.

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 19 years of working experience in audit, accounting and corporate finance advisory. For the past 13 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 Director or major shareholders of the Company.

He does not hold any directorships in any 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.

PROFILE OF KEY SENIOR MANAGEMENT



ONG LAI CHOON

Age: 49

Nationality: Malaysian

Gender: Female

Ong Lai Choon, a Malaysian, female, aged 49, was appointed as Chief Operating Officer of Scope Manufacturers (M) Sdn. Bhd. on 16 March 2011. In her current position, she is responsible for the planning, coordination and control of manufacturing processes in the factory as well as purchasing and human resources department. She has more than 20 years of working experience in manufacturing environment of which 18 years was with electronic manufacturing service companies.

Ms. Ong holds a Diploma in Management from Malaysian Institute of Management. She joined Scope Manufacturers (M) Sdn. Bhd. in 2006 as production planner and was promoted to Head of Purchasing cum Planning Department in 2009 and was subsequently taking the position as Chief Operating Officer.

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.

HAN SIEW KING

Age: 74

Nationality: Malaysian

Gender: Male

Han Siew King, a Malaysian, male, aged 74, was appointed as Managing Director of Pioneer Glow Sdn. Bhd., a subsidiary company 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.

On 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 to start the 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 and now only does consultancy services as and when requested for.

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 Director or major shareholders of the Company.

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

Notes:

1. All the above Key Senior Management do not have any conflict of interest with the Company.
2. Other than traffic offences, none of the Key Senior Management 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 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 (“MCCG” or “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.

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;
- 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 and Executive Director have 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 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 in line with Practice 3.1 of the Code.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



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.

In line with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption which come into force on 1 June 2020, the Board had on 1 June 2020 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.

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.

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 Managing Director and Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

I) Board Responsibilities (Cont'd)

Board Meetings and Time Commitment

Board Meetings are held every quarter 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 five (5) times during the financial year ended 30 June 2021. 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. Chew Kong Yoon #	2/2
Mr. Lim Chiow Hoo	5/5
Mr. Lee Min Huat	5/5
Mr. Tan Poh Heng	5/5
Mr. Yong Loong Chen	5/5
Mr. Lim Ee Tatt	5/5

Note:

Attendance is counted until his resignation from the Board on 13 January 2021.

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 other relevant training programmes, courses and seminars to enhance their knowledge and professionalism in discharging their duties.

Details of training attended by the Directors during the financial year 2021 are as follow:

No.	Director	Seminar/Training Course Attended
1.	Lim Chiow Hoo	Turning Sunlight into Investment with Solarvest
2.	Lee Min Huat	Turning Sunlight into Investment with Solarvest
3.	Tan Poh Heng	Budget 2021 Implementing Amendments in the Malaysian Code on Corporate Governance (MCCG) Towards A Comprehensive System of Corporate Reporting: Communication of Long-Term Value Creation e-Commerce: Driving Growth with Digital
4.	Yong Loong Chen	FX Outlook - US Exceptionalism and Implications to the FX Market Implementing Amendments in the Malaysian Code on Corporate Governance (MCCG) e-Commerce: Driving Growth with Digital
5.	Lim Ee Tatt	Turning Sunlight into Investment with Solarvest

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



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

II) Board Composition

The Board currently consists of nine (9) members, comprising three (3) Executive Directors, three (3) Independent Directors and three (3) 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 the Board to have at least two (2) Independent Directors or one-third (1/3) of the Board or Directors, whichever is higher, to be Independent Directors.

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.

Presently, Mr. Tan Poh Heng and Mr. Yong Loong Chen have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years since their appointments on 13 May 2008 and 1 December 2008 respectively. However, Mr Yong Loong Chen has expressed his intention not to seek for re-election at the forthcoming AGM.

The Board recommended Mr. Tan Poh Heng to continue to act as the Independent Non-Executive Director of the Company. The Board is to seek shareholders' approval through a two-tier voting process at the forthcoming Annual General Meeting.

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

Nomination Committee

The Nomination Committee of Scope was set up on 19 November 2003. Details of the members of the Committee are as follow:

Nomination Committee Members	Position in Nomination Committee	Directorate	Attendance
Mr. Tan Poh Heng	Chairman	Senior Independent Non-Executive Director	1/1
Mr. Yong Loong Chen	Member	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. 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:-

- Adding value
- Conformance
- Stakeholder Relationship
- Performance management

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

II) Board Composition (Cont'd)

Nomination Committee (Cont'd)

The process also assesses the competencies of each Director in the areas of integrity and ethics, governance, strategic perspective, business acumen, judgement and decision making, teamwork, communication and leadership.

The Nomination Committee also undertakes annual assessment of the independence of its independent directors based on required mix skills, criteria of independence as per 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.

When considering new appointment, the Nomination Committee shall evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall consider candidates from a wide range of backgrounds and consider candidates on merit and against objective criteria, taking care that appointees have sufficient time available to devote to the position.

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

- (a) 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.
- (b) Reviewed and recommended the re-election/re-appointment of Directors who were retiring and seeking for re-election/re-appointment at Eighteenth Annual General Meeting.
- (c) Assessed the performance of Independent Non-Executive Directors.
- (d) Reviewed the term of office and performance of an Audit Committee and each of its members.

Gender, Ethnicity and Age Diversity Policy

The Board does not set any target on gender diversity and has no immediate plan to implement gender, ethnicity and age diversity policy for its Board of Directors.

In considering Board member appointment, the Board provides equal opportunity to candidates who have the necessary skills, experience, competencies and other attributes regardless of gender, ethnicity and age.

The Group also has no immediate plans to implement workforce diversity policy or target as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. The Group will provide equal opportunity to candidates with merit.

Remuneration Committee

The Remuneration Committee was formed on 19 November 2003. The Committee comprises mainly of Non-Executive Directors and the members and their attendance of meetings during the financial year 2021 are as follows:

Remuneration Committee Members	Position in Remuneration Committee	Directorate	Attendance
Mr. Tan Poh Heng	Chairman	Senior Independent Non-Executive Director	1/1
Mr. Lee Min Huat	Member	Executive Director	1/1
Mr. Yong Loong Chen	Member	Independent Non-Executive Director	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



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

II) Board Composition (Cont'd)

Remuneration Committee (Cont'd)

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.

The Committee held one meeting during the financial year 2021 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 of the Company for the financial year 2021, received and receivable by the Directors of the Company as well as received on a group basis are as follows:

Group	Fees RM	Salaries and Other Emoluments* RM	Allowance RM	Total RM
<u>Executive Director</u>				
Lim Chiow Hoo	36,000	491,260	2,000	529,260
Lee Min Huat	36,000	463,430	2,000	501,430
<u>Non-Executive Director</u>				
Chew Kong Yoon #	86,000	-	1,000	87,000
Tan Poh Heng	36,000	-	2,000	38,000
Yong Loong Chen	36,000	-	2,000	38,000
Lim Ee Tatt	36,000	-	2,000	38,000
Total	266,000	954,690	11,000	1,231,690

Company	Fees RM	Salaries and Other Emoluments* RM	Allowance RM	Total RM
<u>Executive Director</u>				
Lim Chiow Hoo	36,000	-	2,000	38,000
Lee Min Huat	36,000	-	2,000	38,000
<u>Non-Executive Director</u>				
Chew Kong Yoon #	6,000	-	1,000	7,000
Tan Poh Heng	36,000	-	2,000	38,000
Yong Loong Chen	36,000	-	2,000	38,000
Lim Ee Tatt	36,000	-	2,000	38,000
Total	186,000	-	11,000	197,000

Note:

* This includes bonus as well as statutory contributions.

Resigned on 13 January 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

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. Tan Poh Heng 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 2021 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



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 Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner. The Corporate Disclosure Policies and Procedures is published on the Company's website at 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 (<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 Annual General Meeting ("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 26 October 2021.

ADDITIONAL INFORMATION

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 interests of the Directors, chief executive who is not a director 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

There was no recurrent related party transaction of a revenue or trading nature during the financial year ended 30 June 2021.

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 and its affiliates by the Company and the Group respectively are as follows:-

	Company Level RM	Group Level RM
Audit fee	22,000	72,000
Non Audit fee		
- Review engagement in relation to interim financial information and working capital sufficiency statement	22,000	22,000
- Review of Statement on Risk Management and Internal Control	3,000	3,000
- Review of other auditors' work in accordance with ISA 600	3,000	3,000

4. Utilisation of Proceeds

(i) Private Placement

On 17 September 2020, the Company announced a private placement of up to 10% of the total number of issued shares of Scope to 3rd party investors at an issue price of RM0.175 each, which was completed on 5 October 2020. The Company raised total gross proceeds of RM12.24 million via the private placement of 69,919,573 ordinary shares in the Company ("Private Placement").

The proceeds of the Private Placement had been fully utilised as at 30 June 2021:

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Timeframe as stated in the announcement dated 30 September 2020
Expansion of electronic business	7,000	7,000	-	Within 24 months
Working capital	5,136	5,136	-	Within 24 months
Expenses for the Private Placement	100	100	-	Within 6 months
Total	12,236	12,236	-	

ADDITIONAL INFORMATION (Cont'd)



4. Utilisation of Proceeds (Cont'd)

(ii) 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 15 October 2021, 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 as stated in the announcement dated
				25 June 2021
Construction of a new manufacturing plant	31,000	6,321	24,679	Within 36 months
Expansion of electronic business	19,000	19,000	-	Within 36 months
Working capital	16,298	6,552	9,746	Within 24 months
Expenses for the Rights Issue	1,000	845	155	Within 6 months
Total	67,298	32,718	34,580	

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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, 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.

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 operates 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 to identify 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 organisation 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.

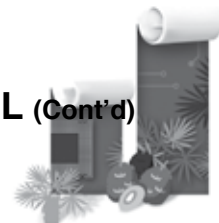
Internal Audit Function

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 and a member of the Malaysian Institute of Accountants, The Institute of Internal Auditors Malaysia and Certified Practising Accountants, Australia.

The number of staff deployed for the internal audit reviews is normally three. 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 (Cont'd)



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.

Conclusion

The Board has received assurance from the Managing Director and Executive Director that the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system are satisfactory and effective and there were no material losses incurred during the year under review as a result of internal control weaknesses or non-compliance events.

This Statement is made in accordance with a resolution of the Board of Directors dated 26 October 2021.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee (“AC”) 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. Tan Poh Heng, Senior Independent Non-Executive Director
Members : Mr. Yong Loong Chen, Independent Non-Executive Director
Mr. Lim Ee Tatt, Non-Independent Non-Executive Director

There were five (5) Audit Committee meetings held during the financial year ended 30 June 2021. The record of attendance is as follow:-

Name of Committee Members	Attendance
Mr. Tan Poh Heng	5/5
Mr. Yong Loong Chen	5/5
Mr. Lim Ee Tatt	5/5

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 Secretary was responsible to record all proceedings and minutes of all meetings of the AC.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms and reference of the AC, the following activities were carried out by AC during the financial year ended 30 June 2021 (“FYE2021”) in discharging its functions and duties:-

(i) Financial Reporting Oversight

- Reviewed the quarterly unaudited financial results with the finance team 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 finance team.

(ii) Oversee Activities of External Auditors in dealing with the Group

- Discussed and reviewed the external auditors’ audit planning memorandum outlining key contact of the audit team, impact and implications of COVID-19 on financial reporting audit approach, proposed audit timeline and reporting schedule and proposed audit fees.
- The AC reviewed the external auditors’ findings arising from audits, focusing on management’s comment in response to the audits in order to be satisfied that appropriate action is being taken.
- The AC reviewed the external auditors’ audit findings report in respect of the audit for financial year ended 30 June 2020.
- The AC met twice with the external auditors without the presence of the Executive Directors and management staff to discuss any issues of concern to the External Auditors arising from the annual statutory audit.
- The AC reviewed the performance and independence of the external auditors, considered and recommended their re-appointment to the Board.

AUDIT COMMITTEE REPORT (Cont'd)



SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (Cont'd)

(iii) Internal Audit ("IA")

- a) Reviewed and approved the IA plan for the financial year 2021 as tabled by the internal auditors.
- b) Reviewed IA report from internal auditors and assessed the internal auditors' findings, recommendations together with the management's comments.
- c) 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.

EMPLOYEES' SHARE SCHEME

The Company's Employees' Share Scheme ("ESS") which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 19 May 2021 and shall be in force for a duration of five years from 16 July 2021 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.

No share options were granted to the employees pursuant to the ESS during the financial year.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to a third party professional firm 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 presented by the external consultant. 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 Audit Committee Meetings for consideration and reported to the Board and 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 functions incurred in respect of the financial year ended 30 June 2021 amounted to RM9,000.

The Board is of the view that there is no significant breakdown or weakness in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial year ended 30 June 2021.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended **30 June 2021**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries as disclosed in Note 6 to the financial statements remain unchanged other than the incorporation of a new subsidiary, Scope Global Distributor Pte. Ltd. which commenced its operations as a trader of electrical and electronic products.

RESULTS

	GROUP RM	COMPANY RM
Profit/(loss) for the financial year	<u>7,441,871</u>	<u>(1,609,451)</u>
Attributable to:		
Owners of the Company	6,754,390	(1,609,451)
Non-controlling interests	<u>687,481</u>	<u>-</u>
	<u>7,441,871</u>	<u>(1,609,451)</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 2021** have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

DIVIDENDS

No dividends has been declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any dividend payment for the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the notes to the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company had increased its issued and fully paid up ordinary share capital through the following:

- (i) 37,737,460 new ordinary shares pursuant to the exercise of warrants at an exercise price of RM0.15 per warrant; and
- (ii) 69,919,573 new ordinary shares pursuant to a private placement exercise undertaken at an issue price of RM0.175 per ordinary shares.

Arising from the issuance of these new ordinary shares above, the number of ordinary shares of the Company increased from 661,458,273 to 769,115,306. The newly issued ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any shares or debenture.

DIRECTORS' REPORT (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



WARRANTS

The movement of the warrants during the financial year is as follows:

	Number of units			Balance at 30.6.21
	Balance at 1.7.20	Exercised	Lapsed	
Warrants 2012/2020	63,670,961	(37,737,460)	(25,933,501)	-

The salient features of the warrants are disclosed in Note 16.1 to the financial statements.

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

DIRECTORS

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

Directors of the Company:

Lee Min Huat
Lim Chiow Hoo
Tan Poh Heng
Yong Loong Chen
Lim Ee Tatt
Tan Choon Heong (appointed on 25.8.2021)
Hsu, Ching-Chen (appointed on 25.8.2021)
Yee Wei Meng (appointed on 25.8.2021)
Chew Kong Yoon (resigned on 13.1.2021)
Yvonne Chew Siok Fong (Alternate to Chew Kong Yoon) (resigned on 13.1.2021)

Directors of the Subsidiaries:

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Han Siew King
Tan Eng Siang
Ong Lai Choon (appointed on 25.8.2021)
Lee Yung Ming (appointed on 25.8.2021)

DIRECTORS' REPORT (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 and warrants of the Company and of its related corporations during the financial year are as follows:

	----- Number of ordinary shares -----			
	Balance at 1.7.20	Exercise of warrants	Sold	Balance at 30.6.21

The Company

Direct Interest:

Lee Min Huat	51,671,860	9,540,300	-	61,212,160
Lim Chiow Hoo	61,449,330	10,549,800	(7,284,700)	64,714,430
Tan Poh Heng	350,000	-	-	350,000
Yong Loong Chen	3,013,000	-	(3,013,000)	-
Lim Ee Tatt	3,013,000	-	-	3,013,000

Deemed Interest:

Lim Ee Tatt *	93,300,000	-	-	93,300,000
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* Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Wah Len Enterprise Sdn. Bhd.

	----- Number of warrants -----			
	Balance at 1.7.20	Exercised	Lapsed	Balance at 30.6.21

The Company

Direct Interest:

Lim Chiow Hoo	10,549,866	(10,549,800)	(66)	-
Lee Min Huat	9,540,372	(9,540,300)	(72)	-

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
Salaries, bonus and allowances	11,000	982,250	993,250
Defined contribution plan	-	77,440	77,440
Fees	66,000	-	66,000
	<u>77,000</u>	<u>1,059,690</u>	<u>1,136,690</u>

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.

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.

DIRECTORS' REPORT (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

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

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 action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that no provision for doubtful debts was required; 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 to make any provision for doubtful debts in the financial statements of the Group and of the Company; 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 the Company misleading; or
- (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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 its 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.

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 31 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 32 to the financial statements.

DIRECTORS' REPORT (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

AUDITORS

The total amount of fee paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2021 is disclosed in Note 22 to the financial statements.

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

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: 20 October 2021

DIRECTORS' STATEMENT



In the opinion of the directors, the financial statements set out on pages 40 to 95 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 June 2021** 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: 20 October 2021

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 40 to 95 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 **20th**)
day of **October 2021**.)

.....
Lee Min Huat

Before me,

.....
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF SCOPE INDUSTRIES BERHAD

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 2021** 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 a summary of accounting policies, as set out on pages 40 to 95.

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 2021**, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Cont'd)

OF SCOPE INDUSTRIES BERHAD

Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of Goodwill (Note 7) As at 30 June 2021, the Group has goodwill amounting to RM14.57 million which has been allocated to its plantation operation as the cash-generating unit ("CGU"). The goodwill was allocated to Pioneer Glow Sdn. Bhd. (RM11.74 million) and Benua Mutiara Sdn. Bhd. (RM2.83 million), the subsidiaries involved in the plantation division of the Group. Management has performed impairment assessments on the two cash generating units ("CGUs") based on the fair value less costs to sell method for Pioneer Glow Sdn. Bhd. and value in use method for Benua Mutiara Sdn. Bhd. We focused on the recoverability of the carrying amount of goodwill in both the CGUs due to the significant amount and significant management estimates involved in determining key assumptions used in deriving the recoverable amounts as disclosed in Note 7 to the financial statements.	Our audit procedures in relation to assessment of impairment of the goodwill included: For CGU where the management has relied on external valuation and progress reports to form their basis in estimating fair value less cost to sell, we have performed the following: - Obtain the valuation and progress reports issued by the independent valuers and obtain an understanding on how the valuation was derived at through enquiries performed with the valuers and management. - Independently verify key assumptions used by the professional valuers in determining the fair value of the estate and appropriate adjustments made in the valuation and progress report respectively. In the course of our verification, we have also compared the fair value allocated to the plantation estate to recent transacted prices of plantation estates in the state of Sabah. - Assess the appropriateness of the qualification and recent experience of the professional valuer. For CGU where the value-in-use method was used, we have performed the following: - Evaluate the reasonableness of the key assumptions used by management in the approved cash flow projections by comparing the fresh fruit bunches ("FFB") yields and FFB selling prices to historical results, forecasted commodity prices and industry data where appropriate. - Assess the reliability of management's cash flow projections by comparing their prior years' forecasted results against past actual results and determine that the cash flow projections are updated and guided by findings of past results as well as current developments such as the impact of COVID-19. - Performing sensitivity analysis on the key assumptions inputted to the cash flow projections model and understand the impact on the overall goodwill allocated to the CGU with the alterations to these key assumptions. - Involving our internal valuation expert to review the appropriateness of the valuation method used in determining the value-in-use and key assumptions such as discount and growth rate applied.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Cont'd)

OF SCOPE INDUSTRIES BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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 on the other information that we obtained prior to the date of this auditors' report, 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, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Cont'd)

OF SCOPE INDUSTRIES BERHAD

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

- 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 6 to the financial statements.

Other Matters

- (i) 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.
- (ii) The financial statements for the preceding year ended 30 June 2020 were audited by **Grant Thornton** whose report dated 16 October 2020, expressed an unqualified opinion on those financial statements. The practice of **Grant Thornton** has merged with **Grant Thornton Malaysia PLT** effective from 1 January 2021.

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

Terence Lau Han Wen
No. 03298/04/2023 J
Chartered Accountant

Penang

Date: 20 October 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		GROUP		COMPANY	
	NOTE	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	40,638,992	37,551,435	-	4,543
Right-of-use assets	5	65,079,416	62,501,485	-	-
Investment in subsidiaries	6	-	-	65,827,020	65,790,180
Goodwill	7	14,565,796	14,565,796	-	-
Amount due from subsidiaries	8	-	-	38,443,431	20,360,883
		120,284,204	114,618,716	104,270,451	86,155,606
Current assets					
Inventories	9	903,560	784,605	-	-
Biological assets	10	369,459	254,921	-	-
Trade receivables	11	35,502,368	2,747,633	-	-
Other receivables, deposits and prepayments	12	1,150,824	850,185	-	18,230
Amount due from subsidiaries	8	-	-	5,500,000	1,300,000
Investment securities	13	237,889	-	237,889	-
Current tax assets		88,276	97,811	8,776	3,911
Cash and cash equivalents	14	3,077,019	4,174,592	1,096,960	3,269,173
		41,329,395	8,909,747	6,843,625	4,591,314
TOTAL ASSETS		161,613,599	123,528,463	111,114,076	90,746,920
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	124,690,920	104,520,783	124,690,920	104,520,783
Reserves	16	28,239,977	30,275,973	-	2,273,592
Accumulated losses		(35,575,434)	(42,329,824)	(18,727,587)	(17,118,136)
		117,355,463	92,466,932	105,963,333	89,676,239
Non-controlling interests		9,626,427	8,909,781	-	-
Total equity		126,981,890	101,376,713	105,963,333	89,676,239
Non-current liabilities					
Amount due to a subsidiary	8	-	-	1,769,380	-
Borrowings	17	1,636,953	3,646,461	-	-
Deferred tax liabilities	18	13,773,150	13,957,608	-	-
		15,410,103	17,604,069	1,769,380	-
Current liabilities					
Trade payables	19	10,880,910	936,408	-	-
Other payables and accruals	20	5,983,288	1,640,874	3,381,363	192,325
Amount due to a subsidiary	8	-	-	-	878,356
Borrowings	17	2,009,509	1,915,439	-	-
Current tax liabilities		347,899	54,960	-	-
		19,221,606	4,547,681	3,381,363	1,070,681
Total liabilities		34,631,709	22,151,750	3,381,363	1,070,681
TOTAL EQUITY AND LIABILITIES		161,613,599	123,528,463	111,114,076	90,746,920

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



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



	NOTE	GROUP		COMPANY	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	21	87,188,214	19,638,255	1,070,060	385,385
Cost of sales		(73,820,854)	(22,013,331)	-	-
Gross profit/(loss)		13,367,360	(2,375,076)	1,070,060	385,385
Other income		835,565	880,419	2,230,231	490
Administrative expenses		(6,049,078)	(24,219,533)	(1,361,962)	(18,138,656)
Operating profit/(loss)		8,153,847	(25,714,190)	1,938,329	(17,752,781)
Finance costs		(277,508)	(380,289)	(3,547,845)	-
Profit/(Loss) before tax	22	7,876,339	(26,094,479)	(1,609,516)	(17,752,781)
Taxation	23	(434,468)	(61,748)	65	3,910
Profit/(Loss) for the financial year		7,441,871	(26,156,227)	(1,609,451)	(17,748,871)
Total other comprehensive income/(loss), net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		242,506	-	-	-
Total comprehensive income/(loss) for the financial year		7,684,377	(26,156,227)	(1,609,451)	(17,748,871)
Profit/(Loss) attributable to:					
Owners of the Company		6,754,390	(28,681,023)	(1,609,451)	(17,748,871)
Non-controlling interests		687,481	2,524,796	-	-
		7,441,871	(26,156,227)	(1,609,451)	(17,748,871)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		6,991,986	(28,681,023)	(1,609,451)	(17,748,871)
Non-controlling interests		692,391	2,524,796	-	-
		7,684,377	(26,156,227)	(1,609,451)	(17,748,871)
Earning/(Loss) per share attributable to owners of the Company (sen)					
- Basic	24	0.91	(4.55)		
- Diluted	24	0.91	(4.54)		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Attributable to Owners of the Company								
NOTE	Non-distributable				Non-controlling Interests			
	Share Capital RM	Warrant Reserve RM	Capital Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM	Non-controlling Interests RM	Total Equity RM
2021								
	104,520,783	2,273,592	28,002,381	-	(42,329,824)	92,466,932	8,909,781	101,376,713
Balance at beginning								
Foreign exchange differences on translation	-	-	-	7,365	-	7,365	4,910	12,275
Profit for the financial year	-	-	-	230,231	6,754,390	6,984,621	687,481	7,672,102
Total comprehensive income for the financial year	-	-	-	237,596	6,754,390	6,991,986	692,391	7,684,377
Transaction with owners of the Company:								
Issuance of shares pursuant to:								
- Exercise of warrants	5,660,620	-	-	-	-	5,660,620	-	5,660,620
- Private placement	12,235,925	-	-	-	-	12,235,925	-	12,235,925
	17,896,545	-	-	-	-	17,896,545	-	17,896,545
Issuance of shares to non-controlling interests	-	-	-	-	-	-	24,255	24,255
Transfer from warrant reserve upon exercised	1,347,528	(1,347,528)	-	-	-	-	-	-
Transfer of fair value allocated to warrants expired	926,064	(926,064)	-	-	-	-	-	-
Total transactions with owners	20,170,137	(2,273,592)	-	-	-	17,896,545	24,255	17,920,800
Balance at end	124,690,920	-	28,002,381	237,596	(35,575,434)	117,355,463	9,626,427	126,981,890
2020								
Balance at beginning	96,660,613	3,784,952	28,002,381	-	(13,648,801)	114,799,145	6,384,985	121,184,130
Total comprehensive loss for the financial year	-	-	-	-	(28,681,023)	(28,681,023)	2,524,796	(26,156,227)
Transaction with owners of the Company:								
Issuance of shares pursuant to exercise of warrants	6,348,810	-	-	-	-	6,348,810	-	6,348,810
Transfer from warrant reserve upon exercised	1,511,360	(1,511,360)	-	-	-	-	-	-
Total transactions with owners	7,860,170	(1,511,360)	-	-	-	6,348,810	-	6,348,810
Balance at end	104,520,783	2,273,592	28,002,381	-	(42,329,824)	92,466,932	8,909,781	101,376,713

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



STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

			Non-distributable	(Accumulated Losses)/ Retained Profits RM	Total Equity RM
	NOTE	Share Capital RM	Warrants Reserve RM		
2021					
Balance at beginning		104,520,783	2,273,592	(17,118,136)	89,676,239
Total comprehensive income for the financial year		-	-	(1,609,451)	(1,609,451)
<i>Transaction with owners of the Company:</i>					
Issuance of shares pursuant to:					
- Exercise of warrants	15/16	5,660,620	-	-	5,660,620
- Private placement	15	12,235,925	-	-	12,235,925
		17,896,545	-	-	17,896,545
Transfer from warrant reserve upon exercised	15/16	1,347,528	(1,347,528)	-	-
Transfer of fair value allocated to warrants expired		926,064	(926,064)	-	-
Total transactions with owners		20,170,137	(2,273,592)	-	17,896,545
Balance at end		124,690,920	-	(18,727,587)	105,963,333
2020					
Balance at beginning		96,660,613	3,784,952	630,735	101,076,300
Total comprehensive loss for the financial year		-	-	(17,748,871)	(17,748,871)
<i>Transaction with owners of the Company:</i>					
Issuance of shares pursuant to:					
exercise of warrants	15/16	6,348,810	-	-	6,348,810
Transfer from warrant reserve upon exercised	15/16	1,511,360	(1,511,360)	-	-
Total transactions with owners		7,860,170	(1,511,360)	-	6,348,810
Balance at end		104,520,783	2,273,592	(17,118,136)	89,676,239

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	7,876,339	(26,094,479)	(1,609,516)	(17,752,781)
Adjustments for:				
Bad debts written off	-	25,247	-	9,136,217
Depreciation of property, plant and equipment	4,330,351	3,978,955	-	2,065
Depreciation of right-of-use assets	977,272	977,272	-	-
Discounting of amount due from subsidiaries to net present value	-	-	3,547,845	-
Dividend income	-	-	(800,000)	(300,000)
Fair value gain on biological assets	(114,538)	(23,762)	-	-
Fair value loss on investment securities	76,200	-	76,200	-
Gain on disposal of property, plant and equipment	(46,921)	(86,391)	-	-
Impairment loss on amount due to a subsidiary	-	-	-	8,637,929
Impairment loss on goodwill	-	20,400,000	-	-
Interest expense	277,508	380,289	-	-
Interest income	(275,435)	(109,223)	(254,760)	(85,385)
Inventories written off	-	19,438	-	-
Property, plant and equipment written off	6,726	1,827	4,543	-
Reversal of allowance for slow moving inventories	(580)	(21,466)	-	-
Reversal of allowance for impairment loss on amount due from a subsidiary	-	-	(2,000,000)	-
Unrealised (gain)/loss on foreign exchange	(22,315)	2,007	(230,231)	-
Operating profit/(loss) before working capital changes	13,084,607	(550,286)	(1,265,919)	(361,955)
(Increase)/Decrease in inventories	(118,375)	357,926	-	-
(Increase)/Decrease in receivables	(33,038,493)	(1,141,043)	18,230	5,261
Increase in payables	14,292,350	306,971	3,189,038	19,688
Cash (used in)/generated from operations	(5,779,911)	(1,026,432)	1,941,349	(337,006)
Income tax paid	(380,346)	(260,797)	(4,800)	(4,800)
Income tax refunded	62,400	4,799	-	4,799
Interest paid	(277,508)	(380,289)	-	-
Net cash (used in)/from operating activities	(6,375,365)	(1,662,719)	1,936,549	(337,007)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investment securities	(314,089)	-	(314,089)	-
Acquisition of prepaid land lease payment	(3,555,203)	-	-	-
* Acquisition of property, plant and equipment	(7,426,685)	(5,502,897)	-	-
Dividend received from a subsidiary	-	-	800,000	300,000
Interest received	275,435	109,223	254,760	85,385
Net change in subsidiaries' balances	-	-	(36,840)	-
Proceeds from disposal of property, plant and equipment	48,972	88,000	-	-
Proceeds from issuance of shares to non-controlling interest	24,255	-	-	-
Net cash (used in)/from investing activities	(10,947,315)	(5,305,674)	703,831	385,385
Balance carried forward	(17,322,680)	(6,968,393)	2,640,380	48,378

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



STATEMENT OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Balance brought forward	(17,322,680)	(6,968,393)	2,640,380	48,378
CASH FLOWS FROM FINANCING ACTIVITIES				
Net changes in subsidiaries' balance	-	-	(22,709,138)	(8,663,482)
Repayment of finance lease liabilities	(1,890,044)	(1,716,389)	-	-
Proceeds from issuance of shares	17,896,545	6,348,810	17,896,545	6,348,810
Net cash from/(used in) financing activities	16,006,501	4,632,421	(4,812,593)	(2,314,672)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,316,179)	(2,335,972)	(2,172,213)	(2,266,294)
EFFECTS OF FOREIGN EXCHANGE RATES CHANGES	244,000	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING	4,149,198	6,485,170	3,269,173	5,535,467
CASH AND CASH EQUIVALENTS AT END	3,077,019	4,149,198	1,096,960	3,269,173
Represented by:				
Cash and bank balances	3,065,206	1,099,086	1,085,147	193,667
Short-term funds with licensed financial institutions	11,813	3,075,506	11,813	3,075,506
Bank overdraft	-	(25,394)	-	-
	3,077,019	4,149,198	1,096,960	3,269,173
* Acquisition of property, plant and equipment				
Total cost	7,426,685	6,112,897	-	-
Acquired under finance lease liabilities	-	(610,000)	-	-
Total cash consideration	7,426,685	5,502,897	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2021

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 48 Jalan Chow Thye, 10050 Georgetown, Penang.

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 20 October 2021.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries as disclosed in Note 6 to the financial statements remain unchanged other than the incorporation of a new subsidiary, Scope Global Distributor Pte. Ltd. which commenced its operations as a trader of electrical and electronic products.

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 Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 unless otherwise indicated in the summary of accounting policies as set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

2. BASIS OF PREPARATION (Cont'd)

2.2 Basis of Measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- | | |
|-----------|---|
| - Level 1 | - Quoted (unadjusted) market prices in active markets for identical assets or liabilities. |
| - Level 2 | - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable. |
| - Level 3 | - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable. |

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

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 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 amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Business Combinations: Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

Initial application for the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 June 2020

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concession

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2

Effective for annual period beginning on or after 1 April 2021

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

2. BASIS OF PREPARATION (Cont'd)

2.5 Standards Issued But Not Yet Effective (Cont'd)

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

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

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 standards is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption.

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 Judgements 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) 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 4 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

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)

(i) Useful lives of depreciable assets (Cont'd)

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 4 to the financial statements.

(ii) Impairment of plant and equipment and bearer plants

The Group and the Company perform 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 4 to the financial statements. No impairment losses are provided for plant and equipment and bearer plants during the financial year.

(iii) Impairment of goodwill relating to oil palm plantation

An impairment loss is recognised for the amount by which the asset's 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 interest 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 7 to the financial statements.

(iv) Inventories

The Group provides allowance for slow moving or obsolete inventories based on an assessment of the net realisable value of the inventories. When estimating the net realisable value of inventories, management considers all of the facts relating to the inventories including the operating environment at the time the estimates are made. Where the expectation is different from the original estimate, such difference will impact the net realisable value of the inventories in the period in which such estimate has changed.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

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)

(v) 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 to be 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.

(vi) 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 of forecast 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 28.3.1 to the financial statements.

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.1 Basis of Consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's reserve.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.2 Property, Plant and Equipment

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

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of 20 to 25 years with the first 3 years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

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

Buildings	2% - 10%
Bearer plants - oil palm	4% - 5%
Plant and machinery	10% - 12.5%
Renovation and electrical installation	10%
Air conditioners	10%
Office equipment, furniture and fittings	10%
Motor vehicles	10% - 20%

Capital expenditure in progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital expenditure 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 are not depreciated until the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.3.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



3. ACCOUNTING POLICIES (Cont'd)

3.3 Leases (Cont'd)

3.3.1 Group as a lessee (Cont'd)

3.3.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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:

Leasehold land	Over the lease period of 37 to 87 years
Prepaid land lease payment	Over the lease period of 30 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

3.3.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.3.1.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises and warehouse (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of machinery and office that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.3.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.4 Goodwill

Goodwill acquired through business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but instead is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.5 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, the recoverable amount is estimated at the end of each reporting period or more frequently when there are indications of impairment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (groups of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.6 Financial Instruments

3.6.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group or the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



3. ACCOUNTING POLICIES (Cont'd)

3.6 Financial Instruments (Cont'd)

3.6.2 Classification and subsequent measurement of financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- (i) amortised cost ("AC");
- (ii) fair value through profit or loss ("FVTPL"); or
- (iii) fair value through other comprehensive income ("FVOCI").

However, in the periods presented the Group and the Company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to the financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within other expenses.

(i) Financial assets at amortised cost ("AC")

Financial assets are measured at AC if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are measured at AC using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's cash and cash equivalents, trade and most other receivables and amount due from subsidiaries fall into this category of financial instruments.

(ii) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Investment in quoted shares are classified as FVTPL. Dividend from these investments are recognised in profit or loss when the Group's and the Company's right to receive the dividend is established. Dividends are included in the "other income" in profit or loss.

3.6.3 Classification and subsequent measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at AC using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.6 Financial Instruments (Cont'd)

3.6.3 Classification and subsequent measurement of financial liabilities (Cont'd)

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.6.4 Impairment of financial assets

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss ("ECL") model'. Instruments within the scope included loans, trade and other receivables and other debt-type financial assets measured at AC and financial assets at FVOCI.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month ECL' are recognised for the first category while 'lifetime ECL' are recognised for the second category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime ECL. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors such as external indicators surrounding the economic environment in which the debtor is operating.

For other receivables, the Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

3.6.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of all inventories are determined on the first-in, first-out basis.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



3. ACCOUNTING POLICIES (Cont'd)

3.7 Inventories (Cont'd)

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes direct labour and attributable production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Biological Assets

Biological assets comprise of fresh fruit bunches ("FFB") prior to harvest. Biological assets are measured at fair value less cost to sell. Changes in fair value less cost to sell are recognised in the statement of comprehensive income. Fair value is determined based on the present value of expected net cash flows from sale of the biological assets. The expected net cash flows are estimated using the market approach, which takes into consideration the market price of FFB, adjusted for the estimated oil content of unharvested FFB, less harvesting and transport cost.

3.9 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short-term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.10 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.12 Revenue Recognition

Contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer.

(i) Sale of electrical components/products and fresh fruit bunches ("FFB")

Revenue from sale 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.12 Revenue Recognition (Cont'd)

Contract with customers (Cont'd)

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Rental income

Rental income is accounted for on straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method in profit or loss.

3.12.1 Contract balances

Trade and other receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

3.13 Employee Benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

3.14 Income Tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.14 Income Tax (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3.15 Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of SST except:

- when the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with SST inclusive.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The rate for sales tax is fixed at 5% or 10%, while the rate for service tax is fixed at 6%.

3.16 Foreign Currency Translation

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.16 Foreign Currency Translation (Cont'd)

Foreign operations (Cont'd)

Exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FTR in equity.

3.17 Equity Instruments

3.17.1 Warrants

Warrants are classified as equity instruments and its value is allocated based on the Black-Scholes model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

3.17.2 Share Capital, Share Issuance Costs and Dividends

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

3.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

3. ACCOUNTING POLICIES (Cont'd)

3.19 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position but is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.20 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) Has control or joint control over the Group;
 - (ii) Has significant influence over the Group; or
 - (iii) Is a member of the key management personnel of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) The entity is an associate or joint venture of the Group.
 - (iii) Both the Group and the entity are joint ventures of the same third party.
 - (iv) The Group is a joint venture of a third entity and the other entity is an associate of the same third entity.
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity.
 - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold land RM	Buildings RM	Bearer plants RM	Plant and machinery RM	Renovation and electrical installation RM	Air conditioners RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
2021										
At cost										
Balance at beginning	-	17,616,285	12,431,544	34,524,522	2,767,445	2,749,173	2,616,411	3,219,713	1,843	75,926,936
Additions	-	16,615	-	987,586	105,921	322,912	180,113	144,000	5,669,538	7,426,685
Disposals	-	-	-	(1,058,002)	-	-	-	-	-	(1,058,002)
Written off	-	-	-	-	-	(300)	(24,173)	-	-	(24,473)
Reclassification	-	-	-	-	-	-	1,843	-	(1,843)	-
Balance at end	-	17,632,900	12,431,544	34,454,106	2,873,366	3,071,785	2,774,194	3,363,713	5,669,538	82,271,146
Accumulated depreciation										
Balance at beginning	-	5,616,440	4,726,950	20,377,856	1,940,305	1,454,715	1,343,153	2,916,082	-	38,375,501
Current charge	-	511,487	758,841	2,522,531	97,405	175,411	208,899	55,777	-	4,330,351
Disposals	-	-	-	(1,055,951)	-	-	-	-	-	(1,055,951)
Written off	-	-	-	-	-	(240)	(17,507)	-	-	(17,747)
Balance at end	-	6,127,927	5,485,791	21,844,436	2,037,710	1,629,886	1,534,545	2,971,859	-	41,632,154
Carrying amount	-	11,504,973	6,945,753	12,609,670	835,656	1,441,899	1,239,649	391,854	5,669,538	40,638,992

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

2020	Leasehold land RM	Buildings RM	Bearer plants RM	Plant and machinery RM	Renovation and electrical installation RM	Air conditioners RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
At cost										
Balance at beginning, as previously reported	68,457,683	16,299,802	12,417,961	34,120,061	2,334,363	2,536,463	2,284,686	3,221,257	201,843	141,874,119
Effects of adopting of MFRS 16	(68,457,683)	-	-	-	-	-	-	-	-	(68,457,683)
Balance at beginning, as restated	-	16,299,802	12,417,961	34,120,061	2,334,363	2,536,463	2,284,686	3,221,257	201,843	73,416,436
Additions	-	1,116,483	13,583	3,884,314	433,082	212,710	331,725	121,000	-	6,112,897
Disposals	-	-	-	(2,346,500)	-	-	-	(122,544)	-	(2,469,044)
Written off	-	-	-	(1,133,353)	-	-	-	-	-	(1,133,353)
Reclassification	-	200,000	-	-	-	-	-	-	(200,000)	-
Balance at end	-	17,616,285	12,431,544	34,524,522	2,767,445	2,749,173	2,616,411	3,219,713	1,843	75,926,936
Accumulated depreciation										
Balance at beginning, as previously reported	6,382,926	5,105,186	3,968,110	21,564,859	1,884,928	1,320,980	1,155,471	2,995,973	-	44,378,424
Effects of adopting of MFRS 16	(6,382,926)	-	-	-	-	-	-	-	-	(6,382,917)
Balance at beginning, as restated	-	5,105,186	3,968,110	21,564,859	1,884,928	1,320,980	1,155,471	2,995,973	-	37,995,507
Current charge	-	511,254	758,840	2,289,416	55,377	133,735	187,682	42,651	-	3,978,955
Disposals	-	-	-	(2,344,893)	-	-	-	(122,542)	-	(2,467,435)
Written off	-	-	-	(1,131,526)	-	-	-	-	-	(1,131,526)
Balance at end	-	5,616,440	4,726,950	20,377,856	1,940,305	1,454,715	1,343,153	2,916,082	-	38,375,501
Carrying amount	-	11,999,845	7,704,594	14,146,666	827,140	1,294,458	1,273,258	303,631	1,843	37,551,435

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

4. EQUIPMENT

	Air conditioners RM	Office equipment, furniture and fittings RM	Total RM
COMPANY			
2021			
At cost			
Balance at beginning	300	20,354	20,654
Written off	(300)	(20,354)	(20,654)
Balance at end	-	-	-
Accumulated depreciation			
Balance at beginning	240	15,871	16,111
Written off	(240)	(15,871)	(16,111)
Balance at end	-	-	-
Carrying amount	-	-	-
2020			
At cost	300	20,354	20,654
Accumulated depreciation			
Balance at beginning	210	13,836	14,046
Current charge	30	2,035	2,065
Balance at end	240	15,871	16,111
Carrying amount	60	4,483	4,543

GROUP

- (i) Included in the net carrying amount of plant and machinery are right-of-use assets amounting to **RM6,181,335** (2020: RM7,282,853). These assets are pledged to secure against the finance lease liabilities of the Group and are presented in the same items as where the corresponding underlying assets would be presented as if they are owned.
- (ii) Included in the net carrying amount of plant and machinery is an amount of **RM3,513,485** (2020: RM4,142,766) pledged to financial institutions for trade financing facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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5. RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the financial year:

GROUP

	Prepaid land lease payment RM	Leasehold land RM	Total RM
2021			
At cost			
Balance at beginning	1,690,000	68,457,683	70,147,683
Addition	-	3,555,203	3,555,203
Balance at end	1,690,000	72,012,886	73,702,886
Accumulated depreciation			
Balance at beginning	340,000	7,306,198	7,646,198
Depreciation	54,000	923,272	977,272
Balance at end	394,000	8,229,470	8,623,470
Carrying amount	1,296,000	63,783,416	65,079,416
2020			
At cost			
Balance at beginning/end	1,690,000	68,457,683	70,147,683
Accumulated depreciation			
Balance at beginning	286,000	6,382,926	6,668,926
Depreciation	54,000	923,272	977,272
Balance at end	340,000	7,306,198	7,646,198
Carrying amount	1,350,000	61,151,485	62,501,485

The following amounts are recognised in profit or loss:

	GROUP	
	2021 RM	2020 RM
Depreciation of right-of-use assets	977,272	977,272
Expense relating to short-term leases	130,000	30,000
Expense relating to lease of low value assets	125,799	67,923
Total amount recognised in profit or loss	1,233,071	1,075,195

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2021 RM	2020 RM
Unquoted shares, at cost	65,827,020	65,790,180

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

6. INVESTMENT IN SUBSIDIARIES (Cont'd)

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

Name of Company	Effective Equity Interest		Principal Activities
	2021	2020	
Direct			
Scope Manufacturers (M) Sdn. Bhd.	100%	100%	Manufacturing and assembling of electrical and electronic components and products.
Pioneer Glow Sdn. Bhd.	70%	70%	Cultivation of oil palm.
Benua Mutiara Sdn. Bhd.	100%	100%	Cultivation of oil palm.
Scope Global Distributor Pte. Ltd. (Incorporated in Singapore)	60%	-	Trading in electrical and electronic products.
<i>The subsidiary was incorporated during the financial year. The Company subscribed to 12,000 new ordinary shares, representing 60% equity interest for a total cash consideration of RM36,840. This subsidiary is not audited by Grant Thornton Malaysia PLT.</i>			

Non-controlling interests in subsidiary

The Group's subsidiary that have material non-controlling interests are as follows:

	Pioneer Glow Sdn. Bhd.	Scope Global Distributor Pte Ltd.	Total
2021			
Percentage of ownership interest and voting interest	30%	40%	
Carrying amount of non-controlling interests (RM)	9,122,170	504,257	9,626,427
Profit allocated to non-controlling interests (RM)	212,389	475,092	687,481
2020			
Percentage of ownership interest and voting interest	30%		
Carrying amount of non-controlling interests (RM)	8,909,781	-	8,909,781
Profit allocated to non-controlling interests (RM)	2,524,796	-	2,524,796

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



6. INVESTMENT IN SUBSIDIARIES (Cont'd)

The summarised of financial information before intra-group elimination for the Group's subsidiary that have material non-controlling interests is as below:

	Pioneer Glow Sdn. Bhd. RM	Scope Global Distributor Pte. Ltd. RM
2021		
Financial position		
Non-current assets	45,064,827	-
Current assets	1,602,999	29,432,576
Non-current liabilities	(15,857,110)	(18,382,393)
Current liabilities	(403,480)	(9,789,084)
Net assets	<u>30,407,236</u>	<u>1,261,099</u>
Financial performance for the financial year ended 30 June		
Revenue	4,406,507	36,715,229
Net profit, representing total comprehensive income for the financial year	<u>707,963</u>	<u>1,187,729</u>
Cash flows for the financial year ended 30 June		
Net cash inflow/(outflow) from operating activities	1,929,451	(18,268,626)
Net cash outflow from investing activities	(18,332)	-
Net cash (outflow)/inflow from financing activities	<u>(2,118,421)</u>	<u>18,445,023</u>
Net cash (outflow)/inflow	<u>(207,302)</u>	<u>176,397</u>
2020		
Financial position		
Non-current assets	46,577,888	-
Current assets	1,256,558	-
Non-current liabilities	(8,273,809)	-
Current liabilities	(9,861,364)	-
Net assets	<u>29,699,273</u>	<u>-</u>
Financial performance for the financial year ended 30 June		
Revenue	3,476,557	-
Net profit, representing total comprehensive income for the financial year	<u>8,415,986</u>	<u>-</u>
Cash flows for the financial year ended 30 June		
Net cash inflow from operating activities	623,963	-
Net cash outflow from investing activities	(22,943)	-
Net cash outflow from financing activities	<u>(491,666)</u>	<u>-</u>
Net cash inflow	<u>109,354</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

7. GOODWILL

	GROUP	
	2021	2020
	RM	RM
Total amount	34,965,796	34,965,796
Less: Allowance for impairment		
Balance at beginning	(20,400,000)	-
Current	-	(20,400,000)
Balance at end	(20,400,000)	(20,400,000)
	<u>14,565,796</u>	<u>14,565,796</u>

Goodwill has been allocated to the respective cash-generating unit ("CGU"), which represents the following subsidiaries in the plantation segment:-

	GROUP	
	2021	2020
	RM	RM
Pioneer Glow Sdn. Bhd. ("PGSB")	11,736,954	11,736,954
Benua Mutiara Sdn. Bhd. ("BMSB")	2,828,842	2,828,842
	<u>14,565,796</u>	<u>14,565,796</u>

PGSB

The recoverable amount of the CGU has been determined based on fair value less cost of disposal. The fair value less cost of disposal is a Level 3 fair value measurement based on management estimates having regard to estimated resale value which is determined by an external, independent professional valuer, having appropriate recognised professional qualification and recent experience in the location and category of assets being valued.

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as significant unobservable inputs used.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Direct comparison approach which considers the sales of similar or substitute properties and related market data, and established a value estimated by adjustments made for differences in factors that affect the value including location, land area, tenure and other relevant factors.	- Transaction prices of comparable properties: RM44,062 to RM73,700 per hectare - Expected projected FFB yield: 6,410MT (2020: 8,185MT) - FFB selling price: RM687 (2020: RM425)	The estimated fair value increases/ (decrease) if : - Higher/(lower) comparable properties prices - Expected projected yield were higher/(lower) - FFB price were higher/(lower)

Using the current FFB price as benchmark, the Board of Directors of the Company have decided to maintain the assigned fair value from the previous year i.e. RM50,000,000 as the fair value of PGSB's oil palm plantation. Accordingly, no impairment is required during the financial year as the fair value less cost of disposal is higher than the carrying amount of the CGU. In the prior financial year, the goodwill assigned to PGSB was impaired by RM20,400,000.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



7. GOODWILL (Cont'd)

BMSB

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

(i)	Projection period	5 years (2020 : 10 years)
(ii)	Terminal value	Based on discounted present fair value of the estate
(iii)	FFB Price	RM600 to RM800/MT (2020: RM530 to RM580/MT)
(iv)	Average yield over projection period	20.09MT/HA (2020:12.30MT/HA)
(v)	Pre-tax discount rate	12% (2020: 4.49%)

The FFB price is forecasted based on current market outlook of future CPO 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 BMSB.

No impairment loss was required for the goodwill as its recoverable amount is in excess of its carrying amount.

Sensitivity to changes in key assumptions

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

8. AMOUNT DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2021 RM	2020 RM
Amount due from subsidiaries stated at net present value	50,581,360	39,435,029
Less: Written off	-	(9,136,217)
	50,581,360	30,298,812
Less: Allowance for expected credit losses		
Balance at beginning	(8,637,929)	-
Current	-	(8,637,929)
Reversal	2,000,000	-
Balance at end	(6,637,929)	(8,637,929)
	43,943,431	21,660,883
Represented by:		
Non-current assets	38,443,431	20,360,883
Current assets	5,500,000	1,300,000
	43,943,431	21,660,883
Amount due to a subsidiary:		
Non-current liabilities	1,769,380	-
Current liabilities	-	878,356

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

8. AMOUNT DUE FROM/TO SUBSIDIARIES (Cont'd)

Included in amount due from subsidiaries is an amount of **RM18,382,393** (2020: RM Nil) which is denominated in US Dollar.

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation.

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

9. INVENTORIES

	GROUP	
	2021	2020
	RM	RM
Raw materials	628,850	554,081
Less: Allowance for slow moving inventories		
Balance at beginning	(90,162)	(111,628)
Reversal	580	21,466
Balance at end	(89,582)	(90,162)
	539,268	463,919
Consumables	364,292	320,686
	903,560	784,605

The reversal of allowance for slow moving inventories was made during the financial year when the related inventories were used for production.

Details of inventories recognised in profit or loss is as follows:

	GROUP	
	2021	2020
	RM	RM
Inventories written off	-	19,438
Reversal of allowance for slow moving inventories	(580)	(21,466)

10. BIOLOGICAL ASSETS

	GROUP	
	2021	2020
	RM	RM
At fair value		
Balance at beginning	254,921	231,159
Changes in fair value	114,538	23,762
Balance at end	369,459	254,921

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 plant of up to 15 days prior to harvest was used for valuation purpose. 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



10. BIOLOGICAL ASSETS (Cont'd)

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

11. TRADE RECEIVABLES

The currency profile of trade receivables is as follows:

	GROUP	
	2021	2020
	RM	RM
Ringgit Malaysia	883,438	1,114,141
US Dollar	34,618,930	1,633,492
	<u>35,502,368</u>	<u>2,747,633</u>

The trade receivables are non-interest bearing and are generally on **30 to 45 days** (2020: 30 to 45 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		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other receivables	66,483	131,942	-	-
Refundable deposits	199,510	221,740	-	18,230
Non-refundable deposits	386,358	-	-	-
Prepayments	498,473	496,503	-	-
	<u>1,150,824</u>	<u>850,185</u>	<u>-</u>	<u>18,230</u>

13. INVESTMENT SECURITIES

	GROUP AND COMPANY	
	2021	2020
	RM	RM

Fair value through profit or loss:

- Quoted shares	<u>237,889</u>	<u>-</u>
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14. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Short-term funds with licensed financial institutions	11,813	3,075,506	11,813	3,075,506
Cash and bank balances	3,065,206	1,099,086	1,085,147	193,667
	<u>3,077,019</u>	<u>4,174,592</u>	<u>1,096,960</u>	<u>3,269,173</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

14. CASH AND CASH EQUIVALENTS (Cont'd)

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

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Ringgit Malaysia	2,802,161	4,114,503	1,096,224	3,269,173
US Dollar	247,532	60,089	736	-
Singapore Dollar	27,326	-	-	-
	<u>3,077,019</u>	<u>4,174,592</u>	<u>1,096,960</u>	<u>3,269,173</u>

The effective interest rates of the short-term funds with licensed financial institutions at the end of the reporting period is **2.10%** (2020: 3.20%) per annum. The short-term funds with licensed financial institutions can be redeemed at any point in time with one day prior notice given.

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021	2020	2021	2020
			RM	RM
Issued and fully paid with no par value:				
Balance at beginning	661,458,273	619,132,873	104,520,783	96,660,613
Issued, pursuant to:				
- Exercise of warrant	37,737,460	42,325,400	5,660,620	6,348,810
- Private placement	69,919,573	-	12,235,925	-
Transfer from warrant reserve upon exercised	-	-	1,347,528	1,511,360
Transfer of fair value allocated to warrants expired	-	-	926,064	-
Balance at end	<u>769,115,306</u>	<u>661,458,273</u>	<u>124,690,920</u>	<u>104,520,783</u>

During the financial year, the Company had increased its issued and fully paid up ordinary share capital by way of issuance of:

- 37,737,460 new ordinary shares pursuant to the exercise of the warrants at an exercise price of RM0.15 per warrant; and
- 69,919,573 new ordinary shares pursuant at an issue price of RM0.175 per ordinary shares pursuant to a private placement exercise (Note 31.1 to the financial statements).

16. RESERVES

		GROUP		COMPANY	
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
Non-distributable:					
Warrants reserve	16.1	-	2,273,592	-	2,273,592
Capital reserve	16.2	28,002,381	28,002,381	-	-
Foreign currency translation reserves	16.3	237,596	-	-	-
		<u>28,239,977</u>	<u>30,275,973</u>	<u>-</u>	<u>2,273,592</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



16. RESERVES (Cont'd)

16.1 Warrants reserve

The warrants reserve is in respect of the allocated fair value of the 118,596,361 warrants issued in the following manner:

- (i) Issuance of 89,400,000 new ordinary shares at issue price of RM0.15 per share together with 59,600,000 free warrants for acquisition of a subsidiary.
- (ii) Issuance of 58,996,361 free warrants on the basis of two free warrants for every ten ordinary shares held by the existing shareholders of the Company.

The fair value allocated to the warrants reserve is derived by adjusting the proceeds of the above issuance to the fair value of the shares and warrants on a proportionate basis.

Each registered warrant holder is entitled to subscribe for one new ordinary share in the Company at any time on or after 23 July 2012 up to the date of expiry on 22 July 2020, at an exercise price of RM0.15 per share or such adjusted price in accordance with the provisions in the Deed Poll date 13 June 2012.

- (iii) Outstanding warrants

	Number of units	
	2021	2020
Balance at beginning	63,670,961	105,996,361
Exercised	(37,737,460)	(42,325,400)
Expired	(25,933,501)	-
Balance at end	-	63,670,961

As a result of the exercise above, **RM1,347,528** (2020: RM1,511,360) was reversed from warrant reserve accounts.

The warrants expired on 22 July 2020. Pursuant to that, the fair value allocated in relation to the unexercised warrants has been transferred to share capital.

16.2 Capital reserve

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

16.3 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

17. BORROWINGS

	GROUP	
	2021	2020
	RM	RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payment:		
Within 1 year	2,166,972	2,166,972
More than 1 year but less than 2 years	1,607,007	2,166,972
More than 2 years but less than 5 years	72,185	1,679,192
	3,846,164	6,013,136
Future finance charges	(199,702)	(476,630)
	3,646,462	5,536,506
Amount due within 1 year under current liabilities	(2,009,509)	(1,890,045)
	1,636,953	3,646,461
Current liabilities		
Secured:		
Bank overdraft	-	25,394
Finance lease liabilities	2,009,509	1,890,045
	2,009,509	1,915,439
Total borrowings	3,646,462	5,561,900

The finance lease liabilities are secured over the leased assets as disclosed in Note 4 to the financial statement.

A summary of the effective interest rates and the maturities of the borrowings is as follows:

	Average effective interest rate per annum %	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
2021					
Finance lease liabilities	3.00 to 3.40	3,646,462	2,009,509	1,565,826	71,127
2020					
Bank overdraft	6.70	25,394	25,394	-	-
Finance lease liabilities	3.00 to 3.40	5,536,506	1,890,045	2,009,509	1,636,952

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



18. DEFERRED TAX LIABILITIES

	GROUP	
	2021	2020
	RM	RM
Revaluation surplus		
Balance at beginning	13,789,774	13,986,257
Recognised in profit or loss	(196,483)	(196,483)
Balance at end	13,593,291	13,789,774
Excess of capital and agricultural allowances over depreciation/amortisation		
Balance at beginning	106,653	122,293
Recognised in profit or loss	(15,464)	(15,640)
Balance at end	91,189	106,653
Biological assets		
Balance at beginning	61,181	55,479
Recognised in profit or loss	27,489	5,702
Balance at end	88,670	61,181
	13,773,150	13,957,608

19. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP	
	2021	2020
	RM	RM
Ringgit Malaysia	1,003,236	933,128
US Dollar	9,877,674	3,280
	10,880,910	936,408

The trade payables are non-interest bearing and are normally on **30 to 90 days** (2020: 30 to 60 days) credit terms.

20. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other payables	3,433,396	566,997	3,238,928	7,590
Accruals	2,547,692	1,071,677	142,435	184,735
Refundable deposits	2,200	2,200	-	-
	5,983,288	1,640,874	3,381,363	192,325

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

20. OTHER PAYABLES AND ACCRUALS (Cont'd)

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

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	5,976,789	1,640,874	3,381,363	192,325
Singapore Dollar	6,499	-	-	-
	<u>5,983,288</u>	<u>1,640,874</u>	<u>3,381,363</u>	<u>192,325</u>

21. REVENUE

21.1 Disaggregation of revenue information

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Type of goods or services:				
Gross dividend income from a subsidiary	-	-	800,000	300,000
Dividend income from quoted shares	15,300	-	15,300	-
Interest income	254,760	85,385	254,760	85,385
Sales of electronic component/ products	78,330,524	13,252,366	-	-
Sales of fresh fruit bunches	8,587,630	6,300,504	-	-
	<u>87,188,214</u>	<u>19,638,255</u>	<u>1,070,060</u>	<u>385,385</u>

Revenue information based on geographical location of customers are disclosed in Note 26 to the financial statements.

21.2 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.

21.3 Performance obligation

The performance obligation of the Group and of the Company for each type of goods/services have been disclosed in Note 3.12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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22. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
After charging:				
Amount due from a subsidiary:				
- Expected credit losses	-	-	-	8,637,929
- Written off	-	-	-	9,136,217
Auditors' remuneration				
- Statutory audit				
- current year	72,000	69,000	22,000	22,000
- under provision in prior year	-	1,000	-	-
- Other services	28,000	3,000	28,000	3,000
Bad debts written off	-	25,247	-	-
Depreciation of property, plant and equipment	4,330,351	3,978,955	-	2,065
Depreciation of right-of-use assets	977,272	977,272	-	-
⁽ⁱ⁾ Directors remuneration for non-executive directors	129,000	228,032	49,000	108,000
Discounting of amount due from subsidiaries to net present value	-	-	3,547,845	-
Fair value loss on investment securities	76,200	-	76,200	-
Impairment loss on goodwill	-	20,400,000	-	-
⁽ⁱⁱ⁾ Interest expense	277,508	380,289	-	-
Inventories written off	-	19,438	-	-
Property, plant and equipment written off	6,726	1,827	-	-
Realised loss on foreign exchange	106,341	-	-	-
Rental of machinery	124,699	67,923	-	-
Rental of office	1,100	-	-	-
Rental of premises	30,000	30,000	-	-
Rental of warehouse	100,000	-	-	-
⁽ⁱⁱⁱ⁾ Staff costs	17,477,955	9,068,376	28,000	54,000
Unrealised loss on foreign exchange	-	2,007	-	-
And crediting:				
Fair value gain on biological assets	114,538	23,762	-	-
Gain on disposal of property, plant and equipment	46,921	86,391	-	-
Gross dividend income from a subsidiary	-	-	800,000	300,000
Interest income	275,435	109,223	254,760	85,385
Realised gain on foreign exchange	-	102,458	-	490
Rental income	36,542	23,100	-	-
Reversal of allowance for slow moving inventories	580	21,466	-	-
Reversal of expected credit losses on amount due from a subsidiary	-	-	2,000,000	-
Unrealised gain on foreign exchange	22,315	-	230,231	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

22. PROFIT/(LOSS) BEFORE TAX (Cont'd)

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
(i) Directors remuneration for non-executive directors:				
- Directors' emoluments	87,000	8,000	7,000	8,000
- Directors' fee	42,000	220,032	42,000	100,000
	<u>129,000</u>	<u>228,032</u>	<u>49,000</u>	<u>108,000</u>
(ii) Interest expense				
- Bank overdrafts	581	1,890	-	-
- Finance lease liabilities	276,927	378,399	-	-
	<u>277,508</u>	<u>380,289</u>	<u>-</u>	<u>-</u>
(iii) Staff costs				
- Fee, salaries, allowance, bonus and wages	15,713,807	8,129,200	28,000	54,000
- EPF	1,523,263	814,982	-	-
- SOCSO	240,885	124,194	-	-
	<u>17,477,955</u>	<u>9,068,376</u>	<u>28,000</u>	<u>54,000</u>

Directors' remunerations

Included in the staff costs of the Group and of the Company are executive directors' emoluments as shown below:

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Executive directors of the Company:				
- Salaries, bonus and allowance	906,250	730,196	4,000	4,000
- EPF	77,440	58,096	-	-
	<u>983,690</u>	<u>788,292</u>	<u>4,000</u>	<u>4,000</u>
Directors' fee	24,000	55,000	24,000	50,000
	<u>1,007,690</u>	<u>843,292</u>	<u>28,000</u>	<u>54,000</u>
Executive directors of subsidiaries:				
- Salaries, bonus and allowance	263,720	212,575	-	-
- EPF	5,600	10,848	-	-
	<u>269,320</u>	<u>223,423</u>	<u>-</u>	<u>-</u>
Director's fee	36,975	5,000	-	-
	<u>306,295</u>	<u>228,423</u>	<u>-</u>	<u>-</u>
Total executive directors' remunerations	<u>1,313,985</u>	<u>1,071,715</u>	<u>28,000</u>	<u>54,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



22. PROFIT/(LOSS) BEFORE TAX (Cont'd)

The directors' remunerations can be further analysed as:

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Present directors:				
- Executive	1,313,985	1,071,715	28,000	54,000
- Non-executive	42,000	228,032	42,000	108,000
	<u>1,355,985</u>	<u>1,299,747</u>	<u>70,000</u>	<u>162,000</u>
Past directors:				
- Non-executive	87,000	-	7,000	-
	<u>1,442,985</u>	<u>1,299,747</u>	<u>77,000</u>	<u>162,000</u>

23. TAXATION

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia income tax:				
Based on results for the financial year				
- Current tax	(619,066)	(259,889)	-	(889)
- Deferred tax				
Relating to origination and reversal of temporary differences	15,464	15,640	-	-
Crystallisation of revaluation reserve	196,483	196,483	-	-
Relating to fair value adjustment of biological asset	(27,489)	(5,702)	-	-
	<u>184,458</u>	<u>206,421</u>	<u>-</u>	<u>-</u>
	(434,608)	(53,468)	-	(889)
Over/(Under) provision of current tax in prior years	140	(8,280)	65	4,799
	<u>(434,468)</u>	<u>(61,748)</u>	<u>65</u>	<u>3,910</u>

The reconciliation of tax (expense)/income of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax	7,876,339	(26,094,479)	(1,609,516)	(17,752,781)
Income tax at Malaysian statutory tax rate of 24%	(1,890,321)	6,262,675	386,284	4,260,667
Effects of different tax rate in foreign jurisdiction	160,092	-	-	-
Income not subject to tax	5,844	25,885	792,412	90,737
Expenses not deductible for tax purposes	(486,628)	(5,148,869)	(1,178,696)	(4,352,293)
Balance carried forward	(2,211,013)	1,139,691	-	(889)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

23. TAXATION (Cont'd)

	GROUP		COMPANY	
	2021	2020	2021	2020
	RM	RM	RM	RM
Balance brought forward	(2,211,013)	1,139,691	-	(889)
Utilisation of unrecognised unabsorbed tax losses and unabsorbed capital and agricultural allowances	2,704,603	180,897	-	-
Deferred tax assets not recognised	(928,198)	(1,374,056)	-	-
	(434,608)	(53,468)	-	(889)
Over/(Under) provision of current tax in prior years	140	(8,280)	65	4,799
	(434,468)	(61,748)	65	3,910

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:

	GROUP	
	2021	2020
	RM	RM
Unabsorbed tax losses	14,327,517	14,363,542
Unabsorbed capital and agricultural allowances	2,322,957	9,621,527
Unabsorbed reinvestment allowance	15,167,642	15,167,642
Other deductible temporary difference	67,966	135,058
	31,886,082	39,287,769

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

	GROUP	
	2021	2020
	RM	RM
Unabsorbed tax losses	14,327,517	14,363,542
Unabsorbed capital and agricultural allowances		
- recognised	8,663,314	8,756,684
- unrecognised	2,332,957	9,621,527
Unabsorbed reinvestment allowance	15,167,642	15,167,642

The unabsorbed tax losses can be carried forward for seven consecutive years of assessment immediately following that year of assessment of which tax losses was incurred and this is effective from year of assessment 2018. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive years of assessment. However, unabsorbed capital and agricultural allowances can be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



23. TAXATION (Cont'd)

The unabsorbed reinvestment allowance will expire in the year of assessment ("YA") 2026, while the unabsorbed tax losses will expire in the following YAs:

	GROUP	
	2021	2020
	RM	RM
Year of assessment 2026	12,034,179	12,070,204
Year of assessment 2027	2,293,338	2,293,338
	<u>14,327,517</u>	<u>14,363,542</u>

24. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

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

	GROUP	
	2021	2020
Profit/(Loss) attributable to owners of the Company (RM)	<u>6,754,390</u>	<u>(28,681,023)</u>
Weighted average number of ordinary shares in issue	<u>748,526,247</u>	<u>630,264,402</u>
Basic earnings/(loss) per share (sen)	<u>0.91</u>	<u>(4.55)</u>

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share was based on profit/(loss) attributed to equity holders of the Company and on the weighted average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares as follows:

	GROUP	
	2021	2020
Profit/(Loss) attributable to owners of the Company (RM)	<u>6,754,390</u>	<u>(28,681,023)</u>
Weighted average number of ordinary shares in issue	<u>748,526,247</u>	<u>630,264,402</u>
Effects of warrants outstanding	<u>-</u>	<u>1,183,587</u>
Weighted average number of shares assumed to be issue at 30 June	<u>748,526,247</u>	<u>631,447,989</u>
Diluted earnings/(loss) per share (sen)	<u>0.91</u>	<u>(4.54)</u>

There is no dilution effect for 2021 as the warrants have expired.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

25. CAPITAL COMMITMENT

	GROUP	
	2021	2020
	RM	RM
Contracted but not provided for:		
- Property, plant and equipment	<u>901,502</u>	<u>-</u>

26. SEGMENTAL INFORMATION

Business segments are based on the Group's management and internal reporting structure.

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

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

- (i) Manufacturing and assembling of electronics;
- (ii) Cultivation of oil palm;
- (iii) Wholesale, trading and dealing in all kinds of electronic product (new segment); and
- (iv) Others which consist of investment holding.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



26. SEGMENTAL INFORMATION (Cont'd)

By business segments

2021	Manufacturing RM	Plantation RM	Trading RM	Investment holding RM	Elimination RM	Note	Total RM
Revenue from external customers	41,615,295	8,587,630	36,715,229	270,060	-		87,188,214
Inter-segment revenue	-	-	-	800,000	(800,000)	A	-
Total revenue	41,615,295	8,587,630	36,715,229	1,070,060	(800,000)		87,188,214
Segment results	5,853,473	1,933,665	1,352,835	(1,864,275)	602,714		7,878,412
Interest expense							(277,508)
Interest income							275,435
Profit before tax							7,876,339
Taxation							(434,468)
Profit for the financial year							7,441,871
Assets							
Segment assets	44,406,008	72,026,716	29,256,175	110,008,340	(97,248,935)		158,448,304
Current tax assets							88,276
Cash and cash equivalents							3,077,019
Total assets							161,613,599
Liabilities							
Segment liabilities	31,214,927	22,276,696	28,004,878	5,150,743	(56,009,896)		30,637,348
Borrowings							3,646,462
Current tax liabilities							347,899
Total liabilities							34,631,709
Other information							
Capital expenditure	7,405,101	21,584	-	-	-	B	7,426,685
Depreciation							
- property, plant and equipment	3,282,223	1,048,128	-	-	-		4,330,351
- right-of-use assets	34,133	943,139	-	-	-		977,272
Other non-cash (income)/ expenses	(67,633)	(130,961)	-	80,743	16,423	C	(101,428)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

26. SEGMENTAL INFORMATION (Cont'd)

By business segments

2020	Manufacturing RM	Plantation RM	Investment holding RM	Elimination RM	Note	Total RM
Revenue from external customers	13,252,366	6,300,504	85,385	-		19,638,255
Inter-segment revenue	-	-	300,000	(300,000)	A	-
Total revenue	13,252,366	6,300,504	385,385	(300,000)		19,638,255
Segment results	(4,853,905)	8,930,727	(17,838,166)	(12,062,069)		(25,823,413)
Interest expense						(380,289)
Interest income						109,223
Loss before tax						(26,094,479)
Taxation						(61,748)
Loss for the financial year						(26,156,227)
Assets						
Segment assets	33,082,983	72,462,864	87,473,836	(73,763,623)		119,256,060
Current tax assets						97,811
Cash and cash equivalents						4,174,592
Total assets						123,528,463
Liabilities						
Segment liabilities	22,635,255	23,757,432	1,070,681	(30,928,478)		16,534,890
Borrowings						5,561,900
Current tax liabilities						54,960
Total liabilities						22,151,750
Other information						
Capital expenditure	6,089,954	22,943	-	-	B	6,112,897
- property, plant and equipment	2,924,502	1,052,388	2,065	-		3,978,955
- right-of-use assets	34,133	943,139	-	-		977,272
Other non-cash (income)/ expenses	(84,585)	(9,134,732)	17,774,146	11,762,071	C	20,316,900

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



26. SEGMENTAL INFORMATION (Cont'd)

Notes to segment information:

A Inter-segment revenue are eliminated on consolidation.

B Additions to non-current assets consist of:

	2021 RM	2020 RM
Property, plant and equipment	<u>7,426,685</u>	<u>6,112,897</u>

C Other material non-cash (income)/expenses consist of the following items:

	2021 RM	2020 RM
Bad debts written off	-	25,247
Fair value gain on biological assets	(114,538)	(23,762)
Fair value loss on investment securities	76,200	-
Gain on disposal of property, plant and equipment	(46,921)	(86,391)
Impairment loss on goodwill	-	20,400,000
Inventories written off	-	19,438
Property, plant and equipment written off	6,726	1,827
Reversal of allowance for slow moving inventories	(580)	(21,466)
Unrealised (gain)/loss on foreign exchange	<u>(22,315)</u>	<u>2,007</u>
	<u>(101,428)</u>	<u>20,316,900</u>

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia	10,252,127	10,793,845	105,718,408	100,052,920
Taiwan	39,983,195	8,737,047	-	-
Hong Kong	36,715,229	-	-	-
Singapore	109,934	56,242	-	-
Europe	127,729	51,121	-	-
	<u>87,188,214</u>	<u>19,638,255</u>	<u>105,718,408</u>	<u>100,052,920</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

26. SEGMENTAL INFORMATION (Cont'd)

Information about major customer

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

	Revenue		Segments
	2021 RM	2020 RM	
Customer A	39,983,195	8,737,047	Manufacturing
Customer B	26,238,290	-	Trading
Customer C	10,476,939	-	Trading
Customer D	-	3,413,452	Plantation
	<u>76,698,424</u>	<u>12,150,499</u>	

27. RELATED PARTY DISCLOSURES

(i) Related party transactions

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

	COMPANY	
	2021 RM	2020 RM
Amount due from a subsidiary:		
- Written off	-	(9,136,217)
- Impairment loss	-	(8,637,929)
- Reversal of impairment loss	2,000,000	-
Gross dividend income from a subsidiary	<u>800,000</u>	<u>300,000</u>

(ii) 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 22 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, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



28. FINANCIAL INSTRUMENTS

28.1 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
GROUP			
2021			
Financial assets			
Trade receivables	35,502,368	35,502,368	-
Other receivables and refundable deposits	265,993	265,993	-
Investment securities	237,889	-	237,889
Cash and cash equivalents	3,077,019	3,077,019	-
	<u>39,083,269</u>	<u>3,845,380</u>	<u>237,889</u>
Financial liabilities			
Trade payables	10,880,910	10,880,910	-
Other payable and accruals	5,983,288	5,983,288	-
Borrowings	3,646,462	3,646,462	-
	<u>20,510,660</u>	<u>20,510,660</u>	<u>-</u>
COMPANY			
Financial assets			
Amount due from subsidiaries	43,943,431	43,943,431	-
Investment securities	237,889	-	237,889
Cash and cash equivalents	1,096,960	1,096,960	-
	<u>45,278,280</u>	<u>45,040,391</u>	<u>237,889</u>
Financial liabilities			
Other payable and accruals	3,381,363	3,381,363	-
Amount due to subsidiaries	1,769,380	1,769,380	-
	<u>5,150,743</u>	<u>5,150,743</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

28. FINANCIAL INSTRUMENTS (Cont'd)

28.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2020			
Financial assets			
Trade receivables	2,747,633	2,747,633	-
Other receivables and refundable deposits	353,682	353,682	-
Cash and cash equivalents	4,174,592	4,174,592	-
	<u>7,275,907</u>	<u>7,275,907</u>	<u>-</u>
Financial liabilities			
Trade payables	936,408	936,408	-
Other payables and accruals	1,640,874	1,640,874	-
Borrowings	5,561,900	5,561,900	-
	<u>8,139,182</u>	<u>8,139,182</u>	<u>-</u>
COMPANY			
Financial assets			
Other receivables and refundable deposits	18,230	18,230	-
Amount due from subsidiaries	21,660,883	21,660,883	-
Cash and cash equivalents	3,269,173	3,269,173	-
	<u>24,948,286</u>	<u>24,948,286</u>	<u>-</u>
Financial liabilities			
Other payables and accruals	192,325	192,325	-
Amount due to a subsidiary	878,356	878,356	-
	<u>1,070,681</u>	<u>1,070,681</u>	<u>-</u>

28.2 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 and foreign currency exchange 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.

28.3 Credit risk

Credit risk refers to the risk that the 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 whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



28. FINANCIAL INSTRUMENTS (Cont'd)

28.3 Credit risk (Cont'd)

28.3.1 Trade receivables

The Group extends to existing customers credit terms that range between 30 to 45 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 with the result that the Group's exposure to bad debts is not significant.

The Group assesses ECL on trade receivables based on a provision matrix, the expected loss rates are based on the payment profile for sales in the past 5 years as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomics factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomics factors has not been considered significant within the reporting period.

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

	2021 RM	2020 RM
Not past due	28,739,478	2,487,429
1 to 30 days past due	41,945	158,559
31 to 60 days past due	5,572,834	82,706
61 to 90 days past due	1,148,111	18,939
	6,762,890	260,204
	35,502,368	2,747,633

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 renegotiated during the financial year.

The Group has trade receivables amounting to **RM6,762,890** (2020: RM260,204) 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 Group has concentration of credit risk on **3 customers** (2020: 3 customers) which represent **97%** (2020: 83%) of total trade receivables.

28.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the result of the subsidiaries regularly.

The maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

28.3.3 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** (2020: RM2,000,000) of which **RM Nil** (2020: RM25,394) of the said credit facilities have been utilised as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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28. FINANCIAL INSTRUMENTS (Cont'd)

28.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group actively manages its 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 maintains sufficient level of cash and cash equivalents to meet its working capital requirements.

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 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
GROUP					
2021					
Trade payables	10,880,910	10,880,910	10,880,910	-	-
Other payables and accruals	5,983,288	5,983,288	5,983,288	-	-
Interest bearing borrowings	3,646,462	3,846,164	2,166,972	1,607,007	72,185
Total undiscounted financial liabilities	20,510,660	20,710,362	19,031,170	1,607,007	72,185
GROUP					
2020					
Trade payables	936,408	936,408	936,408	-	-
Other payables and accruals	1,640,874	1,640,874	1,640,874	-	-
Interest bearing borrowings	5,561,900	6,038,530	2,192,366	2,166,972	1,679,192
Total undiscounted financial liabilities	8,139,182	8,615,812	4,769,648	2,166,972	1,679,192

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



28. FINANCIAL INSTRUMENTS (Cont'd)

28.4 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
COMPANY					
2021					
Other payables and accruals	3,381,363	3,381,363	3,381,363	-	-
Amount due to subsidiaries	1,769,380	1,769,380	1,769,380	-	-
Total undiscounted financial liabilities	5,150,743	5,150,743	5,150,743	-	-
2020					
Other payables and accruals	192,325	192,325	192,325	-	-
Amount due to subsidiaries	878,356	878,356	878,356	-	-
* Financial guarantees	-	25,394	25,394	-	-
Total undiscounted financial liabilities	1,070,681	1,096,075	1,096,075	-	-

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

28.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

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

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed rate instruments				
Financial assets	11,813	3,075,506	11,813	3,075,506
Financial liabilities	3,646,462	5,536,506	-	-
Floating rate instruments				
Financial liabilities	-	25,394	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

28. FINANCIAL INSTRUMENTS (Cont'd)

28.5 Interest rate risk (Cont'd)

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do 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.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have an insignificant impact to the Group's profit before tax. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

28.6 Foreign currency risk

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

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency 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 United States Dollar ("USD") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax. A 10% strengthening of RM against the following currencies at the end of the reporting period would have decreased profit before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
USD	2,498,879	169,030	1,838,313	-
SGD	20,827	-	-	-
Decrease in profit before tax	2,519,706	169,030	1,838,313	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021



28. FINANCIAL INSTRUMENTS (Cont'd)

28.7 Reconciliation of liabilities arising from financing activities

The movement of financial liabilities arising from financing activities during the financial year is as follows:

	Balance at beginning RM	Cash Flows RM	Others RM	Balance at end RM
GROUP				
2021				
Finance lease liabilities, representing total liabilities from financing activities	<u>5,536,506</u>	<u>(1,890,044)</u>	<u>-</u>	<u>3,646,462</u>
2020				
Finance lease liabilities, representing total liabilities from financing activities	<u>6,642,895</u>	<u>(1,716,389)</u>	<u>610,000*</u>	<u>5,536,506</u>

* Represents property, plant and equipment acquired under finance lease liabilities.

29. FAIR VALUE MEASUREMENT

29.1 Fair value measurement of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group (other than those disclosed below) as at the end of the reporting period approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

The table below analyses financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable (refer to Note 2.2 to the financial statements for definition of Level 1 to 3 fair value hierarchy).

The following table shows the levels within the hierarchy of financial assets and financial liability measured at fair value on a recurring basis:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2021					
Financial asset					
Quoted shares	<u>237,889</u>	<u>-</u>	<u>-</u>	<u>237,889</u>	<u>237,889</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

29. FAIR VALUE MEASUREMENT (Cont'd)

29.2 Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

	Level 1 RM	Level 2 RM	Level 3 RM
GROUP			
2021			
Biological assets	-	-	369,459
2020			
Biological assets	-	-	254,921

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 all 3 levels during the financial year.

Fair value measurement

Quoted shares

Fair value of the quoted shares is determined by reference to published price quoted in an active market.

Biological assets

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

30. 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 manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group 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.

The capital structure of the Group consists of equity attributable to owners of the Company, excluding reserves, details of which are disclosed in Note 15 and Note 16 to the financial statements.

As at the end of the reporting period, the Group has not breached any of the debt covenants imposed by its lenders.

31. SIGNIFICANT EVENTS

31.1 Private placement

On 17 September 2020, the Company announced to undertake a private placement of up to 10% of the total number of issued and paid up shares of the Company.

The private placement was completed on 5 October 2020 following the listing of and quotation of 69,919,573 placement shares at an issue price RM0.175 each on the ACE Market of Bursa Malaysia Securities Berhad.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2021

31. SIGNIFICANT EVENTS (Cont'd)

31.2 Proposed renounceable rights issue and employees' share scheme ("ESS")

On 19 March 2021, the Company announced to undertake the following proposals:

- (i) Renounceable rights issue of up to 384,557,653 new ordinary shares of the Company on the basis of 1 rights share for every 2 existing shares ("Proposed Right Issue of Shares").

The Proposed Right Issue of Shares was fully subscribed and completed on 27 July 2021 with the listing of and quotation for 384,557,653 rights shares at RM0.175 per rights share on the ACE Market of Bursa Malaysia Securities Berhad.

- (ii) Establishment of an ESS of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible Directors and employees of the Company and its subsidiaries.

31.3 Coronavirus pandemic

The Coronavirus pandemic ("COVID-19 pandemic") which was officially declared on 11 March 2020 by the World Health Organisation has continued to materially affect the world economy in 2021 mainly due to travel restriction, international border closures, lockdown and other precautionary measures imposed in various countries and Malaysia has not been spared. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and the markets in which the Group operates.

This pandemic has significantly disrupted many business operations and caused uncertainties around the world, including the markets where the Group is operating. While the Group has been experiencing the business disruptions during this pandemic, there are opportunities in electrical and electronic industry and upward trend in national average crude palm oil price which the Group is able to take advantage of. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on the Group's business. Cost cutting measures have been taken to minimise the impact arising from this pandemic.

The Group will monitor the developments of the COVID-19 situation closely and continue exercising cost control and operation efficiency in order to enhance productivity and to stay competitive in a "new normal" environment whilst adhering strictly to government health guidelines to safeguard the employees from the COVID-19 pandemic. For the financial year ended 30 June 2021, the Group has not impaired any of its assets nor re-negotiated repayment obligations with its creditors. The Group has sufficient working capital to continue as a going concern for the foreseeable future.

32. EVENTS AFTER THE REPORTING PERIOD

- (i) On 27 July 2021, the Company made an announcement on the offer and grant of options under employees' share scheme ("ESS") of the Company as below:

Date	27 July 2021
Exercise price	RM0.225
Number of ESS	42,754,900
Closing market price of Company's shares	RM0.245
Number of ESS Options to the Directors of the Company	20,000,000
Vesting period	4 years

- (ii) On 7 September 2021, the Company announced to undertake a proposed bonus issue of up to 346,101,887 free warrants on the basis of 3 warrants for every 10 ordinary shares. The proposed bonus issue of warrants was approved on 18 October 2021.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting of the Company will be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting (“RPEV”) facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Tuesday, 23 November 2021 at 11:00 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 2021 together with the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Notes |
| 2. To approve the payment of additional Directors’ fees of RM18,000 for the financial year ended 30 June 2021. | Ordinary Resolution 1 |
| 3. To approve the retirement gratuity payment of RM100,000 to Mr. Yong Loong Chen, an Independent Non-Executive Director of the Company who will retire at the conclusion of the Nineteenth Annual General Meeting in recognition and appreciation of his long service and contribution to the Company. | Ordinary Resolution 2 |
| 4. To re-elect Mr. Lim Chiow Hoo as a Director who retires in accordance with Article 95 of the Company’s Constitution. | Ordinary Resolution 3 |
| 5. To re-elect Mr. Tan Choon Heong as a Director who retires in accordance with Article 102 of the Company’s Constitution. | Ordinary Resolution 4 |
| 6. To re-elect Mr. Hsu, Ching-Chen as a Director who retires in accordance with Article 102 of the Company’s Constitution. | Ordinary Resolution 5 |
| 7. To re-elect Mr. Yee Wei Meng as a Director who retires in accordance with Article 102 of the Company’s Constitution. | Ordinary Resolution 6 |
| 8. To re-elect Mr. Law Kim Fatt as a Director who retires in accordance with Article 102 of the Company’s Constitution. | Ordinary Resolution 7 |
| 9. 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. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS :

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

10. ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the “Act”), and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions and for such purposes as 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 Malaysia Securities Berhad 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.”

Ordinary Resolution 9

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)



11. ORDINARY RESOLUTION

MANDATE FOR MR. TAN POH HENG TO CONTINUE TO ACT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT approval be and is hereby given to Mr. Tan Poh Heng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."

**Ordinary
Resolution 10**

12. ORDINARY RESOLUTION

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

"THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("**Scope Group**") to enter into any of the transactions falling within the type of recurrent related party transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 29 October 2021 in relation to the Proposed Shareholders' Mandate, provided that such transactions are undertaken in the ordinary course of business, at arm's length and based on commercial terms and on terms not more favorable to the related party(ies) than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted/to be conducted during the financial year, including the types of recurrent related party transactions made and the names of the related parties, will be disclosed in the annual report of the Company pursuant to the requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the Company's next Annual General Meeting ("**AGM**"), at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the next Company's AGM is required to be held pursuant to Section 340(2) of the Act (but must 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 Company's shareholders in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

**Ordinary
Resolution 11**

- 13. 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 : 29 October 2021

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes :

1. The meeting will be conducted on a fully virtual basis where shareholders are only allowed to participate remotely through live streaming and online Remote Participation and Electronic Voting ("**RPEV**") facilities which is available via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657). With RPEV facilities, a shareholder may exercise his/her right to participate and vote at the meeting via the following mode of communication: i) Typed text in the Meeting Platform ii) E-mail questions to jameslee@scope.com.my prior to the meeting. Please follow the procedures provided in the Administrative Guide for the Annual General Meeting in order to register, participate and vote remotely via RPEV facilities.
2. 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.
3. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) By electronic means through the Share Registrar's website
The proxy form can be electronically lodged with the Company's Share Registrar via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. 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.
6. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
7. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the Share Registrar's office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time of holding the meeting.
8. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Share Registrar's office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
9. 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.
10. 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.
11. 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 16 November 2021 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.
12. All the resolutions as set out in this notice of Annual General Meeting will be put to vote by poll.
13. Mr. Yong Loong Chen who is due for retirement by rotation has informed the Board he will not seek for re-election and will retire at the conclusion of the Nineteenth Annual General Meeting.

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 2021 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 Resolution 1 – Payment of additional Directors' fees for the financial year ended 30 June 2021

Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 1 is to seek shareholders' approval for the payment of additional payment of Directors' fees of RM18,000 for the financial year ended 30 June 2021.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)



Explanatory Notes on Ordinary Business (Cont'd)

Ordinary Resolution 2- Proposed Retirement Gratuity Payment To Mr. Yong Loong Chen

The proposed Ordinary Resolution 2, if passed, will give approval to the Company to make payment of retirement gratuity amounting to RM100,000 to Mr. Yong Loong Chen, an Independent Non-Executive Director of the Company who will retire at the conclusion of the Nineteenth Annual General Meeting in recognition and appreciation of his long service and contribution to the Company.

Explanatory Notes on Special Business

Ordinary Resolution 9 – Authority to issue shares

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

The proposed Ordinary Resolution 9, 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 Eighteenth Annual General Meeting held on 26 November 2020 and which will lapse at the conclusion of the Nineteenth Annual General Meeting to be held on 23 November 2021.

A renewal of this authority is being sought at the Nineteenth Annual General Meeting under proposed Ordinary Resolution 9.

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).

Ordinary Resolution 10 – Mandate for Mr. Tan Poh Heng to continue to act as Independent Non-Executive Director

Both the Nomination Committee and Board have assessed the independence of Mr. Tan Poh Heng, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:

- i. He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and bring an element of objectivity to the Board.
- ii. His vast experience in the accounting and audit industry as well as manufacturing and technology industry, enable him to provide the Board with a diverse set of experience, expertise and independent judgment.
- iii. He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
- iv. He consistently challenged the management in an effective and constructive manner and actively participated in board discussion.
- v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Ordinary Resolution 11 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 11, 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 29 October 2021.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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

(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 9 as stated in the Notice of Annual General Meeting of the Company for the details.



LIST OF PROPERTIES



								Audited Net Carrying Amount as at 30 June 2021 RM
Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Land Area	Built up Area	Existing Use	
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)	20	65,340 Sq. ft	79,200 Sq. ft	Double storey factory and office for use as factory and office.	6,818,550
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)	14	87,120 Sq. ft	66,000 Sq. ft	Double storey office with annexed single storey factory building for use as office and factory	4,998,699
3 Scope Manufacturers (M) Sdn Bhd PN 343873, Lot 11455 Jalan Perusahaan 3 Kawasan Perindustrian Parit Buntar 34200 Parit Buntar Perak, Malaysia	12.1.2021	Industrial Land	Leasehold for 60 years (expiring on 16.02.2049)	N/A	2.5 acres	N/A	Construction in progress for manufacturing plant	3,555,203 (for land portion) 5,669,539 (Capital expenditure in progress)
4 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	36,527,273

LIST OF PROPERTIES (Cont'd)

								Audited Net Carrying Amount as at 30 June 2021 RM
Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Land Area	Built up Area	Existing Use	
5 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	446,497
6 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	22,942,158
								80,957,919



ANALYSIS OF SHAREHOLDINGS

AS AT 1 OCTOBER 2021

- 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	39	0.48	1,320	0.00
100 – 1,000	513	6.28	380,750	0.03
1,001–10,000	2,893	35.42	19,304,000	1.67
10,001 – 100,000	3,781	46.29	143,123,650	12.41
100,001 – 57,683,646(*)	939	11.50	743,896,939	64.48
57,683,647 and above (**)	3	0.03	246,966,300	21.41
Total	8,168	100.00	1,153,672,959	100.00

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	68,113,100	5.9	-	-
Lee Min Huat	92,098,800	7.98	-	-
Wah Len Enterprise Sdn Bhd	98,412,600	8.53	-	-
Inventec Appliances Corp	84,444,400	7.32	-	-
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

Notes:

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

D. DIRECTORS' SHAREHOLDINGS

Name	Number of Ordinary Shares			
	Direct	%	Indirect	%
Lim Chiow Hoo	68,113,100	5.9	-	-
Lee Min Huat	92,098,800	7.98	-	-
Lim Ee Tatt	4,519,500	0.39	98,412,600*	8.53
Tan Poh Heng	525,000	0.05	-	-
Yong Loong Chen	-	-	-	-
Tan Choon Heong (Appointed on 25 August 2021)	35,178,500	3.05	-	-
Yee Wei Meng (Appointed on 25 August 2021)	34,816,320	3.02	-	-
Hsu, Ching-Chen (Appointed on 25 August 2021)	-	-	-	-
Law Kim Fatt (Appointed on 26 October 2021)	-	-	-	-

Notes:

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

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 1 OCTOBER 2021

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	5.56%
4.	Lim Chiow Hoo	47,063,100	4.08%
5.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Choon Heong	35,178,500	3.05%
6.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Standard Chartered Bank Singapore Branch (BJSSSGBR-CL FR)	35,162,700	3.05%
7.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ambank (M) Berhad For Yee Wei Meng (SMART)	31,500,320	2.73%
8.	Lee Min Huat	27,989,500	2.43%
9.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Affin Hwang Aiman Growth Fund (4207)	25,415,800	2.20%
10.	Agriculturists Incorporated Development Sdn Bhd	21,426,074	1.86%
11.	Lim Chiow Hoo	21,050,000	1.82%
12.	Lee Tack Chong	15,548,440	1.35%
13.	Amanahraya Trustees Berhad Affin Hwang Growth Fund	11,234,800	0.97%
14.	Amanahraya Trustees Berhad Affin Hwang Principled Growth Fund	8,602,900	0.75%
15.	Lok Huey Ming	7,849,500	0.68%
16.	Siew Lee Ying @ Siew Lee Yong	6,064,865	0.53%
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Chan Sherng (7009399)	5,500,000	0.48%
18.	Tan Ai Fung	5,500,000	0.48%
19.	Tan Choon Keat	5,450,000	0.47%
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Yeow Seng (E-BMM)	5,011,100	0.43%
21.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Affin Hwang Equity Fund (930090)	4,700,800	0.41%
22.	Lim Ee Tatt	4,519,500	0.39%
23.	Lee Meow Lim @ Lee Meow Yee	4,014,500	0.35%
24.	Teoh Kee Peng	4,000,000	0.35%
25.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Barclays Capital Securities Ltd (SBL/PB)	3,708,900	0.32%
26.	Gan Sook Peng	3,642,300	0.32%
27.	Getaria Realty Sdn Bhd	3,600,000	0.31%
28.	Chan Why Kuan	3,400,000	0.29%
29.	Lim Seng Chong	3,300,000	0.29%
30.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lua Chong Keong	3,278,000	0.28%

PROXY FORM

CDS ACCOUNT NO.	
NO. OF SHARES HELD	
TELEPHONE NO.	
EMAIL ADDRESS	

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

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.		

to attend and vote for *me/ us and on *my/ our behalf at the Nineteenth Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting ("RPEV") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Tuesday, 23 November 2021 at 11:00 a.m., and at any adjournment thereof to vote as indicated below:

No. of Resolution	Resolutions	For	Against
Ordinary Resolution 1	Approval of payment of additional Directors' fees for the financial year ended 30 June 2021		
Ordinary Resolution 2	To approve the Retirement Gratuity Payment to Mr. Yong Loong Chen		
Ordinary Resolution 3	Re-election of Mr. Lim Chiow Hoo as Director		
Ordinary Resolution 4	Re-election of Mr. Tan Choon Heong as Director		
Ordinary Resolution 5	Re-election of Mr. Hsu, Ching-Chen as Director		
Ordinary Resolution 6	Re-election of Mr. Yee Wei Meng as Director		
Ordinary Resolution 7	Re-election of Mr. Law Kim Fatt as Director		
Ordinary Resolution 8	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix Auditor's remuneration.		
Ordinary Resolution 9	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
Ordinary Resolution 10	Mandate for Mr. Tan Poh Heng to continue to act as an Independent Non-Executive Director		
Ordinary Resolution 11	Proposed Shareholders' Mandate for the Recurrent Related Party Transactions of a revenue or trading nature		

(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 2021.

.....
 Signature of Member(s)/ Common Seal

* Strike out whichever is not desired

Notes :

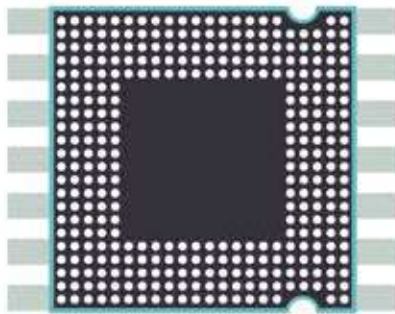
1. The meeting will be conducted on a fully virtual basis where shareholders are only allowed to participate remotely through live streaming and online Remote Participation and Electronic Voting ("RPEV") facilities which is available via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657). With RPEV facilities, a shareholder may exercise his/her right to participate and vote at the meeting via the following mode of communication: i) Typed text in the Meeting Platform ii) E-mail questions to jameslee@scope.com.my prior to the meeting. Please follow the procedures provided in the Administrative Guide for the Annual General Meeting in order to register, participate and vote remotely via RPEV facilities.
2. 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.
3. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) By electronic means through the Share Registrar's website
The proxy form can be electronically lodged with the Company's Share Registrar via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. 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.
6. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
7. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the Share Registrar's office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time of holding the meeting.
8. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Share Registrar's office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
9. 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.
10. 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.
11. 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 16 November 2021 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.
12. All the resolutions as set out in this notice of Annual General Meeting will be put to vote by poll.
13. Mr. Yong Loong Chen who is due for retirement by rotation has informed the Board he will not seek for re-election and will retire at the conclusion of the Nineteenth Annual General Meeting.

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**AFFIX
STAMP**

The Share Registrar
SCOPE INDUSTRIES BERHAD
200201023713 (591376-D)
Boardroom Share Registrars Sdn. Bhd.
Ground Floor or 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Please fold here



SCOPE INDUSTRIES BERHAD

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 / account@scope.com.my

www.scope.com.my