



SCOPE

SCOPE INDUSTRIES BERHAD

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

ANNUAL REPORT

2025

Growing Together

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Growing Together

From above, the vast expanse of the plantation reveals a deeper truth: growth is never solitary. Like the interconnected fronds of the oil palm, our progress is entwined with the land, the people, and the communities we serve. "Growing Together" reflects this synergy, where shared efforts and mutual respect nurture both the environment and our collective aspirations. Now with a renewed focus solely on plantations, Scope Industries Berhad is deepening its commitment to sustainable cultivation and purposeful growth. We believe that growth flourishes when guided by joint efforts and a vision for a sustainable tomorrow.

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2025
Growing
Together

CORPORATE INFORMATION



DIRECTORS

Lee Min Huat
(Executive Chairman)

Lim Chiow Hoo
(Managing Director)

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

Law Kim Fatt
(Independent Non-Executive Director)

Ang Kai Sing
(Independent Non-Executive Director)
(Appointed on 1 February 2025)

Yau Khai Ling
(Independent Non-Executive Director)
(Resigned on 31 December 2024)

Chen, Kun-Huei
(Non-Independent Non-Executive Director)
(Appointed on 21 October 2024)
(Resigned on 20 May 2025)

Ong Lai Choon
(Executive Director)
(Resigned on 1 August 2025)

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

COMPANY SECRETARIES

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

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

AUDIT COMMITTEE

Law Kim Fatt (Chairman)
Lim Ee Tatt
Ang Kai Sing

REMUNERATION COMMITTEE

Ang Kai Sing (Chairman)
Law Kim Fatt
Lim Ee Tatt

NOMINATION COMMITTEE

Ang Kai Sing (Chairman)
Law Kim Fatt
Lim Ee Tatt

REGISTERED OFFICE

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

BUSINESS ADDRESS

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Kawasan Perindustrian Parit Buntar
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Tel: 019-939 9318
Email: finance@scope.com.my

SHARE REGISTRAR

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

AUDITORS

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

PRINCIPAL BANKERS

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)

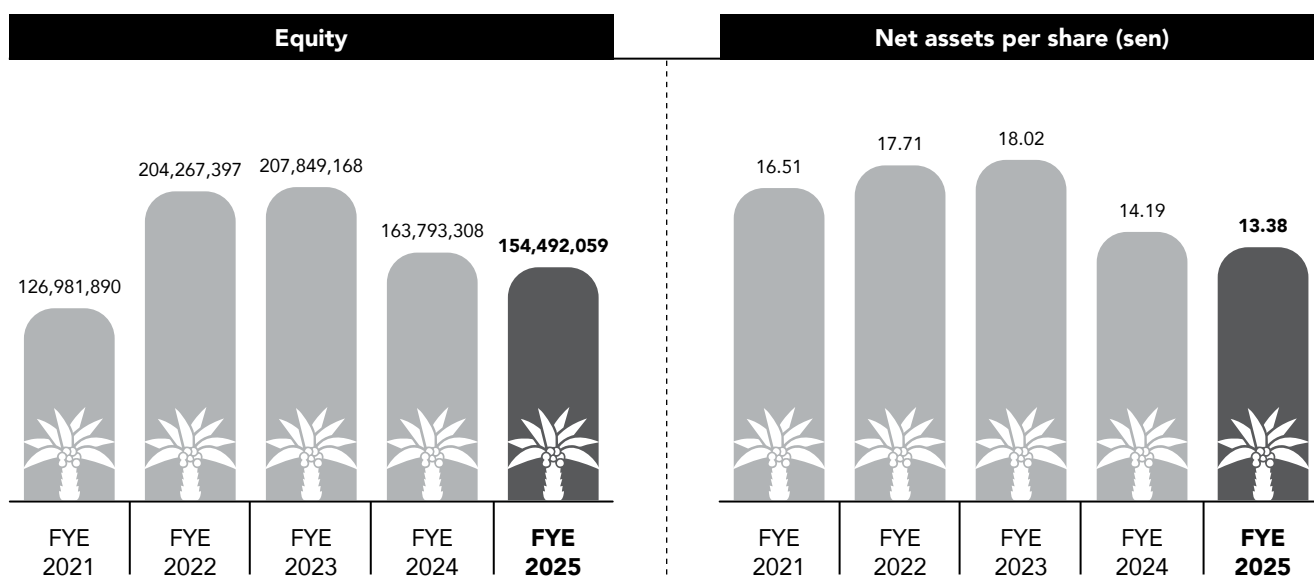
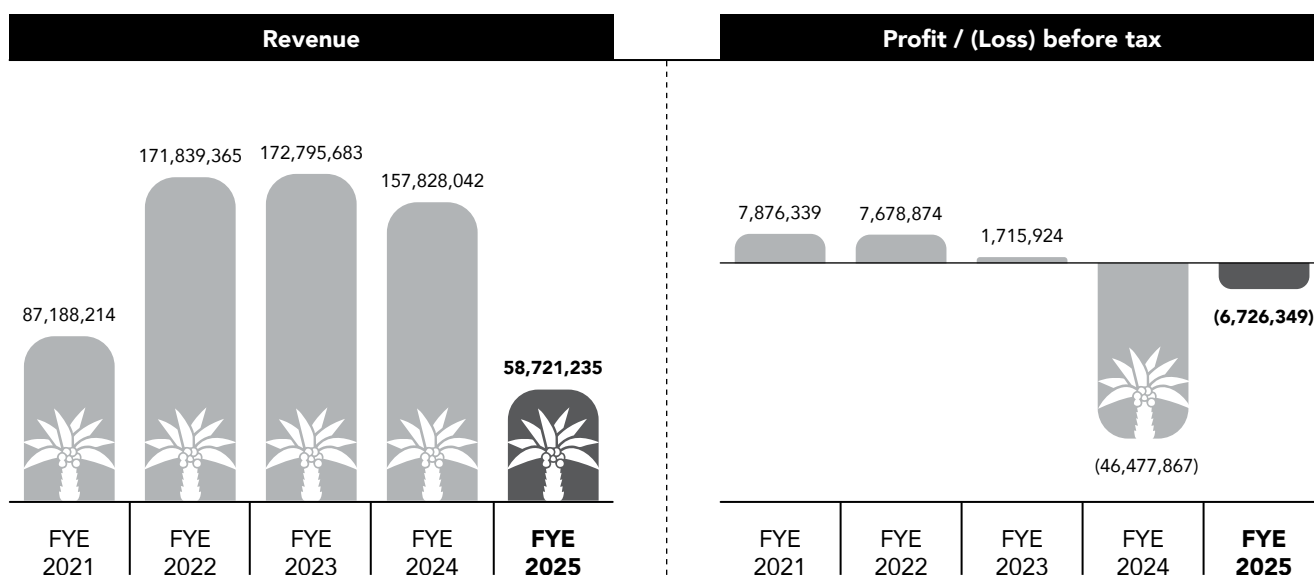
WEBSITE

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



FINANCIAL HIGHLIGHTS

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Revenue	87,188,214	171,839,365	172,795,683	157,828,042	58,721,235
Profit / (Loss) before tax	7,876,339	7,678,874	1,715,924	(46,477,867)	(6,726,349)
Equity	126,981,890	204,267,397	207,849,168	163,793,308	154,492,059
Net assets per share (sen)	16.51	17.71	18.02	14.19	13.38
Number of Shares in issue	769,115,306	1,153,672,959	1,153,672,959	1,154,399,559	1,155,035,959

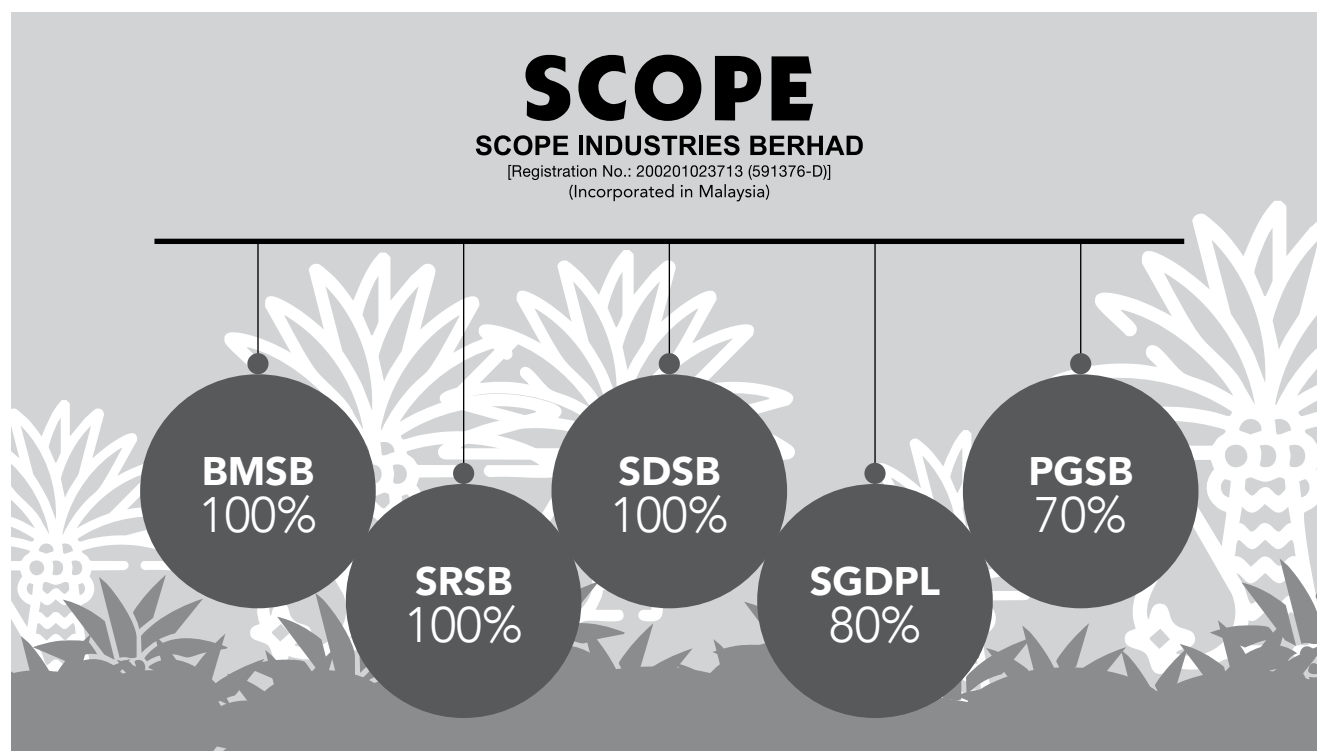


HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

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 three (3) wholly-owned subsidiaries, namely Benua Mutiara Sdn. Bhd. ("BMSB"), Scope Realty Sdn. Bhd. ("SRSB") and Scope Distributor Sdn. Bhd. ("SDSB"). Besides that, Scope has a seventy percent (70%) owned subsidiary, Pioneer Glow Sdn. Bhd. ("PGSB") and an eighty percent (80%) owned subsidiary, Scope Global Distributor Pte. Ltd. ("SGDPL").

The core businesses of the Scope Industries Berhad and its subsidiaries ("the Group") are oil palm plantation and the trading of electronic products. During the year, the Group also commenced a new business activity in the trading of motor vehicles and related components.

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		
Benua Mutiara Sdn. Bhd. (BMSB)	28 September 1990 Malaysia	Cultivation of oil palms.
Pioneer Glow Sdn. Bhd. (PGSB)	20 August 1997 Malaysia	Cultivation of oil palms.
Scope Global Distributor Pte. Ltd. (SGDPL)	15 October 2020 Singapore	Trading in electrical and electronic products and motor vehicles.
Scope Realty Sdn. Bhd. (SRSB)	2 August 2022 Malaysia	Properties investments and provision of dormitory accommodation and services.
Scope Distributor Sdn. Bhd. (SDSB)	18 April 2025 Malaysia	Trading in motor vehicle and its related components.



MANAGEMENT DISCUSSION AND ANALYSIS

The financial year ended 30 June 2025 ("FY 2025") marked a pivotal chapter for Scope Industries Berhad ("Scope" or "the Company") and its subsidiaries ("the Group"). While global headwinds continued to test resilience, the Group took bold strategic steps to redefine its future. Central to this evolution was a landmark proposal to exit its manufacturing arm, a move that is expected to unlock value and reallocate focus toward more promising growth avenues.

GROUP INSIGHTS

Geographical presence:



Note:

* On 11 July 2025, Scope obtained shareholder approval to dispose of its entire stake in the Manufacturing Division, Luxshare Precision (M) Sdn. Bhd. (Formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("SMSB"), to Luxshare Precision Singapore Pte. Ltd..

Core segments:

Plantation Division

This division is undertaken through two subsidiaries, Pioneer Glow Sdn. Bhd. ("PGSB") and Benua Mutiara Sdn. Bhd. ("BMSB"), which are engaged in the cultivation of oil palms. As at 30 June 2025, the division managed a total land area of approximately 1,777.07 hectares in Sabah, Malaysia. Following the divestment of the manufacturing segment, the plantation business has become a central pillar of the Group's future growth, with Scope placing greater emphasis on strengthening and expanding its palm oil cultivation activities.

Trading Division

Scope Global Distributor Pte. Ltd. ("SGDPL"), based in Singapore, a strategic hub at the crossroads of East and West, serves as the Group's trading arm, supported by Scope Distributor Sdn. Bhd. ("SDSB") in Malaysia, which has been incorporated during the financial year. Together, these entities anchor the Trading Division's operations, with principal activities encompassing the trading of electrical and electronic products, as well as motor vehicles and its related components. The expansion into the motor vehicle trading business represents a strategic step towards broadening the division's portfolio, leveraging both companies' established networks and market insights to capture new opportunities and diversify income streams across regional markets.

Manufacturing Division

The Manufacturing Division, undertaken by SMSB, was the Group's largest and longest-standing business, with more than three decades of operations in the assembly of printed circuit boards ("PCBA"). Over the years, SMSB built a strong reputation as a reliable partner to Original Equipment Manufacturers ("OEMs"), offering both PCBA and complete box-build solutions. Its main facility in Parit Buntar, Perak, strategically located near Penang's electronics hub, served as a cornerstone of the division's operations.

Strategic Realignment: Disposal of Manufacturing Division

On 15 April 2025, the Group announced its proposal to dispose of its entire stake in SMSB to Luxshare Precision Singapore Pte. Ltd. for a total consideration of RM96.7 million. The proposed disposal was subsequently approved by shareholders at the Extraordinary General Meeting held on 11 July 2025 and was completed on 1 August 2025, after the close of the financial year.

The strategic move followed persistent losses in the manufacturing segment, which had experienced consecutive years of underperformance. Through this divestment, the Group sought to realign its business portfolio towards more resilient and high-potential segments. The disposal also crystallised an estimated gain of RM33.18 million, enhancing the Group's balance sheet position and providing greater financial flexibility to pursue future growth opportunities.



MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC INSIGHTS

The Group's strategy moving forward is centred on strengthening operational efficiency and embedding sustainability across its businesses. In the Plantation Division, efforts are focused on improving yields through replanting programmes, adopting best agricultural practices, and exploring sustainable methods to ensure long-term productivity and environmental stewardship. Guided by prudent capital management, Scope will continue to pursue growth opportunities that reinforce resilience, deliver consistent returns, and contribute to sustainable value creation for shareholders.

BUSINESS OVERVIEW

Financial Performance Review:

The financial year under review represented a period of transition and reflection for the Group. While external headwinds continued to shape market sentiment, the Group stayed focused on building a stronger and more agile foundation, anchored by financial discipline, operational excellence, and a long-term vision of sustainable value creation for our stakeholders.

FY 2025

			
Revenue Generated	Gross Profit	Loss After Tax	Loss per Share
RM58.72 million (FY 2024: RM157.8 million)	RM4.58 million (FY 2024: RM11.10 million)	(RM8.24 million) (FY 2024: -RM46.47 million)	(0.74 Sen) (FY 2024: -RM3.17)

For FY 2025, the Group recorded a revenue of RM58.72 million, a decline of 62.80% compared with RM157.83 million in the preceding financial year. The decrease was mainly attributable to lower trading activities in electronic components, as the sales were temporarily deferred pending settlement of outstanding payments from customers. Gross profit stood at RM4.58 million, translating to a margin of 7.8%, as compared to RM11.10 million or a 7.03% margin in FY 2024. The lower gross profit for the year was primarily due to losses recorded in the Manufacturing Division. As the Group transitions away from this division following the divestment, profitability is expected to stabilise with a clearer focus on core operations.

The Group registered an operating loss of RM7.93 million in FY 2025, a significant improvement from an operating loss of RM47.52 million in the previous year. The improvement was mainly attributable to the absence of expected credit losses amounting to RM45.62 million that were recognised in FY 2024 in relation to overdue receivables within the Trading Division. At the bottom line, the Group posted a loss after tax ("LAT") of RM8.24 million in FY 2025, compared with a LAT of RM44.34 million in FY 2024. This translates to a loss per share of 0.74 sen, versus RM3.17 previously.

As of 30 June 2025, the Group's cash and cash equivalents stood at RM35.07 million, marking an increase of RM3.58 million or 11.37% from RM31.49 million recorded in the previous financial year. This increase was primarily attributable to lower capital expenditure incurred during the year. The Group remains prudent in managing its cash reserves to ensure sufficient financial resources for business strategies, ongoing operations, and future capital needs.

Despite ongoing external challenges, the Group continued to exercise prudent financial management and maintain a disciplined approach to cost control. These efforts, alongside ongoing efficiency initiatives, are expected to strengthen operational resilience and lay a firmer foundation for future growth and shareholder returns.



MANAGEMENT DISCUSSION AND ANALYSIS

Segmental Performances:

Segments	FY 2025		FY 2024	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Plantation Division	RM11.36 million	19.34%	RM10.76 million	6.82%
Trading Division	RM16.49 million	28.09%	RM109.02 million	69.07%
Manufacturing Division	RM30.86 million	52.55%	RM38.05 million	24.11%
Investment Holding	RM 0.013 million	0.02%	-	-

Segments	FY 2025		FY 2024	
	Operating Profit/Loss (RM'million)		Operating Profit/Loss (RM'million)	
Plantation Division		3.74		2.61
Trading Division		0.45		(43.09)
Manufacturing Division		(6.59)		0.56

Plantation Division

The Plantation Division recorded a revenue of RM11.36 million in FY 2025, compared with RM10.76 million in the previous financial year, driven primarily by stronger average fresh fruit bunch ("FFB") prices. Segment operating profit rose to RM3.74 million in FY 2025 from RM2.61 million in FY 2024, reflecting improved cost efficiency and steady operational performance. During the year, the division continued to focus on yield enhancement through better field management and resource optimisation, while advancing sustainability initiatives aimed at long-term productivity and environmental stewardship. These efforts collectively reinforced the division's role as a key contributor to the Group's future growth.

Operating profit stood at RM0.45 million, a notable improvement from the operating loss of RM43.09 million in FY 2024, primarily attributable to the absence of expected credit losses amounting to RM45.62 million that were recognised in FY 2024. Moving forward, the division will continue to strengthen credit control measures, observe market trends, and pursue strategic initiatives to restore revenue momentum and improve profitability, while also expanding into the trading of motor vehicles and related components - a new business activity that is expected to broaden its revenue base and support future growth.

Trading Division

The Trading Division recorded lower revenue of RM16.49 million in FY 2025 compared with RM109.02 million in FY 2024, mainly due to Trading Division ceased the trading of electronic components in FY 2025. The revenue of the Trading Division in FY 2025 relates solely to the trading of motor vehicles, which commenced in March 2025.

Manufacturing Division

The Manufacturing Division recorded revenue of RM30.86 million in FY 2025, compared with RM38.04 million in FY 2024. The decline was primarily due to lower sales orders and higher labour costs, which placed pressure on margins. The division posted an operating loss of RM6.59 million, against an operating profit of RM0.56 million previously. In view of the continued challenges and to optimise the Group's overall performance, the Manufacturing Division was disposed of subsequent to the financial year end. This strategic move allows the Group to streamline operations, cut losses, and refocus resources on its core growth segments.

Share Performance:

During FY 2025, Scope's share price traded between a high of RM0.12 and a low of RM0.07, before closing the year at RM0.09. This represented a 44% decrease compared with the closing price of RM0.16 in the previous financial year. The share performance largely mirrored the year's operational adjustments and market conditions. Nonetheless, the Group views this as part of its ongoing consolidation phase, setting the foundation for future recovery and renewed investor confidence.

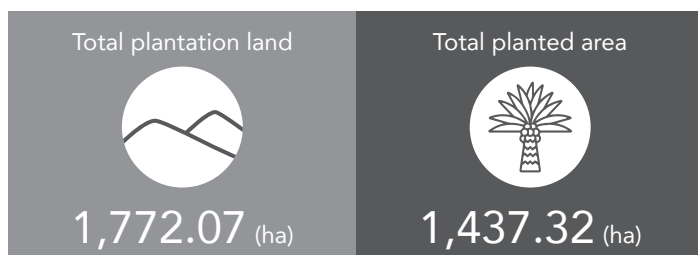


MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION OVERVIEW

Throughout FY 2025, Scope continued to focus on strengthening the fundamentals of its core business divisions: plantation, trading, and manufacturing. Despite a challenging external environment, the Group remained steadfast in its pursuit of operational excellence, efficiency, and sustainable growth. Each division played a vital role in driving the Group's performance, supported by ongoing optimisation efforts, prudent cost management, and a commitment to long-term value creation. Looking ahead, the Group aims to build on these foundations, positioning each business segment to capture emerging opportunities and contribute meaningfully to overall resilience and growth.

Operational Highlights:



Plantation Division

The Plantation Division recorded a total fresh fruit bunch ("FFB") production of 13,343.54 tonnes in FY 2025, compared to 14,970.63 tonnes in the previous financial year. While production volume was slightly lower, the division benefited from higher and more stable FFB prices, which helped offset the impact of reduced output. During the year, the division focused on yield optimisation, cost efficiency, and sustainable estate management practices, ensuring long-term productivity and operational resilience. The Plantation Division contributed 19.34% to the Group's total revenue, reaffirming its position as a key pillar of growth moving forward.

Yield of oil palms:

	FY 2024	FY 2025
Average yield (MT/ha)	10.42	9.28

FFB production volume and its average selling price:

	FY 2024	FY 2025
FFB Production (MT)	14,970.63	13,343.54
Average FFB Price (RM)	719.70	851.24

Age profile of developed area (FY 2025):

	Hectare (ha)	Percentage (%)
4 – 7 years	0	0
8 – 19 years	645.55	44.9
>19 years	791.77	55.1
	1,437.32	100

The Plantation Division will remain the core focus of the Group's growth strategy, particularly following the disposal of the manufacturing arm. Efforts will continue to centre on enhancing productivity, optimising costs, and strengthening operational efficiency to drive sustainable performance. The division also intends to reinforce its commitment to responsible estate management and sustainability-led practices, ensuring long-term value creation for both the Group and its stakeholders.

Trading Division

The Trading Division recorded lower revenue of RM16.49 million in FY 2025 compared with RM109.02 million in FY 2024, mainly due to Trading Division ceased the trading of electronic components in FY 2025. The revenue of the Trading Division in FY 2025 relates solely to the trading of motor vehicles, which commenced in March 2025. For FY 2025, the Trading Division contributed operating profit of RM0.45 million to the Group's overall results, underscoring its continued role as a key contributor within the Group's evolving portfolio.

Manufacturing Division

The division faced continued operational and cost pressures, driven by subdued market demand, low sales orders, and rising labour and input costs. The global semiconductor and electronics market also experienced heightened uncertainties, marked by softer demand cycles and cautious spending across the supply chain, which indirectly affected the division's performance. While measures were taken to improve efficiency and manage resources prudently, the operating environment remained challenging. Following a strategic review, the Group decided to divest its manufacturing operations to streamline focus onto its plantation as its core business and strengthen overall resilience. The divestment was subsequently completed after the financial year end, marking a significant step in the Group's transformation towards a more focused and sustainable business model.



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION OVERVIEW (CONT'D)

Sustainability:

Sustainability remains a central focus across Scope's operations, guiding how we manage our resources, people, and impact. During FY 2025, the Group continued to advance its initiatives in improving reporting accuracy and data collection, alongside ongoing efforts in enhancing operational sustainability and resource management. These initiatives are aimed at reducing environmental footprint and driving long-term operational efficiency. At the same time, Scope reinforced responsible practices across its business activities, ensuring that sustainability principles are embedded throughout the organisation and beyond.

On the governance front, the Group upholds stringent compliance and ethical standards, underscoring its commitment to accountability and transparency. Equally, Scope places strong emphasis on its people, cultivating a safe, inclusive, and progressive work environment through continuous training and health & safety programmes. Together, these efforts reflect Scope's determination to embed sustainability into every aspect of its business. For further information, please refer to the Sustainability Statement on page 10.

Managing Risks:

The Group recognises that effective risk management is essential to sustaining long-term growth, ensuring business continuity, and protecting stakeholders' interests. During the year, Scope strengthened its risk management framework by refining processes to better identify, assess, and mitigate key risks across all segments: plantation, trading, and manufacturing.

In a global landscape shaped by ongoing market volatility, tightening regulations, and evolving sustainability expectations, the Group maintained heightened vigilance over areas such as supply chain stability, raw material price fluctuations, customer concentration risks, foreign exchange exposure, and regulatory compliance. Proactive measures, including stricter internal controls, improved monitoring mechanisms, and contingency planning, were implemented to minimise potential disruptions and safeguard operations.

The Board, supported by the Audit Committee and Management, continuously reviews the Group's risk profile to ensure timely responses to emerging challenges. Looking ahead, the Group remains committed to embedding a risk-aware culture at every level of the organisation through continuous engagement and training initiatives, empowering teams to anticipate change, adapt swiftly, and capture opportunities that drive long-term resilience.

DIVIDEND

Scope does not currently have a formal dividend payout policy. The Board of Directors has adopted a prudent approach in preserving cash flow to safeguard the Group's resilience in light of ongoing economic uncertainties. Earnings are being reinvested to support business growth and strengthen long-term returns for shareholders. Nevertheless, the Board will continue to assess the possibility of declaring dividends after taking into account the Group's earnings performance, capital expenditure plans, and working capital requirements. In line with this, the Board has declared a special dividend of RM0.02 per ordinary share in respect of financial year ending 30 June 2026 and payable on 4 November 2025, following the completion of the disposal of Manufacturing Division, as part of its commitment to reward shareholders for their continued support.



OUTLOOK

Cultivating the Future, Together

Looking ahead, the Group is entering a new chapter of growth with a sharper focus on its plantation business following the strategic disposal of its manufacturing arm. This realignment marks a pivotal step in strengthening Scope's core competencies and sharpening its long-term strategy. By channelling resources toward the plantation segment, the Group aims to enhance operational efficiency, optimise yield performance, and expand its role within Malaysia's sustainable agribusiness landscape.

Although global market conditions remain fluid, with continued economic uncertainties and evolving Environmental, Economic, Social and Governance ("EESG") expectations, the Group remains well-positioned to navigate these challenges through disciplined execution, prudent cost management, and a long-term sustainability mindset. The Trading Division will continue to complement the Group's operations, supporting steady income streams and reinforcing business resilience.

As Scope moves forward, it continues to embody the spirit of *Growing Together*, nurturing progress alongside its people, partners, and communities. This shared journey reflects more than growth in numbers; it signifies a commitment to sustainable advancement and mutual prosperity. Through innovation, responsible practices, and collective effort, the Group strives to strengthen its financial footing while creating lasting positive impact for stakeholders, the environment, and the wider economy.



SUSTAINABILITY STATEMENT



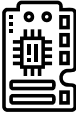
Scope Industries Berhad ("Scope" or "the Group") is pleased to present the Sustainability Statement for the financial year ended 2025 ("FY 2025"). This statement outlines the Group's key initiatives, performance, and progress in embedding sustainability across our operations.

As we look ahead, Scope remains committed to strengthening our sustainability practices in ways that support long-term business resilience and contribute positively to the environment, our people, and the communities in which we operate. Guided by our values and stakeholders' expectations, we continue to align our efforts with global sustainability standards and are determined to build on the progress made in FY 2025 to drive meaningful impact in the years to come.

Scope and Basis of Reporting

The Sustainability Statement covers the Group's activities and performance for the reporting period from 1 July 2024 to 30 June 2025, encompassing the plantation and manufacturing divisions located in Kinabatangan, Sabah and Parit Buntar, Perak. The Trading Division, comprising entities based in Malaysia and Singapore, has been excluded from this reporting cycle due to data limitations, as the operations do not yet have sufficient sustainability data available for reporting. Scope Realty Sdn. Bhd. has also been excluded, as it serves solely as an investment holding company and is therefore considered immaterial to the Group's sustainability performance. Moving forward, the Group will continue to assess the feasibility of incorporating the division in future disclosures to ensure more comprehensive sustainability coverage across all operations.

Our Subsidiaries:

Business Segment			
			
Plantation Division	Trading Division	Manufacturing Division	Investment Holding
Benua Mutiara Sdn. Bhd. ("BMSB")	Scope Global Distributor Pte. Ltd. (Excluded)	Luxshare Precision (M) Sdn. Bhd.	Scope Realty Sdn. Bhd. (Excluded)
Pioneer Glow Sdn. Bhd. ("PGSB")	Scope Distributor Sdn. Bhd. (Excluded)	(Formerly known as Scope Manufacturer (M) Sdn. Bhd.) ("SMSB")	



SUSTAINABILITY STATEMENT

Reporting Frameworks and Standards

This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad's Listing Requirements, with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). It is also aligned, where applicable, with the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UNSDGs").



**SUSTAINABLE
DEVELOPMENT GOALS**



The data presented in this Statement reflects our best efforts to capture the performance of our operations during the reporting period as accurately as possible. We acknowledge that our data collection processes are still maturing, and we continue to explore ways to strengthen the accuracy, consistency, and coverage of our sustainability disclosures. This Statement represents our current understanding of sustainability initiatives and performance across the Group. Moving forward, we are committed to enhancing our reporting practices in line with evolving standards and stakeholder expectations.

Sustainability Certifications

Scope is a certified entity under the Malaysian Sustainable Palm Oil ("MSPO"), a certification that sets out the criteria all oil palm producers must meet to demonstrate compliance with environmental and social requirements. The MSPO certification serves as a national standard to ensure sustainable palm oil practices in Malaysia, covering key aspects such as environmental stewardship, social responsibility, and economic viability. By maintaining this certification, Scope demonstrates accountability to stakeholders and alignment with industry-wide expectations for responsible plantation management.

Sustainability Governance

The Group recognises that a strong and functional governance structure is essential to driving sustainability effectively across our operations. Our governance framework provides clear accountability and oversight, ensuring that sustainability is integrated into our overall business strategy and day-to-day decision-making.

The Board of Directors ("the Board") holds ultimate responsibility for the Group's sustainability objectives, policies, and performance. The Board provides strategic direction and ensures that sustainability considerations are embedded in the Group's long-term growth plans.

Supporting the Board, the Management Team is tasked with translating these directions into actionable strategies. The Management Team monitors implementation progress, addresses material sustainability matters, and reports regularly to the Board on key initiatives and performance updates.

Execution of sustainability strategies is carried out by the Business and Functional Units, which are responsible for embedding practices within their respective areas of operation. This ensures that sustainability is not managed in isolation but is integrated into daily operations across plantation, trading, and manufacturing activities.

The governance structure below outlines the responsibilities and roles at each level:



Feedback

Scope welcomes and encourages stakeholders to share their views on this Sustainability Statement and the matters addressed. Feedback may be directed to our Management Team at finance@scope.com.my.



SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

Stakeholder Engagement

Scope engages with a broad range of stakeholder groups who either have an effect on, or are affected by the Group's business activities. Our key stakeholders include the Board, investors and financiers, shareholders, employees, customers, suppliers, the local communities, the authorities as well as non-governmental organisations. These groups have been identified based on their varying levels of influence on, and dependence upon, our operations.

We recognise the critical role our stakeholders play in helping the Group understand the wider economic, environmental, and social impacts of its operations. Regular engagement strengthens trust, supports business resilience, and guides us in aligning our strategies with Economic, Environmental, Social and Governance ("EESG") standards. It also enables us to anticipate challenges, respond to evolving expectations, and contribute more meaningfully to sustainable development.

As a Group, we are committed to maintaining open and constructive communication with our stakeholders. Engagements are carried out through both formal and informal channels, providing us with valuable perspectives that shape our priorities and inform continuous improvement across our sustainability practices.

Key Stakeholders	Topic of Interest / Concerns	Engagement Method	Frequency
Board of Directors 	- Group's business and financial performance - Mitigation and adaptation to climate change - Strategies and plans toward value creation	Board meetings, reporting review and approval, training and awareness sessions	- Ongoing - As needed - Annually
Investors/ Financiers 	- Group's overall performance - Business prospects and planning - Mitigation and adaptation to climate change - Management and corporate governance	Annual general meetings, announcements and reporting	- Quarterly - As needed - Annually
Shareholders 	- Business growth and strategic direction - Mitigation and adaptation to climate change	Annual general meetings, circulars and annual reports, website updates/disclosures, and press releases	- Quarterly - As needed - Annually
Employees 	- Career development and upskilling opportunities - Health and safety at the workplace - Remuneration, welfare and benefits - Inclusive workplace - Fair employment practice	Townhall and dialogue sessions, surveys, feedback forms, appraisals, training and career development programmes, Code of Conduct, and internal communications (email, newsletter, etc.)	- Ongoing - As needed - Annually
Customers 	- Products and service quality - Consumer data privacy	Customer satisfaction surveys	- Ongoing - Annually
Suppliers/ Contractors 	- Transparent and fair procurement processes - Legal compliance	Supplier Code of Conducts, contracts and legal compliance, site visits and meetings, transparent and fair procurement practices	- Ongoing - As needed
Local Communities 	- Sustainable and healthy environment - Community welfare and continued livelihood - Economic, environmental, and social value creation	Environmental, Social and Governance ("ESG") values awareness, and community programmes (Corporate Social Responsibility ("CSR") programme, outreach, etc.)	- Ongoing - Annually



SUSTAINABILITY STATEMENT

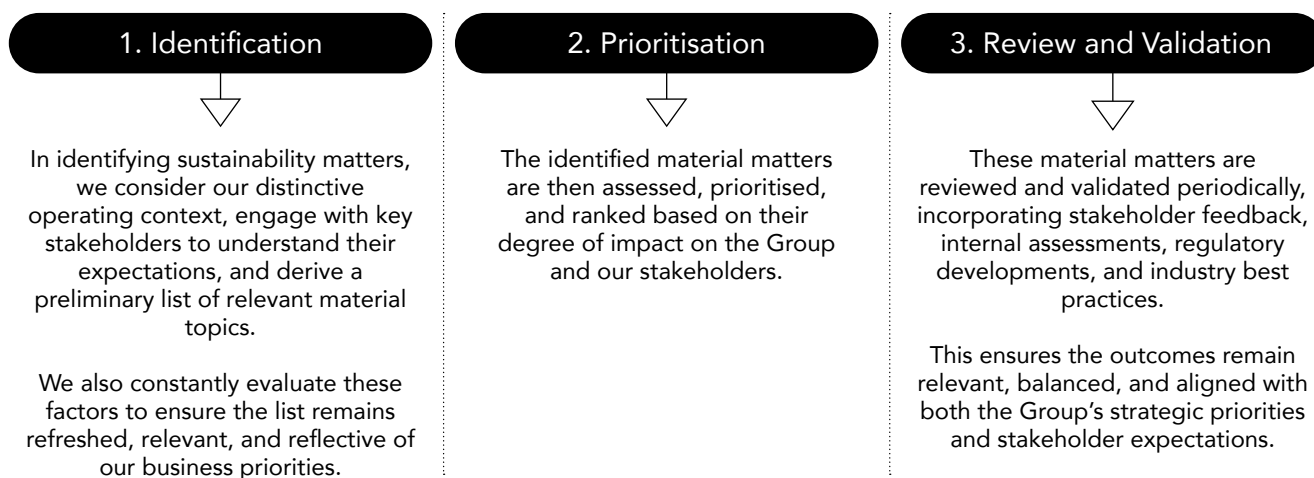
MATERIALITY ASSESSMENT (CONT'D)

Stakeholder Engagement (Cont'd)

Key Stakeholders	Topic of Interest / Concerns	Engagement Method	Frequency
Authorities/ Regulators 	Compliance with applicable licenses and regulations	Compliance submission and site inspections	- Ongoing - As needed
Non-governmental Organisations ("NGOs") 	- Sustainable and healthy environment - Economic, environmental, and social value creation	Site visits or third-party verification/audits and transparency via corporate/sustainability disclosures	As needed

Material Matters

Our materiality assessment process is designed to identify and prioritise the sustainability matters most relevant to Scope and our stakeholders. It follows a structured approach that begins with identifying key issues within our operating context, prioritising them based on their impact on the Group and stakeholders, and finally reviewing and validating the outcomes. This systematic process ensures that our sustainability focus remains responsive, balanced, and aligned with both business objectives and stakeholder expectations.



Based on our assessment and in alignment with Bursa Malaysia's Common Sustainability Indicators, we have introduced new material matters – *Economic Performance*, *Supply Chain Management*, and *Diversity*. In addition, what was previously reported as *Energy Management* has been refined and updated under *Climate Change*, now encompassing *Consumption* and *Emissions*. This adjustment provides a clearer pathway towards stronger reporting standards and more transparent disclosures in the years ahead.

Furthermore, for this financial year and beyond, Scope planned to place renewed focus on the Plantation Division, recognising it as the central pillar of the Group's future growth and a key area where sustainability considerations can create long-term impact. So, this year, through a limited-scale materiality review, we introduced *Biodiversity* as a new material matter to reflect the importance of safeguarding natural ecosystems within our plantation operations. While disclosures on this are currently limited, we view this as an important first step towards strengthening our role as a responsible ecosystem steward in the years ahead.

By broadening our scope in this way, the Group aims not only to embed sustainability more holistically across our operations but also to drive future value creation. These established and updated material matters will serve as a foundation for building long-term business resilience, strengthening stakeholder confidence, and generating positive outcomes for the economy, society, and the environment.



SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

Material Matters (Cont'd)

Scope's Identified Material Matters		
Economic Performance	Climate Change	Diversity and Inclusion
Anti-Corruption	Waste Management	Occupational Health and Safety
Data Privacy and Security	Water Management	Community Investment
Supplier Chain Management	Biodiversity	

Sustainability Risks and Opportunities

Scope recognises that our identified material matters reflect both the risks we must manage and the opportunities we can capture to strengthen our long-term resilience. Once assessed, these matters are viewed through the lenses of EESG to guide our actions and commitments.

Economic and Governance: 	Environmental: 	Social: 
Economic performance remains central to Scope, with market volatility and global uncertainties posing risks to growth. At the same time, these dynamics create opportunities to strengthen efficiency, diversify revenue, and pursue innovation. Good governance, particularly in anti-corruption and data privacy, is vital in protecting business integrity and stakeholder trust. Strengthening data security also enables Scope to thrive in an increasingly digital economy.	Climate change presents risks to plantation yields, trading, and manufacturing operations, but also opens pathways to adopt low-carbon practices and renewable energy. Responsible waste and water management reduces compliance risks while promoting resource efficiency. For the Plantation Division, biodiversity preservation has become a key focus, ensuring ecosystem balance and supporting long-term land productivity.	Our workforce and communities remain central to Scope's sustainability journey. Workplace diversity and inclusion help attract talent, harness varied perspectives, and fuel innovation. Occupational health and safety are priorities to protect people and sustain operational performance. Lastly, community investments build strong relationships and generate shared value, reinforcing our social credentials to operate.

By embedding these considerations into our strategy, Scope aims to turn EESG risks into drivers of innovation, efficiency, and resilience. This integrated approach not only supports business continuity but also creates long-term value for our stakeholders, communities, and the environment.

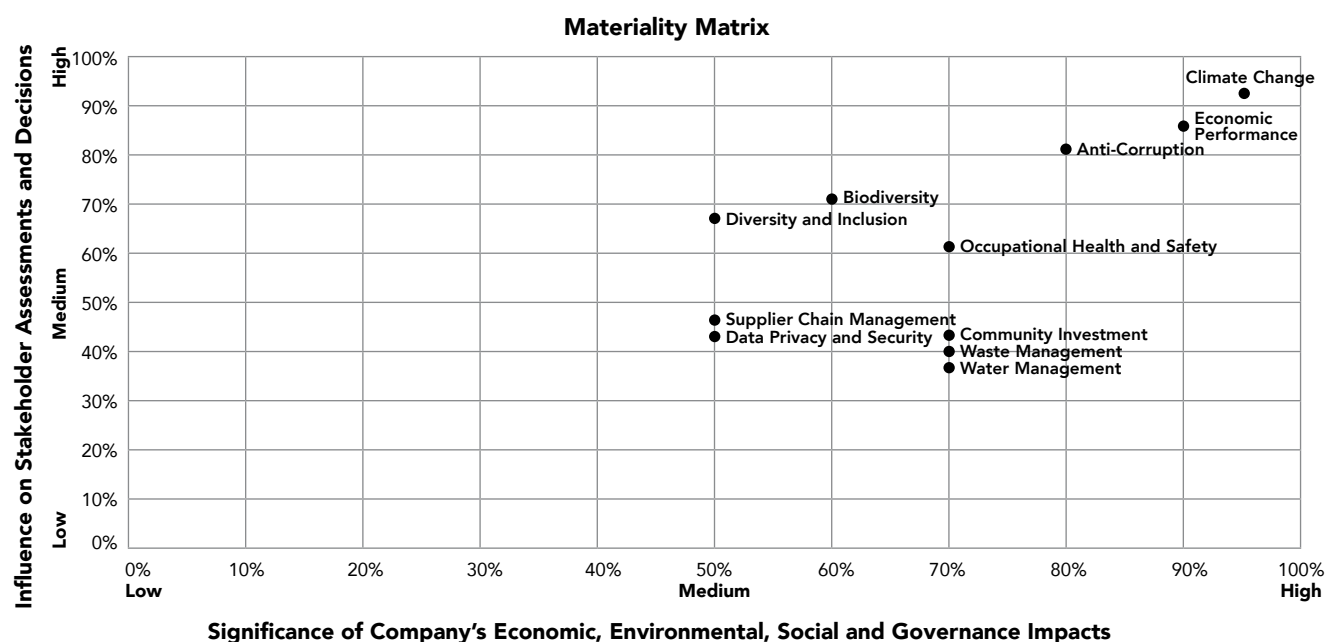
SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

Materiality Matrix

This year, our materiality review reaffirmed that all 11 material matters, both existing and newly introduced, are well aligned with Scope's strategic priorities and stakeholder expectations. These matters were also benchmarked against local and global external factors, while taking into account emerging risks that may affect our operations, as well as key frameworks, including Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), UNSDGs and the GRI Standards.

In response, we are proactively planning and implementing targeted action plans and initiatives to address these EESG matters, with the aim of strengthening business resilience, driving sustainable growth, and creating lasting value for our stakeholders.



Once the material matters have been mapped on the matrix, Scope translates these priorities into actionable strategies and initiatives across our operations. This ensures that our sustainability efforts are focused where they can create the greatest impact for both the business and our stakeholders.

Moving forward, we will continue to refine our approach, strengthen implementation, and embed sustainability more deeply into decision-making, with the goal of driving long-term value creation for our stakeholders and the communities we serve.

SUSTAINABILITY FRAMEWORK

Sustainability Strategy

Our sustainability strategy is anchored on the identified material matters, which are organised into three focus areas: **Focus Area 1** – Economic and Governance Matters, **Focus Area 2** – Environmental Matters, and **Focus Area 3** – Social Matters. These focus areas provide a structured approach for Scope to address priorities effectively while deepening our understanding of how sustainability impacts our operations and long-term growth. As our business evolves, we aim to further align these focus areas with EESG integration across our business ethos, reinforcing our commitment to responsible practices and sustainable value creation.



SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK (CONT'D)

Framework

Scope's sustainability framework is closely aligned with our Sustainability Strategy and guided by the Group's vision and mission. It serves as a foundation for integrating sustainability into our operations, enabling us to address stakeholder expectations, minimise environmental impacts, and create positive contributions for the communities in which we operate.

Vision:

To lead in sustainable plantation practices that contribute to global food security while preserving natural ecosystems and empowering local communities.

Mission:

1. To sustainably produce high-quality Fresh Fruit Bunches ("FFB") to meet the rising demands of a growing global population.
2. To uphold responsible agricultural practices that protect biodiversity, minimise environmental impact, and promote efficient resource use across all plantation operations.
3. To create long-term socio-economic benefits by empowering local communities, supporting fair employment, and fostering shared growth within the regions we operate.
4. To strengthen the Group's overall business performance through innovation, operational excellence, and a commitment to sustainability across all divisions.

Our Sustainability Pillars: Economic, Environmental, Social, and Governance

Focus Area 1	Focus Area 2	Focus Area 3
Economic and Governance Matters 	Environmental Matters 	Social Matters 
Economic Performance Anti-Corruption Data Privacy and Security Supplier Chain Management	Climate Change Waste Management Water Management Biodiversity	Diversity and Inclusion Occupational Health and Safety Community Investment

In alignment with UNSDGs:-



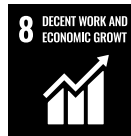
SUSTAINABILITY STATEMENT

Focus Area 1

Economic and Governance Matters

Economic Performance

In alignment with UNSDG 8 – Decent Work and Economic Growth



Why is this important?

Economic performance serves as a key indicator of a company's resilience, competitiveness, and long-term sustainability. A strong financial foundation enables businesses to withstand external challenges, invest in growth opportunities, and create lasting benefits for stakeholders. Beyond generating profit, economic performance reflects how effectively a company transforms resources into shared prosperity, reinforcing trust among investors, employees, and communities.

Our economic performance reflects the Group's ability to generate and distribute financial benefits to stakeholders while sustaining long-term business growth. By measuring our Economic Value Generated and Distributed, we provide transparency on how our operations contribute to employees, shareholders, governments, and the wider community.

Economic Value Generated, Distributed

	2023 RM	2024 RM	2025 RM
Economic Value Generated			
Revenue and other income	174,147,245	158,631,511	59,121,876
Economic Value Distributed			
Operating costs	173,405,166	160,532,136	67,055,663
Employee wages and benefits	24,307,501	23,435,283	20,477,558
Payment to capital provider (i.e. dividends, financing costs)	884,080	300,000	960,000
Payment to the Government (i.e. tax)	849,640	491,177	336,558
Community investment	3,200	17,211	3,275
Total Value Distributed	199,449,587	184,775,807	88,833,054

Economic Value
Generated (2025)

RM59,121,876

Economic Value
Distributed (2025)

RM88,833,054

Over the past three reporting years, the Group's operating costs have exceeded the value generated, resulting in lower economic retention. In FY 2025, however, operating costs declined significantly from RM160.53 million to RM67.05 million, reflecting stronger cost discipline and improved operational efficiency. Coupled with the recent strategic disposal of the Manufacturing Division, these measures have enabled the Group to sharpen its business focus, allocate resources more effectively, and lay the groundwork for more sustainable and resilient economic performance moving forward.

Moving Forward

Looking ahead, the Group remains committed to pursuing strategies that drive sustainable economic performance while creating shared benefits for all stakeholders. By continuing to refine our business model, strengthen financial discipline, and explore opportunities for growth, we aim to build greater resilience in a dynamic market landscape. Our focus will be on achieving balanced outcomes, generating consistent returns, supporting long-term business progress, and contributing meaningfully to the wider community and economy.



SUSTAINABILITY STATEMENT

Focus Area 1

Economic and Governance Matters (Cont'd)

Anti-Corruption

In alignment with UNSDG 16 – Peace, Justice and Strong Institutions



Why is this important?

Integrity and accountability form the foundation of sustainable business. Corruption, in any form, undermines trust, distorts fair competition, and exposes companies to financial and reputational risks. Beyond compliance, adopting strong anti-corruption practices reinforces stakeholder confidence and safeguards long-term business resilience. This commitment also aligns with the *United Nations Sustainable Development Goal ("SDG") 16: Peace, Justice and Strong Institutions*, which calls for reducing corruption and promoting inclusive, transparent systems. By embedding ethical conduct at every level, organisations can thrive responsibly in an increasingly regulated and scrutinised environment.

The Group upholds a zero-tolerance approach to bribery and corruption, guided by our Anti-Bribery and Corruption Policy ("ABC Policy"). The policy is reviewed periodically to ensure continued alignment with the Malaysian Anti-Corruption Commission Act 2009 and evolving best practices. To strengthen awareness, all new employees are introduced to the ABC Policy during induction, while ongoing trainings, such as Responsible Business Alliance (RBA) Awareness sessions, are conducted to refresh understanding and address updates. In FY 2025, we assessed 100% of our operations for corruption-related risks and continued to provide anti-corruption training to employees across all categories, reflecting our commitment to embedding integrity and accountability throughout the organisation.

Embedding Ethics in our Workforce

	Financial Year Ended 2023 ("FY 2023")	Financial Year Ended 2024 ("FY 2024")	Financial Year Ended 2025 ("FY 2025")
Operations assessed for corruption-related risk (%)	100%	100%	100%

Upholding Zero Tolerance for Corruption

Over the past three reporting years, there have been no confirmed incidents of corruption across the Group, and no related actions or legal proceedings were required. This consistent record underscores our zero-tolerance approach to corruption, supported by robust policies, ongoing training, and ongoing risk assessments.

	FY 2023	FY 2024	FY 2025
Number of confirmed corruption incidents	0	0	0

0

number of confirmed
corruption incidents
(FY 2025)

Moving Forward

Moving forward, the Group will continue to strengthen its anti-corruption framework by enhancing risk assessment processes, expanding training coverage, and ensuring that all employees remain vigilant in upholding ethical conduct. Through these ongoing efforts, we aim to preserve stakeholder trust and maintain the highest standards of integrity in our operations.



SUSTAINABILITY STATEMENT

Focus Area 1

Economic and Governance Matters (Cont'd)

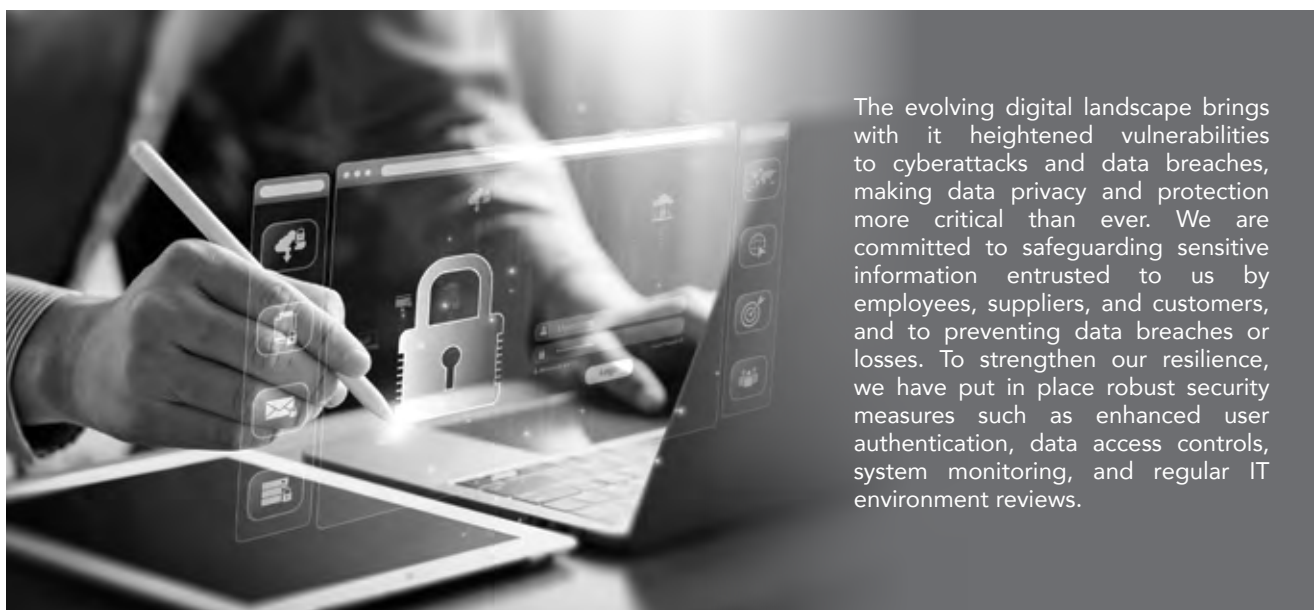
Data Privacy and Security

In alignment with SDG 16 – Peace, Justice and Strong Institutions



Why is this important?

In today's interconnected world, data has become one of the most valuable assets for businesses and individuals alike. Protecting sensitive information is not only a regulatory requirement but also a fundamental responsibility in maintaining trust with stakeholders. A single breach can compromise confidentiality, disrupt operations, and erode confidence in an organisation's ability to operate responsibly. Prioritising data privacy and security ensures business continuity, reinforces stakeholder trust, and supports long-term resilience in a rapidly evolving digital environment.



The evolving digital landscape brings with it heightened vulnerabilities to cyberattacks and data breaches, making data privacy and protection more critical than ever. We are committed to safeguarding sensitive information entrusted to us by employees, suppliers, and customers, and to preventing data breaches or losses. To strengthen our resilience, we have put in place robust security measures such as enhanced user authentication, data access controls, system monitoring, and regular IT environment reviews.

Safeguarding Privacy, Protecting Trust

In FY 2025, Scope recorded zero substantiated complaints related to breaches of customer privacy or loss of data. This reflects our ongoing commitment to maintaining the highest standards of confidentiality and trust in managing sensitive information. Safeguarding privacy remains a priority, and we continue to strengthen our systems and practices to ensure that customer data is handled responsibly and securely.

0

substantiated complaints
concerning breaches in
customer privacy or data loss
(FY 2025)

Moving Forward

Moving forward, we will continue to enhance our data governance framework and adopt best practices in cybersecurity to address emerging risks. Ongoing monitoring, employee awareness, and technology upgrades will remain central to our efforts, ensuring that sensitive information is protected while reinforcing the trust placed in us by our stakeholders. These initiatives also support our alignment with UNSDG 16, as we work to uphold strong institutional integrity, transparency, and accountability in managing information responsibly.



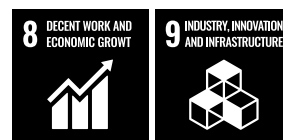
SUSTAINABILITY STATEMENT

Focus Area 1

Economic and Governance Matters (Cont'd)

Supplier Chain Management

In alignment with SDG 8 – Decent Work and Economic Growth, and
SDG 9 – Industry, Innovation and Infrastructure



Why is this important?

An effective supply chain is vital for sustaining business performance and meeting stakeholder expectations in an increasingly interconnected world. Beyond ensuring the steady flow of goods and services, responsible supply chain management strengthens resilience against disruptions, supports ethical sourcing, and promotes sustainable practices across industries. At the same time, empowering local suppliers plays a key role in creating shared opportunities, fostering inclusive growth, and building more resilient communities.

Shaping a Responsible Supplier Ecosystem

In FY 2025, we introduced *Supply Chain Management* as a new material matter in recognition of its growing importance to our business and stakeholders. A resilient and responsible supply chain not only supports operational continuity but also underpins our commitments to quality, sustainability, and ethical practices. At Scope, procurement activities are guided by a Standard Operating Procedure (SOP) developed in accordance with the ISO 14001:2015 requirements. The SOP establishes clear procedures and evaluation criteria to effectively manage external providers, ensuring product quality, reliability, and timely delivery. From transparent purchase requisitions to thorough supplier evaluations and contract compliance monitoring, every step of the process is designed to uphold fairness, accountability, and operational efficiency. All supplier relationships are managed responsibly and in alignment with the Group's corporate values and commitment to ethical business practices.



Empowering Growth through Local Spending

As part of our initial disclosures, data collection for this year is focused on SMSB, formerly our Manufacturing Division, which was recently divested. This includes monitoring procurement practices with particular attention to spending on local suppliers, which contributes to supporting the local economy and building long-term, collaborative partnerships with suppliers in our communities.

Scope's Suppliers Overview

	FY 2023	FY 2024	FY 2025
Number of local suppliers	108	109	105
Number of overseas suppliers	0	0	3
Total overall suppliers	108	109	108

Note: Data presented is collected from SMSB



SUSTAINABILITY STATEMENT

Focus Area 1

Economic and Governance Matters (Cont'd)

Supplier Chain Management (Cont'd)

Overall Procurement Spending

	FY 2023	FY 2024	FY 2025
Total spending on local suppliers	7,785,851	5,129,763	5,082,826
Total spending on overseas suppliers	-	-	518,257
Overall procurement spending	7,785,851	5,129,763	5,601,083

Note: Data presented is collected from SMSB

91% of procurement was spent on local suppliers (FY 2025)



Suppliers' Engagement

Strong supplier relationships are essential to sustaining a responsible and resilient supply chain. Based on our stakeholder assessments, Scope engages with suppliers through multiple channels to ensure alignment with our standards and expectations. These include the adoption of our Supplier Code of Conduct, contractual and legal compliance requirements, regular site visits and meetings, as well as transparent and fair procurement practices. Through these engagements, we not only uphold ethical and regulatory standards but also foster mutual trust and long-term collaboration with our suppliers.

Moving Forward

Moving forward, we aim to broaden data collection and disclosures to cover all of Scope's business operations, ensuring a more comprehensive view of our supply chain practices. As we expand this coverage, we remain committed to upholding our procurement policy anchored on fairness, accountability and efficiency. Supporting local suppliers will also continue to be a focus, as we recognise the importance of contributing to the local economy while fostering long-term, responsible partnerships across our supply chain.



SUSTAINABILITY STATEMENT

Focus Area 2

Environmental Matters

Climate Change

In alignment with SDG 11 – Sustainable Cities and Communities,
SDG 12 – Responsible Consumption and Production, and
SDG 13 – Climate Action



Why is this important?

Climate change is no longer a distant issue but a pressing reality that shapes business risks, costs, and expectations. For Scope, the journey began with Energy Management, where efficiency and responsible use of resources were prioritised. Today, this commitment has evolved into a stronger focus on *Climate Change*, reflecting the need for a more comprehensive approach that goes beyond energy consumption to encompass greenhouse gas (“GHG”) emissions across the value chain.

By aligning with better reporting standards and measuring emissions under Scope 1, Scope 2, and Scope 3, the Group is taking steps to understand its contribution to climate change more fully. This shift allows the company to identify opportunities for reduction, respond effectively to stakeholder expectations, and build long-term resilience in its operations. It also demonstrates Scope’s recognition that addressing climate risks is not only about compliance but also about safeguarding its future growth and credibility in an increasingly sustainability-driven market.

Laying the Groundwork for Climate Action

Scope recognises that effective climate action requires more than isolated efforts — it must be embedded within the company’s operations and decision-making. While this year’s reporting represents a baseline step with data collection that is still minimal and limited in coverage, it marks an important start in building the foundation for a robust emissions inventory.

By gradually expanding the scope and quality of its data, the Group aims to develop a more comprehensive understanding of its carbon footprint across all operations. This process will not only enhance reporting integrity but also enable the Group to identify meaningful reduction strategies, integrate climate considerations into business planning, and prepare for the increasing expectations of stakeholders. Through this phased approach, Scope is laying the groundwork to embed emissions management more deeply into its sustainability journey, moving from measurement toward long-term climate resilience and responsible growth.

Consumption

As energy use is one of the largest contributors to greenhouse gas emissions, monitoring and managing consumption will be central to Scope’s climate commitments in the near future. For this reporting year, data collection has been initiated with SMSB and BMSB, the Group’s former Manufacturing Division and existing Plantation Division, respectively. While insufficient data from other divisions prevents a complete picture at this stage, this represents a meaningful first step in capturing Scope’s overall energy profile.

Scope’s Energy Consumption (Gigajoules, “Gj”)

	FY 2023	FY 2024	FY 2025
Electricity purchased from the grid (*)	20,290	17,699	15,253
Non-renewable fuel (Diesel only) (^)	1,298	1,134	838
Total Energy Consumption (Gj)	21,588	18,833	16,091

Notes:

(*) Data presented is collected from SMSB

(^) Data presented is collected from BMSB

This year’s reporting serves as a starting line, providing a baseline against which future progress can be measured. Moving forward, Scope is committed to strengthening data collection across all divisions, with the aim of building a more comprehensive view of total consumption. In time, this will support the setting of clear energy reduction goals and reinforce the Group’s commitment to responsible and efficient resource use.



SUSTAINABILITY STATEMENT

Focus Area 2

Environmental Matters (Cont'd)

Climate Change (Cont'd)

Emissions

Managing GHG emissions will be an integral part of our sustainability journey. By monitoring our direct and indirect emissions, we are able to understand the environmental footprint of our operations more clearly and take steps to address it. Our current reporting covers emissions from fuel consumption, electricity use, and waste disposal, providing us with a baseline to track and manage our performance moving forward.

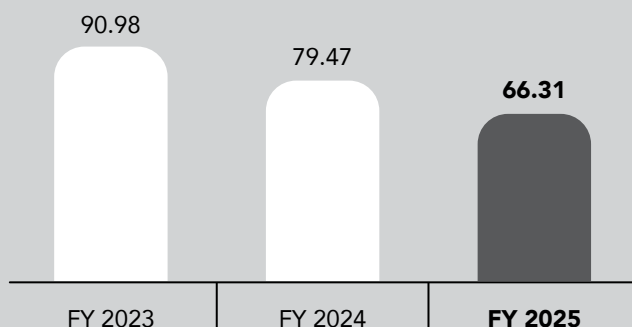
In line with internationally recognised standards such as the GHG Protocol, Scope categorises its emissions into three scopes to better identify sources and areas for improvement. Scope 1 covers direct emissions from sources owned or controlled by the Group, such as fuel combustion from company vehicles and machinery. Scope 2 comprises indirect emissions from the generation of purchased electricity used in our operations. Scope 3, meanwhile, accounts for other indirect emissions that occur across the value chain, including activities such as business travel, waste management, and transportation of goods and services by third parties.

At present, our disclosures cover Scope 1 and Scope 2 emissions, as data for Scope 3 remains limited. Nonetheless, we recognise the significance of capturing a more complete picture of our carbon footprint. Moving forward, we aim to progressively expand our reporting boundaries by improving data collection processes and working closely with partners and suppliers to enhance visibility across the value chain.

Scope's GHG Emissions (tCO₂e)

Scope 1 – Direct GHG Emissions

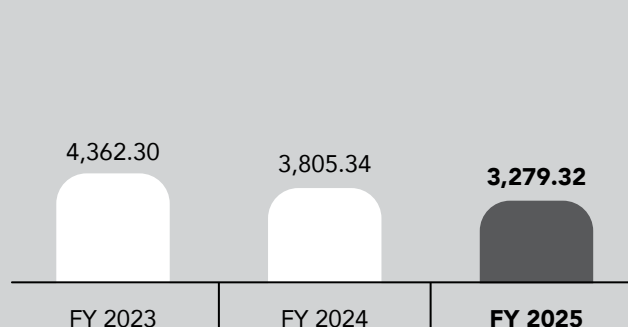
Fuel consumption from company-owned vehicles, machinery (Non-renewable fuel)



Emission factor used:
DEFRA GHG conversion factors 2024 — Diesel (mineral)
= 2.706 kg CO₂e/litre

Scope 2 – Indirect GHG Emissions

Electricity consumption of facilities and operations (location-based)



Grid emission factor used:
Peninsular Malaysia 2022 = 0.774 kg CO₂e/kWh

Moving Forward

We will continue to strengthen our emissions reporting by enhancing data collection across our operations and supply chain. Beyond improving the accuracy and coverage of disclosures, these efforts lay the groundwork for setting aspirational reduction targets and driving impactful strategies. Scope aspires to play a meaningful role in global climate action by embedding resilience, innovation, and responsibility into the way we operate, ensuring that our growth is aligned with a low-carbon and sustainable future.



SUSTAINABILITY STATEMENT

Focus Area 2

Environmental Matters (Cont'd)

Waste Management

In alignment with SDG 12 – Responsible Consumption and Production, and SDG 13 – Climate Action



Why is this important?

Effective waste management is essential in reducing environmental impact, safeguarding communities, and supporting responsible growth. Poor waste practices not only contribute to pollution and greenhouse gas emissions but can also lead to regulatory, financial, and reputational risks.

For Scope, managing waste responsibly means more than compliance, it is about recognising the wider impact of operations on ecosystems and people, and ensuring that resources are used efficiently. By improving waste handling, minimising landfill disposal, and exploring recovery or recycling options, the company can reduce its environmental footprint while aligning with stakeholder expectations and global sustainability standards.

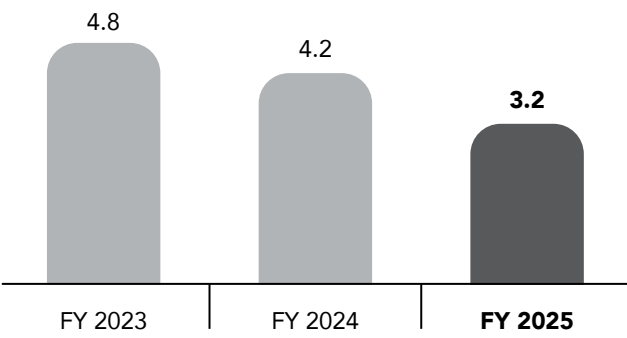
Effective waste management is a key priority for the Group, as it directly supports our commitment to environmental protection and operational responsibility. With diverse activities spanning plantation, trading, and manufacturing, Scope generates different types of waste that must be managed with care to avoid environmental harm and ensure regulatory compliance. By adopting responsible waste management practices, we not only safeguard the well-being of our employees and surrounding communities but also contribute to long-term resource efficiency and sustainability.

The Group mainly manages various types of scheduled waste, including **SW104**, **SW110**, **SW322**, **SW402**, **SW409**, and **SW410**, all of which require specialised handling under the Environmental Quality Act 1974. A designated storage area is maintained for these wastes and is regularly monitored to ensure full compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. For disposal, we collaborate exclusively with licensed contractors accredited by the Department of Environment ("DOE"), who hold recycling and recovery licences. This ensures that all scheduled waste is handled responsibly, in line with regulatory requirements and industry best practices, while minimising environmental and health risks.

Waste Generated and Diverted from Disposal

As part of this commitment, Scope has begun reporting on the overall total waste generated across its operations. At present, the data reported is gathered from SMSB, as waste inventory from other divisions remains insufficient. While this still represents an early stage in Scope's stronger waste management growth, it establishes a critical baseline from which progress can be measured. By strengthening data collection and improving practices over time, Scope aims to move beyond compliance reporting towards meaningful waste reduction and more sustainable resource use.

Total waste generated (mt)



Note: Data presented is collected from SMSB



In FY 2025, Scope generated a total of 3.2 metric tonnes of waste, compared to 4.2 metric tonnes in FY 2024. This reduction reflects early progress in strengthening waste management practices and demonstrates the company's commitment to minimising its environmental footprint. While waste generation may vary with operational needs, the downward trend serves as an encouraging start in Scope's efforts to reduce overall waste and improve efficiency in resource use.



SUSTAINABILITY STATEMENT

Focus Area 2

Environmental Matters (Cont'd)

Waste Management (Cont'd)

Waste Generated and Diverted from Disposal (Cont'd)

In addition to reporting on total waste generated, Scope also tracks how much of this waste is diverted from disposal through licensed recovery and recycling channels. As the Group's waste stream consists mainly of Scheduled Waste, all materials are directed to DOE-accredited contractors for specialised handling. In this way, Scheduled Waste is prevented from being landfilled and instead treated or recovered in accordance with regulatory requirements. Scope aims to further enhance the reporting of diverted waste to strengthen its emissions inventory. By improving data collection and transparency, the company will be better equipped to calculate the carbon impact associated with waste treatment pathways and align with evolving sustainability standards.

Moving Forward

Scope views responsible waste management as part of its commitment to responsible growth. Beyond meeting compliance, the Group is determined to embed circular thinking into its operations, where waste is not only tracked but also recognised as a resource with potential for recovery and reuse. Moving ahead, we aim to broaden our waste inventory to capture more data across all divisions and waste streams, enabling clearer insights into diversion and disposal patterns. These steps will strengthen our ability to link waste management with emissions reporting, while setting the stage for future reduction strategies that support both environmental stewardship and sustainable business growth.



Water Management

In alignment with SDG 6 – Clean Water and Sanitation,
SDG 12 – Responsible Consumption and Production



Why is this important?

Water is one of the planet's most vital shared resources, supporting life, ecosystems, and economic development. For businesses, managing water responsibly is not only about ensuring operational needs are met, but also about recognising the interconnectedness between industry, community, and environment. At Scope, water stewardship is seen as an opportunity to operate responsibly while contributing to the long-term well-being of people and nature.

Efficiency and Responsibility in Water Use

Building on this commitment, Scope has been reporting its water consumption since FY 2024 as part of its effort to track and manage usage more responsibly. This will be a continuous practice that not only helps monitor consumption patterns but also lays the foundation for more informed decision-making and continuous improvement in water stewardship. At present, the available data is drawn from SMSB, while data from other divisions is still limited. Scope is working towards strengthening data coverage across the Group to support more comprehensive reporting and sustainable water management moving forward.



SUSTAINABILITY STATEMENT

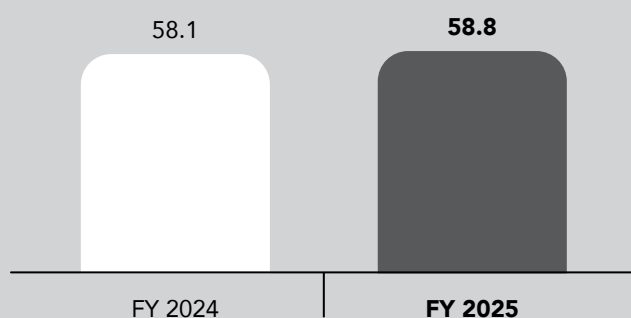
Focus Area 2

Environmental Matters (Cont'd)

Water Management (Cont'd)

Water Consumption

Total volume of water used (Megalitres)



Note: Data presented is collected from SMSB

In FY 2025, Scope consumed 58.8 megalitres of water, representing a 1.2% increase compared to 58.1 megalitres in the previous year. The increase in consumption, despite lower revenue performance, is primarily attributed to higher labour costs and reduced sales orders, which affected overall production efficiency. Understanding these variations allows Scope to identify underlying operational inefficiencies and strengthen its approach to water conservation, ensuring that future usage is optimised in line with productivity and sustainable resource management.

Consumption Intensity

	FY 2024	FY 2025
Water consumption (Megalitres)	58.1	58.8
Revenue (RM)	38,044,551	30,855,276
Consumption intensity	0.15%	0.19%

Tracking water consumption intensity enables Scope to evaluate resource efficiency in relation to business performance. In FY 2025, the Group's water consumption intensity stood at 0.19%, serving as a baseline for future benchmarking and continuous improvement in sustainable water management.

Beyond monitoring usage, Scope recognises the importance of fostering a culture of conservation within its workforce. The Group raises awareness among employees on the need to use water responsibly, encouraging small but meaningful actions in daily operations. By embedding these practices into the workplace culture, Scope aims to build long-term awareness, strengthen accountability, and contribute to more sustainable use of water resources across its operations.

Moving Forward

Looking ahead, Scope is committed to strengthening the quality and coverage of its water usage data to build a more comprehensive understanding of consumption across all divisions. A key focus will be to begin capturing and reporting water usage within the Plantation Division, ensuring that the Group's disclosure reflects the full breadth of its operations. At the same time, Scope will continue to amplify employee engagement and awareness initiatives, fostering a stronger culture of responsibility in how water is used day-to-day. These efforts mark an important step towards shaping a more transparent, accountable, and sustainable approach to water management.



SUSTAINABILITY STATEMENT

Focus Area 2

Environmental Matters (Cont'd)

Biodiversity

In alignment with SDG 15 – Life on Land



Why is this important?

Biodiversity is essential to the health and resilience of ecosystems, particularly within plantation landscapes where agricultural activities can directly impact the natural environment. Protecting biodiversity helps to maintain soil fertility, regulate water cycles, and support pollinators and other species that are vital to long-term agricultural productivity. For Scope, safeguarding biodiversity is also about fulfilling our responsibility to conserve habitats and minimise the risks of deforestation, habitat loss, and species decline. By integrating biodiversity considerations into our operations, we not only contribute to environmental balance but also strengthen our social licence to operate, ensuring that our plantations coexist responsibly with the surrounding ecosystems and communities.

As part of our ongoing efforts to advance sustainability within the Plantation Division, we have identified biodiversity as a sector-specific material matter in line with the UNSDG 15: Life on Land. This disclosure is applicable to listed issuers with oil palm crops and represents a step forward in enhancing transparency and communication of our environmental and social practices. Scope is currently a certified entity under the MSPO, a certification that sets out the criteria all oil palm producers must meet to demonstrate compliance with environmental and social requirements. Along with this certification and our biodiversity reporting initiatives, we remain committed to conserving ecosystems, safeguarding wildlife habitats, and meeting industry standards while supporting responsible palm oil production.



As an MSPO-certified entity, Scope has undergone rigorous assessments and audits to ensure compliance with the sustainability criteria established for the palm oil industry. These criteria are benchmarked against key environmental, social, and governance indicators, reflecting responsible and transparent management practices across our plantation operations.

As of FY 2025, **100% of our plantation operations were assessed for biodiversity-related risks**, reinforcing our commitment to conserving ecosystems, protecting high biodiversity value areas, and safeguarding rare, threatened, or endangered species.

100%

of plantation operations were assessed for biodiversity-related risk (FY 2025)

According to MSPO audit, Scope has successfully conformed to several notable Biodiversity indicators, including:

- Land Use and Customary Rights
- Social Impact Assessment
- Reduction of pollution and emissions
- Status of rare, threatened, or endangered species
- High Biodiversity Value

These fulfilled indicators reflect Scope's adherence to responsible plantation management practices under the MSPO framework. Complementing these compliance measures, Scope also implements environmental management plans that prioritise conservation initiatives, from protecting ecologically sensitive areas to mitigating potential impacts on habitats. As part of this, natural waterways/waterbodies and protected wildlife areas have been identified as key conservation zones within our plantation operations, ensuring that efforts are directed towards safeguarding ecosystems most at risk. Together, these measures underscore our commitment to balancing operational needs with the preservation of biodiversity and long-term ecosystem resilience.



SUSTAINABILITY STATEMENT

Focus Area 2

Environmental Matters (Cont'd)

Biodiversity (Cont'd)

Environmental Conservation



Natural Waterways and Waterbodies

Scope recognises the critical role that natural waterways and waterbodies play in sustaining both ecosystems and surrounding communities. These resources are often vulnerable to a range of threats, including water pollution, soil erosion along riverbanks, sedimentation and blockages, improper waste disposal, and chemical run-off from agricultural or industrial activities. Excessive nutrient loading, particularly phosphorus and nitrogen, can also trigger eutrophication, leading to the degradation of water quality and the loss of aquatic life.

To address these risks, Scope has implemented a structured management action plan across its plantations. Key measures include establishing adequate riparian buffer zones, placing clear prohibition signage, and conducting regular patrols to ensure protection markers are maintained. Estate management enforces strict prohibitions on destructive activities and chemical applications near water bodies, complemented by regular briefings and training sessions for the workforce on responsible practices. In addition, periodic water analyses are conducted to monitor quality, supported by systematic record-keeping to track conservation outcomes. Through these actions, Scope demonstrates its commitment to safeguarding waterways, preserving biodiversity, and fostering long-term environmental stewardship.

Moving Forward

Scope remains committed to enhancing biodiversity stewardship across its plantation operations. Building on the progress achieved under the MSPO framework, we will continue to strengthen the implementation of conservation action plans, with greater emphasis on monitoring and expanding data coverage. Future efforts will focus on deepening collaboration with relevant stakeholders and leveraging best practices to safeguard critical habitats such as natural waterways and protected wildlife zones. By embedding biodiversity protection into daily estate management, Scope aspires to create lasting positive impacts for ecosystems, communities, and the long-term sustainability of our business.



White-Rumped Shama

Protected Wildlife Area

Scope is committed to the protection of wildlife, particularly rare, threatened, and endangered ("RTE") species that may inhabit plantation landscapes. Recognising that biodiversity loss often stems from human activities, we remain vigilant against two major threats: the capture, harm, collection, or killing of wildlife by estate workers or poachers, and the destruction of natural habitats that sustain these species.

To address these risks, Scope has put in place a series of management actions designed to safeguard wildlife within and around plantation areas. These include regular education and awareness programmes for workers, the placement of prohibition signage in sensitive areas, and routine patrolling to deter illegal poaching activities. In addition, systematic monitoring and record-keeping of wildlife sightings help build a clearer understanding of local biodiversity while ensuring accountability in conservation efforts. Through these measures, Scope seeks to create a responsible balance between plantation management and the preservation of natural ecosystems, contributing to the long-term protection of wildlife populations.



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters

Diversity and Inclusion

In alignment with SDG 5 – Gender Equality, and
SDG 8 – Decent Work and Economic Growth



Why is this important?

Diversity is central to building a workplace that reflects different perspectives, experiences, and strengths. By fostering inclusivity, companies create an environment where employees feel valued and empowered to contribute their best. This not only enhances collaboration and innovation but also supports long-term growth that is both resilient and responsible. For Scope, embracing diversity means recognising the unique contributions of every individual and nurturing a workforce that mirrors the communities it serves, laying the foundation for sustainable progress.

Diversity and inclusivity in the workplace provide the Group with a competitive advantage by enabling us to draw upon a broad spectrum of knowledge, perspectives, and ideas. In line with this belief, we are committed to fostering an environment of equal opportunity and non-discrimination. The Group actively encourages diversity across gender, race, age, and nationality, ensuring that our workforce reflects the communities in which we operate and supports innovation, collaboration and growth.

Board Diversity

As the highest governing body, the Board plays a critical role in guiding Scope's strategic direction and long-term sustainability. Diversity at this level is essential to ensure balanced perspectives and sound decision-making. Scope reports on the composition of its Board by gender and age group, reflecting its commitment to transparency and inclusivity in leadership.

Scope's Board of Directors by Age Group and Gender (FY 2025)

	Age Group	Male	Female
	Below 45 years old	1	2
	45 – 60 years old	2	1
	Above 60 years old	3	0

Note: In FY 2025, two of the women Directors resigned on 31 December 2024 and 1 August 2025 respectively.

In FY 2025, Scope's Board comprised nine (9) directors, of whom **66.7% were male** (six directors) and **33.3% were female** (three directors), reflecting a balanced mix of perspectives and experiences in leadership.

Workforce Profile

Scope recognises that its people are the driving force behind the Group's growth and resilience. In FY 2025, the Group employed a total of 906 employees across all operations, forming its capabilities and future progress. Understanding the composition of this workforce provides valuable insight into how Scope is building capacity, nurturing talent, and fostering inclusivity. By reporting on workforce demographics, Scope demonstrates its commitment to transparency while laying the groundwork for strategies that support employee development and long-term sustainability.



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters (Cont'd)

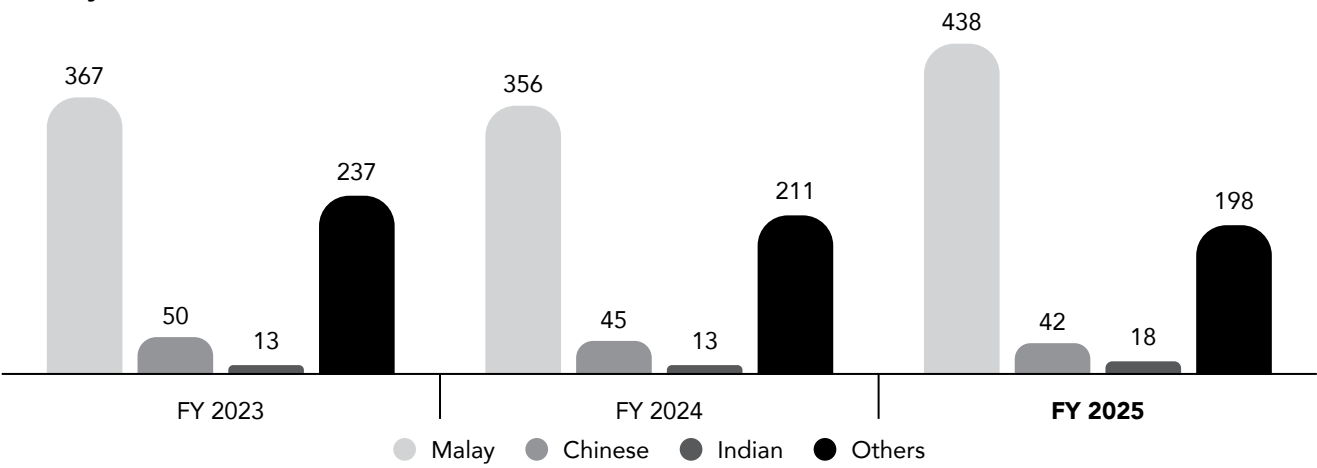
Diversity and Inclusion (Cont'd)

Scope's Employees by Ethnicity

Reflecting Malaysia's multicultural society, Scope's workforce comprises a diverse mix of ethnic backgrounds, primarily Malay, Chinese, and Indian employees. This diversity not only mirrors the communities in which the Group operates but also enriches the workplace with a range of perspectives, skills, and experiences that strengthen collaboration and innovation. For this year's reporting, the ethnicity data is derived from SMSB, as data from other divisions remains limited at this stage.



Ethnicity



Note: Data presented is collected from SMSB

Moving Forward

Moving forward, Scope is committed to strengthening its diversity and inclusion practices by expanding data coverage and reporting to encompass all divisions across the Group. This will provide a more comprehensive view of the workforce and enable clearer insights into opportunities for growth and representation. By fostering an environment where differences are embraced and inclusion is embedded in everyday practices, Scope aims to build a workplace that reflects the richness of society while supporting innovation, collaboration, and long-term success.



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters (Cont'd)

Occupational Health & Safety

In alignment with SDG 3 – Good Health and Well-being, and
SDG 8 – Decent Work and Economic Growth



Why is this important?

Occupational health and safety are a fundamental priority in creating a workplace where employees can thrive with confidence and security. A safe working environment not only safeguards the well-being of the workforce but also nurtures trust, productivity, and long-term resilience. By placing strong emphasis on health and safety, Scope recognises that protecting people is essential to sustaining growth and ensuring that every individual returns home safely at the end of each day.

At Scope, occupational health and safety ("OHS") is managed through structured policies, procedures, and systems designed to safeguard employees and prevent incidents. The Group has established an OHS Policy, alongside Standard Operating Procedures ("SOPs") and the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") framework, with the aim of cultivating a safe, healthy, and responsible workplace.

A dedicated Safety and Health Officer has been appointed to oversee the implementation of these measures. Acting as a focal point for compliance and monitoring, the officer also champions continuous improvement, raises awareness among employees, and ensures that safety remains a shared responsibility across all levels of the organisation. Complementing this, the Safety and Health Committee brings together representatives from different departments to engage in collective decision-making on workplace safety matters. The committee provides a platform for employees' voices to be heard, identifies areas for improvement, and reinforces a culture where health and safety are integral to everyday operations.

Fostering a Culture Safety and Care

Building on these foundations, Scope places strong emphasis on cultivating a culture of safety and care through continuous training and awareness initiatives. By equipping employees with the knowledge and skills to recognise risks, respond appropriately, and adopt safe practices in their daily work, the Group ensures that health and safety are not just policies on paper but lived values across the organisation. These programmes strengthen collective responsibility, foster vigilance, and reinforce Scope's belief that every employee has a role to play in safeguarding their own wellbeing and that of their colleagues.

Health and Safety Trainings Conducted (FY 2025)

- EHS Awareness Training
- Fire Safety Awareness
- Loaders and Ramps Safety Training
- Tractor Safety Training
- Pesticides Handling Course
- Evacuation Plan Awareness
- TR53 Compliance Verification of ESD Protective Equipment and Materials
- Office Ergonomic Awareness
- Tractor Safety Training
- Emergency First Aid Training
- Emergency Response Plan & Procedure
- PPE Awareness Course
- 3R Awareness Training
- Fire Safety Awareness
- Machine Safety Awareness
- Noise Exposure Awareness Training (Audiometric testing)
- Chemical Handling Course
- GLP System Training

Scope's Employees Trained on Health and Safety (FY 2025)



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters (Cont'd)

Occupational Health & Safety (Cont'd)

Measuring Safety, Building Trust

Monitoring workplace incidents is an essential part of Scope's commitment to safeguarding the well-being of its employees. Lost Time Injuries ("LTI") are tracked closely as they reflect both the effectiveness of the company's occupational health and safety practices and the culture of care within its operations.

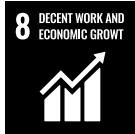
In FY 2025, Scope recorded zero injuries and fatalities, underscoring the effectiveness of its safety systems and the shared responsibility among employees to maintain a safe and healthy workplace.

Moving Forward

Scope remains committed to strengthening its health and safety culture as the Group grows. Moving ahead, we aim to enhance data coverage across all divisions to build a more comprehensive picture of workplace safety. This will enable us to refine monitoring systems, anticipate risks with greater precision, and foster a truly preventive approach. Beyond compliance, Scope will continue to nurture a culture where safety is seen as a shared responsibility and a driver of excellence. By embedding health and safety at the heart of our operations, we aspire to create workplaces that empower people to thrive, fuelling innovation, productivity, and the Group's sustainable progress well into the future.

Labour Practice and Standards

In alignment with SDG 8 – Decent Work and Economic Growth



Why is this important?

Strong labour practices form the backbone of a responsible and sustainable business. Upholding fair treatment and respect for human rights not only protects employees but also strengthens trust among stakeholders. In a competitive and interconnected world, businesses that prioritise ethical labour standards are better equipped to attract and retain talent, build resilient supply chains, and sustain long-term growth. For Scope, committing to fair labour practices reflects a belief that progress should never come at the expense of people's dignity, wellbeing, or opportunity to thrive.

Scope adheres to all applicable labour and employment-related laws, ensuring that its human resources practices are aligned with local regulations and standards. The Group has also established a Human Rights Policy, reinforcing its commitment to upholding fundamental rights and ethical practices across its operations. This commitment extends across recruitment, compensation, benefits, working hours, and workplace conditions, reflecting Scope's dedication to fairness, equity, and accountability in managing its people. Beyond compliance, Scope views its employees as highly valuable assets, the driving force behind its growth and resilience. By fostering a respectful and supportive work environment, the Group seeks to nurture long-term relationships with its workforce, recognising that the success of the company is inseparable from the well-being and development of its people.

Strengthening People, Strengthening Scope

To adapt to an ever-changing economic and business landscape, Scope is committed to continuous investment in employee development. By providing training and learning opportunities, the Group not only addresses skill gaps but also equips its people with the knowledge and capabilities needed to thrive in their roles. These efforts are designed to foster personal growth, strengthen organisational capacity, and ensure that Scope's workforce remains agile, resilient, and ready to meet the challenges of the future.



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters (Cont'd)

Labour Practice and Standards (Cont'd)

Upskilling and Reskilling Training Conducted (FY 2025)

- RBA Awareness
- GLPI System Training
- Loaders and Ramps Safety Training
- MSPO/RSPO Policy Awareness Course
- Oil Palm Harvesting Induction
- Tractor Safety Training
- PPE Awareness Course
- ISO 13485:2016 Internal Audit
- ISO 13485:2016 QMS Requirements
- EHS Awareness Training
- 3R Awareness Training
- Fire Safety Awareness
- Pesticides Handling Course
- TR53 Compliance Verification of ESD Protective Equipment and Materials

Scope's Employees' Total Training Hours (FY 2025)

Subsidiaries	Training Hours (hrs)
SMSB	415.0
BMSB	664.0
PGSB	128.0
Total Training Hours	1,207.0

1,207 total hours of employee trainings completed (FY 2025)

Recruitment and Retention

Scope recognises that attracting and retaining the right talent is central to sustaining long-term growth. The Group is committed to protecting the rights of its employees through fair, transparent, and responsible human resource practices. Guided by local labour laws and employment-related regulations, Scope's Human Resources ("HR") department plays a pivotal role in ensuring that every individual is treated with dignity, equity, and respect.

To support this, Scope has established a comprehensive Employee Handbook that outlines key policies, rights, responsibilities, and workplace standards. This serves as a reference point for both employees and management, ensuring alignment and consistency in the workplace.

Beyond compliance, Scope places strong emphasis on providing a conducive working environment and a holistic benefits package designed to safeguard employees' well-being. These benefits include healthcare coverage, insurance, leave entitlements, which collectively help to attract new talent and retain experienced employees. Through these efforts, Scope seeks not only to nurture loyalty and stability within its workforce but also to foster a culture of trust and shared growth.



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters (Cont'd)

Labour Practice and Standards (Cont'd)

Human Rights

Scope upholds the principle that every individual deserves to work in an environment that respects and protects their fundamental rights. The Group is committed to embedding human rights considerations across its operations and supply chain, ensuring that fairness, dignity, and equality remain at the core of its business practices. In FY 2025, Scope recorded zero substantiated complaints concerning human rights. This reflects the Group's ongoing commitment to maintaining ethical standards and safeguarding the welfare of all employees and stakeholders. Looking ahead, Scope will continue to strengthen awareness, monitoring, and engagement efforts to ensure that human rights are consistently upheld across every level of the organisation.

0

number of substantiated
complaints concerning
human rights violations
(FY 2025)

Moving Forward

Scope recognises that responsible labour practices are fundamental to building a resilient and future-ready organisation. Moving forward, the Group is committed to strengthening its human resources framework by improving data coverage and reporting across all divisions, ensuring greater visibility into workforce dynamics and employee well-being. At the same time, Scope will continue to invest in initiatives that foster inclusivity, enhance employee development, and safeguard the rights of its people. By cultivating a workplace culture that prioritises fairness, growth, and care, the Group aims to create long-term positive impact for employees while supporting Scope's broader journey of sustainable progress.

Community

In alignment with SDG 11 – Sustainable Cities and Communities



Why is this important?

Communities form the bedrock of sustainable development, providing the social and economic environment in which businesses and societies thrive. Investing in communities goes beyond philanthropy; it creates opportunities, fosters resilience, and builds trust that benefits all stakeholders. By supporting education, health, livelihoods, and social well-being, community investment helps distribute economic progress more fairly and ensures that growth is both inclusive and enduring.

Community Investment

Guided by this understanding, Scope is committed to giving back to the communities where it operates and ensuring that its growth translates into shared progress. In FY 2025, the Group carried out a series of community investment programmes focused on education, social development, and local engagement, reflecting its efforts to create positive impact beyond business operations.

In total, **Scope invested RM3,275 in community programmes during FY 2025**, underscoring its commitment to supporting social well-being and growth.

During the year, Scope channelled its resources into a range of initiatives that touched on education, health, environmental awareness, and community welfare. Each programme was designed to not only meet immediate needs but also to foster long-term positive change. The following highlights provide an overview of the key community investment activities undertaken in FY 2025.



SUSTAINABILITY STATEMENT

Focus Area 3

Social Matters (Cont'd)

Community (Cont'd)

Community Investment (Cont'd)

Earth Day 2025 Celebration / Program Sambutan Hari Bumi 2025

The Earth Day 2025 Celebration in the Kerian District aims to raise public awareness on the importance of environmental protection and encourage sustainable, eco-friendly practices in everyday life. The event is organised by the Kerian District Agriculture Office in collaboration with various government agencies and local communities.

Held under the theme "Preserve Nature, Our Heritage", the celebration focuses on environmental conservation through a range of activities, including mangrove tree planting, greening campaigns, community clean-up efforts, exhibitions, and educational talks on sustainability. This programme not only underscores the importance of caring for our planet but also fosters community spirit and collective responsibility in safeguarding nature for future generations.



Moving Forward

Scope remains committed to strengthening its role as a responsible corporate citizen by deepening its investments in communities. Looking ahead, the Group will continue to explore new ways to create meaningful and lasting impact, ensuring that community programmes go beyond one-off contributions to deliver long-term benefits. Scope aspires to expand its outreach and deliver initiatives that empower people, uplift livelihoods, and contribute to shared prosperity.



SUSTAINABILITY STATEMENT

Sustainability Outlook

As Scope moves forward, sustainability will remain a guiding principle in shaping the Group's future. The challenges of climate change, resource efficiency, and social equity are interconnected, and addressing them requires both responsibility and innovation. By strengthening our data collection, embedding sustainable practices across all divisions, and fostering a culture of accountability, we are laying the foundation for long-term resilience.

Our vision is not only to minimise impacts but to create shared progress, where thriving ecosystems, empowered communities, and responsible growth move in tandem. With every step, Scope is committed to elevating its sustainability journey, embracing opportunities that drive transformation, and building a legacy of positive change for future generations.



SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

Statement of Use : Scope Industries Berhad has reported the information cited in this GRI content index for the period 1 July 2024 to 30 June 2025, with reference to the GRI Standards.

GRI Standard	Disclosures	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 02, 04 and 10
	2-2 Entities included in the organization's sustainability reporting	Page 10
	2-3 Reporting period, frequency and contact point	Page 10
	2-4 Restatements of information	NA
	2-5 External assurance	NA
	2-6 Activities, value chain and other business relationships	Pages 04 and 10
	2-7 Employees	Pages 29 and 30
	2-8 Workers who are not employees	NA
	2-9 Governance structure and composition	Page 11
	2-10 Nomination and selection of the highest governance body	CGOS
	2-11 Chair of the highest governance body	Page 11
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 11
	2-13 Delegation of responsibility for managing impacts	Page 11
	2-14 Role of the highest governance body in sustainability reporting	Page 11
	2-15 Conflicts of interest	CGOS
	2-16 Communication of critical concerns	Page 11
	2-17 Collective knowledge of the highest governance body	Page 11
	2-18 Evaluation of the performance of the highest governance body	NA
	2-19 Remuneration policies	CGOS
	2-20 Process to determine remuneration	CGOS
	2-21 Annual total compensation ratio	NA
	2-22 Statement on sustainable development strategy	Page 16
	2-23 Policy commitments	Page 11
	2-24 Embedding policy commitments	Page 16
	2-25 Processes to remediate negative impacts	Page 13
	2-26 Mechanisms for seeking advice and raising concerns	Page 11
	2-27 Compliance with laws and regulations	Pages 18, 24, 27, and 31 - 34
	2-28 Membership associations	NA
	2-29 Approach to stakeholder engagement	Page 12
	2-30 Collective bargaining agreements	NA



SUSTAINABILITY STATEMENT

GRI CONTENT INDEX (CONT'D)

GRI Standard	Disclosures	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pages 12 - 15
	3-2 List of material topics	Page 14 and 16
	3-3 Management of material topics	Page 16
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 17
	201-2 Financial implications and other risks and opportunities due to climate change	NA
	201-3 Defined benefit plan obligations and other retirement plans	NA
	201-4 Financial assistance received from government	NA
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	NA
	202-2 Proportion of senior management hired from the local community	NA
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	NA
	203-2 Significant indirect economic impacts	Page 17
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pages 20 - 21
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	NA
	205-2 Communication and training about anti-corruption policies and procedures	NA
	205-3 Confirmed incidents of corruption and actions taken	NA
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	NA
GRI 207: Tax 2019	207-1 Approach to tax	NA
	207-2 Tax governance, control, and risk management	NA
	207-3 Stakeholder engagement and management of concerns related to tax	NA
	207-4 Country-by-country reporting	NA
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 24 - 25
	301-2 Recycled input materials used	Page 24 - 25
	301-3 Reclaimed products and their packaging materials	NA
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 22 - 23 and 26
	302-2 Energy consumption outside of the organization	Pages 22 - 23 and 26
	302-3 Energy intensity	Pages 22 - 23 and 26
	302-4 Reduction of energy consumption	Pages 22 - 23
	302-5 Reductions in energy requirements of products and services	NA



SUSTAINABILITY STATEMENT

GRI CONTENT INDEX (CONT'D)

GRI Standard	Disclosures	Location
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 25 - 26
	303-2 Management of water discharge-related impacts	NA
	303-3 Water withdrawal	NA
	303-4 Water discharge	NA
	303-5 Water consumption	Page 26
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 27 - 28
	304-2 Significant impacts of activities, products and services on biodiversity	Pages 27 - 28
	304-3 Habitats protected or restored	Pages 27 - 28
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Pages 27 - 28
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 22 - 23
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 22 - 23
	305-3 Other indirect (Scope 3) GHG emissions	Pages 22 - 23
	305-4 GHG emissions intensity	Pages 22 - 23
	305-5 Reduction of GHG emissions	Pages 22 - 23
	305-6 Emissions of ozone-depleting substances (ODS)	NA
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	NA
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 24 - 25
	306-2 Management of significant waste-related impacts	Pages 24 - 25
	306-3 Waste generated	Pages 24 - 25
	306-4 Waste diverted from disposal	Pages 24 - 25
	306-5 Waste directed to disposal	Pages 24 - 25
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	NA
	308-2 Negative environmental impacts in the supply chain and actions taken	NA
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	NA
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 33
	401-3 Parental leave	NA
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	NA



SUSTAINABILITY STATEMENT

GRI CONTENT INDEX (CONT'D)

GRI Standard	Disclosures	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 31 - 32
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 31 - 32
	403-3 Occupational health services	Pages 31 - 32
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 31 - 32
	403-5 Worker training on occupational health and safety	Pages 31 - 32
	403-6 Promotion of worker health	NA
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	NA
	403-8 Workers covered by an occupational health and safety management system	NA
	403-9 Work-related injuries	Page 32
	403-10 Work-related ill health	NA
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	NA
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 31 and 33
	404-3 Percentage of employees receiving regular performance and career development reviews	NA
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 29
	405-2 Ratio of basic salary and remuneration of women to men	NA
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	NA
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	NA
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	NA
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	NA
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	NA
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	NA



SUSTAINABILITY STATEMENT

GRI CONTENT INDEX (CONT'D)

GRI Standard	Disclosures	Location
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 34 - 35
	413-2 Operations with significant actual and potential negative impacts on local communities	Pages 24 and 34 - 35
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	NA
	414-2 Negative social impacts in the supply chain and actions taken	NA
GRI 415: Public Policy 2016	415-1 Political contributions	NA
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	NA
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	NA
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	NA
	417-2 Incidents of non-compliance concerning product and service information and labeling	NA
	417-3 Incidents of non-compliance concerning marketing communications	NA
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 19



PROFILE OF DIRECTORS



Age: 68 | Nationality: Malaysian | Gender: Male

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

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

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

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

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

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



Age: 62 | Nationality: Malaysian | Gender: Male

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

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

Backed by more than 35 years of experience in the electronics industry, Mr. Lim possesses in-depth knowledge on the overall operations of the Group. His functional roles include overseeing the Group's operations, sales and marketing, securing new business and maintaining good relationships with customers.

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

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



PROFILE OF DIRECTORS



Age: 55 | Nationality: Malaysian | Gender: Male

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

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 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 specialised field, he entered the business in oil palm development and investment with Wah Len Enterprise Sdn. Bhd.. Mr. Lim is now actively involved in Wah Len Enterprise Sdn. Bhd., an established oil palm plantation base company in which he holds the position as Managing Director.

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

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



Age: 43 | Nationality: Malaysian | Gender: Male

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

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

He has 23 years of working experience in audit, accounting and corporate finance advisory. For the past 16 years, he was involved in corporate finance advisory where he advised on initial public offerings, mergers and acquisitions, corporate restructurings and fundraising exercises. Currently, he is a Senior Vice President of a securities firm in Malaysia.

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

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



PROFILE OF DIRECTORS



Age: 37 | Nationality: Malaysian | Gender: Female

Ang Kai Sing was appointed as Independent Non-Executive Director of Scope on 1 February 2025. She is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee.

She is a Fellow Member of the Association of Chartered Certified Accountants ("FCCA") and a Member of the Malaysian Institute of Accountants ("MIA").

Ms. Ang began her audit career in 2011 with a local accounting firm and subsequently gained valuable experience with one of the Big Four Accounting Firms, where she deepened her technical expertise and exposure to complex audit engagements. Between 2015 and 2018, she broadened her professional experience by serving as a team lead in a global shared services environment, focusing on corporate operations and leadership responsibilities.

Upon returning to the audit profession, Ms. Ang has built her career to the level of Audit Partner. She has managed a wide portfolio of listed and non-listed statutory audit clients across diverse industries, including property development, manufacturing, technology, agriculture, trading and services, retail, and investment holding.

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

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



Notes:

1. All the above Directors do not have any conflict of interest with the Company.
2. Other than traffic offences, none of the Directors of the Company have any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
3. The Directors' shareholdings are as disclosed in this Annual Report.
4. The details of the number of Board Meetings attended by the Directors of the Company for the financial year are disclosed on page 48 of this Annual Report.



PROFILE OF KEY SENIOR MANAGEMENT



Age: 78 | Nationality: Malaysian | Gender: Male

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

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

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

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

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

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

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

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

Notes:

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



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

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

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

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I) Board Responsibilities

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

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

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

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

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

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

Board Charter

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

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

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

I) Board Responsibilities (Cont'd)

Code of Conduct

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

Anti-Bribery and Corruption Policy

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

Whistle Blowing Policy

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

Conflict of interest Policy

The Group has adopted a Conflict of Interest Policy which set out the objective and procedures for identifying, managing and disclosing conflicts.

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 its duties on the matters being deliberated.

Company Secretaries

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

Functions of the Board and Management

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

Board Meetings and Time Commitment

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

The Board met five (5) times during the financial year ended 30 June 2025. The Board is satisfied with the time commitment expected of all Directors in discharging their duties. All Directors devote sufficient time to carry out their responsibilities.

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

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

Directors	Attendance
Mr. Lim Chiow Hoo	5/5
Mr. Lee Min Huat	5/5
Mr. Lim Ee Tatt	5/5
Mr. Law Kim Fatt	5/5
Ms. Ang Kai Sing ^(a)	3/3
Mr. Yap Ee Seong ^(b)	1/1
Ms. Yau Khai Ling ^(c)	2/2
Mr. Chen Kun-Huei ^(d)	3/3
Ms. Ong Lai Choon ^(e)	5/5

Notes:

(a) Appointed on 1 February 2025

(b) Resigned on 1 October 2024

(c) Resigned on 31 December 2024

(d) Appointed on 21 October 2024 and subsequently resigned on 20 May 2025

(e) Resigned on 1 August 2025

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

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.

The training attended by the Directors during the financial year 2025 are as follow:-

No.	Director	Seminar/Training Course Attended
1.	Lim Chiow Hoo	Mandatory Accreditation Programme Part II
2.	Lee Min Huat	Webinar on Expanded SST
3.	Lim Ee Tatt	Mandatory Accreditation Programme Part II
4.	Law Kim Fatt	Mandatory Accreditation Programme Part II
5.	Ang Kai Sing	Mandatory Accreditation Programme Part I & Part II

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

II) Board Composition

The Board currently consists of five (5) members, comprising two (2) Executive Directors, two (2) Independent Directors and one (1) Non-Independent Non-Executive Director.

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

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

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

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

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

At the forthcoming AGM, Mr. Lim Chiow Hoo and Ms. Ang Kai Sing will retire pursuant to Article 95 and Article 102 of the Company's Constitution respectively ("Retiring Directors"). The Retiring Directors are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the forthcoming AGM. The Nomination Committee has carried out the necessary assessment on the Retiring Directors and concluded that the Retiring Directors met the criteria as prescribed under Fit and Proper Policy of the Company on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors.

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 and their attendance of meeting during the financial year 2025 are as follow:-

Nomination Committee Members	Position in Nomination Committee	Directorate	Attendance
Ms. Ang Kai Sing (Appointed on 1 February 2025)	Chairman	Independent Non-Executive Director	Not Applicable
Mr. Law Kim Fatt	Member	Independent Non-Executive Director	1/1
Mr. Lim Ee Tatt (Appointed on 27 August 2025)	Member	Non-Independent Non-Executive Director	Not Applicable
Mr. Yap Ee Seong (Resigned on 1 October 2024)	Chairman	Independent Non-Executive Director	1/1
Ms. Yau Khai Ling (Appointed on 21 October 2024 and subsequently resigned on 31 December 2024)	Chairman	Independent Non-Executive Director	Not Applicable

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

Nomination Committee (Cont'd)

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 three sections on the following key areas:-

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

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

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

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

- (i) Character and Integrity
- (ii) Experience and Competence
- (iii) Time and Commitment

The Company has conducted the fit and proper assessment on 27 August 2024 on Directors who were proposed for re-election at the Twenty-Second AGM of the Company in accordance with the Fit and Proper Policy. The Nomination Committee is satisfied with the performance of the retiring Directors.

The Nomination Committee meets at least once a year and as and when necessary. The Nomination Committee had met one (1) times 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 of Director who was retiring and seeking for re-election at Twenty-Second AGM.
- (c) Reviewed and recommended the appointment of new Directors.
- (d) Assessed the performance of Independent Non-Executive Directors.
- (e) Reviewed the term of office and performance of an Audit Committee and each of its members.
- (f) Reviewed the performance of the Board and Senior Management in addressing the Company's sustainability or Environmental, Social and Governance ("ESG").
- (g) Reviewed the Terms of Reference of Nomination Committee.
- (h) Reviewed the Fit and Proper Policy of the Group.

Gender, Ethnicity and Age Diversity Policy

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

Gender, Ethnicity and Age Diversity Policy (Cont'd)

The Board acknowledges the best practice of the Code that the Board should comprise at least 30% women directors. For the financial year ended 30 June 2025, there were three (3) women serving as members of the Board, two of whom resigned on 31 December 2024 and 1 August 2025 respectively. Consequently, there is currently only one (1) woman director on the Board. The Board views that its members have the necessary knowledge, experience, diverse range of skills and competencies to enable them to discharge their duties and responsibilities effectively. The Board will appoint an additional woman director when a suitable and qualified candidate is identified, in line with the Code.

Remuneration Committee

The Remuneration Committee was formed on 19 November 2003. The Committee comprises mainly of Non-Executive Directors. The members and their attendance of meetings during the financial year 2025 are as follows:-

Remuneration Committee Members	Position in Remuneration Committee	Directorate	Attendance
Ms. Ang Kai Sing ^(a)	Chairman	Independent Non-Executive Director	Not Applicable
Mr. Law Kim Fatt	Member	Independent Non-Executive Director	1/1
Mr. Lim Ee Tatt	Member	Non-Independent Non-Executive Director	1/1
Mr. Yap Ee Seong ^(b)	Member	Independent Non-Executive Director	1/1
Ms. Yau Khai Ling ^(c)	Chairman	Independent Non-Executive Director	Not Applicable

Notes:

(a) Appointed as Chairman on 1 February 2025

(b) Redesignated as Member on 27 August 2024 and subsequently resigned on 1 October 2024

(c) Appointed as Chairman on 27 August 2024 and subsequently resigned on 31 December 2024

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

The Committee held one (1) meeting during the financial year 2025 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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

Remuneration Committee (Cont'd)

The remuneration of the Directors for the financial year 2025 is set out below:-

Company (RM'000)							
	Fee	Allowance	Salary	Bonus	Statutory Contributions	ESS	Total
Executive Directors							
Lee Min Huat	30	2.5	-	-	-	-	32.5
Lim Chiow Hoo	30	2.5	-	-	-	-	32.5
Ong Lai Choon ^(a)	30	2.5	-	-	-	-	32.5
Non-Executive Directors							
Lim Ee Tatt	30	2.5	-	-	-	-	32.5
Law Kim Fatt	30	2.5	-	-	-	-	32.5
Ang Kai Sing ^(b)	12.5	1.5	-	-	-	-	14
Yap Ee Seong ^(c)	7.5	0.5	-	-	-	-	8
Yau Khai Ling ^(d)	15	1	-	-	-	-	16
Chen, Kun-Huei ^(e)	15	1	-	-	-	-	16
Total:	200	16.5	-	-	-	-	216.5

Group (RM'000)							
	Fee	Allowance	Salary	Bonus	Statutory Contributions	ESS	Total
Executive Directors							
Lee Min Huat	180	2.5	720	100	136.8	48.25	1,187.55
Lim Chiow Hoo	130	2.5	720	100	136.8	48.25	1,137.55
Ong Lai Choon ^(a)	30	2.5	360	-	69.6	20.9	483
Non-Executive Directors							
Lim Ee Tatt	180	2.5	-	-	-	-	182.5
Law Kim Fatt	30	2.5	-	-	-	-	32.5
Ang Kai Sing ^(b)	12.5	1.5	-	-	-	-	14
Yap Ee Seong ^(c)	7.5	0.5	-	-	-	-	8
Yau Khai Ling ^(d)	15	1	-	-	-	-	16
Chen, Kun-Huei ^(e)	15	1	-	-	-	-	16
Total:	600	16.5	1,800	200	343.2	117.4	3,077.1

Notes:

- (a) Resigned on 1 August 2025
- (b) Appointed on 1 February 2025
- (c) Resigned on 1 October 2024
- (d) Resigned on 31 December 2024
- (e) Appointed on 21 October 2024 and subsequently resigned on 20 May 2025



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. Law Kim Fatt as the Chairman. The composition of the Audit Committee, including its roles and responsibilities, and a summary of the activities during the financial year are set out in the Audit Committee Report of this Annual Report.

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

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

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

Directors' Responsibility Statement in Relation to the Compliance with Applicable Financial Reporting Standards

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

The Directors are responsible for the preparation of financial statements in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia. The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

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

Sound Framework to Manage Risks

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

Internal Audit Function

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

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

Corporate Disclosure Policies and Procedures

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Effective Dissemination of Information

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

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

Conduct of General Meeting

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

Notice of AGM and the Annual Report are sent to shareholders at least 28 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 23 October 2025.



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 the interests of the Directors, chief executive who is not a director and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

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

The details of RRPTs of a revenue or trading nature of the Group for the financial year ended 30 June 2025 were as follows:-

Related Party	Scope Group - Transacting Party	Nature of Transaction with Scope Group	Value of Transaction (RM'000)	Nature of relationship between Scope Group and the Related Party
Inventec Appliances Corp.	Luxshare Precision (M) Sdn. Bhd. (Formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("SMSB")	Sales of electrical and electronics products by SMSB to Inventec Appliances Corp.	27,353	- Inventec Appliances Corp. is a Substantial Shareholder of Scope, with direct holdings of 7.31% of the total number of issued Shares of Scope as at 14 October 2025. - Inventec Corporation is a Substantial Shareholder of Scope, with indirect holdings of 7.31% of the total number of issued Shares of Scope as at 14 October 2024, through its wholly-owned subsidiary, Inventec Appliances Corp. - Mr. Chen, Kun-Huei, the Non-Independent Non-Executive Director of Scope, was appointed to the Board on 21 October 2024. He was nominated by Inventec Appliances Corp. to sit on the Board of Scope. As such, Mr. Chen, Kun-Huei was deemed interested in the above-mentioned RRPTs. Mr. Chen, Kun-Huei resigned as Director on 20 May 2025.

3. Audit and Non-Audit Fees

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

	Company Level (RM)	Group Level (RM)
Audit Fee	41,500	109,000
Non-Audit Fee		
Review of Statement on Risk Management and Internal Control	3,000	3,000



ADDITIONAL INFORMATION

4. Employees' Share Scheme

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

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

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

The Company has on 27 July 2021 made the first offer of Share Grant and ESS Options to eligible directors and/or employees. The exercise price of ESS Options is RM0.225.

Information in relation to Share Grant and/or ESS Options is illustrated in the tables below:-

- a) Total number of Share Grant and ESS Options granted, exercised and outstanding/unexercised:-

Share Grant	Since commencement of ESS	During financial year ended 30 June 2025 ("FY2025")
Total number of Share Grant granted	1,479,800	-
Vested	(1,351,000)	(624,400)
Forfeited	(128,800)	(2,000)
Total shares outstanding	-	-

ESS Options	Since commencement of ESS	During FY2025
Total number of ESS Options granted	42,754,900	-
Exercised	-	-
Forfeited	(1,587,000)	-
Total shares outstanding/unexercised	41,167,900	41,167,900

- b) Total number of Share Grant and ESS Options granted and exercised during FY2025:-

Category of Participants	Share Grant			ESS Options		
	Number of Shares Vested	%	Number of Participants	Number of ESS Options Exercised	%	Number of Participants
Directors	158,200	25%	1	-	-	-
Senior Management	28,100	4%	1	-	-	-
Managers	339,100	55%	11	-	-	-
Executives	31,400	5%	14	-	-	-
Supervisor	67,600	11%	77	-	-	-
Total	624,400	100%	104	-	-	-

There was no Share Grant or ESS Options granted under ESS during FY2025.



ADDITIONAL INFORMATION

4. Employees' Share Scheme (Cont'd)

- c) Total number of Share Grant and ESS Options outstanding/unexercised at the beginning and at the end of the financial year:-

Category of Participants	Number of Share Grant outstanding	
	1 July 2024	30 June 2025
Directors	158,200	-
Senior Management	28,100	-
Managers	341,100	-
Executives	31,400	-
Supervisor	67,600	-
Total	626,400	-

Category of Participants	Number of ESS Options outstanding/unexercised	
	1 July 2024	30 June 2025
Directors	24,333,400	24,333,400
Senior Management	4,545,000	4,545,000
Managers	9,448,900	9,448,900
Executives	862,800	862,800
Supervisor	1,927,800	1,927,800
Total	41,167,900	41,167,900

- d) Share Grant and ESS Options to Directors and Senior Management:-

ESS Granted to Directors and Senior Management	During the Financial Year	Since commencement up to 30 June 2025
Aggregate maximum allocation in percentage	80%	80%
Actual percentage granted	-	21%

Scope has not granted any Share Grant or ESS Options to Non-Executive Directors since the effective date of ESS.



ADDITIONAL INFORMATION

5. Utilisation of Proceeds

Proposed Disposal

On 15 April 2025, the Company entered into a conditional share acquisition agreement ("SAA") with Luxshare Precision Singapore Pte. Ltd., for the disposal of the entire equity interest in Luxshare Precision (M) Sdn. Bhd. (Formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("SMSB"), for a total cash consideration of RM96,700,000.00 ("Proposed Disposal").

The SAA has become unconditional on 1 August 2025 following the fulfillment of all the conditions precedent in accordance to the SAA. On even date, the Proposed Disposal has also been completed in accordance to the terms and conditions of the SAA.

The total proceeds were revised from RM96,700,000 to RM93,613,845 pursuant to the final settlement terms under the SAA, and the Company received the full amount on 8 October 2025.

As at 14 October 2025, the details and status of the utilisation of proceeds from the Proposed Disposal are as follows:-

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Timeframe for Utilisation
Distribution of Special Interim Dividend	23,095	-	23,095	Within 1 month
Plantation business of the Group	50,000	-	50,000	Within 36 months
General working capital	17,919	-	17,919	Within 24 months
Expenses for the Proposed Disposal	2,600	419	2,181	Within 3 months
Total	93,614	419	93,195	



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 ("Guideline"), the Board is pleased to provide the Statement on Risk Management and Internal Control ("Statement") 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 operations are ran within 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, 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 and Certified Practicing Accountants, Australia.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit Function (Cont'd)

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

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

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

Review of Statement by External Auditors

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

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

Conclusion

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

This Statement is made in accordance with a resolution of the Board of Directors dated 23 October 2025.



AUDIT COMMITTEE REPORT

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

COMPOSITION OF AUDIT COMMITTEE

Chairman : Mr. Law Kim Fatt, Independent Non-Executive Director
Members : Mr. Lim Ee Tatt, Non-Independent Non-Executive Director
Ms. Ang Kai Sing, Independent Non-Executive Director (Appointed on 1 February 2025)

There were four (4) Audit Committee meetings held during the financial year ended 30 June 2025. The record of attendance is as follow:-

Name of Committee Members	Attendance
Mr. Law Kim Fatt	4/4
Mr. Lim Ee Tatt	4/4
Ms. Ang Kai Sing (Appointed on 1 February 2025)	2/2
Mr. Yap Ee Seong (Resigned on 1 October 2024)	1/1
Ms. Yau Khai Ling (Appointed on 21 October 2024 and subsequently resigned on 31 December 2024)	1/1

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms and reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 30 June 2025 in discharging its functions and duties:-

(i) Financial Reporting

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

(ii) External Audit

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

(iii) Internal Audit

- Reviewed and approved the internal audit plan for the financial year 2025 as tabled by the internal auditors.
- Reviewed the internal audit report from internal auditors and assessed their findings, recommendations together with the management's comments.
- Assessed the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.



AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

In line with the terms and reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 30 June 2025 in discharging its functions and duties:- (Cont'd)

(iv) Reviewed the Related Party Transactions and Conflict of Interest ("COI")

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

The Audit Committee is satisfied that:-

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

(v) Other Matter Considered by Committee

- a) Reviewed the Audit Committee Report for inclusion in the Annual Report.
- b) Reviewed the Circular to Shareholders in relation to Proposed New Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature.
- c) Reviewed the allocation of Employees' Share Scheme ("ESS") Shares to eligible participants pursuant to the Company's ESS.
- d) Reviewed the Group's Conflict of Interest Policy and Procedures.
- e) Reviewed the Group's revised Anti-Bribery and Corruption Policy.

INTERNAL AUDIT FUNCTION

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

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

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

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

The total costs of the internal audit function incurred for the financial year ended 30 June 2025 amounted to RM9,500.

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



DIRECTORS' REPORT

for the financial year ended 30 June 2025

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended **30 June 2025**.

PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit for the financial year, net of tax		
- Continuing operations	(1,661,376)	7,861,354
- Discontinued operation	(6,577,581)	-
	<u>(8,238,957)</u>	<u>7,861,354</u>
Attributable to:		
Owners of the Company	(8,492,757)	7,861,354
Non-controlling interests	253,800	-
	<u>(8,238,957)</u>	<u>7,861,354</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 2025** have not been substantially affected by any item, transaction or event of a material and unusual nature except for the following items which have been charged to profit or loss for the financial year:

	GROUP RM	COMPANY RM
Impairment loss on goodwill on consolidation	4,536,954	-
Reversal of impairment loss on investment in a subsidiary	-	<u>3,088,042</u>

DIVIDENDS

On 8 October 2025, the Company declared a special single-tier interim dividend of RM0.02 per ordinary share in respect of the financial year ending 30 June 2026 and payable on 4 November 2025. The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 30 June 2026.

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

RESERVES AND PROVISIONS

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



DIRECTORS' REPORT

for the financial year ended 30 June 2025

SHARE CAPITAL AND DEBENTURE

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

- (i) 624,400 new ordinary shares pursuant to the Employees' Share Scheme ("ESS"). The related fair value of the ESS amounting to RM152,978 was transferred from the ESS reserve to share capital upon vesting of ESS; and
- (ii) 12,000 new ordinary shares pursuant to the exercise of Warrants at an exercise price of RM0.30 per Warrant.

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

WARRANTS B 2021/2024

During the financial year, the remaining 346,089,878 unexercised Warrant B 2021/2024 has been lapsed on 25 November 2024.

The salient terms of the Warrants are disclosed in Note 35 to the financial statements.

The movement of Warrants during the financial year are as follows:

	Number of Warrants				Balance at 30.6.2025
	Balance at 1.7.2024	Granted	Exercised	Lapsed	
Warrant B 2021/2024	346,101,878	-	(12,000)	(346,089,878)	-

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

EMPLOYEES' SHARE SCHEME ("ESS")

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

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

Grant date	Exercise price RM	Number of ESS options				Balance at 30.6.2025
		Balance at 1.7.2024	Granted	Exercised	Lapsed	
27.7.2021	0.225	41,167,900	-	-	-	41,167,900

Grant date	Number of ESS shares				Balance at 30.6.2025
	Balance at 1.7.2024	Granted	Vested	Forfeited	
27.7.2021	626,400	-	(624,400)	(2,000)	-

The salient features of the ESS are disclosed in Note 34 to the financial statements.

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



DIRECTORS' REPORT

for the financial year ended 30 June 2025

DIRECTORS

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

Directors of the Company:

Lee Min Huat *
Lim Chiow Hoo *
Lim Ee Tatt *
Law Kim Fatt
Ang Kai Sing (appointed on 1.2.2025)
Chen, Kun-Huei (appointed on 21.10.2024, resigned on 20.5.2025)
Yap Ee Seong (resigned on 1.10.2024)
Yau Khai Ling (resigned on 31.12.2024)
Ong Lai Choon* (resigned on 1.8.2025)

* Directors of the Company and certain subsidiaries.

Directors of the Subsidiaries:

Han Siew King
Lee Yung Ming

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	Balance at 1.7.2024	Bought	(Sold)	Balance at 30.6.2025
The Company				
Direct Interest:				
Lee Min Huat	92,098,800	-	-	92,098,800
Lim Chiow Hoo	73,113,100	2,000,000	-	75,113,100
Lim Ee Tatt	4,519,500	-	-	4,519,500
Deemed Interest:				
Lim Ee Tatt ⁽ⁱ⁾	98,412,600	-	-	98,412,600

	Number of Warrants			
	Balance at 1.7.2024	Bought	(Lapsed)	Balance at 30.6.2025
The Company				
Direct Interest:				
Lim Chiow Hoo	14,118,930	-	(14,118,930)	-
Lee Min Huat	27,629,640	-	(27,629,640)	-
Lim Ee Tatt	1,355,850	-	(1,355,850)	-
Deemed Interest:				
Lim Ee Tatt ⁽ⁱ⁾	29,523,780	-	(29,523,780)	-



DIRECTORS' REPORT

for the financial year ended 30 June 2025

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of ESS options		
	Balance at 1.7.2024	Granted	Exercised
The Company			
Direct Interest:			
Lee Min Huat	10,000,000	-	-
Lim Chiow Hoo	10,000,000	-	-

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

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

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	200,000	400,000	600,000
Salaries, bonus and allowances	16,500	2,000,000	2,016,500
Defined contribution plans	-	342,000	342,000
Social security contributions and employment insurance scheme	-	1,197	1,197
Equity-settled share-based payment	-	117,406	117,406
	216,500	2,860,603	3,077,103

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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



DIRECTORS' REPORT

for the financial year ended 30 June 2025

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

In the opinion of the directors:

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

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 37 to the financial statements.



DIRECTORS' REPORT

for the financial year ended 30 June 2025

AUDITORS

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

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 30 June 2025 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	109,000	41,500
Assurance related and non-audit services	3,000	3,000
Total	112,000	44,500

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

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

.....
Lee Min Huat

Penang,

Date: 23 October 2025

.....
Lim Chiow Hoo



DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 74 to 134 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 June 2025** 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

Date: 23 October 2025

.....
Lim Chiow Hoo

STATUTORY DECLARATION

I, **Lim Chiow Hoo**, 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 74 to 134 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 **23rd**)
day of **October 2025**.)

Before me,

.....
Lim Chiow Hoo

.....
Liew Juan Leng
No. P162
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 2025** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 134.

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 2025**, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill (Note 7 to the financial statements)	
As at 30 June 2025, the Group recorded goodwill of RM4.54 million allocated to its plantation operation as a cash-generating unit ("CGU"). Management has recognised an impairment loss on goodwill on consolidation amounting to RM4.54 million in relation to the CGU of Pioneer Glow Sdn. Bhd. during the financial year.	Our audit procedures in relation to the impairment assessment on goodwill included, amongst others, the following:
The management is required to perform annual impairment assessment for the goodwill arising from consolidation. We focus on this area as management's assessment of the value in use of the CGU involves estimation uncertainty and judgements about the future results of the business and key assumptions applied to future cash flows projection.	• Evaluated the model used in determining the value in use of the CGU as well as assessed the discount rate used; • Assessed the reasonableness of key assumptions based on our knowledge of the business and industry; • Compared actual performance of the CGU to assumptions applied in prior years model and assessed the accuracy of management's estimates; • Performed sensitivity analysis on the key assumptions inputted to the model and assessed the impact on the overall carrying amount of goodwill with the alterations to the key assumptions; and • Assessed the adequacy of disclosures in the financial statements.

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



INDEPENDENT AUDITORS' REPORT

to the members of Scope Industries Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Directors' Responsibilities for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



INDEPENDENT AUDITORS' REPORT

to the members of Scope Industries Berhad

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

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: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 subsidiaries of which we have not acted as auditors, is disclosed in Note 6 to the financial statements.

Other Matter

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

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

Penang

Date: 23 October 2025

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



STATEMENTS OF FINANCIAL POSITION

as at 30 June 2025

		GROUP		COMPANY	
	NOTE	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	10,340,119	65,848,554	-	-
Right-of-use assets	5	56,992,854	65,712,423	-	-
Investment in subsidiaries	6	-	-	44,485,873	71,137,531
Goodwill on consolidation	7	-	4,536,954	-	-
Deferred tax assets	8	-	1,900,000	-	-
Amount due from subsidiaries	9	-	-	-	12,992,863
		67,332,973	137,997,931	44,485,873	84,130,394
Current assets					
Inventories	10	158,561	1,314,600	-	-
Biological assets	11	409,495	435,541	-	-
Trade receivables	12	13,842,886	8,824,729	-	-
Other receivables, deposits and prepayments	13	291,901	517,503	181,220	-
Amount due from subsidiaries	9	-	-	69,610,520	44,416,668
Other investment	14	228,900	265,190	228,900	265,190
Current tax assets		8,751	188,754	-	112,171
Cash and cash equivalents	15	34,384,356	31,487,751	32,939,399	30,383,011
		49,324,850	43,034,068	102,960,039	75,177,040
Non-current assets held for sale	16	63,891,391	-	29,943,238	-
		113,216,241	43,034,068	132,903,277	75,177,040
TOTAL ASSETS		180,549,214	181,031,999	177,389,150	159,307,434

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



STATEMENTS OF FINANCIAL POSITION

as at 30 June 2025

		GROUP		COMPANY	
	NOTE	2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	192,308,572	192,151,994	192,308,572	192,151,994
Other reserves	18	33,605,735	34,857,672	2,439,726	2,435,263
Accumulated losses		(73,484,968)	(65,038,298)	(27,661,506)	(35,568,947)
		152,429,339	161,971,368	167,086,792	159,018,310
Non-controlling interests		2,062,720	1,821,940	-	-
Total equity		154,492,059	163,793,308	167,086,792	159,018,310
Non-current liability					
Deferred tax liabilities	8	11,916,754	12,856,344	-	-
Current liabilities					
Trade payables	19	157,281	1,028,119	-	-
Other payables and accruals	20	11,200,599	3,265,659	10,096,693	289,124
Current tax liabilities		206,529	88,569	205,665	-
		11,564,409	4,382,347	10,302,358	289,124
Non-current liabilities held for sale	16	2,575,992	-	-	-
		14,140,401	4,382,347	10,302,358	289,124
Total liabilities		26,057,155	17,238,691	10,302,358	289,124
TOTAL EQUITY AND LIABILITIES		180,549,214	181,031,999	177,389,150	159,307,434

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



STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
CONTINUING OPERATIONS:					
Revenue	21	27,865,959	119,783,491	3,353,200	4,708,700
Cost of sales		(22,104,070)	(112,843,854)	-	-
Gross profit		5,761,889	6,939,637	3,353,200	4,708,700
Other income	22	116,580	200,913	4,603,059	2,817,944
Administrative expenses		(2,650,160)	(2,397,605)	(938,763)	(465,636)
Other operating expenses		(4,573,244)	(7,200,000)	(36,290)	(5,854,642)
Allowance for expected credit losses on:					
- trade receivables		-	(45,617,271)	-	-
- amount due from a subsidiary		-	-	-	(43,896,282)
Operating (loss)/profit		(1,344,935)	(48,074,326)	6,981,206	(42,689,916)
Finance income	23	1,196,567	1,024,100	1,188,934	2,387,600
Finance costs	24	(4,150)	(3,868)	-	-
(Loss)/Profit before tax	25	(152,518)	(47,054,094)	8,170,140	(40,302,316)
Taxation	26	(1,508,858)	2,144,716	(308,786)	305,866
(Loss)/Profit from continuing operations, net of tax		(1,661,376)	(44,909,378)	7,861,354	(39,996,450)
DISCONTINUED OPERATION:					
(Loss)/Profit from discontinued operation, net of tax	16	(6,577,581)	567,317	-	-
(Loss)/Profit for the financial year carried forward		(8,238,957)	(44,342,061)	7,861,354	(39,996,450)

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



STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit for the financial year brought forward		(8,238,957)	(44,342,061)	7,861,354	(39,996,450)
Total other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		<u>(309,420)</u>	<u>250,300</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the financial year		<u>(8,548,377)</u>	<u>(44,091,761)</u>	<u>7,861,354</u>	<u>(39,996,450)</u>
(Loss)/Profit attributable to:					
Owners of the Company		(8,492,757)	(36,538,064)	7,861,354	(39,996,450)
Non-controlling interests		253,800	(7,803,997)	-	-
		<u>(8,238,957)</u>	<u>(44,342,061)</u>	<u>7,861,354</u>	<u>(39,996,450)</u>
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(9,749,157)	(36,230,476)	7,861,354	(39,996,450)
Non-controlling interests		1,200,780	(7,861,285)	-	-
		<u>(8,548,377)</u>	<u>(44,091,761)</u>	<u>7,861,354</u>	<u>(39,996,450)</u>
Loss per share attributable to owners of the Company (sen)					
Basic/Diluted (loss)/earnings per share	27				
- Continuing operations		(0.17)	(3.22)		
- Discontinued operation		(0.57)	0.05		
		<u>(0.74)</u>	<u>(3.17)</u>		

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

NOTE	Attributable to Owners of the Company						Total Equity RM
	Share Capital RM	Capital Reserve RM	Foreign Currency Translation Reserve RM	ESS Reserve RM	Accumulated Losses RM	Non- controlling Interests RM	
2025							
Balance at beginning	192,151,994	28,002,381	4,420,028	2,435,263	(65,038,298)	1,821,940	163,793,308
Total comprehensive loss for the financial year	-	-	(1,256,400)	-	(8,492,757)	1,200,780	(8,548,377)
Transactions with owners of the Company:							
Issuance of shares pursuant to:							
- ESS	152,978	-	-	(152,978)	-	-	-
- exercise of warrants	3,600	-	-	-	-	3,600	3,600
Recognition of equity-settled share-based payment	-	-	-	203,528	-	203,528	203,528
ESS share forfeited	-	-	-	(46,087)	46,087	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	(960,000)	(960,000)
Total transactions with owners	156,578	-	-	4,463	46,087	207,128	(752,872)
Balance at end	192,308,572	28,002,381	3,163,628	2,439,726	(73,484,968)	2,062,720	154,492,059

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

NOTE	Attributable to Owners of the Company							Total Equity RM
	Share Capital RM	Capital Reserve RM	Foreign Currency Translation Reserve RM	Non-distributable	ESS Reserve RM	Accumulated Losses RM	Non- controlling Interests RM	
2024								
Balance at beginning	191,988,509	28,002,381	4,112,440	2,262,847	(28,500,234)	197,865,943	9,983,225	207,849,168
Total comprehensive loss for the financial year	-	-	307,588	-	(36,538,064)	(36,230,476)	(7,861,285)	(44,091,761)
Transactions with owners of the Company:								
Issuance of shares pursuant to ESS	163,485	-	-	(163,485)	-	-	-	-
Recognition of equity-settled share-based payment	-	-	-	335,901	-	335,901	-	335,901
Dividend paid to non-controlling interest	-	-	-	-	-	-	(300,000)	(300,000)
Total transactions with owners	163,485	-	-	172,416	-	335,901	(300,000)	35,901
Balance at end	192,151,994	28,002,381	4,420,028	2,435,263	(65,038,298)	161,971,368	1,821,940	163,793,308



STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

	NOTE	Share Capital RM	Non- distributable ESS Reserve RM	Accumulated Losses RM	Total Equity RM
2025					
Balance at beginning		192,151,994	2,435,263	(35,568,947)	159,018,310
Total comprehensive income for the financial year		-	-	7,861,354	7,861,354
<i>Transactions with owners of the Company:</i>					
Issuance of shares pursuant to:					
- ESS	17/18	152,978	(152,978)	-	-
- exercise of warrants	17	3,600	-	-	3,600
Recognition of equity-settled share-based payment	18	-	203,528	-	203,528
ESS share forfeited	18	-	(46,087)	46,087	-
Total transactions with owners		156,578	4,463	46,087	207,128
Balance at end		192,308,572	2,439,726	(27,661,506)	167,086,792
2024					
Balance at beginning		191,988,509	2,262,847	4,427,503	198,678,859
Total comprehensive loss for the financial year		-	-	(39,996,450)	(39,996,450)
<i>Transactions with owners of the Company:</i>					
Issuance of shares pursuant to ESS	17/18	163,485	(163,485)	-	-
Recognition of equity-settled share-based payment	18	-	335,901	-	335,901
Total transactions with owners		163,485	172,416	-	335,901
Balance at end		192,151,994	2,435,263	(35,568,947)	159,018,310

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



STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax from continuing operations		(152,518)	(47,054,094)	8,170,140	(40,302,316)
(Loss)/Profit before tax from discontinued operation	16	(6,573,831)	576,227	-	-
(Loss)/Profit before tax		(6,726,349)	(46,477,867)	8,170,140	(40,302,316)
Adjustments for:					
Accretion of interest on lease liability		-	3,868	-	-
Allowance for expected credit losses ("ECL") on:					
- trade receivables		-	45,617,271	-	-
- amount due from a subsidiary		-	-	-	43,896,282
Depreciation of:					
- property, plant and equipment		7,633,450	6,453,715	-	-
- right-of-use assets		1,377,926	1,436,383	-	-
Dividend income		(13,200)	(8,700)	(3,353,200)	(4,708,700)
Equity-settled share-based payment		203,528	335,901	-	-
Fair value loss/(gain) on biological assets		26,046	(58,042)	-	-
Fair value loss/(gain) on quoted equity instruments		36,290	(72,000)	36,290	(72,000)
Gain on derecognition of right-of-use assets and lease liability		-	(23,299)	-	-
Gain on disposal of property, plant and equipment		-	(10,682)	-	-
Impairment loss on:					
- goodwill on consolidation		4,536,954	7,200,000	-	-
- investment in subsidiaries		-	-	-	5,854,642
Interest expenses		4,756	1,227	-	-
Interest income		(1,212,194)	(1,045,124)	(1,188,934)	(2,387,600)
Inventories written down:					
- addition		-	154,555	-	-
- reversal		(111,401)	(930)	-	-
Inventories written off		2,457	72,244	-	-
Property, plant and equipment written off		426,105	134,160	-	-
Balance carried forward		6,184,368	13,712,680	3,664,296	2,280,308

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



STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance brought forward	6,184,368	13,712,680	3,664,296	2,280,308
Reversal of impairment loss on investment in a subsidiary	-	-	(3,088,042)	-
Unrealised loss/(gain) on foreign exchange	49,082	38,755	1,577	(537,111)
Unwinding of discount on amount due from a subsidiary	-	-	(1,515,017)	(2,208,833)
Operating profit/(loss) before working capital changes	6,233,450	13,751,435	(937,186)	(465,636)
Net changes in:				
Inventories	(89,988)	(90,240)	-	-
Receivables	(9,822,932)	(7,205,461)	(181,220)	-
Payables	9,648,090	(502,310)	9,807,569	48,628
Cash generated from/(used in) operations	5,968,620	5,953,424	8,689,163	(417,008)
Income tax paid	(336,558)	(491,177)	(6,020)	(35,748)
Income tax refunded	74,868	73,734	15,070	-
Interest paid	(4,756)	(1,227)	-	-
Net cash from/(used in) operating activities	5,702,174	5,534,754	8,698,213	(452,756)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in a subsidiary	-	-	(10)	-
Acquisition of right-of-use assets	-	(175,810)	-	-
Acquisition of property, plant and equipment	(1,752,539)	(5,188,656)	-	-
Dividend received from quoted equity instruments	13,200	8,700	13,200	8,700
Dividend received from subsidiaries	-	-	3,340,000	4,700,000
Interest received	1,212,194	1,045,124	1,188,934	1,014,183
Net change in deposits pledged with a licensed bank	(200,000)	-	-	-
Proceeds from disposal of property, plant and equipment	-	10,684	-	-
Net cash (used in)/from investing activities	(727,145)	(4,299,958)	4,542,124	5,722,883

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



STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

		GROUP		COMPANY	
	NOTE	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interest		(960,000)	(300,000)	-	-
Net changes in subsidiaries' balances		-	-	(10,685,972)	(2,585,961)
Repayment of finance lease liability	A	-	(71,127)	-	-
Payment of lease liability	A	-	(103,809)	-	-
Proceeds from issuance of shares pursuant to excersice of warrants		3,600	-	3,600	-
Net cash used in financing activities		(956,400)	(474,936)	(10,682,372)	(2,585,961)
NET INCREASE IN CASH AND CASH EQUIVALENTS					
		4,018,629	759,860	2,557,965	2,684,166
Effects of foreign currency translation differences for foreign operations		(309,420)	250,300	-	-
Effects of foreign exchange rate changes		(131,665)	(38,646)	(1,577)	-
CASH AND CASH EQUIVALENTS AT BEGINNING					
		31,487,751	30,516,237	30,383,011	27,698,845
CASH AND CASH EQUIVALENTS AT END					
		35,065,295	31,487,751	32,939,399	30,383,011
The cash and cash equivalents are represented by:					
Short-term fund with a licensed financial institution		31,968,772	29,328,390	31,968,772	29,328,390
Cash and bank balances		2,415,584	2,159,361	970,627	1,054,621
Cash and bank balances included in non-current assets held for sale		880,939	-	-	-
		35,265,295	31,487,751	32,939,399	30,383,011
Less: Fixed deposits pledged with a licensed bank		(200,000)	-	-	-
		35,065,295	31,487,751	32,939,399	30,383,011

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



STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

A Reconciliation of liabilities arising from financing activities

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

	Balance at beginning RM	Net cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2024				
Finance lease liability	71,127	(71,127)	-	-
Lease liability	472,802	(103,809)	(368,993)	-
	<u>543,929</u>	<u>(174,936)</u>	<u>(368,993)</u>	<u>-</u>

¹ Others consist of non-cash items represented by:

	GROUP	
	2025 RM	2024 RM
Accretion of interest on lease liability	-	3,868
Derecognition of lease liability	-	(375,183)
Foreign currency translation	-	2,322
	<u>-</u>	<u>(368,993)</u>

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

1. CORPORATE INFORMATION

General

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 23 October 2025.

Principal Activities

The principal activity of the Company consists of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

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

2.4 Adoption of Amendments to MFRSs

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

Effective for annual periods beginning on or after 1 January 2024

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

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

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

Initial application of the above new amendments to MFRSs did not have material impact to the financial statements upon adoption.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

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

Effective for annual period beginning on or after 1 January 2025

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

Effective for annual period beginning on or after 1 January 2026

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

Annual Improvements to MFRS Accounting Standards - Volume II

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

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

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

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

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

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

3. 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.

3.1 Judgement made in applying accounting policies

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty

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

(i) Deferred tax assets

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

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

The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 8 to the financial statements.

(ii) Useful lives of depreciable assets

Plant and machinery

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

The carrying amount and depreciation charges of plant and machinery is disclosed in Note 4 to the financial statements.

Bearer plants

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

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

The carrying amount and depreciation charges of bearer plants is disclosed in Note 4 to the financial statements.

(iii) Impairment of plant and equipment

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of plant and equipment does not exceed its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is assessed based on available data from market transactions for similar assets, less estimated costs of disposing of the asset. Value in use is determined based on the present value of the estimated future cash flows expected to arise from continuing operations, with management exercising judgement in estimating the future cash flows, growth rate and discount rate.

The carrying amount of plant and equipment is disclosed in Note 4 to the financial statements. No impairment losses are provided for plant and equipment during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(iv) Impairment of investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the higher of value in use or fair value less cost to sell as at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM Nil** (2024: RM5,854,642) is recognised in profit or loss to write down the subsidiaries to their recoverable amount.

An assessment is also made at each end of the reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A reversal of impairment loss in relation to a subsidiary which amounted to **RM3,088,042** (2024: RM Nil) was recognised on profit or loss.

(v) Impairment of goodwill relating to oil palm plantation

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

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

Details of the carrying value, key assumptions applied in the impairment assessment and sensitivity analysis to changes in the assumptions are disclosed in Note 7 to the financial statements.

(vi) Inventories

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

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 10 to the financial statements.

(vii) Fair value of biological assets

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

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

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

The carrying amount of the Group's biological assets are disclosed in Note 11 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

4. PROPERTY, PLANT AND EQUIPMENT



SCOPE INDUSTRIES BERHAD

	Freehold land RM	Buildings RM	Bearer plants RM	Plant and machinery RM	Renovation and electrical installation RM	Office equipment, photovoltaic ("PV") system and fittings RM	Solar vehicles RM	Capital work-in-progress RM	Total RM
GROUP									
2025									
At cost									
Balance at beginning	5,772,865	17,988,563	16,338,946	51,764,603	2,283,270	5,940,089	2,978,844	19,527,500	126,425,640
Additions	-	210,356	161,097	774,468	127,133	360,485	-	-	1,752,539
Written offs	-	-	-	(2,254,169)	(1,201,022)	(840,885)	-	-	(4,296,076)
Reclassification	-	16,989,221	-	-	1,022,128	1,516,151	-	(19,527,500)	-
Reclassified to non-current assets held for sale	-	(32,749,419)	-	(49,572,089)	(2,207,552)	(5,907,125)	(2,978,844)	-	(94,775,603)
Balance at end	5,772,865	2,438,721	16,500,043	712,813	23,957	1,068,715	-	2,589,386	29,106,500
Accumulated depreciation									
Balance at beginning	-	8,014,710	11,370,060	33,072,223	1,466,463	3,296,344	387,592	-	60,577,086
Current charge	-	1,224,786	736,858	4,240,883	233,359	606,776	297,884	-	7,633,450
Written offs	-	-	-	(2,184,391)	(1,004,977)	(680,603)	-	-	(3,869,971)
Reclassified to non-current assets held for sale	-	(6,813,949)	-	(34,415,918)	(670,888)	(2,212,720)	(685,476)	-	(45,574,184)
Balance at end	-	2,425,547	12,106,918	712,797	23,957	1,009,797	-	2,487,365	18,766,381
Carrying amount	5,772,865	13,174	4,393,125	16	-	58,918	-	102,021	10,340,119

NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

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

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

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

Material accounting policy information

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

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

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

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

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

5. RIGHT-OF-USE ASSETS

Group as a lessee

The Group recognised prepaid land lease payment and leasehold land as right-of-use assets with lease period of 30 years and 16 to 83 years respectively.

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

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

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

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

Right-of-use assets

	Prepaid land lease payment RM	Leasehold land RM	Office premises RM	Total RM
GROUP				
2025				
At cost				
Balance at beginning	1,690,000	76,240,917	-	77,930,917
Reclassified to non-current assets held for sale	-	(9,202,784)	-	(9,202,784)
Balance at end	1,690,000	67,038,133	-	68,728,133
Accumulated depreciation				
Balance at beginning	556,000	11,662,494	-	12,218,494
Current charge	54,000	1,323,926	-	1,377,926
Reclassified to non-current assets held for sale	-	(1,861,141)	-	(1,861,141)
Balance at end	610,000	11,125,279	-	11,735,279
Carrying amount	1,080,000	55,912,854	-	56,992,854
2024				
At cost				
Balance at beginning	1,690,000	76,065,107	700,753	78,455,860
Addition	-	175,810	-	175,810
Derecognition	-	-	(704,195)	(704,195)
Foreign currency translation	-	-	3,442	3,442
Balance at end	1,690,000	76,240,917	-	77,930,917
Accumulated depreciation				
Balance at beginning	502,000	10,381,028	250,165	11,133,193
Current charge	54,000	1,281,466	100,917	1,436,383
Derecognition	-	-	(352,311)	(352,311)
Foreign currency translation	-	-	1,229	1,229
Balance at end	556,000	11,662,494	-	12,218,494
Carrying amount	1,134,000	64,578,423	-	65,712,423



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

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

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

Lease liability

	Office Premises	
	2025 RM	2024 RM
GROUP		
Balance at beginning	-	472,802
Accretion of interest	-	3,868
Payment	-	(103,809)
Derecognition	-	(375,183)
Foreign currency translation	-	2,322
Balance at end	-	-

The following amounts are recognised in profit or loss:

	GROUP	
	2025 RM	2024 RM
Accretion of interest on lease liability	-	3,868
Depreciation of right-of-use assets	1,377,926	1,436,383
Expense relating to lease of low-value assets	60,764	76,726
Expense relating to short-term leases	-	22,300
Gain on derecognition of right-of-use assets and lease liability	-	(23,299)
Total amount recognised in profit or loss	1,438,690	1,515,978

The total cash outflows for leases of the Group during the financial year are **RM60,764** (2024: RM202,835).

Material accounting policy information

Right-of-use assets

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Unquoted shares, at cost		
Balance at beginning	76,992,173	76,656,272
Addition	10	-
Allocation of ESS expenses in respect of ESS shares and options granted to the employees of a subsidiary	203,528	335,901
Reclassified to non-current assets held for sale	(29,943,238)	-
Balance at end	47,254,473	76,992,173
Less: Accumulated impairment losses		
Balance at beginning	(5,854,642)	-
Current year	-	(5,854,642)
Reversal	3,088,042	-
Balance at end	(2,766,600)	(5,854,642)
	44,485,873	71,137,531

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

Name of entities	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
Luxshare Manufacturers (M) Sdn. Bhd. (formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("SMSB")	100	100	Manufacturing and assembling of electrical and electronic components and products.
Pioneer Glow Sdn. Bhd. ("PGSB")	70	70	Cultivation of oil palm.
Benua Mutiara Sdn. Bhd. ("BMSB")	100	100	Cultivation of oil palm.
* Scope Global Distributor Pte. Ltd. ("SGDPL") (Incorporated in Singapore)	80	80	Trading in electrical and electronic products and motor vehicles.
Scope Realty Sdn. Bhd. ("SRSB")	100	100	Property investments and provision of dormitory accommodation and services.
* Scope Distributor Sdn. Bhd. ("SDSB")	100	-	Trading in motor vehicles.
* Not audited by Grant Thornton Malaysia PLT.			



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.1 Acquisition of a subsidiary

On 18 April 2025, the Company had subscribed 10 ordinary shares in SDSB, representing 100% equity interest in SDSB for a total cash consideration RM10.

6.2 Impairment on investment in subsidiaries

The Company reviews the investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the adjusted net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of **RM Nil** (2024: RM5,854,642) was recognised in respect of investment in SMSB and BMSB during the financial year while a reversal of impairment loss of **RM3,088,042** (2024: RM Nil) was recognised in respect of investment in SMSB during the financial year.

6.3 Subsidiaries with material NCI

The details of the material NCI are as follows:

	PGSB	SGDPL	Total
2025			
Percentage of ownership interest and voting interest	30%	20%	
Carrying amount of NCI (RM)	<u>10,085,240</u>	<u>(8,022,520)</u>	<u>2,062,720</u>
Profit/(Loss) allocated to NCI (RM)	<u>486,996</u>	<u>(233,196)</u>	<u>253,800</u>
2024			
Percentage of ownership interest and voting interest	30%	20%	
Carrying amount of NCI (RM)	<u>10,558,244</u>	<u>(8,736,304)</u>	<u>1,821,940</u>
Profit/(Loss) allocated to NCI (RM)	<u>1,112,057</u>	<u>(8,916,054)</u>	<u>(7,803,997)</u>



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.3 Subsidiaries with material NCI (Cont'd)

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

	PGSB RM	SGDPL RM
2025		
Assets and liabilities		
Non-current assets	39,588,893	-
Current assets	1,720,302	3,056,435
Non-current liabilities	(7,033,919)	-
Current liabilities	(657,809)	(43,169,030)
Net assets/(liabilities)	33,617,467	(40,112,595)
Results		
Revenue	8,278,368	6,223,703
Net profit/(loss) for the financial year	1,623,320	(1,165,982)
Total comprehensive income for the financial year	1,623,320	3,568,922
Cash flows		
Net cash from/(used in) operating activities	3,818,919	(3,019,257)
Net cash used in investing activities	(119,000)	-
Net cash used in financing activities	(3,200,000)	(1,783,508)
Net changes in cash and cash equivalents	499,919	(4,802,765)
Other information		
Dividend paid to NCI	960,000	-
2024		
Assets and liabilities		
Non-current assets	42,639,718	-
Current assets	1,133,297	321,052
Non-current liabilities	(7,881,928)	-
Current liabilities	(696,940)	(44,002,569)
Net assets/(liabilities)	35,194,147	(43,681,517)



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.3 Subsidiaries with material NCI (Cont'd)

	PGSB RM	SGDPL RM
2024		
Results		
Revenue	7,710,607	109,016,330
Net profit/(loss) for the financial year	3,706,858	(44,580,271)
Total comprehensive income/(loss) for the financial year	<u>3,706,858</u>	<u>(44,866,716)</u>
Cash flows		
Net cash from operating activities	2,671,812	151,960
Net cash from investing activities	9,330	-
Net cash used in financing activities	<u>(2,900,000)</u>	<u>(485,758)</u>
Net changes in cash and cash equivalents	<u>(218,858)</u>	<u>(333,798)</u>
Other information		
Dividend paid to NCI	<u>300,000</u>	<u>-</u>

Material accounting policy information

Investment in subsidiaries is measured at cost less any impairment losses in the Company's separate financial statements, unless the investment is classified as held for sale or distribution.

7. GOODWILL ON CONSOLIDATION

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

	GROUP	
	2025 RM	2024 RM
At cost	14,565,796	14,565,796
Less: Allowance for impairment		
Balance at beginning	(10,028,842)	(2,828,842)
Current year	(4,536,954)	(7,200,000)
Balance at end	<u>(14,565,796)</u>	<u>(10,028,842)</u>
	<u>-</u>	<u>4,536,954</u>

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

7. GOODWILL ON CONSOLIDATION (CONT'D)

Key assumptions used in value-in-use calculations

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

(i) Projection period	5 years (2024: 5 years)
(ii) Terminal value	Based on discounted present fair value of the estate
(iii) FFB Price	RM839/MT to RM868/MT (2024: RM422/MT to RM760/MT)
(iv) Average yield over projection period	9.2MT/HA (2024:10.2MT/HA)
(v) Pre-tax discount rate	10.73% (2024: 10.89%)

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

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

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

Impairment loss recognised

Following the management's assessment, the CGU within the oil palm plantation segment was carried in excess of its value in use. Therefore, impairment loss of **RM4,536,954** (2024: RM7,200,000) is recognised in other operating expenses during the financial year.

Sensitivity to changes in key assumptions

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

8. DEFERRED TAX (ASSETS)/LIABILITIES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance at beginning	10,956,344	13,621,529	-	311,737
Recognised in profit or loss	960,410	(2,665,185)	-	(311,737)
Balance at end	11,916,754	10,956,344	-	-



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

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

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

	GROUP	
	2025 RM	2024 RM
Deferred tax assets	-	(1,900,000)
Deferred tax liabilities	11,916,754	12,856,344
	11,916,754	10,956,344

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

	GROUP	
	2025 RM	2024 RM
Property, plant and equipment	933,068	118,981
Revaluation surplus	12,550,400	12,751,814
Biological assets	98,279	104,530
Unused tax losses	(1,568,993)	(1,788,524)
Unabsorbed capital allowances	-	(134,457)
Other deductible temporary differences	(96,000)	(96,000)
	11,916,754	10,956,344

9. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2025 RM	2024 RM
Non-current:		
Amount due from subsidiaries	-	12,992,863
Current:		
Amount due from subsidiaries	113,506,802	88,312,950
Less: Allowance for expected credit losses ("ECL")		
Balance at beginning/end	(43,896,282)	(43,896,282)
	69,610,520	44,416,668
Total amount due from subsidiaries	69,610,520	57,409,531

The amount due from subsidiaries is non-trade related, unsecured, and classified based on the expected timing of realisation and to be settled in cash.



NOTES TO THE FINANCIAL STATEMENTS

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10. INVENTORIES

	GROUP	
	2025 RM	2024 RM
At cost:		
Raw materials	-	1,008,240
Finished goods	-	171,017
Consumables	158,561	135,343
	158,561	1,314,600
Cost of inventories recognised in profit or loss		
Continuing operations:		
Inventories recognised as cost of sales	22,101,613	112,771,610
Inventories written off	2,457	72,244
Discontinued operation:		
Inventories recognised as cost of sales	32,147,702	33,730,241
Inventories written down:		
- current year	-	154,555
- reversal	(111,401)	(930)

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

11. BIOLOGICAL ASSETS

	GROUP	
	2025 RM	2024 RM
At fair value through profit or loss:		
Fresh fruit bunches ("FFB")		
Balance at beginning	435,541	377,499
Changes in fair value	(26,046)	58,042
Balance at end	409,495	435,541

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 up to 15 days prior to harvest is negligible, therefore quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 95% of the ripe FFB. The fair value measurement of the produce growing on bearer plants is determined by using the market approach, which takes into consideration the market price of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting and transport cost.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

11. BIOLOGICAL ASSETS (CONT'D)

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

Material accounting policy information

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

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

12. TRADE RECEIVABLES

	GROUP	
	2025 RM	2024 RM
Third parties	54,559,647	54,442,000
Less: Allowance for ECL		
Balance at beginning	(45,617,271)	-
Current year	-	(45,617,271)
Foreign currency translation	4,900,510	-
Balance at end	(40,716,761)	(45,617,271)
	13,842,886	8,824,729

The currency profile of trade receivables is as follows:

	GROUP	
	2025 RM	2024 RM
RM	11,034,732	699,003
USD	2,808,154	8,125,726
	13,842,886	8,824,729

The trade receivables are non-interest bearing and are generally on **30 to 45 days** (2024: 30 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	42,011	57,044	-	-
Refundable deposits	64,382	186,981	-	-
Prepayments	185,508	273,478	181,220	-
	291,901	517,503	181,220	-

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
RM	269,301	489,988	181,220	-
Singapore dollar ("SGD")	18,312	20,511	-	-
USD	4,288	7,004	-	-
	291,901	517,503	181,220	-

14. OTHER INVESTMENT

GROUP AND COMPANY	
2025 RM	2024 RM

At fair value through profit or loss:

- Quoted equity instruments	228,900	265,190
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Material accounting policy information

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

15. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term fund with a licensed financial institution	31,968,772	29,328,390	31,968,772	29,328,390
Cash and bank balances	2,415,584	2,159,361	970,627	1,054,621
	34,384,356	31,487,751	32,939,399	30,383,011



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

15. CASH AND CASH EQUIVALENTS (CONT'D)

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
RM	34,145,589	31,158,280	32,926,291	30,368,325
USD	221,601	269,609	13,108	14,686
SGD	17,166	59,862	-	-
	34,384,356	31,487,751	32,939,399	30,383,011

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

16. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current assets held for sale				
Subsidiary	63,891,391	-	29,943,238	-
Non-current liabilities held for sale				
Subsidiary	2,575,992	-	-	-

On 15 April 2025, the Company entered into a conditional share acquisition agreement ("SAA") with Luxshare Precision Singapore Pte. Ltd. for the proposed disposal of 3,220,000 ordinary shares in SMSB, representing the entire equity interest of the Company in SMSB, for a total disposal consideration of RM96,700,000. However, following the completion of the audit of the financial statements of SMSB for the financial period ended 31 July 2025, the disposal consideration was mutually agreed at RM93,613,845. The disposal transaction was completed on 1 August 2025 after fulfilment of all conditions precedent as set out in the SAA.

As at 30 June 2025, the assets and liabilities of SMSB have been presented on the consolidated statement of financial position as non-current assets and liabilities held for sales and results from SMSB is presented separately on the consolidated statement of comprehensive income as discontinued operation. The carrying amount of the investment in SMSB has also been presented as a non-current assets held for sale on the Company's statement of financial position as at 30 June 2025.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

16. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Statement of Financial Position

The major classes of assets and liabilities of SMSB classified as held for sale as at 30 June 2025 are as follows:

	GROUP RM
Assets	
Property, plant and equipment	49,201,419
Right-of-use assets	7,341,643
Inventories	1,354,971
Trade receivables	4,741,747
Other receivables, deposits and prepayments	363,217
Current tax assets	7,455
Cash and bank balances	880,939
	63,891,391
Liabilities	
Trade payables	843,984
Other payables and accruals	1,732,008
	2,575,992

Statement of Comprehensive Income

The results of SMSB are as follows:

	2025 RM	GROUP 2024 RM
Revenue	30,855,276	38,044,551
Cost of sales	(32,036,301)	(33,883,866)
Gross (loss)/profit	(1,181,025)	4,160,685
Other income	284,061	602,556
Administrative expenses	(5,691,888)	(4,206,811)
Operating (loss)/profit	(6,588,852)	556,430
Finance income	15,627	21,024
Finance costs	(606)	(1,227)
(Loss)/Profit before tax	(6,573,831)	576,227
Taxation	(3,750)	(8,910)
(Loss)/Profit from discontinued operation, net of tax	(6,577,581)	567,317



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

16. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Statement of Cash Flows

The cash flows attributed from SMSB are as follows:

	GROUP 2025 RM
Operating activities	4,465,539
Investing activities	(1,656,115)
Financing activities	<u>(2,210,000)</u>

17. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid with no par value:				
Balance at beginning	1,154,399,559	1,153,672,959	192,151,994	191,988,509
Issuance of shares pursuant to:				
- ESS	624,400	726,600	152,978	163,485
- exercise of warrants	12,000	-	3,600	-
Balance at end	<u>1,155,035,959</u>	<u>1,154,399,559</u>	<u>192,308,572</u>	<u>192,151,994</u>

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

- (i) **624,400** (2024: 726,600) new ordinary shares pursuant to the Employees' Share Scheme ("ESS"). The related fair value of the ESS amounting to **RM152,978** (2024: RM163,485) was transferred from the ESS reserve to share capital upon vesting of ESS; and
- (ii) **12,000** (2024: Nil) new ordinary shares pursuant to the exercise of Warrants at an exercise price of RM0.30 per Warrant.

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

18. OTHER RESERVES

	NOTE	GROUP		COMPANY	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:					
Capital reserve	18.1	28,002,381	28,002,381	-	-
Foreign currency translation reserve	18.2	3,163,628	4,420,028	-	-
ESS reserve	18.3	2,439,726	2,435,263	2,439,726	2,435,263
		33,605,735	34,857,672	2,439,726	2,435,263

18.1 Capital reserve

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

18.2 Foreign currency translation reserve

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

18.3 Employees' share scheme ("ESS") reserve

The ESS reserve represents the fair value of equity-settled shares/share options granted and accepted by eligible employees and directors of certain subsidiary. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the shares/share options and is reduced by the expiry or exercise of the shares/share options. The salient terms and key assumptions used in deriving the fair value of the ESS options are disclosed in Note 34 to the financial statements.

The movements of ESS reserve are as follows:

	GROUP AND COMPANY	
	2025 RM	2024 RM
Balance at beginning	2,435,263	2,262,847
Vesting of ESS	(152,978)	(163,485)
Recognition of equity-settled share-based payment	203,528	335,901
ESS share forfeited	(46,087)	-
Balance at end	2,439,726	2,435,263

19. TRADE PAYABLES

The trade payables are non-interest bearing and are normally settled within **3 to 60 days** (2024: 7 to 90 days) credit terms.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

20. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	121,841	243,155	109,180	22,124
Accruals	1,401,758	3,015,504	317,513	267,000
Deposits received	9,677,000	7,000	9,670,000	-
	11,200,599	3,265,659	10,096,693	289,124

Included in the deposits received of the Group and of the Company is an amount of **RM9,670,000** (2024: RM Nil) received for the proposed disposal of SMSB as disclosed in Note 16 to the financial statements. The disposal transaction has been completed on 1 August 2025.

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
RM	11,192,723	3,244,323	10,096,693	289,124
USD	7,876	-	-	-
SGD	-	21,336	-	-
	11,200,559	3,265,659	10,096,693	289,124



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

21. REVENUE

21.1 Disaggregation of revenue information

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Continuing operations:				
Sales of electronic components and products	-	109,016,330	-	-
Sales of FFB	11,358,539	10,758,461	-	-
Sales of vehicles	16,494,220	-	-	-
Total revenue from contracts with customers from continuing operations	27,852,759	119,774,791	-	-
Gross dividend income from subsidiaries	-	-	3,340,000	4,700,000
Dividend income from quoted equity instruments	13,200	8,700	13,200	8,700
Other revenue from continuing operations	13,200	8,700	3,353,200	4,708,700
Total revenue from continuing operations	27,865,959	119,783,491	3,353,200	4,708,700
Discontinued operation:				
Sales of electronic components and products, represents total revenue from contracts with customers from discontinued operation	30,855,276	38,044,551	-	-
Total revenue	58,721,235	157,828,042	3,353,200	4,708,700

Revenue information based on geographical location of customers are disclosed in Note 28 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 Contract balances

	GROUP	
	2025 RM	2024 RM
Trade receivables (Note 12)	13,842,886	8,824,729
Trade receivables included in non-current assets held for sales (Note 16)	4,741,747	-
	18,584,633	8,824,729



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

21. REVENUE (CONT'D)

21.4 Performance obligations

The performance obligations to recognise revenue are as follows:

Sale of electrical components/products, FFB and vehicles

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

22. OTHER INCOME

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Continuing operations:				
Fair value gain on biological assets	-	58,042	-	-
Fair value gain on quoted equity instruments	-	72,000	-	72,000
Gain on derecognition of right-of-use assets and lease liability	-	23,299	-	-
Gain on disposal of property, plant and equipment	-	10,682	-	-
Miscellaneous	13,669	10,006	-	-
Realised gain on foreign exchange	59,711	484	-	-
Rental income	43,200	26,400	-	-
Reversal of impairment losses on investment in a subsidiary	-	-	3,088,042	-
Unrealised gain on foreign exchange	-	-	-	537,111
Unwinding of discount on amount due from a subsidiary	-	-	1,515,017	2,208,833
Total other income from continuing operations	116,580	200,913	4,603,059	2,817,944
Discontinued operation:				
Miscellaneous	110,289	208,194	-	-
Realised gain on foreign exchange	-	143,395	-	-
Scrap sales	173,772	250,967	-	-
Total other income from discontinued operation	284,061	602,556	-	-
Total other income	400,641	803,469	4,603,059	2,817,944



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

23. FINANCE INCOME

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Continuing operations:				
Interest income from:				
- amount due from a subsidiary	-	-	-	1,373,417
- licensed financial institution	<u>1,196,567</u>	<u>1,024,100</u>	<u>1,188,934</u>	<u>1,014,183</u>
Total finance income from continuing operations	<u>1,196,567</u>	<u>1,024,100</u>	<u>1,188,934</u>	<u>2,387,600</u>
Discontinued operation:				
Interest income from licensed financial institution	<u>15,627</u>	<u>21,024</u>	<u>-</u>	<u>-</u>
Total finance income from discontinued operation	<u>15,627</u>	<u>21,024</u>	<u>-</u>	<u>-</u>
Total finance income	<u>1,212,194</u>	<u>1,045,124</u>	<u>1,188,934</u>	<u>2,387,600</u>

24. FINANCE COSTS

	GROUP	
	2025 RM	2024 RM
Continuing operations:		
Accretion of interest on lease liability	-	3,868
Other interest charges	<u>4,150</u>	<u>-</u>
Total finance costs from continuing operations	<u>4,150</u>	<u>3,868</u>
Discontinued operation:		
Interest expenses on:		
- bank overdraft	606	169
- finance lease liability	<u>-</u>	<u>1,058</u>
Total finance costs from discontinued operation	<u>606</u>	<u>1,227</u>
Total finance costs	<u>4,756</u>	<u>5,095</u>



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

25. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Continuing operations:				
After charging:				
Fees for statutory audit:				
- Grant Thornton Malaysia PLT ("GTM PLT")	76,000	63,000	41,500	49,000
- Other auditors	13,018	17,814	-	-
Fees for assurance related and non-audit services:				
- GTM PLT	3,000	9,000	3,000	3,000
Depreciation of:				
- Property, plant and equipment	789,712	881,165	-	-
- Right-of-use assets	943,143	1,044,061	-	-
Directors' fee:				
- Executive directors of the Company	340,000	370,000	90,000	70,000
- Executive directors of the subsidiaries	150,000	200,000	-	-
- Non-executive directors of the Company	260,000	345,000	110,000	145,000
Expense relating to lease of low-value assets	1,870	1,870	-	-
Fair value loss on biological assets	26,046	-	-	-
Fair value loss on quoted equity instruments	36,290	-	36,290	-
Impairment loss on:				
- goodwill on consolidation	4,536,954	7,200,000	-	-
- investment in subsidiaries	-	-	-	5,854,642
Inventories written off	2,457	72,244	-	-
Property, plant and equipment written off	-	130,189	-	-
* Staff costs	917,867	1,052,815	16,500	14,500
Unrealised (gain)/loss on foreign exchange	(4,211)	9,764	1,577	-



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

25. (LOSS)/PROFIT BEFORE TAX (CONT'D)

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Discontinued operation:				
After charging:				
Fees for statutory audit:				
- Grant Thornton Malaysia PLT ("GTM PLT")	33,000	31,000	-	-
Depreciation of:				
- Property, plant and equipment	6,843,738	5,572,550	-	-
- Right-of-use assets	434,783	392,322	-	-
Directors' fee:				
- Executive directors of the Company	-	60,000	-	-
- Executive directors of the subsidiaries	-	30,000	-	-
Expense relating to lease of low-value assets	58,894	74,856	-	-
Expense relating to short-term leases	-	22,300	-	-
Inventories written down:				
- addition	-	154,555	-	-
- reversal	(111,401)	(930)	-	-
Property, plant and equipment written off	426,105	3,971	-	-
Realised loss on foreign exchange	739,555	-	-	-
* Staff costs	19,487,549	22,312,352	-	-
Unrealised loss on foreign exchange	53,293	28,991	-	-
* Staff costs				
Continuing operations:				
- Salaries, wages, allowances and bonus	845,995	977,613	16,500	14,500
- Defined contribution plans ("EPF")	49,399	66,511	-	-
- Social security contributions ("SOCSSO") and employment insurance scheme ("EIS")	22,473	8,691	-	-
Total staff costs from continuing operations	917,867	1,052,815	16,500	14,500



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

25. (LOSS)/PROFIT BEFORE TAX (CONT'D)

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Discontinued operation:				
- Salaries, wages, allowances and bonus	17,449,212	20,030,462	-	-
- EPF	1,565,769	1,647,235	-	-
- SOCSO and EIS	269,040	298,754	-	-
- Equity-settled share-based payment	203,528	335,901	-	-
Total staff costs from discontinued operation	19,487,549	22,312,352	-	-
Total staff costs	20,405,416	23,365,167	16,500	14,500

Included in the staff costs is directors' remuneration (including discontinued operation) as shown below:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors:				
Directors of the Company:				
- Salaries, bonus and allowances	2,007,500	1,506,604	7,500	4,500
- EPF	342,000	239,690	-	-
- SOCSO and EIS	1,197	1,040	-	-
- Equity-settled share-based payment	117,406	209,166	-	-
	2,468,103	1,956,500	7,500	4,500
Directors of the subsidiaries:				
- Salaries, bonus and allowances	291,470	323,709	-	-
- EPF	21,157	20,987	-	-
- SOCSO and EIS	1,197	1,040	-	-
- Equity-settled share-based payment	22,168	48,054	-	-
	335,992	393,790	-	-
	2,804,095	2,350,290	7,500	4,500



NOTES TO THE FINANCIAL STATEMENTS

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25. (LOSS)/PROFIT BEFORE TAX (CONT'D)

This is arrived at: (Cont'd)

Included in the staff costs is directors' remuneration (including discontinued operation) as shown below: (Cont'd)

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-executive directors:				
Directors of the Company:				
Allowances	<u>9,000</u>	<u>10,000</u>	<u>9,000</u>	<u>10,000</u>
Total	<u>2,813,095</u>	<u>2,360,290</u>	<u>16,500</u>	<u>14,500</u>
Analysed by:				
Present directors:				
- Executive	<u>2,804,095</u>	<u>2,350,290</u>	<u>7,500</u>	<u>4,500</u>
- Non-executive	<u>6,500</u>	<u>8,500</u>	<u>6,500</u>	<u>8,500</u>
	<u>2,810,595</u>	<u>2,358,790</u>	<u>14,000</u>	<u>13,000</u>
Past directors:				
- Non-executive	<u>2,500</u>	<u>1,500</u>	<u>2,500</u>	<u>1,500</u>
	<u>2,813,095</u>	<u>2,360,290</u>	<u>16,500</u>	<u>14,500</u>

26. TAXATION

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Continuing operations:				
Malaysian income tax:				
Based on results for the financial year				
- Current tax	<u>(384,306)</u>	<u>(443,762)</u>	<u>(1,938)</u>	<u>(1,300)</u>
- Deferred tax relating to the origination and reversal of temporary differences	<u>(960,410)</u>	<u>2,665,185</u>	<u>-</u>	<u>311,737</u>
	<u>(1,344,716)</u>	<u>2,221,423</u>	<u>(1,938)</u>	<u>310,437</u>
Under provision of current tax in prior year	<u>(164,142)</u>	<u>(76,707)</u>	<u>(306,848)</u>	<u>(4,571)</u>
Total taxation from continuing operations	<u>(1,508,858)</u>	<u>2,144,716</u>	<u>(308,786)</u>	<u>305,866</u>



NOTES TO THE FINANCIAL STATEMENTS

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26. TAXATION (CONT'D)

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Discontinued operation:				
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(3,750)	(5,046)	-	-
Under provision of current tax in prior year	-	(3,864)	-	-
Total taxation from discontinued operation	(3,750)	(8,910)	-	-
Total taxation	(1,512,608)	2,135,806	(308,786)	305,866

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

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax, continuing operations	(152,518)	(47,054,094)	8,170,140	(40,302,316)
(Loss)/Profit before tax, discontinued operation	(6,573,831)	576,227	-	-
(Loss)/Profit before tax	(6,726,349)	(46,477,867)	8,170,140	(40,302,316)
Income tax at Malaysian statutory tax rate of 24%	1,614,324	11,154,688	(1,960,834)	9,672,556
Effects of different tax rate in foreign jurisdiction	91,346	59,316	-	-
Expenses not deductible for tax purposes	(2,293,412)	(11,971,201)	(233,898)	(11,410,629)
Income not subject to tax	296,821	96,929	2,192,794	2,048,510
Annual crystallisation of deferred tax on revaluation reserve	201,414	199,821	-	-
Deferred tax on fair value adjustment of biological assets	6,251	(13,930)	-	-
Deferred tax assets not recognised	(1,392,202)	(1,448,328)	-	-
Utilisation of unrecognised unabsorbed capital allowances	126,992	4,139,082	-	-
	(1,348,466)	2,216,377	(1,938)	310,437
Under provision in prior year	(164,142)	(80,571)	(306,848)	(4,571)
	(1,512,608)	2,135,806	(308,786)	305,866



NOTES TO THE FINANCIAL STATEMENTS

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26. TAXATION (CONT'D)

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

	GROUP	
	2025 RM	2024 RM
Deferred tax recognised:		
Property, plant and equipment	16,059,996	14,894,080
Unabsorbed capital allowances	(9,350,835)	(2,422,682)
Unabsorbed reinvestment allowance	(6,709,161)	(12,471,398)
	-	-
Deferred tax assets not recognised:		
Unused tax losses	(4,493,238)	(4,493,238)
Unabsorbed reinvestment allowance	(14,028,798)	(8,266,561)
Others	(1,078,772)	(1,040,173)
	(19,600,808)	(14,329,107)

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

	GROUP	
	2025 RM	2024 RM
Unused tax losses	11,030,709	11,945,421
Unabsorbed capital allowances	9,350,835	2,982,920
Unabsorbed reinvestment allowance	20,737,959	20,737,959

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

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

	GROUP	
	2025 RM	2024 RM
Unused tax losses		
YA 2029	8,737,371	9,652,083
YA 2030	2,293,338	2,293,338
	11,030,709	11,945,421
Unabsorbed reinvestment allowance		
YA 2026	15,167,642	15,167,642
YA 2032	5,570,317	5,570,317
	20,737,959	20,737,959



NOTES TO THE FINANCIAL STATEMENTS

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27. LOSS PER SHARE

(a) Basic loss per share

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

	GROUP	
	2025	2024
(Loss)/Profit attributable to owners of the Company (RM)		
- Continuing operations	(1,915,176)	(37,105,381)
- Discontinued operation	(6,577,581)	567,317
	<u>(8,492,757)</u>	<u>(36,538,064)</u>
Weighted average number of ordinary shares in issue	<u>1,154,594,373</u>	<u>1,153,901,262</u>
Basic (loss)/earnings per share (sen)		
- Continuing operations	(0.17)	(3.22)
- Discontinued operation	(0.57)	0.05
	<u>(0.74)</u>	<u>(3.17)</u>

(b) Diluted loss per share

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

28. SEGMENTAL INFORMATION

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

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

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

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

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

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



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By business segments

	Continuing operations					Discontinued operation
	Plantation RM	Trading RM	Investment holding RM	Total continuing operations RM	Elimination RM	Total RM
Revenue from external customers	11,358,539	16,494,220	13,200	27,865,959	-	58,721,235
Inter-segment revenue	-	-	3,340,000	3,340,000	(3,340,000)	A -
Total revenue	11,358,539	16,494,220	3,353,200	31,205,959	(3,340,000)	58,721,235
Segment results	3,737,590	452,071	6,945,417	11,135,078	(6,588,852)	(7,933,787)
Interest expenses						(4,756)
Interest income						1,212,194
Loss before tax						(6,726,349)
Taxation						(1,512,608)
Loss for the financial year						(8,238,957)
Assets						
Segment assets	62,943,259	13,138,471	150,222,617	226,304,347	(144,039,631)	145,267,713
Current tax assets						16,206
Cash and cash equivalents						35,265,295
Total assets						180,549,214
Liabilities						
Segment liabilities	1,246,070	58,323,935	15,926,702	75,496,707	(115,062,655)	13,933,872
Deferred tax liabilities						11,916,754
Current tax liabilities						206,529
Total liabilities						26,057,155
Other information						
Additions to non-current assets	280,797	-	-	280,797	-	B 1,752,539
Depreciation of:						
- property, plant and equipment	789,712	-	-	789,712	-	7,633,450
- right-of-use assets	943,143	-	-	943,143	-	1,377,926
Non-cash expenses/(income) other than depreciation	4,565,457	(5,788)	37,867	4,597,536	-	C 4,965,533

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By business segments (Cont'd)

2024



NOTES TO THE FINANCIAL STATEMENTS

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28. SEGMENTAL INFORMATION (CONT'D)

Notes to segment information:

A. Inter-segment revenue are eliminated on consolidation.

B. Additions to non-current assets consist of:

	GROUP	
	2025 RM	2024 RM
Property, plant and equipment	1,752,539	5,188,656
Right-of-use assets	-	175,810
	1,752,539	5,364,466

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

	GROUP	
	2025 RM	2024 RM
Accretion of interest on lease liability	-	3,868
Allowance for ECL on trade receivables	-	45,617,271
Fair value loss/(gain) on biological assets	26,046	(58,042)
Fair value loss/(gain) on other investment	36,290	(72,000)
Gain on disposal of property, plant and equipment	-	(10,682)
Gain on derecognition of right-of-use assets and lease liability	-	(23,299)
Impairment loss on goodwill on consolidation	4,536,954	7,200,000
Inventories written down:		
- addition	-	154,555
- reversal	(111,401)	(930)
Inventories written off	2,457	72,244
Property, plant and equipment written off	426,105	134,160
Unrealised loss on foreign exchange	49,082	38,755
	4,965,533	53,055,900



NOTES TO THE FINANCIAL STATEMENTS

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28. SEGMENTAL INFORMATION (CONT'D)

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	31,368,454	11,134,310	67,332,973	133,460,977
Taiwan	27,352,781	37,677,402	-	-
Hong Kong	-	109,016,330	-	-
	<u>58,721,235</u>	<u>157,828,042</u>	<u>67,332,973</u>	<u>133,460,977</u>

Information about major customers

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

	Revenue		Segments
	2025 RM	2024 RM	
Customer A	27,352,781	37,677,402	Manufacturing
Customer B	-	63,704,334	Trading
Customer C	-	24,076,671	Trading
Customer D	-	21,235,325	Trading
Customer E	16,494,220	-	Trading
Customer F	8,278,368	-	Plantation
	<u>52,125,369</u>	<u>146,693,732</u>	



NOTES TO THE FINANCIAL STATEMENTS

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29. RELATED PARTY DISCLOSURES

(i) Identify related parties

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

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

(ii) Related party transactions

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Sales to IAC	27,353,781	37,677,402	-	-
Net repayment from subsidiaries	-	-	10,685,972	2,585,961
Gross dividend income from subsidiaries	-	-	3,340,000	4,700,000
Interest income received from a subsidiary	-	-	-	1,373,417

(iii) Compensation of key management personnel

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been disclosed in Note 25 to the financial statements.

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



NOTES TO THE FINANCIAL STATEMENTS

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30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

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

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2025			
Financial assets			
Trade receivables	13,842,886	13,842,886	-
Other receivables and refundable deposits	106,393	106,393	-
Other investment	228,900	-	228,900
Cash and cash equivalents	34,384,356	34,384,356	-
	48,562,535	48,333,635	228,900
Financial liabilities			
Trade payables	157,281	157,281	-
Other payables and accruals	11,200,599	11,200,599	-
	11,357,880	11,357,880	-
2024			
Financial assets			
Trade receivables	8,824,729	8,824,729	-
Other receivables and refundable deposits	244,025	244,025	-
Other investment	265,190	-	265,190
Cash and cash equivalents	31,487,751	31,487,751	-
	40,821,695	40,556,505	265,190
Financial liabilities			
Trade payables	1,028,119	1,028,119	-
Other payables and accruals	3,265,659	3,265,659	-
	4,293,778	4,293,778	-



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments (Cont'd)

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

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2025			
Financial assets			
Amount due from subsidiaries	69,610,520	69,610,520	-
Other investment	228,900	-	228,900
Cash and cash equivalents	32,939,399	32,939,399	-
	102,778,819	102,549,919	228,900
Financial liabilities			
Other payables and accruals	10,096,693	10,096,693	-
2024			
Financial assets			
Amount due from subsidiaries	57,409,531	57,409,531	-
Other investment	265,190	-	265,190
Cash and cash equivalents	30,383,011	30,383,011	-
	88,057,732	87,792,542	265,190
Financial liabilities			
Other payables and accruals	289,124	289,124	-

30.2 Financial risk management

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

30.3 Credit risk

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.1 Trade receivables

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

The Group extends credit terms to existing customers that range between **30 to 45 days** (2024: 30 to 120 days). In deciding whether credit terms shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis via Group's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount as disclosed in Note 12 to the financial statements.

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

	Gross RM	Allowance for ECL RM	Net RM
GROUP			
2025			
Not past due	13,842,886	-	13,842,886
Individually impaired	40,716,761	(40,716,761)	-
	<u>54,559,647</u>	<u>(40,716,761)</u>	<u>13,842,886</u>
2024			
Not past due	8,790,425	-	8,790,425
1 to 30 days past due	34,304	-	34,304
Individually impaired	45,617,271	(45,617,271)	-
	<u>54,442,000</u>	<u>(45,617,271)</u>	<u>8,824,729</u>

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

The Group has trade receivables amounting to **RM Nil** (2024: RM34,304) that are past due as at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

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

The Group has concentration of credit risk on **1 customer** (2024: 1 customer) which represent **94%** (2024: 92%) of total trade receivables.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.1 Trade receivables (Cont'd)

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

	GROUP	
	2025 RM	2024 RM
By geographical region:		
Malaysia	13,842,886	699,003
Taiwan	-	8,125,726
	13,842,886	8,824,729

	GROUP			
	2025		2024	
	RM	% of total	RM	% of total
By industry segments:				
- Trading	13,078,671	94.48	-	-
- Manufacturing	-	-	8,192,638	92.80
- Plantation	764,215	5.52	632,091	7.20
	13,842,886	100.00	8,824,729	100.00

Maximum exposure to credit risk

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

	Gross RM	Allowance for ECL RM	Net RM
Credit risk rating			
GROUP			
2025			
Low risk	13,842,886	-	13,842,886
Individually impaired	40,716,761	(40,716,761)	-
	54,559,647	(40,716,761)	13,842,886
2024			
Low risk	8,824,729	-	8,824,729
Individually impaired	45,617,271	(45,617,271)	-
	54,442,000	(45,617,271)	8,824,729



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Credit risk (Cont'd)

30.3.1 Trade receivables (Cont'd)

Maximum exposure to credit risk (Cont'd)

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

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

30.3.2 Intercompany balances

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

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 9 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable except for the impairment made for advance to the subsidiaries which the Company deems uncollectible as disclosed in Note 9 to the financial statements. The Company does not specifically monitor the ageing of these advances.

30.3.3 Financial guarantees

The Company provides unsecured corporate guarantees to financial institutions in respect of credit facilities granted to its subsidiary up to a limit of **RM2,000,000** (2024: RM2,000,000) of which none of the said credit facilities have been utilised as at the end of the reporting period.

30.4 Liquidity risk

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

The financial liabilities of the Group and of the Company as at the end of the reporting period will mature in less than one year based on the carrying amount reflected in the financial statements.

30.5 Foreign currency risk

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

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



NOTES TO THE FINANCIAL STATEMENTS

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30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

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

	(Decrease)/Increase			
	2025		2024	
	Equity RM	Loss before tax RM	Equity RM	Loss before tax RM
GROUP				
USD/RM - strengthened 10%	(4,250,256)	(302,617)	(5,023,951)	(840,234)
- weakened 10%	4,250,256	302,617	5,023,951	840,234
SGD/USD - strengthened 10%	(2,696)	(3,548)	(4,487)	(5,904)
- weakened 10%	<u>2,696</u>	<u>3,548</u>	<u>4,487</u>	<u>5,904</u>

COMPANY

	(Decrease)/Increase 2025	
	Equity RM	Profit before tax RM
USD/RM - strengthened 10%	(996)	(1,311)
- weakened 10%	<u>996</u>	<u>1,311</u>

	Decrease/(Increase) 2024	
	Equity RM	Loss before tax RM
USD/RM - strengthened 10%	(1,116)	(1,469)
- weakened 10%	<u>1,116</u>	<u>1,469</u>

30.6 Equity price risk

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

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

Sensitivity analysis for equity price risk

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

31. FAIR VALUE MEASUREMENT

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP AND COMPANY					
2025					
Financial asset					
Other investment	228,900	-	-	228,900	228,900
2024					
Financial asset					
Other investment	265,190	-	-	265,190	265,190

Level 1 fair value

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

Policy on transfer between levels

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

31.2 Fair value measurement of non-financial assets

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2025					
Biological assets	-	-	409,495	409,495	409,495
2024					
Biological assets	-	-	435,541	435,541	435,541



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

31. FAIR VALUE MEASUREMENT (CONT'D)

31.2 Fair value measurement of non-financial assets (Cont'd)

Level 3 fair value

The valuation techniques used in the determination of fair value of biological assets have been disclosed in Note 11 to the financial statements.

Policy on transfer between levels

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

32. CAPITAL COMMITMENT

	GROUP	
	2025 RM	2024 RM

Approved but not contracted for:

- Building

1,822,800

-

33. CAPITAL MANAGEMENT

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

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

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

34. EMPLOYEES' SHARE SCHEME ("ESS")

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

The salient features of the ESS are as follows:

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

34. EMPLOYEES' SHARE SCHEME ("ESS") (CONT'D)

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

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

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

Grant date	Exercise price RM	Number of ESS options				Balance at 30.6.2025
		Balance at 1.7.2024	Granted	Exercised	(Lapsed)	
27.7.2021	0.225	41,167,900	-	-	-	41,167,900

Grant date	Number of ESS shares				Balance at 30.6.2025
	Balance at 1.7.2024	Granted	Vested	Forfeited	
27.7.2021	626,400	-	(624,400)	(2,000)	-

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

35. WARRANTS B 2021/2024

During the financial year, the remaining 346,089,878 unexercised Warrant B 2021/2024 has been lapsed on 25 November 2024.

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

	Number of Warrants				
	Balance at 1.7.2024	Granted	Exercised	Lapsed	Balance at 30.6.2025
Warrant B 2021/2024	346,101,878	-	(12,000)	(346,089,878)	-

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

Terms	Details
Form	The Warrants will be issue in registered form and constituted by the Deed Poll.
Expiry date	Three (3) years from the date of issuance of the Warrants.
Exercise price	RM0.30 payable upon exercise of each Warrant.
Exercise period	The Warrants may be exercised at any time within the period commencing the date of issue of the Warrants and will be expiring on 25 November 2024. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise rights	Each Warrants carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Governing law	Laws and regulations of Malaysia.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's shares or unless otherwise resolved by Company in a general meeting.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank <i>pari passu</i> in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

36. MATERIAL LITIGATIONS

Inventec Appliances Corporation ("IAC") vs Lee Min Huat, Ong Lai Choon, Law Kim Fatt, Lim Ee Tatt, Lim Chiow Hoo, Ang Kai Sing and Scope Industries Berhad ("the Company") ("1st to 7th Defendants") - PA-24NCC-20-05/2025 ("OS 20")

On 20 May 2025, IAC filed OS 20 against the 1st to 7th Defendants premised on an alleged understanding and legitimate expectations, where the Company had disregarded and acted in a manner unfairly prejudicial to the interest of IAC as a member of the Company, as well as to its expectation that the wholly owned subsidiary, SMSB, would refrain from engaging in business with IAC's competitors.

IAC also seek to set aside or cancel/rescind the SAA and apply an injunction to restrain the Company to dispose the entire equity interest in SMSB to Luxshare Precision Singapore Pte. Ltd. or any competitor of IAC in the OS 20.

On 16 October 2025, the High Court has struck out OS 20 without liberty to file afresh and with costs in favour of the Company.

Inventec Appliances Corporation ("IAC") and Inventec Appliances (Malaysia) Sdn. Bhd. ("IASB") vs Scope Manufacturers (M) Sdn. Bhd. ("SMSB") - PA-22NCvC-75-05/2025 ("Suit 75")

On 20 May 2025, IAC and IASB filed claim against a wholly-owned subsidiary of the Company, SMSB premised on an alleged express and/or implied terms of confidentiality under the Manufacturing Service Agreement entered into between IAC and SMSB. On 26 May 2025, IAC and IASB filed an application to seek an interim injunction to restrain SMSB from disclosing their confidential information to any third party without prior consent ("Injunction Application"). The High Court granted an ex-parte interim injunction on 28 May 2025 against the Company.

On 9 June 2025, the Company filed an application to set aside the ex-parte interim injunction application ("Setting Aside Application"). The ex-parte interim injunction was subsequently revoked, and no ad-interim injunction was granted to IAC and IASB on 11 June 2025.

On 16 October 2025, the High Court has struck out Suit 75, Injunction Application and Setting Aside Application without liberty to file afresh and with costs in favour of SMSB.

37. EVENTS AFTER THE REPORTING PERIOD

(i) Acquisition of office

On 1 July 2025, a wholly owned subsidiary of the Company, SDSB, has entered into an agreement with third parties to acquire an unit of executive office for a total cash consideration of RM1,860,000. The acquisition was completed as of the date of this report.

(ii) Subscription of non-convertible redeemable preference shares ("NRPS") in Malacca Securities Sdn. Bhd. ("MSEC")

On 15 July 2025, the Company entered into an agreement with MSEC for subscription of 20,000,000 cumulative NRPS at consideration of RM1 per NRPS, for a total cash consideration of RM20,000,000.

(iii) Subscription of ordinary shares in SMSB

On 31 July 2025, the Company subscribed to an additional 53,480,000 ordinary shares in SMSB at RM53,480,000 through conversion of amount due from SMSB.

(iv) Declaration of special single-tier interim dividend for financial year ending 30 June 2026

On 8 October 2025, the Company declared a special single-tier interim dividend of RM0.02 per ordinary share in respect of the financial year ending 30 June 2026 and payable on 4 November 2025. The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 30 June 2026.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third ("23rd") Annual General Meeting of the Company will be held at Function Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Friday, 28 November 2025 at 10.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS :

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. **Please refer to the Explanatory Notes**
2. To approve the payment of Directors' fees and Directors' benefits of RM616,500 for the financial year ended 30 June 2025. **Ordinary Resolution 1**
3. To re-elect Mr. Lim Chiow Hoo as a Director who retires in accordance with Article 95 of the Company's Constitution. **Ordinary Resolution 2**
4. To re-elect Ms. Ang Kai Sing as a Director who retires in accordance with Article 102 of the Company's Constitution. **Ordinary Resolution 3**
5. To re-appoint 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 4**

AS SPECIAL BUSINESS :

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

6. ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES

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

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

Ordinary Resolution 5

7. 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

Pulau Pinang

Date : 30 October 2025



NOTICE OF ANNUAL GENERAL MEETING

Notes :

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time of holding the meeting.
7. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
8. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
9. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
10. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to the Article 69 of the Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 20 November 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
11. All the resolutions as set out in this notice of Annual General Meeting will be put to vote by poll.

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 2025 together with the Reports of the Directors and Auditors thereon

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

Ordinary Resolutions 2 and 3 – Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to Article 95 and Article 102 of the Company's Constitution respectively at the 23rd Annual General Meeting of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution:-

- a) Mr. Lim Chiow Hoo (Article 95)
 - b) Ms. Ang Kai Sing (Article 102)
- (collectively referred to as "**Retiring Directors**")

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

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

The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Profile of Directors of the Annual Report 2025.



NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Special Business

Ordinary Resolution 5 – Authority to issue shares

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

The proposed Ordinary Resolution 5, if passed, primarily to renew the mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general authority granted to the Directors at the Twenty-Second Annual General Meeting held on 28 November 2024 and which will lapse at the conclusion of the 23rd Annual General Meeting to be held on 28 November 2025.

A renewal of this authority is being sought at the 23rd Annual General Meeting under proposed Ordinary Resolution 5.

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

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

The proposed Ordinary Resolution 5, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

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 Director who is 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 5 as stated in the Notice of Annual General Meeting of the Company for the details.



LIST OF PROPERTIES

	Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of Building (Years)	Land Area	Built up Area	Existing Use	Audited Net Carrying Amount as at 30 June 2025 RM
1	Luxshare Precision (M) Sdn. Bhd. (Formerly known as 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)	24	65,340 sq. ft	79,200 sq. ft	Double storey factory and office for use as factory and office	5,919,222
2	Luxshare Precision (M) Sdn. Bhd. (Formerly known as 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)	20	87,120 sq. ft	66,000.0 sq. ft	Double storey office with annexed single storey factory building for use as office and factory	4,050,548
3	Luxshare Precision (M) Sdn. Bhd. (Formerly known as Scope Manufacturers (M) Sdn. Bhd.) PN 343873, Lot 11455 Jalan Perusahaan 3 Kawasan Perindustrian Parit Buntar 34200 Parit Buntar Perak, Malaysia	12.01.2021	Industrial Land	Leasehold for 60 years (expiring on 16.02.2049)	2	2.5 acres	N/A	Double storey factory and office for use as factory and office	19,559,250
4	Luxshare Precision (M) Sdn. Bhd. (Formerly known as Scope Manufacturers (M) Sdn. Bhd.) PN 160492, Lot 10124 (Previously known as H.S.(D) 2842) Mukim Parit Buntar, Daerah Kerian Perak, Malaysia	03.03.2023	Industrial Land	Leasehold for 60 years (expiring on 13.03.2039)	N/A	87,145 sq. ft	N/A	Warehousing	3,748,092



LIST OF PROPERTIES

									Audited Net Carrying Amount as at 30 June 2025 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	Plantation Land	Leasehold for 99 years (expiring on 31.12.2094)	N/A	3,496.47 acres	N/A	Plantation land	34,539,394
6	Pioneer Glow Sdn. Bhd. Title No. CL 095331801 District of Kinabatangan (Tongod) Locality of Sungai Milian, Sabah	19.7.2012	Estate building	Leasehold for 99 years (expiring on 31.12.2094)	N/A	N/A	N/A	Estate office, warehouse, workshop and labour quarters	13,174
7	Benua Mutiara Sdn. Bhd. Title No. CL 095311167 District of Kinabatangan Locality of Segaliud-Lokan, Off KM 83 Sandakan-Lahad Datu Highway, Sabah	20.6.2013	Plantation Land	Leasehold for 99 years (expiring on 31.12.2079)	N/A	793.2 acres	N/A	Plantation land	21,373,463
8	Scope Realty Sdn. Bhd. GM 1645, Lot7410 GM 1646, Lot7411 GM 1647, Lot7412 and GM 1648, Lot7413 Mukim Parit Buntar, Daerah Kerian Perak, Malaysia	31.10.2022	Vacant Land	Freehold	N/A	7.45 acres	N/A	Vacant	5,772,866

94,976,009



ANALYSIS OF SHAREHOLDINGS

as at 14 October 2025

- 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	76	1.24	3,113	0.00
100 – 1,000	457	7.46	300,350	0.02
1,001–10,000	1,747	28.52	11,516,276	1.00
10,001 – 100,000	2,929	47.81	120,583,201	10.44
100,001 – 57,751,797(*)	913	14.90	652,473,254	56.49
57,751,798 and above (**)	4	0.07	370,159,765	32.05
Total	6,126	100.00	1,155,035,959	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	75,113,100	6.50	-	-
Lee Min Huat	184,302,765	15.96	-	-
Wah Len Enterprise Sdn. Bhd.	101,412,600	8.78	-	-
Dato' Lim Chee Wah	-	-	101,412,600*	8.78
Lim Ee Tatt	4,519,500	0.39	101,412,600*	8.78
Lim Ee Keong	-	-	101,412,600*	8.78
Lim Saw Khim	-	-	101,412,600*	8.78
Inventec Appliances Corp.	84,444,400	7.31	-	-
Inventec Corporation	-	-	84,444,400^	7.31

Notes:

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

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



ANALYSIS OF SHAREHOLDINGS

as at 14 October 2025

D. DIRECTORS' SHAREHOLDINGS

Name	Number of Ordinary Shares			
	Direct	%	Indirect	%
Lim Chiow Hoo	75,113,100	6.50	-	-
Lee Min Huat	184,302,765	15.96	-	-
Lim Ee Tatt	4,519,500	0.39	101,412,600*	8.78
Law Kim Fatt	-	-	-	-
Ang Kai Sing	-	-	-	-

Note:

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

INTEREST IN RELATED CORPORATION(S)

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

E. THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of total issued shares
1. Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Min Huat (7005950)</i>	120,193,465	10.41
2. Wah Len Enterprise Sdn. Bhd.	101,412,600	8.78
3. Inventec Appliances Corp	84,444,400	7.31
4. Lee Min Huat	64,109,300	5.55
5. Lim Chiow Hoo	48,063,100	4.16
6. Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt An for Standard Chartered Bank Singapore Branch (BJSSSGBR-CL FR)</i>	35,162,700	3.04
7. Lim Chiow Hoo	27,050,000	2.34
8. Ooi Keng Thye	20,401,300	1.77
9. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tay Hock Soon (MY1055)</i>	18,000,000	1.56
10. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cipta Pantas Sdn. Bhd.</i>	17,500,000	1.52
11. Er Soon Puay	16,500,000	1.43
12. Lee Tack Chong	15,548,440	1.35
13. Ooi Eng Leong	8,610,000	0.75
14. Cheng Chew Giap	7,650,000	0.66
15. Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Liew Haw Chin (3007974)</i>	6,500,000	0.56
16. Tan Ai Fung	6,330,000	0.55



ANALYSIS OF SHAREHOLDINGS

as at 14 October 2025

E. THIRTY LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of Shares	% of total issued shares
17. Ong Ngoh Ing @ Ong Chong Oon	6,000,000	0.52
18. Yap Pei Pei	6,000,000	0.52
19. Lim Ee Tatt	4,519,500	0.39
20. Tan Ah Pan	4,433,500	0.38
21. Lee Sep Pian	4,417,500	0.38
22. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Soh Eng Choong (D JAYA-CL)</i>	4,400,000	0.38
23. Citigroup Nominees (Asing) Sdn. Bhd. <i>CBHK for China Everbright Securities (HK) Limited</i>	4,200,000	0.36
24. Ng Chooi Lee	4,180,000	0.36
25. Ong Ching Joo	4,000,000	0.35
26. Lim Yi Hao	3,990,000	0.35
27. Ong Kar Fatt	3,700,000	0.32
28. Getaria Realty Sdn. Bhd.	3,600,000	0.31
29. Moomoo Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ong Chuan Wooi</i>	3,500,000	0.30
30. Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Er Soon Puay</i>	3,348,700	0.29



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PROXY FORM

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

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

I/We
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Registration No.....)

of
(FULL ADDRESS)

being a *member/members of **SCOPE INDUSTRIES BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

*and

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Address			
E-mail	Contact No.		

or failing *him/her, the Chairman of the meeting, as *my/our proxy, to vote for *me/us and on *my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held at Function Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Friday, 28 November 2025 at 10:30 a.m., and at any adjournment thereof to vote as indicated below:-

No. of Resolution	Resolutions	For	Against
Ordinary Resolution 1	Approval of the payment of Directors' fees and Directors' benefits for the financial year ended 30 June 2025		
Ordinary Resolution 2	Re-election of Mr. Lim Chiow Hoo as Director		
Ordinary Resolution 3	Re-election of Ms. Ang Kai Sing as Director		
Ordinary Resolution 4	Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 5	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		

(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 2025.

Signature of Member(s)/ Common Seal

* Strike out whichever is not desired



Notes :

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Any authority pursuant to such appointment is made by a power of attorney must be deposited at the the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time of holding the meeting.
7. For a corporate member who has appointed an authorised representative, please deposit the original/duly signed certificate of appointment of authorised representative at the Registered Office of the Company at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
8. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
9. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
10. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to the Article 69 of the Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 20 November 2025 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
11. All the resolutions as set out in this notice of Annual General Meeting will be put to vote by poll.

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**AFFIX
STAMP**

The Company Secretaries
SCOPE INDUSTRIES BERHAD
200201023713 (591376-D)
Suite 16.06, MWE Plaza
No. 8 Lebuhr Farquhar
10200 George Town
Pulau Pinang

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

Lot 6181 Jalan Perusahaan 2
Kawasan Perindustrian Parit Buntar
34200 Parit Buntar, Perak
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