

SCOPE

SCOPE INDUSTRIES BERHAD

[Company No.: 202001023713 (591376-D)]
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of the Company will be held at O&G Hotel, Conference Room 1, 1-L1-6, Jalan Wawasan 2, Taman Wawasan Jaya, 34200 Parit Buntar, Perak on Thursday, 26 November 2020 at 11:00a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS :

- | | |
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| 1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2020 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 RM259,000 for the financial year ending 30 June 2021. | Ordinary Resolution 1 |
| 3. To re-elect Mr Lee Min Huat as a Director who retires in accordance with Article 95 of the Company's Constitution. | Ordinary Resolution 2 |
| 4. To re-elect Mr Lim Ee Tatt as a Director who retires in accordance with Article 95 of the Company's Constitution. | Ordinary Resolution 3 |
| 5. To re-elect Mr Chew Kong Yoon as a Director who retires in accordance with Article 95 of the Company's Constitution. | Ordinary Resolution 4 |
| 6. To re-appoint Messrs Grant Thornton 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 5 |

AS SPECIAL BUSINESS :

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

7. **ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES**
"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
Ordinary Resolution 6
8. **ORDINARY RESOLUTION MANDATE FOR MR TAN POH HENG TO CONTINUE TO ACT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**
"THAT approval be and is hereby given to Mr Tan Poh Heng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."
Ordinary Resolution 7
9. **ORDINARY RESOLUTION MANDATE FOR MR YONG LOONG CHEN TO CONTINUE TO ACT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**
"THAT approval be and is hereby given to Mr Yong Loong Chen who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."
Ordinary Resolution 8
10. 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
FOO LI LING (MAICSA 7019557) SSM PC No. 201908001737
Company Secretaries

Penang

Date : 30 October 2020

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, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang 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. 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.
7. 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.
8. 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 19 November 2020 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.
9. All resolutions as set out in this notice of Eighteenth Annual General Meeting are to be voted 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 2020 together with the Reports of the Directors and Auditors thereon

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

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits for the financial year ending 30 June 2021

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for financial year 2021 as well as the payment of Directors' fees to the directors of the subsidiary companies who are also the Directors of the Company, and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

Explanatory Notes on Special Business

Ordinary Resolution 6 – Authority to issue shares

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

The proposed Ordinary Resolution 6, 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 20% 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 raised RM12,235,925.28 from the issuance of 69,919,573 new ordinary shares (via private placement) pursuant to Section 75 and Section 76 of the Companies Act 2016 under the general authority which was approved at the Seventeenth Annual General Meeting held on 27 November 2019 and which will lapse at the conclusion of the Eighteenth Annual General Meeting to be held on 26 November 2020. The total proceeds of RM12,235,925.28 from private placement exercise has not been utilised as at 5 October 2020.

A renewal of this authority is being sought at the Eighteenth Annual General Meeting under proposed Ordinary Resolution 6.

Bursa Malaysia Securities Berhad had vide its letter dated 16 April 2020 granted greater flexibility for listed issuers to raise fund quickly and efficiently through an increased general mandate limit for new issue of securities from the existing 10% to not more than 20% of the total number of issued shares (excluding treasury shares) ("20% General Mandate") to assist and support listed issuers in these trying and challenging times due to the COVID-19 pandemic.

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).

The Board, having considered the current financial position, challenging economic outlook, strategic planning and capacity of the Group, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

Ordinary Resolution 7 and 8 – Mandate for Mr Tan Poh Heng and Mr Yong Loong Chen to continue to act as Independent Non-Executive Directors

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

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

ADMINISTRATIVE GUIDE

Dear Valued Shareholders,

It is our pleasure to invite you to the 18th Annual General Meeting of the Company, which will be held as follows:

Date : Thursday, 26 November 2020
Time : 11.00 a.m.
Venue : O&G Hotel, Conference Room 1,
1-L1-6, Jalan Wawasan 2, Taman Wawasan Jaya,
34200 Parit Buntar, Perak

Please scan the QR code for the following documents of the Company which are also available at <http://www.scope.com.my>

1. Notice of AGM and Administrative Guide
2. Annual Report 2020
3. Proxy Form



You may request for printed copies of documents above by filling up the "Request Form" attached. With the accurate and complete information, a copy of the Annual Report 2020 will be delivered to you by ordinary post as soon as reasonably practicable.

If you wish to appoint a proxy to attend and vote on your behalf at the 18th Annual General Meeting, you may deposit your proxy form at the Registered Office, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting.

We thank you for your continued support to Scope Industries Berhad.

Yours faithfully
for and on behalf of the Board of
SCOPE INDUSTRIES BERHAD

Chew Kong Yoon
Chairman
Non-Independent Non-Executive Director

30 October 2020

ADMINISTRATIVE GUIDE (Cont'd)

Date	Time	Venue
Thursday, 26 November 2020	11.00 a.m.	O&G Hotel, Conference Room 1, 1-L1-6, Jalan Wawasan 2, Taman Wawasan Jaya, 34200 Parit Buntar, Perak.

MEASURES TO MINIMISE RISK OF COVID-19

1. In order to minimize the risk of community spread of COVID-19, the Company will be taking the following safety and precautionary measures at the 18th Annual General Meeting ("AGM"):
 - (a) All attendees will be required to wear face masks, undergo temperature check and make health declaration prior to entering the meeting venue.
 - (b) Any attendee who has a fever (temperature of 37.5 °C or higher) or exhibits flu-like symptoms such as runny nose, cough, sore throat, shortness of breath will not be allowed to attend the 18th AGM.
 - (c) All attendees are required to use the hand sanitizers as provided.
2. If you are unwell with sore throat/ fever/ flu/ cough/ shortness of breath or showed symptoms of respiratory illness, you are strongly encouraged not to attend the Company's 18th AGM. In view of this, we strongly encourage members to appoint the Chairman of the Meeting as their proxy to attend and vote at the 18th AGM.
3. The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.

REGISTRATION

Registration will start at 9:30 a.m. on 26 November 2020. For precautionary and safety measure, the door to the Meeting venue will be closed sharp at 11:00 a.m. Attendees are advised to arrive early at the Meeting venue given that the above-mentioned precautionary measures may cause delay in the registration process.

GENERAL MEETING RECORD OF DEPOSITORS

Only a depositor whose names appears on the Record of Depositors as at 19 November 2020 shall be eligible to attend or appoint a proxy to attend and/or vote on his/her behalf.

DOOR GIFT/REFRESHMENT

To ensure social and physical distancing and as a measure to reduce crowds, there will be no door gifts or food voucher or refreshment served at the 18th AGM.

SEATING ARRANGEMENTS

On the seating arrangements and number of individuals to be present at the meeting venue, the Company will observe and abide by the prevailing directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Security Council and other relevant authorities to curb the spread of the COVID-19 pandemic.

ENQUIRY

If you have any enquiries prior to the 18th AGM, please contact the following persons during office hours:-

Scope Industries Berhad

Lot 6181 Jalan Perusahaan 2
Kawasan Perindustrian Parit Buntar
34200 Parit Buntar, Perak

Tel No. : 05-716 9605

Fax No. : 05-716 6606

Email : jameslee@scope.com.my

Contact Person: Mr. James Lee

Share Registrar:

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor

Tel No. : 03-7890 4700

Fax No. : 03-7890 4670

Email : Zahidah.Ismail@boardroomlimited.com

Contact Person: Ms. Zahidah Binti Ismail