



SCOPE

SCOPE INDUSTRIES BERHAD

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

RESILIENCE AT THE CORE

ANNUAL REPORT 2026



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RESILIENCE AT THE CORE

As Scope Industries Berhad ("Scope") enters its next phase of growth, resilience remains the unifying force that shapes the Group's direction and decision-making. Built upon a strong plantation foundation, the Group embraces the interconnected nature of responsible business, where operational excellence, environmental stewardship and community well-being work in harmony to reinforce one another. By remaining steadfast at its core while adapting to evolving opportunities, Scope continues to strengthen its resilience and create enduring value for generations to come.

24th ANNUAL GENERAL MEETING

Venue:

Function Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur

Date and Time:

Wednesday, 18 November 2026 at 3:30 p.m.

CORPORATE INFORMATION

DIRECTORS



LEE MIN HUAT
Executive Chairman



LIM EE TATT
Executive Director
(Re-designated as Executive Director on 27 February 2026)



LIM CHIUW HOO
Non-Independent
Non-Executive Director
(Re-designated as Non-Independent Non-Executive Director on 27 February 2026)



LAW KIM FATT
Independent
Non-Executive Director



ANG KAI SING
Independent
Non-Executive Director



TAN HUI TING
Independent
Non-Executive Director
(Appointed on 27 February 2026)



ONG LAI CHOON
Executive Director
(Resigned on 1 August 2025)

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)
Ang Kai Sing
Tan Hui Ting

REMUNERATION COMMITTEE

Tan Hui Ting (Chairman)
Ang Kai Sing
Law Kim Fatt

NOMINATION COMMITTEE

Ang Kai Sing (Chairman)
Law Kim Fatt
Tan Hui Ting

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

7-3, Mercu Aspire
No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
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

PRINCIPAL BANKERS

AmBank (M) Berhad
AmInvestment Bank Berhad

WEBSITE

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

STOCK EXCHANGE LISTING

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

AUDITORS

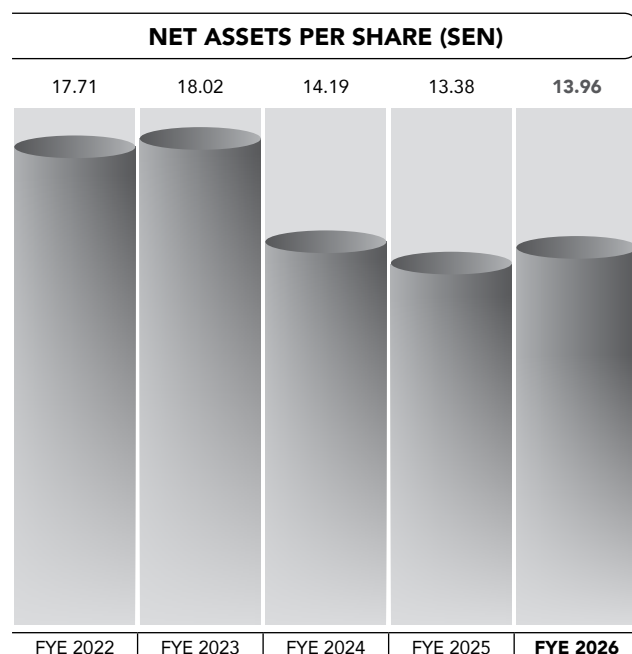
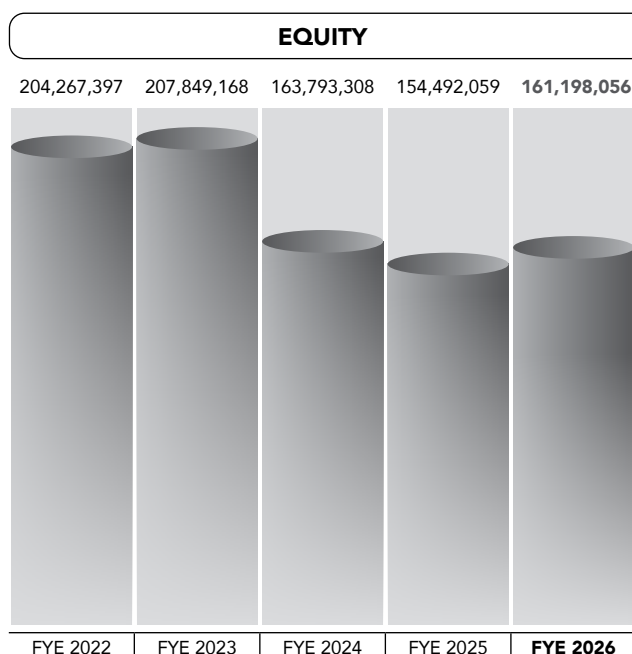
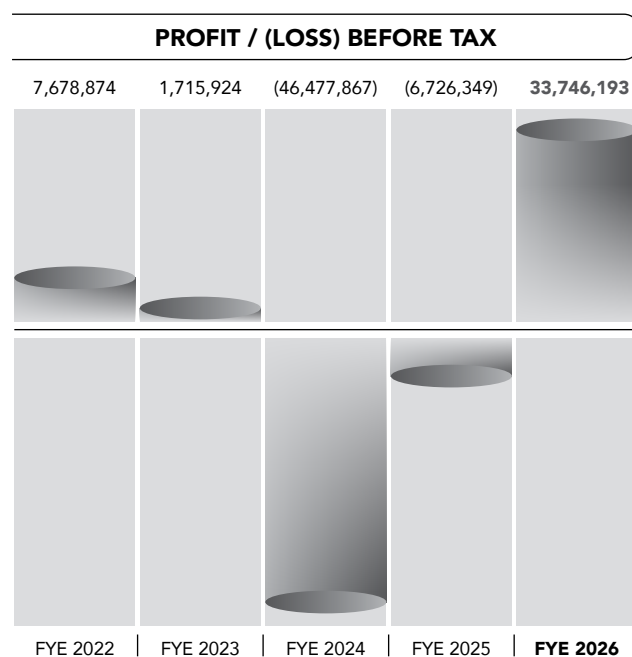
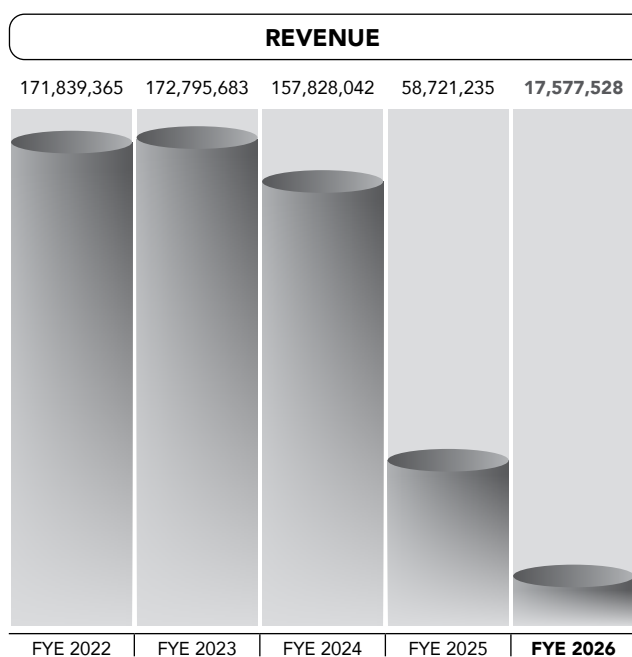
Grant Thornton Malaysia PLT
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2692 4022
Fax: 03-2691 5229

FINANCIAL HIGHLIGHTS

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026 ¹
Revenue	171,839,365	172,795,683	157,828,042	58,721,235	17,577,528
Profit / (Loss) Before Tax	7,678,874	1,715,924	(46,477,867)	(6,726,349)	33,746,193
Equity	204,267,397	207,849,168	163,793,308	154,492,059	161,198,056
Net Assets Per Share (sen)	17.71	18.02	14.19	13.38	13.96
Number of Shares in Issue	1,153,672,959	1,153,672,959	1,154,399,559	1,155,035,959	1,155,035,959

Note:

¹ Luxshare Precision (M) Sdn. Bhd. ceased to be a subsidiary of the Group on 1 August 2025.



HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

Scope Industries Berhad ("Scope" or "the Company") was incorporated in Malaysia on 2 September 2002 under the Companies Act, 1965 as a public limited company under its present name.

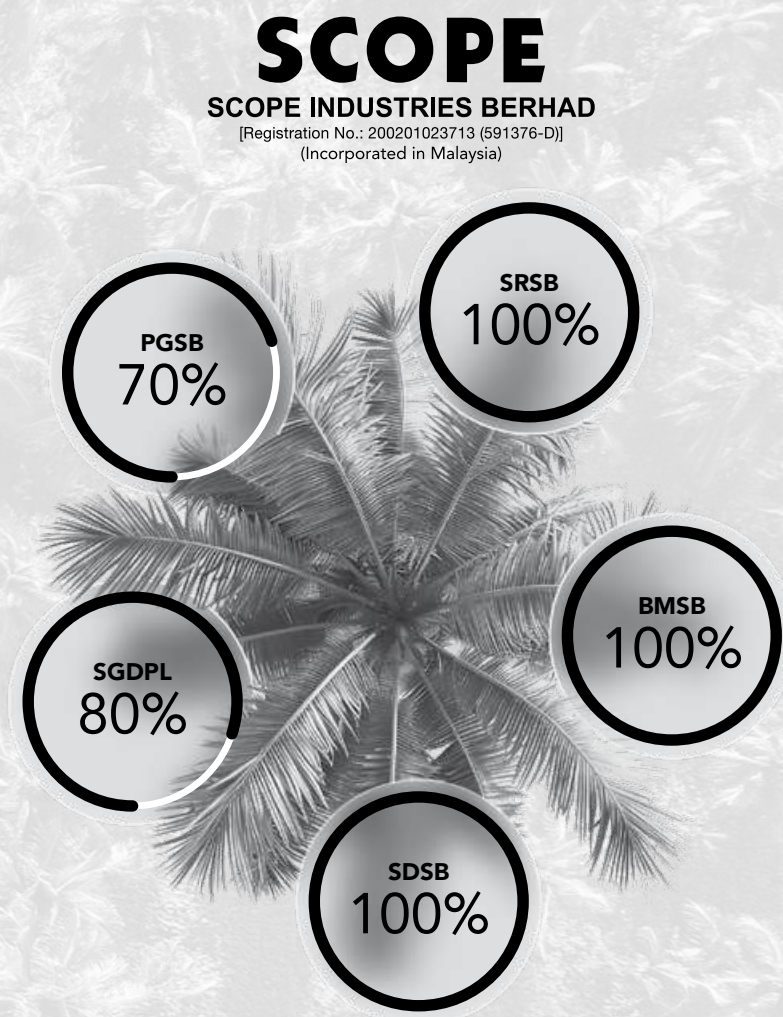
Scope is principally an investment holding company and has three (3) wholly-owned subsidiaries, namely Benua Mutiara Sdn. Bhd. ("BMSB"), Scope Realty Sdn. Bhd. ("SRSB") and Scope Distributor Sdn. Bhd. ("SDSB"). In addition, Scope has a seventy percent (70%) owned subsidiary, Pioneer Glow Sdn. Bhd. ("PGSB"),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

The core business of the Company and its subsidiaries ("Scope Group") are oil palm plantation.



HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

The current group structure is as follows:-



The principal activities of its subsidiaries are as follows:-

Companies	Date and Place of Incorporation	Principal Activities
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.
Scope Realty Sdn. Bhd. (SRSB)	2 August 2022 Malaysia	Activities of holding companies.
Scope Distributor Sdn. Bhd. (SDSB)	18 April 2025 Malaysia	Wholesale of a variety of goods without any particular specialisation n.e.c.

Advancing with Purpose

The financial year ended 30 June 2026 ("FY 2026") marked a period of strategic transition for Scope Industries Berhad ("Scope" or "the Company") and its subsidiaries ("the Group"), as the Group progressed with the realignment of its business portfolio towards its plantation and trading segments. Against an operating environment shaped by geopolitical uncertainties, inflationary pressures and commodity price volatility, Scope remained focused on strengthening its business fundamentals while navigating evolving market conditions. With the disposal of its manufacturing business completed during the financial year, the Group enters its next phase with a more focused business direction and greater flexibility to pursue sustainable value creation.

Group Insights

Our Business Footprint



Plantation

Kinabatangan, Sabah



Trading

Malaysia / Singapore

Group Insights (Cont'd)

Our Business Portfolios



Plantation Division

The Plantation Division represents a key area of focus for the Group, with activities centred on oil palm cultivation in Kinabatangan, Sabah. Through Pioneer Glow Sdn. Bhd. ("PGSB") and Benua Mutiara Sdn. Bhd. ("BMSB"), the division supports Scope's participation in Malaysia's established palm oil industry and forms an integral part of the Group's longer-term business direction.

Trading Division

The Trading Division, undertaken through Scope Global Distributor Pte. Ltd. ("SGDPL") in Singapore and Scope Distributor Sdn. Bhd. ("SDSB") in Malaysia. SGDPL is principally involved in the trading of electrical and electronic products as well as motor vehicles, while SDSB undertakes general trading activities across a variety of goods. The division complements the Group's business portfolio by providing access to broader regional market opportunities.

Manufacturing Division – Discontinued Operation

Previously undertaken through Luxshare Precision (M) Sdn. Bhd. (formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("Luxshare"), the Manufacturing Division specialised in Printed Circuit Board Assembly ("PCBA") and box-build solutions before its disposal during FY 2026.

Reshaping the Business Portfolio: Completion of Manufacturing Disposal

Following shareholders' approval obtained on 11 July 2025, the Company completed the disposal of its entire equity interest in Luxshare to Luxshare Precision Singapore Pte. Ltd. on 1 August 2025 for a total consideration of RM93.6 million.

The disposal marked a key step in the Group's strategic realignment, streamlining its business portfolio and sharpening its focus on the Plantation and Trading Divisions. It also strengthened Scope's financial flexibility to pursue opportunities aligned with its longer-term strategic direction.

Operating Amid Market Dynamics

FY 2026 unfolded against a dynamic global operating environment, shaped by persistent geopolitical uncertainties, inflationary pressures and fluctuations in commodity prices. Ongoing geopolitical developments continued to influence global trade, supply chains and commodity markets, contributing to uncertainties in global demand and supply conditions. These factors, alongside broader inflationary pressures, continued to shape the operating landscape for businesses across various sectors.

For Scope, developments in the external environment remain particularly relevant to its plantation and trading activities. Commodity price movements may influence the performance of the plantation segment, while changes in input costs, market demand and regional trade conditions may affect the operating environment across the Group's businesses.

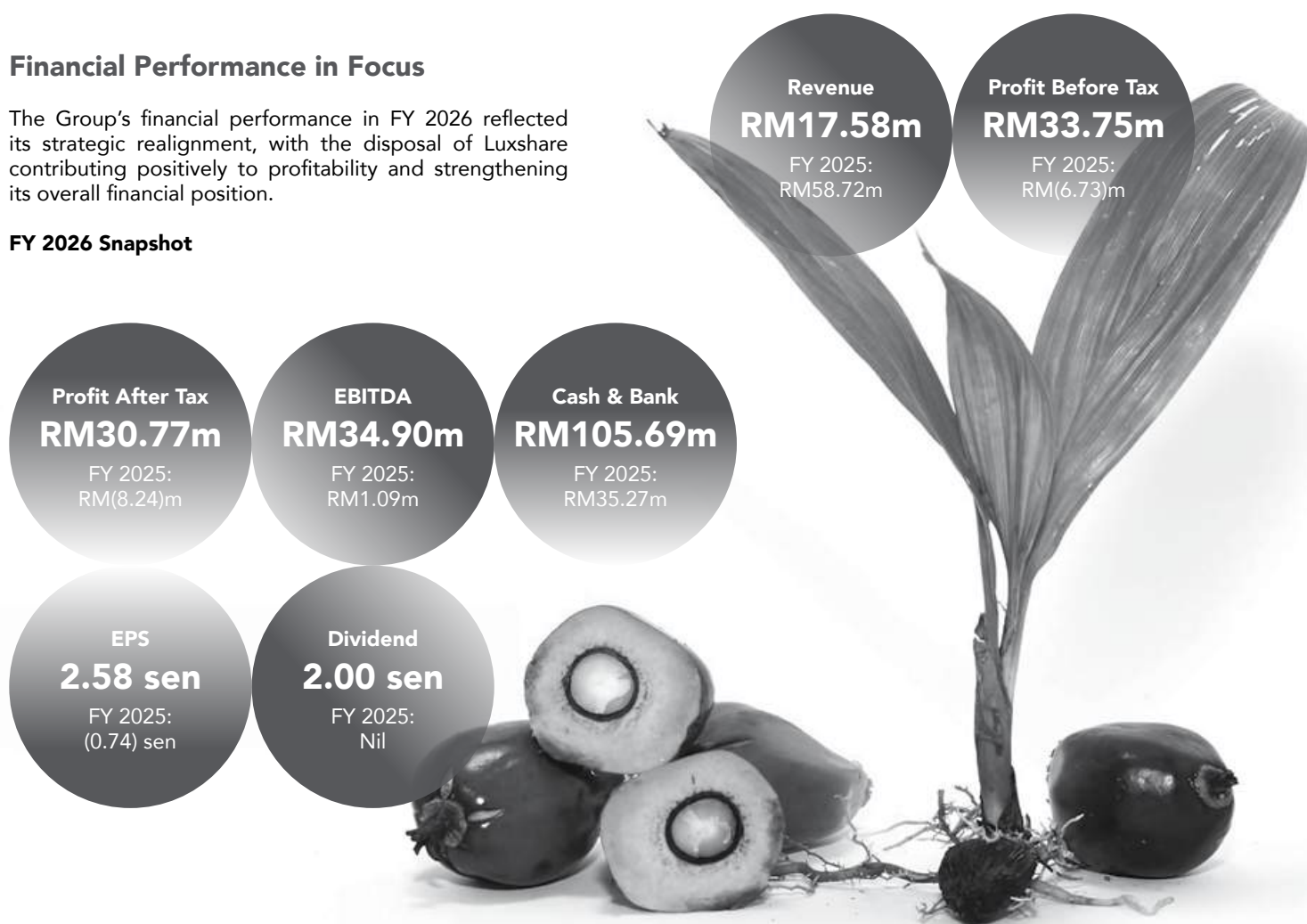
Against this backdrop, the Group remained attentive to evolving market conditions while maintaining a disciplined approach to cost management and operational efficiency. Scope continues to monitor external developments and adapt its business strategies where appropriate, with a focus on strengthening resilience and sustaining value creation amid a changing market environment.

Business Overview

Financial Performance in Focus

The Group's financial performance in FY 2026 reflected its strategic realignment, with the disposal of Luxshare contributing positively to profitability and strengthening its overall financial position.

FY 2026 Snapshot



Business Overview (Cont'd)

Financial Performance in Focus (Cont'd)

Revenue and Profitability

For FY 2026, the Group recorded revenue of RM17.58 million, representing a decrease of 70.06% from RM58.72 million in financial year ended 30 June 2025 ("FY 2025"). The lower revenue was mainly attributable to the disposal of the manufacturing division during the financial year, following which its revenue contribution ceased to form part of the Group's continuing operations.

Gross profit stood at RM4.63 million, compared with RM4.58 million in FY 2025. Despite the lower gross profit, the Group achieved an improved gross profit margin of approximately 26%, compared with 8% in the preceding financial year. The improvement in margin was mainly attributable to the disposal of the loss-making manufacturing division and the resulting change in the Group's business composition.

Other income increased significantly to RM33.76 million from RM0.4 million in FY 2025, principally attributable to the RM33.2 million gain recognised from the disposal of Luxshare. Consequently, the Group returned to profitability, recording profit before tax ("PBT") of RM33.75 million compared with a loss before tax of RM6.73 million in FY 2025. The improvement was primarily driven by a net gain of approximately RM30.1 million from the disposal, after considering RM3.1 million in expenses incidental to the transaction.

Profit after tax ("PAT") amounted to RM30.77 million in FY 2026, reversing the loss after tax of RM8.24 million recorded in FY 2025. Total comprehensive income for the financial year stood at RM30.77 million, compared with total comprehensive loss of RM8.55 million in the preceding financial year. Tax expense amounted to RM2.97 million, comprising mainly Capital Gains Tax of RM2.15 million, deferred tax provision of RM644,000 and income tax expense of approximately RM174,000.

The Group recorded earnings before interest, taxes, depreciation and amortisation ("EBITDA") of RM34.90 million in FY 2026, compared with RM1.09 million in FY 2025. The performance was largely supported by the disposal transaction, which contributed a net gain of approximately RM32.25 million for EBITDA purposes, after accounting for relevant incidental expenses but excluding Capital Gains Tax. Correspondingly, earnings per share improved to 2.58 sen from a loss per share of 0.74 sen in FY 2025, reflecting the Group's return to profitability during the financial year.

Financial Position

As at 30 June 2026, the Group recorded total assets of RM175.57 million, representing a decrease of approximately 2.8% from RM180.55 million as at 30 June 2025. The decrease was mainly attributable to the disposal of the manufacturing division, which resulted in the derecognition of the assets associated with Luxshare from the Group's financial position.

Total liabilities decreased by approximately 45% to RM14.37 million from RM26.06 million in FY 2025. This was mainly attributable to a reduction of approximately RM10.0 million in other payables and accruals, primarily arising from the reversal of deposits received following the completion of the disposal.

Total equity increased by approximately 4% to RM161.20 million from RM154.49 million in FY 2025. The improvement was primarily attributable to the gain arising from the disposal, which contributed to a reduction in accumulated losses from approximately RM73.48 million to RM64.32 million. This was partially offset by the RM23.1 million special dividends distributed during the financial year and losses of approximately RM2.66 million attributable to discontinued operations. In line with the strengthened equity position, net assets per share increased by RM0.01 to RM0.14 as at 30 June 2026, supported primarily by the gain recognised from the disposal.



Business Overview (Cont'd)

Financial Performance in Focus (Cont'd)

Cash Flow and Liquidity

The Group's liquidity position strengthened considerably during FY 2026, with cash and bank balances increasing by approximately RM70.42 million to RM105.69 million as at 30 June 2026, compared with RM35.27 million in FY 2025. The increase was largely attributable to approximately RM83.22 million in proceeds received from the disposal of Luxshare and the repayment of RM9.3 million from Ammo Defence Solutions Sdn. Bhd., partially offset by the RM23.1 million special dividend distribution.

Net cash generated from operating activities amounted to RM11.69 million, compared with RM5.70 million in FY 2025, mainly supported by the collection of trade receivables from the trading division. Meanwhile, net cash generated from investing activities amounted to RM82.99 million, principally attributable to proceeds of approximately RM83.22 million from the disposal of Luxshare.

Overall, the Group recorded a net increase in cash and cash equivalents of RM70.42 million during FY 2026. This was primarily driven by proceeds from the disposal and approximately RM11.57 million collected from trade receivables, partially offset by the RM23.1 million special dividends.

Shareholder Returns

Following the completion of the disposal and taking into consideration the Group's financial position, the Company declared a single-tier special interim cash dividend of RM0.02 per ordinary share on 8 October 2025 in respect of FY 2026. The dividend, amounting to approximately RM23.10 million, was subsequently paid on 4 November 2025, representing a direct return of value to shareholders following the Group's strategic realignment.

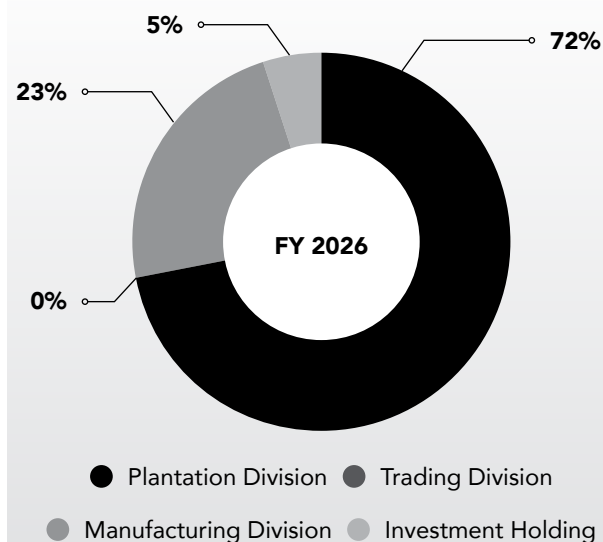
While the Company does not currently have a formal dividend payout policy, the Board will continue to assess the declaration of future dividends, taking into consideration the Group's earnings performance, capital requirements, working capital needs and overall financial position.

Moving forward, the Group will continue to exercise prudent financial management and disciplined capital allocation, balancing the requirements of its continuing operations with opportunities that support its longer-term business direction and sustainable value creation.

Performance Across Our Businesses

Segments	FY 2026	
	Revenue	% of Total Revenue
Plantation Division	12,582,351	72
Trading Division	Nil	0
Manufacturing Division	4,082,667	23
Investment Holding	912,510	5
Total	17,577,528	100%

Composition of Group Revenue



Business Overview (Cont'd)

Performance Across Our Businesses (Cont'd)



Plantation Division

The Plantation Division recorded revenue of RM12.58 million in FY 2026, representing an increase of approximately 11% from RM11.36 million in the preceding financial year. The improvement was mainly attributable to higher fresh fruit bunch ("FFB") production, which increased by approximately 1,298 metric tonnes during the year.

The division recorded an operating profit of RM3.29 million, compared with RM3.74 million in FY 2025. Despite the higher revenue recorded during the year, operating profit moderated by approximately 12%, reflecting higher operating costs during the year. Nevertheless, the Plantation Division remained profitable and continued to serve as a key contributor to the Group's continuing operations.



Trading Division

The Trading Division did not generate revenue in FY 2026, compared with RM16.49 million recorded in FY 2025, as the Group continued to adopt a cautious approach in managing the division and undertaking new trading activities.

In the absence of revenue, the division recorded an operating loss of approximately RM0.16 million, compared with an operating gain of RM0.45 million in FY 2025. The loss for the year was mainly attributable to administrative expenses of approximately RM0.17 million, comprising depreciation of fixed assets, office rental, utilities, transportation and travelling expenses, as well as tax submission fees. The Group continues to exercise prudence in managing the Trading Division while assessing market conditions and potential opportunities that are aligned with its risk considerations and broader business objectives.



Manufacturing Division – Discontinued Operation

The Manufacturing Division recorded revenue of RM4.08 million and an operating loss of RM2.66 million in FY 2026, representing one month of operations prior to the completion of the disposal on 1 August 2025. This compares with revenue of RM30.86 million and an operating loss of RM6.59 million in FY 2025.

Market Performance

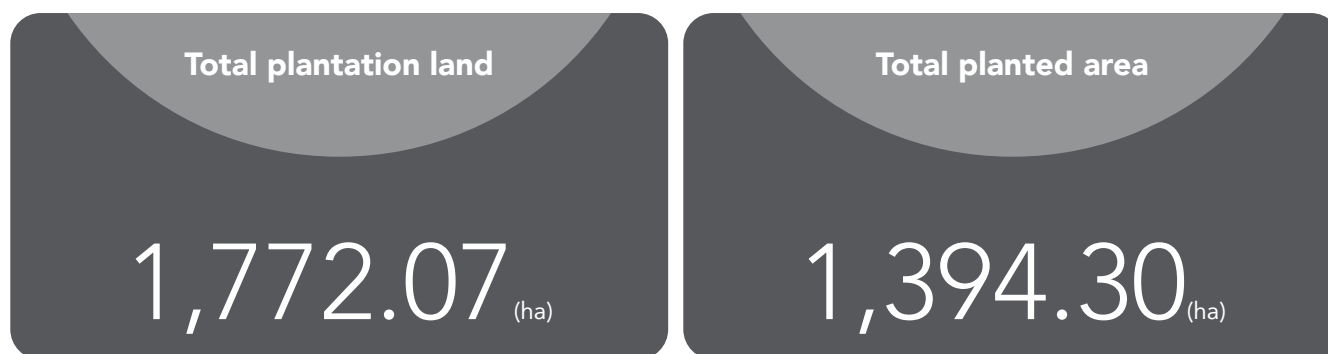
During FY 2026, the Company's share price traded within a range of RM0.07 to RM0.14, reaching its highest point in October 2025 and its lowest in March 2026. The share price opened the financial year at RM0.09 on 1 July 2025 and closed at RM0.08 on 30 June 2026, representing an overall decrease of approximately 11.1% during the financial year.

Operations Overview

Following the realignment of its business portfolio, the Group's operational focus in FY 2026 centred on strengthening its Plantation Division while maintaining a prudent approach towards the Trading Division. During the year, Scope continued to enhance its existing operations, address key operational challenges and undertake initiatives that support the Group's evolving business priorities.

Strengthening Our Operations

Plantation Division



	2024	2025	2026
Average yield (MT/ha)	10.42	9.28	10.78

FFB production volume and its average selling price:-

	2024	2025	2026
FFB Production (MT)	14,970.63	13,343.54	14,641.21
Average FFB Price (RM)	719.70	851.24	860.90

Age profile of the developed area:-

	FY 2026	
	Hectare (ha)	Percentage (%)
0 – 4 years	46.26	3.3
4 – 7 years	0.00	0.0
8 – 19 years	645.55	46.3
>19 years	702.49	50.4
Total	1,394.30	100

Operations Overview (Cont'd)

Strengthening Our Operations (Cont'd)

Plantation Division

The Plantation Division remained a key focus of the Group's continuing operations in FY 2026, supported by ongoing efforts to strengthen estate productivity and improve the condition of its plantation assets. During the financial year, the division recorded total FFB production of 14,641.21 metric tonnes, compared with 13,343.54 metric tonnes in FY 2025, representing an increase of approximately 9.7%. The higher production supported the division's improved revenue performance during the year, while ongoing estate improvement initiatives continued to lay the groundwork for longer-term productivity.



Advancing Estate Replanting

At the BMSB estate, the Group continued to implement its phased replanting programme as part of its efforts to support the long-term productive capacity of the plantation. The first phase, covering approximately 46 hectares, was completed, with initial scout harvesting commencing progressively from June 2026. The second phase, covering approximately 75 hectares, also commenced planting activities in June 2026.

The phased approach enables the Group to progressively rejuvenate its plantation areas while managing the transition of productive acreage over time. As newly replanted areas mature, the programme is expected to support improved yield potential and contribute progressively to the estate's future production.

Restoring Estate Productivity

At the PGSB estate, recovery and rehabilitation works are being undertaken across previously neglected areas to restore accessibility and improve overall estate conditions. These works include clearing overgrown and unwanted vegetation, together with intensive pruning to promote healthier plant growth and facilitate more effective field maintenance. The rehabilitation programme is aimed at restoring the affected areas to a more productive condition, with improvements expected to become progressively evident within six to nine months. Through these efforts, the Group seeks to optimise the productive potential of its existing plantation assets alongside its ongoing replanting activities.

Operations Overview (Cont'd)

Strengthening Our Operations (Cont'd)

Plantation Division (Cont'd)

Addressing Labour Requirements

Labour availability remained an operational challenge during FY 2026, particularly for essential field activities including harvesting, pruning, weeding and general estate maintenance. The shortage of available workers affected the timely execution of certain field activities and placed additional demands on the existing workforce. Prolonged labour constraints may also affect plantation productivity, field conditions and overall operational efficiency.

To address these challenges, the Group continued its efforts to recruit additional workers to support essential plantation activities. At the same time, emphasis was placed on improving workers' living conditions to support workforce welfare and retention. During the year, a new workers' quarters was constructed to provide additional accommodation, while extensive repair works were undertaken on existing quarters. These initiatives are intended to provide a more conducive living environment while supporting the Group's efforts to attract and retain the manpower required for its plantation operations.

Expanding Our Plantation Footprint

Looking ahead, the Group continues to explore and evaluate suitable plantation acquisition opportunities as part of its longer-term growth strategy. Management remains focused on identifying plantation assets with development potential, suitable land characteristics and the ability to complement the Group's existing operations. Potential acquisitions would enable Scope to expand its plantation landbank and progressively increase future production capacity. An enlarged plantation footprint is expected to provide a broader platform for future output and revenue generation, while supporting the Group's objective of strengthening the Plantation Division as a key contributor to its longer-term business growth.

Trading Division

Maintaining a Prudent Approach

The Trading Division remained subdued in FY 2026, as the Group maintained a cautious approach towards new trading activities while prioritising the recovery of outstanding receivables. During the year, approximately RM13.4 million was collected, contributing positively to the Group's cash flow and liquidity position. Moving forward, the Group will continue to evaluate trading opportunities prudently, taking into consideration credit exposure, market conditions and alignment with its broader business objectives.

Managing Operational Risks

Effective risk management remains integral to supporting the Group's operations and strategic priorities. Scope continues to identify and monitor key risks across its Plantation and Trading Divisions, while adapting its approach to changing operating conditions. The Board, supported by the Audit Committee and Management, maintains oversight of the Group's risk management practices to support informed decision-making and operational stability.

Towards Purposeful Sustainability

As the Group strengthens its focus on the plantation business, Scope remains committed to advancing responsible and sustainable practices across its operations. During FY 2026, attention continued to be placed on responsible resource management, environmental protection, employee well-being and good governance, alongside ongoing efforts to support the long-term productivity of its plantation assets.

The Group also continued to strengthen its sustainability practices and disclosures in line with applicable requirements and evolving stakeholder expectations. Further details on Scope's sustainability approach, initiatives and performance are provided in the Sustainability Statement on pages 16 to 56.

Purpose in Progress

The Group maintains a positive and stable outlook as it enters the next financial year with a more focused business direction. With the Plantation Division at the forefront of its strategic priorities, Scope will concentrate on improving the performance of its existing plantation assets, enhancing operational efficiency and pursuing opportunities that support the longer-term expansion of the business.

Enhancing Plantation Productivity

Increasing FFB production remains a key priority for the Group. The initiatives undertaken during FY 2026 are expected to progressively improve the productive potential of the estates, with benefits anticipated to materialise over the medium term.

Moving forward, Management will maintain its focus on effective field management, estate supervision and the timely execution of key plantation activities to support higher productivity and improved operational performance.

Driving Operational Efficiency

The Group will continue to identify opportunities to improve cost efficiency and optimise the deployment of resources across its plantation operations. This includes adopting more efficient approaches to supporting activities, such as the outsourcing of FFB transportation to third-party transporters.

The arrangement is expected to reduce the Group's reliance on its own transportation fleet and associated maintenance costs, while providing greater flexibility in meeting transportation requirements. These measures will enable Management to direct greater attention and resources towards its core plantation activities.

Pursuing Strategic Expansion

Beyond strengthening its existing operations, the Group continues to explore and evaluate suitable plantation acquisition opportunities as part of its longer-term growth strategy. Potential assets will be assessed based on their strategic fit, development potential, land characteristics and ability to complement the Group's existing plantation portfolio.

An expanded plantation landbank would provide additional capacity for future production and support the Group's longer-term growth aspirations. Scope will remain prudent and selective in evaluating such opportunities to ensure that any potential investment is aligned with the Group's strategic and financial objectives.

As Scope advances with purpose, the Group remains focused on translating its priorities into meaningful progress. Through disciplined execution, greater operational focus and prudent evaluation of future opportunities, the Group aims to strengthen its plantation business and build a stronger foundation for sustainable value creation.

Towards Purposeful Sustainability

As sustainability continues to shape the future of the oil palm industry, the Group remains committed to integrating responsible practices into our business strategy and operations. With our strategic focus now centred on the plantation business following the disposal of our manufacturing arm, we recognise the importance of strengthening our approach to sustainability in ways that support long-term business resilience, minimise the environmental impact of our operations and contribute positively to our people and the communities in which we operate.

Guided by our values, stakeholder expectations and evolving sustainability standards and frameworks, we continue to strengthen our practices and disclosures while building on the progress made during financial year. Through this approach, we aim to pursue purposeful sustainability that supports responsible plantation operations, creates lasting value and contributes to a more sustainable future.

Scope Industries Berhad ("Scope" or the "Company") and its subsidiaries (the "Group") is pleased to present its Sustainability Statement (the "Statement") for the financial year ended 30 June 2026, covering the period from 1 July 2025 to 30 June 2026 ("FY 2026"). This Statement outlines the Group's sustainability approach, key initiatives, performance and progress during the year, reflecting our ongoing efforts to enhance sustainability across our operations.



About the Statement

Basis of Preparation

Reporting Scope and Boundary

This Statement covers the Group's sustainability activities and performance for the reporting period from 1 July 2025 to 30 June 2026, encompassing its headquarters, offices, plantation operations and trading division located in Malaysia and Singapore.

For FY 2026, the Group has expanded its reporting scope to include data from the Trading Division, where applicable, as part of its ongoing efforts to enhance the completeness, consistency and transparency of its sustainability disclosures.

Following the disposal of the Group's manufacturing division during the financial year, data relating to the manufacturing operations is no longer included within the reporting boundary for FY 2026. Accordingly, certain year-on-year sustainability data may not be directly comparable with the previous financial year due to the change in reporting scope.



Business Segment



Plantation Division



Trading Division

Company

Benua Mutiara Sdn. Bhd. ("BMSB")
Pioneer Glow Sdn. Bhd. ("PGSB")

Scope Global Distributor Pte. Ltd. ("SGDPL")
Scope Distributor Sdn. Bhd. ("SDSB")

Scope Realty Sdn. Bhd. has also been excluded from the reporting boundary as it serves solely as a holding company and is considered immaterial to the Group's sustainability performance. The Group will continue to review its reporting boundary as its operations evolve, with the aim of progressively enhancing the comprehensiveness of its sustainability disclosures.

SUSTAINABILITY STATEMENT

Frameworks and Standards

This Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition).



**Bursa Malaysia Sustainability
Reporting Guide (3rd Edition)**



**Global Reporting Initiative
("GRI") Standards**



**United Nations Sustainable
Development Goals ("UNSDGs")**

To further strengthen the quality, consistency and transparency of its sustainability disclosures, the Group has also referenced relevant reporting principles and disclosures under the GRI Standards, where applicable. The Group's sustainability efforts are also aligned, where relevant, with the UNSDGs.

As part of its ongoing reporting journey, Scope intends to progressively strengthen its sustainability governance and reporting processes, including enhancing Economic, Environmental, Social and Governance ("EESG") data collection mechanisms and adopting a more structured approach to monitoring and reporting sustainability performance. These efforts will support the Group's preparation for the phased implementation of Malaysia's National Sustainability Reporting Framework ("NSRF"), under which the IFRS Sustainability Disclosure Standards will apply to ACE Market listed corporations for annual reporting periods beginning on or after 1 January 2027.

During the transition period, the Group will focus on strengthening its internal reporting processes, data availability and organisational readiness to support the evolving sustainability disclosure requirements. Scope remains committed to progressively enhancing its sustainability governance, reporting methodologies and internal capabilities in line with regulatory developments, stakeholder expectations and industry practices.

Responsible Plantation Standards

As the Group strengthens its strategic focus on plantation operations, adherence to recognised sustainability standards remains an important part of its approach to responsible plantation management.

Scope maintains certification under the Malaysian Sustainable Palm Oil ("MSPO") Certification Scheme, which sets out sustainability requirements for Malaysia's oil palm industry across environmental, social and economic considerations. Through its continued compliance with the MSPO requirements, the Group reinforces responsible practices across its plantation operations, including environmental management, social responsibility and sound operational practices.

Maintaining the certification also supports Scope's ongoing efforts to strengthen accountability and align its plantation practices with recognised sustainability expectations within the Malaysian palm oil industry.

Statement of Assurance

This Statement has not been subjected to independent external assurance. The information and disclosures presented have been prepared based on internal records, operational data and reporting processes available during the reporting period. Scope has undertaken reasonable efforts to ensure that the information presented is accurate, balanced and fairly represented, and will continue to strengthen its sustainability data management and reporting processes to enhance the quality and consistency of future disclosures.

Stakeholder Feedback

Scope values stakeholder perspectives as part of its ongoing efforts to strengthen its sustainability practices and disclosures. Stakeholders are encouraged to share their feedback, views or suggestions regarding this Statement and the sustainability matters addressed herein. Feedback may be directed to the Group's Management Team at finance@scope.com.my.

Stewarding Sustainability

The Group recognises that effective governance is fundamental to advancing sustainability across its operations. A clear governance structure establishes accountability and oversight at each level of the organisation, enabling sustainability considerations to be progressively integrated into business strategy, risk management and operational decision-making.

The Board of Directors ("the Board") holds ultimate responsibility for overseeing the Group's sustainability direction and performance. The Board provides strategic guidance and ensures that material sustainability considerations are considered in the Group's long-term business priorities and decision-making.

Supporting the Board, the Management Team is responsible for translating the Group's sustainability direction into actionable strategies and initiatives. This includes monitoring implementation, addressing material sustainability matters and providing the Board with relevant updates on the Group's sustainability initiatives and performance.

At the operational level, the Business and Functional Units are responsible for implementing sustainability practices within their respective areas of responsibility. They also support the collection and monitoring of relevant sustainability data, enabling the Group to track its performance and strengthen its sustainability practices over time.

The governance structure below outlines the key responsibilities at each level:-

Board of Directors

- Provides oversight of the Group's sustainability direction and performance;
- Reviews and approves sustainability strategies, policies and relevant risk management approaches; and
- Ensures sustainability considerations are aligned with the Group's long-term business priorities and stakeholder expectations.

Management Team

- Identifies, assesses and reports material sustainability matters to the Board;
- Oversees the implementation and monitoring of sustainability strategies and initiatives;
- Promotes sustainability awareness and responsible business practices across the Group; and
- Reports relevant sustainability developments and performance to the Board.

Business and Functional Units

- Implement sustainability strategies, initiatives and practices within their respective operations;
- Collect, maintain and monitor relevant sustainability data and information;
- Identify sustainability matters arising from day-to-day operations; and
- Report progress and performance to the Management Team for review.

Focusing on What Matters



Engaging with Purpose

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

We recognise that meaningful stakeholder engagement provides valuable perspectives on the EESG matters relevant to our business. Through regular engagement, we are better positioned to understand evolving expectations, identify emerging concerns and strengthen the way we respond to matters that may affect our operations and stakeholders.

The Group remains committed to maintaining open and constructive communication through both formal and informal engagement channels. Insights gathered through these interactions help inform our sustainability priorities, support decision-making and guide the continuous improvement of our sustainability practices.

SUSTAINABILITY STATEMENT

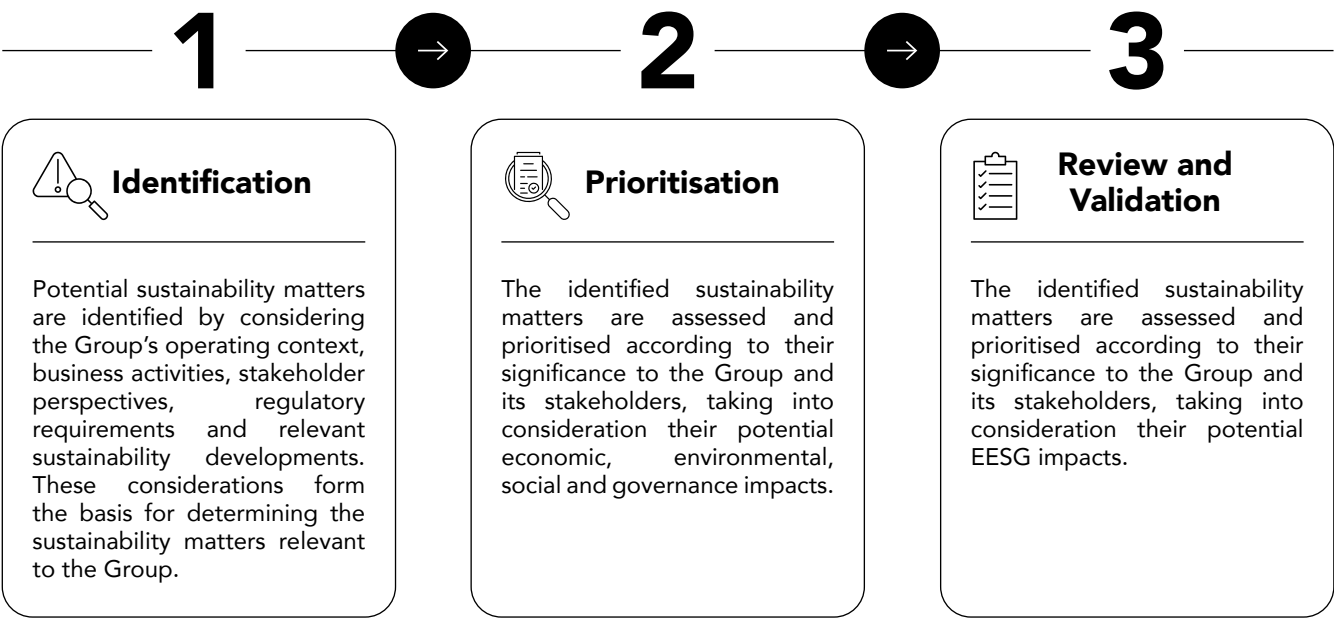
Key Stakeholders	Topic of Interest / Concerns	Engagement Method	Frequency
Board of Directors 	Group's business and financial performance; Mitigation and adaptation to climate change; and Strategies and plans toward value creation.	Board meetings, reporting review and approval, training and awareness sessions	• Ongoing • As needed • Annually
Investors / Financiers 	Group's overall performance; Business prospects and planning; Mitigation and adaptation to climate change; and Management and corporate governance.	Annual general meetings, announcements and reporting	• Quarterly • As needed • Annually
Shareholders 	Business growth and strategic direction; and 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; and 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; and Consumer data privacy.	Customer satisfaction surveys	• Ongoing • Annually
Suppliers / Contractors 	Transparent and fair procurement processes; and 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; and ESG value creation.	ESG values awareness, and community programmes (Corporate Social Responsibility (CSR) programme, outreach, etc.)	• Ongoing • Annually
Authorities / Regulators 	Compliance with applicable licenses and regulations.	Compliance submission and site inspections	• Ongoing • As needed
Non-governmental Organisations ("NGOs") 	Sustainable and healthy environment ; and ESG value creation.	Site visits or third-party verification/ audits and transparency via corporate/sustainability disclosures	• As needed

SUSTAINABILITY STATEMENT

Defining Our Priorities

Our materiality assessment provides a structured approach to identifying and prioritising the sustainability matters that are most relevant to Scope and our stakeholders. The process considers the Group’s operating environment, stakeholder perspectives, business priorities, regulatory developments and broader sustainability trends to ensure that our material matters remain relevant to the evolving needs of the business.

Our materiality assessment follows three key stages:-



For FY 2026, the Group reviewed its existing material matters in consideration of the continued strategic focus on plantation operations following the disposal of its manufacturing division. The review reaffirmed the relevance of the Group’s existing material matters, including Biodiversity, which was introduced in the previous financial year to recognise the importance of ecosystem protection and responsible land management within our plantation operations.

As our business evolves, the Group will continue to review these material matters and progressively strengthen the depth of its disclosures, particularly in areas that are increasingly relevant to its plantation operations. This approach enables Scope to maintain a sustainability agenda that remains responsive to its business direction while supporting long-term resilience and value creation.

SUSTAINABILITY STATEMENT

Our Material Matters

- M1** Economic Performance
- M2** Anti-Corruption
- M3** Data Privacy and Security
- M4** Supplier Chain Management

- M5** Climate Change
- M6** Waste Management
- M7** Water Management
- M8** Biodiversity

- M9** Diversity and Inclusion
- M10** Occupational Health and Safety
- M11** Community Investment

Navigating Risks and Opportunities

Scope recognises that its material sustainability matters may present both risks and opportunities that can influence the Group's operations, performance and ability to create value over time. Understanding these considerations enables the Group to strengthen its preparedness, identify areas for improvement and progressively integrate sustainability into business and operational decision-making.

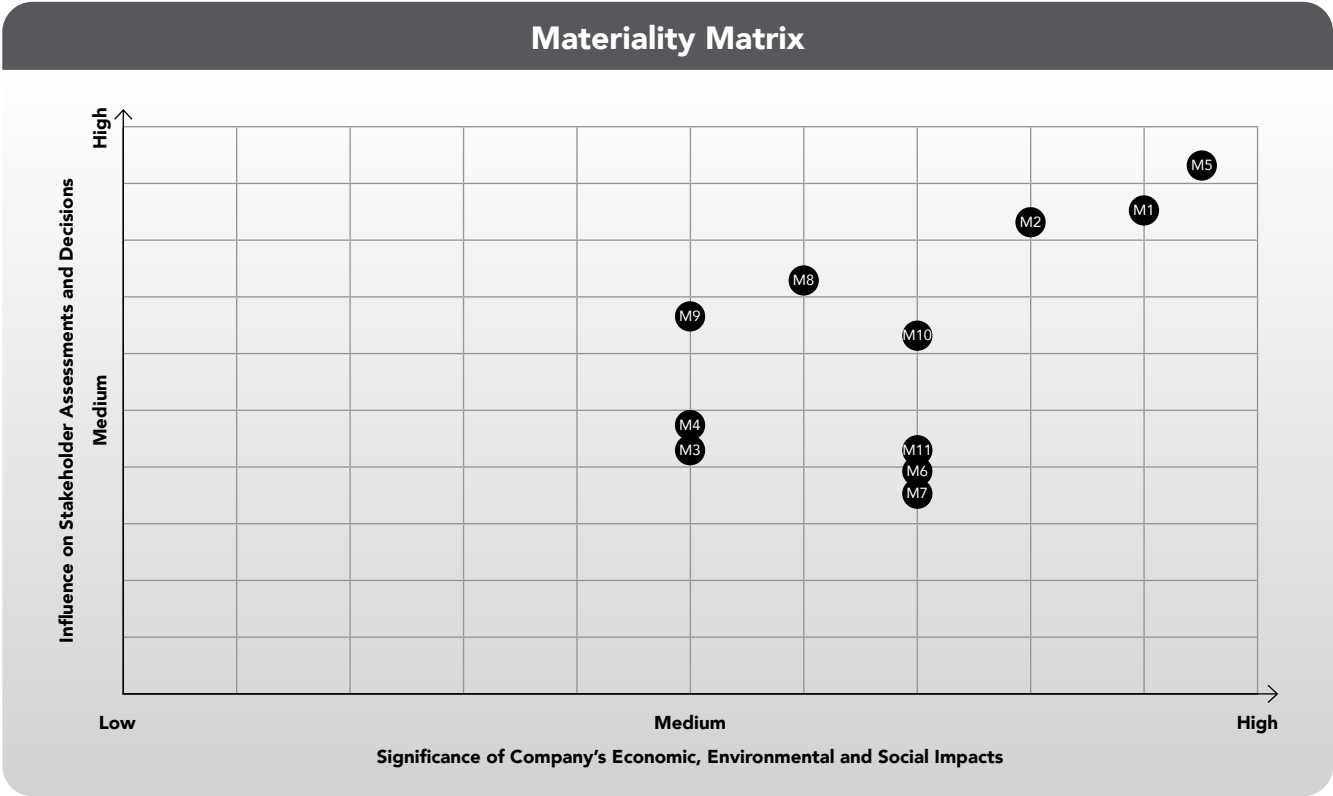
 Economic and Governance Maintaining sound economic performance and responsible business practices remains important to the Group's long-term resilience. Market conditions, commodity price movements, operating costs and broader economic uncertainties may influence business performance, while opportunities to strengthen operational efficiency and resource management can support sustained value creation. Strong governance practices, including anti-corruption, ethical conduct and data privacy, further support business integrity, accountability and stakeholder confidence.	 Environmental Environmental considerations are particularly relevant to the Group's plantation operations. Climate-related conditions may affect plantation productivity and operational continuity, while the responsible management of energy, emissions, water and waste provides opportunities to improve resource efficiency and environmental performance. Biodiversity conservation is also an important consideration in supporting ecosystem health and the long-term sustainability of the Group's plantation activities.	 Social Our people and communities remain important to the Group's ability to operate responsibly and sustainably. Maintaining a safe, inclusive and supportive workplace contributes to employee wellbeing, development and operational continuity. Occupational health and safety remain particularly important across plantation activities, while engagement with surrounding communities helps the Group understand local needs, foster positive relationships and contribute to shared social value.
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Through the continued consideration of these risks and opportunities, Scope seeks to strengthen its resilience, enhance responsible business practices and identify opportunities for sustainable value creation across its operations.

SUSTAINABILITY STATEMENT

Mapping What Matters

The Group’s FY 2026 materiality review reaffirmed the continued relevance of its identified material matters to Scope’s business priorities and stakeholder considerations. The matters were reviewed in consideration of the Group’s evolving operating context, relevant sustainability developments and applicable reporting frameworks, including Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), the GRI Standards and the UNSDGs. The materiality matrix provides a consolidated view of the relative significance of these matters to the Group and its stakeholders, helping Scope determine where attention and resources should be directed.



Legends:-

- | | | |
|------------------------------|---------------------|------------------------------------|
| M1 Economic Performance | M5 Climate Change | M9 Diversity and Inclusion |
| M2 Anti-Corruption | M6 Waste Management | M10 Occupational Health and Safety |
| M3 Data Privacy and Security | M7 Water Management | M11 Community Investment |
| M4 Supplier Chain Management | M8 Biodiversity | |

The identified priorities provide a foundation for the Group’s sustainability strategies, initiatives and disclosures. Through this approach, Scope seeks to direct its efforts towards areas where they can contribute meaningfully to operational resilience, responsible business practices and stakeholder value.

As the Group progresses on its sustainability journey, we will continue to review our material priorities, strengthen our response to emerging sustainability considerations and progressively integrate relevant EESG considerations into our business and operational decision-making.

Transforming Priorities into Action

Sustainability Strategy

Scope's sustainability strategy is guided by the material matters identified through our materiality assessment and structured across three key focus areas: **Focus Area 1 – Economic and Governance Matters**, **Focus Area 2 – Environmental Matters**, and **Focus Area 3 – Social Matters**.

Focus Area 1

Economic and Governance Matters



Focus Area 2

Environmental Matters



Focus Area 3

Social Matters



Together, these focus areas provide a structured approach for translating our sustainability priorities into relevant actions across the Group. They enable Scope to address the EESG matters most relevant to our business and stakeholders while progressively strengthening the integration of sustainability considerations into our operations and decision-making.

As the Group continues to sharpen its strategic focus on plantation operations, these focus areas will guide our efforts in strengthening responsible business practices, managing sustainability-related impacts and supporting long-term business resilience and value creation.

SUSTAINABILITY STATEMENT

Sustainability Framework

Scope's Sustainability Framework translates our sustainability strategy into a structured approach that connects the Group's direction with its material matters and key areas of focus. Guided by our vision and mission, the framework provides a foundation for integrating relevant sustainability considerations across our operations. Through the framework, we seek to balance business priorities with our responsibilities towards the environment, our people, stakeholders and communities, while progressively strengthening the way sustainability is embedded across the Group.

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

Economic and Governance Matters

- M1 Economic Performance
- M2 Anti-Corruption
- M3 Data Privacy and Security
- M4 Supplier Chain Management

Focus Area 2

Environmental Matters

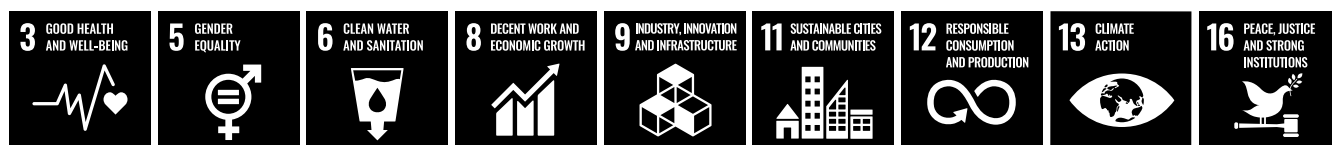
- M5 Climate Change
- M6 Waste Management
- M7 Water Management
- M8 Biodiversity

Focus Area 3

Social Matters

- M9 Diversity and Inclusion
- M10 Occupational Health and Safety
- M11 Community Investment

Our sustainability focus areas are aligned with relevant UNSDGs:-



Advancing Our Sustainability Priorities

Focus Area 1

Economic and Governance Matters



Economic Performance



Strategic Relevance

Sound economic performance supports the Group's ability to maintain resilient operations, invest in its business and create sustainable value for stakeholders over the long term. As Scope sharpens its strategic focus on plantation operations, maintaining financial discipline and deploying resources effectively remain important in supporting the Group's business priorities and navigating changing market conditions.

Beyond financial returns, the economic value generated through our operations extends to our employees, suppliers, government and communities, reinforcing the broader role our business plays in supporting economic activity and stakeholder value.

Our Performance

The Group monitors its Economic Value Generated and Distributed to provide greater transparency on how the economic value created through our business activities is distributed among our stakeholders. This includes value channelled towards operating costs, employees, providers of capital, government and community investments, with the remaining value retained within the Group to support its ongoing operations and future business needs.

SUSTAINABILITY STATEMENT

Economic Value Generated and Distributed

	FY 2024 RM	FY 2025 RM	FY 2026 RM
Economic Value Generated ("EVG")			
Revenue and other income	158,631,511	59,121,876	47,126,696
Economic Value Distributed ("EVD")			
Operating costs	160,532,136	67,055,663	13,211,545
Employee wages and benefits	23,435,283	20,477,558	4,839,757
Payment to capital provider	300,000	960,000	960,000
Payment to the Government	417,443*	261,690*	2,536,528
Community investment	17,211	3,275	700
Total Value Distributed	184,702,073	88,758,186	21,548,530

Note:-

* Figures for FY 2024 and FY 2025 have been restated to reflect net tax payments, after accounting for income tax refunds.

In FY 2026, the Group recorded EVG of RM47.13 million, compared to RM59.12 million in FY 2025, representing a decrease of 20.3%. EVD decreased more significantly from RM88.83 million to RM21.47 million, largely reflecting the substantial reduction in operating costs from RM67.06 million in FY 2025 to RM13.21 million in FY 2026.

As a result, the Group recorded Economic Value Retained ("EVR") of RM25.66 million in FY 2026, compared to a negative EVR of RM29.71 million in the previous financial year. The significant changes in the Group's economic value profile should be viewed in the context of its evolving business composition following the disposal of the manufacturing division and its strategic focus on plantation operations. This reflects a more streamlined operating structure as Scope continues to strengthen its foundation for long-term economic resilience.

Our Focus Ahead

The Group remains focused on strengthening its economic resilience through disciplined financial management, efficient resource allocation and the continued development of its core business activities. As Scope advances its strategic focus on plantation operations, we will continue to evaluate opportunities that support sustainable business performance while remaining responsive to evolving market conditions.

Anti-Corruption



Strategic Relevance

Integrity and accountability are fundamental to responsible business conduct and maintaining stakeholder trust. Corruption and unethical practices can expose the Group to regulatory, financial and reputational risks while undermining transparent and responsible decision-making. For Scope, maintaining effective anti-corruption practices supports sound governance across our operations and business relationships. By promoting ethical conduct and strengthening awareness throughout the organisation,

the Group seeks to uphold accountability, safeguard stakeholder confidence and support long-term business resilience. Our approach is also aligned with UNSDG 16: Peace, Justice and Strong Institutions, particularly its emphasis on reducing corruption and promoting accountable institutions.

SUSTAINABILITY STATEMENT

Our Approach to Integrity

The Group maintains a zero-tolerance approach towards bribery and corruption, supported by its Anti-Bribery and Corruption Policy ("ABC Policy"). The policy establishes the principles and expectations governing ethical conduct across the Group and provides guidance to employees in identifying and addressing potential bribery and corruption risks.

To reinforce awareness, the ABC Policy is communicated to all new employees as part of the onboarding and induction process, ensuring that employees are introduced to the Group's expectations on ethical conduct and anti-corruption practices from the outset of their employment. While anti-corruption training data is not separately tracked for FY 2026, the Group continues to promote awareness of the ABC Policy through its employee onboarding process.

Operations assessed for corruption-related risk (%)

FY 2024

100%

FY 2025

100%

FY 2026

100%

Maintaining Ethical Conduct

During FY 2026, the Group recorded zero confirmed incidents of corruption. No disciplinary actions, dismissals or legal proceedings relating to confirmed incidents of corruption were recorded during the reporting period.

Maintaining this record remains an important part of the Group's commitment to responsible business conduct. Scope will continue to reinforce appropriate policies, awareness and internal practices to support ethical behaviour throughout its operations.

Confirmed corruption incidents (Number)

Zero

confirmed incidents throughout
FY 2024, 2025 and 2026



Our Focus Ahead

The Group will continue to strengthen its anti-corruption practices through ongoing awareness, appropriate risk assessments and the continued communication of its expectations on ethical conduct. As the Group's operations evolve, Scope will also continue to review its practices to ensure they remain responsive to regulatory requirements and relevant corruption-related risks. Through these efforts, we seek to maintain a culture of integrity and accountability while safeguarding the trust of our stakeholders.

Data Privacy and Security

Strategic Relevance

As business activities become increasingly supported by digital systems and information, protecting sensitive data remains an important part of responsible business conduct. Inadequate data protection may expose the Group to operational disruption, regulatory implications and reputational risks, while potentially compromising the privacy of stakeholders.

For Scope, maintaining appropriate data privacy and security practices helps safeguard information entrusted to the Group by employees, customers, suppliers and other stakeholders. Effective controls and responsible information management also support business continuity, stakeholder confidence and the integrity of the Group's operations.

Strengthening Data Protection

The Group is committed to safeguarding sensitive business and stakeholder information from unauthorised access, misuse, loss or disclosure. To support this commitment, Scope maintains various security measures across its IT environment, including user authentication, access controls, system monitoring and periodic reviews of its IT systems and practices.

The Group also recognises that effective data protection extends beyond technology. Appropriate employee awareness and responsible handling of information remain important in reducing potential data privacy and cybersecurity risks across our operations.



Safeguarding Privacy, Maintaining Trust

In FY 2026, Scope recorded zero substantiated complaints concerning breaches of customer privacy and zero identified leaks, thefts or losses of customer data.

Substantiated complaints concerning breaches of data privacy (Number)

Zero

complaints recorded throughout
FY 2024, 2025 and 2026



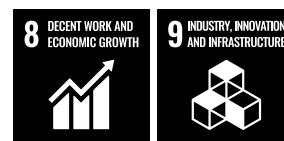
This performance reflects the Group's continued efforts to safeguard information and maintain appropriate practices for managing stakeholder data. Scope will continue to monitor its data privacy and security practices as digital risks and regulatory expectations evolve.

Our Focus Ahead

The Group will continue to strengthen its approach to data privacy and security by maintaining appropriate safeguards, promoting employee awareness and periodically reviewing its IT systems and practices in response to evolving risks. Scope will also continue to monitor developments in data protection and cybersecurity to ensure that its practices remain appropriate to the nature and scale of its operations. Through these efforts, the Group seeks to protect sensitive information, support business continuity and maintain the confidence of its stakeholders.



Supplier Chain Management



Strategic Relevance

A reliable and responsibly managed supply chain supports operational continuity, quality and the efficient delivery of the Group's business activities. Effective procurement practices also help manage potential supply chain risks while promoting accountability, transparency and responsible business conduct throughout supplier relationships.

For Scope, building responsible relationships with suppliers is particularly relevant as the Group strengthens its focus on plantation operations. Where practicable, engaging local suppliers can further support local economic activity, strengthen business relationships within the communities surrounding our operations and enhance the resilience of our supply chain.

Strengthening Responsible Procurement

Scope is committed to maintaining responsible and transparent procurement practices across its operations. The Group's procurement processes are guided by established procedures covering areas such as purchase requisitions, supplier selection and evaluation, contractual requirements and ongoing supplier performance.

These processes help the Group assess relevant considerations such as product and service quality, reliability, pricing, delivery performance and compliance with applicable requirements. Through consistent procurement practices, Scope seeks to maintain accountability and fairness while establishing reliable supplier relationships that support its operational needs.

	FY 2024	FY 2025	FY 2026
Number of local suppliers	109	105	54
Number of overseas suppliers	0	3	0
Total overall suppliers	109	108	54

In FY 2026, the Group engaged a total of 54 suppliers, all of which were local suppliers, compared to 105 local and 3 overseas suppliers in FY 2025. The lower supplier count should be viewed in the context of the Group's change in business composition following the disposal of its manufacturing division, as suppliers previously associated with the manufacturing operations are no longer included within the current reporting scope.

Supporting the Local Supply Chain

In FY 2026, 100% of the Group's procurement spending was directed towards local suppliers, with total local procurement spending amounting to approximately RM2.19 million. No procurement spending with overseas suppliers was recorded during the financial year.

	FY 2024*	FY 2025*	FY 2026
Total spending on local suppliers (RM)	7,455,370	7,284,482	2,193 166
Total spending on overseas suppliers (RM)	0	518,257	0
Overall procurement spending (RM)	7,455,370	7,802,739	2,193 166

Note:-

* The FY 2024 and FY 2025 figures have been restated to include BMSB and PGSB, providing a more consistent basis for year-on-year comparison.

SUSTAINABILITY STATEMENT

The decrease in local procurement spending from RM7.28 million in FY 2025 to RM2.19 million in FY 2026. The decrease should be viewed in the context of the Group's evolving business composition following the disposal of its manufacturing division, which resulted in a different procurement profile in FY 2026.

Where commercially and operationally appropriate, Scope seeks to engage local suppliers as part of its procurement activities. Local procurement can support more accessible and responsive supplier relationships while enabling economic value to be channelled towards businesses within the markets in which the Group operates.

Supplier Engagement

Maintaining open and constructive relationships with suppliers supports the reliability and responsible management of the Group's supply chain. Scope engages with suppliers through relevant procurement and business channels, including contractual requirements, supplier evaluations, meetings and other communications, where applicable.

The Group also communicates relevant expectations relating to business conduct and compliance through its procurement processes and applicable supplier requirements. These interactions provide opportunities to address operational matters, maintain alignment with the Group's expectations and foster productive, long-term supplier relationships.

Our Focus Ahead

Scope will continue to strengthen its supply chain management practices as its sustainability reporting evolves to reflect the Group's current business composition. Key areas of focus include enhancing procurement data collection, improving visibility over supplier-related sustainability considerations and maintaining responsible and transparent procurement practices.

The Group will also continue to consider opportunities to engage local suppliers where commercially viable and operationally appropriate, supporting both supply chain resilience and local economic participation. As our practices mature, we aim to progressively enhance the depth and coverage of our supply chain disclosures.



Focus Area 2

Environmental Matters



Climate Change



Strategic Relevance

Climate change presents increasingly relevant considerations for businesses through changing environmental conditions, regulatory expectations and the transition towards a lower-carbon economy. For Scope, these considerations are particularly relevant to our plantation operations, where business activities are closely connected to natural resources and environmental conditions.

Understanding our energy consumption and greenhouse gas ("GHG") emissions provides an important foundation for strengthening the Group's response to climate-related impacts. Through progressively improving the coverage and quality of our climate-related data, Scope seeks to develop greater visibility over its environmental footprint, identify areas for improved resource efficiency and strengthen its preparedness for evolving sustainability reporting requirements.

Strengthening Our Climate Approach

Scope continues to progressively develop its approach to climate-related management and reporting. Building on the initial groundwork established in the previous financial year, our focus in FY 2026 has shifted towards strengthening data collection and expanding the coverage of our GHG emissions inventory.

The Group recognises that developing a meaningful understanding of its climate-related impacts requires consistent and reliable information across its operations. As Scope's business composition and reporting boundary evolve, we continue to refine our data collection processes to better reflect the Group's current activities, particularly its plantation operations. This approach provides a foundation for Scope to strengthen its understanding of energy use and emissions over time and support more informed consideration of climate-related matters within its operations and future sustainability planning.

SUSTAINABILITY STATEMENT

Energy Consumption

Monitoring energy consumption enables the Group to better understand its resource use and the associated environmental impacts across its operations. Energy is consumed through sources including purchased electricity and fuels used to support operational activities, vehicles and machinery.

For FY 2026, Scope continued to strengthen the collection and monitoring of energy consumption data across its current reporting boundary. Following the disposal of the manufacturing division, the Group's energy profile has changed to reflect its current business composition, with plantation operations representing an increasingly relevant component of overall consumption.

	FY 2024	FY 2025	FY 2026
Electricity purchased from the grid (kWh)	4,916,456	4,236,847	2,805
Non-renewable fuel (Diesel) (Litres)	124,865*	128,978*	124,091

Note:-

* To enhance year-on-year comparability, the Group has restated the figures for FY 2024 and FY 2025 to align with the reporting scope and boundary applied in FY 2026. The restated figures therefore reflect the same operations included within the current reporting boundary.

	FY 2024	FY 2025	FY 2026
Total energy consumption (GJ)	21,969	19,663	4,254

As the reporting boundary differs from the previous financial year, year-on-year energy consumption figures may not be directly comparable. Scope will continue to improve the consistency and completeness of its energy data to establish a clearer understanding of consumption patterns across its operations and identify opportunities for more efficient resource use.

GHG Emissions

Scope continues to strengthen the measurement and disclosure of its GHG emissions to develop a more comprehensive understanding of the carbon footprint associated with its operations. The Group categorises its emissions according to the GHG Protocol Corporate Standard across Scope 1, Scope 2 and relevant categories of Scope 3 emissions.

Expanding Our Scope 3 Disclosure

In FY 2026, Scope expanded its GHG emissions disclosure to include selected Scope 3 emissions for the first time, covering Category 6: Business Travel. This represents a further step in broadening the Group's understanding of indirect emissions beyond those arising directly from its operations and purchased electricity.

The inclusion of these categories reflects the Group's progressive approach to strengthening the coverage of its emissions inventory as relevant data becomes available. Scope recognises that its current Scope 3 disclosure does not represent all indirect emissions across the value chain and will continue to assess opportunities to improve data availability and expand coverage where relevant and practicable.

SUSTAINABILITY STATEMENT

Scope 1 – Direct GHG Emissions

	FY 2024	FY 2025	FY 2026
Fuel consumption from company-owned vehicles, machinery (Non-renewable fuel) (tCO₂e)	322.59 ⁽¹⁾⁽²⁾	333.22 ⁽¹⁾⁽²⁾	320.59

Emission factor: DEFRA GHG conversion factors 2026 – Diesel (average biofuel blend) = 2.58354 kg CO₂e/litre

Notes:-

⁽¹⁾ Restated using the updated emission factor for the specified diesel type to ensure consistency across reporting periods.

⁽²⁾ To enhance year-on-year comparability, the Group has restated the figures for FY 2024 and FY 2025 to align with the reporting scope and boundary applied in FY 2026. The restated figures therefore reflect the same operations included within the current reporting boundary.

In FY 2026, the Group recorded Scope 1 emissions of 320.59 tCO₂e, compared with 333.22 tCO₂e in FY 2025. Scope will continue to monitor fuel consumption and the associated emissions across its operations as part of its ongoing GHG emissions reporting.

Scope 2 – Indirect GHG Emissions

	FY 2024	FY 2025	FY 2026
Electricity consumption of facilities and operations (Location-based) (tCO₂e)	3,805.34	3,279.32	2.17

Emission factor: Grid Emissions Factor ("GEF") Malaysia by the Energy Commission 2022 = 0.774 kg CO₂e/kWh (Peninsular Malaysia).

The significant decrease in Scope 2 emissions in FY 2026 primarily reflects the change in the Group's business composition and reporting boundary following the disposal of its manufacturing division. With the exclusion of the former manufacturing operations, which accounted for substantially higher electricity consumption, the Group's current operations have a considerably lower electricity-related emissions profile. Accordingly, the FY 2026 figure is not directly comparable with previous reporting periods.

Scope 3 – Other Indirect GHG Emissions

	FY 2026
Category 6 (Business Travel) (tCO₂e)	4.76

Emission factor: DEFRA GHG Conversion Factors 2026 – Business Travel: Calculated based on distance travelled for domestic air travel and land transportation using relevant DEFRA emission factors.

The Group's FY 2026 emissions profile provides greater visibility over the sources currently captured within its reporting boundary. As data collection practices mature, Scope will continue to enhance the consistency, accuracy and coverage of its GHG emissions reporting to support more informed environmental management and decision-making.

Our Focus Ahead

Scope will continue to strengthen its climate-related data collection and reporting practices, with emphasis on improving the completeness and consistency of energy and GHG emissions data across its operations. The Group will also progressively assess relevant Scope 3 emission categories as data availability and reporting capabilities develop.

As our understanding of the Group's emissions profile matures, Scope will be better positioned to identify appropriate opportunities for energy efficiency and emissions management. These efforts will support the Group's broader objective of strengthening environmental responsibility and building resilience as sustainability and climate-related expectations continue to evolve.

Waste Management



Strategic Relevance

Responsible waste management is important in minimising environmental impacts, preventing pollution and supporting the efficient use of resources. Inadequate handling and disposal of waste may also expose the Group to environmental, regulatory and operational risks, particularly where waste requires specific treatment or disposal methods.

For Scope, effective waste management involves understanding the types and quantities of waste generated across our operations and ensuring that appropriate handling, storage and disposal practices are applied. As the Group strengthens its focus on plantation operations, improving waste management practices and data collection will support greater visibility over our environmental footprint and enable more informed resource management.

Managing Waste Responsibly

Scope recognises the importance of responsible waste management in minimising the environmental impact of its plantation operations. Waste generated from the Group’s activities primarily includes fertiliser bags, pesticide and herbicide containers, used oil and lubricants, scrap metal, plastics and general domestic waste.

Across the Group’s plantation operations, efforts are made to reduce unnecessary disposal by reusing or recovering materials where practicable. Used fertiliser bags are collected and may be repurposed for the collection of loose oil palm fruits, while scrap metal and other recyclable materials are collected for sale or recovery.

Particular care is taken in managing used pesticide and herbicide containers. At BMSB, empty chemical containers undergo a triple-rinsing process before being punctured and stored at a designated waste storage area prior to collection by a registered contractor. Where appropriate, rinsed containers may also be reused operationally for transporting water required for spraying activities. Similar reuse practices are adopted at PGSB, where suitable empty containers are used to transport water to plantation blocks without direct water access.

General and domestic waste that cannot be reused or recovered is disposed of at designated disposal areas within the respective plantation operations. The Group will continue to encourage appropriate waste segregation, reuse and responsible disposal practices as part of its efforts to strengthen environmental management across its plantation activities.

Waste Generation and Performance

In FY 2026, the Group recorded 1,649 litres of scheduled waste (SW305) generated from its plantation operations. This represents the only waste stream for which quantitative data was recorded during the financial year. Other waste streams arising from the plantation operations are managed through appropriate reuse, recovery or disposal practices, as applicable, but are currently not quantified.

The FY 2026 waste data is not directly comparable with the previous financial year due to the change in the Group’s business composition and reporting boundary following the disposal of its manufacturing division. In FY 2025, the Group reported 3.2 metric tonnes of waste, which included waste generated from the former manufacturing operations.



Scope will continue to improve the completeness and consistency of its waste data to provide greater visibility over waste generation and management across its current operations.

Our Focus Ahead

Scope will continue to strengthen its waste management practices by improving the identification, monitoring and recording of waste generated across its operations. Greater visibility over waste types, quantities and treatment methods will enable the Group to better understand its waste profile and identify appropriate opportunities to minimise waste and improve resource efficiency.

As data collection practices mature, the Group will also seek to enhance its disclosure of waste diverted from and directed to disposal, supporting more transparent reporting and informed environmental management across its operations.

Water Management



Strategic Relevance

Water is an essential natural resource that supports ecosystems, communities and business activities. Responsible water management is particularly relevant to plantation operations, where water availability and changing environmental conditions can influence both operational activities and the surrounding environment.

For Scope, understanding how water is sourced and consumed across our operations is an important part of strengthening environmental management. Through responsible use, improved monitoring and greater awareness, the Group seeks to manage its water consumption appropriately while supporting the long-term availability of this shared resource.

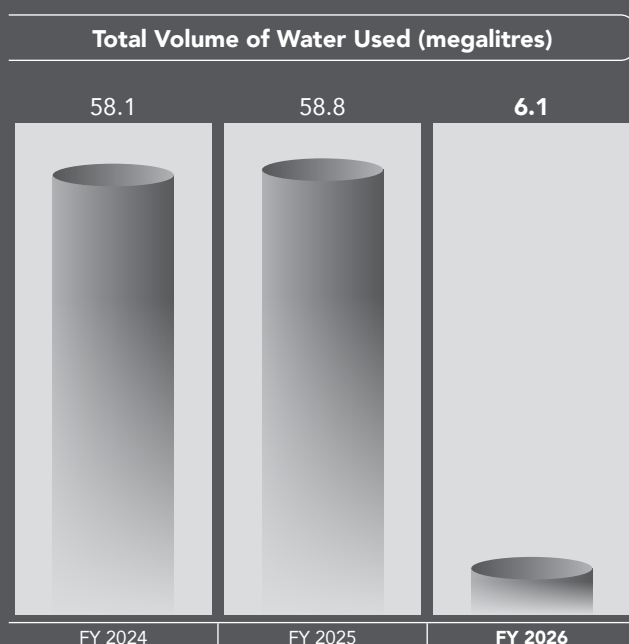
Strengthening Water Stewardship

Scope recognises the importance of monitoring water consumption as a foundation for responsible water management. Since commencing water consumption reporting in FY 2024, the Group has progressively sought to improve its understanding of water use and strengthen the availability and consistency of relevant data.

Following the disposal of the manufacturing division, Scope has shifted its focus towards improving water data collection across its current operations, particularly within the plantation division. This represents an important step in developing a water profile that better reflects the Group's current business activities and supports more informed management of water resources over time.

Water Consumption

In FY 2026, the Group recorded total water consumption of 6.1 megalitres.



As the Group's reporting boundary has changed following the disposal of the manufacturing division, FY 2026 water consumption is not directly comparable with figures reported in previous financial years. The current disclosure therefore provides a more relevant representation of water consumption across Scope's existing operations and establishes a foundation for monitoring future trends on a more consistent basis.

Beyond monitoring consumption, the Group recognises that responsible water use also depends on awareness at the operational level. Scope continues to encourage employees to use water responsibly in their daily activities and to avoid unnecessary consumption, supporting greater awareness of water conservation across the workplace.

Our Focus Ahead

Scope will continue to strengthen the monitoring and management of water consumption across its operations, with particular attention to improving the completeness and consistency of data from its plantation activities. Greater visibility over water use will enable the Group to better understand consumption patterns and identify appropriate opportunities to improve water efficiency.

As its water management practices mature, Scope will progressively explore ways to strengthen conservation efforts and enhance the responsible use of water across its operations, supporting both operational needs and broader environmental stewardship.

Biodiversity



Strategic Relevance

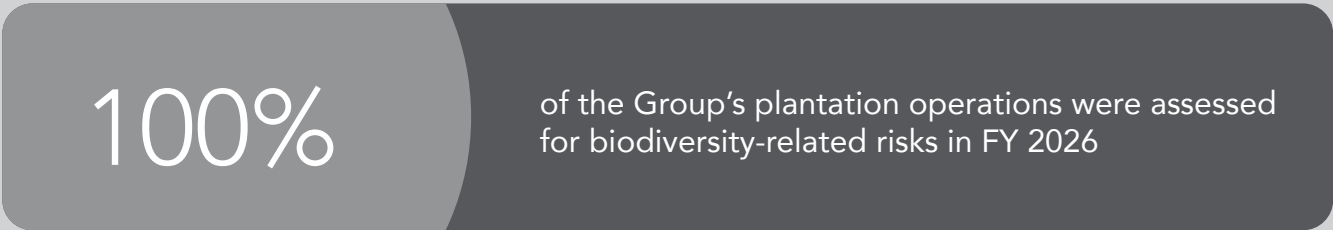
Biodiversity plays an important role in maintaining healthy and resilient ecosystems, particularly within plantation landscapes where business activities interact closely with the natural environment. Healthy ecosystems support essential functions such as soil quality, water regulation and habitat preservation, all of which contribute to the long-term sustainability of agricultural activities.

For Scope, responsible plantation management involves recognising and managing potential impacts on surrounding ecosystems, natural waterways and wildlife habitats. Protecting areas of biodiversity value and maintaining appropriate conservation practices help the Group minimise environmental impacts while supporting the long-term resilience of both its plantation operations and the ecosystems upon which they depend.

Strengthening Biodiversity Management

As plantation becomes increasingly central to the Group’s business direction, biodiversity remains an important environmental consideration within Scope’s sustainability approach. Our biodiversity management practices are supported by the MSPO Certification Scheme, which establishes relevant environmental and biodiversity requirements for responsible oil palm operations.

Scope incorporates biodiversity considerations into the management of its plantation operations through relevant assessments, monitoring practices and environmental management plans. These measures support the identification of environmentally sensitive areas and potential biodiversity-related risks, enabling appropriate conservation measures to be implemented within the plantation landscape.



Through its MSPO-related assessments and environmental management practices, the Group considers relevant biodiversity areas including:-

Land use and customary rights	Social impact	Pollution and emissions
Rare, threatened and endangered (“RTE”) species	Areas of high biodiversity value	

Within its plantation operations, Scope has identified natural waterways and waterbodies, water catchment areas and wildlife habitats as areas requiring appropriate management and conservation attention. These considerations form part of the Group’s efforts to balance operational requirements with the protection of surrounding ecosystems.

SUSTAINABILITY STATEMENT

Protecting Natural Waterways and Waterbodies

Natural waterways and waterbodies play an important role in maintaining ecosystem health and supporting the surrounding environment. Within plantation landscapes, these areas may be exposed to potential impacts including soil erosion, sedimentation, waste disposal and run-off arising from operational activities.

Scope adopts relevant management measures to minimise potential impacts on waterways within its plantation operations. These include maintaining appropriate riparian buffer zones, placing prohibition and awareness signage, conducting periodic patrols and restricting inappropriate activities and chemical applications within designated areas. In FY 2026, Scope continued to maintain adequate riparian buffer zones within its plantation operations and enforced restrictions on chemical applications near waterbodies. These measures help reduce the risk of contamination and minimise potential impacts from plantation activities on surrounding waterways.

Relevant employees and workers are also briefed on responsible practices surrounding waterways, while periodic water quality monitoring is conducted, where applicable, to support the Group's understanding of environmental conditions. These measures help maintain the integrity of natural waterways while reducing potential impacts arising from plantation activities.

Safeguarding Water Catchment Areas

Water catchment areas play an important role in supporting water availability and maintaining the ecological functions of the surrounding plantation landscape. Recognising their environmental significance, Scope identifies and manages relevant water catchment areas within its plantation operations as part of its broader approach to environmental conservation.

At PGSB, the Group has allocated approximately 90.56 hectares as a water catchment area, forming part of the designated conservation and unplanted areas maintained within the plantation. The area is preserved from plantation development to maintain its natural water catchment function and support the local water supply for the nearby community.

In FY 2026, Scope continued to preserve and maintain the designated water catchment area, recognising its importance to both the surrounding environment and local community. The protection of this area complements the Group's broader management of natural waterways and waterbodies, reinforcing an integrated approach to water and biodiversity stewardship within the plantation.

Through continued conservation and appropriate management measures, Scope seeks to maintain the ecological function of the water catchment area while supporting the long-term sustainability of its plantation operations and surrounding community.



Water catchment area within PGSB estate

Protected Wildlife and Habitats

Scope recognises the importance of protecting wildlife and habitats within and surrounding its plantation operations, with particular attention given to RTE species. The Group maintains measures aimed at preventing activities that may threaten wildlife, including the capture, harm or killing of protected species and unauthorised hunting or poaching. Relevant measures include worker education and awareness, prohibition signage in designated areas and periodic patrols to identify and deter inappropriate activities.

In FY 2026, Scope continued to implement these measures across its plantation operations, reinforcing awareness among workers on the importance of wildlife protection and maintaining restrictions against hunting, poaching and other activities that may cause harm to wildlife.

Wildlife observations and sightings are also recorded, where applicable, providing information that supports ongoing monitoring of biodiversity within the plantation landscape. Through these practices, Scope seeks to minimise disturbance to wildlife and promote responsible coexistence between plantation activities and the surrounding natural environment.

Our Focus Ahead

Scope will continue to strengthen biodiversity management across its plantation operations by maintaining appropriate conservation measures and progressively improving the monitoring and documentation of biodiversity-related information.

Particular attention will continue to be given to environmentally sensitive areas, including natural waterways, water catchment areas and wildlife habitats. As its biodiversity management practices evolve, the Group will seek to improve its understanding of the ecosystems surrounding its operations and identify appropriate opportunities to strengthen conservation practices. Through these efforts, Scope aims to integrate biodiversity considerations more closely into responsible plantation management while supporting the long-term resilience of its operations and surrounding ecosystems.



One of RTE species identified within BMSB estate - Copsychus Malabaricus (White-rumped Shama)

Focus Area 3



Diversity



Strategic Relevance

A diverse and inclusive workforce brings together individuals with different backgrounds, experiences and perspectives, supporting a workplace built on fairness, respect and equal opportunity. Maintaining an inclusive working environment also enables organisations to attract, retain and develop people across different levels of the business.

For Scope, diversity is particularly relevant as our workforce spans different roles, backgrounds and nationalities across our operations. By promoting equal opportunity and non-discrimination, the Group seeks to create a respectful working environment where employees are treated fairly and given the opportunity to contribute to the organisation.

Embracing Diversity Across Our Workforce

Scope is committed to maintaining a workplace that promotes equal opportunity and respects individual differences. The Group does not tolerate discrimination and seeks to provide fair employment opportunities regardless of gender, age, ethnicity, nationality or other relevant characteristics.

As the Group's business composition evolves, understanding the diversity of our workforce enables Scope to maintain greater visibility over employee demographics and identify areas where its people practices can continue to improve.

Board Diversity

As the Group's highest governing body, the Board brings together individuals with different backgrounds, experience and expertise to support effective oversight and decision-making. Scope monitors and reports the composition of the Board by gender and age group as part of its commitment to transparency in leadership diversity.

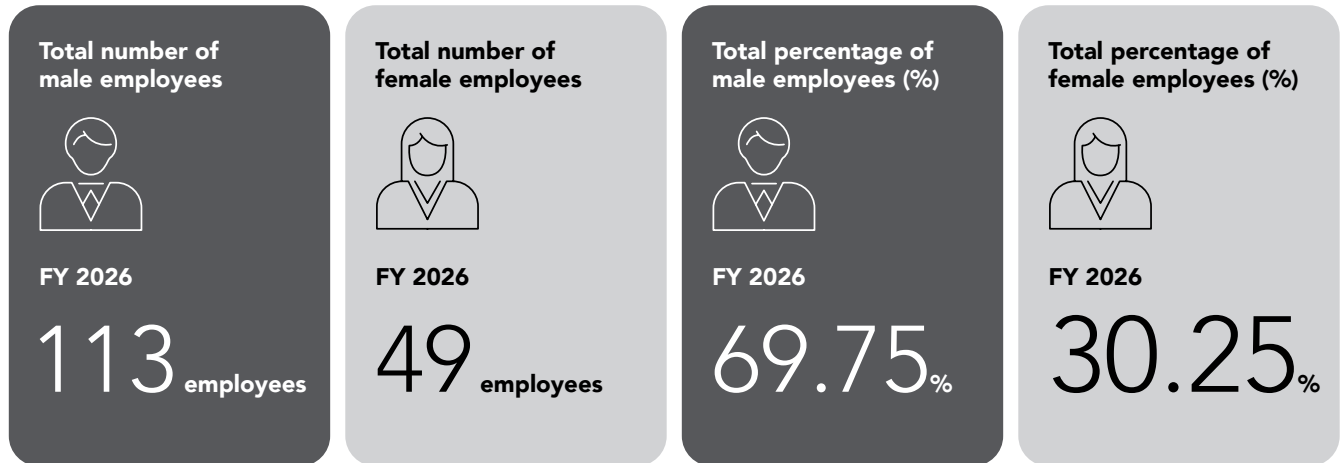
Scope's Board of Directors by Age Group and Gender

Age Group	FY 2026	
	Male	Female
Below 30 years old (Number)	0	0
30 – 50 years old (Number)	1	2
Above 50 years old (Number)	3	0

As at 30 June 2026, Scope's Board comprised six (6) directors, of whom 66.67% were male (four (4) directors) and 33.33% were female (two (2) directors).

SUSTAINABILITY STATEMENT

Workforce Profile



Our employees play an important role in supporting the Group's operations and long-term business objectives. As at 30 June 2026, Scope employed a total of 162 employees across the operations included within the Group's reporting boundary.

Understanding the composition of our workforce provides greater visibility over the people supporting our business and enables the Group to monitor representation across relevant employee demographics.

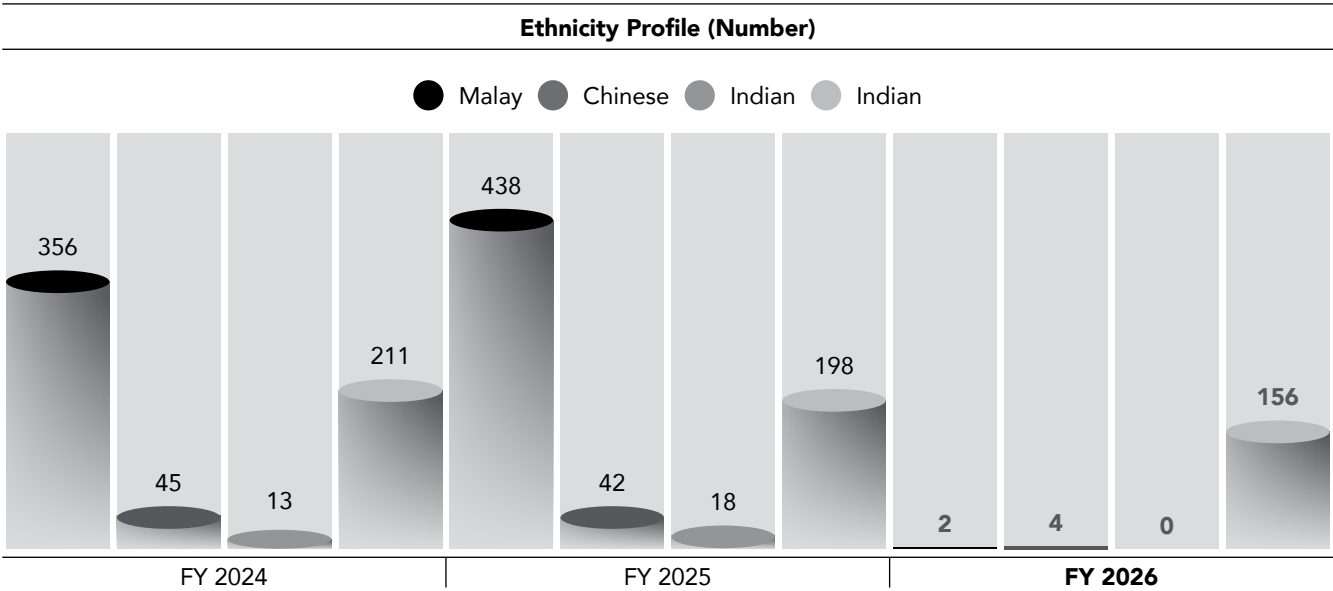
Employee Category	Gender	Age Group	FY 2026 (Number)
Senior Management	Male	<30	0
		30-50	0
		>50	2
	Female	<30	0
		30-50	0
		>50	0
Middle Management	Male	<30	0
		30-50	0
		>50	2
	Female	<30	0
		30-50	1
		>50	0
Non-Executive / Operational	Male	<30	37
		30-50	61
		>50	11
	Female	<30	17
		30-50	29
		>50	2

As the Group's reporting boundary has changed following the disposal of the manufacturing division, the FY 2026 workforce profile differs substantially from that reported in the previous financial year. Accordingly, certain workforce figures may not be directly comparable year-on-year.

SUSTAINABILITY STATEMENT

Workforce Diversity

Scope’s workforce comprises employees from different backgrounds, age groups, genders and nationalities, reflecting the varied workforce requirements across the Group’s operations.



The Group continues to monitor relevant workforce demographics to strengthen its understanding of employee composition and support fair and inclusive employment practices across its operations.

Our Focus Ahead

Scope will continue to promote equal opportunity, non-discrimination and respectful workplace practices across the Group. As our workforce evolves alongside the Group’s strategic focus, we will also seek to strengthen the completeness and consistency of workforce data to provide clearer visibility over employee demographics and representation.

Through continued monitoring and responsible people practices, Scope aims to maintain an inclusive working environment that values individual differences and supports the needs of its diverse workforce.



Occupational Health and Safety



Strategic Relevance

Maintaining a safe and healthy working environment is fundamental to protecting the wellbeing of employees and supporting responsible business operations. Effective occupational health and safety ("OHS") practices help prevent workplace injuries and incidents, strengthen operational continuity and promote greater awareness of workplace risks.

For Scope, OHS is particularly important across its plantation operations, where employees and workers may be exposed to various operational and environmental hazards in the course of their duties. Through appropriate risk management, safe working practices and continuous awareness, the Group seeks to provide a working environment where health and safety remain a shared responsibility across all levels of the organisation.

Strengthening Our Approach to OHS

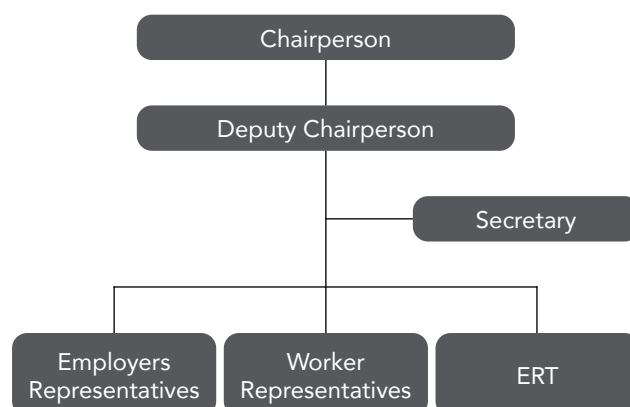
Scope manages OHS through relevant policies, procedures and risk management practices designed to identify workplace hazards, minimise risks and promote safe working practices. These include the Group's OHS Policy, relevant Standard Operating Procedures ("SOPs") and the application of Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), where applicable.

Given the nature of the Group's plantation activities, Scope recognises that employees and workers may be exposed to a range of operational and environmental hazards. Key OHS risks identified within the plantation operations include those associated with machinery and equipment, tractors and vehicles, chemical handling, heat exposure, manual handling, slips, trips and falls, falling vegetation or objects, as well as wildlife and insects.

These risks are managed through appropriate OHS practices and employee training conducted in accordance with the MSPO training schedule. Relevant employees and workers are provided with training based on the nature of their responsibilities and potential workplace exposure, supporting greater awareness of plantation-specific hazards and the appropriate measures required to manage them.

At BMSB, the Occupational Safety and Health Committee oversees workplace safety and health matters, with representation from both employers and employees, supported by the Emergency Response Team ("ERT").

OHS Committee at BMSB



Through these measures, the Group seeks to strengthen workplace safety awareness and maintain appropriate controls over OHS risks across its operations. Employees and workers are expected to observe applicable safety procedures and remain vigilant towards potential hazards within their respective working environments.

Strengthening Safety Awareness

In line with the risk profile of its plantation operations, training is conducted on relevant areas such as chemical and material handling, machinery and vehicle safety, emergency preparedness, waste handling and the appropriate use of Personal Protective Equipment ("PPE"). Training is provided based on operational requirements and in accordance with the MSPO training schedule, where applicable.

In FY 2026, three (3) employees attended the Occupational Safety and Health Coordinator Competency Course, conducted across two sessions in December 2025 and May 2026, to strengthen their knowledge and competency in workplace safety and health coordination.

SUSTAINABILITY STATEMENT

Other OHS trainings and awareness programmes conducted in FY 2026 included:-

Chemical Storage and Handling Training	Fertiliser Storage and Handling Training	Scheduled Waste Storage and Handling Training
Loading Ramp Safety Training	Chemical Mixing and Handling Training	Tractor and Lorry Driver Safety Training
Triple Rinsing Procedure Training	First Aid Training	Fire Drill and Emergency Response Exercise
	PPE and Safe Work Procedures Training	

In FY 2026, 94 employees, representing 58% of the Group's workforce, participated in health and safety training programmes completing a total of 154 training hours. Through continued training and awareness, Scope seeks to reinforce safe working practices and strengthen employees' understanding of their responsibilities in protecting their own wellbeing and that of their colleagues.

Monitoring Safety Performance

Monitoring workplace health and safety performance enables the Group to identify trends, assess the effectiveness of existing practices and determine areas requiring further attention. Scope tracks relevant OHS indicators, including the Lost-Time Injury Rate ("LTIR") and number of work-related fatalities, to assess safety performance across its operations.

	FY 2024	FY 2025	FY 2026
LTIR	0	0	0
Work-related fatalities (Number)	0	0	0

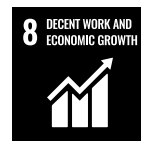
In FY 2026, the Group recorded zero lost-time injuries, resulting in an LTIR of 0, with zero work-related fatalities recorded during the year. Scope will continue to monitor its OHS performance and reinforce appropriate preventive measures and safe working practices across its operations.

Our Focus Ahead

Scope will continue to strengthen its OHS practices in line with the evolving needs and risk profile of its operations. Key areas of focus include maintaining appropriate risk assessments, strengthening safety awareness and training, and improving the consistency and coverage of OHS performance data across the Group.

As plantation operations become increasingly central to Scope's business, the Group will continue to reinforce relevant preventive measures and safe working practices to address operational risks. Through ongoing monitoring, awareness and employee participation, Scope seeks to maintain a working environment where health and safety remain an integral part of everyday operations.

Labour Practice and Standards



Strategic Relevance

Responsible labour practices are fundamental to maintaining a fair, respectful and supportive working environment. Upholding appropriate employment standards and respecting fundamental human rights help safeguard employee wellbeing, strengthen workforce stability and support responsible business operations.

For Scope, these considerations are particularly important as our workforce comprises individuals across different roles, backgrounds and employment arrangements. By maintaining fair employment practices, providing opportunities for development and respecting the rights of our people, the Group seeks to foster a working environment where employees and workers are treated with dignity and supported in contributing to the organisation.

Promoting Responsible Employment Practices

Scope is committed to maintaining fair and responsible employment practices in accordance with applicable labour and employment-related laws and regulations. The Group's approach is supported by relevant human resource policies and its Human Rights Policy, which establish expectations for the fair and respectful treatment of employees and workers across its operations.

These principles extend across relevant areas of employment, including recruitment, remuneration and benefits, working hours, leave entitlements and workplace conditions. Through appropriate policies and employment practices, Scope seeks to uphold the rights of its workforce while maintaining a professional and respectful working environment.

In FY 2026, the Group's workforce comprised 162 employees and workers, of whom 26 (16.0%) were permanent and 136 (84.0%) were temporary or contractual. By nationality, 30 (18.5%) were local and 132 (81.5%) were foreign workers. Given the composition of its workforce, Scope recognises the importance of maintaining appropriate employment practices that support fair treatment and responsible working conditions across different employment arrangements and nationalities.

Given the composition of its workforce, Scope recognises the importance of maintaining appropriate employment practices that support fair and responsible working conditions across different employment arrangements and nationalities. As the Group's operations and workforce requirements evolve, Scope will continue to review its people practices to ensure they remain appropriate to the needs and characteristics of its workforce.

Developing Our People

Employee development supports both individual capabilities and the Group's ability to respond to evolving operational and business requirements. Scope provides relevant training and learning opportunities to strengthen employees' knowledge, practical skills and awareness based on their respective roles and responsibilities.

Given the nature of the Group's operations, training during FY 2026 was conducted based on relevant operational and professional development needs. For plantation operations, relevant training was conducted in accordance with the MSPO training schedule, covering areas such as plantation practices, safe work procedures, responsible chemical and material handling, and emergency preparedness. The Group also provided opportunities for employees to strengthen their professional and technical capabilities through training on areas including financial reporting, digital systems, regulatory matters and leadership development.

Training and Development Programmes in FY 2026:-

Professional, Technical and Leadership Development	Plantation Operations	Chemical, Material and Waste Handling	OHS and Emergency Preparedness
- Financial Reporting and Accounting Training - E-Invoicing and Digital Business Training - Plantation Management System Training - Regulatory and Industry System Training - Leadership and Strategic Management Training	- Harvesting Practices Training - FFB Loading and Handling Training - Spraying Practices Training - Loading Ramp Operations Training - Tractor and Lorry Operations Training	- Chemical Storage and Handling Training - Fertiliser Storage and Handling Training - Scheduled Waste Storage and Handling Training - Chemical Mixing and Handling Training - Triple-Rinsing Procedure Training	- First Aid Training - Fire Drill and Emergency Response Exercise - PPE and Safe Work Procedures Training

SUSTAINABILITY STATEMENT

Total Employee Training Hours in FY 2026:-

Employee category	FY 2026 (Hrs)
Senior Management	4
Middle Management	31
Non-executive / Operational	158
Total	193

In FY 2026, 105 employees, representing approximately 65% of the Group's workforce, completed a total of 193 hours of training, reflecting Scope's continued focus on employee learning and development. As the Group's workforce composition and reporting boundary have changed following the disposal of the manufacturing division, year-on-year training data may not be directly comparable. FY 2026 also marks the Group's expanded disclosure of training hours by employee category, providing greater visibility over training participation across the workforce.

Supporting Our Workforce

Scope seeks to provide fair and supportive working environment that considers the wellbeing and needs of its workforce. The Group's Employee Handbook provides employees with guidance on relevant workplace policies, employment conditions, rights and responsibilities, helping to promote consistency and clarity across the organisation. Eligible employees are also provided with relevant employment benefits, which may include healthcare coverage, insurance and leave entitlements, in accordance with applicable employment terms and Group policies.

Providing Worker Accommodation

Recognising the needs of its plantation workforce, Scope provides accommodation for workers within its plantation operations. As at FY 2026, the Group's labour quarters accommodated 149 workers and were provided with essential utilities, including electricity and water. The Group recognises that appropriate living conditions form an important part of supporting the wellbeing of its plantation workforce. Accordingly, the labour quarters are subject to ongoing maintenance to ensure that the facilities and essential utilities remain in appropriate condition for workers.

Addressing Employee Grievances

Scope provides a grievance mechanism through which employees and workers may raise workplace concerns using the Group's grievance form. Concerns received are reviewed and addressed, where appropriate, to support the timely resolution of workplace issues and provide employees and workers with an avenue to communicate matters affecting their wellbeing or working conditions. During FY 2026, the Group addressed a grievance relating to the maintenance of its labour quarters. The matter was subsequently resolved through the appropriate maintenance action. This demonstrates the practical application of the Group's grievance mechanism in identifying and addressing concerns raised by its workforce.

Employee Turnover

Scope monitors employee turnover to better understand workforce movements and support its approach to employee retention and workforce planning.

Employee category	Employee turnover FY 2026 (Number)
Senior Management	0
Middle Management	2
Non-executive / Operational	5
Total	7

In FY 2026, the Group recorded 7 employee departures, representing a turnover rate of 4.84%. Monitoring workforce movements enables Scope to maintain greater visibility over its workforce requirements and identify areas where its people practices may be strengthened.

SUSTAINABILITY STATEMENT

Respecting Human Rights

Scope recognises its responsibility to respect fundamental human rights and maintain working conditions that uphold the dignity and wellbeing of its workforce. The Group’s Human Rights Policy establishes its commitment to responsible employment practices and provides a foundation for addressing relevant human rights considerations across its operations.

Scope seeks to maintain a working environment that promotes fair treatment, non-discrimination and respect for individual rights. Relevant concerns may be raised through the Group’s established communication or grievance channels for appropriate review and action.

	FY 2024	FY 2025	FY 2026
Number of substantiated complaints concerning human rights violations	0	0	0



In FY 2026, Scope recorded zero substantiated complaints concerning human rights violations.

The Group will continue to strengthen awareness of responsible labour and human rights practices as part of its commitment to maintaining appropriate employment standards across its operations.

Our Focus Ahead

Scope will continue to strengthen its labour practices in response to the evolving needs of its workforce and operations. Key areas of focus include maintaining fair and responsible employment practices, providing relevant employee development opportunities and strengthening the monitoring of workforce-related information.

As plantation operations become increasingly central to the Group, Scope will also continue to review its labour and human rights practices to ensure they remain appropriate to its workforce profile and operating environment. Through these efforts, the Group seeks to maintain a respectful and supportive workplace while safeguarding the rights and wellbeing of its people.

Community Investment



Strategic Relevance

Businesses operate as part of the wider communities around them, making positive community relationships an important aspect of responsible and sustainable business practices. Community investment provides opportunities for businesses to respond to local needs, support social wellbeing and build constructive relationships with the people and communities connected to their operations.

For Scope, this is particularly relevant to its plantation operations, which operates alongside local communities and other stakeholders. Through community activities and contributions, the Group seeks to maintain positive relationships and provide appropriate support to the communities surrounding its operations.

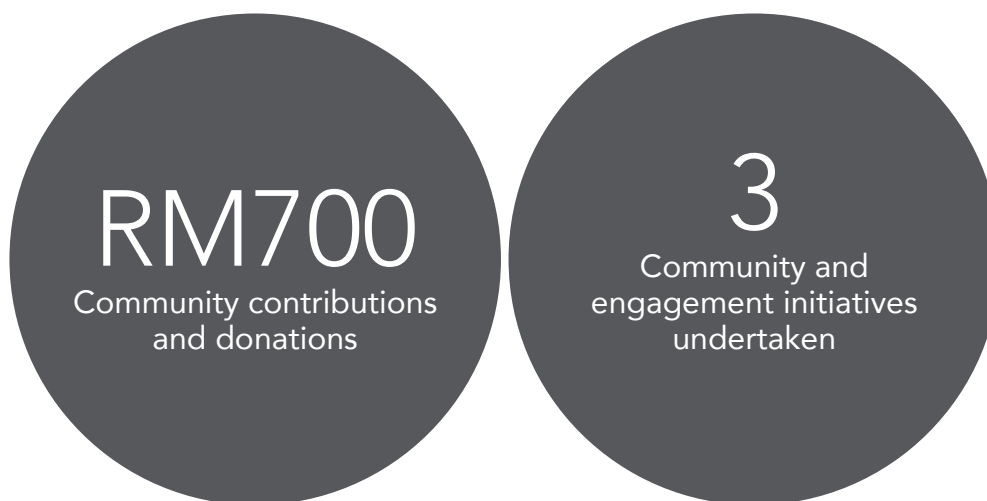
SUSTAINABILITY STATEMENT

Supporting Our Communities

Scope recognises the importance of maintaining constructive relationships with the communities surrounding its operations. Through community programmes, contributions and local engagement activities, the Group seeks to support relevant community needs while encouraging positive engagement between its operations and local stakeholders.

In FY 2026, Scope supported initiatives encompassing community engagement and contributions to local organisations. These activities ranged from community celebrations and recreational activities to donations supporting local institutions within the areas surrounding the Group's plantation operations.

FY 2026 at a glance



Our Community Initiatives

During FY 2026, Scope undertook and supported a range of activities that brought together its workforce, local communities and organisations within the areas surrounding its operations.

Key initiatives undertaken during the year included:-

- Maulidur Rasul Celebration – participation in a community celebration with local communities within the plantation area.
- Contribution to SK Jaya Baru, Kinabatangan – financial or in-kind support provided to the local school.
- Contribution to Local Police Station – support extended to the local police station as part of the Group's engagement with local stakeholders.



SUSTAINABILITY STATEMENT

Our Focus Ahead

Scope will continue to identify appropriate opportunities to support and engage with the communities connected to its operations. As the Group strengthens its focus on plantation activities, we will seek to better understand relevant community needs and explore initiatives that can create meaningful benefits for local stakeholders.

Moving forward, Scope aims to strengthen its approach to community investment through purposeful initiatives, appropriate engagement and improved monitoring of its community activities. Through these efforts, the Group seeks to maintain positive community relationships while contributing to social wellbeing in the areas where it operates.

Sustainability Outlook

Cultivating Purposeful Progress

As Scope looks ahead, sustainability will continue to evolve alongside the Group's strategic focus on plantation operations. Building on the progress made during FY 2026, we aim to strengthen responsible practices across our operations while progressively enhancing our approach to environmental stewardship, workforce wellbeing, community engagement and sustainability reporting.

An important part of this journey will be the Group's phased replanting programme, which supports the long-term productivity and sustainability of our plantation assets. As older palms are progressively replanted, Scope adopts responsible land preparation practices in accordance with applicable statutory requirements. With open burning prohibited, felled palms are chipped and left to decompose naturally in the field. Through this process, organic matter and nutrients from the old palms are gradually returned to the soil, supporting soil quality and reducing the need for burning during replanting activities.

Beyond replanting, Scope will continue to strengthen the management of its environmental impacts, including biodiversity, water, waste, energy and GHG emissions, while maintaining responsible labour practices and a safe working environment for its workforce. The Group will also progressively enhance its sustainability data and reporting processes as it prepares for evolving sustainability disclosure requirements.

Our sustainability journey will continue to develop as our operations and stakeholder expectations evolve. Guided by a clear sense of purpose, Scope remains focused on making practical and responsible decisions today that support the resilience of our plantation operations, the wellbeing of our people and communities, and the responsible stewardship of the environment for the years ahead.

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 2025 to 30 June 2026, with reference to the GRI Standards.

GRI Standard	Disclosures	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Sustainability Statement ("SS") - Pages 4, 5, 6 and 7
	2-2 Entities included in the organization's sustainability reporting	SS - Page 17
	2-3 Reporting period, frequency and contact point	SS - Pages 17 and 18
	2-4 Restatements of information	NA
	2-5 External assurance	SS - Page 15
	2-6 Activities, value chain and other business relationships	Management Discussion and Analysis ("MD&A") - Pages 6 - 15
	2-7 Employees	SS - Pages 40 - 42, Pages 45 - 47
	2-8 Workers who are not employees	SS - Page 45
	2-9 Governance structure and composition	SS - Page 19 and Corporate Governance Overview Statement ("CGOS")
	2-10 Nomination and selection of the highest governance body	CGOS
	2-11 Chair of the highest governance body	CGOS
	2-12 Role of the highest governance body in overseeing the management of impacts	CGOS and Statement on Risk Management and Internal Control ("SORMIC")
	2-13 Delegation of responsibility for managing impacts	SS - Page 19
	2-14 Role of the highest governance body in sustainability reporting	SS - Page 19
	2-15 Conflicts of interest	CGOS and Audit Committee Report
	2-16 Communication of critical concerns	CGOS
	2-17 Collective knowledge of the highest governance body	NA
	2-18 Evaluation of the performance of the highest governance body	CGOS
	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	NA
	2-23 Policy commitments	SS and CGOS
	2-24 Embedding policy commitments	NA
	2-25 Processes to remediate negative impacts	NA

SUSTAINABILITY STATEMENT

GRI Standard	Disclosures	Location
	2-26 Mechanisms for seeking advice and raising concerns	NA
	2-27 Compliance with laws and regulations	NA
	2-28 Membership associations	SS - Page 18
	2-29 Approach to stakeholder engagement	SS - Pages 20 - 21
	2-30 Collective bargaining agreements	NA
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SS - Page 22
	3-2 List of material topics	SS - Pages 23 - 25
	3-3 Management of material topics	SS - Pages 27 - 49
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SS - Page 28
	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	NA
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SS - Pages 31 and 32
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SS - Page 29
	205-2 Communication and training about anti-corruption policies and procedures	SS - Page 29
	205-3 Confirmed incidents of corruption and actions taken	SS - Page 29
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	NA
	301-2 Recycled input materials used	NA
	301-3 Reclaimed products and their packaging materials	NA

SUSTAINABILITY STATEMENT

GRI Standard	Disclosures	Location
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SS - Pages 34 - 35
	302-2 Energy consumption outside of the organization	SS - Page 35
	302-3 Energy intensity	NA
	302-4 Reduction of energy consumption	SS - Page 34
	302-5 Reductions in energy requirements of products and services	NA
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	NA
	303-2 Management of water discharge-related impacts	NA
	303-3 Water withdrawal	NA
	303-4 Water discharge	NA
	303-5 Water consumption	SS - Page 37
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	SS - Pages 38 - 39
	304-2 Significant impacts of activities, products and services on biodiversity	SS - Pages 38 - 39
	304-3 Habitats protected or restored	SS - Pages 38 - 39
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	SS - Pages 38 - 39
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SS - Page 35
	305-2 Energy indirect (Scope 2) GHG emissions	SS - Page 35
	305-3 Other indirect (Scope 3) GHG emissions	SS - Page 35
	305-4 GHG emissions intensity	NA
	305-5 Reduction of GHG emissions	SS - Page 35
	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	SS - Page 36
	306-2 Management of significant waste-related impacts	SS - Page 36
	306-3 Waste generated	SS - Page 36
	306-4 Waste diverted from disposal	NA
	306-5 Waste directed to disposal	NA
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	SS - Page 46
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SS - Page 46
	401-3 Parental leave	NA
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	NA

SUSTAINABILITY STATEMENT

GRI Standard	Disclosures	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SS - Page 43
	403-2 Hazard identification, risk assessment, and incident investigation	NA
	403-3 Occupational health services	NA
	403-4 Worker participation, consultation, and communication on occupational health and safety	SS - Pages 43 - 44
	403-5 Worker training on occupational health and safety	SS - Page 44
	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	SS - Page 44
	403-10 Work-related ill health	SS - Page 44
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	SS - Page 46
	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	SS - Pages 40 - 42
	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 Standard	Disclosures	Location
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	NA
	413-2 Operations with significant actual and potential negative impacts on local communities	NA
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	SS - Page 30

Prescribed Table

SCOPE INDUSTRIES BERHAD

BMLR Transition Period

Date & Time: 2026-10-20_14:05:37
Ace Market | Group 3 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Corruption Cases	Number of Incidents and Report arises	Number	0	0	0	No assurance
Supply Chain Management	Local Supplier	Percentage	97%	100%	100%	No assurance
Supply Chain Management	Overseas Supplier	Percentage	3%	0%	0%	No assurance
Supply Chain Management	Spending on Local Supplier	Percentage	93%	100%	N/A	No assurance
Supply Chain Management	Spending on Overseas Supplier	Percentage	7%	0	N/A	No assurance
Energy Management	Total Electricity Consumption	kWh	4,236,847	2805	N/A	No assurance
Energy Management	Total Diesel Consumption	Litres	128,978	124,091	N/A	No assurance
Energy Management	Total Energy consumption	Gigajoules	19663	4254	N/A	No assurance
GHG Emission	Scope 1 - Fuel consumption	tCO2e	333.22	320.59	N/A	No assurance
GHG Emission	Scope 2 - Electricity consumption	tCO2e	327932	217	N/A	No assurance
GHG Emission	Scope 3 - Business Travel	tCO2e	—	4.76	N/A	No assurance
Waste Management	Waste generated (Scheduled Waste - SW305)	Litres	1492	1649	N/A	No assurance
Water Management	Total Water Consumption	megallitres	588	61	N/A	No assurance
Diversity and Equal Opportunity	Workforce Nationality - Local	Percentage	65%	19%	N/A	No assurance
Diversity and Equal Opportunity	Workforce Nationality - Foreign	Percentage	35%	81%	N/A	No assurance
Diversity and Equal Opportunity	Age Diversity - Below 30	Percentage	60%	33%	N/A	No assurance
Diversity and Equal Opportunity	Age Diversity - Between 31 to 50	Percentage	36%	56%	N/A	No assurance

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Prescribed Table (Cont'd)

SCOPE INDUSTRIES BERHAD BMLR Transition Period

Date & Time: 2026-10-20_14:05:37
Ace Market | Group 3 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	Age Diversity - Above 50	Percentage	5%	11%	N/A	No assurance
Diversity and Equal Opportunity	Gender Diversity - Male	Percentage	45%	70%	N/A	No assurance
Diversity and Equal Opportunity	Gender Diversity - Female	Percentage	55%	30%	N/A	No assurance
Diversity and Equal Opportunity	Employment Category - Senior Management	Percentage	1%	1%	N/A	No assurance
Diversity and Equal Opportunity	Employment category - Middle Management	Percentage	3%	2%	N/A	No assurance
Diversity and Equal Opportunity	Employment category - Operational	Percentage	96%	97%	N/A	No assurance
Diversity and Equal Opportunity	Type of employment - Permanent	Percentage	64%	16%	N/A	No assurance
Diversity and Equal Opportunity	Type of employment - Contract	Percentage	36%	84%	N/A	No assurance
Safety and Health	Loss Time Injuries Rate (LTIR)	Number	0	0	0	No assurance
Safety and Health	Work-Related Fatalities	Number	0	0	0	No assurance
Board Diversity	Board Diversity - Male	Percentage	67%	67%	N/A	No assurance
Board Diversity	Board Diversity - Female	Percentage	33%	33%	N/A	No assurance

LEE MIN HUAT

Age: 69 **Nationality:** Malaysian **Gender:** Male

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

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

Upon graduation, he joined Kalayaan Sdn. Bhd., a property development company, where he served as a Manager from 1980 to 1984. Over the past 20 years, he has been actively involved in property development and commodity trading.

Mr. Lee is responsible for formulating the Group's corporate strategies and business plans, as well as overseeing the Group's operations and financial management functions. He also serves as a director of several subsidiaries within the Scope Group.

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

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

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.

LIM EE TATT

Age: 56 **Nationality:** Malaysian **Gender:** Male

Lim Ee Tatt was appointed as a Non-Independent Non-Executive Director of Scope on 2 December 2013. He was subsequently re-designated as an Executive Director on 27 February 2026.

Mr. Lim graduated from the University of South Australia with a Bachelor's degree in Mechanical Engineering, majoring in Thermodynamics. He subsequently pursued further studies in business and management and obtained a Postgraduate Diploma in Business Administration from the same university.

Mr. Lim began his career as an engineer in Australia, where he gained extensive expertise in solid materials handling. During this period, he was involved in the design and commissioning of automated delivery and handling systems for powder and granular materials for various industries, both in Malaysia and overseas.

After five years in this specialised field, Mr. Lim ventured into the oil palm development and investment business with Wah Len Enterprise Sdn. Bhd. He is currently actively involved in the operations of Wah Len Enterprise Sdn. Bhd., an established oil palm plantation company, where he serves as the Managing Director.

In his capacity as Executive Director of Scope, Mr. Lim is responsible for the operational management of the Group.

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

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

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.

PROFILE OF DIRECTORS

LIM CHIEW HOO

Age: 63 **Nationality:** Malaysian **Gender:** Male

Lim Chiew Hoo was appointed as the Managing Director of Scope on 15 July 2003. He is a businessman by profession and the founder of the Group. On 27 February 2026, he was re-designated as a Non-Independent Non-Executive Director.

After completing his Higher School Certificate, Mr. Lim commenced his career as a Treasurer with Hup Hin Chan Rice Mill Sdn. Bhd., where he served from 1984 to 1990. In 1990, he established a sole proprietorship engaged in the assembly of printed circuit boards ("PCB") for office equipment. In 1991, he founded Luxshare Precision (M) Sdn. Bhd. (formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("Luxshare") and subsequently transferred the sole proprietorship business to Luxshare.

Luxshare subsequently expanded its operations into the assembly of PCBs for telecommunication products. As the founder, Mr. Lim has been directly involved in the growth and development of Luxshare since its establishment in 1991. Under his leadership, Luxshare further expanded its operations into the assembly of PCBs for various electronic products, with a focus on audio and telecommunication equipment.

With more than 35 years of experience in the electronics industry, Mr. Lim possesses extensive industry knowledge and experience. He contributes his knowledge and experience to the Board's deliberations and provides valuable insights on matters relating to the Group and the industry in which it operates.

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

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

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.

LAW KIM FATT

Age: 44 **Nationality:** Malaysian **Gender:** Male

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

Mr. Law is a Fellow Member of the Association of Chartered Certified Accountants ("FCCA"), a Member of the Malaysian Institute of Accountants ("MIA") and a holder of a Capital Markets Services Representative's Licence.

He has 24 years of experience in audit, accounting and corporate finance advisory. For the past 16 years, he has been involved in corporate finance advisory, where he has advised on initial public offerings, mergers and acquisitions, corporate restructuring exercises and fundraising activities. He is currently a Co-Head of Corporate Finance at a stockbroking firm in Malaysia.

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

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

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.



PROFILE OF DIRECTORS

ANG KAI SING

Age: 38 **Nationality:** Malaysian **Gender:** Female

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

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

Ms. Ang commenced her career in audit in 2011 with a local accounting firm and subsequently gained experience with one of the Big Four accounting firms, where she further developed her technical expertise and exposure to complex audit engagements. From 2015 to 2018, she broadened her professional experience by serving as a team lead in a global shared services environment, where she was responsible for corporate operations and leadership functions.

Upon returning to the audit profession, Ms. Ang progressed to the position of Audit Partner. In this capacity, she has managed a diverse portfolio of listed and non-listed statutory audit clients across various industries, including property development, manufacturing, technology, agriculture, trading and services, retail, and investment holding.

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

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

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.

TAN HUI TING

Age: 44 **Nationality:** Malaysian **Gender:** Female

Tan Hui Ting was appointed as an Independent Non-Executive Director of Scope on 27 February 2026. She serves as the Chairman of the Remuneration Committee and is a member of the Audit Committee and Nomination Committee.

Ms. Tan is an Advocate and Solicitor of the High Court of Malaya and is the Managing Partner and Co-Founder of Lee Lam & Tan. She holds a Bachelor of Laws (Hons) from the University of London and a Master of Science (Hons) in Business & Enterprise.

Ms. Tan has extensive experience in commercial and corporate legal advisory, with expertise covering joint ventures, commercial agreements, regulatory compliance and corporate transactions. She regularly advises corporate clients and business owners on contractual structuring, investment matters and business arrangements, providing practical legal and commercial insights to support corporate operations and governance.

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

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

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.

Notes:

1. 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.
2. The Directors' shareholdings are as disclosed in this Annual Report.
3. The details of the number of Board Meetings attended by the Directors of the Company for the financial year are disclosed on page 63 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

HAN SIEW KING

Age: 79 **Nationality:** Malaysian **Gender:** Male

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

Mr. Han 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 at the International Agricultural Centre, Wageningen, The Netherlands.

Upon graduating in 1972, Mr. Han commenced his career as an Agricultural Officer at the Faculty of Agriculture's farm of the University of Malaya in Puchong. In September of the same year, he joined Sime Darby Plantations as an Agronomist, where he was involved in the management and agronomic activities of rubber, oil palm and cocoa plantations.

In January 1980, he joined Eastern Plantations Agency (J) Sdn. Bhd., a management company of Kulim Malaysia Berhad, as a Senior Agronomist. During his tenure, he was responsible for establishing the company's advisory and research division.

After approximately one and a half years with the company, Mr. Han established his own consultancy services and plantation contracting business in May 1981. He retired from the plantation contracting business in 2005 and currently provides consultancy services on an as-needed basis.

Mr. Han is a member of several professional organisations, including the Malaysian Society of Soil Science, the International Society of Oil Palm Agronomists and the Society of Agricultural Scientists, Sabah.

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

He does not hold any directorships in other public companies or 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. In addition, the Executive Chairman provides strategic direction and oversees the overall management, business operations and performance of the Group. The Executive 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 Company has not appointed a Chief Executive Officer ("CEO"). The duties and responsibilities ordinarily undertaken by a CEO are currently discharged by the Executive Chairman, with the support of the Executive Director, including overseeing the day-to-day management and business operations of the Group.

The Board acknowledges that the existing arrangement represents a departure from Practice 1.3 of the Malaysian Code on Corporate Governance. Nevertheless, the Board considers the current leadership structure appropriate for the Group's operational requirements, with oversight exercised collectively by the Board and independent judgement provided by the Independent Non-Executive Directors.

The Board will continue to review its leadership structure to ensure appropriate segregation of responsibilities and effective checks and balances.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

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.

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 Board 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

Supply of and Access to Information (Cont'd)

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

Company Secretaries

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

Functions of the Board and Management

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

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

Board Meetings and Time Commitment

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

The Board met four (4) times during the financial year ended 30 June 2026. The Board is satisfied with the time commitment expected of all Directors in discharging their duties. All Directors devote sufficient time to carry out their responsibilities.

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

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

Directors	Attendance
Mr. Lim Chiow Hoo	4/4
Mr. Lee Min Huat	4/4
Mr. Lim Ee Tatt	4/4
Mr. Law Kim Fatt	4/4
Ms. Ang Kai Sing	4/4
Ms Tan Hui Ting ^(a)	1/1

Note:

^(a) Appointed and on 27 February 2026

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 2026 are as follows:-

No.	Director	Seminar/Training Course Attended
1.	Lim Chiow Hoo	• RPT & Conflict of Interest: What Every Leader Must Get Right
2.	Lee Min Huat	• Dealmaking in Volatile Times: High Level M&A Oversight for Leaders
3.	Lim Ee Tatt	• RPT & Conflict of Interest: What Every Leader Must Get Right
4.	Law Kim Fatt	• RPT & Conflict of Interest: What Every Leader Must Get Right
5.	Ang Kai Sing	• RPT & Conflict of Interest: What Every Leader Must Get Right
6.	Tan Hui Ting	• Mandatory Accreditation Programme Part I • Mandatory Accreditation Programme 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 MMLR 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 six (6) members, comprising two (2) Executive Directors, three (3) 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. Lee Min Huat, Mr. Lim Ee Tatt and Ms. Tan Hui Ting 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 2026 are as follow:-

Nomination Committee Members	Position in Nomination Committee	Directorate	Attendance
Ms. Ang Kai Sing	Chairman	Independent Non-Executive Director	2/2
Mr. Law Kim Fatt	Member	Independent Non-Executive Director	2/2
Ms. Tan Hui Ting (Appointed on 27 February 2026)	Member	Independent Non-Executive Director	N/A
Mr. Lim Ee Tatt (Resigned on 27 February 2026)	Member	Executive Director	2/2

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 four sections on the following key areas:-

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

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

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

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

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

The Company has conducted the fit and proper assessment on 27 August 2025 on Directors who were proposed for re-election at the Twenty-Third 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 two (2) times during the financial year and the activities of the Nomination Committee are summarised as follows:-

- (a) Reviewed the structure, size and composition of the Board and Board Committees.
- (b) 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.
- (c) Reviewed and recommended the re-election of Director who was retiring and seeking for re-election at Twenty-Third AGM.
- (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.
- (i) Reviewed and assessed the training needs of each Director for the financial year ending 30 June 2026.
- (j) Reviewed and recommended the re-designation of existing Directors and appointment of new Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

Gender, Ethnicity and Age Diversity Policy

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

The Board currently comprises two (2) female directors. In line with the MCCG's recommendation of 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of more female directors to the Board in the future to bring about a more diverse perspective.

Remuneration Committee

The Remuneration Committee was formed on 19 November 2003. The Committee comprised a majority of Independent Non-Executive Directors at the beginning of the financial year and became fully composed of Independent Non-Executive Directors during the financial year. The members and their attendance of meetings during the financial year 2026 are as follows:-

Remuneration Committee Members	Position in Remuneration Committee	Directorate	Attendance
Ms. Tan Hui Ting ^(a)	Chairman	Independent Non-Executive Director	N/A
Ms. Ang Kai Sing ^(b)	Member	Independent Non-Executive Director	2/2
Mr. Law Kim Fatt	Member	Independent Non-Executive Director	2/2
Mr. Lim Ee Tatt ^(c)	Member	Executive Director	2/2

Notes:

^(a) Appointed as Member on 27 February 2026 and subsequently re-designated as Chairman on 24 August 2026

^(b) Re-designated as Member on 24 August 2026

^(c) Resigned as Member on 27 February 2026

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 two (2) meetings during the financial year 2026 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 2026 is set out below:-

Company (RM'000)							
	Fee	Allowance	Salary	Bonus	Statutory Contributions	ESS	Total
Executive Directors							
Lee Min Huat	60	2.5	-	-	-	-	62.5
Lim Ee Tatt ^(a)	60	2.5	-	-	-	-	62.5
Ong Lai Choon ^(b)	-	0.5	-	-	-	-	0.5
Non-Executive Directors							
Lim Chiow Hoo ^(c)	60	2.5	-	-	-	-	62.5
Law Kim Fatt	60	2.5	-	-	-	-	62.5
Ang Kai Sing	60	2.5	-	-	-	-	62.5
Tan Hui Ting ^(d)	20	0.5	-	-	-	-	20.5
Total:	320	13.5	-	-	-	-	333.5
Group (RM'000)							
	Fee	Allowance	Salary	Bonus	Statutory Contributions	ESS	Total
Executive Directors							
Lee Min Huat	210	2.5	808.5	70	102.3	-	1,193.3
Lim Ee Tatt ^(a)	210	2.5	-	-	-	-	212.5
Ong Lai Choon ^(b)	-	0.5	-	-	-	-	0.5
Non-Executive Directors							
Lim Chiow Hoo ^(c)	160	2.5	73.5	-	14	-	250.0
Law Kim Fatt	60	2.5	-	-	-	-	62.5
Ang Kai Sing	60	2.5	-	-	-	-	62.5
Tan Hui Ting ^(d)	20	0.5	-	-	-	-	20.5
Total:	720	13.5	882	70	116.3	-	1,801.8

Notes:

^(a) Re-designated to Executive Director on 27 February 2026

^(b) Resigned on 1 August 2025

^(c) Re-designated to Non-Independent Non-Executive Director on 27 February 2026

^(d) Appointed on 27 February 2026

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, which comprised a majority of Independent Non-Executive Directors at the beginning of the financial year and became fully composed of Independent Non-Executive Directors during the financial year, 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 2026 and of their financial performance and cash flows for the financial year then ended.

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

Sound framework to manage risks

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

Internal audit function

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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 15 October 2026.

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")

There was no recurrent related party transaction of a revenue or trading nature during the financial year ended 30 June 2026.

3. Audit and Non-Audit Fees

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

	Company Level (RM)	Group Level (RM)
Audit Fee	44,000	112,000
Non-Audit Fee		
Review of Statement on Risk Management and Internal Control	8,000	8,000
Other services	160,000	174,600

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 Company had on 14 May 2026 extended the ESS for another 5 years until 15 July 2031 in accordance with the terms of the By-Laws of the ESS.

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. The said first offer was in force for a period of four (4) years commencing from 16 July 2021 and expired on 15 July 2025.

ADDITIONAL INFORMATION

4. Employees' Share Scheme (Cont'd)

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 2026 ("FY2026")
Total number of Share Grant granted	1,479,800	-
Vested	(1,351,000)	-
Lapsed	(128,800)	-
Total shares outstanding	-	-

ESS	Since commencement of ESS	During FY2026
Total number of ESS Options granted	42,754,900	-
Exercised	-	-
Lapsed	(42,754,900)	(41,167,900)
Total shares outstanding / unexercised	-	-

There was no Share Grant or ESS Options granted and vested / exercised under ESS during FY2026.

b) 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		Number of ESS Options outstanding / unexercised	
	1 July 2025	30 June 2026	1 July 2025	30 June 2026
Directors	-	-	24,333,400	-
Senior Management	-	-	4,545,000	-
Managers	-	-	9,448,900	-
Executives	-	-	862,800	-
Supervisor	-	-	1,927,800	-
Total	-	-	41,167,900	-

ADDITIONAL INFORMATION

4. Employees' Share Scheme (Cont'd)

Information in relation to Share Grant and/or ESS Options is illustrated in the tables below:- (Cont'd)

c) 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 2026
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.

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, 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 proceeds were revised from RM96,700,000.00 to RM93,613,845.00 pursuant to the final settlement terms under the SAA, and the Company received the full amount on 8 October 2025.

As at 1 October 2026, 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 from 8 Oct 2025
Distribution of Special Interim Dividend	23,095	23,095	-	Within 1 month
Plantation business of the Group	50,000	2,650	47,350	Within 36 months
General working capital	17,919	3,947	13,972	Within 24 months
Expenses for the Proposed Disposal	2,600	2,600	-	Within 3 months
Total	93,614	32,292	61,322	

ADDITIONAL INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM)	2025 (RM)
Revenue		17,577,528	58,721,235
Other income		33,760,741	400,641
Finance income		2,498,414	1,212,194
Total		53,836,683	60,334,070
Total Assets		175,571,398	180,549,214

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM)	2025 (RM)
Interest income		2,498,414	1,212,194
Dividend income received from conventional shares and instruments		912,510	13,200
Total		3,410,924	1,225,394

ADDITIONAL INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Cash at bank (exclude cash in hand)		1,821	1,891
Total		1,821	1,891

Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		2,314,000	2,418,969
Short-term funds		102,634,697	31,968,772
Asset classified as held for sale: Cash and cash equivalents		-	880,939
Deposits with licensed bank		721,728	-
Total		105,670,425	35,268,680

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current		-	-
Non-Current		-	-
Total		0	0

Conventional Borrowing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current		-	-
Non-Current		-	-
Total		0	0

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2017 ("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 Companies ("SORMIC Guide 2025"), the Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement") for the financial year ended 30 June 2026, which is prepared in accordance 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.
- (i) Ensuring that ESG and other sustainability risk are embedded within the Company's overall risk management and internal control framework, rather there addressed as stand alone issues.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit Function

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

The Engagement Director is Ms. Joyce Wong, who has diverse professional experience in internal audit, external audit, risk management and corporate governance. She graduated from the 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 Fellow member of Certified Practising Accountants, Australia.

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

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

Pursuant to Rule 15.23 of the Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 30 June 2026. 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 their review procedures performed and evidence obtained, the external auditors have reported to the Board that nothing has come to their attention to causes them to believe that this Statement set out above is not prepared, in all material respects, in accordance with the disclosures required under Section 7 of the SORMIC Guide 2025, 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 Executive 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 15 October 2026.

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 : Ms. Ang Kai Sing, Independent Non-Executive Director
Ms. Tan Hui Ting, Independent Non-Executive Director (Appointed on 27 February 2026)

There were seven (7) Audit Committee meetings held during the financial year ended 30 June 2026. The record of attendance is as follow:-

Name of Committee Members	Attendance
Mr. Law Kim Fatt	7/7
Ms. Ang Kai Sing	7/7
Ms. Tan Hui Ting (Appointed on 27 February 2026)	0/1
Mr. Lim Ee Tatt (Resigned on 27 February 2026)	6/6

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 2026 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.

AUDIT COMMITTEE REPORT

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

(iii) Internal Audit

- a) Reviewed and approved the internal audit plan for the financial year 2026 as tabled by the internal auditors.
- b) Reviewed the internal audit report from internal auditors and assessed their findings, recommendations together with the management's comments.
- c) Assessed the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.

(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 Terms of Reference of Audit Committee.

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 2026 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 2026

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended **30 June 2026**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is 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 principal activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the financial year, net of tax		
- Continuing operations	33,434,759	24,169,103
- Discontinued operation	(2,661,690)	-
	30,773,069	24,169,103
Attributable to:		
Owners of the Company	29,830,093	24,169,103
Non-controlling interests	942,976	-
	30,773,069	24,169,103

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 2026** 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 credited to profit or loss for the financial year:

	GROUP RM	COMPANY RM
Gain on disposal of a subsidiary	33,183,536	10,190,607
Reversal of allowance for expected credit losses on financial asset	-	1,354,006

DIVIDENDS

Since the end of the previous financial year, the Company has declared a special single-tier interim dividend of RM0.02 per ordinary share amounting to RM23,100,719 on 8 October 2025 and paid on 4 November 2025 in respect of the financial year ended 30 June 2026.

The directors do not proposed any final dividends for the current financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

There were no changes in the issued and paid-up capital of the Company during the financial year.

There was no issuance of debentures during the financial year.

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

On 14 May 2026, the Board of Directors of the Company has announced that the Company has extended its existing ESS which is expiring on 15 July 2026 for another 5 years until 15 July 2031 in accordance with the terms of the By-Laws of the ESS.

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

On 27 July 2021, the Company has made the First Offer of Awards of ordinary shares, which comprises of ESS share and ESS option to eligible directors and employees of the Group. The said Offer of Award will be in force for a period of four (4) years commencing from 16 July 2021 and will expire on 15 July 2025.

During the financial year, the remaining 41,167,900 unexercised ESS options has either lapsed or been forfeited.

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

Grant date	Exercise price RM	Number of ESS options				Balance at 30.6.2026
		Balance at 1.7.2025	Granted	Exercised	Lapsed/ Forfeited	
27.7.2021	0.225	41,167,900	-	-	(41,167,900)	-

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 2026

DIRECTORS

The directors of the Company and its subsidiaries in office since the end of previous 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
Tan Hui Ting (Appointed on 27 February 2026)
Ong Lai Choon (Resigned on 1 August 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 in Malaysia, the interests and deemed interests in ordinary shares and ESS of the Company and of its related corporations of directors in office as at financial year ended are as follows:

	----- Number of ordinary shares -----			
	Balance at 1.7.2025	Bought	Sold	Balance at 30.6.2026
The Company				
Direct Interest:				
Lee Min Huat	92,098,800	92,203,965	-	184,302,765
Lim Chiow Hoo	73,113,100	-	-	73,113,100
Lim Ee Tatt	4,519,500	-	-	4,519,500
Deemed Interest:				
Lee Min Huat ⁽ⁱ⁾	-	15,861,400	-	15,861,400
Lim Ee Tatt ⁽ⁱⁱ⁾	98,412,600	3,000,000	-	101,412,600

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of ESS options			
	Balance at 1.7.2025	Exercised	Lapsed	Balance at 30.6.2026
The Company				
Direct Interest:				
Lee Min Huat	10,000,000	-	(10,000,000)	-
Lim Chiow Hoo	10,000,000	-	(10,000,000)	-
(i) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Chin Leong Thye Sdn. Bhd..				
(ii) 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 and ESS in the Company or its related corporation during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the remuneration and other benefits received and receivable by the directors (including discontinued operation) of the Company for their services are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Directors' fee	320,000	400,000	720,000
Salaries, bonus and allowances	13,500	952,096	965,596
Defined contribution plans ("EPF")	-	116,168	116,168
Social security contributions ("SOCSO") and employment insurance scheme ("EIS")	-	74	74
	<u>333,500</u>	<u>1,468,338</u>	<u>1,801,838</u>

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects or 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 disclosed in Note 25 to the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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 making of 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 be realised in the ordinary course of business including their value as shown in the accounting records have 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 which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
- (ii) any contingent liability in respect of the Group and of the Company which 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transactions or event of a material and unusual nature; and
- (iii) 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.

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 2026

AUDITORS

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

The amount of audit and other fees paid or payable to the Auditors and its local affiliate by the Group and the Company for the financial year ended 30 June 2026 amounted to RM294,600 and RM212,000 respectively. Further details are disclosed in Note 25 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the requirements 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	)	
	)	
	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
	)	
	)	
.....	)	
LIM EE TATT	)	

15 October 2026

DIRECTORS' STATEMENT

In the opinion of the Directors, the financial statements set out on pages 91 to 156 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 2026 and of their financial performance and their 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

15 October 2026

.....
LIM EE TATT

STATUTORY DECLARATION

I, Lee Min Huat, being the Director primarily responsible for the financial management of Scope Industries Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 91 to 156 are 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 Kuala Lumpur)
in the Federal Territory this day of)
15 October 2026)

.....
LEE MIN HUAT

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOPE INDUSTRIES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Scope Industries Berhad, which comprise the statements of financial position as at 30 June 2026 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 91 to 156.

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 2026, and of their financial performance and their 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"), as applicable to audits of financial statements of public interest entities 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOPE INDUSTRIES BERHAD

Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for expected credit losses for trade receivables (Note 10 to the financial statements) The key associated risk was the recoverability of the trade receivables. We focus on this area as management judgement is required in determining the completeness of the provision of expected credit losses of trade receivables and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.	Our audit procedures in relation to the provision for expected credit losses for trade receivables included, amongst others, the following: • Obtain an understanding of: - the Group's control over the customers collection process and parameters used by management when extending credit terms to the new customers; - how the Group identifies and assesses the impairment of trade receivables; and - how the Group makes the accounting estimates for impairment of trade receivables. • Review the application of the Group's policy for calculating expected credit losses and whether it complies with MFRS 9 Financial Instruments; • Review the ageing of trade receivables and test the reliability thereof; • Review subsequent collections for major customers and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue balances; • Examine other evidence including customer correspondences; and • Assess the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit losses model applied by the Group.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOPE INDUSTRIES BERHAD

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 that 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 intend either to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOPE INDUSTRIES BERHAD

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 this matter 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
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

KISHAN NERENDRA JASANI
(NO: 03223/12/2027 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
15 October 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	12,089,770	10,340,119	-	-
Right-of-use assets	5	56,049,711	56,992,854	-	-
Investment in subsidiaries	6	-	-	52,973,356	44,485,873
Goodwill on consolidation	7	-	-	-	-
		<u>68,139,481</u>	<u>67,332,973</u>	<u>52,973,356</u>	<u>44,485,873</u>
Current assets					
Inventories	8	111,901	158,561	-	-
Biological assets	9	522,444	409,495	-	-
Trade receivables	10	749,626	13,842,886	-	-
Other receivables, deposits and prepayments	11	67,010	291,901	792	181,220
Amount due from subsidiaries	12	-	-	12,402,400	69,610,520
Other investment	13	255,000	228,900	255,000	228,900
Current tax assets		38,734	8,751	2,260	-
Cash and cash equivalents	14	105,687,202	34,384,356	102,904,757	32,939,399
		<u>107,431,917</u>	<u>49,324,850</u>	<u>115,565,209</u>	<u>102,960,039</u>
Non-current assets held for sale	15	-	63,891,391	-	29,943,238
		<u>107,431,917</u>	<u>113,216,241</u>	<u>115,565,209</u>	<u>132,903,277</u>
TOTAL ASSETS		<u>175,571,398</u>	<u>180,549,214</u>	<u>168,538,565</u>	<u>177,389,150</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	192,308,572	192,308,572	192,308,572	192,308,572
Other reserves	17	30,926,980	33,605,735	-	2,439,726
Accumulated losses		(64,315,868)	(73,484,968)	(24,153,396)	(27,661,506)
		158,919,684	152,429,339	168,155,176	167,086,792
Non-controlling interests		2,278,372	2,062,720	-	-
Total equity		161,198,056	154,492,059	168,155,176	167,086,792
Non-current liability					
Deferred tax liabilities	18	12,561,117	11,916,754	-	-
Current liabilities					
Trade payables	19	125,494	157,281	-	-
Other payables and accruals	20	1,657,646	11,200,599	383,389	10,096,693
Current tax liabilities		29,085	206,529	-	205,665
		1,812,225	11,564,409	383,389	10,302,358
Non-current liabilities held for sale	15	-	2,575,992	-	-
		1,812,225	14,140,401	383,389	10,302,358
Total liabilities		14,373,342	26,057,155	383,389	10,302,358
TOTAL EQUITY AND LIABILITIES		175,571,398	180,549,214	168,538,565	177,389,150

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
CONTINUING OPERATIONS:					
Revenue	21	13,494,861	27,865,959	16,152,510	3,353,200
Cost of sales		(6,690,703)	(22,104,070)	-	-
Gross profit		6,804,158	5,761,889	16,152,510	3,353,200
Other income	22	33,622,303	116,580	11,174,255	4,603,059
Administrative expenses		(6,514,875)	(2,650,160)	(3,503,415)	(938,763)
Other operating expenses		-	(4,573,244)	(1,299,135)	(36,290)
Reversal of allowance for expected credit losses on financial asset		-	-	1,354,006	-
Operating profit/(loss)		33,911,586	(1,344,935)	23,878,221	6,981,206
Finance income	23	2,496,297	1,196,567	2,480,453	1,188,934
Finance costs	24	-	(4,150)	-	-
Profit/(Loss) before tax	25	36,407,883	(152,518)	26,358,674	8,170,140
Taxation	26	(2,973,124)	(1,508,858)	(2,189,571)	(308,786)
Profit/(Loss) from continuing operations, net of tax		33,434,759	(1,661,376)	24,169,103	7,861,354
DISCONTINUED OPERATION:					
Loss from discontinued operation, net of tax	15	(2,661,690)	(6,577,581)	-	-
Profit/(Loss) for the financial year carried forward		30,773,069	(8,238,957)	24,169,103	7,861,354

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	NOTE	GROUP		COMPANY	
		2026 RM	2025 RM	2026 RM	2025 RM
Profit/(Loss) for the financial year brought forward		30,773,069	(8,238,957)	24,169,103	7,861,354
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>(6,353)</u>	<u>(309,420)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the financial year		<u>30,766,716</u>	<u>(8,548,377)</u>	<u>24,169,103</u>	<u>7,861,354</u>
Profit/(Loss) attributable to:					
Owners of the Company		29,830,093	(8,492,757)	24,169,103	7,861,354
Non-controlling interests		<u>942,976</u>	<u>253,800</u>	<u>-</u>	<u>-</u>
		<u>30,773,069</u>	<u>(8,238,957)</u>	<u>24,169,103</u>	<u>7,861,354</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		29,591,064	(9,749,157)	24,169,103	7,861,354
Non-controlling interests		<u>1,175,652</u>	<u>1,200,780</u>	<u>-</u>	<u>-</u>
		<u>30,766,716</u>	<u>(8,548,377)</u>	<u>24,169,103</u>	<u>7,861,354</u>
Earnings/(Loss) per share attributable to owners of the Company (sen)					
Basic/Diluted earnings/(loss) per share	27				
- Continuing operations		2.81	(0.17)		
- Discontinued operation		<u>(0.23)</u>	<u>(0.57)</u>		
		<u>2.58</u>	<u>(0.74)</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 2026

Attributable to owners of the Company								
Non-Distributable								
Employees' share scheme ("ESS")								
	Share capital RM	Capital reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM	
NOTE								
GROUP								
2026								
Balance at beginning	192,308,572	28,002,381	3,163,628	2,439,726	(73,484,968)	152,429,339	154,492,059	
Total comprehensive income for the financial year	-	-	(239,029)	-	29,830,093	29,591,064	30,766,716	
Transactions with owners:-								
ESS options lapsed/forfeited	-	-	-	(2,439,726)	2,439,726	-	-	
Dividend paid	-	-	-	-	(23,100,719)	(23,100,719)	(24,060,719)	
Total transactions with owners	-	-	-	(2,439,726)	(20,660,993)	(23,100,719)	(24,060,719)	
Balance at end	192,308,572	28,002,381	2,924,599	-	(64,315,868)	158,919,684	161,198,056	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Attributable to owners of the Company						Total equity RM
	Share capital RM	Capital reserve RM	Foreign currency translation reserve RM	Employees' share scheme ("ESS") reserve RM	Accumulated losses RM	Non-controlling interests RM	
NOTE							
GROUP (CONT'D)							
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:-							
Issuance of shares pursuant to:							
- ESS	152,978	-	-	(152,978)	-	-	-
- Exercise of warrants	3,600	-	-	-	-	-	3,600
Recognition of equity-settled share-based payment	-	-	-	203,528	-	-	203,528
ESS share forfeited	-	-	-	(46,087)	46,087	-	-
Dividend paid	-	-	-	-	-	(960,000)	(960,000)
Total transactions with owners	156,578	-	-	4,463	46,087	(960,000)	(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.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	NOTE	Share capital RM	Non- Distributable Employees' share scheme ("ESS") reserve RM	Accumulated losses RM	Total equity RM
COMPANY					
2026					
Balance at beginning		192,308,572	2,439,726	(27,661,506)	167,086,792
Total comprehensive income for the financial year		-	-	24,169,103	24,169,103
<i>Transactions with owners of the Company:-</i>					
ESS options lapsed/forfeited	17	-	(2,439,726)	2,439,726	-
Dividend paid	28	-	-	(23,100,719)	(23,100,719)
Total transactions with owners		-	(2,439,726)	(20,660,993)	(23,100,719)
Balance at end		192,308,572	-	(24,153,396)	168,155,176
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	16/17	152,978	(152,978)	-	-
- Exercise of warrants	16	3,600	-	-	3,600
Recognition of equity-settled share-based payment	17	-	203,528	-	203,528
ESS share forfeited	17	-	(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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax from continuing operations		36,407,883	(152,518)	26,358,674	8,170,140
Loss before tax from discontinued operation	15	(2,661,690)	(6,573,831)	-	-
Profit/(Loss) before tax		33,746,193	(6,726,349)	26,358,674	8,170,140
Adjustments for:-					
Reversal of allowance for expected credit losses ("ECL") on financial asset		-	-	(1,354,006)	-
Depreciation of:					
- property, plant and equipment		2,518,512	7,633,450	-	-
- right-of-use assets		1,143,622	1,377,926	-	-
Dividend income		(912,510)	(13,200)	(16,152,510)	(3,353,200)
Equity-settled share-based payment		-	203,528	-	-
Fair value (gain)/loss on biological assets		(112,949)	26,046	-	-
Fair value (gain)/loss on quoted equity instruments		(26,100)	36,290	(26,100)	36,290
Gain on disposal of a subsidiary	6/15	(33,183,536)	-	(10,190,607)	-
Gain on disposal of property, plant and equipment		(25,135)	-	-	-
Impairment loss on goodwill on consolidation		-	4,536,954	-	-
Interest expenses		-	4,756	-	-
Interest income		(2,498,414)	(1,212,194)	(2,480,453)	(1,188,934)
Reversal of inventories written down		-	(111,401)	-	-
Waiver of dividend income		-	-	1,299,135	-
Written off of:					
- inventories		638	2,457	-	-
- property, plant and equipment		169,988	426,105	-	-
Reversal of impairment loss on investment in a subsidiary		-	-	-	(3,088,042)
Unrealised loss on foreign exchange		(92,616)	49,082	420	1,577
Unwinding of discount on amount due from a subsidiary		-	-	(779,572)	(1,515,017)
Operating profit/(loss) before working capital changes carried forward		727,693	6,233,450	(3,325,019)	(937,186)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Operating profit/(loss) before working capital changes brought forward		727,693	6,233,450	(3,325,019)	(937,186)
Net changes in:					
Inventories		(532,669)	(89,988)	-	-
Receivables		11,572,937	(9,822,932)	180,428	(181,220)
Payables		2,459,005	9,648,090	(43,304)	9,807,569
Cash generated from/(used in) operations		14,226,966	5,968,620	(3,187,895)	8,689,163
Income tax paid		(2,764,827)	(336,558)	(2,488,546)	(6,020)
Income tax refunded		228,299	74,868	91,050	15,070
Interest paid		-	(4,756)	-	-
Net cash from/(used in) operating activities		11,690,438	5,702,174	(5,585,391)	8,698,213
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in a subsidiary		-	-	-	(10)
Acquisition of property, plant and equipment	A	(3,875,723)	(1,752,539)	-	-
Dividend received from:					
- quoted equity instruments		8,400	13,200	8,400	13,200
- other investment		904,110	-	904,110	-
- subsidiaries		-	-	2,840,000	3,340,000
Interest received		2,498,414	1,212,194	2,480,453	1,188,934
Net change in deposits pledged with a licensed bank		200,000	(200,000)	-	-
Net changes in subsidiaries' balances		-	-	8,462,573	-
Proceeds from disposal of a subsidiary	6.2.4	83,223,685	-	83,956,352	-
Proceeds from disposal of property, plant and equipment		32,550	-	-	-
Net cash from/(used in) investing activities		82,991,436	(727,145)	98,651,888	4,542,124

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to:					
- shareholders of the Company	28	(23,100,719)	-	(23,100,719)	-
- non-controlling interest	6.4	(960,000)	(960,000)	-	-
Net changes in subsidiaries' balances		-	-	-	(10,685,972)
Proceeds from issuance of shares, pursuant to exercise of warrants		-	3,600	-	3,600
Net cash used in financing activities		<u>(24,060,719)</u>	<u>(956,400)</u>	<u>(23,100,719)</u>	<u>(10,682,372)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		70,621,155	4,018,629	69,965,778	2,557,965
Effects of foreign currency translation differences for foreign operations		(6,353)	(309,420)	-	-
Effects of foreign exchange rate changes		7,105	(131,665)	(420)	(1,577)
CASH AND CASH EQUIVALENTS AT BEGINNING		<u>35,065,295</u>	<u>31,487,751</u>	<u>32,939,399</u>	<u>30,383,011</u>
CASH AND CASH EQUIVALENTS AT END		<u>105,687,202</u>	<u>35,065,295</u>	<u>102,904,757</u>	<u>32,939,399</u>
The cash and cash equivalents are represented by:					
Short-term fund with a licensed financial institution		102,634,697	31,968,772	102,634,697	31,968,772
Fixed deposits with a licensed bank		721,728	-	-	-
Cash and bank balances		2,330,777	2,415,584	270,060	970,627
Cash and bank balances included in non-current assets held for sale		-	880,939	-	-
		<u>105,687,202</u>	<u>35,265,295</u>	<u>102,904,757</u>	<u>32,939,399</u>
Less: Fixed deposits pledged with a licensed bank	15	-	(200,000)	-	-
		<u>105,687,202</u>	<u>35,065,295</u>	<u>102,904,757</u>	<u>32,939,399</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

NOTE TO THE STATEMENTS OF CASH FLOWS

A. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	GROUP	
	2026 RM	2025 RM
Continuing operations	2,614,921	280,797
Discontinued operation	1,260,802	1,471,742
Total additions	3,875,723	1,752,539

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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 principal activity of the Company is 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.

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

The principal place of business of the Company is located at 7-3, Mercu Aspire, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 15 October 2026.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), 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. All values are rounded to the nearest RM except otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards or revised MFRSs

At the beginning of current financial year, the Group and the Company adopted new standards and amendments to MFRSs which are mandatory for the current financial year.

The adoption of the above amendments to published standards did not have any material impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

2. BASIS OF PREPARATION (CONT'D)

2.4 MFRSs (Cont'd)

2.4.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards if applicable, when they become effective.

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures: Contracts Referencing Nature - Dependent Electricity
Annual Improvements to MFRS Accounting Standards - Volume 11:	
Amendments to MFRS 1*, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statement of Cash Flows

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19 and amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency
Amendments to MFRS 128*	Investment in Associates and Joint Ventures: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures

MFRSs effective for annual periods beginning on or after 1 January 2029:-

MFRS 20*	Regulatory Assets and Regulatory Liabilities
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Amendments to MFRSs effective for a date yet to be confirmed:-

Amendments to MFRS 10 and MFRS 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group and the Company's operation.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

2. BASIS OF PREPARATION (CONT'D)

2.4 MFRSs (Cont'd)

2.4.2 Standards issued but not yet effective (Cont'd)

The initial application of the above standards, amendments and interpretations are not expected to have material financial impact to the financial statements of the Group and the Company upon their first adoption except for:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, early adoption is permitted.

The Group and the Company are 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.

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) Useful lives of depreciable assets

Property, plant and machinery

Property, plant and machinery are depreciated on a straight-line basis over their estimated useful lives. However, significant judgement is involved in estimating the useful life and residual value of property, plant and equipment and right-of-use assets which are subjected to technological development and level of usage. Therefore, residual values of these assets and future depreciation charges may vary.

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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

3.2 Key sources of estimation uncertainty (Cont'd)

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 (Cont'd):

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

Bearer plants

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

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

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

(ii) Impairment of property, plant and equipment

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of property, 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 property, plant and equipment is disclosed in Note 4 to the financial statements. No impairment losses are provided for property, plant and equipment during the financial year.

(iii) 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. There is no impairment loss is recognised in profit or loss to write down the subsidiaries to their recoverable amount for both current and prior financial year.

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. No impairment loss was recognised during the financial year.

(iv) 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 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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

3.2 Key sources of estimation uncertainty (Cont'd)

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 (Cont'd):

(v) Fair value of biological assets

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

Management considered the oil content of the unripe FFB and derived the assumption that only unripe FFB on bearer plants 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 9 to the financial statements.

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

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and 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 31.3.1 to the financial statements.

(vii) Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Buildings RM	Bearer plants RM	Plant and machinery RM	Renovation and electrical installation RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2026									
At cost									
Balance at beginning	5,772,865	2,438,721	16,500,043	712,813	23,957	1,068,715	2,589,386	-	29,106,500
Additions	-	1,562,400	383,726	-	193,050	111,302	242,120	122,323	2,614,921
Disposal	-	-	(6,000)	-	-	-	(90,374)	-	(96,374)
Written off	-	(3,524)	(4,431)	-	-	(206,854)	(18,000)	-	(232,809)
Balance at end	5,772,865	3,997,597	16,873,338	712,813	217,007	973,163	2,723,132	122,323	31,392,238
Accumulated depreciation									
Balance at beginning	-	2,425,547	12,106,918	712,797	23,957	1,009,797	2,487,365	-	18,766,381
Current charge	-	31,401	738,922	-	7,244	32,135	44,564	-	854,266
Disposal	-	-	-	-	-	-	(90,373)	-	(90,373)
Written off	-	(3,522)	-	-	-	(206,285)	(17,999)	-	(227,806)
Balance at end	-	2,453,426	12,845,840	712,797	31,201	835,647	2,423,557	-	19,302,468
Carrying amount	5,772,865	1,544,171	4,027,498	16	185,806	137,516	299,575	122,323	12,089,770

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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 photovoltaic ("PV") system RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
GROUP (CONT'D)										
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	3,830,960	19,527,500	126,425,640
Additions	-	210,356	161,097	774,468	127,133	360,485	-	119,000	-	1,752,539
Written off	-	-	-	(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)	(1,360,574)	-	(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	2,969,694	-	60,577,086
Current charge	-	1,224,786	736,858	4,240,883	233,359	606,776	297,884	292,904	-	7,633,450
Written off	-	-	-	(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)	(775,233)	-	(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 2026

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 50 years
Bearer plants	4% - 5%
Plant and machinery	10% - 12.5%
Renovation and electrical installation	10%
Office equipment, furniture and fittings	10% - 20%
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 labour quarters 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

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 has certain leases of office and office 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.

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

	Prepaid land lease payment RM	Leasehold land RM	Total RM
GROUP			
2026			
At cost			
Balance at beginning/end	<u>1,690,000</u>	<u>67,038,133</u>	<u>68,728,133</u>
Accumulated depreciation			
Balance at beginning	<u>610,000</u>	<u>11,125,279</u>	<u>11,735,279</u>
Current charge	<u>54,000</u>	<u>889,143</u>	<u>943,143</u>
Balance at end	<u>664,000</u>	<u>12,014,422</u>	<u>12,678,422</u>
Carrying amount	<u>1,026,000</u>	<u>55,023,711</u>	<u>56,049,711</u>

NOTES TO THE FINANCIAL STATEMENTS

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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 (Cont'd):

	Prepaid land lease payment RM	Leasehold land RM	Total RM
GROUP (CONT'D)			
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

The following amounts are recognised in profit or loss (included discontinued operation):

	GROUP	
	2026 RM	2025 RM
Depreciation of right-of-use assets	1,143,622	1,377,926
Expense relating to lease of low-value assets	7,274	60,764
Expense relating to short-term leases	26,492	-
Total amount recognised in profit or loss	1,177,388	1,438,690

NOTES TO THE FINANCIAL STATEMENTS

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

The total cash outflows for leases of the Group during the financial year are as follows:

	GROUP	
	2026 RM	2025 RM
Continuing operations:		
Expense relating to lease of low-value assets	2,970	1,870
Expense relating to short-term leases	26,492	-
	<u>29,462</u>	<u>1,870</u>
Discontinued operation:		
Expense relating to lease of low-value assets	4,304	58,894
	<u>33,766</u>	<u>60,764</u>

Material accounting policy information

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

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

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6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2026 RM	2025 RM
Unquoted shares, at cost		
Balance at beginning	47,252,473	76,992,173
Addition	8,499,990	10
Allocation of ESS expenses in respect of ESS shares and options granted to the employees of a subsidiary	-	203,528
Disposal	(12,507)	-
Reclassified to non-current assets held for sale	-	(29,943,238)
Balance at end	55,739,956	47,252,473
Less: Accumulated impairment losses		
Balance at beginning	(2,766,600)	(5,854,642)
Reversal	-	3,088,042
Balance at end	(2,766,600)	(2,766,600)
	52,973,356	44,485,873

6.1 Details of subsidiaries

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
	2026 %	2025 %	
Luxshare Manufacturers (M) Sdn. Bhd. (formerly known as Scope Manufacturers (M) Sdn. Bhd.) ("SMSB")	-	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	100	Wholesale of a variety of goods.

* Not audited by member firms of Grant Thornton Malaysia PLT.

^ Held 60% and 20% through the Company and SDSB respectively.

NOTES TO THE FINANCIAL STATEMENTS

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Investment in subsidiaries

6.2.1 Acquisition of a subsidiary

2025

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. Subsequent to the acquisition of equity interest, SDSB becomes the wholly-owned subsidiary of the Company.

6.2.2 Additional subscription of shares in existing subsidiaries

2026

On 31 March 2026, the Company subscribed additional 2,500,000 newly allotted and issued ordinary shares at an issue price of RM1 per share, by way of capitalisation of the amount due from its subsidiary, SDSB amounting to RM2,500,000. The existing percentage of shareholdings remain unchanged.

On 30 June 2026, the Company subscribed additional 499,990 newly allotted and issued ordinary shares and 5,500,000 newly allotted and issued Redeemable Convertible Preference Shares ("RCPS") at an issue price of RM1 per share and RM1 per RCPS respectively, by way of capitalisation of the amount due from its subsidiary, SRSB amounting to RM5,999,990. The existing percentage of shareholdings remain unchanged.

6.2.3 Disposal of shares in an existing subsidiary

2026

On 22 January 2026 and 11 May 2026, the Company disposed of 2,000 and 2,000 ordinary shares, respectively, in SGDPL, representing a total of 20% equity interest in SGDPL, to its subsidiary, SDSB, for a total cash consideration of RM6,292 and RM6,215 respectively. Subsequent to the disposals, the Group's effective ownership interest remained unchanged, with 60% and 20% equity interests in SGDPL held by the Company and SDSB, respectively.

6.2.4 Disposal of a subsidiary

2026

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.

On 31 July 2025, the Company subscribed additional 53,480,000 newly allotted and issued ordinary shares at an issue price of RM1 per share, by way of capitalisation of the amount due from its subsidiary, SMSB amounting to RM53,480,000. The existing percentage of shareholdings remain unchanged.

The disposal transaction was completed on 1 August 2025, by disposed entire 56,700,000 ordinary shares in SMSB, after fulfilment of all conditions precedent as set out in the SAA. Further information is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Investment in subsidiaries (Cont'd)

6.2.4 Disposal of a subsidiary (Cont'd)

2026 (Cont'd)

The effect of the disposal of SMSB on the financial position of the Group as at the date of disposal was as follows:

	RM
Property, plant and equipment	48,381,576
Right-of-use assets	7,141,164
Inventories	1,933,662
Trade receivables	6,447,810
Other receivables, deposits, and prepayments	750,725
Current tax assets	7,795
Cash and cash equivalents	720,160
Trade payables	(2,083,340)
Other payables and accruals	(2,869,243)
Net assets disposed	60,430,309
Gain on disposal of a subsidiary	33,183,536
Proceed from disposal	93,613,845
Less: Deposits received (Note 20)	(9,670,000)
Cash and cash equivalents	(720,160)
Net cash inflow from disposal	83,223,685

6.3 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, there is no impairment loss is recognised in profit or loss to write down the subsidiaries to their recoverable amount since prior financial year.

In prior financial year, a reversal of impairment loss of RM3,088,042 was recognised in respect of investment in SMSB due to an increase of its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.4 Subsidiaries with material NCI

The details of the material NCI are as follows:

	PGSB	SGDPL	Total
2026			
Percentage of ownership interest and voting interest	30%	20%	
Carrying amount of NCI (RM)	<u>9,761,017</u>	<u>(7,482,645)</u>	<u>2,278,372</u>
Profit allocated to NCI (RM)	<u>635,775</u>	<u>307,201</u>	<u>942,976</u>
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>

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

	PGSB RM	SGDPL RM
2026		
Assets and liabilities		
Non-current assets	38,649,393	-
Current assets	2,620,794	226,093
Non-current liabilities	(7,736,751)	-
Current liabilities	<u>(996,720)</u>	<u>(36,381,820)</u>
Net assets/(liabilities)	<u>32,536,716</u>	<u>(36,155,727)</u>
Results		
Revenue	10,084,645	-
Net profit for the financial year	2,119,249	1,536,005
Total comprehensive income for the financial year	<u>2,119,249</u>	<u>2,699,387</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.4 Subsidiaries with material NCI (Cont'd)

The summarised of financial information of material NCI presented below is the amount before inter-company elimination (Cont'd):

	PGSB RM	SGDPL RM
2026 (Cont'd)		
Cash flows		
Net cash from operating activities	4,335,089	2,709,875
Net cash used in investing activities	(338,940)	-
Net cash used in financing activities	(3,200,000)	(2,701,188)
Net changes in cash and cash equivalents	796,149	8,687
Other information		
Dividend paid to NCI	960,000	-
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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.4 Subsidiaries with material NCI (Cont'd)

The summarised of financial information of material NCI presented below is the amount before inter-company elimination (Cont'd):

	PGSB RM	SGDPL RM
2025 (Cont'd)		
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	-

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	
	2026 RM	2025 RM
At cost	14,565,796	14,565,796
Less: Allowance for impairment		
Balance at beginning	(14,565,796)	(10,028,842)
Current year	-	(4,536,954)
Balance at end	(14,565,796)	(14,565,796)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

7. GOODWILL ON CONSOLIDATION (CONT'D)

2025

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

Key assumptions used in value-in-use calculations

In prior financial year, 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
(ii)	Terminal value	Based on discounted present fair value of the estate
(iii)	FFB Price	RM839/MT to RM868/MT
(iv)	Average yield over projection period	9.2MT/HA
(v)	Pre-tax discount rate	10.73%

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 is recognised in other operating expenses in 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

8. INVENTORIES

	GROUP	
	2026 RM	2025 RM
Consumables	<u>111,901</u>	<u>158,561</u>

Cost of inventories recognised in profit or loss

Continuing operations:

Inventories recognised as cost of sales	6,690,065	22,101,613
Inventories written off	<u>638</u>	<u>2,457</u>

Discontinued operation:

Inventories recognised as cost of sales	6,257,700	32,147,702
Reversal of inventories written down	<u>-</u>	<u>(111,401)</u>

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

9. BIOLOGICAL ASSETS

	GROUP	
	2026 RM	2025 RM
At fair value through profit or loss:		
Fresh fruit bunches ("FFB")		
Balance at beginning	409,495	435,541
Changes in fair value	<u>112,949</u>	<u>(26,046)</u>
Balance at end	<u>522,444</u>	<u>409,495</u>

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.

The fair value measurement of the Group's biological assets is categorised within Level 3 of the fair value hierarchy (refer to Note 32.2 to the financial statements). There were no transfers between all 3 levels of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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9. BIOLOGICAL ASSETS (CONT'D)

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.

10. TRADE RECEIVABLES

	GROUP	
	2026 RM	2025 RM
Third parties	40,161,518	54,559,647
Less: Provision for expected credit losses ("ECL")		
Balance at beginning	(40,716,761)	(45,617,271)
Foreign currency translation	1,304,869	4,900,510
Balance at end	(39,411,892)	(40,716,761)
	<u>749,626</u>	<u>13,842,886</u>

The currency profile of trade receivables is as follows:

	GROUP	
	2026 RM	2025 RM
RM	749,626	11,034,732
USD	-	2,808,154
	<u>749,626</u>	<u>13,842,886</u>

The trade receivables are non-interest bearing and are generally on **30 to 45 days** (2025: 30 to 45 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

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11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Other receivables	31,024	42,011	-	-
Refundable deposits	11,630	64,382	-	-
Prepayments	24,356	185,508	792	181,220
	67,010	291,901	792	181,220

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
RM	65,172	269,301	792	181,220
Singapore dollar ("SGD")	-	18,312	-	-
USD	1,838	4,288	-	-
	67,010	291,901	792	181,220

12. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2026 RM	2025 RM
Amount due from subsidiaries	54,944,676	113,506,802
Less: Provision for expected credit losses ("ECL")		
Balance at beginning	(43,896,282)	(43,896,282)
Reversal	1,354,006	-
Balance at end	(42,542,276)	(43,896,282)
	12,402,400	69,610,520

The amount due from subsidiaries is non-trade related, unsecured, and to be settled in cash. Included in the amount due from subsidiaries is an amount of **RM12,400,000** (2025: RM1,299,135) which represents dividend receivable from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

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13. OTHER INVESTMENT

GROUP AND COMPANY		
	2026 RM	2025 RM

At fair value through profit or loss:

Quoted equity instruments	<u>255,000</u>	<u>228,900</u>
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Material accounting policy information

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

14. CASH AND CASH EQUIVALENTS

	NOTE	GROUP		COMPANY	
		2026 RM	2025 RM	2026 RM	2025 RM
Short-term fund with a licensed financial institution	14.1	102,634,697	31,968,772	102,634,697	31,968,772
Fixed deposits with a licensed bank	14.2	721,728	-	-	-
Cash and bank balances		<u>2,330,777</u>	<u>2,415,584</u>	<u>270,060</u>	<u>970,627</u>
		<u>105,687,202</u>	<u>34,384,356</u>	<u>102,904,757</u>	<u>32,939,399</u>

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
RM	105,450,259	34,145,589	102,892,069	32,926,291
USD	181,166	221,601	12,688	13,108
SGD	<u>55,777</u>	<u>17,166</u>	<u>-</u>	<u>-</u>
	<u>105,687,202</u>	<u>34,384,356</u>	<u>102,904,757</u>	<u>32,939,399</u>

14.1 Short-term fund with a licensed financial institution

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.

14.2 Fixed deposits with a licensed bank

The effective interest rates on fixed deposits with a licensed bank of the Group are ranging from **1.75% to 2.05%** (2025: Nil) per annum.

The maturity period of the fixed deposits with a licensed bank of the Group is **6 months** (2025: Nil).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 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.

As the end of prior financial year, 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 the carrying amount of the investment in SMSB has also been presented as non-current assets held for sale on the Company's statement of financial position as at 30 June 2025.

Following the disposal transaction was completed on 1 August 2025 after fulfilment of all conditions precedent as set out in the SAA, the carrying amounts of the said assets and liabilities of SMSB was derecognised as assets and liabilities held for sale and results from SMSB is presented separately on the consolidated statement of comprehensive income as discontinued operation up to 1 August 2025.

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 cash equivalents*	880,939
	<u>63,891,391</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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

Statement of financial position (Cont'd)

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

	GROUP RM
Liabilities	
Trade payables	843,984
Other payables and accruals	<u>1,732,008</u>
	<u>2,575,992</u>

* Included in cash and cash equivalents is a fixed deposit amounting to RM200,000 which is pledged to a licensed bank as security for a bank guarantee facility granted to SMSB.

Statement of comprehensive income

The results of SMSB are as follows:

	GROUP 1.7.2025 to 31.7.2025 (1 month) RM	GROUP 1.7.2024 to 30.6.2025 (12 months) RM
Revenue	4,082,667	30,855,276
Cost of sales	<u>(6,257,700)</u>	<u>(32,036,301)</u>
Gross loss	(2,175,033)	(1,181,025)
Other income	138,438	284,061
Administrative expenses	<u>(627,212)</u>	<u>(5,691,888)</u>
Operating loss	(2,663,807)	(6,588,852)
Finance income	2,117	15,627
Finance costs	<u>-</u>	<u>(606)</u>
Loss before tax	(2,661,690)	(6,573,831)
Taxation	<u>-</u>	<u>(3,750)</u>
Loss from discontinued operation, net of tax	<u>(2,661,690)</u>	<u>(6,577,581)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

15. 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	
	1.7.2025 to 31.7.2025 (1 month) RM	1.7.2024 to 30.6.2025 (12 months) RM
Net cash (used in)/from operating activities	(687,745)	4,465,539
Net cash used in investing activities	(1,258,685)	(1,656,115)
Net cash from/(used in) financing activities	1,776,600	(2,210,000)

16. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2026 Unit	2025 Unit	2026 RM	2025 RM
Issued and fully paid with no par value:				
Balance at beginning	1,155,035,959	1,154,399,559	192,308,572	192,151,994
Issuance of shares pursuant to:				
- ESS	-	624,400	-	152,978
- exercise of Warrants	-	12,000	-	3,600
Balance at end	1,155,035,959	1,155,035,959	192,308,572	192,308,572

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

- 624,400 new ordinary shares pursuant to the 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
- 12,000 new ordinary shares pursuant to the exercise of Warrants at an exercise price of RM0.30 per Warrant. The salient terms of Warrants are disclosed in Note 35 to the financial statements.

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

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17. OTHER RESERVES

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
Non-distributable:					
Capital reserve	17.1	28,002,381	28,002,381	-	-
Foreign currency translation reserve	17.2	2,924,599	3,163,628	-	-
ESS reserve	17.3	-	2,439,726	-	2,439,726
		30,926,980	33,605,735	-	2,439,726

17.1 Capital reserve

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

17.2 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.

17.3 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	
	2026 RM	2025 RM
Balance at beginning	2,439,726	2,435,263
Vesting of ESS shares	-	(152,978)
Recognition of equity-settled share-based payment	-	203,528
ESS options lapsed/forfeited	(2,439,726)	-
ESS share forfeited	-	(46,087)
Balance at end	<u>-</u>	<u>2,439,726</u>

NOTES TO THE FINANCIAL STATEMENTS

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18. DEFERRED TAX LIABILITIES

	GROUP	
	2026 RM	2025 RM
Balance at beginning	11,916,754	10,956,344
Recognised in profit or loss	644,363	960,410
Balance at end	12,561,117	11,916,754

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

	GROUP	
	2026 RM	2025 RM
Property, plant and equipment	779,831	933,068
Revaluation surplus	12,349,672	12,550,400
Biological assets	125,386	98,279
Unused tax losses	(494,451)	(1,568,993)
Other deductible temporary differences	(199,321)	(96,000)
	12,561,117	11,916,754

19. TRADE PAYABLES

The trade payables are non-interest bearing and are normally settled within **3 to 60 days** (2025: 3 to 60 days) credit terms.

20. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Other payables	11,651	121,841	2,839	109,180
Accruals	1,645,995	1,401,758	381,000	317,513
Deposits received	-	9,677,000	-	9,670,000
	1,657,646	11,200,599	383,839	10,096,693

In prior financial year, included in the deposits received of the Group and of the Company is an amount of RM9,670,000 received for the proposed disposal of SMSB as disclosed in Notes 6 and 15 to the financial statements. The disposal transaction has been completed on 1 August 2025.

NOTES TO THE FINANCIAL STATEMENTS

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20. OTHER PAYABLES AND ACCRUALS (CONT'D)

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
RM	1,645,674	11,192,723	383,839	10,096,693
USD	11,972	7,876	-	-
	1,657,646	11,200,599	383,839	10,096,693

21. REVENUE

21.1 Disaggregation of revenue information

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
Continuing operations:					
Sales of FFB	21.2	12,582,351	11,358,539	-	-
Sales of vehicles	21.2	-	16,494,220	-	-
Total revenue from contracts with customers from continuing operations		12,582,351	27,852,759	-	-
Gross dividend income from subsidiaries		-	-	15,240,000	3,340,000
Dividend income from other investment		904,110	-	904,110	-
Dividend income from quoted equity instruments		8,400	13,200	8,400	13,200
Other revenue from continuing operations		912,510	13,200	16,152,510	3,353,200
Total revenue from continuing operations		13,494,861	27,865,959	16,152,510	3,353,200

NOTES TO THE FINANCIAL STATEMENTS

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21. REVENUE (CONT'D)

21.1 Disaggregation of revenue information (Cont'd)

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
Discontinued operation:					
Sales of electronic components and products, represents total revenue from contracts with customers from discontinued operation	21.2	4,082,667	30,855,276	-	-
Total revenue		17,577,528	58,721,235	16,152,510	3,353,200

Revenue information based on geographical location of customers are disclosed in Note 29 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	
	2026 RM	2025 RM
Trade receivables (Note 10)	749,626	13,842,886
Trade receivables included in non-current assets held for sales (Note 15)	-	4,741,747
	749,626	18,584,633

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.

NOTES TO THE FINANCIAL STATEMENTS

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22. OTHER INCOME

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Continuing operations:				
Fair value gain on biological assets	112,949	-	-	-
Fair value gain on quoted equity instruments	26,100	-	26,100	-
Gain on disposal of a subsidiary	33,183,536	-	10,190,607	-
Gain on disposal of property, plant and equipment	26,549	-	-	-
Miscellaneous	228,409	13,669	177,976	-
Realised gain on foreign exchange	-	59,711	-	-
Rental income	44,760	43,200	-	-
Reversal of impairment losses on investment in a subsidiary	-	-	-	3,088,042
Unwinding of discount on amount due from a subsidiary	-	-	779,572	1,515,017
Total other income from continuing operations	33,622,303	116,580	11,174,255	4,603,059
Discontinued operation:				
Miscellaneous	26,379	110,289	-	-
Unrealised gain on foreign exchange	94,562	-	-	-
Scrap sales	17,497	173,772	-	-
Total other income from discontinued operation	138,438	284,061	-	-
Total other income	33,760,741	400,641	11,174,255	4,603,059

NOTES TO THE FINANCIAL STATEMENTS

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23. FINANCE INCOME

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Continuing operations:				
Interest income from:				
- licensed financial institution	<u>2,496,297</u>	<u>1,196,567</u>	<u>2,480,453</u>	<u>1,188,934</u>
Total finance income from continuing operations	<u>2,496,297</u>	<u>1,196,567</u>	<u>2,480,453</u>	<u>1,188,934</u>
Discontinued operation:				
Interest income from:				
- licensed financial institution	<u>2,117</u>	<u>15,627</u>	<u>-</u>	<u>-</u>
Total finance income from discontinued operation	<u>2,117</u>	<u>15,627</u>	<u>-</u>	<u>-</u>
Total finance income	<u>2,498,414</u>	<u>1,212,194</u>	<u>2,480,453</u>	<u>1,188,934</u>

24. FINANCE COSTS

	GROUP	
	2026 RM	2025 RM
Continuing operations:		
Other interest charges	<u>-</u>	<u>4,150</u>
Total finance costs from continuing operations	<u>-</u>	<u>4,150</u>
Discontinued operation:		
Interest expenses on:		
- bank overdraft	<u>-</u>	<u>606</u>
Total finance costs from discontinued operation	<u>-</u>	<u>606</u>
Total finance costs	<u>-</u>	<u>4,756</u>

NOTES TO THE FINANCIAL STATEMENTS

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25. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Continuing operations:				
Auditors' remuneration related to:				
Grant Thornton Malaysia PLT ("GTM"):				
- Statutory audit				
- current financial year	90,000	76,000	40,000	41,500
- underprovision in preceeding financial year	4,000	-	4,000	-
- Assurance related services	8,000	3,000	8,000	3,000
Local affiliate of GTM:				
- Other services	174,600	-	160,000	-
Other auditors				
- Statutory audit	11,981	13,018	-	-
Depreciation of:				
- property, plant and equipment	854,266	789,712	-	-
- right-of-use assets	943,143	943,143	-	-
Directors' fee:				
- Executive directors of the Company	420,000	340,000	120,000	90,000
- Executive directors of the subsidiaries	150,000	150,000	-	-
- Non-executive directors of the Company	300,000	260,000	200,000	110,000
Gain on disposal of property, plant and equipment	(26,549)	-	-	-
Fair value (gain)/loss on biological assets	(112,949)	26,046	-	-
Fair value (gain)/loss on quoted equity instruments	(26,100)	36,290	(26,100)	36,290
Impairment loss on goodwill on consolidation	-	4,536,954	-	-
Waiver of dividend income from a subsidiary	-	-	1,299,135	-
Written off of:				
- inventories	638	2,457	-	-
- property, plant and equipment	5,003	-	-	-
* Staff costs	2,606,323	917,867	13,500	16,500
Realised loss on foreign exchange	22,700	-	-	-
Unrealised loss/(gain) on foreign exchange	1,946	(4,211)	420	1,577

NOTES TO THE FINANCIAL STATEMENTS

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

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following (Cont'd):

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Discontinued operation:				
Auditors' remuneration related to:				
Grant Thornton Malaysia PLT ("GTM"):				
- Statutory audit	18,000	33,000	-	-
Depreciation of:				
- property, plant and equipment	1,664,246	6,843,738	-	-
- right-of-use assets	200,479	434,783	-	-
Loss on disposal of property, plant and equipment	1,414	-	-	-
Reversal of inventories written down	-	(111,401)	-	-
Property, plant and equipment written off	164,985	426,105	-	-
* Staff costs	2,233,434	19,487,549	-	-
Realised loss on foreign exchange	25,807	739,555	-	-
Unrealised (gain)/loss on foreign exchange	(94,562)	53,293	-	-
* Staff costs				
Continuing operations:				
- Salaries, wages, bonus and allowances	2,415,932	845,995	13,500	16,500
- Defined contribution plans ("EPF")	174,428	49,399	-	-
- Social security contributions ("SOCISO") and employment insurance scheme ("EIS")	15,963	22,473	-	-
Total staff costs from continuing operations	2,606,323	917,867	13,500	16,500

NOTES TO THE FINANCIAL STATEMENTS

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

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following (Cont'd):

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Discontinued operation:				
- Salaries, wages, bonus and allowances	2,010,783	17,449,212	-	-
- EPF	189,023	1,565,769	-	-
- SOCSO and EIS	33,628	269,040	-	-
- Equity-settled share-based payment	-	203,528	-	-
Total staff costs from discontinued operation	2,233,434	19,487,549	-	-
Total staff costs	4,839,757	20,405,416	13,500	16,500

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Executive directors:				
Directors of the Company:				
- Salaries, bonus and allowances	884,048	2,007,500	5,500	7,500
- EPF	102,184	342,000	-	-
- SOCSO and EIS	74	1,197	-	-
- Equity-settled share-based payment	-	117,406	-	-
	986,306	2,468,103	5,500	7,500
Directors of the subsidiaries:				
- Salaries, bonus and allowances	128,641	291,470	-	-
- EPF	1,048	21,157	-	-
- SOCSO and EIS	131	1,197	-	-
- Equity-settled share-based payment	-	22,168	-	-
	129,820	335,992	-	-
	1,116,126	2,804,095	5,500	7,500

NOTES TO THE FINANCIAL STATEMENTS

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

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-executive directors:				
Directors of the Company:				
- Salaries, bonus and allowances	81,548	9,000	8,000	-
- EPF	13,984	-	-	-
	95,532	9,000	13,500	9,000
Total	1,211,658	2,813,095	13,500	16,500
Analysed by:				
Present directors:				
- Executive	1,105,806	2,804,095	7,500	7,500
- Non-executive	95,532	6,500	5,500	6,500
	1,201,338	2,810,595	13,000	14,000
Past directors:				
- Executive	10,320	-	500	-
- Non-executive	-	2,500	-	2,500
	10,320	2,500	500	2,500
	1,211,658	2,813,095	13,500	16,500

NOTES TO THE FINANCIAL STATEMENTS

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26. TAXATION

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Continuing operations:				
Current tax				
- Current financial year	315,743	384,306	35,000	1,938
- (Over)/Under provision in prior financial year	(141,578)	164,142	(25)	306,848
	<u>174,165</u>	<u>548,448</u>	<u>34,975</u>	<u>308,786</u>
Deferred tax				
- Current financial year	667,120	960,410	-	-
- Over provision in prior financial year	(22,757)	-	-	-
	<u>644,363</u>	<u>960,410</u>	<u>-</u>	<u>-</u>
Capital gain tax				
- Current financial year	2,154,596	-	2,154,596	-
	<u>2,154,596</u>	<u>-</u>	<u>2,154,596</u>	<u>-</u>
Total taxation from continuing operations	<u>2,973,124</u>	<u>1,508,858</u>	<u>2,189,571</u>	<u>308,786</u>
Discontinued operation:				
Current tax				
- Current financial year	-	3,750	-	-
Total taxation from discontinued operation	<u>-</u>	<u>3,750</u>	<u>-</u>	<u>-</u>
Total taxation	<u>2,973,124</u>	<u>1,512,608</u>	<u>2,189,571</u>	<u>308,786</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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26. TAXATION (CONT'D)

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Profit/(Loss) before tax, continuing operations	36,407,883	(152,518)	26,358,674	8,170,140
Loss before tax, discontinued operation	(2,661,690)	(6,573,831)	-	-
Profit/(Loss) before tax carried forward	33,746,193	(6,726,349)	26,358,674	8,170,140
Profit/(Loss) before tax brought forward	33,746,193	(6,726,349)	26,358,674	8,170,140
Income tax at Malaysian statutory tax rate of 24%	8,099,086	(1,614,324)	6,326,082	1,960,834
Tax effects in respects of:				
Effects of different tax rate in foreign jurisdiction	(105,642)	(91,346)	-	-
Expenses not deductible for tax purposes	295,758	2,293,412	556,952	233,898
Income not subject to tax	(8,196,679)	(296,821)	(6,848,034)	(2,192,794)
Capital gain tax	2,154,596	-	2,154,596	-
Annual crystallisation of deferred tax on revaluation reserve	(200,728)	(201,414)	-	-
Deferred tax on fair value adjustment of biological assets	27,108	(6,251)	-	-
Deferred tax assets not recognised	1,063,960	1,392,202	-	-
Utilisation of unrecognised unabsorbed capital allowances	-	(126,992)	-	-
(Over)/Under provision in prior financial year:				
- Current tax	(141,578)	164,142	(25)	306,848
- Deferred tax	(22,757)	-	-	-
	2,973,124	1,512,608	2,189,571	308,786

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	
	2026 RM	2025 RM
Deferred tax recognised:		
Property, plant and equipment	-	(15,906,353)
Unabsorbed capital allowances	-	9,197,193
Unabsorbed reinvestment allowance	-	5,570,317
Unabsorbed business losses	-	1,138,843
	-	-
Deferred tax assets not recognised:		
Unabsorbed business losses	-	3,354,395
Others	-	1,078,772
	-	4,433,167

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

	GROUP	
	2026 RM	2025 RM
Unabsorbed business losses	-	3,354,395

The unabsorbed business 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.

NOTES TO THE FINANCIAL STATEMENTS

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26. TAXATION (CONT'D)

The unabsorbed business losses will be disregarded in the following YAs:

	GROUP	
	2026 RM	2025 RM
Unabsorbed business losses		
YA 2029	-	1,061,057
YA 2030	-	2,293,338
	<u>-</u>	<u>3,354,395</u>

27. PROFIT/(LOSS) PER SHARE

(a) Basic profit/(loss) per share

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

	GROUP	
	2026	2025
Profit/(Loss) attributable to owners of the Company (RM)		
- Continuing operations	32,491,783	(1,915,176)
- Discontinued operation	(2,661,690)	(6,577,581)
	<u>29,830,093</u>	<u>(8,492,757)</u>
Weighted average number of ordinary shares in issue	<u>1,155,035,959</u>	<u>1,154,594,373</u>
Basic earnings/(loss) per share (sen)		
- Continuing operations	2.81	(0.17)
- Discontinued operation	(0.23)	(0.57)
	<u>2.58</u>	<u>(0.74)</u>

(b) Diluted profit/(loss) per share

The profit/(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.

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28. DIVIDEND

	GROUP AND COMPANY	
	2026	2025
<u>In respect of the financial year ended 30 June 2026</u>		
Special single tier interim dividend of RM0.02 per ordinary shares declared on 8 October 2025 and paid on 4 November 2025	23,100,719	-
	23,100,719	-

29. 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, 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

2026

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By business segments (Cont'd)

2025

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29. SEGMENTAL INFORMATION (CONT'D)

Notes to segment information:

- A. Inter-segment revenue are eliminated on consolidation.
- B. Other material non-cash (income)/expenses other than depreciation and impairment loss consist of the following items:

	GROUP	
	2026 RM	2025 RM
Gain on disposal of a subsidiary	(33,183,536)	-
Fair value (gain)/loss on biological assets	(112,949)	26,046
Fair value (gain)/loss on other investment	(26,100)	36,290
Gain on disposal of property, plant and equipment	(25,135)	-
Impairment loss on goodwill on consolidation	-	4,536,954
Reversal of inventories written down	-	(111,401)
Written off of:		
- inventories	638	2,457
- property, plant and equipment	169,988	426,105
Unrealised (gain)/loss on foreign exchange	(92,616)	49,082
	<u>(33,269,710)</u>	<u>4,965,533</u>

By geographical segments

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

	Revenue		Non-current assets	
	2026 RM	2025 RM	2026 RM	2025 RM
Malaysia	13,925,103	31,368,454	68,139,481	67,332,973
Taiwan	3,652,425	27,352,781	-	-
	<u>17,577,528</u>	<u>58,721,235</u>	<u>68,139,481</u>	<u>67,332,973</u>

NOTES TO THE FINANCIAL STATEMENTS

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29. SEGMENTAL INFORMATION (CONT'D)

Information about major customers

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

	Revenue		Segments
	2026 RM	2025 RM	
Customer A	3,652,424	27,352,781	Manufacturing
Customer B	-	16,494,220	Trading
Customer C	10,084,645	8,278,368	Plantation
	13,737,069	52,125,369	

30. RELATED PARTY DISCLOSURES

(i) Related party transactions

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

	GROUP		COMPANY	
	2026 RM	2025 RM	2026 RM	2025 RM
Sales to a substantial shareholder	3,652,424	27,352,781	-	-
Waiver of dividend income of a subsidiary	-	-	1,229,135	-
Gross dividend income from subsidiaries	-	-	15,240,000	3,340,000

(ii) Related party balances

The outstanding balances arising from related party transactions at the reporting date are disclosed in Note 12 to the financial statements.

(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.

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31. FINANCIAL INSTRUMENTS

31.1 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			
2026			
Financial assets			
Trade receivables	749,626	749,626	-
Other receivables and refundable deposits	42,654	42,654	-
Other investment	255,000	-	255,000
Cash and cash equivalents	105,687,202	105,687,202	-
	106,734,482	106,479,482	255,000
Financial liabilities			
Trade payables	125,494	125,494	-
Other payables and accruals	1,657,646	1,657,646	-
	1,783,140	1,783,140	-
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	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 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			
2026			
Financial assets			
Amount due from subsidiaries	12,402,400	12,402,400	-
Other investment	255,000	-	255,000
Cash and cash equivalents	102,904,757	102,904,757	-
	<u>115,562,157</u>	<u>115,307,157</u>	<u>255,000</u>
Financial liabilities			
Other payables and accruals	<u>383,389</u>	<u>383,389</u>	<u>-</u>
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	-
	<u>102,778,819</u>	<u>102,549,919</u>	<u>228,900</u>
Financial liabilities			
Other payables and accruals	<u>10,096,693</u>	<u>10,096,693</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 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.

31.3 Credit risk

Credit risk is 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.

31.3.1 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** (2025: 30 to 45 days). In deciding whether credit terms shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis 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 10 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			
2026			
Not past due	749,626	-	749,626
Individually impaired	39,411,892	(39,411,892)	-
	<u>40,161,518</u>	<u>(39,411,892)</u>	<u>749,626</u>
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>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.3 Credit risk (Cont'd)

31.3.1 Trade receivables (Cont'd)

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 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 **2 customers** (2025: 1 customer) which represent **91%** (2025: 94%) of total trade receivables.

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

	GROUP	
	2026 RM	2025 RM

By geographical region:

Malaysia	<u>749,626</u>	<u>13,842,886</u>
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	GROUP			
	2026		2025	
	RM	% of total	RM	% of total

By industry segments:

- Trading	-	-	13,078,671	94.48
- Plantation	<u>749,626</u>	<u>100.00</u>	<u>764,215</u>	<u>5.52</u>
	<u>749,626</u>	<u>100.00</u>	<u>13,842,886</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.3 Credit risk (Cont'd)

31.3.1 Trade receivables (Cont'd)

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			
2026			
Low risk	749,626	-	749,626
Individually impaired	39,411,892	(39,411,892)	-
	40,161,518	(39,411,892)	749,626
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

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 ECL of trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECL 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.3 Credit risk (Cont'd)

31.3.2 Other receivables

The Group's and the Company's exposure to credit risk arises primarily from other receivables and deposits.

The maximum exposure of credit risk of other receivables is represented by their carrying amounts stated in the financial statements. The Group and the Company monitor their result or repayment regularly.

As at the reporting date, there is no indication that the other receivables and deposits are not recoverable.

31.3.3 Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions with high quality external credit ratings.

31.3.4 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 12 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 12 to the financial statements. The Company does not specifically monitor the ageing of these advances.

31.3.5 Financial guarantees

In prior financial year, 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 of which none of the said credit facilities have been utilised as at the end of the reporting period.

31.4 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.

31.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's or the Company's financial instrument will fluctuate because of changes in foreign exchange rates.

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 a currency other than the functional currency of the Group. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies give rise to this risk are primarily United State Dollar ("USD") and Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 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 profit/(loss) 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.

GROUP

	(Decrease)/Increase			
	2026		2025	
	Equity RM	Profit before tax RM	Equity RM	Loss before tax RM
USD/RM				
- strengthened 10%	(12,998)	(17,103)	(229,989)	(302,617)
- weakened 10%	12,998	17,103	229,989	302,617
SGD/USD				
- strengthened 10%	(4,239)	(5,578)	(2,696)	(3,548)
- weakened 10%	4,239	5,578	2,696	3,548

COMPANY

	(Decrease)/Increase			
	2026		2025	
	Equity RM	Profit before tax RM	Equity RM	Loss before tax RM
USD/RM				
- strengthened 10%	(964)	(1,269)	(996)	(1,311)
- weakened 10%	964	1,269	996	1,311

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

31. FINANCIAL INSTRUMENTS (CONT'D)

31.6 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 profit/(loss) before tax and equity, arising as a result of higher/lower fair value gain on short-term fund.

32. 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.

32.1 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					
2026					
Financial asset					
Other investment	255,000	-	-	255,000	255,000
2025					
Financial asset					
Other investment	228,900	-	-	228,900	228,900

Level 1 fair value

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

Policy on transfer between levels

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

32. FAIR VALUE MEASUREMENT (CONT'D)

32.2 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					
2026					
Biological assets	-	-	522,444	522,444	522,444
2025					
Biological assets	-	-	409,495	409,495	409,495

Level 3 fair value

The valuation techniques used in the determination of fair value of biological assets have been disclosed in Note 9 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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

On 14 May 2026, the Board of Directors of the Company has announced that the Company has extended its existing ESS which is expiring on 15 July 2026 for another 5 years until 15 July 2031 in accordance with the terms of the By-Laws of the ESS.

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.
- (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.

On 27 July 2021, the Company has made the First Offer of Awards of ordinary shares, which comprises of ESS Share and ESS Option to eligible directors and employees of the Group. The said Offer of Award will be in force for a period of four (4) years commencing from 16 July 2021 and will expire on 15 July 2025.

During the financial year, the remaining 41,167,900 unexercised ESS options has either lapsed or been forfeited.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2026

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

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

Grant date	Exercise price RM	Number of ESS options				Balance at 30.6.2026
		Balance at 1.7.2025	Granted	Exercised	Lapsed/ Forfeited	
27.7.2021	0.225	41,167,900	-	-	(41,167,900)	-

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 2026

35. WARRANTS B 2021/2024

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.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth ("24th") 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 Wednesday, 18 November 2026 at 3:30 p.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 2026 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 RM733,500 for the financial year ended 30 June 2026. | 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 Ms. Tan Hui Ting as a Director who retires in accordance with Article 102 of the Company's Constitution. | Ordinary Resolution 4 |
| 6. | 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 5 |

AS SPECIAL BUSINESS:

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

7. **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 6

8. 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: 20 October 2026

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 11 November 2026 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 2026 together with the Reports of the Directors and Auditors thereon

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

Ordinary Resolutions 2, 3 and 4 – 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 24th Annual General Meeting of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution:

- a) Mr. Lee Min Huat (Article 95)
 - b) Mr. Lim Ee Tatt (Article 95)
 - c) Ms. Tan Hui Ting (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 2026.

NOTICE OF ANNUAL GENERAL MEETING

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 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 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-Third Annual General Meeting held on 28 November 2025 and which will lapse at the conclusion of the 24th Annual General Meeting to be held on 18 November 2026.

A renewal of this authority is being sought at the 24th Annual General Meeting under proposed Ordinary Resolution 6.

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 6, 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 6 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 2026 RM
1 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	3,496.465 acres	N/A	Plantation land	34,042,422
2 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	10,415
3 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	20,981,289
4 Scope Realty Sdn. Bhd. GM 1645, Lot 7410 GM 1646, Lot 7411 GM 1647, Lot 7412 and GM 1648, Lot 7413 Mukim Parit Buntar Daerah Kerian Perak, Malaysia	31.10.2022	Vacant land	Freehold	N/A	7.4508 acres	N/A	Vacant	5,772,865
5 Scope Distributor Sdn. Bhd. 7-3, Aspire Tower KL Eco City 59200 Kuala Lumpur W.P. Kuala Lumpur	1.7.2025	Office building	Leasehold for 99 years (expiring on 5.12.2113)	3	N/A	114 square metres	Head Office	1,533,756
								63,340,747

ANALYSIS OF SHAREHOLDINGS

AS AT 1 OCTOBER 2026

- 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	75	1.28	3,013	0.00
100 – 1,000	463	7.91	304,550	0.03
1,001–10,000	1,663	28.42	10,896,076	0.94
10,001 – 100,000	2,747	46.94	113,261,200	9.80
100,001 – 57,751,797(*)	900	15.38	660,411,355	57.18
57,751,798 and above (**)	4	0.07	370,159,765	32.05
Total	5,852	100.00	1,155,035,959	100.00

Remarks: * - 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	65,113,100	5.64	-	-
Lee Min Huat	184,302,765	15.96	33,772,100~	2.92
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 Chin Leong Thye Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
* 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 1 OCTOBER 2026

D. DIRECTORS' SHAREHOLDINGS

Name	Number of Ordinary Shares			
	Direct	%	Indirect	%
Lim Chiow Hoo	65,113,100	5.64	-	-
Lee Min Huat	184,302,765	15.96	33,772,100~	2.92
Lim Ee Tatt	4,519,500	0.39	101,412,600*	8.78
Law Kim Fatt	-	-	-	-
Ang Kai Sing	-	-	-	-
Tan Hui Ting	-	-	-	-

Notes:

- ~ Deemed interested in the shares held by Chin Leong Thye Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- * 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.	Chin Leong Thye Sdn Bhd	33,772,100	2.92
8.	Ooi Keng Thye	20,401,300	1.77
9.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Cipta Pantas Sdn Bhd</i>	17,500,000	1.52
10.	Lim Chiow Hoo	17,050,000	1.48
11.	Er Soon Puay	16,500,000	1.43
12.	Lee Tack Chong	15,548,440	1.35

ANALYSIS OF SHAREHOLDINGS

AS AT 1 OCTOBER 2026

INTEREST IN RELATED CORPORATION(S) (CONT'D)

E. THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name of Shareholders	No. of Shares	% of total issued shares
13.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tay Hock Soon (MY1055)</i>	15,000,000	1.30
14.	Ooi Eng Leong	8,179,000	0.71
15.	Cheng Chew Giap	7,650,000	0.66
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Liew Haw Chin (3007974)</i>	6,500,000	0.56
17.	Yap Pei Pei	6,500,000	0.56
18.	Tan Ai Fung	6,330,000	0.55
19.	Ong Ngoh Ing @ Ong Chong Oon	6,000,000	0.52
20.	Ooi Siew Looi	5,390,000	0.47
21.	Lim Ee Tatt	4,519,500	0.39
22.	Tan Ah Pan	4,433,500	0.38
23.	Lee Sep Pian	4,417,500	0.38
24.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Eng Choong (D JAYA-CL)</i>	4,400,000	0.38
25.	Toh Saw Looi	4,265,000	0.37
26.	Ng Chooi Lee	4,180,000	0.36
27.	Ong Kar Fatt	3,700,000	0.32
28.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Huam Hong Ping (MY3625)</i>	3,500,000	0.30
29.	Getaria Realty Sdn Bhd	3,400,000	0.29
30.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Er Soon Puay</i>	3,348,700	0.29

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

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

(NRIC No./Passport No./Registration No.)

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-Fourth 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 Wednesday, 18 November 2026 at 3:30 p.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 2026		
Ordinary Resolution 2	Re-election of Mr. Lee Min Huat as Director		
Ordinary Resolution 3	Re-election of Mr. Lim Ee Tatt as Director		
Ordinary Resolution 4	Re-election of Ms. Tan Hui Ting as Director		
Ordinary Resolution 5	Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 6	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 2026.

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 11 November 2026 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)]
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