

Unless otherwise stated, all terms and abbreviations contained in this Abridged Prospectus are in the “Definitions” section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six months from the date of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** All enquiries concerning the Rights Issue, which is the subject of this Abridged Prospectus should be addressed to our Share Registrar for the Rights Issue, Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D)) at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue. This Abridged Prospectus, and the accompanying NPA and RSF (collectively, the “Documents”), will be lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue was obtained at our EGM held on 19 May 2021. The approval from Bursa Securities had also been obtained via its letter dated 28 April 2021 for the listing and quotation of the Rights Shares on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue, and shall not be taken as an indication of the merits of the Rights Issue. The listing and quotation of the Rights Shares on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. The listing and quotation of the Rights Shares will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

These Documents are only despatched to our Entitled Shareholders whose names appear in our Company’s Record of Depositors as at 5.00 P.M on 25 June 2021 who have a registered address in Malaysia or who have provided our Share Registrar for the Rights Issue with a registered address in Malaysia in writing by 5.00 P.M on 25 June 2021. These Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any other countries or jurisdictions other than the laws of Malaysia. Persons receiving the Documents (including without limitation, custodians, nominees and transferees) must not, in connection with the Rights Issue, distribute or send the Documents outside Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue to which the Documents relate is only available to persons receiving the Documents electronically or otherwise within Malaysia. These Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s)/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation and/or transfer (as the case may be) or all or any part of their entitlements to the Rights Issue would result in the contravention of any of the laws of such countries or jurisdictions. Neither we, AmInvestment Bank nor any other professional advisers to the Rights Issue shall accept any responsibility or liability in the event that any acceptance or renunciation or transfer (as the case may be) of the entitlements to the Rights Issue made by the Entitled Shareholders and/or their renounee(s)/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in such country or jurisdiction in which the Entitled Shareholders and/or their renounee(s)/transferees (if applicable) are residents.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.**

# SCOPE

**SCOPE INDUSTRIES BERHAD**

(Registration No. 200201023713 (591376-D))

(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 384,557,653 NEW ORDINARY SHARES IN SCOPE INDUSTRIES BERHAD (“SCOPE SHARE(S)” OR “SHARES”) (“RIGHTS SHARE(S)”) AT AN ISSUE PRICE OF RM0.175 PER RIGHTS SHARE ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 EXISTING SCOPE SHARES HELD BY THE ENTITLED SHAREHOLDERS OF OUR COMPANY, AT 5.00 P.M ON 25 JUNE 2021**

*Principal Adviser*



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Registration No. : 197501002220 (23742-V))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

## **IMPORTANT RELEVANT DATES AND TIMES:**

Entitlement Date	:	Friday, 25 June 2021 at 5.00 P.M
<b>Last date and time for:</b>		
Sale of Provisional Allotments	:	Friday, 2 July 2021 at 5.00 P.M
Transfer of Provisional Allotments	:	Tuesday, 6 July 2021 at 4.30 P.M
Acceptance and payment	:	Monday, 12 July 2021 at 5.00 P.M
Excess Rights Shares Application and payment	:	Monday, 12 July 2021 at 5.00 P.M

**This Abridged Prospectus is dated 25 June 2021**

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS, UNLESS STATED OTHERWISE.

#### **RESPONSIBILITY STATEMENTS**

OUR DIRECTORS HAVE SEEN AND APPROVED ALL DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

AMINVESTMENT BANK, BEING OUR PRINCIPAL ADVISER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

#### **OTHER STATEMENTS**

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS, INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON AS SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THESE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

---

**ADVISERS' DIRECTORY**

---

- PRINCIPAL ADVISER** : AmInvestment Bank Berhad  
Level 21, Bangunan AmBank Group  
No. 55 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel : (03) 2036 2633  
Fax : (03) 2070 2170
- SOLICITORS FOR THE RIGHTS ISSUE** : Enolil Loo Advocates & Solicitors  
M-2-9 Plaza Damas  
60 Jalan Sri Hartamas 1  
Sri Hartamas  
50480 Kuala Lumpur  
Tel : (03) 6203 2381  
Fax : (03) 6203 2359
- SHARE REGISTRAR FOR THE RIGHTS ISSUE** : Boardroom Share Registrars Sdn Bhd  
11<sup>th</sup> Floor, Menara Symphony  
No. 5 Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor  
Tel : (03) 7890 4700  
Fax : (03) 7890 4670
- COMPANY SECRETARIES** : Chee Wai Hong (BC/C/1470)  
(SSM Practising Certificate No. 202008001804)  
Tan She Chia (MAICSA 7055087)  
(SSM Practising Certificate No. 202008001923)  
48 Jalan Chow Thye  
10050 Georgetown  
Pulau Pinang  
Tel : (04) 2262188
- INDEPENDENT MARKET RESEARCHER** : Protégé Associates Sdn Bhd  
Suite C-09-12, Plaza Mont' Kiara  
2, Jalan Kiara, Mont' Kiara  
50480 Kuala Lumpur  
Tel No. : (03) 6201 9301  
Managing Director: Seow Cheow Seng  
(Master in Business Administration from Charles Stuart University, Australia)
- STOCK EXCHANGE** : ACE Market of Bursa Securities

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

“Abridged Prospectus”	: This abridged prospectus dated 25 June 2021 in relation to the Rights Issue
“Act”	: Companies Act 2016, as amended from time to time and includes any re-enactment thereof
“AmInvestment Bank” or “Principal Adviser”	: AmInvestment Bank Berhad (Registration No.: 197501002220 (23742-V))
“ATM”	: Automated teller machine
“Authorised Nominee”	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
“Bloomberg”	: Bloomberg Finance Singapore L.P. and its affiliates
“BNM”	: Bank Negara Malaysia
“Board”	: The Board of Directors of Scope
“Boardroom” or “Share Registrar”	: Boardroom Share Registrars Sdn Bhd
“Bursa Anywhere” or “BA”	: Bursa Anywhere mobile application operated by Bursa Depository to enable depositors to perform their CDS transactions electronically from their mobile phones
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
“CDS Account(s)”	: Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of the Bursa Depository for the recording of deposits and dealing in securities by the depositor
“CDS”	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“Closing Date”	: Monday, 12 July 2021 at 5.00 P.M, being the last date and time for the acceptance of and payment for the Rights Shares
“CMSA”	: Capital Markets and Services Act 2007, as amended from time to time and includes any re-enactment thereof
“Corporate Exercises”	: Collectively, the Rights Issue and the ESS
“COVID-19”	: Coronavirus disease 2019
“CPO”	: Crude palm oil

---

**DEFINITIONS (Cont'd)**

---

“Director(s)”	: The director(s) of Scope having the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Documents”	: This Abridged Prospectus together with the NPA and RSF, collectively
“eDividend Bank Account”	: The bank account nominated to receive dividends of the securities deposited in the CDS Accounts.
“E&E”	: Electrical and electronic
“EGM”	: Extraordinary general meeting of our Company held on 19 May 2021 in relation to the Rights Issue
“Electronic Application”	: Application for the Rights Shares and/or Excess Rights Shares through the ATMs of Participating Financial Institutions
“Electronic Business”	: Electronic manufacturing and trading business
“Entitled Shareholder(s)”	: The shareholder(s) of Scope whose name(s) appear in the Record of Depositors of our Company on the Entitlement Date
“Entitlement Date”	: Friday, 25 June 2021 at 5.00 P.M being the date and time on which the names of the Entitled Shareholders must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue
“EPS”	: Earnings per share
“Excess Application(s)”	: Application(s) for Excess Rights Shares as set out in <b>Section 10.6</b> of this Abridged Prospectus
“Excess Rights Shares”	: Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) by the Closing Date
“ESS”	: The establishment of an employees’ share scheme of up to 15% of the total issued shares of Scope (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible Directors and employees of Scope Group
“FFB”	: Oil palm fresh fruit bunches
“FMCO”	: Full Movement Control Order, or MCO 3.0 currently imposed by the Government of Malaysia for the period of 1 June 2021 until 28 June 2021
“Foreign Addressed Shareholders”	: Entitled shareholders who have not provided us with a registered address in Malaysia for service of documents to be issued for the purposes of the Rights Issue
“3QFY21”	: 9-months financial period ended 31 March 2021
“FY”	: Financial year ended 30 June
“Internet Application”	: Application for the Rights Shares and/or Excess Rights Shares through an Internet Participating Financial Institution

---

**DEFINITIONS (Cont'd)**

---

“Internet Participating Financial Institution”	: Internet participating financial institutions for Internet Application as referred to in <b>Section 10.3</b> of this Abridged Prospectus
“LAT”	: Loss after tax
“LBT”	: Loss before tax
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities
“LPD”	: 11 June 2021, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
“Market Day(s)”	: Any day between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
“Maximum Scenario”	: Assuming the Undertaking Shareholders subscribe in full for their entitlements in accordance with the Undertakings, and all other Entitled Shareholders subscribe for their entitlements under the Rights Issue to raise approximately RM67.30 million, based on the issuance of 384,557,653 Rights Shares
“MCO”	: Movement Control Order
“Minimum Scenario”	: Assuming the Rights Issue is undertaken on the Minimum Subscription Level to raise a minimum of approximately RM13.82 million, based on the issuance of 78,963,295 Rights Shares and the Undertakings
“Minimum Subscription Level”	: The minimum subscription level of 78,963,295 Rights Shares by the Undertaking Shareholders to raise the required minimum level of funds Scope intends to raise from the Rights Issue amounting to RM13.82 million
“NA”	: Net assets
“NPA”	: Notice of Provision Allotments in relation to the Rights Issue
“NRS”	: Nominee rights subscription service offered by Bursa Depository at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares through Bursa Depository’s Existing network facility with the Authorised Nominees
“Official List”	: A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
“Participating Financial Institution”	: Participating financial institutions for Electronic Application as referred to in <b>Section 10.3</b> of this Abridged Prospectus
“PAT”	: Profit After Tax
“PBT”	: Profit Before Tax
“Plantation Business”	: Cultivation of oil palm
“Provisional Allotments”	: The Rights Shares provisionally allotted to the Entitled Shareholders
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository

## DEFINITIONS (Cont'd)

“Rights Issue”	: The renounceable rights issue of up to 384,557,653 Rights Shares on the basis of 1 Rights Share for every 2 existing Scope Shares held on the Entitlement Date at an issue price of RM0.175 per Rights Share
“Rights Share(s)”	: Up to 384,557,653 new Shares to be allotted and issued pursuant to the Rights Issue
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RSF”	: Rights Subscription Form in relation to the Rights Issue
“Rules of Bursa Depository”	: The rules of Bursa Depository as issued pursuant to the SICDA
“SC”	: Securities Commission Malaysia
“Scope Group” or the “Group”	: Scope and its subsidiary companies, collectively
“Scope Share(s)” or “Share(s)”	: Ordinary share(s) in Scope
“Scope” or “Company”	: Scope Industries Berhad (Registration No.: 200201023713 (591376-D))
“SICDA”	: Securities Industry (Central Depositories) Act 1991
“TERP”	: Theoretical ex-rights price
“Undertaking Shareholders”	: Collectively, Lim Chiow Hoo, Lee Min Huat and Inventec Appliances Corp
“Undertakings”	: Irrevocable undertakings dated 19 March 2021 from the Undertaking Shareholders, who have irrevocably undertaken to apply and subscribe in full for their respective entitlements to the Rights Shares
“VWAMP”	: Volume-weighted average market price

All references to “our Company” and “Scope” in this Abridged Prospectus are made to Scope Industries Berhad (Registration No.: 200201023713 (591376-D)) and references to “our Group” or “Scope Group” are made to our Company and our subsidiary companies. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiary companies.

All references to “you” in this Abridged Prospectus are to our Entitled Shareholders and/or, where the context otherwise requires, their renounee(s)/transferee(s) (if applicable).

Unless specifically referred to, words denoting the singular shall include the plural and *vice versa* and words denoting the masculine gender shall include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included in this Abridged Prospectus have been subject to rounding adjustments. Any discrepancy between the figures shown in this Abridged Prospectus and figures published by our Company, such as quarterly reports or annual reports, is due to rounding.

---

**DEFINITIONS (Cont'd)**

---

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**



---

**TABLE OF CONTENTS**


---

	<b>Page</b>
<b>SUMMARY OF THE RIGHTS ISSUE</b>	ix
<b>LETTER TO OUR SHAREHOLDERS CONTAINING:</b>	
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. PARTICULARS OF THE RIGHTS ISSUE</b>	<b>2</b>
2.1 Details of the Rights Issue	2
2.2 Basis of determining the issue price of the Rights Shares	3
2.3 Ranking of the Rights Shares	3
2.4 Last date and time for acceptance and payment	3
2.5 Details of other corporate exercise	3
<b>3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKINGS</b>	<b>4</b>
<b>4. RATIONALE FOR THE RIGHTS ISSUE</b>	<b>7</b>
<b>5. UTILISATION OF PROCEEDS</b>	<b>9</b>
<b>6. RISK FACTORS</b>	<b>12</b>
6.1 General Business Risks	12
6.2 Risks relating to our Group's Electronic Business	14
6.3 Risks relating to our Group's Plantation Business	16
6.4 Risks relating to the Rights Issue	17
<b>7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP</b>	<b>18</b>
7.1 Overview and outlook of the Malaysian economy	18
7.2 Overview and outlook of the E&E industry in Malaysia	20
7.3 Overview and outlook of the oil palm plantation industry in Malaysia	21
7.4 Prospects of our Group	23
7.5 How the Rights Issue will create value to Scope and our shareholders	25
7.6 How the Rights Issue will impact Scope and our shareholders	26
7.7 Steps or actions which have been taken/will be taken to improve the financial condition of our Group	26
7.8 The adequacy of the Rights Issue in addressing Scope's financial concerns	27
<b>8. EFFECTS OF THE RIGHTS ISSUE</b>	<b>27</b>
8.1 Issued Share capital	27
8.2 NA, NA per share and gearing	27
8.3 Earnings and EPS	29
<b>9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS</b>	<b>29</b>
9.1 Working Capital	29
9.2 Borrowings/financing	29
9.3 Contingent liabilities	29
9.4 Material commitments	30
9.5 Material transactions	30

---

**TABLE OF CONTENTS (Cont'd)**

---

	<b>Page</b>
<b>10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE</b>	<b>30</b>
10.1 General	30
10.2 Last time and date for acceptance and payment	31
10.3 Methods of application	31
10.4 Procedures for acceptance and payment	32
10.5 Procedures for sale or transfer of the Provisional Allotments	49
10.6 Procedures for application for the Excess Rights Shares	49
10.7 Procedures for acceptance by renouncee(s)/transferee(s)	53
10.8 CDS Account	53
10.9 Laws of foreign countries or jurisdiction	53
<b>11. TERMS AND CONDITIONS</b>	<b>55</b>
<b>12. FURTHER INFORMATION</b>	<b>56</b>
<b>APPENDICES</b>	
<b>I. INFORMATION ON OUR COMPANY</b>	<b>57</b>
<b>II. ADDITIONAL INFORMATION</b>	<b>69</b>

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**SUMMARY OF THE RIGHTS ISSUE**

**THIS SUMMARY OF THE RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.**

Key Information	Summary																				
<b>Basis of allotment and number of Rights Shares to be issued pursuant to the Rights Issue</b>	<p>Up to 384,557,653 Rights Shares on the basis of 1 Rights Share for every 2 existing Scope Shares held on the Entitlement Date at an issue price of RM0.175 per Rights Share. Any unsubscribed Rights Shares will be made available for Excess Applications by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable).</p> <p>Please refer to <b>Section 2.1</b> of this Abridged Prospectus for further details of the basis of allotment and number of Rights Shares to be issued pursuant to the Rights Issue.</p>																				
<b>Issue price of the Rights Shares</b>	<p>Our Board has fixed the issue price of the Rights Shares at RM0.175 per Rights Share. Please refer to <b>Section 2.2</b> of this Abridged Prospectus for the basis of determining the issue price of the Rights Shares.</p>																				
<b>Minimum Subscription Level and Undertakings</b>	<p>The Undertaking Shareholders have provided their Undertakings to subscribe 78,963,295 Rights Shares under the Rights Issue. The Rights Issue will be undertaken on the Minimum Subscription Level after taking into consideration, amongst others, the following:</p> <p>(i) the minimum level of funds that we intend to raise from the Rights Issue amounting to RM13.82 million, which would entail a minimum subscription of 78,963,295 Rights Shares at an issue price of RM0.175 per Rights Share; and</p> <p>(ii) the Undertakings by the Undertaking Shareholders vide their respective letters dated 19 March 2021 to subscribe for their respective entitlements of the Rights Shares based on their shareholdings as at the Entitlement Date.</p> <p>The actual number of Rights Shares to be issued will depend on the eventual subscription level for the Rights Issue. As at the LPD, our Company has 769,115,306 issued Shares and does not have any treasury shares or convertible securities.</p> <p>The change in shareholdings of the Undertaking Shareholders under the minimum and maximum scenario are as follows:</p> <table border="1"> <thead> <tr> <th>Undertaking Shareholder</th> <th>Number of Rights Shares undertaken to be subscribed</th> <th>% Shareholding as at LPD</th> <th>% Shareholding after Rights Issue (Minimum Scenario)</th> <th>% Shareholding after Rights Issue (Maximum Scenario)</th> </tr> </thead> <tbody> <tr> <td>Lim Chiow Hoo</td> <td>1,000,000</td> <td>8.41</td> <td>7.75</td> <td>5.70</td> </tr> <tr> <td>Lee Min Huat</td> <td>25,518,895</td> <td>7.96</td> <td>10.23</td> <td>7.52</td> </tr> <tr> <td>Inventec Appliances Corp</td> <td>52,444,400</td> <td>4.16</td> <td>9.96</td> <td>7.32</td> </tr> </tbody> </table> <p>Please refer to <b>Section 3</b> of this Abridged Prospectus for further details of the Minimum Subscription Level and the Undertakings by the Undertaking Shareholders.</p>	Undertaking Shareholder	Number of Rights Shares undertaken to be subscribed	% Shareholding as at LPD	% Shareholding after Rights Issue (Minimum Scenario)	% Shareholding after Rights Issue (Maximum Scenario)	Lim Chiow Hoo	1,000,000	8.41	7.75	5.70	Lee Min Huat	25,518,895	7.96	10.23	7.52	Inventec Appliances Corp	52,444,400	4.16	9.96	7.32
Undertaking Shareholder	Number of Rights Shares undertaken to be subscribed	% Shareholding as at LPD	% Shareholding after Rights Issue (Minimum Scenario)	% Shareholding after Rights Issue (Maximum Scenario)																	
Lim Chiow Hoo	1,000,000	8.41	7.75	5.70																	
Lee Min Huat	25,518,895	7.96	10.23	7.52																	
Inventec Appliances Corp	52,444,400	4.16	9.96	7.32																	
<b>Rationale for the Rights Issue</b>	<p>(i) To raise proceeds of up to RM67.3 million for amongst others, the construction of a new manufacturing plant and the expansion of our Group's electronic manufacturing and trading business. Further details of the proposed utilisation of proceeds are set out in Section 5 of this Abridged Prospectus; and</p> <p>(ii) To provide our shareholders with an opportunity to participate in an equity offering in Scope on a pro-rata basis and ultimately, participate in the prospects and future growth of the Scope Group.</p> <p>Please refer to <b>Section 4</b> of this Abridged Prospectus for further details of the rationale for the Rights Issue.</p>																				

**SUMMARY OF THE RIGHTS ISSUE (Cont'd)**

Key Information	Summary																										
<b>Utilisation of proceeds</b>	<p>The gross proceeds to be raised from the Rights Issue will be utilised in the following manner:</p> <table border="1"> <thead> <tr> <th rowspan="2">Details of utilisation</th> <th rowspan="2">Timeframe for utilisation from the completion of the Rights Issue</th> <th>Minimum Scenario</th> <th>Maximum Scenario</th> </tr> <tr> <th>(RM'000)</th> <th>(RM'000)</th> </tr> </thead> <tbody> <tr> <td>(i) Construction of a new manufacturing plant</td> <td>Within 36 months</td> <td>12,000</td> <td>31,000</td> </tr> <tr> <td>(ii) Expansion of the Electronic Business</td> <td>Within 36 months</td> <td>-</td> <td>19,000</td> </tr> <tr> <td>(ii) Working capital</td> <td>Within 24 months</td> <td>819</td> <td>16,298</td> </tr> <tr> <td>(iii) Estimated expenses for the Rights Issue</td> <td>Within 6 months</td> <td>1,000</td> <td>1,000</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>13,819</b></td> <td><b>67,298</b></td> </tr> </tbody> </table> <p>Please refer to <b>Section 5</b> of this Abridged Prospectus for further details of the utilisation of proceeds.</p>	Details of utilisation	Timeframe for utilisation from the completion of the Rights Issue	Minimum Scenario	Maximum Scenario	(RM'000)	(RM'000)	(i) Construction of a new manufacturing plant	Within 36 months	12,000	31,000	(ii) Expansion of the Electronic Business	Within 36 months	-	19,000	(ii) Working capital	Within 24 months	819	16,298	(iii) Estimated expenses for the Rights Issue	Within 6 months	1,000	1,000	<b>Total</b>		<b>13,819</b>	<b>67,298</b>
Details of utilisation	Timeframe for utilisation from the completion of the Rights Issue			Minimum Scenario	Maximum Scenario																						
		(RM'000)	(RM'000)																								
(i) Construction of a new manufacturing plant	Within 36 months	12,000	31,000																								
(ii) Expansion of the Electronic Business	Within 36 months	-	19,000																								
(ii) Working capital	Within 24 months	819	16,298																								
(iii) Estimated expenses for the Rights Issue	Within 6 months	1,000	1,000																								
<b>Total</b>		<b>13,819</b>	<b>67,298</b>																								
<b>Risk factors</b>	<p>You should carefully consider the following risk factors before subscribing for or investing in the Rights Issue:</p> <ul style="list-style-type: none"> <li>(i) We are dependent on our single largest customer, Inventec Appliances Corp, and our revenue, profitability, long term sustainability and business growth may be adversely impacted if Inventec Appliances Corp ceases to be our customer;</li> <li>(ii) Our Electronic Business requires high manpower, and constraints in ensuring adequate labour supply and the rising costs of labour supply may increase our overall production cost;</li> <li>(iii) In constructing a new manufacturing plant, we expect our production capacity to increase, but we face a risk that we will not receive sufficient orders to maximise our production capacity. In addition, our Group will incur higher capital expenditure and overhead costs which may impact on our Group's profitability;</li> <li>(iv) If we fail to keep up with rapid technology changes and market demand affecting our Electronic Business, we stand the risk of our existing customers switching to our competitors, which may affect our overall operational and financial performance</li> <li>(v) Our Plantation Business is labour-intensive and a majority of our workers are foreign workers. Changes in immigration and foreign labour policies may affect the availability of workforce and affect the performance of our group. In addition, rising costs of labour supply may increase our overall production cost;</li> <li>(vi) We may not be able to anticipate and/or respond to changes in world demand in a timely manner, which may affect our operations and financial performance;</li> <li>(vii) We are subject to risks of prolonged poor weather conditions which may adversely affect our business operations;</li> <li>(viii) Our Group's performance is largely affected by daily variations in CPO prices. In addition, significant fluctuations in the prices and supply of raw materials may adversely impact on our Group.</li> </ul> <p><b>Impact of COVID-19</b> The stricter measures imposed by the Government under the on-going FMCO allow us to operate at only 60% capacity and have caused disruptions to our supply chain, as we face delays in receiving the necessary components for the assembly of our electronic products. If these strict measures are prolonged, or if lockdowns are imposed to halt our business operations, there is no assurance that our business and operations will not be materially and adversely affected, including business closure which would impact on our financial performance.</p>																										
<b>Procedures for acceptance and payment</b>	<p>Acceptance of and payment for the Provisional Allotments allotted to you and the Excess Application must be made by way of the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the application and payment for the Excess Rights Shares is on Monday, 12 July 2021 at 5.00 P.M.</p> <p>Please refer to <b>Section 10</b> of this Abridged Prospectus for further details of the procedures for acceptance and payment.</p>																										

# SCOPE

**SCOPE INDUSTRIES BERHAD**  
(Registration No. 200201023713 (591376-D))  
(Incorporated in Malaysia)

**Registered Office**  
48 Jalan Chow Thye  
10050 Georgetown  
Pulau Pinang

25 June 2021

## Board of Directors

Lee Min Huat *(Executive Chairman)*  
Lim Chiow Hoo *(Managing Director)*  
Tan Poh Heng *(Senior Independent Non-Executive Director)*  
Yong Loong Chen *(Independent Non-Executive Director)*  
Lim Ee Tatt *(Non-Independent Non-Executive Director)*

## To: Our Entitled Shareholders

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 384,557,653 NEW ORDINARY SHARES IN SCOPE INDUSTRIES BERHAD (“SCOPE SHARE(S)” OR “SHARES”) (“RIGHTS SHARE(S)”) AT AN ISSUE PRICE OF RM0.175 PER RIGHTS SHARE ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 EXISTING SCOPE SHARES HELD BY THE ENTITLED SHAREHOLDERS OF OUR COMPANY, AT 5.00 P.M ON 25 JUNE 2021**

## 1. INTRODUCTION

On 19 March 2021, AmlInvestment Bank had, on behalf of our Board, announced that our Company proposed to undertake the Corporate Exercises.

Subsequently, on 28 April 2021, AmlInvestment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 28 April 2021, granted its approval for the listing and quotation of the new Shares to be issued pursuant to the Corporate Exercises, including up to 384,557,653 Rights Shares pursuant to the Rights Issue.

The approval of Bursa Securities is subject to the following conditions:

- (i) Our Company and AmlInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;
- (ii) Our Company and AmlInvestment Bank to inform Bursa Securities upon completion of the Rights Issue;
- (iii) Our Company to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities’ approval once the Rights Issue is completed.

Our Board is pleased to inform that our Shareholders had, during the EGM held on 19 May 2021, approved the Corporate Exercises.

On 11 June 2021, AmInvestment Bank had, on behalf of our Board, announced that the Entitlement Date for the Rights Issue has been fixed at **5.00 P.M ON 25 JUNE 2021**.

You are advised to read and understand the contents of this abridged prospectus. If you are in any doubt as to the action to be taken, you should consult your bank manager, solicitor, accountant or other professional advisers immediately.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or AmInvestment Bank.

## **2. PARTICULARS OF THE RIGHTS ISSUE**

### **2.1 Details of the Rights Issue**

The Rights Issue entails an issuance of up to 384,557,653 Rights Shares on the basis of 1 Rights Share for every 2 existing Scope Shares held on the Entitlement Date, at an issue price of RM0.175 per Rights Share. The Rights Issue is intended to be undertaken on a minimum subscription basis to raise a minimum of approximately RM13.82 million.

The Rights Issue will be undertaken on a minimum subscription basis, after taking into consideration, amongst others, the following:

- (i) the minimum level of funds that we intend to raise from the Rights Issue amounting to RM13.82 million, which would entail a minimum subscription of 78,963,295 Rights Shares at an issue price of RM0.175 per Rights Share; and
- (ii) the Undertakings by the Undertaking Shareholders vide their respective letters dated 19 March 2021 to subscribe in full for their respective entitlements of the Rights Shares based on their shareholdings as at the Entitlement Date.

The actual number of Rights Shares to be issued will depend on the eventual subscription level for the Rights Issue. As at the LPD, our Company has 769,115,306 issued Shares and does not have any treasury shares or convertible securities.

As the Rights Shares are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying them of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for the Excess Rights Shares if they so choose to.

Only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

Any dealings in our Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares will be credited directly into the respective CDS Accounts of the successful applicants. No physical certificates will be issued to the successful applicants of the Rights Shares.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue. The Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, shall be made available for Excess Applications.

Fractional entitlements arising from the Rights Issue, if any, will be disregarded and dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

Notices of allotment will be despatched to the successful applicants of the Rights Shares within eight (8) Market Days from the last date for acceptance and payment of the Rights Share or such other period as may be prescribed by Bursa Securities.

## **2.2 Basis of determining the issue price of the Rights Shares**

The issue price of RM0.175 per Rights Share was determined and fixed by our Board on 19 March 2021 after taking into consideration the following:

- (i) a discount of 32.35% to the TERP of RM0.2587, based on the 5-day VWAMP of Scope Shares up to and including the latest practicable date preceding the date of the announcement of the Rights Issue dated 19 March 2021 of RM0.3006;
- (ii) the prevailing market conditions and current and historical share price of Scope Shares; and
- (iii) the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus.

The issue price represents a discount of 20.02% to the TERP of RM0.2188, based on the 5-day VWAMP of Scope Shares up to and including the LPD of RM0.2407. Our Board believes the discount of 20.02% to the TERP remains acceptable by our shareholders for them to subscribe for the Rights Shares.

Based on the issue price, the maximum gross proceeds to be raised upon completion of the Rights Issue is approximately RM67.30 million.

## **2.3 Ranking of the Rights Shares**

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares, save and except that the holders of the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the Rights Shares.

## **2.4 Last date and time for acceptance and payment**

The Closing Date is at 5.00 P.M on Monday, 12 July 2021.

## **2.5 Details of other corporate exercise**

As at the LPD, save for the Corporate Exercises, our Board confirms that there are no other corporate exercises which have been announced and/or approved by the regulatory authorities but are pending completion.

Other corporate exercises of the Company which have been completed in the past three (3) years preceding the LPD are as follows:

- (i) private placement of up to 10% of the total number of issued shares in our Company to third party investors at an issue price of RM0.15 each, which private placement was completed on 18 March 2019 and raised gross proceeds of RM8.41 million (“**Private Placement 2019**”);

As at LPD, the details and status of the utilisation of proceeds from the Private Placement 2019 are as follows:

<b>Description</b>	<b>Proposed utilisation</b>	<b>Actual utilised as at LPD</b>	<b>Balance to be utilised</b>
	<i>(RM'000)</i>	<i>(RM'000)</i>	<i>(RM'000)</i>
Expansion of Electronic Business	4,000	4,000	-
Working capital	4,327	4,328	-
Expenses for the Private Placement 2019	80	79	-
<b>Total</b>	<b>8,407</b>	<b>8,407</b>	<b>-</b>

- (ii) private placement of up to 10% of the total number of issued shares in our Company to third party investors at an issue price of RM0.175 each, which private placement was completed on 5 October 2020 and raised gross proceeds of RM12.24 million (“**Private Placement 2020**”).

As at LPD, the details and status of the utilisation of proceeds from the Private Placement 2020 are as follows:

<b>Description</b>	<b>Proposed utilisation</b>	<b>Actual utilised as at LPD</b>	<b>Balance to be utilised</b>
	<i>(RM'000)</i>	<i>(RM'000)</i>	<i>(RM'000)</i>
Expansion of Electronic Business	7,000	7,000	-
Working capital	5,136	5,156	-
Expenses for the Private Placement 2020	100	80	-
<b>Total</b>	<b>12,236</b>	<b>12,236</b>	<b>-</b>

Please refer to **Section 4** of this Abridged Prospectus for further details of the Private Placement 2019 and Private Placement 2020.

### 3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKINGS

Our Board has determined to undertake the Rights Issue on the Minimum Subscription Level, after taking into consideration the minimum level of funds of approximately RM13.82 million that we intend to raise from the Rights Issue which would entail a minimum subscription of 78,963,295 Rights Shares at an issue price of RM0.175 per Rights Share by the Undertaking Shareholders, that will be channelled towards the utilisation as set out in **Section 5** of this Abridged Prospectus.



Inventec Appliances Corp had on 19 March 2021 entered into agreements (“**SPA**”) with Lim Chiow Hoo and Lee Min Huat, on a “willing-buyer willing-seller” basis, to purchase and accept the renunciation from Lim Chiow Hoo and Lee Min Huat, of their entitlement to subscribe for the following rights shares (“**Sales Rights**”):

- (i) 31,357,215 Rights Shares from Lim Chiow Hoo amounting to RM5,487,512.62 in value/subscription proceeds for the aggregate consideration of RM1,411,074.68 or RM0.045 per Sale Rights; and
- (ii) 5,087,185 Rights Shares from Lee Min Huat amounting to RM 890,257.38 in value/subscription proceeds for the aggregate consideration of RM228,923.33 or RM0.045 per Sale Rights.

As at the LPD, the SPA is pending completion as the purchase of the renunciation will be executed during the trading period of the Provisional Allotments.

Scope has on 19 March 2021 procured irrevocable and unconditional undertakings from the Undertaking Shareholders (i.e. Lim Chiow Hoo, Lee Min Huat and Inventec Appliances Corp), to meet the minimum subscription basis. The Undertakings are as follows:

- (i) Lim Chiow Hoo shall subscribe for a part of his Rights Shares entitlement amounting to 1,000,000 Rights Shares. His balance Rights Shares entitlement of 31,357,215 will be sold/renounced to Inventec Appliances Corp; Lee Min Huat shall subscribe for a part of his Rights Shares entitlement amounting to 25,518,895 Rights Shares. His balance Rights Shares entitlement of 5,087,185 will be sold/renounced to Inventec Appliances Corp;
- (ii) Inventec Appliances Corp shall subscribe in full for its Rights Shares entitlement and the additional Rights Shares entitlement acquired from Lim Chiow Hoo and Lee Min Huat, amounting to an aggregate of 52,444,400 Rights Shares; and
- (iii) In the event that the SPA does not complete, Lim Chiow Hoo and Lee Min Huat undertake to subscribe in full for their respective Rights Shares entitlements.

For clarification, based on the above Undertakings, the minimum subscription of RM13.82 million can be achieved by either of the following manner:

- i) Inventec Appliances Corp subscribing in full for its Rights Shares entitlement and the additional Rights Shares entitlement acquired from Lim Chiow Hoo and Lee Min Huat, amounting to an aggregate of 52,444,400 Rights Shares; or
- ii) in the event that the SPA does not complete, Lim Chiow Hoo and Lee Min Huat undertake to subscribe in full for their respective Rights Shares entitlements.

The Undertaking Shareholders’ obligations under the Undertakings will not give rise to any mandatory take-over obligation for the remaining Scope Shares not already owned by them and/or persons acting in concert with them (if any) pursuant to the Rules.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

A summary of the Undertakings is set out below:

Undertaking Shareholders	Direct shareholdings as at LPD		Rights Share Entitlement		(A)		(B)		(A) + (B)		Shareholdings after Undertakings	
	No. of Shares	(i)%	No. of Rights Shares	No. of Rights Shares	Commitment to subscribe	No. of Rights Shares	Additional commitment to subscribe	No. of Rights Shares	Total Undertakings	No. of Rights Shares	Subscription amount pursuant to Undertakings	RM
Lim Chiew Hoo	64,714,430	8.41	32,357,215	1,000,000	-	1,000,000	-	1,000,000	1,000,000	175,000	7.75	
Lee Min Huat	61,212,160	7.96	30,606,080	25,518,895	-	25,518,895	-	25,518,895	4,465,807	10.23		
Inventec Appliances Corp	32,000,000	4.16	16,000,000	16,000,000	36,444,400	52,444,400	9,177,770	9.96	13,818,577	27.9		
<b>Total</b>	<b>157,926,590</b>	<b>20.53</b>	<b>78,963,295</b>	<b>42,518,895</b>	<b>36,444,400</b>	<b>78,963,295</b>	<b>13,818,577</b>	<b>27.9</b>				

**Notes:**

- (i) Based on Scope's issued shares of 769,115,306 Shares as at LPD.
- (ii) Assuming the Rights Issue is undertaken on the Minimum Subscription Level to raise a minimum of approximately RM13.82 million, based on the issuance of 78,963,295 Rights Shares or an enlarged issued share capital of 848,078,601 Shares upon completion of the Rights Issue.

Please refer to Item 4 of Appendix I for the effect of the Rights Issue on our substantial shareholders' shareholdings.

The Undertaking Shareholders undertake that they will not sell or in any way dispose or transfer their existing interest in Scope or any part thereof during the period commencing from the date of their respective undertaking letters up to the Entitlement Date.

In view that our Company has obtained the undertakings from the Undertaking Shareholders which are sufficient to fulfill the Minimum Subscription Level, we do not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s).

The Undertaking Shareholders have confirmed that they have adequate financial means and resources for the Undertakings and they will make full payment for the Rights Shares upon subscription/application pursuant to the Undertakings. As at 11 June 2021, the Undertaking Shareholders have deposited RM13,818,577 in Scope Rights Issue Account.

AmInvestment Bank has verified the sufficiency of the Undertaking Shareholders' financial resources for the purpose of subscribing for the Rights Shares pursuant to the Undertakings and for Lim Chiew Hoo and Lee Min Huat to subscribe for their respective full entitlement in the event that the respective SPA does not complete.

Pursuant to Rule 8.02 of the Listing Requirements, our Company must ensure that at least 25% of the total listed Scope Shares (excluding treasury shares, if any) are in the hands of public shareholders.

#### Maximum Scenario

As at the LPD, the public shareholding spread of our Company is 67.53%. Upon the implementation of the Rights Issue, based on the assumption that the Rights Shares are subscribed by all Entitled Shareholders and by virtue of Inventec Appliances Corp purchasing the Sales Rights and becoming a substantial shareholder of Scope after the completion of the Rights Issue, the public shareholding spread will decrease from 67.53% to 63.37%. However, our Company will still be in compliance with the public shareholding spread requirement as stipulated in Rule 8.02 of the Listing Requirements.

The pro forma public shareholding spread under the Maximum Scenario is illustrated as follows:

Particulars	As at the LPD		After Rights Issue	
	No. of Shares	%	No. of Shares	%
Issued Share Capital	769,115,306	100.00	1,153,672,959	100.00
<b>Less:</b> Directors, substantial shareholders and their associates	(249,717,946)	(32.47)	(422,576,919)	(36.63)
<b>Public shareholding spread</b>	519,397,360	67.53	731,096,040	63.37

#### Minimum Scenario

Under the Minimum Scenario, the changes in the shareholdings of the Directors, substantial shareholders and their associates in Scope will result in a decrease in the public shareholding spread from 67.53% to 57.47%. However, our Company will still be in compliance with the public shareholding spread requirement as stipulated in Rule 8.02 of the Listing Requirements.

The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:

Particulars	As at the LPD		After Rights Issue	
	No. of Shares	%	No. of Shares	%
Issued Share Capital	769,115,306	100.00	848,078,601	100.00
<b>Less:</b> Directors, substantial shareholders and their associates	(249,717,946)	(32.47)	(360,681,241)	(42.53)
<b>Public shareholding spread</b>	519,397,360	67.53	487,397,360	57.47

#### 4. RATIONALE FOR THE RIGHTS ISSUE

Our Electronic Business is the main revenue contributor to our Group. Based on our Group's audited FY2020 financial results, RM13.25 million or approximately 67% of our Group's revenue was contributed by our Electronic Business.

In line with the increasing activities in our Electronic Business, our Electronic Business has recorded a revenue of RM45.47 million for 3QFY21 compared to RM10.48 million for the previous corresponding 9-months financial period ended 31 March 2020 (“**3QFY20**”). Additionally, the Electronic Business recorded a profit after tax of RM4.54 million for 3QFY21 compared to a loss of RM4.09 million in 3QFY20.

The Rights Issue will enable our Company to raise funds for the proposed utilisation as set out in **Section 5** of this Abridged Prospectus, which includes the expansion of our Electronic Business and working capital requirements.

After due consideration of the various methods of fund-raising, our Board is of the opinion that the Rights Issue is the most appropriate avenue of raising funds for our Group in view that the Rights Issue will strengthen our Group’s financial position with enhanced shareholders’ funds and reduced gearing level.

The Rights Issue will also provide our shareholders with the opportunity to participate in an equity offering in Scope on a pro-rata basis and ultimately, in the prospects and future growth of the Scope Group.

On 17 September 2020, our Group undertook the Private Placement 2020 to raise RM12.2 million (“**Private Placement**”).

As at LPD, the details and status of the utilisation of proceeds from the Private Placement 2020 are as follows:

<b>Description</b>	<b>Proposed utilisation</b>	<b>Actual utilised as at LPD</b>	<b>Balance to be utilised</b>
	<i>(RM'000)</i>	<i>(RM'000)</i>	<i>(RM'000)</i>
Expansion of Electronic Business	7,000	7,000	-
Working capital	5,136	5,156	-
Expenses for the Private Placement 2020	100	80	-
<b>Total</b>	<b>12,236</b>	<b>12,236</b>	<b>-</b>

Note: The proceeds of the Private Placement 2019 undertaken on 14 February 2019 and which was completed on 18 March 2019, were also earmarked for the expansion of our electronic manufacturing business. An amount of RM4million was utilised towards the purchase of machinery amounting to RM10 million, of which RM6 million was financed through a finance lease.

The proceeds raised from the Private Placement 2020 has been utilised towards purchase of land and extension of our existing factory, and is not sufficient for our Group to undertake the intended expansion of our Electronic Business in constructing a new manufacturing plant and purchasing new machinery. The proceeds from the Rights Issue will enable our Group to carry out an expansion plan which will increase our Electronic Business’s production floor area from 145,200 sq ft to 299,200 sq ft to undertake more contracts in the future.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## 5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.175 per Rights Share, the gross proceeds to be raised from the Rights Issue will be utilised in the following manner:

Details of utilisation	Timeframe for utilisation from the completion of the Rights Issue	Minimum Scenario		Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)
(i) Construction of a new manufacturing plant	Within 36 months	12,000	86.84	31,000	46.06
(ii) Expansion of the Electronic Business	Within 36 months	-	-	19,000	28.23
(iii) Working capital	Within 24 months	819	5.93	16,298	24.22
(iv) Estimated expenses for the Rights Issue	Within 6 months	1,000	7.23	1,000	1.49
<b>Total</b>		<b>13,819</b>	<b>100.00</b>	<b>67,298</b>	<b>100.00</b>

Any additional proceeds raised in excess of RM13.82 million under the Minimum Scenario will be allocated up to its respective allocation under the Maximum Scenario in the following order:

- (i) Construction of a new manufacturing plant;
- (ii) Expansion of electronic manufacturing and trading business; and
- (iii) Working capital.

### Notes:

#### (i) Construction of a new manufacturing plant

Our Group had in November 2020 started constructing a new manufacturing plant to increase our existing production floor space by 154,000 sq ft from 145,200 sq ft to 299,200 sq ft on a 2.5 acres land in Parit Buntar, Perak which is owned by our Group, purchased using the RM3.5 million allocation from the Private Placement 2020. The production capacity of the Company is dependent on the manufacturing facilities, production floor area, warehousing facilities and number of workers. Our initial plan is to increase production capacity at an estimated rate of an additional 15%. The current installed production capacity of our Group is 421,000 units per year in respect of speaker systems and 50,500 units per year in respect of air purifiers. The actual increase in production capacity depends on the actual size of the fund available to fulfil the above factors. As at the LPD, the percentage of completion of the new manufacturing plant is at 25% and the construction of the new manufacturing plant is scheduled to be completed and tentatively operational by December 2023. This new manufacturing plant is located next to our Group's existing manufacturing plant, also owned by our Group. Our Group envisages that the total cost to put the new manufacturing plant in operation, including the machinery and equipment, is approximately RM36.0 million. The allocated amount of RM36.0 million is the total cost of the new manufacturing plant, of which RM19.0 million is allocated towards the purchase of land amounting to RM3.5 million and construction of the factory building amounting to RM15.5 million, and RM17.0 million is allocated towards the purchase of machineries. A breakdown of the machineries which the Group plans to purchase is as follows:

Description	Quantity	Unit Price (RM)	Total Price (RM)
Next production modular machine	16	843,500.00	13,496,000.00
Reflow Oven	8	385,000.00	3,080,000.00
Nitrogen Generator	4	400,000.00	1,600,000.00
			18,176,000.00*

\*amounts in excess of RM17.0 million will be funded through internally generated funds

*This new manufacturing plant will enable our Group to increase our floor area and manpower to assemble electronic components and products such as printed circuit board and other completed electronic products for our customers.*

*For information, our Group had allocated RM7.0 million from the funds raised through the Private Placement 2020 to expand our Electronic Business. As at LPD, the said amount of RM7.0 million has been utilised towards the purchase of land (amounting to RM3.5million) and extension of the Group's existing factory.. Our Company plans to further increase our workforce by approximately 200 workers for the new manufacturing plant. The new manufacturing plants will enable Scope to fulfil more contracts relating to assembling of electronic products.*

*Accordingly, our Group requires additional RM31 million to complete the construction of the new manufacturing plant. Such expansion plan will increase our production capacity to meet the increasing activities in our Electronic Business as Scope Group mainly provides services to assemble, test and deliver the products designed by our customers.*

*Our Group proposes to source funding for the remaining RM31 million through the rights issue proceeds, internally generated funds (cash and bank balance as at LPD of RM7.87 million) and/or bank borrowings. The actual source of funds to be utilised is dependent on the quantum of funds raised from the Rights Issue, timing of the utilisation, our Group's working capital requirements and financial position at that point in time.*

**(ii) Expansion of electronic manufacturing and trading business**

*Our Group is also in the midst of exploring various options to expand our existing electronic manufacturing and trading business, including but not limited to, acquiring companies/businesses/assets involved in the electronic manufacturing and trading business and/or land/factories/machinery to increase their electronic manufacturing production capacity and product mix.*

*For information, our Group has utilised RM2.0 million from the proceeds that was raised through the Private Placement 2020 to acquire additional machinery for the existing manufacturing plant.*

*Our Group has allocated RM19 million to expand our electronic manufacturing and trading business. As at LPD, our Group's plans are at its preliminary stages and may or may not materialise. Our Company will make the necessary announcements and/or seek our shareholders' approval when such plans materialise, where required pursuant to the Listing Requirements. If such business expansion opportunities do not materialise within the expected timeframe and/or the allocated amount is not fully utilised, we propose to utilise such balance proceeds for working capital purposes based on the proportion as set out in note (iii) below.*

*Our Group has allocated the said sum of RM19 million on the basis that is a reasonable amount to undertake acquisitions and business opportunities, if and when they arise.*

*For clarification, as our main focus is to complete the construction of our new manufacturing plant, no sums will be allocated for such acquisitions and business opportunities under the minimum subscription scenario.*

**(iii) Working capital**

The proceeds for working capital is proposed to be utilised to finance the day-to-day operations of the existing business of our Group, as and when the need arises as follows:

	<b>Percentage of total proceeds to be utilised (%)</b>
Payment to trade creditors	50
Staff-related costs such as staff salaries, bonuses, statutory contribution and welfare expenses	40
General administrative and operating expenses such as rental, utilities, telephone charges and sundry expenses	10
<b>Total</b>	<b>100</b>

The actual breakdown of the proceeds to be utilised for each component of working capital as disclosed above cannot be determined at this juncture and are dependent on the operating and funding requirements at the time of utilisation.

For information, our Group's trade and other payables as at 30 April 2021 is RM3 million. For FY2020, our Group's trade payables turnover day is 168 days, compared to 137 days for FY2019. The year-on-year movement is due to working capital constraints. The proceeds from the Rights Issue would enable our Group to increase our purchasing capability. As at 30 April 2021, our Group has a cash and bank balance of approximately RM6 million and bank borrowings of RM3.9 million.

The proceeds earmarked for staff-related costs are for both existing employees and new workers to be employed for our expansion. Since 1 July 2020, to meet the increase in sales orders as evidenced by the increase in the revenue for our Electronic Business from RM10.48 million for 3QFY20 to RM45.47 million for 3QFY21, our Group has employed additional 315 workers for our Electronic Businesses, increasing our workforce from approximately 720 workers to 1,035 workers as at 30 April 2021. Our Group plans to increase our workforce by hiring approximately 200 additional workers for the new manufacturing plant. Our Group will consider, amongst others, the progress of our Electronic Business expansion, the roles and experience to be filled and our Group's financial position when recruiting additional workers/contract workers.

**(iv) Estimated expenses**

The breakdown of the estimated expenses for the Corporate Exercises (including the Rights Issue) is illustrated below:-

<b>Estimated expenses</b>	<b>RM'000</b>
Professional fees <sup>(i)</sup>	860
Fees to relevant authorities	40
Printing, despatch, meeting expenses and miscellaneous expenses	100
<b>Total</b>	<b>1,000</b>

**Note:**

- (i) Comprised of estimated professional fees payable to the Principal Adviser, company secretary, Share Registrar, solicitors, reporting accountants and independent market researcher for the Corporate Exercises.

*Any deviation in actual expenses for the Corporate Exercises will be adjusted to/from amount allocated for working capital.*

Pending utilisation of the proceeds from the Rights Issue, the proceeds will be placed in interest-bearing deposits with financial institutions.

## **6. RISK FACTORS**

In addition to other information contained elsewhere in this Abridged Prospectus, you should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

### **6.1 General Business Risks**

#### **6.1.1 Dependence on key management team and skilled employees**

Our Group's primary business comprise our Electronic Business and our Plantation Business. To a large extent, the continuous growth and success of our Group is dependent on the expertise and capabilities of our key management, which include our Executive Directors and skilled personnel. The loss of the services of our key management and skilled personnel without suitable and timely replacement of any such key management or personnel may adversely affect our Group's business operations.

Our Group's success also depends on our ability to hire, train and retain qualified and competent personnel. The process of identifying personnel with the combination of experience, capabilities and characteristics required to carry out our Group's strategies and business direction can be difficult, time consuming and expensive.

There may be a material adverse impact on our Group's business and financial performance in the event we are unable to successfully retain our Group's key management and qualified personnel and/or recruit suitable candidates to replace any such key management or qualified personnel in the future.

#### **6.1.2 The impact of COVID-19 on our Group's businesses**

The Government had imposed the MCO effective from 18 March 2020 up to 30 April 2020 via a series of extension to contain the COVID-19 outbreak following the declaration of the same as a global pandemic by the World Health Organisation on 11 March 2020. As a result of the MCO, the normal operations of our Group and of our customers have been disrupted due to the closure of office premises for the purpose of complying with the MCO during its earlier phases.

On 1 May 2020, the Government announced the transition into conditional MCO, thereby allowing the resumption of several economic sectors and businesses effective from 4 May 2020 onwards, subject to compliance with certain standard operating procedures ("**SOPs**").

On 7 June 2020, the conditional MCO was transitioned into a recovery MCO with effect from 10 June 2020 until 31 August 2020 and further extended to 31 December 2020, which allowed the opening up of almost all economic sectors and businesses subject to adherence with the SOPs.

As a result of renewed waves of COVID-19 cases at the start of 2021, the Malaysian Government again imposed different phases of domestic containment measures in the various states and districts.



Except during its earlier phases (where our office premises were required to be closed for a period commencing 18 March 2020 up to 31 March 2020), the different phases of MCO have not significantly affected our business operations, as we are allowed to remain open. Our single largest customer is based overseas and our Group's operations do not significantly involve active engagement with our customers to generate sales and collect payments. In addition, there has not been any suspension and/or termination of any on-going projects with our customers.

However, the stricter measures imposed by the Government under the on-going FMCO allow us to operate at only 60% capacity, in accordance with the standard operating procedures of MITI, and have caused disruptions to our supply chain, as we face delays in receiving the necessary components for the assembly of our electronic products. In view of the increasing COVID-19 cases, there is no assurance that the restrictions of the on-going FMCO and/or future MCO phases will not have a material adverse impact on our business and operations, including business closure which would impact on our financial performance.

#### **6.1.3 Political, economic and regulatory risks**

Our Group's operations and profitability may be affected by changes and/or developments in the political situation, economic conditions and applicable laws and regulations in Malaysia. Such uncertainties include but are not limited to changes in the political leadership, slowdown in economy, changes in Government policies, as well as changes in labour law and other regulatory changes.

Whilst our Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that any adverse developments in the political, economic and regulatory conditions in Malaysia, which are beyond our control, will not adversely affect our Group's business and financial performance.

#### **6.1.4 Interest rate risks**

As at the LPD, the total borrowings/financing of our Group stood at RM3.8 million. Although most of our Group's borrowings/financing are subject to fixed interest rates, we may from time to time obtain additional loans which are subject to floating interest rates. Significant fluctuations in interest rates could impact the financial performance of our Group. Any increase in the interest rates will increase the burden of our Group with respect to interest payments of the borrowings/financing, depending on the total outstanding borrowings/financing at that point in time.

Notwithstanding the above, our Board is of the opinion that, after taking into consideration the cash to be generated by our Group, credit facilities available as well as the net proceeds from the Rights Issue, our Group will have sufficient working capital for our current and immediate requirements and are expected to be more than adequate to meet the repayment terms of our outstanding banking facilities and term loans. However, there can be no assurance that the performance of our Group will not be materially affected in the event of any increase in the interest rates and/or financing charges.

### **6.1.5 Risk of impairment of assets**

Our Group is subject to the risk of impairment of our assets, in the course of our operations. Impairment loss is required to be recorded in our Group's accounts when the carrying value of our assets exceeds its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount represents the present value of the estimated future cash flows expected to be generated from the use of our assets.

Our Group in FY2020, recorded an impairment of goodwill at group level amounting to RM20.4 million related to our Plantation Business's cash-generating unit. After making an assessment on goodwill impairment evaluation, the recoverable amount is lesser than the carrying value of the cash-generating unit by RM20.4 million. As such, impairment charges of RM20.4 million has been made on the goodwill.

While our Group will closely monitor the recoverable amount arising from the usage of our assets going forward, our Group may continue to be exposed to the risk of further impairment losses in the future.

## **6.2 Risks relating to our Group's Electronic Business**

### **6.2.1 Dependency on single largest customer**

For our Electronic Business, we are dependent on Inventec Appliances Corp, which is our single largest customer, contributing towards 53% of our Group's total revenue for FY2020, i.e. an amount of RM10,428,082. Following the completion of the Rights Issue, Inventec Appliances Corp's shareholding in Scope will increase from approximately 4.2% up to 10% (Minimum Scenario) thus becoming a substantial shareholder of our Company.

Our working relationship with Inventec Appliances Corp dates back to 2018. In the event Inventec Appliances Corp ceases to be our customer, our Group's revenue, profitability, long term sustainability and business growth may be adversely impacted.

We use a variety of components in the manufacturing and assembly of our electronic products, which include semiconductor chips provided to us by Inventec Appliances Corp. There is currently a shortage in the supply of semiconductor chips worldwide, and any delay in supply may have an impact on our operating results.

### **6.2.2 Constraints in ensuring adequate labour supply and rising costs of labour supply**

Our Electronic Business require high manpower in the manufacturing and assembly of our electronic components and products. Since 1 July 2020 up 30 April 2021, Scope Group has hired 315 additional workers to support our expanding Electronic Business.

Our Group has also hired experienced managers in an effort to improve production flow and reduce production cycle time. Moving forward, our Group expects that more supervisors and assembly workers will be required in line with our Electronic Business expansion.

To be successful, we must attract, train and retain employees while controlling related labour costs. We compete with other businesses for sufficient labour supply for our Electronic Business.

As at 30 April 2021, in addition to our 575 local workers and 330 local workers supplied to us through an agent on contract basis, we have 130 foreign workers employed directly by us, who are involved in our Electronic Business.

The percentage of permanent workers vis-à-vis contract workers is approximately 55.56%. Foreign workers make up approximately 12% of our workforce for our Electronic Business. Any changes to immigration and labour policies in Malaysia or in the countries from which our foreign workers originate, which result in difficulties to maintain a sufficient foreign labour workforce, may affect our operations and in turn adversely affect our overall financial performance.

In addition, the costs of foreign labour may continue to increase in the future. Any increase in levy rate for foreign workers will increase our cost for labour which consequently may increase our overall production cost.

Further, the Minimum Wage Order 2020 ("MWO"), which came into effect on 1 February 2020 increased the minimum wage rate of workers to RM1,200 per month for workers employed in identified localities in Malaysia, as set out in the Schedule to the MWO. Any further increase in the minimum wage rate in the future would add to an increased cost of labour which would increase our overall production cost.

### **6.2.3 Expansion and construction risks**

As described in Section 5 of this Abridged Prospectus, we intend to utilise between RM12million (Minimum Scenario) and RM31million (Maximum Scenario) from the gross proceeds to be raised from the Rights Issue, towards the construction of a new manufacturing plant. As at the LPD, the current utilisation rate of the Group's existing manufacturing plant is approximately 85%.

Although we expect our production capacity to increase based on our assessment of our customer's expected demand, there is no assurance that we will receive sufficient orders to maximise our production capacity. In addition, our expansion plans involve a number of cost-related risks, including but not limited to higher capital expenditure, and higher overhead costs, which may impact on our Group's profitability. However, overhead and staff costs are a variable cost, and any increase in overheads will be compensated with higher revenue as workers will be hired on a needs basis.

As at the LPD, the percentage of completion for our new manufacturing plant is 25%. Any delay in the construction of the said manufacturing plant may result in cost overruns and/or expose the Group to potential claims, which may impact our Group's financial performance.

### **6.2.4 Competition risks**

The market for electronic components and products is characterised by rapid technological changes. Consumers continue to demand more sophisticated technology, user-friendliness and comprehensive functionality. We stand the risk of our existing customers switching to our competitors if we fail to keep up with technology changes and market demand, which may affect our overall operational and financial performance.

### **6.3 Risks relating to our Group's Plantation Business**

#### **6.3.1 Constraints in ensuring adequate labour supply and rising costs of labour supply**

Our Plantation Business is labour-intensive by nature. Oil palm plantations require extensive manpower in the nurturing of seedlings, palm planting, manuring, harvesting and other routine maintenance work to achieve optimal yields. The palm oil industry in Malaysia has been facing difficulty in recruiting Malaysian workers and has resorted to employing foreign workers. As such, the majority of our estate workers, approximately 87% in our oil palm plantations are foreign workers (178 foreign workers and 26 local workers as at LPD).

Changes in immigration and labour policies by the Government in respect of foreign workers may affect the availability of workforce for our operations, and in turn may affect the performance of our Group.

The cost of recruiting foreign workers have also tended to increase over time, including but not limited to foreign worker levies imposed by the Government, which may in turn escalate our overall production cost.

Further, the Minimum Wage Order 2020 ("MWO"), which came into effect on 1 February 2020 increased the minimum wage rate of workers to RM1,200 per month for workers employed in identified localities in Malaysia, as set out in the Schedule to the MWO. Any further increase in the minimum wage rate in the future would add to an increased cost of labour which would increase our overall production cost.

#### **6.3.2 Changes in world demand**

The edible oil business is characterised by frequent changes in world demand. Our success and profitability will depend on our ability to anticipate and respond to competitive factors affecting the industry, including the introduction of new products, pricing policies of our competitors, changing consumer preferences and prices of alternative edible oils, and economic conditions. The current global demand and price trend in relation to the edible oil business and CPO prices are discussed in Section 7.3 of this Abridged Prospectus.

There can be no assurance that we will be able to respond effectively in a timely manner and be able to retain our customers, which may affect our business, financial condition, results of operations, and prospects.

#### **6.3.3 Effects of poor weather**

Weather has a key impact on oil palm yields. Global warming and other weather phenomena are known to have affected the weather in Malaysia.

Volatile and unpredictable weather patterns require our management to be meticulous and farsighted in terms of planning for our plantations. Wet weather adversely affects harvesting and crop recovery as plantations become less accessible due to poor road conditions while dry weather affects the yield of oil palm as low rainfall generally equates to lower FFB yields.

Although our Plantation Business has not been materially affected by the occurrence of poor weather in the last financial year, any poor weather conditions, especially if continued for a prolonged period, could adversely affect our business, financial condition, results of operations and prospects.

#### **6.3.4 Fluctuations in commodity price and raw materials prices**

Our performance is largely affected by CPO prices which vary on a daily basis and as such, our Group's earnings and profit margin are subject to market vagaries.

Furthermore, fluctuations in the prices and supply of raw materials, which include fertilisers and fuel, may affect our business. The prices and availability of raw materials may be affected by factors such as changes in their supply and demand, the state of the economy, inflationary pressure and environment regulations and tariffs.

Any significant fluctuation in the prices and availability of such materials may significantly increase our cost of sales, which may adversely affect our business, financial condition, results of operations and prospects.

### **6.4 Risks relating to the Rights Issue**

#### **6.4.1 Investment and market risks**

The market price of the new securities arising from the Rights Issue, like all other listed securities traded on Bursa Securities, are subject to fluctuation and will be influenced by, amongst others, prevailing market sentiment, volatility of the stock market, volatility of the Shares, movement of the interest rate, outlook of the industries in which we operate in and our financial performance. In view of this, there can be no assurance that the Shares will trade at or above the issue price of the Rights Shares after the listing and quotation of the Rights Shares on the ACE Market of Bursa Securities.

Accordingly, there can be no assurance that the market price of the Rights Shares will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares.

#### **6.4.2 Delay in or abortion of the Rights Issue**

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events or circumstances, unfavourable changes in government policies as well as other force majeure events, which are beyond the control of our Company and AmlInvestment Bank, arising prior to or during the implementation of the Rights Issue.

Nevertheless, our Group will endeavour to ensure the successful listing and quotation of the Rights Shares. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue. In the event the Rights Issue is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 245(7) of the CMSA.

In the event that the Rights Issue is aborted/terminated, and the Rights Shares have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

### 6.4.3 Potential dilution

Entitled Shareholders who do not or are unable to subscribe fully for their entitlement pursuant to the Rights Issue will have their proportionate percentage of shareholdings and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or, allotment that our Company may make after completion of the Rights Issue will correspondingly be diluted.

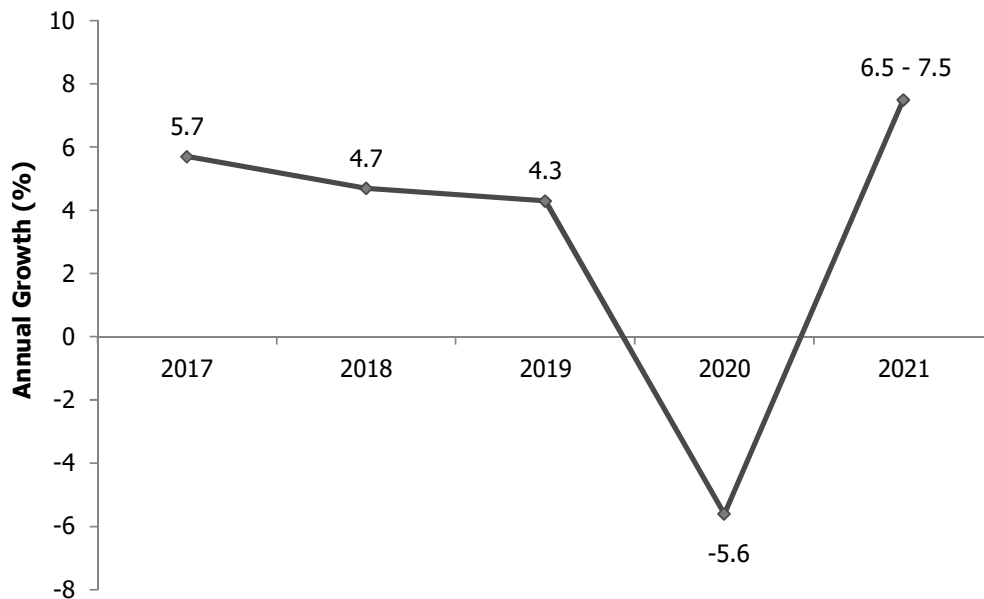
## 7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

As at the LPD, Scope Group is mainly involved in the Electronic Business and Plantation Business. Based on our audited FY2020 results, RM13.25 million or approximately 68% of our Group's revenue was contributed by our Electronic Business.

### 7.1 Overview and outlook of the Malaysian Economy

The Malaysian economy contracted by 5.6% in its real GDP in 2020, due to the COVID-19 pandemic which began in December 2019 and has caused a significant economic slowdown in many countries including Malaysia. Figure 1-1 depicts Malaysia's real GDP at 2015 prices from 2017 to 2021.

**Figure 1-1: Malaysia's Real GDP, 2017-2021**



On a closer look, all major economic sectors experienced pandemic-driven declines as a result of different phases of domestic containment measures implemented by the Malaysia Government to curb the spread of COVID-19. Figure 1-2 depicts the performance of key economic sectors in Malaysia for the year 2019 and 2020.

**Figure 1-2: The Malaysian Economic Performance by Sector, 2019 and 2020**

Sector	Change (%)	
	2019	2020
Services	6.1	-5.5
Manufacturing	3.8	-2.6
Mining	-2.0	-10.0
Construction	0.1	-19.4
Agriculture, forestry and fishery	2.0	-2.2

The services sector contracted by 5.5% in 2020, due to the enforcement of a nationwide MCO that led to domestic travel restrictions and closure of international borders. These restrictions had affected tourism activity and weak consumer sentiments, as seen in significant declines across the wholesale and retail trade, accommodation, transport and storage as well as food and beverages sub-sectors.

The manufacturing sector declined by 2.6% in 2020 due to subdued local and international demand. Manufacturing activity across all industries was curtailed during the MCO periods and operated with stringent standard operating procedures including reduced workforce capacity to ensure sufficient social distancing. Nevertheless, growth was observed in the E&E industry, in particular for production of semiconductors, on the back of resumption of production for backlog of orders which partially offset by the weakness in consumer-cluster.

The mining sector declined by 10.0% in 2020 attributed to lower production of crude oil and natural gas. The agriculture sector contracted by 2.2% due to labour shortages and deteriorating weather conditions at the end of the year, which led to lower harvest in oil palm production. The decline is also weighed down by the continued weakness in the rubber, forestry and logging as well as fisheries sub-sectors.

The construction sector recorded a larger contraction at 19.4% in 2020 mainly due to labour shortage, disruptions in supply of construction materials, shut down of construction sites due to COVID-19 outbreaks as well as interruptions in work progress particularly in the civil-engineering and residential sectors. Nonetheless, the decline was partially offset by positive growth in the special trade sub-sector following support from small-scale projects under the PRIHATIN Rakyat Economic Stimulus Package.

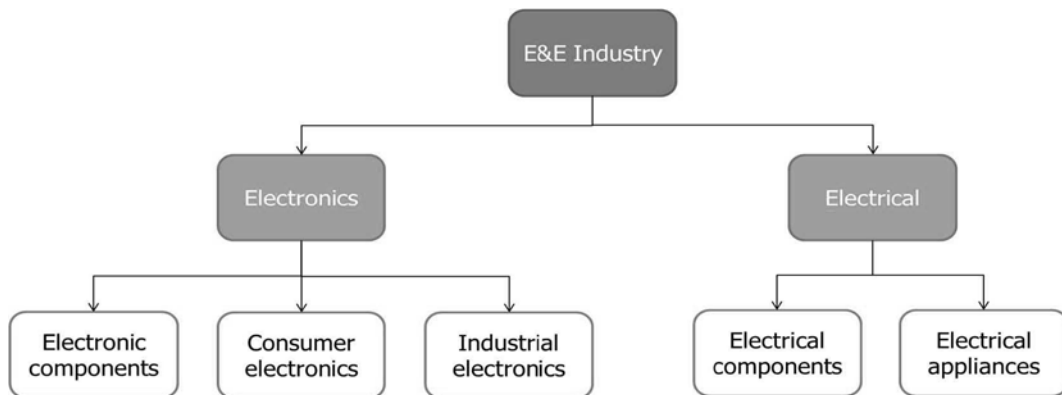
As a result of renewed waves of COVID-19 cases at the start of 2021, the Malaysian Government again imposed different phases of domestic containment measures in the various states and districts. Nevertheless, the local economy is anticipated to improve in the second quarter of 2021, underpinned by recovery in global demand, turnaround in public and private sectors expenditures as well as continued support from policy measures and economic stimulus measures such as the PENJANA short-term economic recovery plan, the PRIHATIN Rakyat Economic Stimulus Package together with PRIHATIN Supplementary Initiative Package, the Budget 2021, the Malaysian Economic and Rakyat Protection Assistance Package (PERMAI) and the Rakyat and Economic Strategic Empowerment Programme (PEMERKASA). The Malaysian economy is projected to register a positive growth of between 6.5% to 7.5% in 2021. Nonetheless, the downside risks to the growth outlook stem from the continued uncertainties from the COVID-19 pandemic and challenges that may affect the COVID-19 vaccination programme both locally and globally.

*(Source: IMR Report by Protégé Associates)*

## 7.2 Overview and outlook of the E&E industry in Malaysia

The Malaysian E&E industry consists of two sub-sectors, the electrical sector and the electronics sector.

**Figure 2-1: The E&E Industry in Malaysia**



The electronic components sub-sector produces E&E products such as semiconductors, passive components, metal stamped parts, precision plastic parts, and printed circuit boards (“PCBs”). Products produced by the consumer electronics sub-sector include a variety of products used in everyday life such as cameras, speakers, and electronic games. In the industrial electronics sub-sector, multimedia and information technology (“IT”) products such as computers and computer peripherals, telecommunications equipment, office equipment, and complete box-build products for industrial applications are produced. On the other hand, the electrical components sub-sector produces products such as cables and wires, transformers, lighting, and control panels. Products produced by the electrical appliances sub-sector include various household appliances and air conditioners.

The E&E industry in Malaysia has grown over the years from mainly producing simple components and parts assembly to higher value-added products and services as a result of continued local and foreign investment and the adoption of new and advanced technologies. The industry is a key driver of Malaysia’s industrial development and it is a major contributor to Malaysia’s exports. In 2020, the total exports of E&E products amounted to RM386.11 billion, an increase of 3.5% from RM373.12 billion in 2019. The total imports of E&E products stood at RM252.78 billion in 2020, an increase of 2.9% from RM245.54 billion in 2019. In 2020, a robust 2nd half performance on the back of marked improvement in manufacturing activities and fulfilment of backlog orders have helped to drive exports of E&E products into positive growth territory. Although the COVID-19 pandemic has disrupted both local and global manufacturing activity, the E&E industry had remained resilient on the back of continued demand for E&E products such as telecommunication devices and medical devices.

The semiconductor industry is a major part of the Malaysian E&E industry owing to presence of multinational companies and established local companies. Semiconductors are crucial parts and components to the E&E industry as they are used in manufactured electronic products that utilise an electric current. Despite substantial headwinds caused by the COVID-19 pandemic, the global semiconductor sales amounted to USD440.39 billion, which was an increase of 6.8% over USD412.31 billion in 2019. Going forward, the global semiconductor sales are projected to increase by 10.9% to USD488.27 billion in 2021, demonstrating the industry’s resilience so far. Its growth will be driven by an ever-increasing number of devices embedding semiconductor technology throughout the world, as more E&E devices ranging from smartphones and tablets, cloud computing data centres, as well as optoelectronics such as photonics and fibre optics are being created.



Technological advancement has facilitated an increasing use of E&E products incorporating semiconductor technology products. Internet of Things has led to increasing use of sensors and semiconductors in both consumer and industrial products, ranging from cloud computing, drone cameras, smart home devices, wearable technology, to smart manufacturing where manufacturing equipment are connected via a network system. The continued growth in the number of connected ‘things’ will generate new sources of growth in the semiconductor industry. Creation of new and innovative electronic devices in the recent years include the introduction of augmented reality (“AR”), virtual reality (“VR”), and 3D printing, which came about from extensive R&D efforts by the technology and E&E companies. Occurring hand-in-hand is the creation of new electronic devices, namely AR glasses, VR headsets, and 3D printing machines. The inventions of new form of technologies are supported by the incorporation of new semiconductor and production technology to achieve the desired device performance.

The Malaysian E&E industry is anticipated to continue to receive strong support from the Malaysian Government’s continued support of the industry. The Government has introduced policies and measures such as promoting and facilitating research and development activities to increase automation and digitalisation of manufacturing operations via the launch of Industry4WRD initiatives and provide various tax incentives and grants such as the Reinvestment Allowance, Industrial Building Allowance, Industry4WRD Intervention Fund and Domestic Investment Strategic Fund.

Despite the challenges to the Malaysian economy as a result of the COVID-19 pandemic and the resulting MCO to curb the spread of the virus, the E&E industry has been resilient, as seen by the increase in total E&E exports in 2020. Moving forward, total exports of E&E products are expected to keep increasing with the annual growth rate projected to hover around 5.5% to 8.5% during the forecast period from 2021 to 2025 with expected increase of electronics content in more manufactured products.

*(Source: IMR Report by Protégé Associates)*

### 7.3 Overview and outlook of the oil palm plantation industry in Malaysia

The palm oil industry features activities ranging from plantation to various downstream refining and processing activities. The versatility of CPO and its by-products across food, industrial and other applications contribute to the extent of value-creating activity surrounding the palm oil industry.

**Figure 3-1: Value Chain of the Palm Oil Industry**



The plantation segment involves the cultivation of oil palm fruit to produce FFB that are subsequently harvested to produce CPO. According to the Malaysian Palm Oil Board (“MPOB”), the total oil palm planted area stood at 5.87 million hectares (“ha”) in 2020, a slight decrease of 0.6% from 5.90 million ha in 2019. As at December 2020, 89.1% or 5.23 million ha of total oil palm planted are mature while the remaining are immature. Sabah and Sarawak accounted for 53.3% of the total oil palm planted area in 2020 while Peninsular Malaysia made up of 46.7% of the plantation yield.

In terms of production, the average yield of FFB decreased by 2.7% from 17.19 tonnes per ha in 2019 to 16.73 tonnes per ha in 2020. Sabah was the worst affected with a 4.6% decrease in average FFB yield, followed by Sarawak with a 3.7% decrease. Peninsular Malaysia registered a decrease in average FFB yield of 1.1%. The decreased in FFB yield was due to heavy rains during the fourth quarter and labour shortages as a result of the COVID-19 pandemic which has led to lower number of FFB that were harvested and processed during the year. Due to the movement control measures amid the COVID-19 pandemic, the Malaysian Government has banned foreign workforce from entering the country. It is estimated that foreign labour accounted for 75% of oil palm plantation workforce, the shortage has caused a drop in CPO output. As a result, CPO production reduced by 3.8% from 19.9 million tonnes in 2019 to 19.1 million tonnes in 2020.

On a bright side, higher CPO prices are seen as CPO stock levels decrease. The lower CPO production coupled with decline in global soybean production has contributed to higher CPO prices in 2020. The CPO price has increased by 23.5% from an average USD566 per tonne in 2019 to USD699 per tonne in 2020. Along with the higher CPO prices, the FFB price had also increased by 32.9% from RM422 per tonne in 2019 to RM561 in 2020. The rising CPO prices despite the COVID-19 pandemic provide for brighter prospect for the oil palm plantation segment. The CPO production is projected to rebound by 3.0% to 19.7 million tonnes in 2021 from 19.1 million tonnes in 2020, underpinned by expectation expansion of oil planted areas and the effects of dry weather that favour production of FFB and subsequent CPO production.

A higher demand for derivatives namely CPO and crude palm kernel oil is likely to spur the growth for processing segment and accordingly catalyse growth in FFB demand and oil palm plantation segment. The growth within the oil palm plantation segment is likely to be driven by an increasing global population, rise in incomes and per capita consumption. Other factors driving market growth are the increasing use of palm oil in biofuels and the lower price of palm oil, as compared to other major vegetable oils, which is a crucial and acts as a deciding factor in promoting a higher consumption of palm oil.

The growing concerns on climate change and the over reliance on crude mineral oil as a source of fuel has created a growing demand for biofuels (derived from plant material or animal waste). The European Union being the major user of biofuels have pledged to produce 32% of its energy needs from renewable sources by 2030, with a target of 14% share of biofuels for transportation. Malaysia had also implemented programmes to blend palm biodiesel with diesel petroleum for the transportation sector with the aim of reducing carbon dioxide emissions and consumption of fossil fuel. In ensuring sustainability and competitiveness of the oil palm subsector, the Government has committed to implement Malaysian Sustainable Palm Oil certification effective 1 January 2020. The compliance with the certification will diversify the market and elevate the industry to be globally competitive. Malaysia has introduced B5 (blend of 5% palm biofuel and 95% biodiesel), B7, B10, and B20 biofuel. As palm oil can be used to produce biofuel, the demand for biofuel is expected to drives demand for palm oil and accordingly the FFB demand.

According to the MPOB, price of palm oil in the global market is the lowest compared to other vegetable oils such as soybean oil and rapeseed oil. In 2020, the CPO price was United States Dollar (“**USD**”) 699 per tonne, while soybean oil and rapeseed oil was USD817 per tonne and USD902 per tonne respectively. The relatively low price of palm oil is expected to drive its demand over the long term.

On the supply side, the oil palm plantation segment is supported by long economic lifespan of the oil palm tree and the expansion in planted area. Oil palm trees have a natural economic life of about 25 years and its fruit can be harvested year round, ensuring a constant supply of FFB to meet demand from the processing segment. The total oil palm planted area has increased from 5.81 million ha in 2018 to 5.87 million ha in 2020. Both of these factors ensure a continued cultivation of oil palm fruit and consistent supply of FFB.

*(Source: IMR Report by Protégé Associates)*

## 7.4 Prospects of Scope Group

Scope Group's prospect and business strategies outlined below are driven by our intention to continue to serve the E&E industry and palm oil industries in Malaysia.

### Electronic Business

Scope Group's existing manufacturing plant in Parit Buntar, Perak, manufactures and assembles electronic components and products such as printed circuit board and other completed electronics product for our customers.

In line with our increasing activities in our Electronic Business, our Group's Electronic Business revenue for FY2020 had increased to RM13.3 million from RM9.1 million as a result of our continuing efforts to upgrade our production facilities, including the purchase of new machinery and hiring additional workers. However, the Electronic Business recorded a loss after tax of RM5.2 million compared to the loss after tax of RM3.9 million in the previous financial year due to our Electronic Business operation being adversely affected by the outbreak of the COVID-19 pandemic, whereby our production was completely halted from 18 March 2020 to 31 March 2020. Additionally, only 50% of our workforce returned to work on 1 April 2020 and 100% from 30 April 2020 onwards.

For 3QFY21, our Group's Electronic Business recorded a revenue of RM45.47 million, compared to RM10.48 million for the previous corresponding 9-months financial period ("3QFY20"). Additionally, the Electronic Business recorded a profit after tax of RM4.54 million for 3QFY21 compared to the loss of RM4.09 million in 3QFY20.

We continuously review our strategy to secure more customer orders as well as to meet our customers' requirements which include among others, product mix, quantity and delivery time. Our Group will continue to expand our production capabilities via the purchase and upgrading of machinery and equipment and increase our production area to capitalise on any potential orders from international companies that may arise from the on-going trade tension between the USA and China.

Since 1 July 2020 up to 30 April 2021, Scope Group has hired 315 additional workers to support our expanding Electronic Business. Our Group has also hired experienced managers in an effort to improve production flow and reduce production cycle time. Moving forward, our Group expects more supervisors and assembly workers will be required in line with our Electronic Business expansion.

In addition, our Group is expanding our production capacity by way of establishing a new manufacturing plant. The new plant will increase our production area by approximately 154,000 sq ft from our current 145,200 sq ft to 299,200 sq ft. The new plant is to be constructed on our 2.5 acres land in Parit Buntar, Perak which is adjacent to our existing plant. This will enable our Group to meet higher customer demands as well as increasing the range of services available.

### Plantation Business

As at LPD, our Group has a total plantation land of approximately 1,772 hectares in Sabah, Malaysia, which is involved in the cultivation of oil palms. 1,516 hectare or 85.6% of the total plantation land are planted with oil palms.

Our Group's Plantation Business revenue increased slightly by 0.6% to RM6.30 million for FY2020. The slight increase in revenue for FY2020 compared to FY2019 was due to the 15% higher FFB price being offset with the reduction in our FFB production by 13% compared to FY2019. The Plantation Business' loss after tax for FY2020 reduced to RM0.34 million from the loss after tax of RM0.80 million for FY2019 due to the higher FFB price. However, our Group recorded an impairment of RM20.4 million on our Plantation Business' assets in FY2020 due to the lower recoverable amount of this cash generating unit for FY2020 which was determined based on fair value ascribed by an independent professional valuer.

The Plantation Business recorded a revenue of RM5.27 million for 3QFY21, compared to RM4.37 million for the previous corresponding 9-months financial period. This was due to a 39.9% increase in average FBB price to RM561 per tonne, which its positive impact offsets the 11.8% decrease in FFB production from 7,451 metric tonnes to 6,572 metric tonnes for 3QFY21. The Plantation Business recorded a profit after tax of RM0.62 million for 3QFY21 compared to the loss of RM0.49 million in previous 9-months financial period mainly due to higher revenue generated and restrictions during the MCO period during 3QFY21. Additionally, the average yield for the year 2020 was lower at 9.87 metric tonnes per hectare compared to 11.93 metric tonnes per hectare in the previous year. The lower yield was partially due to resupply of planted area as well as shortage of workers experienced by most of the plantations in Malaysia due to COVID-19.

The performance of our Plantation Business is highly dependent on our FFB production and the movement of CPO price which has a direct impact on FFB price. As part of our on-going oil palm estates rehabilitation plan, our Group has and will continue (subject to working capital availability) to replace low yielding palm trees with new palm trees as and when required to improve the crop yield. Resources such as fertiliser and manpower management are also continuously reviewed and channelled to higher yielding estates. The volatility in the CPO price, increasing cost of fertiliser and manpower shortage are expected to continue, which may affect business profitability. Nevertheless, the management will continue to improve the crop yield from the newly planted palm trees and better manage the costs to improve profitability.

Our Group's prospects and strategies outlined above are further supported by the performance of the following industries:

- **E&E Industry**

The E&E industry is a key driver of Malaysia's industrial development, producing value-added assembly parts and components and is a major contributor to Malaysia's exports. The industry has continued to receive strong support from domestic and foreign investment as well as continued promotion by the Malaysian Government through various tax incentives and grants and recent launch of Industry 4.0 initiatives to increase automation and digitalisation of manufacturing operations.

Despite the challenges to the Malaysian economy as a result of the COVID-19 pandemic and the resulting MCO to curb the spread of the virus, the E&E industry has been resilient, as seen by the increase in total E&E exports in 2020. In 2020, the total exports of E&E products amounted to RM386.11 billion, an increase of 3.5% from RM373.12 billion in 2019. A marked improvement in manufacturing activities and fulfilment of backlog orders during the 2nd half of 2020 have helped to drive exports of E&E products into positive growth territory. Moving forward, total exports of E&E products are expected to keep increasing with the annual growth rate projected to hover around 5.5% to 8.5% during the forecast period from 2021 to 2025 with expected increase of electronics content in more manufactured products.

- **Plantation Segment of the Palm Oil Industry**

In 2020, CPO production reduced by 3.8% from 19.9 million tonnes in 2019 to 19.1 million tonnes in 2020, due to heavy rains during the fourth quarter and labour shortages as a result of COVID-19 pandemic which has led to lower number of FFB that were processed during the year. Nevertheless, the lower CPO production coupled with decline in global soybean production has contributed to higher CPO prices in 2020. The CPO price has increased by 23.5% from an average USD566 per tonne in 2019 to USD699 per tonne in 2020. Along with the higher CPO prices, the FFB price had also increased by 32.9% from RM422 per tonne in 2019 to RM561 in 2020. The rising CPO prices despite the COVID-19 pandemic provide for brighter prospect for the oil palm plantation segment. The CPO production is projected to rebound by 3.0% to 19.7 million tonnes in 2021 from 19.1 million tonnes in 2020, underpinned by expectation expansion of oil planted areas and the effects of dry weather that favour production of FFB and subsequent CPO production.

A higher demand for derivatives namely CPO and crude palm kernel oil is likely to spur the growth for processing segment and accordingly catalyse growth in FFB demand and oil palm plantation segment. The growth within the oil palm plantation segment is likely to be driven by an increasing global population, rise in incomes and per capita consumption. Other factors driving market growth are the increasing use of palm oil in biofuels and the lower price of palm oil, as compared to other major vegetable oils further promote a higher consumption of palm oil, thus drives the FFB demand. The supply of FFB is supported by expansion of oil palm planting area and the long lifespan of oil palm trees. Both of these factors ensure a continued cultivation of oil palm fruit and consistent supply of FFB.

Our Board notes the uncertainties and challenges faced by our customers (whose products are aimed for the global market) with the on-going COVID-19 pandemic and weak market sentiments. Our Board believes that the abovementioned initiatives with the improved capital position upon completion of the Rights Issue, should help our Group sustain through this time of uncertainty and expand our Electronic Business. Our Board believes that the expansion of our Electronic Business will position our Group on a better footing to capitalise on opportunities moving forward and thereby, contribute positively towards our Group's financial performance.

Our Board believes that barring any unforeseen circumstances, our Group's strategy to focus and expand on our core Electronic Business as above should augur well for the prospects of Scope Group in the long term.

*(Source: Management of Scope)*

## **7.5 How the Rights Issue will create value to Scope and our shareholders**

Our Group's existing manufacturing plant in Parit Buntar, Perak, manufactures and assembles electronic components and products such as printed circuit board and other completed electronics product for our customers. Our Group intends to increase our electronic manufacturing capability by increasing our production floor area and manpower.

Based on the issue price of RM0.175 per Rights Share, the Rights Issue is expected to raise gross proceeds of approximately RM13.82 million under the minimum subscription basis, of which RM12.0 million has been earmarked for the construction of the new manufacturing plant.

Our Group believes that an increase in the production floor from 145,200 sq ft to 299,200 sq ft should enable our Group to fulfil more contracts relating to the assembling of electronic products and contribute positively to the future earnings of our Group.

## **7.6 How the Rights Issue will impact Scope and our shareholders**

The Rights Issue will enable our Group to raise funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving our Group's cash flows.

The proceeds from the Rights Issue will also allow our Group to fund our construction of the new manufacturing plant.

Based on the unaudited consolidated financial statements of Scope as at 31 March 2021, the Rights Issue is expected to improve the NA position of our Group from RM123.84 million to RM136.66 million under the Minimum Scenario and from RM123.84 million to RM190.14 million under the Maximum Scenario.

The Rights Issue will result in an immediate dilution in Scope's EPS as a result of the increase in the number of Scope Shares in issue upon completion of the Rights Issue. Further details on the effects of the Rights Issue on the NA and gearing as well as the earnings and EPS of our Group are set out in Section 8.2 of this Abridged Prospectus.

Moving forward, the Rights Issue is expected to contribute positively to our Company's consolidated earnings for the ensuing financial years, as a result of the utilisation of the proceeds for the expansion of our business are realised.

## **7.7 Steps or actions which have been taken/will be taken to improve the financial condition of our Group**

Our Group has taken efforts to upgrade our production facilities, including the purchase of new machinery and since 1 July 2020, our Group has hired additional 315 workers as at 30 April 2021. As a result of the upgrade, the Electronic Business revenue for FY2020 had increased to RM13.3 million from RM9.1 million.

Our Group is continuing its efforts to enhance our revenue to improve our financial condition which include the following:

### **(i) Secure more contracts to sustain our Group's business and future profitability**

Our Group is in the midst of exploring various options to expand our existing Electronic Business, including but not limited to, acquiring companies/businesses/assets involved in the electronic manufacturing/trading business and/or land/factories/machinery to increase their electronic manufacturing production capacity and product mix. The additional capacity will allow our Group to prepare and position our Group to bid and secure more contracts.

### **(ii) Improving productivity and cost effectiveness**

#### **(a) Electronic Business**

Our Group is mindful of the increase in operating expenses due to the aforementioned expansion. Our Group is in the midst of streamlining our operations to manage our operating expenses and improve our productivity to increase cost effectiveness. Our Group proposes to utilise part of the proceeds from the Rights Issue to purchase new machinery and hire more skilled workers to improve the existing production lines and product mix. The new machineries and increase in skilled workers will allow our Group to take on larger orders and complete such orders more efficiently.

**(b) Plantation Business**

Our Board notes the volatility in FFB price and is looking towards productivity and cost initiatives which include, amongst others, the following:-

- (i) improve the yield of our plantation by planting new palm trees and better manage the costs to improve profitability. However, our Group does not expect any material improvement in the yield of our plantation (which is 9.87 metric tonne per hectare for FY2020), in the next two (2) financial years as the new palm trees are just planted in FY2020;
- (ii) measures to rationalise the cost of operations, focusing on manpower and our deployment for more efficient use with the aim of containing the cost of production/operations; and
- (iii) trimming of non-priority spending, e.g major replanting works.

**7.8 The adequacy of the Rights Issue in addressing Scope's financial concerns**

Notwithstanding that our Group had recorded losses for the last 2 financial years, our Group's net assets stood at RM123,842,000 as at 31 March 2021, being the date of our latest quarterly results, with a low gearing of 0.03 times.

The cash and cash equivalents as at 31 March 2021 is RM9,408,859.

The purpose of the Rights Issue is to allow our Group to fund our increasing working capital requirements and fund the proposed expansion of our Electronic Business. Our Board believes that the Rights Issue is expected to address the financial concerns of our Group and to contribute positively to the consolidated earnings of Scope for the ensuing financial years as and when the benefits of the proposed utilisation of proceeds are realised.

**8. EFFECTS OF THE RIGHTS ISSUE****8.1 Issued share capital**

The pro forma effects of the Rights Issue on the issued share capital of Scope are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of Shares ( <i>'000</i> )	Amount ( <i>RM'000</i> )	No. of Shares ( <i>'000</i> )	Amount ( <i>RM'000</i> )
Issued share capital as at LPD	769,115	124,691	769,115	124,691
To be issued pursuant to the Rights Issue <sup>(i)</sup>	78,963	13,819	384,558	67,298
Enlarged share capital after the Rights Issue	<b>848,078</b>	<b>138,510</b>	<b>1,153,673</b>	<b>191,989</b>

**Note:**

(i) Based on the issue price of RM0.175 per Rights Share.

**8.2 NA, NA per share and gearing**

The Rights Issue is expected to increase the NA and NA per Share and reduce the gearing of our Group as a result of the issuance of the Rights Shares.

For illustrative purposes only, the proforma effects of the Proposals on the NA, NA per Share and gearing of our Group based on the unaudited consolidated financial statements of Scope as at 31 March 2021 are as follows:-

**Minimum Scenario**

	<b>Unaudited as at 31 March 2021</b>	<b>After Rights Issue</b>
	<i>(RM'000)</i>	<i>(RM'000)</i>
Share capital	124,691	<sup>(i)</sup> 138,510
Reserves	28,005	28,005
Accumulated losses	(37,908)	<sup>(ii)</sup> (38,908)
<b>Equity attributable to owners of Scope</b>	<b>114,788</b>	<b>127,607</b>
Non-controlling interest	9,054	9,054
<b>Total equity / NA</b>	<b>123,842</b>	<b>136,661</b>
No. of Shares ('000)	769,115	848,078
NA per Share (RM)	0.16	0.16
Total borrowings	4,130	4,130
Gearing (times)	0.03	0.03

**Notes:-**

- (i) Assuming 78,963,295 Rights Shares are issued at an Issue Price of RM0.175 for each Rights Share pursuant to the Rights Issue.
- (ii) After deducting estimated expenses of RM1.0 million in respect of the Corporate Exercises.

**Maximum Scenario**

	<b>Unaudited as at 31 March 2021</b>	<b>After Rights Issue</b>
	<i>(RM'000)</i>	<i>(RM'000)</i>
Share capital	124,691	<sup>(i)</sup> 191,989
Reserves	28,005	28,005
Accumulated losses	(37,908)	<sup>(ii)</sup> (38,908)
<b>Equity attributable to owners of Scope</b>	<b>114,788</b>	<b>181,086</b>
Non-controlling interest	9,054	9,054
<b>Total equity / NA</b>	<b>123,842</b>	<b>190,140</b>
No. of Shares ('000)	769,115	1,153,673
NA per Share (RM)	0.16	0.16
Total borrowings	4,130	4,130
Gearing (times)	0.03	0.02

**Notes:-**

- (i) Assuming 384,557,653 Rights Shares are issued at an Issue Price of RM0.175 for each Rights Share pursuant to the Rights Issue.
- (ii) After deducting estimated expenses of RM1.0 million in respect of the Corporate Exercises.



### 8.3 Earnings and EPS

The Rights Issue will result in an immediate dilution in Scope's EPS as a result of the increase in the number of Scope Shares in issue upon completion of the Rights Issue. The impact of the Rights Issue on the earnings and EPS of Scope will depend on, amongst others, the actual number of Rights Shares issued and the level of returns to be generated from the utilisation of the proceeds raised pursuant to the Rights Issue.

The Rights Issue is expected to contribute positively to Scope's consolidated earnings for the ensuing financial years, when the benefits of the utilisation of proceeds raised are realised.

## 9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

### 9.1 Working Capital

Our Group's working capital is funded through cash generated from operating activities as well as our Group's existing cash and bank balances.

As at the LPD, our Group has cash and bank balances (including fixed deposits pledged with licensed banks and short-term investments) of RM7.87 million, and an undrawn banking facility of RM2.0 million.

Our Board is of the opinion that, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus, after taking into consideration the funds generated from our Group's operations, our cash and bank balances and the banking facilities available to our Group as well as the proceeds to be raised from the Rights Issue.

### 9.2 Borrowings/financing

As at the LPD, our Group has total outstanding borrowings/financing of approximately RM3.8 million. All our borrowings/financing are interest-bearing and denominated in RM, further details of which are set out as follows:

<b>Borrowings</b>	<b>Total (RM'000)</b>
<b>Short term borrowing</b>	
Hire purchase	1,980
<b>Long term borrowing</b>	
Hire purchase	1,820
<b>Total</b>	<b>3,800</b>

There has not been any default on payment of either interest and/or principal sums in respect of any borrowings/financing throughout FY2020 and the subsequent financial period up to the LPD.

### 9.3 Contingent liabilities

As at LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group which upon being enforced may materially and adversely affect the financial position or financial performance of our Group.

#### 9.4 Material commitments

As at the LPD, save as disclosed below, our Board confirms that there are no material commitments for capital expenditure incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:

	(RM'000)
<u>Property, plant and equipment</u>	
Contracted but not provided for* -construction of the new manufacturing plant	7,500

\*The proceeds of the Rights Issue will be utilised to fulfil the above material commitment.

#### 9.5 Material transactions

Save for the Rights Issue, our Board confirms that there are no other material transactions which may have a material effect on our Group's operations, financial position and results since our Group's most recently announced unaudited consolidated financial statements for 3QFY21.

### 10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE

#### 10.1 General

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the rules of Bursa Depository. You and/or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares.

If you are an Entitled Shareholder (other than an Authorised Nominee who has subscribed for NRS), you will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Rights Shares that have been provisionally allotted to you, as well as to apply for Excess Rights Shares, if you choose to do so.

Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to you and/or your renounee(s) and/or transferee(s) (if applicable) and the procedures to be followed are set out in this Abridged Prospectus and the accompanying RSF. You are advised to read this Abridged Prospectus, the RSF and the notes and instructions contained in the documents carefully.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to **Sections 10.4.4 and 10.6.4** of this Abridged Prospectus for the procedures for acceptance as well as to apply for Excess Rights Shares, if you choose to do so.

Acceptances which do not strictly conform to the terms and conditions as well as the notes and instructions contained herein, or which may be illegible may not be accepted at the absolute discretion of your Board.

## 10.2 Last time and date for acceptance and payment

The last time and date for acceptance and payment for the Provisional Allotments and Excess Rights Shares is at 5.00 PM on Monday, 12 July 2021.

## 10.3 Methods of application

You may subscribe for such number of Rights Shares that you have been provisionally allotted as well as to apply for Excess Rights Shares, if you so choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF <sup>(1)</sup>	All Entitled Shareholders
Electronic Application <sup>(2)</sup> or Internet Application <sup>(3)</sup>	All Entitled Shareholders
Bursa Anywhere <sup>(4)</sup>	All Entitled Shareholders who have registered for Bursa Anywhere
NRS	Authorised Nominee who has subscribed for NRS

### Notes:

- (1) A copy of the RSF will be enclosed together with this Abridged Prospectus. The RSF is also available on the website of Bursa Securities (<https://www.bursamalaysia.com>)
- (2) The following surcharge per Electronic Application will be charged by the following Participating Financial Institutions:
  - (i) Public Bank Berhad – RM4.00; and
  - (ii) Affin Bank Berhad – RM4.00.
- (3) The following processing fee per Internet Application will be charged by the following Internet Participating Financial Institutions:
  - (i) Public Bank Berhad ([www.pbepbank.com](http://www.pbepbank.com)) – RM4.00; and
  - (ii) Affin Bank Berhad ([www.affinbank.com.my](http://www.affinbank.com.my)) – RM4.00.
- (4) A processing fee of RM2.00 per Electronic Application via Bursa Anywhere will be charged.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

## 10.4 Procedures for acceptance and payment

### 10.4.1 By way of RSF

If you wish to accept the Provisional Allotments, either in full or in part, please complete **Parts I(A) and II** of the RSF strictly in accordance with the notes and instructions contained in the RSF. Send each completed and signed RSF with the relevant payment in the reply envelope enclosed with this Abridged Prospectus, by the mode of despatch of your choice (at your own risk) to the Share Registrar at the following address:

**Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))**

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Khim  
Seksyen 13  
46200 Petaling Jaya  
Selangor

Tel No.: (03) 7890 4700

Fax No.: (03) 7890 4670

and should reach the Share Registrar not later than 5.00 P.M on Monday, 12 July 2021, being the Closing Date.

If you have lost, misplaced or for any other reason, require another copy of the RSF, you may obtain additional copies from your stockbroker, the Share Registrar at the address stated above, the registered office or the website of Bursa Securities (<https://www.bursamalaysia.com>).

You must use 1 RSF for the acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of the Provisional Allotments standing to the credit of more than 1 CDS Account. The Rights Shares accepted by you in accordance with the notes and instructions contained in the RSF will be credited into the respective CDS Accounts where the Provisional Allotments is standing to the credit.

The minimum number of Rights Shares that can be accepted is 1 Rights Share. You should take note that a trading board lot for the Rights Shares comprise 100 Rights Shares. Fractions of a Rights Share, if any, will be disregarded and will be dealt with in such manner and on such terms and conditions as your Board, in its absolute discretion deem fit or expedient or in the best interest of our Company.

Each completed RSF must be accompanied by the appropriate remittance made in RM for the FULL and EXACT amount payable for the Provisional Allotments accepted, in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to **SCOPE RIGHTS ISSUE ACCOUNT** crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letter, contact number and CDS Account number to be received by the Share Registrar by the Closing Date. The payment must be made for the FULL and EXACT amount payable for the Provisional Allotments accepted. Applications accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of your Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

If the acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part) is not received by our Share Registrar by 5.00 P.M on Monday, 12 July 2021, the provisional entitlement to you will be deemed to have been declined and will be cancelled. Your Board will then have the right to allot such Rights Shares not taken up or not validly taken up to applicants applying for the Excess Rights Shares in the manner as set out in **Section 10.6** of this Abridged Prospectus.

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. No acknowledgement of receipt of the RSF for the Rights Shares application or the application monies will be issued by our Company or the Share Registrar.**

Applications for Rights Shares shall not be deemed to have been accepted by reason of the remittance being presented for payment. Your Board reserves the right not to accept any Rights Shares application in full or in part.

Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last date for application and payment for the Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, the Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

#### **10.4.2 By way of Electronic Application**

Only individuals who are Entitled Shareholders may apply for the Rights Shares by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

##### **(i) Steps for Electronic Applications through a Participating Financial Institution's ATM**

The procedures for Electronic Applications at the ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMS are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms

of this Abridged Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Rights Shares at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this Abridged Prospectus BEFORE making the application; and
- (c) You shall apply for the Rights Shares via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in **Section 10.4.2(iii)** of this Abridged Prospectus. You shall enter at least the following information through the ATM when the instructions on the ATM screen require you to do so:
  - (1) Personal Identification Number (“PIN”);
  - (2) Select **SCOPE RIGHTS ISSUE ACCOUNT**;
  - (3) CDS Account number;
  - (4) Number of Rights Shares applied for and/or the RM amount to be debited from the account;
  - (5) Current contact number (e.g. your mobile phone number); and
  - (6) Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

**You must ensure that you use the number of the CDS Account held in your name when making an Electronic Application. If you operate a joint bank account with any of the Participating Financial Institutions, you must ensure that you enter the number of the CDS Account held in your name when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.**

**(ii) Participating Financial Institutions**

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad; or
- Affin Bank Berhad.

**(iii) Terms and Conditions of Electronic Applications**

The Electronic Application shall be made on, and subject to the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

- (1) You have attained 18 years of age as at the last date for application and payment;
- (2) You have read the relevant Abridged Prospectus and understood and agreed with the terms and conditions of the application;
- (3) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in **Section 10.3** (Note 2) of this Abridged Prospectus) from your bank account with the said financial institution (“**Authorised Financial Institution**”); and
- (4) You hereby give consent to our Company, Bursa Depository, the Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or button) on the ATM) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.

- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, the Share Registrar, the Participating Financial Institutions or Bursa Depository and irrevocably agree that if:
- (1) our Company, the Share Registrar or Bursa Depository does not receive your Electronic Application; or
  - (2) data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, the Share Registrar or Bursa Depository,
- you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, the Share Registrar, the Participating Financial Institutions or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, the Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
- (1) in consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the Participating Financial Institutions at their respective ATM, your Electronic Application is irrevocable and cannot be subsequently withdrawn.
  - (2) our Company, the Participating Financial Institutions, Bursa Depository and the Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
  - (3) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities in respect of the Rights Shares for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
  - (4) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.



- (j) The Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
  - (1) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last date for application and payment for the Rights Shares; or
  - (2) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in **Section 10.4.2(iii)** of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

#### **10.4.3 By way of Internet Application**

All Entitled Shareholders may apply for the Rights Shares by way of Internet Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institutions before making an Internet Application.

##### **(i) Step 1: Set up of account**

Before making an application by way of Internet Application, you **must have all** of the following:

- (a) an existing account with access to internet financial services with **Public Bank Berhad** at <https://www.pbebank.com> or **Affin Bank Berhad** at <https://www.affinbank.com.my>. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and
- (b) a CDS Account held in your name.

##### **(ii) Step 2: Read the Abridged Prospectus**

You are advised to read and understand this Abridged Prospectus **BEFORE** making your application.

**(iii) Step 3: Apply through Internet**

While we will attempt to provide you with assistance in your application for the Rights Shares through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (c) Navigate to the section of the website on applications in respect of the Rights Shares;
- (d) Select the counter in respect of the Rights Shares to launch the electronic SP and the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, **SCOPE RIGHTS ISSUE ACCOUNT**, your national registration identity card number, your current contact number (e.g your mobile phone number) your CDS Account number, number of Rights Shares applied for and the account number to debit are correct. Then select the designated hyperlink on the screen to confirm and submit the online application form;
- (h) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your money for the Rights Issue;
- (i) You must pay for the Rights Issue through the website of the Authorised Financial Institution, failing which the Internet Application is not completed, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of your Internet Application, including the number of Rights Shares applied for, which can be printed out for your record;
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the confirmation screen on its website; and
- (k) You are advised to print out the Confirmation Screen for your reference and record.

**(iv) Terms and Conditions of Internet Applications**

The Internet Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Internet Participating Financial Institutions and those appearing herein:

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:
- (1) You have attained 18 years of age as at the last date for application and payment;
  - (2) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this Abridged Prospectus, the contents of which you have read and understood;
  - (3) You agree to all the terms and conditions of the Internet Application as set out in this Abridged Prospectus and have carefully considered the risk factors set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the Internet Application;
  - (4) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in **Section 10.3** (Note 3) of this Abridged Prospectus) from your bank account with the said Authorised Financial Institution; and
  - (5) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, the Share Registrar, the relevant Internet Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.
- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this Abridged Prospectus.
- (c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institutions.

- (d) By making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.

- (e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, the Share Registrar, the Internet Participating Financial Institutions, Authorised Financial Institution or Bursa Depository and irrevocably agree that if:
- (1) our Company, the Share Registrar or Bursa Depository does not receive your Internet Application; or
  - (2) data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, the Share Registrar or Bursa Depository,
- you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, the Share Registrar, the Internet Participating Financial Institutions, Authorised Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institutions at the time you make your Internet Application shall be true and correct, and our Company, the Share Registrar, the relevant Internet Participating Financial Institutions, Authorised Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institutions are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (h) By making and completing an Internet Application, you agree that:
- (1) in consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn.
  - (2) our Company, the Internet Participating Financial Institutions, Authorised Financial Institution, Bursa Depository and the Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
  - (3) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities in respect of the Rights Shares for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and

- (4) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (i) The Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (j) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
- (1) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last date for application and payment for the Rights Shares; or
- (2) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in **Section 10.4.3(iv)** of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (k) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Application services.

#### **10.4.4 By way of Bursa Anywhere**

Only Entitled Shareholders who are Malaysian individuals and have registered for Bursa Anywhere and subscribed the BA service to receive dividends into their eDividend Bank Account, may apply for the Rights Issue by way of Bursa Anywhere.

The procedures for submitting an application by way of Bursa Anywhere are set out on the Bursa Anywhere mobile application screens. Please read carefully the terms of this Abridged Prospectus, the procedures, notices, terms and conditions as set out in this Section 10.4.4 before making an application by way of Bursa Anywhere.

Upon the completion of your application transaction via Bursa Anywhere, you will receive a push notification from Bursa Anywhere and a message in your Bursa Anywhere account inbox on your application for the Rights Issue. The notification message is only a record of the completed transaction via Bursa Anywhere.

**(i) Procedures for Submitting an Application through Bursa Anywhere**

- a. Launch the Bursa Anywhere application on your handphone and login using your username and password.
- b. Upon successful login, choose the "My Services" at the bottom of the screen and then select 'eRights".
- c. Next, select "Submit Application", and you will see a screen that informs you to agree with the terms & conditions and notices that govern your Rights Issue application via Bursa Anywhere.
- d. Click on the hyperlink of "Terms & Conditions and Notices". You must read and understand these Terms & Conditions and Notices before you click "Agree" to proceed to the next page.
- e. Click "Agree" to proceed to a landing page for you to select the rights securities that you would like to subscribe to.
- f. Select the Rights Issue, that you want to apply.
- g. You may click on the hyperlink of "Prospectus" to view the content of this Abridged Prospectus.
- h. You are also required to click on the hyperlink to "Declaration". Read and understand the clauses set out under "Declaration".
- i. Upon the completion of the above, at the bottom of the Rights Issue detail page, you are required to swipe the toggle to the right to indicate that you have read and understood the Abridged Prospectus as well as accepted and made the declarations stated in "Declaration".
- j. Next, select the CDS account for your Rights Issue application and click "NEXT".
- k. You will come to a page for you to fill up for your entitled Rights Shares and Excess Rights Shares application. You have the option to select either "Entitled only", "Excess only" or "Entitled & Excess" for your Rights Issue application.
- l. Select the subscription type, enter the number of units that you would like to subscribe. Click "NEXT" once you complete the required information.
- m. You will come to a "Preview" page, where it displays the following information of your application.
  - units and Ringgit amount of your Rights Issue application
  - subscription fee (charged by Bursa Malaysia)
  - tax, if applicable
  - stamp duty, if applicable.
- n. Check the summary information on the "Preview" page. Click "CONFIRM" at the bottom of the same page, if the information is correct.

- o. Next, you will receive a six-digit SMS TAC verification code via your mobile phone (the mobile number that you registered with Bursa Anywhere).
- p. You are required to key-in and submit the verification code.
- q. Upon successful validation of the verification code, you will be led to the Payment Gateway for payment.
- r. You are required to select the bank for your Rights Issue application payment. **(IMPORTANT NOTE: You are required to use the eDividend Bank Account that you have registered for Bursa Depository's eDividend service. Your subscription will be rejected if another bank account is used for payment. You will be notified if your application is rejected. Your application monies will be refunded within 3 working days, to the said bank account used for payment.)**
- s. You will be brought to your selected bank login page for payment.
- t. Once payment is made successfully via your selected bank, you will be brought to the "Thank You" page, which displays your bank transaction details.
- u. Click "DONE" at the bottom, you will be led back to the My Service landing page.
- v. You will receive a push notification message in your Bursa Anywhere account inbox.
- w. You can make multiple applications during the application period subject to the maximum quantity that you are entitled.

**ii. Terms and Conditions of Applications via Bursa Anywhere**

- a. The electronic copy of the Abridged Prospectus is available at the 'Prospectus' landing page of 'Corporate Announcement' at the Bursa Securities website and can be accessed via the hyperlink in the BA. You agree to have read the Abridged Prospectus prior to making an investment decision and should make the investment decision based on the Abridged Prospectus rather than on advertising or promotional materials. The Rights Shares offered are offered by our Company solely on the basis of the information contained in the Abridged Prospectus.
- b. Our Company has appointed Bursa Depository to provide eRights services via the BA. Bursa Depository is not responsible for, has not authorised and shall not be deemed to have authorised the contents of the electronic copy of the Abridged Prospectus and therefore, shall not have any liability in respect of the electronic copy of the Abridged Prospectus or the application submitted by way of Bursa Anywhere.
- c. The physical printed copy of the Abridged Prospectus is available upon request from our Company at the location specified in the Abridged Prospectus during the application period.
- d. You may also obtain a physical printed copy of the Abridged Prospectus from the participating organization(s) set out in this Abridged Prospectus.

- e. Payment of subscription to the Rights Issue via BA is required to be made from your eDividend Bank Account. Failing which, the request of the eRights application will be rejected.
- f. By submitting an eRights Application via BA, you confirm that:
  - You have read and understood the contents of this Abridged Prospectus;
  - You have read and agreed to be bound by the terms and conditions and notices for application of Rights Issue by way of Bursa Anywhere and the terms and conditions of the BA;
  - You are eligible to apply for the Rights Shares in Malaysia or in jurisdictions where the Rights Shares are intended to be available;
  - You irrevocably consent to the receipt of any cash payment or refund in relation to the application by way of Bursa Anywhere to be made via direct credit into the eDividend Bank Account; and
  - You agree to give irrevocable consent to Bursa Depository to disclose your information, including bank account information, which are necessary or expedient to the relevant entities involved in the application process and to the relevant entities involved in facilitating the payment of any cash payments or refunds via direct credit into the e-Dividend Bank Account in relation to the application by way of Bursa Anywhere.
- g. Applications shall close on the Closing Date or such other time as our Company and/or the Share Registrar, may in its absolute discretion decide.
- h. An application is deemed to be received by BA only upon its completion, that is, when you have:
  - successfully made full subscription payment via the payment gateway; and
  - received an email indicating that the application has been submitted to our Company and/or the Share Registrar.
- i. You are advised to print out and retain a copy of the Transaction Records for record purposes. The Transaction Records are only a record of the completed transactions received via the BA and not a record of the receipt of the application or any data relating to such an application by our Company or the Share Registrar. No application or monies can be accepted electronically in respect of the Rights Shares once the offer closes on the Closing Date.
- j. Upon your receipt of the Transaction Records, cancellation of the application via the BA will not be allowed.
- k. Bursa Depository shall not be liable for any applications made through any alternative methods of application.
- l. If Bursa Depository has any reason to believe that the electronic copy of the Abridged Prospectus or processes for collection and handling of applications via the BA have been tampered with, Bursa Depository may reject the application and Bursa Depository shall not be liable for such rejection.
- m. No securities will be allotted or issued on the basis of this Abridged Prospectus after the Closing Date. Bursa Depository and Bursa Securities do not guarantee any allotment of the Rights Shares as a result of the application via the BA and are not responsible for any non-allotment of the Rights Shares or part thereof by our Company pursuant to the application via the BA.



- n. Any request for any refunds related to the allotment of the Rights Shares must be referred to our Company.
- o. No refund of any subscription fee charged by Bursa Depository and applicable tax (if any), will be made to you if your application is rejected by the Share Registrar.
- p. The electronic copy of the Abridged Prospectus made available on the Bursa Securities website after the Closing Date is made available solely for informational and archiving purposes.
- q. Risk of Submitting applications via BA:
  - (i) By submitting an application via BA, you agree to assume the risks associated with conducting transactions online, including risks of electrical, electronic, technical and mobile-related faults and breakdowns, faults with mobile applications, problems occurring during data transmission, mobile security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of Bursa Depository, and/or our Company. You acknowledge that the aforementioned events may result in (i) interruption, transmission blackout or delayed transmission; and/or (ii) incorrect data transmission due to the public nature of the Internet and agree to bear such risks. You agree that neither Bursa Depository, Bursa Securities, the Company nor the Share Registrar shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data, breakdown or failure in communication facilities or due to any cause beyond their control.
  - (ii) If, Bursa Depository, our Company and/or the Share Registrar do not receive your application and/or the relevant payment, or in the event that any data relating to the application is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an application. In such an event, you shall have no claim whatsoever against Bursa Depository and/or Bursa Securities and/or our Company and/or the Share Registrar, in relation to the purported application.
- r. Instead of submitting an application via BA, you may alternatively submit applications through the existing manual paper-based application method as well as other means of application specified in this Abridged Prospectus.
- s. In the event a supplementary Abridged Prospectus is issued, you are entitled to revise or withdraw your application by contacting the Share Registrar directly. Bursa Depository or BA will not be able to facilitate any revision or withdrawal of the application in such circumstances.
- t. Bursa Depository is committed to protecting the security of your personal information. It uses a variety of security technologies and procedures, to help protect the confidentiality and security of an applicant's personal information provided through the BA, from unauthorised access, use, or disclosure. In addition, Bursa Depository has put in place appropriate measures to minimise the risks of unauthorised access and to maintain the security of the information it collects through the BA.

#### 10.4.5 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only the Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

##### (i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the Abridged Prospectus and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
- (f) To apply for the Rights Shares, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the Rights Shares Subscription File to Bursa Depository at any time daily before 5.00pm, but in any event no later than the last time and date for acceptance and payment.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
  - (1) confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
  - (2) consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Rights Shares which you have applied for, you must transfer the amount payable directly to the bank account, the details of which are as follows:

Bank: **AmBank (M) Berhad**  
Account Name: **SCOPE RIGHTS ISSUE ACCOUNT**  
Bank Account No.: **8881043478170**

- (j) Upon completion of the transfer/payment, you may receive a Transaction Record from the transacting financial institution confirming the details of transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Shares electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
  - (1) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last date for application and payment for the Rights Shares; or
  - (2) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in **Section 10.4.5(ii)** of this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Rights Shares allotted to you into your CDS account, you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Rights Shares submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

**(ii) Terms and Conditions for applications via NRS**

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, the Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.

- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.
- (c) You acknowledge that by making and completing the Rights Shares Subscription File to Bursa Depository, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you in the respective CDS Account as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, the Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
- (1) our Company, the Share Registrar or Bursa Depository does not receive your application via NRS; or
  - (2) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, the Share Registrar or Bursa Depository,
- you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, the Share Registrar, or the relevant financial institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:
- (1) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
  - (2) our Company, the relevant financial institutions, Bursa Depository and the Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
  - (3) notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
  - (4) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (f) The Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

## 10.5 Procedure for the sale and transfer of the Provisional Allotments

The Provisional Allotments are renounceable securities and will be traded on Bursa Securities commencing from 28 June 2021 up to and including 5 July 2021. As such, you may sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbroker without first having to request for a split of the Provisional Allotments standing to the credit of your CDS accounts. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement in the open market or transfer to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Allotments, you are not required to deliver any document, including the RSF, to any stockbroker. You are however advised to ensure that you have sufficient number of Provisional Allotments standing to the credit of your CDS account before selling or transferring.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments not sold or transferred in accordance with the instructions as set out in **Section 10.4** of this Abridged Prospectus.

## 10.6 Procedures for application for Excess Rights Shares

It is the intention of your Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares in the following order of priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lot, to our Entitled Shareholders who have applied for the Excess Rights Shares, taking into consideration their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lot, to our Entitled Shareholders who have applied for the Excess Rights Shares, taking into consideration the quantum of their respective Excess Rights Shares applied for; and
- (iv) lastly, on a pro-rata basis and in board lot, to the renounee(s)/transferee(s) who have applied for Excess Rights Shares, taking into consideration the quantum of their respective Excess Rights Shares applied for.

In the event there is any balance Excess Rights Shares after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated to allocate the remaining balance of the Excess Rights Shares.

Nevertheless, your Board reserves the right to allot any Excess Rights Shares applied for in such manner as it deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of your Board as set out in (i) to (iv) above is achieved. Your Board also reserves the right to accept any application for the Excess Rights Shares, in full or in part.

### 10.6.1 By way of RSF

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares in addition to your Provisional Allotments. If you wish to do so, please complete **Part I(B)** of the RSF (in addition to **Parts I(A) and II**) and forward it (together with a **separate remittance made in RM** for the FULL and EXACT amount payable in respect of the Excess Rights Shares applied for) to our Share Registrar at the address as set out in **Section 10.4.1** of this Abridged prospectus so as to arrive not later than 5.00 P.M on Monday, 12 July 2021, being the Closing Date.

Payment for the Excess Rights Shares applied for should be made in the same manner described in **Section 10.4.1** of this Abridged Prospectus, except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia payable to **SCOPE EXCESS RIGHTS ISSUE ACCOUNT** crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters, contact number and CDS Account number to be received by our Share Registrar by the Closing Date. The payment must be made for the FULL and EXACT amount payable for the Excess Rights Shares applied for. Applications accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of your Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

The minimum number of Excess Rights Shares that can be applied for is 1 Excess Rights Share. You should take note that a trading board lot for the Rights Shares comprise 100 Shares.

**You should note that all RSFs lodged with the Share Registrar will be irrevocable and cannot be subsequently withdrawn.**

**Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. No acknowledgement of receipt of the RSF for the Rights Shares application or the application monies will be issued by our Company or the Share Registrar.**

Applications for Excess Rights Shares shall not be deemed to have been accepted by reason of the remittance being presented for payment. Your Board reserves the right not to accept any Excess Rights Shares application in full or in part.

Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last date for application and payment for the Excess Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, the Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

### 10.6.2 By way of Electronic Application

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares via Electronic Application in addition to your Provisional Allotments. You may do so by following the same steps as set out in **Section 10.4.2** of this Abridged Prospectus, save and except that you shall proceed with the option for application for Excess Rights Shares and the amount payable to be directed to **SCOPE EXCESS RIGHTS ISSUE ACCOUNT** for the Excess Rights Shares applied for.

The Electronic Application for Excess Rights Shares will be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus.

The minimum number of Excess Rights Shares that can be applied for is 1 Excess Rights Share. You should take note that a trading board lot for the Rights Shares comprise 100 Shares.

You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or button) on the ATM) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.

### 10.6.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares via Internet Application in addition to your Provisional Allotments. You may do so by following the same steps as set out in **Section 10.4.3** of this Abridged Prospectus, save and except that you shall proceed with the option for application for Excess Rights Shares and the amount payable to be directed to **SCOPE EXCESS RIGHTS ISSUE ACCOUNT** for the Excess Rights Shares applied for.

The minimum number of Excess Rights Shares that can be applied for is 1 Excess Rights Share. You should take note that a trading board lot for the Rights Shares comprise 100 Shares.

The Internet Application for the application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in **Section 10.4.3** of this Abridged Prospectus.

You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.

#### 10.6.4 By way of Bursa Anywhere Application

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares via Bursa Anywhere in addition to your Provisional Allotments. You may do so by following the same steps as set out in **Section 10.4.4** of this Abridged Prospectus for the Excess Rights Shares applied for.

The minimum number of Excess Rights Shares that can be applied for is 1 Excess Rights Share. You should take note that a trading board lot for the Rights Shares comprise 100 Shares.

The Bursa Anywhere Application for the application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in **Section 10.4.4** of this Abridged Prospectus.

You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your application is successful, your confirmation of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.

#### 10.6.5 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any Provisional Allotments, you may apply for the Excess Rights Shares via NRS in addition to your Provisional Allotments. You may do so by following the same steps as set out in **Section 10.4.5** of this Abridged Prospectus, save and except for the amount payable to be directed to **SCOPE EXCESS RIGHTS ISSUE ACCOUNT (AmBank Account No.: 8881043478181)** for the Excess Rights Shares applied for, and you should also complete the details for Excess Rights Shares application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of Excess Rights Shares that can be applied for is 1 Excess Rights Share. You should take note that a trading board lot for the Rights Shares comprise 100 Shares.

The application for Excess Rights Shares via NRS shall be made on, and subject to, the same terms and conditions appearing in **Section 10.4.5** of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS) as well as the terms and conditions as stated below:

You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Rights Shares Subscription File or any lesser number of Excess Rights Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.



#### **10.7 Procedures for acceptance by renounee(s) and/or transferee(s)**

The procedures applicable to renounee(s) and/or transferee(s) for acceptance, selling and/or transferring of the Provisional Allotments, applying for the Excess Rights Shares and/or payment are the same as those which are applicable to the Entitled Shareholders as described in **Sections 10.3, 10.4, 10.5 and 10.6** of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you may obtain the same from your stockbroker, the registered office, the Share Registrar or on Bursa Securities' website (<https://www.bursamalaysia.com>).

**RENOUNCEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ AND ADHERE STRICTLY TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **10.8 CDS Account**

Bursa Securities has already prescribed the Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Rights Shares will be by book entry through a CDS Account and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares. Failure to comply with these specific instructions for application or inaccuracy in the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with shall constitute consent to receive such Rights Shares as prescribed securities which will be credited directly into your CDS account. No physical share certificates will be issued to you.

Any person who intends to subscribe for the Rights Shares as a renounee and/or transferee by purchasing the Provisional Allotments from an Entitled Shareholder will have his/her Rights Shares credited directly as prescribed securities into his/her CDS Account.

All Excess Rights Shares, if allotted to the successful applicants who apply for the Excess Rights Shares, will be credited directly into the CDS accounts of the successful applicants.

#### **10.9 Laws of foreign countries or jurisdiction**

The Documents have not been, and will not be, made to comply with the laws of any country or jurisdiction other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The Documents are not intended to be, and will not be, issued circulated or distributed, and the Rights Issue will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

Accordingly, the Documents have not been, and will not be, despatched to the Foreign Addressed Shareholders. However, the Foreign Addressed Shareholders may collect the Documents from the Share Registrar in Malaysia, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, who is entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have an address or address for service in Malaysia other than as stated in the Record of Depositors on the Entitlement Date or who have provided the Share Registrar with an address in Malaysia for the despatch of Documents as at 5.00 P.M on Friday, 25 June 2021 and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. We will assume that the Rights Issue and the acceptance by our Entitled Shareholders thereof would not be in breach of the laws of any jurisdiction. We will further assume that our Entitled Shareholders have accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares, your acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue and not in breach of the laws of any country or jurisdiction. To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares, you will be deemed to have accepted the Rights Issue in Malaysia and be subject to the laws of Malaysia with respect thereto.

All Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject. Neither we, our Board, AmInvestment Bank, the Share Registrar, nor any other adviser to the Rights Issue (“**Parties**”) shall accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) will also have no claims whatsoever against us in respect of their entitlement or to any proceeds thereof.

The Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements in any country or jurisdiction outside Malaysia. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for Excess Application by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable).

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus, or subscribing for or acquiring the Rights Shares, will be deemed to have represented, warranted acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholder and/or his renounee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) that person has complied with the laws to which he and/or his renounee(s) and/or transferee(s) (if applicable) are or may be subject to in connection with the acceptance or renunciation;
- (iii) that person is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subject to;
- (iv) that person has an address for service of process in Malaysia;
- (v) that person is aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (vi) that person has obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and has relied on his own evaluation to assess the merits and risks of the investment; and
- (vii) that person has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including without limitation to custodians, nominees and trustees) must not, in connection with the Rights Issue, offer, distribute or send any of them into any country or jurisdiction, where doing so would or might contravene local securities, exchange control or other relevant laws or regulations. If the Documents are received by any person in such country or jurisdiction, or by the agent or nominee of any such person, he/she/it/they must not seek to accept the offer unless he/she/it/they has/have complied with and observed the laws of all relevant jurisdictions.

Any person who does forward the Documents to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and Scope reserves the right to reject a purported acceptance of the Rights Shares from any application by Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

## **11. TERMS AND CONDITIONS**

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and RSF.

**12. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of the Board of  
**SCOPE INDUSTRIES BERHAD**

  
**LEE MIN HUAT**  
Executive Chairman

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**INFORMATION ON OUR COMPANY****1. SHARE CAPITAL**

As at the LPD, the issued share capital of Scope is RM124,690,919 comprising 769,115,306 Scope Shares.

**2. BOARD OF DIRECTORS**

The details of our Board as at the LPD are set out as follows:

<b>Name / Designation</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>
Lee Min Huat <i>(Executive Chairman)</i>	64	18 Jalan Changkat Hartamas Hartamas Heights 50480 Kuala Lumpur	Malaysian
Lim Chiow Hoo <i>(Managing Director)</i>	58	2315 Jalan Tempua 2 Taman Golden Jade 14300 Nibong Tebal Pulau Pinang	Malaysian
Tan Poh Heng <i>(Senior Independent Non-Executive Director)</i>	64	96, Lebuh Bukit Kecil 5 Taman Sri Nibong 11900 Bayan Lepas Pulau Pinang	Malaysian
Yong Loong Chen <i>(Independent Non-Executive Director)</i>	55	25 Cangkat Hartamas 2 Hartamas Heights 50480 Kuala Lumpur	Malaysian
Lim Ee Tatt <i>(Non-Independent Non-Executive Director)</i>	51	63 Lorong Buloh Perindu 5 Taman SA 59000 Bukit Damansara Kuala Lumpur	Malaysian

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**INFORMATION ON OUR COMPANY (Cont'd)**

**3. DIRECTORS' SHAREHOLDINGS**

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue on the shareholdings of our Directors (based on the Record of Depositors as at the LPD) are as follows:

**Minimum Scenario**

Name of Director	As at the LPD			After the Rights Issue <sup>(i)</sup>		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Chiew Hoo	64,714,430	8.41	-	-	65,714,430	7.75
Lee Min Huat	61,212,160	7.96	-	-	86,731,055	10.23
Lim Ee Tatt	3,013,000	0.39	93,300,000 <sup>(ii)</sup>	12.13	3,013,000	0.36
Tan Poh Heng	350,000	0.05	-	-	350,000	0.04
Yong Loong Chen	-	-	-	-	-	-
					93,300,000 <sup>(ii)</sup>	11.00

**Notes:**

- (i) Based on Scope's enlarged issued share capital of 848,078,601 Shares upon completion of the Rights Issue.
- (ii) Deemed interested via Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Act.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

**INFORMATION ON OUR COMPANY (Cont'd)**

**Maximum Scenario**

Name of Director	As at the LPD				After the Rights Issue <sup>(i)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	( <sup>1</sup> )%	No. of Shares	%	No. of Shares	%
Lim Chiew Hoo	64,714,430	8.41	-	-	65,714,430	5.70	-	-
Lee Min Huat	61,212,160	7.96	-	-	86,731,055	7.52	-	-
Lim Ee Tatt	3,013,000	0.39	93,300,000 <sup>(ii)</sup>	12.13	4,519,500	0.39	139,950,000 <sup>(ii)</sup>	12.13
Tan Poh Heng	350,000	0.05	-	-	525,000	0.05	-	-
Yong Loong Chen	-	-	-	-	-	-	-	-

**Notes:**

- (i) Based on Scope's enlarged issued share capital of 1,153,672,959 Shares upon completion of the Rights Issue.  
(ii) Deemed interested via Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Act.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**INFORMATION ON OUR COMPANY (Cont'd)**

**4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Assuming only the Undertaking Shareholders subscribe based on the Undertakings and none of the entitled shareholders subscribe for their Rights Shares based on their respective entitlements, the substantial shareholders' shareholdings will be as follows:-

**Minimum Scenario**

Name of Substantial Shareholder	As at the LPD				After the Rights Issue <sup>(i)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Chiow Hoo	64,714,430	8.41	-	-	65,714,430	7.75	-	-
Lee Min Huat	61,212,160	7.96	-	-	86,731,055	10.23	-	-
Wah Len Enterprise Sdn Bhd	93,300,000	12.13	-	-	93,300,000	11.00	-	-
Dato Lim Chee Wah	-	-	93,300,000 <sup>(ii)</sup>	12.13	-	-	93,300,000 <sup>(ii)</sup>	11.00
Lim Ee Tatt	3,013,000	0.39	93,300,000 <sup>(ii)</sup>	12.13	3,013,000	0.36	93,300,000 <sup>(ii)</sup>	11.00
Lim Ee Keong	-	-	93,300,000 <sup>(ii)</sup>	12.13	-	-	93,300,000 <sup>(ii)</sup>	11.00
Lim Saw Khim	-	-	93,300,000 <sup>(ii)</sup>	12.13	-	-	93,300,000 <sup>(ii)</sup>	11.00
Inventec Appliances Corp	32,000,000	4.16	-	-	84,444,400	9.96	-	-

**Notes:**

- (i) Based on Scope's enlarged issued share capital of 848,078,601 Shares upon completion of the Rights Issue.
- (ii) Deemed interested via Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Act.



**INFORMATION ON OUR COMPANY (Cont'd)**

**Maximum Scenario**

In the event all entitled shareholders subscribe for their Rights Shares based on their respective entitlements, the substantial shareholders' shareholdings under the Rights Issue will change as follows:-

Name of Substantial Shareholder	As at the LPD				After the Rights Issue <sup>(i)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Chiow Hoo	64,714,430	8.41	-	-	65,714,430	5.70	-	-
Lee Min Huat	61,212,160	7.96	-	-	86,731,055	7.52	-	-
Wah Len Enterprise Sdn Bhd	93,300,000	12.13	-	-	139,950,000	12.13	-	-
Dato Lim Chee Wah	-	-	93,300,000 <sup>(ii)</sup>	12.13	-	-	139,950,000 <sup>(ii)</sup>	12.13
Lim Ee Tatt	3,013,000	0.39	93,300,000 <sup>(ii)</sup>	12.13	4,519,500	0.39	139,950,000 <sup>(ii)</sup>	12.13
Lim Ee Keong	-	-	93,300,000 <sup>(ii)</sup>	12.13	-	-	139,950,000 <sup>(ii)</sup>	12.13
Lim Saw Khim	-	-	93,300,000 <sup>(ii)</sup>	12.13	-	-	139,950,000 <sup>(ii)</sup>	12.13
Inventec Appliances Corp	32,000,000	4.16	-	-	84,444,400	7.32	-	-

**Notes:**

- (i) Based on Scope's enlarged issued share capital of 1,153,672,959 Shares upon completion of the Rights Issue.  
(ii) Deemed interested via Wah Len Enterprise Sdn Bhd pursuant to Section 8 of the Act.

---

**INFORMATION ON OUR COMPANY (Cont'd)**


---

**5. HISTORICAL SHARE PRICES**

The monthly highest and lowest transacted market prices of Scope Shares traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:

	<b>High (RM)</b>	<b>Low (RM)</b>
<b><u>2020</u></b>		
June	0.115	0.100
July	0.220	0.100
August	0.185	0.140
September	0.255	0.140
October	0.290	0.205
November	0.280	0.230
December	0.340	0.245
<b><u>2021</u></b>		
January	0.320	0.260
February	0.365	0.260
March	0.320	0.265
April	0.285	0.295
May	0.265	0.215
The last transacted market price of Scope Shares as at 18 March 2021, being the last trading date prior to the announcement of the Rights Issue on 19 March 2021		0.295
Last transacted market price of Scope Shares as at the LPD		0.235
Last transacted market price on 23 June 2021, being the last Market Day immediately preceding the ex-date for the Rights Issue on 24 June 2021		0.235

(Source: Bloomberg)

**6. OPTION TO SUBSCRIBE FOR SCOPE SHARES**

As at the LPD, save for the ESS, and the Provisional Allotments as well as the Excess Rights Shares, no option to subscribe for any securities of our Company has been granted or is entitled to be granted to any person.

**7. MATERIAL CONTRACTS**

As at the LPD, save as disclosed below, our Board confirms that there are no material contracts (not being contracts in the ordinary course of business) which have been entered into by our Group during the past 2 years preceding the date of this Abridged Prospectus:

- (i) Sale and Purchase Agreement dated 30 October 2020 between Scope Manufacturers (M) Sdn Bhd ("**Purchaser**") and Young Malaysian Industries Sdn Bhd ("**Vendor**") for the purchase of all that piece of leasehold land situated in Mukim Parit Buntar, Daerah Kerian, Perak and known as Lot No. 11455 held under PN 343873 measuring 10121 square meters together with buildings and structures erected thereon with one factory building bearing assessment address No. Plot 76 & 95, Kawasan Perusahaan, 34200 Parit Buntar Perak, for a purchase price of RM3,268,246.20 on an 'as is where is' basis free from

**INFORMATION ON OUR COMPANY (Cont'd)**

encumbrance, but subject to a tenancy thereon and all the conditions on the title of the property.

The said sale and purchase agreement has since been completed.

**8. MATERIAL LITIGATION**

As at the LPD, our Board confirms that neither our Company nor our Group is engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board confirms that there are no proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

**9. HISTORICAL FINANCIAL INFORMATION**

The following table sets out a summary of our Group's key financial information based on the past 3 FY up to FY2020 and the latest unaudited 3QFY21 of comprehensive income, statements of financial position and statement of cash flows for the financial years and period under review:

**9.1 Historical financial performance**

	Audited			Unaudited
	FY			3QFY21
	2018 (Restated)	2019	2020	2021
	RM	RM	RM	RM
Revenue	22,291,018	15,550,162	19,638,255	45,471,737
Costs of sales	(17,127,049)	(17,181,191)	(22,013,331)	(37,316,474)
<b>Gross profit/(loss)</b>	5,163,969	(1,631,029)	(2,375,076)	8,155,263
Other income	415,889	578,171	880,419	1,150,913
Administrative expenses	(3,818,581)	(4,034,654)	(24,219,533)	(4,279,074)
<b>Operating profit/(loss)</b>	1,761,277	(5,087,512)	(25,714,190)	5,027,102
Finance costs	(87)	(121,557)	(380,289)	(219,373)
<b>PBT/(LBT)</b>	1,761,190	(5,209,069)	(26,094,479)	4,807,729
Income tax (expense)/income	(7,262)	122,332	(61,748)	(269,229)
<b>PAT/(LAT)</b>	1,753,928	(5,086,737)	(26,156,227)	4,538,500
Profit/(Loss) attributable to:				
- Owners of our Company	1,420,656	(4,838,878)	(28,681,023)	4,420,945
- Non-controlling interests	333,272	(247,859)	2,524,796	117,555
<b>PAT/(LAT) margin (%)</b>	7.87	(32.71)	(133.19)	9.98

## INFORMATION ON OUR COMPANY (Cont'd)

## 9.2 Historical financial position

	Audited			Unaudited
	FY			
	2018 (Restated)	2019	2020	
	RM	RM	RM	RM
Non-current assets	123,838,456	133,865,491	114,618,716	116,418,507
Current assets	12,546,106	10,407,302	8,909,747	29,218,877
<b>Total assets</b>	<b>136,384,562</b>	<b>144,272,793</b>	<b>123,528,463</b>	145,637,384
Share capital	87,770,505	96,660,613	104,520,783	124,690,920
Reserves	31,880,175	31,787,333	30,275,973	28,005,317
Accumulated losses	<b>(8,809,923)</b>	(13,648,801)	(42,329,824)	(37,908,880)
	<b>110,840,757</b>	<b>114,799,145</b>	<b>92,466,932</b>	114,787,357
Non-controlling interest	6,632,844	6,384,985	8,909,781	9,053,896
<b>Total equity</b>	<b>117,473,601</b>	<b>121,184,130</b>	<b>101,376,713</b>	123,841,253
Non-current liabilities	14,400,406	19,169,369	17,604,069	16,108,140
Current liabilities	4,510,555	3,919,294	4,547,681	5,687,991
<b>Total liabilities</b>	<b>18,910,961</b>	<b>23,088,663</b>	<b>22,151,750</b>	21,796,131
<b>Total equity and liabilities</b>	<b>136,384,562</b>	<b>144,272,793</b>	<b>123,528,463</b>	145,637,384

## 9.3 Historical cash flow

	Audited			Unaudited
	FY			
	2018 (Restated)	2019	2020	
	RM	RM	RM	RM
Net cash from/(used in) operating activities	2,094,480	(1,215,253)	(1,662,719)	(5,471,671)
Net cash used in investing activities	(728,938)	(6,079,688)	(5,305,674)	(5,784,846)
Net cash generated from financing activities	-	5,555,489	4,632,421	16,490,784
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,365,542</b>	<b>(1,739,452)</b>	<b>(2,335,972)</b>	5,234,267
Cash and cash equivalents in beginning of financial year	6,859,080	8,224,622	6,485,170	4,174,592
<b>Cash and cash equivalents at the end of financial year</b>	<b>8,224,622</b>	<b>6,485,170</b>	<b>4,149,198</b>	9,408,859

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

---

**INFORMATION ON OUR COMPANY (Cont'd)**


---

**Commentary on past financial performance/position:****(i) 30 June 2017 (FY2017) vs 30 June 2018 (FY2018)**

Our Group recorded revenue of RM22.29 million for FY2018 representing a decrease of RM3.82 million (14.6%) as compared to a revenue of RM26.11 million the year before mainly due to lower orders received from a major customer of our Group's Electronic Business ("**Customer A**") (as Customer A was in the midst of setting up its own production line in Malaysia. This had affected our Group's planned schedule to achieve operational efficiency as the Group had committed to higher overheads since the previous financial year. Our Group's revenue from our Plantation Business decreased slightly during the year due to a decline in average FFB prices as compared to the year before.

Our Group recorded a PAT of RM1.75 million for FY2018, representing a decrease of RM3.09 million (63.3%) as compared to a PAT of RM4.84 million for FY2017. The decrease in PAT was primarily attributed to the decrease in orders from our Group's Electronic Business' major customer. In addition, the decrease in FFB prices during the year also contributed to the decrease in PAT despite an increase in FFB production during the year.

Our Group's total assets decreased by RM2.77 million from RM139.16 million as at 30 June 2017 to RM136.38 million as at 30 June 2018 mainly due to depreciation charges of RM2.69 million on our properties, plant and equipment.

Our Group's total liabilities have decreased by RM1.72 million from RM20.63 million as at 30 June 2017 to RM18.91 million as at 30 June 2018 mainly due to a reduction in trade payables of RM0.60 million and a RM3.15 million decrease in other payables and accruals as our Group made the final payment towards an acquisition of a subsidiary on 22 July 2017. The decrease in liabilities was negated by the provision of dividend payable of RM2.80 million in FY2018.

Our Group's NA decreased by RM1.38 million from RM112.22 million as 30 June 2017 to RM110.84 million as at 30 June 2018 mainly due to a RM1.42 million PAT recorded for the financial year which negated the aforementioned dividend declared of RM2.80 million.

Our Group's cash and cash equivalent increased by RM1.37 million from RM6.86 million in FY2017 to RM8.22 million in FY2018 due to net cash generated from operating activities of RM2.09 million and was partially offset against the net cash used in investing activities of RM0.72 million which mainly comprises purchase of other investments, purchase of biological assets and purchase of property, plant and equipment.

**(ii) 30 June 2018 (FY2018) to 30 June 2019 (FY2019)**

Our Group recorded a RM6.74 million (30.2%) decrease in revenue to RM15.55 million in FY2019 as compared to RM22.29 million the year before mainly as a result of the following:-

- (i) a loss of Customer A referred to in para (1) above for our Group's Electronic Business as that customer had decided to set up their own production line in Malaysia. The decrease in revenue from this customer was partially offset by orders from new customers and increased orders from existing customers during the year; and

**INFORMATION ON OUR COMPANY (Cont'd)**

- (ii) a decrease in revenue from our Plantation Business due to a decrease in FFB production and a 27.9% decrease in average FFB prices during the year.

Our Group recorded a RM6.84 million (390.2%) decrease in PAT from FY2018 to a loss after tax of RM5.09 million in FY2019 mainly as a result of the following:-

- (i) higher workforce costs and other costs to meet new customers' requirements for our Electronic Business. Our Group also recorded higher depreciation expense as a result of additional machinery purchased to upgrade our production facilities;
- (ii) the aforementioned decrease in revenue from our Plantation Business which was affected by the decrease in average FFB prices during the year.

Our Group's total assets increased by RM7.89 million from RM136.38 million as at 30 June 2018 to RM144.27 million as at 30 June 2019 mainly due to an increase of RM10.08 million on our properties, plant and equipment due to the purchase and upgrading of machinery and equipment, and a reduction of cash and cash equivalents of RM1.74 million.

Our Group's total liabilities have increased by RM4.18 million from RM18.91 million as at 30 June 2018 to RM23.09 million as at 30 June 2019 mainly due to an increase in finance lease liabilities of RM6.64 million from the aforementioned purchase of properties, plant and equipment and a RM0.61 million increase in other payables and accruals which was partially negated by the absence of a dividend payable as at 30 June 2019.

Our Group's NA increased by RM3.96 million from RM110.84 million as at 30 June 2018 to RM114.80 million as at 30 June 2019 primarily due to a RM8.80 million increase in our share capital from new shares issued from the exercise of 2,600,000 warrants at an exercise price of RM0.15 each and issuance of 56,048,443 shares at an issue price of RM0.15 each from the Private Placement 2019. The increase in NA was negated by a loss after tax of RM4.84 million during the financial year.

During the FY2019, our Group received net cash of RM5.56 million generated from financing activities mainly due to the proceeds from the issuance of shares arising from the exercise of warrants and the Private Placement 2019 which were mainly used to fund our Group's net cash used in operating activities of RM1.22 million and net cash used in investing activities of RM 6.08 million (i.e. purchase of property, plant and equipment). As a results, our Group's cash and cash equivalents decreased by RM1.74 million from RM8.22 million in FY2018 to RM6.49 million in FY2019.

**(iii) 30 June 2019 (FY2019) vs 30 June 2020 (FY2020)**

Our Group recorded a RM4.09 million (26.3%) increase in revenue to RM19.64 million in FY2020 as compared to RM15.55 million in FY2019 mainly as a result of an increase in revenue from higher sales volume from our Electronic Business.

Notwithstanding the increase in revenue, our Group recorded a loss after tax of RM26.16 million during the year; a RM21.07 million increase from a loss after tax of RM5.09 million the year before. The loss is mainly attributed to the following:-

- (i) a RM20.4 million impairment loss of goodwill in respect to our Group's Plantation Business' cash generating unit. The impairment was due to a lower fair value ascribed by an independent professional valuer on our Group's Plantation Business' cash generating unit; and

**INFORMATION ON OUR COMPANY (Cont'd)**

- (ii) higher operational expenses arising from additional workforce, depreciation and finance costs. Our Group's operations had been adversely affected by outbreak of COVID-19 pandemic, whereby our operations completely halted from 18 March 2020 to 31 March 2020. Additionally, only 50% of our workforce returned to work on 1 April 2020 and 100% from 30 April 2020 onwards.

Our Group's total assets decreased by RM20.74 million from RM144.27 million as at 30 June 2019 to RM123.53 million as at 30 June 2020 mainly due to the aforementioned impairment loss of RM20.40 million on goodwill. Our Group's total liabilities decreased marginally to RM22.15 million.

Our Group NA decreased by RM22.33 million from RM114.80 million as at 30 June 2019 to RM92.47 million as at 30 June 2020 mainly due to the aforementioned impairment of goodwill during the financial year. Our Group recorded a LAT of RM26.16 million during the year.

Our Group's cash and cash equivalent decreased by RM2.34 million from RM6.49 million in FY2019 to RM4.15 million in FY2020 due to net cash used in operating activities of RM1.66 million and net cash used in investing activities of RM5.31 million which was mainly due to purchase of property, plant and equipment. The net cash used in operating activities and investing activities of RM6.97 million was partially negated by the net cash generated from financing activities of RM4.63 million which was mainly due to the proceeds from the issuance of shares arising from the exercise of warrants.

**(iv) 30 June 2020 (FY2020) to 31 March 2021 (3QFY21)**

Our Group recorded an increase of RM25.83 million in revenue to RM45.47 million in 3QFY21 as compared to RM19.64 million in FY2020. The increase is due to higher sales volume for our Electronic Business contributed by our Group's initiatives to expand our services to assemble a wider range of products.

In line with the increase in revenue, our Group recorded a higher profit after tax of RM4.54 million in 3QFY21, an increase of RM30.69 million from a LAT of RM26.16 million in FY2020. The improvement in profit after tax is mainly due to the increase in revenue during the financial period and the RM20.4 million impairment of goodwill in respect of our Group's Plantation Business cash generating unit.

Our Group's total assets increased by RM22.11 million from RM123.53 million as at 30 June 2020 to RM145.64 million as at 31 March 2021 mainly due to an increase in inventories, trade receivables and cash and bank balances of RM19.68 million attributable to our Group's initiatives to expand our services to assemble a wider range of products. Our Group's total liabilities have remained relatively unchanged.

Our Group's NA increased by RM22.32 million from RM92.47 million as at 30 June 2020 to RM114.79 million as at 31 March 2021 mainly due to the PAT of RM4.42 million incurred during the financial period as well as the increase in our share capital of RM17.90 million from new shares issued from exercise of 37,737,460 warrants at an issue price of RM0.15 in July 2020 and the issuance of 69,919,573 shares at an issue price of RM0.175 from the Private Placement 2020.

---

**INFORMATION ON OUR COMPANY (Cont'd)**

---

Our Group's cash and cash equivalent increased by RM5.23 million to RM9.41 million in 3QFY2021 due to net cash generated from financing activities of RM16.49 million which was attributable to proceeds from the issuance of shares arising from the exercise of warrants the Private Placement 2020. The net cash generated from financing activities of RM16.49 million was partially offset against the net cash used in operating activities of RM5.47 million (i.e. purchase of inventories) and net cash used in investing activities of RM5.79 million (i.e. purchase of other investments and purchase of property, plant and equipment).

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**



---

**ADDITIONAL INFORMATION**

---

**1. CONSENTS**

- (i) The written consents of the Principal Adviser, Company Secretary, Solicitors and Share Registrar for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently withdrawn.
- (ii) The written consent of Protégé Associates, for the inclusion of its name, extracts of IMR Report and all references thereto in the form and context in which it appears in this Abridged Prospectus has been given and has not been subsequently withdrawn.

Protégé Associates confirms there is no conflict of interest which exists or is likely to exist in relation to its role as the Independent Market Researcher for the Rights Issue.

- (iii) The written consents of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

**2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at 48 Jalan Chow Thye 10050 Georgetown, Penang, during normal business hours between Mondays and Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) the Undertakings provided by the Undertaking Shareholders;
- (ii) the material contracts referred to in **Section 7 of Appendix I**;
- (iii) the letters of consent referred to in **Section 1 of this Appendix II**; and
- (iv) the IMR Report by Protégé Associates, from which certain information has been extracted for inclusion in this Abridged Prospectus.

**3. RESPONSIBILITY STATEMENT**

Our Board has seen and approved these Documents. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in these Documents false or misleading.

AmInvestment Bank, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.