



SCANWOLF CORPORATION BERHAD (740909-T)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2015

27 May 2015



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Comprehensive Income
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

| | Individual Quarter 3 months ended 31 March | | Cumulative Quarter 12 months ended 31 March | |
|---|--|----------------|---|----------------|
| | 2015 RM'000 | 2014 RM'000 | 2015 RM'000 | 2014 RM'000 |
| Revenue | 12,286 | 11,667 | 51,238 | 43,603 |
| Other operating income | 912 | 85 | 1,171 | 172 |
| Operating expenses | (11,202) | (9,894) | (47,889) | (40,073) |
| Depreciation & amortisation | (786) | (865) | (3,432) | (3,465) |
| Finance costs | (318) | (273) | (1,322) | (1,158) |
| Profit/(loss) before taxation | 892 | 720 | (234) | (921) |
| Taxation | 209 | 18 | (11) | (124) |
| Profit/(loss) for the period & Total comprehensive loss | <u>1,101</u> | <u>738</u> | <u>(245)</u> | <u>(1,045)</u> |
| Income/(loss) attribute to: | | | | |
| Equity holders of the Company | 1,176 | 593 | (627) | (1,500) |
| Non-controlling interest | (75) | 145 | 382 | 455 |
| | <u>1,101</u> | <u>738</u> | <u>(245)</u> | <u>(1,045)</u> |
| Total comprehensive income/(loss) attributable to : | | | | |
| Equity holders of the Company | 1,176 | 593 | (627) | (1,500) |
| Non-controlling interest | (75) | 145 | 382 | 455 |
| | <u>1,101</u> | <u>738</u> | <u>(245)</u> | <u>(1,045)</u> |
| Earnings per share attributable to equity holder of the Company: | | | | |
| Profit/(loss) per per share (sen) | <u>1.42</u> | <u>0.79</u> | <u>(0.80)</u> | <u>(1.99)</u> |

Note:

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Financial Position
As at 31 March 2015
(The figures have not been audited)

| | As at 31 March 2015 RM'000 | (Audited) As at 31 March 2014 RM'000 |
|--------------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 20,950 | 24,116 |
| Land held for property development | 16,743 | 15,179 |
| Trade receivables | 1,360 | 2,087 |
| Total non-current assets | <u>39,053</u> | <u>41,382</u> |
| Current assets | | |
| Inventories | 15,476 | 8,349 |
| Trade and other receivables | 14,083 | 16,807 |
| Property development projects | 8,315 | 16,939 |
| Current tax assets | 249 | 42 |
| Cash and bank balances | 2,796 | 3,655 |
| Total current assets | <u>40,919</u> | <u>45,792</u> |
| TOTAL ASSETS | <u>79,972</u> | <u>87,174</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 43,767 | 40,000 |
| Treasury shares | (1,831) | (1,831) |
| Reserves | 1,526 | 2,220 |
| | <u>43,462</u> | <u>40,389</u> |
| Non-controlling interest | - | 858 |
| Total Equity | <u>43,462</u> | <u>41,247</u> |
| Non-current liabilities | | |
| Hire-purchase payables | 214 | 1,166 |
| Borrowings | 9,675 | 7,822 |
| Deferred tax liabilities | 3,372 | 3,372 |
| Total non-current liabilities | <u>13,261</u> | <u>12,360</u> |
| Current liabilities | | |
| Trade and other payables | 9,877 | 18,037 |
| Hire-purchase payables | 606 | 465 |
| Progress billings | 581 | 2,637 |
| Current tax liabilities | - | 441 |
| Borrowings | 12,185 | 11,987 |
| Total current liabilities | <u>23,249</u> | <u>33,567</u> |
| Total liabilities | 36,510 | 45,927 |
| TOTAL EQUITY AND LIABILITIES | <u>79,972</u> | <u>87,174</u> |
| Net Assets per share (RM) | <u>0.56</u> | <u>0.54</u> |

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no: 740909-T)
 Condensed Consolidated Statement of Changes in Equity
 For the fourth quarter ended 31 March 2015
 (The figures have not been audited)

| | Non-distributable | | | | Distributable | | Non-controlling interest RM'000 | Total RM'000 |
|---|-------------------------|---------------------------------------|-------------------------|-------------------------------|---------------------------|----------------------------|------------------------------------|-----------------|
| | Share Capital RM'000 | Reverse Acquisition Reserve RM'000 | Share Premium RM'000 | Revaluation Reserve RM'000 | Treasury Shares RM'000 | Retained Profits RM'000 | | |
| As at 1 April 2014 | 40,000 | (19,524) | 2,035 | 3,020 | (1,831) | 16,689 | 858 | 41,247 |
| Total comprehensive income | - | - | - | - | - | (1,020) | 68 | (952) |
| As at 30 June 2014 | 40,000 | (19,524) | 2,035 | 3,020 | (1,831) | 15,669 | 926 | 40,295 |
| Total comprehensive income | - | - | - | - | - | (421) | 276 | (145) |
| As at 30 September 2014 | 40,000 | (19,524) | 2,035 | 3,020 | (1,831) | 15,248 | 1,202 | 40,150 |
| Share issuance on private placement | 3,767 | - | - | - | - | - | - | 3,767 |
| Share issue expenses | - | - | (67) | - | - | - | - | (67) |
| Total comprehensive income | - | - | - | - | - | (362) | 113 | (249) |
| As at 31 December 2014 | 43,767 | (19,524) | 1,968 | 3,020 | (1,831) | 14,886 | 1,315 | 43,601 |
| Total comprehensive income | - | - | - | - | - | 1,176 | (75) | 1,101 |
| Acquired shares in a subsidiary from the non-controlling interest | - | - | - | - | - | - | (1,240) | (1,240) |
| As at 31 March 2015 | 43,767 | (19,524) | 1,968 | 3,020 | (1,831) | 16,062 | - | 43,462 |

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Cash Flows
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

| | Cumulative | |
|---|--------------------------|---------|
| | 12 months ended 31 March | |
| Note | 2015 | 2014 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | | |
| Loss before taxation | (234) | (921) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 3,432 | 3,465 |
| Fair value adjustment on non-current trade receivables | - | (65) |
| Negative goodwill recognised | (873) | - |
| Inventories written down | - | 422 |
| Fair value gain on financial derivatives | - | (45) |
| Unrealised gain on foreign exchange - net | - | (133) |
| Gain in disposal of property, plant and equipment | (70) | (98) |
| Investment revenue | (13) | (23) |
| Finance costs | 1,322 | 1,158 |
| | 3,564 | 3,760 |
| Movements in working capital: | | |
| (Increase)/Decrease in: | | |
| Inventories | (7,127) | 56 |
| Trade & other receivables | 3,624 | (2,514) |
| Property development costs | 6,874 | (3,854) |
| Increase/(Decrease) in: | | |
| Trade and other payables | (8,160) | 7,674 |
| Progress billings | (2,056) | (2,028) |
| | (3,281) | 3,094 |
| Cash (used in)/generated from operations | (3,281) | 3,094 |
| Income tax refunded | - | 506 |
| Income tax paid | (659) | (485) |
| | (3,940) | 3,115 |
| Net Cash (Used In)/Generated From Operating Activities | (3,940) | 3,115 |
| CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | |
| Payment for acquisition of shares in a subsidiary from non-controlling interest | (368) | - |
| Proceeds from issuance shares to non-controlling interests | - | 245 |
| Proceeds from disposal of property, plant and equipment | 1,665 | 144 |
| Interest received from fixed and short-term deposits | 13 | 23 |
| Refund received for acquisition of land | - | 1,272 |
| Deposits paid for purchase of property, plant and equipment | - | (464) |
| Purchase of land held for property development | - | (1,858) |
| Purchase of property, plant and equipment | (1,860) | (302) |
| | (550) | (940) |
| Net Cash (Used In) Investing Activities | (550) | (940) |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | |
| Repayment of from bankers' acceptances | (904) | (3,067) |
| Repurchase of own shares | - | (16) |
| Proceed from term loan | 4,500 | 2,114 |
| Repayment of term loan | (1,897) | (338) |
| Finance costs paid | (1,322) | (1,158) |
| Proceed from issuance of shares | 3,767 | - |
| Expenses of issuing shares | (66) | - |
| Proceeds from hire-purchase payables | 738 | - |
| Repayment of hire-purchase payables | (1,550) | (544) |
| | 3,266 | (3,009) |
| Net Cash Generated From/(Used In) Financing Activities | 3,266 | (3,009) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,224) | (834) |
| CASH AND CASH EQUIVALENTS AT BEGINNING | 2,111 | 3,596 |
| Effect of changes in exchange rate on foreign currency translation | - | 12 |
| CASH AND CASH EQUIVALENTS AT END | A14 887 | 2,774 |

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Report.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014. These explanatory notes attached to the condensed consolidated interim financial report provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2014 save for the adoption of the following new and revised FRS, Issues Committee("IC") Interpretations and amendments to FRSs and IC Interpretations that are mandatory for the Group for the financial year commencing 1 April 2014:

IC Interpretation 21 Levies

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities

Amendments to FRS 132 Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

Amendments to FRS 136 Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)

Amendments to FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)

The Group has not early adopted the following FRSs and amendments to FRSs that have been issued but not yet effective:

| | Effective Date for financial periods beginning on or after |
|--|---|
| Amendments to FRS 119 Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) | 1 July 2014 |
| Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2010 - 2012 Cycle3 | 1 July 2014 |
| Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2011 - 2013 Cycle3 | 1 July 2014 |
| Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to FRS 127 Equity Method in Separate Financial Statements | 1 January 2016 |
| Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2016 |
| Annual Improvements to FRSs 2012 - 2014 Cycle | 1 January 2016 |
| FRS 14 Regulatory Deferral Accounts | 1 January 2016 |
| FRS 9 Financial Instruments | 1 January 2018 |

Adoption of the Malaysian Financial Reporting Standards Framework ("MFRS Framework")

On November 19, 2011, the MASB has issued a new MASB approved accounting framework, the MFRS Framework, a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities ("TEs"). TEs, being entities with the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were given a transitional period of two years, which allow these entities an option to continue with the FRS Framework.

Based on the MASB announcement on 2 September 2014, the effective date for the adoption of MFRS Framework by transitioning entities was deferred from annual period beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 March 2014 was not subject to any qualification.

3. Comments about Seasonality or Cyclicity of Operations

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in estimates

There were no changes in estimates of amounts which have a material effect in the current quarter under review.

6. Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter.

As at 31 March 2015, the number of treasury shares held is 4,654,100 ordinary shares.

7. Dividend paid

No dividend was paid during this quarter.

8. Segmental information

Segmental information for the Group by primary format, business segment is presented as follows:

| | 12 Months ended 31 March 2015 RM'000 | 12 Months ended 31 March 2014 RM'000 |
|-------------------------------|---|---|
| Business Segment | | |
| <u>Revenue</u> | | |
| Manufacturing | 30,353 | 28,717 |
| Property development | 20,885 | 14,886 |
| | <u>51,238</u> | <u>43,603</u> |
| <u>Segment Results</u> | | |
| Manufacturing | (2,103) | (1,036) |
| Property development | 1,869 | 115 |
| Loss from operations | <u>(234)</u> | <u>(921)</u> |
| Geographical Segments | | |
| <u>Revenue</u> | | |
| Export Market: | | |
| Asia | 10,224 | 10,258 |
| Middle East | 1,680 | 400 |
| Africa | 290 | 1,174 |
| Oceania | 1,288 | 1,224 |
| Others | 330 | 288 |
| | <u>13,812</u> | <u>13,344</u> |
| Malaysia | 37,426 | 30,259 |
| | <u>51,238</u> | <u>43,603</u> |

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

9. Valuation of property, plant and equipment

There were no valuation of the property, plant and equipment in the current quarter under review.

10. Material events subsequent to the end of the quarter

Neither the Company nor its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

The Board has appointed PKF Covenant Sdn. Bhd. on 23 April 2015 to conduct an investigative review on the Group. The Company is unable to quantify the financial impact or any further financial impairment that may be required pending the completion of the said review.

Save for the above, there were no material events subsequent to the statement of financial position date up to 22 May 2015, being the latest practicable date which is not earlier than 7 days from the date of issue of this financial results.

11. Changes in the composition of the Group

On 9 February 2015, that its wholly-owned subsidiary, Scanwolf Properties Sdn Bhd has on 9 February 2015 acquired the remaining 49% equity interest comprising 367,500 ordinary shares of RM1.00 each in Scanwolf Development Sdn. Bhd. from Extra Modulation Sdn. Bhd. for a total consideration of RM367,500.00. Following the acquisition, SDSB becomes a wholly-owned subsidiary of SPSB. SDSB is principally involved in property development.

12. Contingent liabilities

The Group has no contingent liabilities which upon crystallisation would have a material impact on the financial position and business of the Group as at 22 May 2015, (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

13. Capital commitments

As at 22 May 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results), there is no commitment for capital expenditure by the Group which might have a material impact on the financial position or business of the Group.

14. Cash and cash equivalents

| | As at 31 March 2015 RM'000 | As at 31 March 2014 RM'000 |
|------------------------|---|---|
| Cash & bank balances | 2,121 | 2,993 |
| Fixed deposits | 675 | 663 |
| | <hr/> 2,796 | <hr/> 3,656 |
| Bank overdrafts | (1,234) | (882) |
| Fixed deposits pledged | (675) | - |
| | <hr/> <hr/> 887 | <hr/> <hr/> 2,774 |

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD**

1. Review of performance

| | Current quarter ended 31 March 2015 | Corresponding quarter ended 31 March 2014 | 12 Months 31 March 2015 RM'000 | 12 Months 31 March 2014 RM'000 | Variation % |
|-------------------------------|--|--|---|---|------------------------|
| Revenue | 12,286 | 11,667 | 51,238 | 43,603 | 17.5% |
| Profit/(Loss) before taxation | 892 | 720 | (234) | (921) | -74.6% |

Current Quarter

The fourth quarter ended 31 March 2015, the Group registered a revenue of RM12.3 million, an increase by 5% or RM0.6 million as compared to the preceding year's corresponding quarter. This was mainly due to increase in revenue in Property Division but partly offset by decrease in Manufacturing Division.

The Group registered a profit before tax of RM0.9 million for the current quarter under review.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

Manufacturing Division

For the quarter under review, revenue decreased by RM1.2 million as compared to previous financial year corresponding quarter. Loss before tax of RM0.2 million is recorded as compared to a profit before tax of RM0.3 million in the previous corresponding quarter as a result of lower revenue is recorded during the current quarter.

Property Division

For the quarter under review, revenue increased by RM1.8 million as compared to previous financial year corresponding quarter. Profit before tax of RM1.0 million is recorded as compared to profit before tax of RM0.4 million in the previous corresponding quarter is mainly due to recognition of negative goodwill of RM0.8 million arising from the acquisition of shares in a subsidiary from the non-controlling interest.

Year To Date

The Group revenue for the twelve months period under review rose by RM7.6 million or 22% when compared to year ago, mainly due to sales volume in Manufacturing Division and higher sales of property in Property Division. As a result, the Group recorded a lower loss before tax as compared to year ago.

2. Variation of results against preceding quarter

| | Current quarter ended 31 March 2015 RM'000 | Preceding quarter ended 31 Dec 2014 RM'000 | Variation % |
|-------------------------------|---|---|------------------------|
| Revenue | 12,286 | 12,610 | -2.6% |
| Profit/(loss) before taxation | <u>892</u> | <u>(357)</u> | -349.9% |

The Group's recorded lower revenue by 3% or RM0.3 million for current quarter under review is due to decrease in revenue in Manufacturing Division but partly offset by increase in revenue in Property Division.

The Group's recorded a profit before tax of RM0.8 million for the quarter under review as compare to a loss before tax of RM0.3 million in the immediate preceding quarter.

3. Current year prospects

The Group is cautious of its prospects for the financial year ending 30 June 2015. This is due to uncertainties related to GST implementation and stringent lending requirements by the local banks in the our Property Division. The slump in oil prices and quantitative easing measures by the European Central Bank added further uncertainties in both the global and domestic markets in our Manufacturing performance.

4. Profit forecast and profit guarantee

The Company did not issue any profit forecast or profit guarantee in this quarter and financial year to date.

5. Taxation

The taxation charge is for the property division as the manufacturing has unabsorbed tax losses and capital allowances brought forward from previous financial year.

6. Group's borrowings and debt securities

| | 31 March 2015 RM'000 | 31 March 2014 RM'000 |
|----------------------|---------------------------------|---------------------------------|
| Secured: | | |
| Bankers' acceptances | 8,634 | 9,538 |
| Term loans | 11,992 | 9,389 |
| Bank overdraft | 1,234 | 882 |
| | <u>21,860</u> | <u>19,809</u> |

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

7. Realised and unrealised profits or losses

| | 31 March 2015 | 31 March 2014 |
|---|----------------------|----------------------|
| | RM'000 | RM'000 |
| Total retained earnings of the Company and its subsidiaries | | |
| - Realised | 19,419 | 19,227 |
| - Unrealised | <u>(3,522)</u> | <u>(3,194)</u> |
| | 15,897 | 16,033 |
| Consolidation adjustments | 165 | 656 |
| | <u>16,062</u> | <u>16,689</u> |

8. Material litigation

Neither the Company nor its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

9. Dividends

No dividend is proposed in this quarter.

10. Earnings per share

Basic earnings per share is calculated by dividing net profit attributable to ordinary equity holders by the weighted average number of ordinary shares (excluding treasury shares) in issue during the period.

Weighted average number of ordinary shares for calculation of basic earnings per share:

| | 3 months ended | Year to Date |
|---|-----------------------|----------------------|
| | 31 March 2015 | 31 March 2015 |
| Profit/(loss) attributable to shareholders (RM'000) | 1,176 | (627) |
| Weighted average number of ordinary shares ('000) | 82,880 | 78,173 |
| Profit/(loss) per share (sen) | <u>1.42</u> | <u>(0.80)</u> |

11. Notes to the Condensed Consolidated Income Statement

| | 3 months ended | Year to Date |
|---|-----------------------|----------------------|
| | 31 March 2015 | 31 March 2015 |
| | RM'000 | RM'000 |
| The loss has been arrived at after accounting for the following items | | |
| (a) Interest income | 15 | 38 |
| (b) Other income including investment income | - | - |
| (c) Interest expense | 318 | 1,322 |
| (d) Depreciation and amortization | 786 | 3,432 |
| (e) Provision for and write off of receivable | - | - |
| (f) Provision for and write off of inventories | - | - |
| (g) Gain/(loss) on disposal of quoted or unquoted investments or properties | - | - |
| (h) Impairment of asset | - | - |
| (i) Foreign exchange gain/(loss) | 85 | 130 |
| (j) Gain or (loss) on derivatives | - | - |
| (k) Exceptional item | - | - |

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 31 March 2015
(The figures have not been audited)

12. Corporate proposals

On 17 October 2014, the Board of Directors of SCB approved the proposal to undertake a private placement of up to 10% of the issued and paid-up share capital in SCB comprising of 7,534,000 new ordinary shares to investors. The Private Placement of 7,534,000 new ordinary shares was fully subscribed and completed on 14 November 2014.

The status of utilisation of the proceeds from the Private Placement as at 31 March 2015 are as follows:

| Purpose | Proceeds Raised (RM'000) | Amount Utilised (RM'000) | Amount Unutilised (RM'000) |
|----------------------------------|--------------------------|--------------------------|----------------------------|
| Purchase of raw materials | 2,000 | (2,000) | - |
| Payment for development expenses | 1,677 | (1,677) | - |
| Share issue expenses | 90 | (67) | # 23 |
| Total | 3,767 | (3,744) | 23 |

The actual share issue expenses are lower than budgeted, the excess will be used for working capital purposes.

13. Authorisation for issue

The unaudited interim financial reports were authorised for issue by the Board of Directors.

By order of the Board
Dato' Ch'ng Kong San
Group Managing Director

27 May 2015