



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND FIFTEEN MONTHS ENDED 30 JUNE 2015

26 August 2015



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Comprehensive Income
For the fifth quarter ended 30 June 2015
(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 15 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	13,061	11,748	64,299	N/A
Other operating income	(424)	77	747	N/A
Operating expenses	(17,078)	(11,521)	(64,967)	N/A
Depreciation & amortisation	(742)	(876)	(4,174)	N/A
Finance costs	(429)	(289)	(1,751)	N/A
Loss before taxation	(5,612)	(861)	(5,846)	N/A
Taxation	1,616	(91)	1,605	N/A
Loss for the period & Total comprehensive loss	(3,996)	(952)	(4,241)	N/A
Income/(loss) attribute to:				
Equity holders of the Company	(3,996)	(1,020)	(4,623)	N/A
Non-controlling interest	-	68	382	N/A
	(3,996)	(952)	(4,241)	N/A
Total comprehensive income/(loss) attributable to :				
Equity holders of the Company	(3,996)	(1,020)	(4,623)	N/A
Non-controlling interest	-	68	382	N/A
	(3,996)	(952)	(4,241)	N/A
Earnings per share attributable to equity holder of the Company:				
Loss per per share (sen)	(4.69)	(1.35)	(5.84)	N/A

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.

As announced on 29 April 2015, the financial year end has been changed from 31 March 2015 to 30 June 2015.



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Financial Position
As at 30 June 2015
(The figures have not been audited)

	As at 30 June 2015 RM'000	(Audited) As at 31 March 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,261	24,116
Land held for property development	16,954	15,179
Trade receivables	-	2,087
Total non-current assets	37,215	41,382
Current assets		
Inventories	13,922	8,349
Trade and other receivables	15,333	16,807
Property development projects	7,535	16,939
Current tax assets	178	42
Cash and bank balances	4,177	3,655
Total current assets	41,145	45,792
TOTAL ASSETS	78,360	87,174
EQUITY AND LIABILITIES		
Share capital	43,767	40,000
Treasury shares	(307)	(1,831)
Reserves	(446)	2,220
	43,014	40,389
Non-controlling interest	-	858
Total Equity	43,014	41,247
Non-current liabilities		
Hire-purchase payables	501	1,166
Borrowings	1,412	7,822
Deferred tax liabilities	1,593	3,372
Total non-current liabilities	3,506	12,360
Current liabilities		
Trade and other payables	16,014	18,037
Hire-purchase payables	257	465
Progress billings	1,438	2,637
Current tax liabilities	28	441
Borrowings	14,103	11,987
Total current liabilities	31,840	33,567
Total liabilities	35,346	45,927
TOTAL EQUITY AND LIABILITIES	78,360	87,174
Net Assets per share (RM)	0.54	0.54

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.

As announced on 29 April 2015, the financial year end has been changed from 31 March 2015 to 30 June 2015.

Scanwolf Corporation Berhad (Company no: 740909-T)
 Condensed Consolidated Statement of Changes in Equity
 For the fifth quarter ended 30 June 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	-	-	-	-	-	872	(1,240)	(368)
As at 31 March 2015	43,767	(19,524)	1,968	3,020	(1,831)	16,934	-	44,334
Total comprehensive income	-	-	-	-	-	(3,996)	-	(3,996)
Resold of treasury shares	-	-	1,152	-	1,524	-	-	2,676
As at 30 June 2015	43,767	(19,524)	3,120	3,020	(307)	12,938	-	43,014

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.

As announced on 29 April 2015, the financial year end has been changed from 31 March 2015 to 30 June 2015.

Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Cash Flows
For the fifth quarter ended 30 June 2015
(The figures have not been audited)

Note	Cumulative 15 months ended 30 June	
	2015 RM'000	2014 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before taxation	(5,846)	N/A
Adjustments for:		
Depreciation of property, plant and equipment	4,174	N/A
Negative goodwill recognised	(874)	N/A
Gain in disposal of property, plant and equipment	(63)	N/A
Investment revenue	(45)	N/A
Finance costs	1,751	N/A
	<u>(903)</u>	<u>N/A</u>
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(5,784)	N/A
Trade & other receivables	4,874	N/A
Property development costs	8,253	N/A
Increase/(Decrease) in:		
Trade and other payables	(8,331)	N/A
Progress billings	42	N/A
	<u>(1,849)</u>	<u>N/A</u>
Cash (used in) operations	(1,849)	N/A
Income tax refunded	42	N/A
Income tax paid	(768)	N/A
	<u>(2,575)</u>	<u>N/A</u>
Net Cash (Used In) Operating Activities		
	<u>(2,575)</u>	<u>N/A</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Payment for acquisition of shares in a subsidiary from non-controlling interest	(368)	N/A
Proceeds from disposal of property, plant and equipment	1,665	N/A
Interest received from fixed and short-term deposits	45	N/A
Purchase of property, plant and equipment	(1,920)	N/A
	<u>(578)</u>	<u>N/A</u>
Net Cash (Used In) Investing Activities		
	<u>(578)</u>	<u>N/A</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Repayment of from bankers' acceptances	(4,302)	N/A
Proceed from term loan	4,500	N/A
Repayment of term loan	(2,734)	N/A
Finance costs paid	(1,751)	N/A
Proceed from issuance of shares	3,767	N/A
Expenses of issuing shares	(66)	N/A
Proceed from sale of treasury shares	2,674	N/A
Proceeds from hire-purchase payables	738	N/A
Repayment of hire-purchase payables	(1,612)	N/A
	<u>1,214</u>	<u>N/A</u>
Net Cash Generated From Financing Activities		
	<u>1,214</u>	<u>N/A</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,939)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING	2,111	N/A
Effect of changes in exchange rate on foreign currency translation	-	N/A
CASH AND CASH EQUIVALENTS AT END	<u><u>172</u></u>	<u><u>N/A</u></u>
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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.

As announced on 29 April 2015, the financial year end has been changed from 31 March 2015 to 30 June 2015.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fifth quarter ended 30 June 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 adopted the following FRSs and amendments to FRSs that have been issued but yet to be 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 fifth quarter ended 30 June 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 Cyclical 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

During the current quarter, a total of 3,773,200 treasury shares were sold in the open market for a total consideration of RM2.7 million. The gain on from these sales have been recorded in the share premium account of the Company.

As at 30 June 2015, the number of treasury shares held is 780,900 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:

	15 Months ended 30 June 2015 RM'000	15 Months ended 30 June 2014 RM'000
Business Segment		
<u>Revenue</u>		
Manufacturing	41,663	N/A
Property development	22,636	N/A
	<u>64,299</u>	<u>N/A</u>
<u>Segment Results</u>		
Manufacturing	(4,719)	N/A
Property development	478	N/A
Loss from operations	<u>(4,241)</u>	<u>N/A</u>
Geographical Segments		
<u>Revenue</u>		
Export Market:		
Asia	12,035	N/A
Middle East	2,670	N/A
Africa	538	N/A
Oceania	1,803	N/A
Others	1,527	N/A
	<u>18,573</u>	<u>N/A</u>
Malaysia	45,726	N/A
	<u>64,299</u>	<u>N/A</u>

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fifth quarter ended 30 June 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.

There were no material events subsequent to the statement of financial position date up to 21 August 2015.

11. Changes in the composition of the Group

There were no changes in the composition of the Group since the last quarter.

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 21 August 2015.

13. Capital commitments

As at 21 August 2015, 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 30 June 2015 RM'000	As at 30 June 2014 RM'000
Cash & bank balances	3,498	1,312
Fixed deposits	679	666
	<hr/> 4,177	<hr/> 1,978
Bank overdrafts	(3,326)	(1,392)
Fixed deposits pledged	(679)	(666)
	<hr/> <hr/> 172	<hr/> <hr/> (80)

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

1. Review of performance

	Current quarter ended 30 June 2015	Corresponding quarter ended 30 June 2014	15 Months 30 June 2015 RM'000	15 Months 30 June 2014 RM'000	Variation %
Revenue	13,061	N/A	64,299	N/A	N/A
Loss before taxation	(5,612)	N/A	(5,846)	N/A	N/A

Current Quarter

The fifth quarter ended 30 June 2015, the Group recorded a revenue of RM13.0 million and loss before taxation of RM5.6 million. The significant loss for this current quarter is due to allowance for doubtful debts amounting to RM3.3 million provided for overseas customers under Manufacturing Division.

There is no preceding year corresponding period comparison due to the change in the financial year end from 31 March 2015 to 30 June 2015, as announced on 29 April 2015.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fifth quarter ended 30 June 2015
(The figures have not been audited)

Manufacturing Division

For the quarter under review, Manufacturing Division recorded a revenue of RM11.3 million and loss before taxation of RM2.6 million, mainly due to allowance for doubtful debts amounting to RM3.3 million provided for overseas customers.

Property Division

For the quarter under review, Property Division recorded a revenue of RM1.7 million and loss before taxation of RM1.4 million. The loss is due to lower revenue recorded during the quarter and adjustment on the negative goodwill of RM0.8 million, from previous quarter recorded in the statement of comprehensive income to retained earning in this current quarter.

Year To Date

The Group recorded a revenue of RM64.3 million and loss before taxation of RM5.8 million for the fifteen months period. There is no comparison due to the change in the financial year end.

2. Variation of results against preceding quarter

	Current quarter ended 30 June 2015 RM'000	Preceding quarter ended 31 March 2015 RM'000	Variation %
Revenue	13,061	12,286	6.3%
(Loss)/profit before taxation	(5,612)	892	-729.1%

The Group recorded a loss before taxation of RM5.6 million for the quarter under review as compare to a profit before taxation of RM0.9 million in the immediate preceding quarter. The higher loss is due to allowance for doubtful debt amounting to RM3.3 million provided for overseas customer under Manufacturing Division.

Without the allowance for doubtful debts, the Group recorded a loss before tax of RM2.3 when compare to a profit before tax of RM0.9 million in proceeding quarter mainly due to lower gross profit margin recorded in Manufacturing Division and lower revenue recognised in Property Division during the current quarter under review.

3. Prospects for next financial year

Manufacturing Division is influenced by global demand and its performance is dependent on the expected gradual recovery of the global economy.

In Property Division, the Group has submitted new development plan and will launch them once approvals are obtained from the relevant authorities.

The Group expect a challenging financial year ahead due to current market conditions.

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

There is a deferred taxation income of RM1.7 million recorded for current and 15 months ended 30 June 2015 in Manufacturing Division. main due to allowance for doubtful debts. Tax expense of RM0.18 million is recorded in Property Division.

6. Group's borrowings and debt securities

	30 June 2015 RM'000	31 March 2014 RM'000
Secured:		
Bankers' acceptances	5,236	9,538
Term loans	6,953	9,389
Bank overdrafts	3,326	882
	15,515	19,809

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fifth quarter ended 30 June 2015
(The figures have not been audited)

7. Realised and unrealised profits or losses

	30 June 2015	31 March 2014
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	16,295	19,227
- Unrealised	<u>(3,522)</u>	<u>(3,194)</u>
	12,773	16,033
Consolidation adjustments	165	656
	<u>12,938</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
	30 June 2015	30 June 2015
Loss attributable to shareholders (RM'000)	(3,996)	(4,623)
Weighted average number of ordinary shares ('000)	85,290	79,113
Loss per share (sen)	<u>(4.69)</u>	<u>(5.84)</u>

11. Notes to the Condensed Consolidated Income Statement

	3 months ended	Year to Date
	30 June 2015	30 June 2015
	RM'000	RM'000
The loss has been arrived at after accounting for the following items		
(a) Interest income	7	45
(b) Other income including investment income	-	-
(c) Interest expense	429	1,751
(d) Depreciation and amortization	742	4,174
(e) Provision for and write off of receivable	3,277	3,277
(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)	299	429
(j) Gain or (loss) on derivatives	-	-
(k) Exceptional item	-	-

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fifth quarter ended 30 June 2015
(The figures have not been audited)

12. Corporate proposals

There were no corporate proposals announced in this quarter and financial period to date.

13. Authorisation for issue

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

By order of the Board
Dato' Tan Sin Keat
Executive Director

26 August 2015