



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2016**

**29 August 2016**

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**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the fourth quarter ended 30 June 2016**  
**(The figures have not been audited)**

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 12 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	19,424	13,061	56,205	52,551
Other operating income	26	(424)	95	670
Operating expenses	(16,929)	(17,078)	(51,579)	(53,446)
Depreciation & amortisation	(598)	(742)	(2,665)	(3,298)
Finance costs	(971)	(429)	(1,867)	(1,462)
<b>Profit/(Loss) before taxation</b>	952	(5,612)	189	(4,985)
Taxation	(613)	1,616	(613)	1,696
<b>Profit/(Loss) for the period &amp; Total comprehensive loss</b>	<u>339</u>	<u>(3,996)</u>	<u>(424)</u>	<u>(3,289)</u>
<b>Income/(loss) attribute to:</b>				
Equity holders of the Company	339	(3,996)	(424)	(3,603)
Non-controlling interests	-	-	-	314
	<u>339</u>	<u>(3,996)</u>	<u>(424)</u>	<u>(3,289)</u>
<b>Total comprehensive income/(loss) attributable to :</b>				
Equity holders of the Company	339	(3,996)	(424)	(3,603)
Non-controlling interests	-	-	-	314
	<u>339</u>	<u>(3,996)</u>	<u>(424)</u>	<u>(3,289)</u>
<b>Earnings per share attributable to equity holder of the Company:</b>				
Profit/(Loss) per per share (sen)	<u>0.39</u>	<u>(4.69)</u>	<u>(0.49)</u>	<u>(4.55)</u>

**Note:**

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 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 30 June 2016**  
 (The figures have not been audited)

	As at 30 June 2016 RM'000	(Audited) As at 30 June 2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,577	20,348
Land held for property development	14,316	11,946
Other assets	2,346	-
<b>Total non-current assets</b>	<b>37,239</b>	<b>32,294</b>
<b>Current assets</b>		
Inventories	15,581	13,921
Trade and other receivables	20,466	14,471
Property development projects	16,819	12,966
Current tax assets	371	155
Fixed deposit, cash and bank balances	2,610	4,227
<b>Total current assets</b>	<b>55,847</b>	<b>45,740</b>
<b>TOTAL ASSETS</b>	<b>93,086</b>	<b>78,034</b>
<b>EQUITY AND LIABILITIES</b>		
Issued capital	43,767	43,767
Treasury shares	(307)	(307)
Reserves	(842)	(418)
<b>Total Equity</b>	<b>42,618</b>	<b>43,042</b>
<b>Non-current liabilities</b>		
Other payables	8,274	4,521
Hire-purchase payables	530	503
Borrowings	5,203	5,050
Deferred tax liabilities	1,786	1,504
<b>Total non-current liabilities</b>	<b>15,793</b>	<b>11,578</b>
<b>Current liabilities</b>		
Trade and other payables	19,937	12,149
Hire-purchase payables	331	256
Progress billings	6,040	1,438
Current tax liabilities	62	46
Borrowings	8,305	9,525
<b>Total current liabilities</b>	<b>34,675</b>	<b>23,414</b>
<b>Total Liabilities</b>	<b>50,468</b>	<b>34,992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>93,086</b>	<b>78,034</b>
<b>Net Assets per share (RM)</b>	<b>0.49</b>	<b>0.61</b>

**Note:**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 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 30 June 2016  
 (The figures have not been audited)

	Non-distributable			Distributable		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 30 June 2015	43,767	(19,524)	3,120	3,020	(307)	12,966	43,042
Total comprehensive income	-	-	-	-	-	28	28
As at 30 September 2015	43,767	(19,524)	3,120	3,020	(307)	12,994	43,070
Total comprehensive loss	-	-	-	-	-	(1,405)	(1,405)
As at 31 December 2015	43,767	(19,524)	3,120	3,020	(307)	11,589	41,665
Total comprehensive income	-	-	-	-	-	614	614
As at 31 March 2016	43,767	(19,524)	3,120	3,020	(307)	12,203	42,279
Total comprehensive income	-	-	-	-	-	339	339
As at 30 June 2016	43,767	(19,524)	3,120	3,020	(307)	12,542	42,618

**Note:**

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 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 30 June 2016**  
**(The figures have not been audited)**

Note	Cumulative 12 months ended June	
	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	189	(4,985)
Adjustments for:		
Depreciation of property, plant and equipment	2,665	3,298
Negative goodwill recognised	-	(874)
Gain in disposal of property, plant and equipment	(55)	(15)
Investment revenue	(26)	(45)
Finance costs	1,867	1,462
	<u>4,640</u>	<u>(1,159)</u>
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(1,572)	(7,505)
Trade & other receivables	(5,578)	9,314
Property development costs	(8,489)	8,182
Increase/(Decrease) in:		
Trade and other payables	10,199	(5,114)
Progress billings	5,359	(1,814)
	<u>15,558</u>	<u>(7,928)</u>
Cash generated from operations	4,559	1,904
Income tax refunded	150	42
Income tax paid	(682)	(679)
	<u>4,027</u>	<u>1,267</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Payment for acquisition of shares in a subsidiary from non-controlling interest	-	(368)
Placement of fixed deposits	(271)	-
Proceeds from disposal of property, plant and equipment	-	1,617
Interest received from fixed and short-term deposits	55	45
Purchase of property, plant and equipment	(2,894)	(1,372)
	<u>(3,110)</u>	<u>(78)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceed/(repayment) of bankers' acceptances	353	(3,172)
Repayment of term loan	(1,610)	(1,497)
Proceed from term loan	1,955	-
Finance costs paid	(1,867)	(1,462)
Expenses of issuing shares	-	(66)
Proceed from issuance of shares	-	3,344
Proceed from sale of treasury shares	-	2,674
Proceeds from hire-purchase payables	468	738
Repayment of hire-purchase payables	(365)	(1,496)
	<u>(1,066)</u>	<u>(937)</u>
Net Cash (Used In) Financing Activities		
	<u>(1,066)</u>	<u>(937)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(149)</b>	<b>252</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>1,163</b>	<b>(80)</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>A14</b>	<b>172</b>
	<u>1,014</u>	<u>172</u>

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 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 30 June 2016**  
**(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 period ended 30 June 2015. 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 period ended 30 June 2015.

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 period ended 30 June 2015 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.

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 FRSs contained in the document entitled Annual Improvements to FRSs 2012 - 2014 Cycle Associate or Joint Venture	1 January 2016
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 101 Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
Disclosure Initiative (Amendments to FRS 107)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 112)	1 January 2017
FRS 9 Financial Instruments	1 January 2018
FRS 15 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019

**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, MFRS Framework which becomes effective in the financial statements of the Group for financial year ending 30 June 2019.

**2. Auditors' Report on Preceding Annual Financial Statements**

The audited report of the preceding annual financial statements was not subject to any qualification but contained an emphasis of matter on the financial statements which discloses the investigative review conducted by a professional service firm on the Group for the financial period 31 March 2011 to 31 March 2015.

**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.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2016**  
**(The figures have not been audited)**

**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 30 June 2016, 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:

	<b>12 Months ended 30 June 2016 RM'000</b>	<b>12 Months ended 30 June 2015 RM'000</b>
<b>Business Segment</b>		
<b><u>Revenue</u></b>		
Manufacturing	34,265	33,075
Property development	21,940	19,476
	<u>56,205</u>	<u>52,551</u>
<b><u>Segment Results</u></b>		
Manufacturing	(220)	(3,896)
Property development	(205)	607
Profit/(Loss) from operations	<u>(425)</u>	<u>(3,289)</u>
<b>Geographical Segments</b>		
<b><u>Revenue</u></b>		
Export Market:		
Asia	9,692	9,157
Middle East	1,797	2,165
Africa	156	429
Oceania	1,937	1,421
Others	432	1,527
	<u>14,014</u>	<u>14,699</u>
Malaysia	42,191	37,852
	<u>56,205</u>	<u>52,551</u>

**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 19 August 2016.

**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 19 August 2016.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2016**  
**(The figures have not been audited)**

**13. Capital commitments**

As at 19 August 2016, the commitment for capital expenditure by the Group which might have a material impact on the financial position or business of the Group.

Approved and contracted for:

Single storey detached factory

**RM'000**

5,058

**14. Cash and cash equivalents**

	<b>As at 30 June 2016 RM'000</b>	<b>As at 30 June 2015 RM'000</b>
Cash & bank balances	1,635	3,498
Fixed deposits with licensed bank	975	679
	<u>2,610</u>	<u>4,177</u>
Bank overdrafts	(621)	(3,326)
Fixed deposits pledged	(975)	(679)
	<u>1,014</u>	<u>172</u>

**15. Related party transactions**

The following are the significant related party transactions:

	<b>3 months ended 30 June 2016 RM</b>	<b>Year to Date 30 June 2016 RM</b>
Rental paid to a Director of Group	7,500	10,000
Rental paid to a Director of a major subsidiary	6,600	22,000

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

**1. Review of performance**

	<b>Current quarter ended 30 June 2016</b>	<b>Corresponding quarter ended 30 June 2015</b>	<b>12 Months 30 June 2016 RM'000</b>	<b>12 Months 30 June 2015 RM'000</b>	<b>Variation %</b>
Revenue	19,424	13,061	56,205	52,551	7%
Profit/(Loss) before taxation	952	(5,612)	189	(4,985)	104%

Current Quarter

For the fourth quarter ended 30 June 2016, the Group recorded revenue of RM19.4 million, an increase of RM6.3 million or 49% against preceding year's corresponding quarter which is mainly attributed from Property Division.

Profit before taxation ("PBT") for the fourth quarter recorded RM1.0 million, an increase of RM6.6 million when compare to preceding year's corresponding quarter. The increase in PBT in current quarter is mainly due to higher revenue achieved after offset by provision for loss of RM2.9 million for disposal of 3.72 acres land in Kampar, Perak. The increase also to due allowance for doubtful debts amounting to RM3.3 million provided in preceding year's corresponding quarter.

Manufacturing Division

For the fourth quarter ended 30 June 2016 Manufacturing Division recorded a revenue of RM9.1 million, a decrease of revenue of RM0.4 million from RM9.5 million in preceding year's corresponding quarter. PBT of RM0.3 million is recorded in current quarter, an increase by RM2.9 million when compare to loss before tax ("LBT") of RM2.6 million in preceding year's corresponding quarter. The LBT recorded in preceding year's corresponding quarter is mainly due to allowance for doubtful debts amounting to RM3.3 million.

Property Division

For the fourth quarter ended 30 June 2016, Property Division recorded a revenue of RM10.3 million, an increase of RM6.8 million in preceding year's corresponding quarter. PBT of RM0.1 million recorded in current quarter after offset provision for loss of RM2.9 million for disposal of 3.72 acres land in Kampar, Perak, an increase by RM1.5 million when compare to LBT of RM1.4 million in preceding year's corresponding quarter.



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2016**  
**(The figures have not been audited)**

**2. Variation of results against preceding quarter**

	<b>Current quarter ended 30 June 2016 RM'000</b>	<b>Preceding quarter ended 31 March 2016 RM'000</b>	<b>Variation %</b>
Revenue	19,424	13,693	41.9%
Profit before taxation	<u>952</u>	<u>614</u>	55.0%

The Group's revenue for the fourth quarter ended 30 June 2016 was registered at RM19.4 million, as against revenue of RM13.7 million in the preceding quarter. The increase was attributed from both Manufacturing and Property Division from RM8.3 million and RM5.4 million respectively in immediate preceding quarter to RM9.1 million and RM10.3 million respectively, an overall increase of RM5.7 million.

The Group's recorded a PBT of RM1.0 million for the quarter under review as compare to RM0.6 million in the immediate preceding quarter. The increase in PBT in the current quarter under review was mainly attributed from both Manufacturing and Property Division which is due to increase in revenue but offset by provision for loss of RM2.9 million for disposal of 3.72 acres land in Kampar, Perak.

**3. Prospects for next financial year**

The business of Manufacturing Division for next financial year 2017 is expecting to be challenging, thought prospects remain positive with the current fast moving property development in the country and the expected gradual recovery of the global economy. The business of Property Division continues to be challenging with tighter lending conditions by banks.

Despite the challenges, the Board remains positive on the Group's performance for next financial year.

**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**

Taxation mainly was provided for Property Division while the Manufacturing Division has unutilised reinvestment allowances and tax losses previous year.

**6. Group's borrowings and debt securities**

	<b>30 June 2016 RM'000</b>	<b>30 June 2015 RM'000</b>
Secured:		
Bankers' acceptances	5,590	5,236
Term loan	7,297	6,954
Bank overdrafts	621	2,385
	<u>13,508</u>	<u>14,575</u>

**7. Realised and unrealised profits or losses**

	<b>30 June 2016 RM'000</b>	<b>30 June 2015 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	13,671	14,615
- Unrealised	(1,294)	(1,944)
	<u>12,377</u>	<u>12,671</u>
Consolidation adjustments	165	295
	<u>12,542</u>	<u>12,966</u>

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2016**  
**(The figures have not been audited)**

**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:

	<b>3 months ended 30 June 2016</b>	<b>Year to Date 30 June 2016</b>
Profit/(Loss) attributable to shareholders (RM'000)	339	(424)
Weighted average number of ordinary shares ('000)	86,753	86,753
Profit/(Loss) per share (sen)	<u>0.39</u>	<u>(0.49)</u>

**11. Notes to the Condensed Consolidated Income Statement**

	<b>3 months ended 30 June 2016 RM'000</b>	<b>Year to Date 30 June 2016 RM'000</b>
The profit has been arrived at after accounting for the following items		
(a) Interest income	8	26
(b) Other income including investment income	-	-
(c) Interest expense	971	1,867
(d) Depreciation and amortization	598	2,665
(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)	(226)	(94)
(j) Gain or (loss) on derivatives	-	-
(k) Exceptional item	<u>-</u>	<u>-</u>

**12. Corporate proposals**

There were no corporate proposals announced in this quarter and financial year 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' Loo Bin Keong  
Executive Director

29 August 2016