



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2018**

30 AUGUST 2018



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Comprehensive Income
For the fourth quarter ended 30 June 2018
(The figures have not been audited)

| | Individual Quarter 3 months ended 30 June | | Cumulative Quarter 12 months ended 30 June | |
|---|---|----------------|--|----------------|
| | 2018 RM'000 | 2017 RM'000 | 2018 RM'000 | 2017 RM'000 |
| Revenue | 12,484 | 25,906 | 62,466 | 62,386 |
| Other operating income | 207 | 7 | 490 | 383 |
| Operating expenses | (12,677) | (23,403) | (57,856) | (60,205) |
| Depreciation & amortisation | (379) | (583) | (1,590) | (2,477) |
| Results from operating activities | (365) | 1,927 | 3,510 | 87 |
| Finance costs | (403) | (526) | (1,322) | (1,283) |
| Share of result in an associate, net of tax | (395) | (107) | (607) | (137) |
| Profit/(loss) before taxation | (1,163) | 1,294 | 1,581 | (1,333) |
| Taxation | (569) | (59) | (1,046) | (771) |
| Profit/(loss) for the year | (1,732) | 1,235 | 535 | (2,104) |
| Other comprehensive income | | | | |
| Gain arising from revaluation of properties | - | 1,697 | - | 1,697 |
| Total comprehensive income/(loss) attributed to the Company | (1,732) | 2,932 | 535 | (407) |
| Earnings per share attributable to equity holder of the Company: | | | | |
| Profit/(loss) per share (sen) | (1.82) | 1.42 | 0.60 | (2.43) |

Note:

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 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 2018
 (The figures have not been audited)

| | As at 30 June 2018 RM'000 | (Audited) As at 30 June 2017 RM'000 |
|---------------------------------------|---------------------------------|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 28,625 | 26,302 |
| Investment in an associate company | 129 | 212 |
| Amount owing by an associate company | 4,613 | 3,096 |
| Land held for property development | 10,149 | 10,111 |
| Total non-current assets | <u>43,516</u> | <u>39,721</u> |
| Current assets | | |
| Inventories | 17,784 | 15,592 |
| Trade and other receivables | 11,469 | 19,308 |
| Amount owing by an associate company | 458 | - |
| Property development projects | 37,187 | 31,515 |
| Current tax assets | 96 | 179 |
| Fixed deposit, cash and bank balances | 1,529 | 3,035 |
| Total current assets | <u>68,523</u> | <u>69,629</u> |
| TOTAL ASSETS | <u>112,039</u> | <u>109,350</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 49,056 | 46,887 |
| Treasury shares | (307) | (307) |
| Reserves | (5,465) | (6,000) |
| Total Equity | <u>43,284</u> | <u>40,580</u> |
| Non-current liabilities | | |
| Other payables | 1,071 | 1,536 |
| Hire-purchase payables | 948 | 1,064 |
| Borrowings | 10,721 | 14,797 |
| Deferred tax liabilities | 1,128 | 1,140 |
| Total non-current liabilities | <u>13,868</u> | <u>18,537</u> |
| Current liabilities | | |
| Trade and other payables | 39,770 | 28,843 |
| Amount owing to a Director | 100 | - |
| Hire-purchase payables | 392 | 355 |
| Progress billings | 599 | 7,285 |
| Current tax liabilities | 951 | 1,065 |
| Borrowings | 13,075 | 12,685 |
| Total current liabilities | <u>54,887</u> | <u>50,233</u> |
| Total Liabilities | 68,755 | 68,770 |
| TOTAL EQUITY AND LIABILITIES | <u>112,039</u> | <u>109,350</u> |
| Net Assets per share (RM) | <u>0.48</u> | <u>0.47</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 30 June 2017 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 2018
 (The figures have not been audited)

| | Non-distributable | | Distributable | | Total RM'000 | |
|-------------------------------------|----------------------------|---|----------------------------------|------------------------------|-----------------|-------------------------------|
| | Share Capital RM'000 | Reverse Acquisition Reserve RM'000 | Revaluation Reserve RM'000 | Treasury Shares RM'000 | | Retained Profits RM'000 |
| As at 30 June 2017 | 46,887 | (19,524) | 4,717 | (307) | 8,807 | 40,580 |
| Profit for the period | - | - | - | - | 1,400 | 1,400 |
| As at 30 September 2017 | 46,887 | (19,524) | 4,717 | (307) | 10,207 | 41,980 |
| Profit for the period | - | - | - | - | 2,341 | 2,341 |
| As at 31 December 2017 | 46,887 | (19,524) | 4,717 | (307) | 12,548 | 44,321 |
| Share issuance on private placement | 2,169 | - | - | - | - | 2,169 |
| Loss for the period | - | - | - | - | (1,474) | (1,474) |
| As at 31 March 2018 | 49,056 | (19,524) | 4,717 | (307) | 11,074 | 45,016 |
| Loss for the period | - | - | - | - | (1,732) | (1,732) |
| As at 30 June 2018 | 49,056 | (19,524) | 4,717 | (307) | 9,342 | 43,284 |

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 30 June 2017 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 2018
(The figures have not been audited)

| | Cumulative | |
|--|----------------|----------|
| | 2018 | 2017 |
| Note | RM'000 | RM'000 |
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | 1,581 | (1,333) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,590 | 2,477 |
| Property, plant and equipment written off | - | 1,272 |
| Finance costs | 1,322 | 1,130 |
| Imputed interest expenses | 80 | - |
| Impairment loss recognised on receivables | 245 | 740 |
| Share of losses of an associated company | 607 | 137 |
| Provision for liquidated and ascertained damages | 320 | 102 |
| Unrealised (gain)/loss on foreign exchange - net | (1) | 100 |
| Gain on revaluation of properties | - | (377) |
| Reversal of inventories written down | - | (296) |
| Interest income | (192) | (245) |
| Investment revenue | (30) | (52) |
| Gain on disposal of property, plant and equipment | - | (49) |
| Impairment loss recognised on receivables no longer required | - | (43) |
| | 5,522 | 3,563 |
| Movements in working capital: | | |
| (Increase)/Decrease in: | | |
| Land held for property development | 38 | 1,671 |
| Inventories | (2,192) | 285 |
| Property development projects | (5,672) | (11,666) |
| Trade & other receivables | 5,518 | (1,512) |
| Increase/(Decrease) in: | | |
| Trade and other payables | 10,462 | 3,983 |
| Progress billings | (6,686) | 1,244 |
| | 6,990 | (2,432) |
| Cash generated from/(used in) operations | 6,990 | (2,432) |
| Interest income on current account received | 30 | 242 |
| Interest income on Housing Development Account received | 4 | 3 |
| Income tax paid | (1,101) | (877) |
| Income tax refunded | 57 | - |
| Net Cash Generated From/(Used In) Operating Activities | 5,923 | (3,064) |
| CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | - | 1,050 |
| Interest on fixed and short-term deposits received | 30 | 29 |
| Purchase of property, plant and equipment | (3,913) | (6,251) |
| Advances granted to an associated company | (874) | (3,073) |
| Investment in an associated company | - | (349) |
| Addition to land held for property development | (30) | (58) |
| Placement of fixed deposits | (21) | (1) |
| Net Cash (Used In) Investing Activities | (4,808) | (8,653) |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | |
| Proceed from issued share capital | 2,169 | - |
| (Repayment)/proceeds from bridging loans | (6,493) | 16,003 |
| Proceeds from term loans | 1,000 | 4,214 |
| Proceeds from bank overdraft | 2,723 | 836 |
| Repayment of term loans | (476) | (5,613) |
| Net (repayment of)/proceeds from bankers' acceptances | (376) | (1,190) |
| Finance costs paid | (1,322) | (1,022) |
| Repayment of hire-purchase payables | (359) | (375) |
| Proceeds from hire-purchase payables | 280 | - |
| Advances received from/(repayment to) a Director | 100 | (255) |
| Repayment to joint venture partner - net | - | (210) |
| Net Cash (Used in)/Generated From Financing Activities | (2,754) | 12,388 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,639) | 671 |
| CASH AND CASH EQUIVALENTS AT BEGINNING | 2,058 | 1,357 |
| Effect of changes in exchange rate on foreign currency translation | 103 | 30 |
| CASH AND CASH EQUIVALENTS AT END | A14 522 | 2,058 |

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 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 2018
(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 2017. 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 2017.

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 2017 except for the adoption of the following which are applicable to its financial statements and are relevant to its operations

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

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS) Framework. The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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.

On 28 October 2015, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2018. 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 preceding audited financial statements for the financial year ended 30 June 2017 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 30 June 2018, the number of treasury shares held is 780,900 ordinary shares.

7. Dividend paid

No dividend was paid during this quarter.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 30 June 2018
(The figures have not been audited)

8. Segmental information

Segmental information is presented in respect of the Group's business segment as follows:

12 Months ended 30 June 2018

| | Manufacturing RM'000 | Property Development RM'000 | Investment Holding RM'000 | Consolidated RM'000 |
|---------------------------------|-------------------------|-----------------------------------|---------------------------------|------------------------|
| Revenue | 37,095 | 25,371 | - | 62,466 |
| Results | | | | |
| Segment results | (3,018) | 8,205 | (1,899) | 3,288 |
| Investment revenue | 192 | 30 | - | 222 |
| Finance costs | (947) | (374) | (1) | (1,322) |
| | (3,773) | 7,861 | (1,900) | 2,188 |
| Share of result in an associate | (607) | - | - | (607) |
| Profit/(loss) before tax | (4,380) | 7,861 | (1,900) | 1,581 |
| Tax expenses | | | | (1,046) |
| Profit after tax | | | | 535 |

12 Months ended 30 June 2017

| | Manufacturing RM'000 | Property Development RM'000 | Investment Holding RM'000 | Consolidated RM'000 |
|---------------------------------|-------------------------|-----------------------------------|---------------------------------|------------------------|
| Revenue | 37,644 | 24,742 | - | 62,386 |
| Results | | | | |
| Segment results | (3,532) | 4,822 | (1,448) | (158) |
| Investment revenue | - | 29 | - | 29 |
| Finance costs | (703) | (353) | (11) | (1,067) |
| | (4,235) | 4,498 | (1,459) | (1,196) |
| Share of result in an associate | (137) | - | - | (137) |
| Profit/(loss) before tax | (4,372) | 4,498 | (1,459) | (1,333) |
| Tax expenses | | | | (771) |
| Loss after tax | | | | (2,104) |

| Geographical Area | 12 Months ended 30 June 2018 | 12 Months ended 30 June 2017 |
|--------------------------|---|---|
| Revenue | | |
| Asia | 8,998 | 9,496 |
| Middle East | 1,282 | 1,441 |
| Africa | 212 | 199 |
| Oceania | 2,970 | 3,362 |
| Others | 25 | 116 |
| Total export | 13,487 | 14,614 |
| Malaysia | 48,979 | 47,772 |
| Total revenue | 62,466 | 62,386 |

9. Valuation of property, plant and equipment

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

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 30 June 2018
(The figures have not been audited)

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 23 August 2018.

11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review, other than the following:-

On 4 April 2018, the Company's wholly-owned subsidiary, Scanwolf Plastic Industries Sdn. Bhd. subscribed additional 523,500 shares of RM1.00 each in joint venture company, Nissha Flooring Industries Sdn. Bhd., aggregating in total 872,500 shares of RM1.00 each, representing 34.9% equity interest in JVC.

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 23 August 2018.

13. Capital commitments

As of 23 August 2018, the Group has the following capital commitment in respect of property, plant and equipment:

| | RM'000 |
|-----------------------------|---------------|
| Approved and contracted for | <u>759</u> |

14. Cash and cash equivalents

| | As at 30 June 2018 RM'000 | As at 30 June 2017 RM'000 |
|-----------------------------------|--|--|
| Cash & bank balances | 522 | 2,058 |
| Fixed deposits with licensed bank | 1,007 | 977 |
| | <u>1,529</u> | <u>3,035</u> |
| Fixed deposits pledged | (1,007) | (977) |
| | <u>522</u> | <u>2,058</u> |

15. Related party transaction

The following is the related party transaction:

| | 3 months ended 30 June 2018 RM | Year to Date 30 June 2018 RM |
|------------------------------------|---|---|
| Rental paid to a Director of Group | <u>7,950</u> | <u>30,450</u> |

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 2018 | Corresponding quarter ended 30 June 2017 | 12 Months 30 June 2018 RM'000 | 12 Months 30 June 2017 RM'000 | Variation % |
|-------------------------------|---|---|--|--|------------------------|
| Revenue | 12,484 | 25,906 | 62,466 | 62,386 | 0% |
| (Loss)/profit before taxation | (1,163) | 1,294 | 1,581 | (1,333) | 219% |

Group

For the fourth and final quarter ended 30 June 2018, the Group recorded a revenue of RM12.5 million, a decrease of RM13.4 million or 52% against preceding year's corresponding quarter which was mainly due to decrease of revenue in Property Division.

During this quarter under review, the Group recorded a loss before tax ("LBT") of RM1.2 million against profit before taxation ("PBT") of RM1.3 million in preceding year's corresponding quarter. A loss was recorded during this current quarter was mainly due lower profit recognised in Property Division.

Manufacturing Division

During current quarter ended 30 June 2018, Manufacturing Division recorded a revenue of RM8.8 million, decrease of RM1.3 million or 13% from RM10.1 million in preceding year's corresponding quarter was due lower production output which was affected by vast variety of designs and colours orders by customers which required more production time to complete such orders. A LBT of RM2.3 million was recorded in current quarter, when compare to LBT of RM2.9 million in preceding year's corresponding quarter. The decrease in loss was due to a saving in imputed interest expenses and partly offset by lower gross margin recorded which affected by the decrease in revenue as explained above in the current quarter.

Property Division

During current quarter ended 30 June 2018, Property Division recorded a revenue of RM3.6 million, decrease of RM12.1 million or 77% from RM15.7 million in preceding year's corresponding quarter was due to slow in both take-up rate and approval of loan from bankers for the buyers. During this quarter, PBT of RM1.6 million was recorded when compare to PBT of RM4.6 million in preceding year's corresponding quarter, mainly due to lower revenue recorded in this current quarter.

2. Variation of results against preceding quarter

| | Current quarter ended 30 June 2018 RM'000 | Preceding quarter ended 31 March 2018 RM'000 | Variation % |
|------------------------|--|---|------------------------|
| Revenue | 12,484 | 12,490 | 0.0% |
| (Loss) before taxation | (1,163) | (1,677) | -30.6% |

For the fourth ended 30 June 2018, the Group recorded the same revenue of RM12.5 million when compare to the immediate preceding quarter.

The Group recorded a LBT of RM1.2 million for the current quarter as compare to LBT of RM1.7 million in the immediate preceding quarter. The decrease in loss in current quarter was due to higher profit recorded in Property Division while offset by higher loss in Manufacturing as explained in Part B1 above.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 30 June 2018
(The figures have not been audited)

3. Prospects for next financial year

The Manufacturing Division is operating in global economic uncertainties as well as facing increases in their production costs, rising of material cost and fluctuation in foreign exchange rates. Besides that, increasing labour cost and proposed Sales Tax implementation from 1 September 2018 will increase the cost to the manufacturing.

The outlook for the Property Division continues to be challenging.

The Group continues to seek ways and implement measures to improve the financial performance for the financial year ending 30 June 2019.

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 tax expenses were provided for Property Division.

6. Group's borrowings and debt securities

| | 30 June 2018 | 30 June 2017 |
|-----------------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Secured: | | |
| Bridging loans | 9,446 | 16,002 |
| Bankers' acceptances | 4,024 | 4,400 |
| Term loans | 6,425 | 5,901 |
| Bank overdrafts | 3,901 | 1,179 |
| | <u>23,796</u> | <u>27,482</u> |
| Less: Amount due within 12 months | (13,075) | (12,685) |
| | <u>10,721</u> | <u>14,797</u> |

7. Material litigation

Neither the Company nor its subsidiaries are 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.

8. Listing requirement

The external auditor of the Company has performed a limited review on this quarterly report to comply with the requirement as stipulated in the letter of Bursa Securities Malaysia Berhad ("Bursa Securities") dated 21 September 2017 as announced by Bursa Securities on 29 September 2017.

9. Dividends

No dividend is proposed in this quarter.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the fourth quarter ended 30 June 2018
(The figures have not been audited)

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 30 June 2018 | Year to Date 30 June 2018 |
|---|--|--------------------------------------|
| (Loss)/profit attributable to shareholders (RM'000) | (1,732) | 535 |
| Weighted average number of ordinary shares ('000) | 95,001 | 89,510 |
| (Loss)/profit per share (sen) | <u>(1.82)</u> | <u>0.60</u> |

11. Notes to the Condensed Consolidated Income Statement

| | 3 months ended 30 June 2018 RM'000 | Year to Date 30 June 2018 RM'000 |
|---|---|---|
| The profit has been arrived at after accounting for the following items | | |
| (a) Interest income | 64 | 222 |
| (b) Other income including investment income | - | - |
| (c) Interest expense | 403 | 1,322 |
| (d) Depreciation and amortization | 379 | 1,590 |
| (e) Provision for and write off of receivable | 245 | 245 |
| (f) Provision for and write off of inventories | 14 | 14 |
| (g) Gain/(loss) on disposal of quoted or unquoted investments or properties | - | - |
| (h) Impairment of asset | - | - |
| (i) Foreign exchange gain/(loss) | (42) | (306) |
| (j) Gain or (loss) on derivatives | - | - |
| (k) Exceptional item | - | - |

12. Corporate proposals

On 21 December 2017, 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 8,675,300 new ordinary shares to investors. The Private Placement of 8,675,300 new ordinary shares was fully subscribed and completed on 6 March 2018.

The status of utilisation of the proceeds from the Private Placement as at 30 June 2018 are as follows:

| Purpose | Proceeds Raised (RM'000) | Amount Utilised (RM'000) | Amount Unutilised (RM'000) |
|--|--------------------------|--------------------------|----------------------------|
| Working capital | 2,049 | (698) | 1,351 |
| Estimated expenses in relation to the Proposed Private Placement | 120 | (93) | # 27 |
| Total | 2,169 | (791) | 1,378 |

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' Loo Bin Keong
Executive Director

30 August 2018