



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2020**

**28 AUGUST 2020**



Scanwolf Corporation Berhad (Company no: 740909-T)  
 Condensed Consolidated Statement of Comprehensive Income  
 For the fourth quarter ended 30 June 2020  
 (The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 12 months ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	3,986	15,822	31,646	48,701
Other operating income	(579)	169	12,463	427
Operating expenses	(1,676)	(16,002)	(36,357)	(51,462)
Depreciation & amortisation	(1,014)	(400)	(3,487)	(1,620)
<b>Results from operating activities</b>	717	(411)	4,265	(3,954)
Finance costs	(472)	(331)	(2,305)	(1,709)
Share of result in an associate, net of tax	-	-	-	(129)
<b>Profit/(Loss) before taxation</b>	245	(742)	1,960	(5,792)
Taxation	(1,376)	539	(1,338)	161
<b>(Loss)/Profit for the year &amp; total comprehensive (loss)/income attributed to the Company</b>	<b>(1,131)</b>	<b>(203)</b>	<b>622</b>	<b>(5,631)</b>
<b>Earnings per share attributable to equity holder of the Company:</b>				
(Loss)/Profit per share (sen)	(1.08)	(0.21)	0.59	(5.90)

**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 2019 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 2020  
 (The figures have not been audited)

	As at 30 June 2020 RM'000	(Audited) As at 30 June 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,599	28,565
Right of use assets	2,966	-
Other receivable	-	7,809
Deferred tax assets	-	1,483
Inventories	8,732	10,176
<b>Total non-current assets</b>	<b>53,297</b>	<b>48,033</b>
<b>Current assets</b>		
Inventories	55,666	57,016
Contract assets	-	425
Trade and other receivables	5,461	7,989
Current tax assets	15	15
Fixed deposit, cash and bank balances	468	1,057
<b>Total current assets</b>	<b>61,610</b>	<b>66,502</b>
<b>TOTAL ASSETS</b>	<b>114,907</b>	<b>114,535</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	49,724	49,056
Treasury shares	(307)	(307)
Reserves	(12,102)	(12,724)
<b>Total Equity</b>	<b>37,315</b>	<b>36,025</b>
<b>Non-current liabilities</b>		
Other payables	1,290	1,063
Lease liabilities	1,870	1,169
Borrowings	5,236	5,891
Deferred tax liabilities	1,551	1,597
<b>Total non-current liabilities</b>	<b>9,947</b>	<b>9,720</b>
<b>Current liabilities</b>		
Trade and other payables	42,975	44,130
Contract liability	468	-
Lease liability	149	524
Current tax liabilities	537	582
Borrowings	23,516	23,554
<b>Total current liabilities</b>	<b>67,645</b>	<b>68,790</b>
<b>Total Liabilities</b>	<b>77,592</b>	<b>78,510</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>114,907</b>	<b>114,535</b>
<b>Net Assets per share (RM)</b>	<b>0.36</b>	<b>0.38</b>

**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 2019 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 2020  
 (The figures have not been audited)

	Share Capital RM'000	Treasury Shares RM'000	Non-distributable		Distributable	Total RM'000
			Reverse Acquisition Reserve RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	
As at 30 June 2019	49,056	(307)	(19,524)	4,717	2,083	36,025
Profit/Total comprehensive income for the period	-	-	-	-	10,369	10,369
As at 30 September 2019	49,056	(307)	(19,524)	4,717	12,452	46,394
Loss/Total comprehensive loss for the period	-	-	-	-	(6,175)	(6,175)
As at 31 December 2019	49,056	(307)	(19,524)	4,717	6,277	40,219
Loss/Total comprehensive loss for the period	-	-	-	-	(2,441)	(2,441)
As at 31 March 2020	49,056	(307)	(19,524)	4,717	3,836	37,778
Share issuance on private placement	668	-	-	-	-	668
Loss/Total comprehensive loss for the period	-	-	-	-	(1,131)	(1,131)
As at 30 June 2020	49,724	(307)	(19,524)	4,717	2,705	37,315

**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 2019 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 2020**  
**(The figures have not been audited)**

Note	Cumulative 12 months ended June	
	2020 RM'000	2019 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	1,960	(5,792)
Adjustments for:		
Allowance for expected credit losses	159	147
Allowance for slow moving inventories	-	129
Bad debt written off	6	-
Change in fair value on amount due from an associate	-	390
Deposit written off	751	-
Depreciation	3,487	1,620
Gain on bargain purchase	(12,375)	-
Gain on disposal of plant and equipment	(9)	(6)
Interest expense	2,370	1,709
Interest income	(10)	(351)
Inventories written down	859	199
Plant and equipment written off	8	2
Property held for development written off	1,444	-
Share of loss of an associate	-	129
Unrealised loss/(gain) on foreign exchange	48	(29)
	<u>(1,302)</u>	<u>(1,853)</u>
Movements in working capital:		
Decrease/(Increase) in:		
Inventories	2,065	5,040
Trade & other receivables	10,040	2,903
Contract assets	425	(269)
Contract costs	-	170
(Decrease)/Increase in:		
Trade and other payables	(11,374)	2,863
Contract liabilities	468	(6,770)
Cash generated (used in)/from operations	<u>322</u>	<u>2,084</u>
Income tax refunded	108	133
Income tax paid	(53)	(674)
Net cash generated from operating activities	<u>377</u>	<u>1,543</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Advances to an associated company	-	(3,248)
Acquisition of subsidiary, net cash and cash equivalent acquired	3,072	-
Interest received	10	351
Purchase of property, plant and equipment	(1,220)	(1,679)
Proceed from disposal of plant and equipment	75	6
Withdrawal of fixed deposit	283	723
Net cash generated from/(used In) investing activities	<u>2,220</u>	<u>(3,847)</u>
<b>CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,370)	(2,382)
Proceed from issuance share capital	668	-
Repayment of back to back loan arrangement	(48)	(204)
(Repayment) / Proceed of bankers' acceptances	(11)	4,676
Repayment of bridging and term loans	(367)	(2,082)
Repayment of lease liabilities	(460)	(507)
Proceed from term loans	84	1,000
Net cash (used in)/generated from financing activities	<u>(2,504)</u>	<u>501</u>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>93</b>	<b>(1,803)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>(5,182)</b>	<b>(3,379)</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>A14 <u>(5,089)</u></b>	<b><u>(5,182)</u></b>

**Note:**

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 2019 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 2020**  
**(The figures have not been audited)**

**Part A - Explanatory Notes Pursuant to MFRS 134**

**1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2019 which were prepared under Financial Reporting Standards ("FRS"). These explanatory notes attached to the interim financial statements provide an explanation of 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 30 June 2019.

The Group has yet to adopt the following MFRS that have been issued but not yet effective:

	Effective for financial periods beginning on or after.
Amendments to MFRS16 Covid-19-Related Rent Concessions	1 June 2020
MFRS 17, Insurance Contracts	1 January 2021
Amendments to MFRS 3, Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 101, Classification of Liabilities as Current or Noncurrent	1 January 2022
Amendments to MFRS 116, Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS16 Covid-19-Related Rent Concessions	1 January 2022
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The adoption of new MFRS and amendments did not have any material impact on the interim financial report of the Group.

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

The preceding audited financial statements for the financial year ended 30 June 2019 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.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2020**  
**(The figures have not been audited)**

**6. Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter except for private placement of up to 10% of the issued and paid-up share capital in SCB comprising of 9,542,800 new ordinary shares. The Private Placement of 9,542,800 new ordinary shares was fully subscribed and completed on 3 April 2020.

As at 30 June 2020, 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 is presented in respect of the Group's business segment as follows:

**12 Months ended 30 June 2020**

	<b>Manufacturing RM'000</b>	<b>Property Development RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>	30,184	1,462	-	31,646
<b>Results</b>				
Segment results	9,725	(3,535)	(1,925)	4,265
Finance costs	(1,253)	(1,052)	-	(2,305)
Profit/(Loss) before tax	8,486	(4,588)	(1,925)	1,960
Tax expenses				(1,338)
Profit after tax				622

**12 Months ended 30 June 2019**

	<b>Manufacturing RM'000</b>	<b>Property Development RM'000</b>	<b>Investment Holding RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>	37,217	11,484	-	48,701
<b>Results</b>				
Segment results	(2,636)	238	(1,983)	(4,381)
Investment revenue	357	38	32	427
Finance costs	(1,361)	(348)	-	(1,709)
	(3,640)	(72)	(1,951)	(5,663)
Share of result in an associate	(129)	-	-	(129)
Loss before tax	(3,769)	(72)	(1,951)	(5,792)
Tax expenses				161
Loss after tax				(5,631)

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2020**  
**(The figures have not been audited)**

<b>Geographical Area</b>	<b>12 Months ended</b>	<b>12 Months ended</b>
<b><u>Revenue</u></b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Asia	4,878	8,743
Oceania	5,275	3,675
Middle East	737	1,626
Africa	71	177
Others	185	299
Total export	<u>11,146</u>	<u>14,520</u>
Malaysia	<u>20,500</u>	<u>34,181</u>
Total revenue	<u><u>31,646</u></u>	<u><u>48,701</u></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.

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**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 24 August 2020.

**13. Capital commitments**

As at 24 August 2020, the Group has the following capital commitment in respect of property, plant and equipment.

	<b>RM'000</b>
Approved and contracted for	
- Machinery	<u><u>474</u></u>

**14. Cash and cash equivalents**

	<b>As at</b>	<b>As at</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash & bank balances	468	773
Fixed deposits with licensed bank	-	284
Bank overdraft	<u>(5,557)</u>	<u>(5,955)</u>
	<u>(5,089)</u>	<u>(4,898)</u>
Fixed deposits pledged	-	(284)
	<u><u>(5,089)</u></u>	<u><u>(5,182)</u></u>



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2020**  
**(The figures have not been audited)**

**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 2020</b>	<b>Corresponding quarter ended 30 June 2019</b>	<b>12 months 30 June 2020 RM'000</b>	<b>12 months 30 June 2019 RM'000</b>	<b>Variation %</b>
Revenue	3,986	15,822	31,646	48,701	-35%
Profit/(Loss) before taxation	245	(742)	1,960	(5,792)	-134%

Group

For the fourth quarter ended 30 June 2020, the Group recorded a revenue of RM4.0 million, a decrease of RM11.8 million or 75% against preceding year's corresponding quarter which was mainly due to decrease of revenue in both Manufacturing and Property Division, mainly due to Covid-19 pandemic.

During this quarter under review, the Group recorded a profit before tax ("PBT") of RM0.25 million against loss of before tax ("LBT") of RM0.74 million in preceding year's corresponding quarter. The increase in PBT was mainly due cost-cutting measures implemented during the Movement Control Order ("MCO").

Manufacturing Division

During current quarter ended 30 June 2020, Manufacturing Division recorded a revenue of RM4.7 million, a decrease of RM4.4 million from RM9.1 million in preceding year's corresponding quarter, mainly due to Covid-19 pandemic. During this quarter under review, the division recorded a PBT of RM0.62 million, compare to LBT of RM0.41 million in preceding year's corresponding quarter due to implementation of cost-cutting measures.

Property Division

During current quarter ended 30 June 2020, Property Division does not record any revenue due delay in approval from authorities because of MCO, compare to RM6.7 million recorded in previous year's corresponding quarter. During current quarter under review, this division recorded a LBT of RM0.08 million compare to PBT of RM0.11 million in preceding year's corresponding quarter.

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

	<b>Current quarter ended 30 June 2020 RM'000</b>	<b>Preceding quarter ended 31 Mar 2020 RM'000</b>	<b>Variation %</b>
Revenue	3,986	8,168	-51.2%
Profit/(Loss) before taxation	245	(2,453)	110.0%

For the fourth quarter ended 30 June 2020, the Group recorded the revenue of RM4.0 million, a decrease of RM4.2 million as compared to the preceding quarter. The decrease in revenue was recorded in both Manufacturing and Property Division, mainly due to Covid-19 pandemic.

The Group recorded a PBT of RM0.25 million for the current quarter as compare to LBT of RM2.4 million in the immediate preceding quarter. The increase in PBT was mainly due cost-cutting measures implemented during the MCO.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2020**  
**(The figures have not been audited)**

**3. Prospects for next financial year**

The Covid-19 pandemic has threatened global economic recovery and the various phases of MCO implemented by the Government have significantly affected the economy and disrupted the business and operations of the Group.

The Board is of the view that business sentiments remain challenging in view of the Covid-19 pandemic that has yet to abate. Nonetheless, the Group will continue to strive to deliver revenue from local and export markets, as well as continue exercise cautions in order to navigate through the challenging environment by implementation of key initiatives to optimise cost and improve operational efficiencies.

**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 expense is mainly on reversal of deferred tax assets.

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

	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Secured:		
Bridging loans	8,395	8,093
Bankers' acceptances	8,689	8,700
Term loans	6,111	6,697
Bank overdrafts	5,557	5,955
	<u>28,752</u>	<u>29,445</u>
Less: Amount due within 12 months	<u>(23,516)</u>	<u>(23,554)</u>
	<u>5,236</u>	<u>5,891</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. 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 2020**  
**(The figures have not been audited)**

**9. 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 2020</b>	<b>Year to Date 30 June 2020</b>
Profit attributable to shareholders (RM'000)	(1,131)	622
Weighted average number of ordinary shares ('000)	104,971	104,971
(Loss) / Profit per share (cents)	<u>(1.08)</u>	<u>0.59</u>

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

	<b>3 months ended 30 June 2020 RM'000</b>	<b>Year to Date 30 June 2020 RM'000</b>
The profit /(loss) has been arrived at after accounting for the following items		
(a) Interest income	2	10
(b) Other income including investment income	-	-
(c) Interest expense	472	2,305
(d) Depreciation and amortization	1,014	3,487
(e) Provision for and write off of receivable	26	910
(f) Provision for and write off of inventories	-	347
(g) Gain on disposal of property, plant and equipment	-	9
(h) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
(i) Impairment of asset	-	-
(j) Foreign exchange gain/(loss)	42	40
(k) Gain or (loss) on derivatives	-	-
(l) Exceptional item	-	-

**11. Corporate proposals**

On 25 February 2020, 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 9,542,800 new ordinary shares to investors. The Private Placement of 9,542,800 new ordinary shares was fully subscribed and completed on 3 April 2020.

The status of utilisation of the proceeds from the Private Placement as at 30 June 2020 are as follows:

Purpose	Proceeds	Amount	Amount
Purchase of raw materials	536	(536)	-
Share issue expenses	132	(61)	# 71
Total	668	(597)	71

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

**12. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 28 August 2020.