



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2021**

**13 SEPTEMBER 2021**



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the fourth quarter ended 30 June 2021**  
**(The figures have not been audited)**

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 12 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000 (Audited)
<b>Revenue</b>	15,605	3,236	48,808	30,896
Other operating income	134	855	357	13,897
Operating expenses	(14,328)	(2,504)	(44,611)	(37,185)
Depreciation & amortisation	(801)	(880)	(3,275)	(3,353)
<b>Results from operating activities</b>	610	707	1,279	4,255
Finance costs	(426)	(462)	(1,543)	(2,295)
<b>Profit / (Loss) before taxation</b>	184	245	(264)	1,960
Taxation	85	(1,376)	47	(1,338)
<b>Profit / (Loss) for the year &amp; total comprehensive income / (loss) attributed to the Company</b>	269	(1,131)	(217)	622
<b>Earnings per share attributable to equity holders of the Company:</b>				
Profit / (Loss) per share (sen)	0.26	(1.08)	(0.21)	0.59

**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 2020 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 2021  
 (The figures have not been audited)

	As at 30 June 2021 RM'000	(Audited) As at 30 June 2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,716	41,599
Non-current assets held for sale	5,470	-
Right of use assets	2,745	2,966
Inventories	8,732	8,732
<b>Total non-current assets</b>	<b>51,663</b>	<b>53,297</b>
<b>Current assets</b>		
Inventories	49,337	55,666
Trade and other receivables	7,638	6,161
Cash and bank balances	140	468
<b>Total current assets</b>	<b>57,115</b>	<b>62,295</b>
<b>TOTAL ASSETS</b>	<b>108,778</b>	<b>115,592</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	49,724	49,724
Treasury shares	(307)	(307)
Reserves	(12,319)	(12,102)
<b>Total Equity</b>	<b>37,098</b>	<b>37,315</b>
<b>Non-current liabilities</b>		
Other payables	3,170	1,290
Lease liabilities	522	1,344
Borrowings	11,720	5,236
Deferred tax liabilities	1,506	1,551
<b>Total non-current liabilities</b>	<b>16,918</b>	<b>9,421</b>
<b>Current liabilities</b>		
Trade and other payables	35,117	43,675
Amount owing to Directors	1,762	-
Contract liabilities	-	468
Lease liabilities	1,062	675
Borrowings	16,387	23,516
Tax payable	434	522
<b>Total current liabilities</b>	<b>54,762</b>	<b>68,856</b>
<b>Total Liabilities</b>	<b>71,680</b>	<b>78,277</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>108,778</b>	<b>115,592</b>
<b>Net Assets per share (RM)</b>	<b>0.35</b>	<b>0.36</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 2020 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 2021**  
**(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 Earnings RM'000	
As at 01 July 2020	49,724	(307)	(19,524)	4,717	2,705	37,315
Total comprehensive loss for the period	-	-	-	-	(1,592)	(1,592)
As at 30 September 2020	49,724	(307)	(19,524)	4,717	1,113	35,723
Total comprehensive profit for the period	-	-	-	-	383	383
As at 31 December 2020	49,724	(307)	(19,524)	4,717	1,496	36,106
Total comprehensive profit for the period	-	-	-	-	723	723
As at 31 March 2021	49,724	(307)	(19,524)	4,717	2,219	36,829
Total comprehensive profit for the period	-	-	-	-	269	269
As at 30 June 2021	49,724	(307)	(19,524)	4,717	2,488	37,098

**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 2020 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 2021**  
**(The figures have not been audited)**

	<b>Cumulative</b>	
	<b>12 months ended June</b>	
<b>Note</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Audited)</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(264)	1,960
Adjustments for:		
Allowance for expected credit losses	(112)	159
Allowance for slow moving inventories-net	-	(1,956)
Bad debt written off	-	6
Change in fair value on amount due from an associate	-	(470)
Depreciation	3,275	3,353
Gain on bargain purchase	-	(12,375)
Loss/(Gain) on disposal of plant and equipment	1	(9)
Interest income	-	(11)
Interest expense	1,543	2,306
Inventories written down	33	859
Inventories written off	-	1,444
Plant and equipment written off	2	7
Realised loss/(gain) on foreign exchange	8	(8)
Unrealised loss on foreign exchange	30	45
Operating profit/(loss) before working capital changes	<u>4,516</u>	<u>(4,690)</u>
Movements in working capital:		
Decrease / (Increase) in:		
Inventories	6,295	4,021
Contract assets	-	425
Trade & other receivables	(1,382)	2,248
Contract liabilities	(468)	468
Trade and other payables	(6,251)	(2,250)
Amount due to directors	1,762	-
Cash generated from operations	<u>4,472</u>	<u>222</u>
Income tax paid	(101)	(53)
Income tax refunded	16	108
Net cash generated from operating activities	<u>4,387</u>	<u>277</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Decrease in fixed deposit pledged	-	283
Interest received	-	11
Proceed from disposal of plant and equipment	2	75
Purchase of property, plant and equipment	(1,363)	(945)
Additions of right of use assets	(283)	(79)
Net cash inflow arising from business combination	-	3,072
Net cash (used in)/generated from investing activities	<u>(1,644)</u>	<u>2,417</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Interest paid	(1,543)	(1,789)
Proceeds from:		
- issuance of shares	-	668
- bankers' acceptances	33,411	37,861
- term loan	-	84
Repayment of:		
- back to back loan arrangement	(439)	(48)
- bankers' acceptances	(33,893)	(37,872)
- bridging and term loans	(758)	(884)
- lease liabilities	(435)	(629)
Net cash used in financing activities	<u>(3,657)</u>	<u>(2,609)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH</b>	(914)	85
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	(5,089)	(5,182)
<b>EFFECT OF EXCHANGE DIFFERENCES</b>	(8)	8
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><u>(6,011)</u></u>	<u><u>(5,089)</u></u>

**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 2020 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 2021**  
**(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 2020 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 2020.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 30 June 2020. The adoption of the new MFRS, amendments/improvements to MFRS and new IC Interpretations does not have any significant impact on the financial performance and financial position of the Group.

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

The preceding audited financial statements for the financial year ended 30 June 2020 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 2021, 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 2021**  
**(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 2021**

	<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>	35,455	13,353	-	48,808
<b>Results</b>				
Segment results	(1,209)	3,704	(1,216)	1,279
Finance costs	(1,144)	(399)	-	(1,543)
(Loss) / Profit before tax	(2,353)	3,305	(1,216)	(264)
Tax expenses				47
Loss after tax				(217)

**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>	29,434	1,462	-	30,896
<b>Results</b>				
Segment results	9,780	(2,781)	(1,925)	5,074
Finance costs	(1,307)	(1,807)	-	(3,114)
Profit / (Loss) before tax	8,473	(4,588)	(1,925)	1,960
Tax expenses				(1,338)
Profit after tax				622

<b>Geographical Area</b>	<b>12 Months ended 30 June 2021 RM'000</b>	<b>12 Months ended 30 June 2020 RM'000</b>
<b>Revenue</b>		
Asia	6,087	4,671
Oceania	2,665	5,275
Middle East	425	737
Africa	48	71
Others	472	341
Total export	9,697	11,095
Malaysia	39,111	19,801
Total revenue	48,808	30,896

**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 2021**  
**(The figures have not been audited)**

**10. Material events subsequent to the end of the quarter**

Save as disclosed below, in the opinion of the Directors, there were no material events between the end of the current quarter and the date of this report, which is likely to substantially affect the current quarter results under review.

On 9 August 2021, the Company sold all its treasury shares, 780,900 ordinary shares at range of RM0.396 to RM0.400 per share with total proceeds of RM308,660.00.

**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 8 September 2021.

**13. Capital commitments**

As at 8 September 2021, there is no significant 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**

	<b>As at 30 June 2021 RM'000</b>	<b>As at 30 June 2020 RM'000</b>
Cash & bank balances	140	468
Bank overdraft	<u>(6,151)</u>	<u>(5,557)</u>
	<u>(6,011)</u>	<u>(5,089)</u>



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2021**  
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**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 2021</b>	<b>Corresponding quarter ended 30 June 2020</b>	<b>12 months 30 June 2021 RM'000</b>	<b>12 months 30 June 2020 RM'000</b>	<b>12 months Variation %</b>
Revenue	15,605	3,236	48,808	30,896	58%
Profit/(Loss) before taxation	184	245	(264)	1,960	-113%

**4Q2021 vs 4Q2020**

For the fourth quarter ended 30 June 2021, the Group recorded a revenue of RM15.6 million, an increase of RM12.4 million against previous year's corresponding quarter which was mainly due to increase in revenue in both Manufacturing and Property Division.

During this quarter under review, profit before tax ("PBT") of RM0.18 million is recorded, decrease by RM0.06 million when compared to preceding year's corresponding quarter. The decrease in PBT was mainly due to full lockdown in June 2021 and higher cost of raw materials.

Manufacturing Division

During current quarter ended 30 June 2021, Manufacturing Division recorded a revenue of RM7.8 million, an increase of RM3.8 million from RM4.0 million in previous year's corresponding quarter. The division recorded a loss before tax ("LBT") of RM1.86 million as compared to PBT of RM0.6 million in previous year's corresponding quarter. This was mainly due to higher cost of raw materials and a full lockdown in June 2021 which affected revenue for that month.

Property Division

During current quarter ended 30 June 2021, Property Division recorded a revenue of RM7.8 million as compared to zero revenue in previous year's corresponding quarter. As a result, the division recorded a PBT of RM2.3 million, an increase of RM2.38 million as compared to LBT of RM0.08 million in previous year's corresponding quarter.

**12M2021 vs 12M2020**

The Group's revenue increased from RM30.9 million to RM48.8 million during the financial year ("12M2021"), an increase of RM17.9 million or 58% as compared to the previous financial year ("12M2020"). The increase in revenue was mainly due to higher sales recorded in both Manufacturing and Property Divisions.

The Group recorded a LBT of RM0.26 million in 12M2021 as compared to PBT of RM1.96 million in 12M2020. A high PBT recorded in 12M2020 was mainly due to gain on bargain purchase of a subsidiary company amounted to RM12.37 million. If excluding the gain, 12M2020 was recorded a LBT of RM10.41 million.

Manufacturing Division

For 12M2021, Manufacturing Division recorded a revenue of RM35.5 million, an increase of RM6 million from RM29.4 million in 12M2020. The division recorded a LBT of RM2.3 million as compared to PBT of RM8.47 million in 12M2020. The higher PBT recorded in 12M2020 was mainly due to a gain on bargain purchase of a subsidiary amounted to RM12.37 million. If excluding this gain, 12M2020 would have made a LBT of RM3.9 million.

Property Division

For 12M2021, Property Division recorded a revenue of RM13.35 million, an increase of RM11.89 million from RM1.46 million in 12M2020. The division recorded a PBT of RM3.3 million as compared to LBT of RM4.6 million in 12M2020, mainly due to higher revenue recognise in 12M2021.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2021**  
**(The figures have not been audited)**

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

	<b>Current quarter ended 30 June 2021 RM'000</b>	<b>Preceding quarter ended 31 March 2021 RM'000</b>	<b>Variation %</b>
Revenue	15,605	11,840	31.80%
Profit before taxation	<u>184</u>	<u>710</u>	<u>-74.08%</u>

For the fourth quarter ended 30 June 2021, the Group recorded revenue of RM15.6 million, an increase of RM3.7 million as compared to the preceding quarter mainly due to increase of revenue in Property Division.

The Group recorded a PBT of RM0.18 million for the current quarter as compared to PBT of RM0.71 million in the preceding quarter. The decrease in PBT was mainly due to full lockdown imposed under the National Recovery Plan from 1 June 2021 onwards which affected revenue from local customers for that month.

**3. Prospects for next financial year**

The Covid-19 pandemic still remains the major challenge and impact on global economy. Malaysian Government had instituted more stringent Standard Operating Procedures with various phases of movement controls since mid of 2021 under National Recovery Plan. These movement controls did impacted our local customers with limited workforce allowed at any one time in their factories and intermittent closure of factories.

The Group will continue to be vigilance in responding to the unpredictable condition and will be on the lookout for new income stream to improve our 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**

There is no tax expense due available of unutilised capital allowances or losses brought forward.

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

	<b>30 June 2021 RM'000</b>	<b>30 June 2020 RM'000</b>
Secured:		
Bridging loans	8,174	8,394
Bankers' acceptances	8,208	8,689
Term loans	5,574	6,111
Bank overdrafts	<u>6,151</u>	<u>5,558</u>
	28,107	28,752
Less: Amount due within 12 months	<u>(16,387)</u>	<u>(23,516)</u>
	<u>11,720</u>	<u>5,236</u>

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2021**  
**(The figures have not been audited)**

**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.

**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 2021</b>	<b>Year to Date 30 June 2021</b>
Profit/(Loss) attributable to shareholders (RM'000)	269	(217)
Weighted average number of ordinary shares ('000)	104,971	104,971
Earnings/(loss) per share (sen)	<u>0.26</u>	<u>(0.21)</u>

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

	<b>3 months ended 30 June 2021 RM'000</b>	<b>Year to Date 30 June 2021 RM'000</b>
The profit has been arrived at after accounting for the following items		
(a) Interest income	-	-
(b) Other income including investment income	-	-
(c) Interest expense	426	1,543
(d) Depreciation and amortization	801	3,275
(e) Provision for and write off of receivable	-	-
(f) Provision for and write off of inventories	-	33
(g) Loss on disposal of plant and equipment	-	1
(h) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
(i) Impairment of asset	-	-
(j) Foreign exchange gain/(loss)	(31)	94
(k) Gain or (loss) on derivatives	-	-
(l) Exceptional item	-	-

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 30 June 2021**  
**(The figures have not been audited)**

**11. Corporate Proposal**

On 9 August 2021, on behalf of our Board, AmInvestment Bank Berhad has announced that the Rights Issue of irredeemable convertible unsecured loan stocks ("ICULS") with Warrants and the Creditor Capitalisation have been completed following the listing of and quotation for 134,971,200 ICULS and 52,485,600 Warrants on the Main Market of Bursa Securities on 9 August 2021.

104,971,200 ICULS were issued pursuant to the Rights Issue of ICULS with Warrants and the total proceeds raised was RM10,497,120.

At the date of this report, the status of utilisation of proceeds from Right Issue of ICULS with Warrants are as follows:

<b>Purpose</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Intended Timeframe for Utilisation</b>
Capital expenditure	3,680	1,740	within 12 months
Repayment of bank borrowings	3,000	3,000	within 12 months
Working capital	2,967	2,967	within 12 months
Estimated expenses in relation to the Proposals	850	744	within 2 weeks
<b>Total</b>	<b>10,497</b>	<b>8,451</b>	

**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 13 September 2021.