



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2022**

**28 FEBRUARY 2023**



**Scanwolf Corporation Berhad (Company no. 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the second quarter ended 31 December 2022**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	10,931	9,566	20,580	16,150
Other operating income	21	2	26	67
Operating expenses	(9,401)	(11,428)	(20,455)	(20,539)
Depreciation & amortisation	(961)	(852)	(1,911)	(1,680)
<b>Results from operating activities</b>	<u>590</u>	<u>(2,712)</u>	<u>(1,760)</u>	<u>(6,002)</u>
Finance costs	(413)	(360)	(740)	(913)
<b>Profit /(Loss) before taxation</b>	<u>177</u>	<u>(3,072)</u>	<u>(2,500)</u>	<u>(6,915)</u>
Taxation	33	11	49	15
<b>Profit /(Loss) for the period &amp; total comprehensive profit / (loss) attributed to the Company</b>	<u><u>210</u></u>	<u><u>(3,061)</u></u>	<u><u>(2,451)</u></u>	<u><u>(6,900)</u></u>
<b>Profit /(Loss) per share attributable to equity holders of the Company:</b>				
Profit/(Loss) per share (sen)	<u>0.11</u>	<u>(2.35)</u>	<u>(1.24)</u>	<u>(4.15)</u>

**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 2022 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 31 December 2022**  
**(The figures have not been audited)**

	<b>As at</b>	<b>(Audited)</b>
	<b>31 Dec 2022</b>	<b>As at</b>
	<b>RM'000</b>	<b>30 June 2022</b>
		<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,719	37,342
Right-of-use assets	2,683	3,577
Deferred tax assets	154	160
Inventories	8,732	8,732
<b>Total non-current assets</b>	<b>51,288</b>	<b>49,811</b>
<b>Current assets</b>		
Inventories	49,572	50,202
Trade and other receivables	9,075	9,442
Cash and bank balances	619	212
<b>Total current assets</b>	<b>59,266</b>	<b>59,856</b>
<b>TOTAL ASSETS</b>	<b>110,554</b>	<b>109,667</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	82,019	81,125
ICULS equity	1,972	2,189
Warrant reserve	3,499	3,499
Share options reserve	7,693	7,819
Other reserves	(13,835)	(13,835)
Accumulated losses	(15,932)	(13,481)
<b>Total Equity</b>	<b>65,416</b>	<b>67,316</b>
<b>Non-current liabilities</b>		
Other payables	1,713	959
Lease liabilities	2,029	1,199
Borrowings	1,455	8,028
Deferred tax liabilities	2,075	2,124
<b>Total non-current liabilities</b>	<b>7,272</b>	<b>12,310</b>
<b>Current liabilities</b>		
Trade and other payables	19,568	19,307
Lease liabilities	1,018	859
Borrowings	16,605	9,170
ICULS liabilities	643	668
Tax payables	32	37
<b>Total current liabilities</b>	<b>37,866</b>	<b>30,041</b>
<b>Total liabilities</b>	<b>45,138</b>	<b>42,351</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>110,554</b>	<b>109,667</b>
<b>Net Assets per share (RM)</b>	<b>0.33</b>	<b>0.39</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 2022 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 second quarter ended 31 December 2022**  
**(The figures have not been audited)**

	Non-distributable					Distributable	Total RM'000	
	Share capital RM'000	ICULS equity RM'000	Warrant reserve RM'000	Share options reserve RM'000	Reverse acquisition reserve RM'000	Revaluation reserve RM'000		Retained earnings RM'000
As at 01 July 2022	81,125	2,189	3,499	7,819	(19,524)	5,689	(13,481)	67,316
Loss, representing total comprehensive loss for the period	-	-	-	-	-	-	(2,661)	(2,661)
Conversion of ICULS	7	(2)	-	-	-	-	-	5
Share options exercised	187	-	-	(68)	-	-	-	119
Share options forfeited	-	-	-	(33)	-	-	-	(33)
As at 30 September 2022	81,319	2,187	3,499	7,718	(19,524)	5,689	(16,142)	64,746
Profit, representing total comprehensive profit for the period	-	-	-	-	-	-	210	210
Conversion of ICULS	700	(215)	-	(25)	-	-	-	460
As at 31 December 2022	82,019	1,972	3,499	7,693	(19,524)	5,689	(15,932)	65,416

**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 2022 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 second quarter ended 31 December 2022**  
**(The figures have not been audited)**

	Cumulative	
	6 months ended December	
Note	2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Loss before tax	(2,500)	(6,915)
Adjustments for:		
Allowance for expected credit losses	180	24
Depreciation	1,911	1,680
Equity settled share based payment	(58)	-
Gain on disposal of plant and equipment	(23)	-
Interest expense	707	913
Realised loss / (gain) on foreign exchange - cash and cash equivalents	38	(3)
Unrealised (gain) / loss on foreign exchange	(16)	5
	<u>239</u>	<u>(4,296)</u>
Movements in working capital:		
Decrease in:		
Inventories	629	275
Trade & other receivables	189	198
Increase / (Decrease) in:		
Trade and other payables	1,054	(14,295)
Amount due to Directors	-	(1,762)
Cash generated from / (used in) operations	<u>2,111</u>	<u>(19,880)</u>
Income tax paid	(5)	(144)
Net cash generated from / (used in) operating activities	<u>2,106</u>	<u>(20,024)</u>
<b>CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(3,320)	(896)
Acquisition of right-of-use assets	(74)	(252)
Proceeds from disposal of plant and equipment	23	-
Net cash used in investing activities	<u>(3,371)</u>	<u>(1,148)</u>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Interest paid	(707)	(813)
Issuance of ICULS and creditor capitalisation	-	13,497
Proceeds from issuance of share	472	13,725
Proceeds from disposal of treasury share	-	309
Proceeds from bankers' acceptances	24,523	19,999
Proceeds from lease liabilities	1,504	-
Proceeds from share options exercised	119	-
Repayment of back to back loan arrangement	(23)	-
Repayment of bankers' acceptances	(23,934)	(22,097)
Repayment of bridging and term loans	(3,459)	(1,403)
Repayment of lease liabilities	(515)	79
Net cash (used in) / generated from financing activities	<u>(2,020)</u>	<u>23,296</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,285)</b>	<b>2,124</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>(1,296)</b>	<b>(6,011)</b>
<b>EFFECT OF EXCHANGE DIFFERENCES</b>	<b>(38)</b>	<b>3</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>A14 (4,619)</b>	<b>(3,884)</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 2022 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 second quarter ended 31 December 2022**  
**(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 2022. 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 2022.

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 2022. The adoption of the new MFRS, amendments/improvements to MFRSs 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 2022 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.

**7. Dividend paid**

No dividend was paid during this quarter.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2022**  
**(The figures have not been audited)**

**8. Segmental information**

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

**6 Months ended 31 December 2022**

	Manufacturing RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
<b>Revenue</b>	17,473	3,107	-	20,580
<b>Results</b>				
Segment results	(1,297)	406	(868)	(1,759)
Finance costs	(403)	(247)	(91)	(741)
Loss before tax	(1,700)	159	(959)	(2,500)
Tax expenses				49
Loss after tax				(2,451)

**6 Months ended 31 December 2021**

	Manufacturing RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
<b>Revenue</b>	15,103	1,047	-	16,150
<b>Results</b>				
Segment results	(4,491)	181	(1,692)	(6,002)
Finance costs	(424)	(390)	(99)	(913)
Loss before tax	(4,915)	(209)	(1,791)	(6,915)
Tax expenses				15
Loss after tax				(6,900)

<b>Geographical Area</b>	<b>3 Months ended 31 Dec 2022 RM'000</b>	<b>3 Months ended 31 Dec 2021 RM'000</b>
<b>Revenue</b>		
Asia	2,450	2,217
Oceania	976	864
Middle East	294	186
Africa	87	(3)
Others	320	137
Total export	4,127	3,401
Malaysia	16,453	12,749
Total revenue	20,580	16,150

**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 24 February 2023.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2022**  
**(The figures have not been audited)**

**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 February 2023.

**13. Capital commitments**

As at 24 February 2023, 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 31 Dec 2022 RM'000</b>	<b>As at 31 Dec 2021 RM'000</b>
Cash & bank balances	619	323
Bank overdraft	(5,238)	(4,207)
	<u>(4,619)</u>	<u>(3,884)</u>



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2022**  
**(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 31 Dec 2022 RM'000</b>	<b>Corresponding quarter ended 31 Dec 2021 RM'000</b>	<b>6 months 31 Dec 2022 RM'000</b>	<b>6 months 31 Dec 2021 RM'000</b>	<b>Variation %</b>
Revenue	10,931	9,566	20,580	16,150	27%
Profit / (Loss) before taxation	177	(3,072)	(2,500)	(6,915)	-64%

**2Q2023 vs 2Q2022**

For the second quarter ended 31 December 2022, the Group recorded a revenue of RM10.93 million, an increase of RM1.37 million against previous year's corresponding quarter which was mainly due to increase of revenue in Property Division.

During this quarter under review, profit before tax ("PBT") of RM0.18 million is recorded as compared to loss before tax ("LBT") of RM3.07 million in previous year's corresponding quarter. A higher PBT recorded was mainly due to higher revenue recorded in Property Division and lower cost of sales in Manufacturing Division.

**Manufacturing Division**

During current quarter ended 31 December 2022, Manufacturing Division recorded a revenue of RM7.82 million, a decrease of RM0.70 million from RM8.52 million in previous year's corresponding quarter. The division recorded a PBT of RM0.14 million as compared to LBT of RM2.48 million in previous year's corresponding quarter which was mainly due to lower cost of raw materials.

**Property Division**

During current quarter ended 31 December 2022, Property Division recorded a revenue of RM3.11 million, an increase of RM2.06 million from RM1.05 million in previous year's corresponding quarter. The division recorded a PBT of RM0.55 million as compared to LBT of RM0.04 million in previous year's corresponding quarter due to higher revenue recorded.

**6M2023 vs 6M2022 (Cumulative Quarter Performances)**

The Group recorded revenue of RM20.58 million, an increase of RM4.43 million or 27.43% from RM16.15 million for the six months period ended 31 December 2022. An increase in revenue was mainly due to higher sales recorded in both Manufacturing and Property Division.

The Group recorded a LBT of RM2.5 million for the six months period ended 31 December 2022 ("6M2023"), a decrease of RM4.41 million as compared to LBT of RM6.91 million recorded in corresponding period of the preceding financial year ("6M2022"). Lower LBT recorded in 6M2023 was mainly due to higher sales in Manufacturing and Property Division and lower cost of raw materials.

**Manufacturing Division**

For 6M2023, Manufacturing Division recorded a revenue of RM17.47 million, an increase of RM2.37 million from RM15.10 million in 6M2022. The division recorded a LBT of RM1.70 million as compared to LBT of RM4.92 million in 6M2022. A lower LBT recorded in 6M2023 was mainly due to higher revenue recorded and lower costs of raw materials.

**Property Division**

For 6M2023, Property Division recorded a revenue of RM3.11 million, an increase of RM2.06 million from RM1.05 million in 6M2022. The division recorded a PBT of RM0.16 million as compared to LBT of RM0.21 million in 6M2022 due to higher revenue recorded.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2022**  
**(The figures have not been audited)**

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

	<b>Current quarter ended 31 Dec 2022 RM'000</b>	<b>Preceding quarter ended 30 Sept 2022 RM'000</b>	<b>Variation %</b>
Revenue	10,931	9,649	13.29%
Profit / (Loss) before taxation	<u>177</u>	<u>(2,677)</u>	-106.61%

For the second quarter ended 31 December 2022, the Group recorded revenue of RM10.93 million, an increase of RM1.28 million as compared to the preceding quarter mainly due to higher revenue recorded in Property Division.

The Group recorded a PBT of RM0.18 million for the current quarter as compared to LBT of RM2.68 million in the preceding quarter. PBT recorded in current quarter was mainly due to higher revenue recorded in Property Division and lower costs of raw materials as compared to preceding quarter.

**3. Current year prospects**

The global economy is facing headwinds as a result of rising interest costs and high cost of living are weighting down the demand.

The Group are continuing with concerted efforts to develop new products, new design for existing products, derive better cost efficiencies and effective cost management across all functions.

**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>31 Dec 2022 RM'000</b>	<b>30 June 2022 RM'000</b>
Secured:		
Bridging loans	3,505	6,713
Bankers' acceptances	7,556	6,966
Term loans	1,761	2,011
Bank overdrafts	<u>5,238</u>	<u>1,508</u>
	18,060	17,198
Less: Amount due within 12 months	<u>(16,605)</u>	<u>(9,170)</u>
	<u>1,455</u>	<u>8,028</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.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2022**  
**(The figures have not been audited)**

**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 31 Dec 2022</b>	<b>Year to Date 31 Dec 2022</b>
Profit/(Loss) attributable to shareholders (RM'000)	210	(2,451)
Weighted average number of ordinary shares ('000)	198,100	197,997
Profit/(Loss) per share (sen)	<u>0.11</u>	<u>(1.24)</u>

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

	<b>3 months ended 31 Dec 2022 RM'000</b>	<b>Year to Date 31 Dec 2022 RM'000</b>
The profit/(loss) has been arrived at after accounting for the following items		
(a) Interest income	-	-
(b) Other income including investment income	-	-
(c) Interest expense	413	740
(d) Depreciation and amortization	961	1,911
(e) Provision for and write off of receivable	75	180
(f) Provision for and write off of inventories	-	-
(g) (Gain) / Loss on disposal of property, plant and equipment	(23)	(23)
(h) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
(i) Impairment of asset	-	-
(j) Foreign exchange gain/(loss)	16	(61)
(k) Gain or (loss) on derivatives	-	-
(l) Share options vested under SIS	<u>(25)</u>	<u>(126)</u>

**11. Status of Corporate Proposal**

Save as disclosed below, there were no corporate proposals announced but not completed at the date of this report:

Proposed Private Placement

On 9 March 2022, on behalf of our Board, Malacca Securities Sdn. Bhd. has announced that the Company proposes to undertake a private placement of up to 17,461,010 new Shares ("Placement Shares"), representing 10% of the total number of issued Shares of Scanwolf.

Bursa Securities had vide its letter dated 16 March 2022, granted the approval for the listing and quotation of up to 17,461,010 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities subject to certain conditions.

On 31 March 2022, on behalf of the Board, Malacca Securities Sdn Bhd has announced that the Board has fixed the issue price for the Placement Shares to be issued pursuant to the Proposed Private Placement at RM0.5445 per Placement Share. The issue price represents a discount of 9.99% to the 5-day volume weighted average market price of Scanwolf Shares up to and including 30 March 2022 of RM0.6049, being the last market day immediately before the price-fixing date.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2022**  
**(The figures have not been audited)**

**11. Status of Corporate Proposal (Cont'd)**

The Proposed Private Placement had been completed following the listing of 17,461,010 Placement Shares on the Main Market of Bursa Securities on 12 April 2022.

At the date of this report, the status of utilisation of proceeds from private placement is as follows:

<b>Purpose</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Balance (RM'000)</b>	<b>Intended Timeframe for Utilisation</b>
Capital expenditure	4,600	4,600	-	within 12 months
Purchase of raw materials for Stone Plastic Composite production	2,000	2,000	-	within 12 months
Working capital	2,707	2,815	# (108)	within 12 months
Estimated expenses in relation to the Proposed Private Placement	200	92	# 108	within 1 month
<b>Total</b>	<b>9,507</b>	<b>9,507</b>	<b>-</b>	

# the balance of the unutilised proceeds for expenses in relation to the Proposed Private Placement had been reclassified and utilised as 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 February 2023.