



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2024

30 AUGUST 2024



Scanwolf Corporation Berhad (Company no. 740909-T)
Condensed Consolidated Statement of Comprehensive Income
For the Fourth Quarter ended 30 June 2024
(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 12 months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	7,343	8,750	32,801	36,550
Other operating income	37	-	2,465	80
Operating expenses	(3,579)	(7,963)	(36,338)	(41,597)
Depreciation & amortisation	(1,036)	(1,020)	(3,995)	(3,880)
Results from operating activities	2,765	(233)	(5,067)	(8,847)
Finance costs	(557)	(438)	(1,574)	(1,560)
Profit /(Loss) before taxation	2,208	(671)	(6,641)	(10,407)
Taxation	-	-	-	16
Profit/(Loss) for the period	2,208	(671)	(6,641)	(10,391)
Profit /(Loss) for the period & total comprehensive loss attributed to the Company	2,208	(671)	(6,641)	(10,391)
Profit /(Loss) per share attributable to equity holders of the Company:				
Profit/(Loss) per share (sen)	1.10	(0.34)	(3.42)	(5.25)

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 2023 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 2024
(The figures have not been audited)

	As at	(Audited)
	30 June 2024	As at
	RM'000	30 June 2023
		RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	38,995	42,972
Right-of-use assets	1,858	2,336
Deferred tax assets	154	154
Inventories	2,529	8,731
Total non-current assets	43,536	54,193
Current assets		
Inventories	44,974	43,866
Trade and other receivables	7,167	8,402
Cash and bank balances	970	200
Total current assets	53,111	52,468
TOTAL ASSETS	96,647	106,661
EQUITY AND LIABILITIES		
Share capital	82,508	82,019
ICULS equity	1,972	1,972
Warrant reserve	3,088	3,499
Share options reserve	-	7,613
Other reserves	(14,007)	(14,007)
Accumulated losses	(30,341)	(23,700)
Total Equity	43,220	57,396
Non-current liabilities		
Lease liabilities	2,721	3,438
Borrowings	1,568	1,884
Deferred tax liabilities	2,107	2,107
Total non-current liabilities	6,396	7,429
Current liabilities		
Trade and other payables	27,926	24,356
Lease liabilities	1,483	1,191
Borrowings	16,834	15,629
ICULS liabilities	714	643
Tax payables	74	17
Total current liabilities	47,031	41,836
Total liabilities	53,427	49,265
TOTAL EQUITY AND LIABILITIES	96,647	106,661
Net Assets per share (RM)	0.22	0.29

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 2023 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 2024
(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 2023	82,019	1,972	3,499	7,613	(19,524)	5,517	(23,700)	57,396
Loss, representing total comprehensive loss for the period	-	-	-	-	-	-	(3,600)	(3,600)
As at 30 September 2023	82,019	1,972	3,499	7,613	(19,524)	5,517	(27,300)	53,796
Loss, representing total comprehensive loss for the period	-	-	-	-	-	-	(824)	(824)
Conversion of Warrant	351	-	(273)	-	-	-	-	78
As at 31 December 2023	82,370	1,972	3,226	7,613	(19,524)	5,517	(28,124)	53,050
Loss, representing total comprehensive loss for the period	-	-	-	-	-	-	(4,425)	(4,425)
As at 31 March 2024	82,370	1,972	3,226	7,613	(19,524)	5,517	(32,549)	48,625
Profit, representing total comprehensive loss for the period	-	-	-	-	-	-	2,208	2,208
Conversion of Warrant	138	-	(138)	-	-	-	-	-
Share options forfeited	-	-	-	(7,613)	-	-	-	(7,613)
As at 30 June 2024	82,508	1,972	3,088	-	(19,524)	5,517	(30,341)	43,220

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 2023 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 2024
(The figures have not been audited)

	Note	Cumulative 12 months ended June	
		2024 RM'000	2023 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Loss before tax		(6,641)	(10,407)
Adjustments for:			
Allowance for expected credit losses		126	150
Depreciation		4,473	3,880
Gain on disposal of asset		(500)	43
Equity settled share based payment		(7,613)	(139)
Impairment of fixed asset		6,252	-
Interest expense		1,574	1,529
Realised loss / (gain) on foreign exchange - cash and cash equivalents		(26)	63
Unrealised (gain) / loss on foreign exchange		(42)	(1)
		<u>(2,397)</u>	<u>(4,882)</u>
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		5,207	5,941
Trade & other receivables		1,236	1,459
Increase / (Decrease) in:			
Trade and other payables		<u>3,542</u>	<u>3,847</u>
Cash generated from / (used in) operations		<u>7,588</u>	<u>6,365</u>
Income tax paid		<u>(58)</u>	<u>(20)</u>
Net cash (used in)/generated from operating activities		<u>7,530</u>	<u>6,345</u>
CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(453)	(8,412)
Acquisition of right-of-use assets		(267)	(268)
Proceeds from disposal of assets		501	403
Net cash (used in)/ generated from investing activities		<u>(219)</u>	<u>(8,277)</u>
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Interest paid		(1,402)	(1,442)
Proceeds from issuance of share		445	472
Proceeds from bankers' acceptances		33,650	44,986
Proceeds from lease liabilities		-	5,894
Proceeds from share options exercised		260	119
Repayment of bankers' acceptances		(33,992)	(45,086)
Repayment of bridging and term loans		(3,862)	(4,132)
Repayment of lease liabilities		<u>(1,513)</u>	<u>(2,551)</u>
Net cash (used in)/generated from financing activities		<u>(6,414)</u>	<u>(1,740)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		897	(3,672)
CASH AND CASH EQUIVALENTS AT BEGINNING		(5,031)	(1,296)
EFFECT OF EXCHANGE DIFFERENCES		-	(63)
CASH AND CASH EQUIVALENTS AT END	A14	<u><u>(4,134)</u></u>	<u><u>(5,031)</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 2023 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 2024
(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 2023. 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 2023.

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 2023. 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 2023 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

During the financial period ended 30 June 2024, the Company increased its issued and paid up ordinary share capital from RM82.50 million to RM82.51 million by way of issuance of 40,000 new ordinary shares of RM0.30 each pursuant to the conversion of warrants to ordinary shares.

Save for the above, there were no issuance and repayment of debt and equity securities, share buybacks, share cancellations, share held as treasury and resale of treasury shares during the financial period under review.

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 2024
(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 2024

	Manufacturing RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	32,401	400	-	32,801
Results				
Segment results	(11,905)	1,082	5,756	(5,067)
Finance costs	(1,257)	(139)	(178)	(1,574)
Profit/(Loss) before tax	(13,162)	943	5,578	(6,641)
Tax expenses				-
Loss after tax				(6,641)

12 Months ended 30 June 2023

	Manufacturing RM'000	Property Development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	32,283	4,267	-	36,550
Results				
Segment results	(6,970)	(219)	(1,657)	(8,846)
Finance costs	(930)	(451)	(180)	(1,561)
Loss before tax	(7,900)	(670)	(1,837)	(10,407)
Tax expenses				16
Loss after tax				(10,391)

Geographical Area	12 Months ended 30 June 2024 RM'000	12 Months ended 30 June 2023 RM'000
Revenue		
Asia	4,179	4,390
Oceania	556	1,503
Middle East	374	630
Others	395	645
Total export	5,504	7,168
Malaysia	27,297	29,382
Total revenue	32,801	36,550

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 29 August 2024.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the Fourth Quarter ended 30 June 2024
(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 29 August 2024.

13. Capital commitments

As at 29 August 2024, 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

	As at 30 June 2024 RM'000	As at 30 June 2023 RM'000
Cash & bank balances	970	200
Bank overdrafts	(5,104)	(5,231)
	<u>(4,134)</u>	<u>(5,031)</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 2024 RM'000	Corresponding quarter ended 30 June 2023 RM'000	12 Months 30 June 2024 RM'000	12 Months 30 June 2023 RM'000	Variation %
Revenue	7,343	8,750	32,801	36,550	-10%
Profit/(Loss)	2,208	(671)	(6,641)	(10,407)	-36%

4Q2024 vs 4Q2023

For the fourth quarter ended 30 June 2024, the Group recorded a revenue of RM7.34 million, an decrease of RM1.41 million against previous year's corresponding quarter which due decrease of revenue recorded in Manufacturing Division and Property Division in current quarter.

During this quarter under review, profit before tax ("PBT") of RM2.21 million is recorded as compared to loss before tax ("LBT") of RM0.67 million in previous year's corresponding quarter mainly due to improvement in profit margin in Manufacturing, reversal of share option reserve and partly offset by the impairment of certain fixed assets.

Manufacturing Division

During current quarter ended 30 June 2024, Manufacturing Division recorded a revenue of RM7.23 million, an decrease of RM0.36 million from RM7.59 million in previous year's corresponding quarter. The division recorded a LBT of RM2.26 million as compared to LBT of RM0.26 million in previous year's corresponding quarter which was mainly due to the impairment of certain fixed assets.

Property Division

During current quarter ended 30 June 2024, Property Division recorded a revenue of RM0.11 million, an decrease of RM1.05 million in previous year's corresponding quarter. The division recorded a LBT of RM0.40 million, an decrease of RM0.39 million as compared to PBT of RM0.01 million in previous year's corresponding quarter due to higher revenue recorded during the previous quarter.

12M2024 vs 12M2023 (Cumulative Quarter Performances)

The Group recorded revenue of RM32.80 million, an decrease of RM3.75 million from RM36.55 million for the twelve months year ended 30 June 2024. A decrease in revenue was mainly due to lower sales recorded in Property Division.

The Group recorded a lower LBT of RM6.64 million for the twelve months year ended 30 June 2024 ("12M2024"), an decrease of RM3.77 million as compared to LBT of RM10.41 million recorded in corresponding period of the preceding financial year ("12M2023"). Lower LBT recorded in 12M2024 was mainly due improvement in profit margin in Manufacturing and reversal of share option reserve but partly offset by the impairment of certain fixed assets.

Manufacturing Division

For 12M2024, Manufacturing Division recorded a revenue of RM32.40 million, an increase of RM0.12 million from RM32.28 million in 12M2023. The division recorded a higher LBT of RM13.16 million as compared to LBT of RM7.49 million in 12M2023. A higher LBT recorded in 12M2024 was mainly due to impairment of certain fixed assets.

Property Division

For 12M2024, Property Division recorded a revenue of RM0.40 million, an decrease of RM3.87 from RM4.27 in 12M2023. The division recorded a higher PBT of RM0.94 million as compared to LBT of RM0.67 million in 12M2023 was mainly due to gain in disposal of a vacant land during the period.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the Fourth Quarter ended 30 June 2024
(The figures have not been audited)

2. Variation of results against preceding quarter

	Current quarter ended 30 June 2024 RM'000	Preceding quarter ended 30 Mar 2024 RM'000	Variation %
Revenue	7,343	8,685	-15.45%
Profit/(Loss) before taxation	2,208	(4,425)	-149.90%

For the fourth quarter ended 30 June 2024, the Group recorded revenue of RM7.34 million, a decrease of RM1.34 million as compared to the preceding quarter due to decrease of revenue recorded in Manufacturing Division.

The Group recorded a PBT of RM2.21 million for the current quarter as compared to LBT of RM4.43 million in the preceding quarter mainly due to improvement in profit margin in Manufacturing, reversal of share option reserve and partly offset by the impairment of certain fixed assets.

3. Prospects for next financial year

US Fed chair signals upcoming interest rate cut in September and could spur spending in the US, prompting higher demand for our products especially in the furniture sector.

The Group will continue to focus on its core business and will be taking cautious approaches to mitigate the exposure by improving its operational efficiency, product quality and product innovation as a positive step forward to sustain the Group's business growth.

While in Property Division, the Group has signed a joint venture agreement on a commercial development project on leasehold land in Sungai Buloh, Selangor. The joint venture is anticipated to positively impact the Group's profitability and cash flow in coming years.

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

	As at 30 June 2024 RM'000	As at 30 June 2023 RM'000
Secured:		
Bridging loans	-	3,018
Bankers' acceptances	11,556	6,866
Term loans	1,742	1,606
Bank overdrafts	5,104	5,231
	<u>18,402</u>	<u>16,721</u>
Less: Amount due within 12 months	(16,834)	(15,311)
	<u>1,568</u>	<u>1,410</u>

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the Fourth Quarter ended 30 June 2024
(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:

	3 months ended 30 June 2024	Year to Date 30 June 2024
Profit/(Loss) attributable to shareholders (RM'000)	2,208	(6,641)
Weighted average number of ordinary shares ('000)	200,210	194,107
Profit/(Loss) per share (sen)	<u>1.10</u>	<u>(3.42)</u>

10. Notes to the Condensed Consolidated Income Statement

	3 months ended 30 June 2024 RM'000	Year to Date 30 June 2024 RM'000
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	902	1,574
(d) Depreciation and amortization	2,482	4,473
(e) Provision for and write off of receivable	(58)	126
(f) Provision for and write off of inventories	-	-
(g) (Gain) / Loss on disposal of property, plant and equipment	-	-
(h) Gain/(loss) on disposal of quoted/unquoted investments/properties	-	-
(i) Property, plant and equipment written off /impairment of asset	6,252	6,252
(j) Foreign exchange gain/(loss)	54	11
(k) Gain or (loss) on derivatives	-	-
(l) Share options vested under SIS	<u>-</u>	<u>-</u>

11. 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 on 30 August 2024.