



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2021**

**24 FEBRUARY 2022**



**Scanwolf Corporation Berhad (Company no. 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the second quarter ended 31 December 2021**  
**(The figures have not been audited)**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	9,566	11,412	16,150	21,363
Other operating income	2	35	67	117
Operating expenses	(11,428)	(10,097)	(20,539)	(20,358)
Depreciation & amortisation	(852)	(823)	(1,680)	(1,655)
<b>Results from operating activities</b>	<u>(2,712)</u>	<u>527</u>	<u>(6,002)</u>	<u>(533)</u>
Finance costs	(360)	(78)	(913)	(625)
<b>(Loss)/Profit before taxation</b>	<u>(3,072)</u>	<u>449</u>	<u>(6,915)</u>	<u>(1,158)</u>
Taxation	11	(66)	15	(51)
<b>(Loss)/Profit for the period &amp; total comprehensive (loss)/income attributed to the Company</b>	<u><u>(3,061)</u></u>	<u><u>383</u></u>	<u><u>(6,900)</u></u>	<u><u>(1,209)</u></u>
<b>(Loss)/Earning per share attributable to equity holders of the Company:</b>				
(Loss)/earning per share (sen)	<u><u>(2.35)</u></u>	<u><u>0.36</u></u>	<u><u>(4.15)</u></u>	<u><u>(1.15)</u></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 2021 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 2021**  
**(The figures have not been audited)**

	As at 31 Dec 2021 RM'000	(Audited) As at 30 June 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,193	34,716
Right-of-use assets	2,735	2,745
Deferred tax assets	171	-
Inventories	8,732	8,732
<b>Total non-current assets</b>	<b>45,831</b>	<b>46,193</b>
<b>Current assets</b>		
Inventories	49,062	49,337
Trade and other receivables	7,433	7,655
Cash and bank balances	323	140
<b>Total current assets</b>	<b>56,818</b>	<b>57,132</b>
<b>Assets classified as held for sale</b>	<b>5,470</b>	<b>5,470</b>
<b>TOTAL ASSETS</b>	<b>108,119</b>	<b>108,795</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	70,319	49,724
Treasury shares	-	(307)
ICULS equity	2,587	-
Warrant reserve	3,499	-
Reserves	(19,219)	(12,319)
<b>Total Equity</b>	<b>57,186</b>	<b>37,098</b>
<b>Non-current liabilities</b>		
Other payables	1,764	3,170
Liability component of ICULS	715	-
Lease liabilities	971	947
Borrowings	3,878	11,749
Deferred tax liabilities	1,480	1,506
<b>Total non-current liabilities</b>	<b>8,808</b>	<b>17,372</b>
<b>Current liabilities</b>		
Trade and other payables	22,349	35,134
Lease liabilities	692	637
Borrowings	18,782	16,358
Amount due to directors	-	1,762
Tax payables	302	434
<b>Total current liabilities</b>	<b>42,125</b>	<b>54,325</b>
<b>Total liabilities</b>	<b>50,933</b>	<b>71,697</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>108,119</b>	<b>108,795</b>
<b>Net Assets per share (RM)</b>	<b>0.34</b>	<b>0.35</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 2021 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 2021**  
**(The figures have not been audited)**

	Share capital RM'000	Treasury shares RM'000	Non-distributable			Distributable	Total RM'000	
			ICULS equity RM'000	Warrant reserve RM'000	Reverse acquisition reserve RM'000	Revaluation reserve RM'000		Retained earnings RM'000
As at 01 July 2021	49,724	(307)	-	-	(19,524)	3,788	3,417	37,098
Total comprehensive loss for the period	-	-	-	-	-	-	(3,839)	(3,839)
Disposal of treasury share	2	307	-	-	-	-	-	309
Issuance of ICULS	-	-	8,892	3,499	-	-	-	12,391
Conversion of ICULS	19,778	-	(6,056)	-	-	-	-	13,722
As at 30 September 2021	69,504	-	2,836	3,499	(19,524)	3,788	(422)	59,681
Total comprehensive loss for the period	-	-	-	-	-	-	(3,061)	(3,061)
Conversion of ICULS	815	-	(249)	-	-	-	-	566
As at 31 December 2021	70,319	-	2,587	3,499	(19,524)	3,788	(3,483)	57,186

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

	<b>Cumulative</b>	
	<b>6 months ended December</b>	
<b>Note</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Loss before tax	(6,915)	(1,158)
Adjustments for:		
Allowance for expected credit losses	24	(64)
Depreciation	1,680	1,655
Loss on disposal of plant and equipment	-	1
Interest expense	913	625
Inventories written down	-	33
Realised (gain) / loss on foreign exchange	(3)	8
Unrealised loss / (gain) on foreign exchange	5	(117)
	<u>(4,296)</u>	<u>983</u>
Movements in working capital:		
Decrease / (Increase) in:		
Inventories	275	2,630
Trade & other receivables	198	(177)
Decrease in:		
Contract liabilities	-	(468)
Trade and other payables	(14,295)	(876)
Amount due to directors	(1,762)	-
Cash (used in) / generated from operations	<u>(19,880)</u>	<u>2,092</u>
Income tax paid	(144)	-
Income tax refunded	-	16
Net cash (used in) / generated from operating activities	<u>(20,024)</u>	<u>2,108</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Proceed from disposal of plant and equipment	-	2
Acquisition of plant and equipment	(896)	(266)
Acquisition of right-of-use assets	(252)	(396)
Net cash used In investing activities	<u>(1,148)</u>	<u>(660)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Issuance of ICULS	13,497	-
Proceed from issuance of share capital	13,725	-
Proceed from disposal of treasury share	309	-
Interest paid	(813)	(625)
Proceeds from bankers' acceptances	19,999	13,513
Repayment of back to back loan arrangement	-	(437)
Repayment of bankers' acceptances	(22,097)	(13,726)
Repayment of bridging and term loans	(1,403)	(179)
Repayment of lease liabilities	79	(115)
Net cash generated from / (used in) financing activities	<u>23,296</u>	<u>(1,569)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,124</b>	<b>(121)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>(6,011)</b>	<b>(5,089)</b>
<b>EFFECT OF EXCHANGE DIFFERENCES</b>	<b>3</b>	<b>(8)</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b><u>(3,884)</u></b>	<b><u>(5,218)</u></b>
<b>A14</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 2021 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 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 2021 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 2021.

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 2021. 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 2021 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 2021**  
**(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 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>	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)

**6 Months ended 31 December 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>	18,270	3,093	-	21,363
<b>Results</b>				
Segment results	349	(287)	(595)	(533)
Finance costs	(649)	24	-	(625)
Loss before tax	(300)	(263)	(595)	(1,158)
Tax expenses				(51)
Loss after tax				(1,209)

<b>Geographical Area</b>	<b>6 Months ended 31 Dec 2021</b>	<b>6 Months ended 31 Dec 2020</b>
<b>Revenue</b>		
Asia	2,217	3,230
Oceania	864	1,231
Middle East	186	216
Africa	(3)	(3)
Others	137	254
Total export	3,401	4,928
Malaysia	12,749	16,435
Total revenue	16,150	21,363

**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 second quarter ended 31 December 2021**  
**(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 21 February 2022.

**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 21 February 2022.

**13. Capital commitments**

As at 21 February 2022, the Group has the following capital commitment in respect of property, plant and equipment.

	<b>RM'000</b>
Approved but not contracted for - Machineries	4,102

**14. Cash and cash equivalents**

	<b>As at 31 Dec 2021 RM'000</b>	<b>As at 31 Dec 2020 RM'000</b>
Cash & bank balances	323	545
Bank overdraft	(4,207)	(5,763)
	(3,884)	(5,218)

**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 2021</b>	<b>Corresponding quarter ended 31 Dec 2020</b>	<b>6 months 31 Dec 2021 RM'000</b>	<b>6 months 31 Dec 2020 RM'000</b>	<b>Variation %</b>
Revenue	9,566	11,412	16,150	21,363	-24%
Loss/(Profit) before taxation	<u>(3,072)</u>	<u>449</u>	<u>(6,915)</u>	<u>(1,158)</u>	<u>497%</u>

**2Q2022 vs 2Q2021 (Current Quarter Performances)**

For the second quarter ended 31 December 2021, the Group recorded a revenue of RM9.6 million, a decrease of RM1.8 million against previous year's corresponding quarter which was mainly due to decrease in revenue in Manufacturing Division.

During this quarter under review, loss before tax ("LBT") of RM3.07 million is recorded, increase by RM3.5 million when compared to preceding year's corresponding quarter. The increase in LBT was mainly due to decrease in revenue and higher cost of raw materials.

Manufacturing Division

During current quarter ended 31 December 2021, Manufacturing Division recorded a revenue of RM8.5 million, a decrease of RM2 million from RM10.5 million in previous year's corresponding quarter. The division recorded a LBT of RM2.48 million as compared to profit before tax ("PBT") of RM0.55 million in previous year's corresponding quarter is mainly due to decrease in revenue and higher cost of raw materials.

Property Division

During current quarter ended 31 December 2021, Property Division recorded a revenue of RM1.04 million, an increase of RM0.11 million from RM0.93 million in previous year's corresponding quarter. The division recorded a LBT of RM0.04 million as compared to profit before tax ("PBT") of RM0.15 million in previous year's corresponding quarter.

**6M2022 vs 6M2021 (Cumulative Quarter Performances)**

The Group recorded revenue of RM16.2 million, a decrease of RM5.2 million or 24% from RM21.4 million for the six months period ended 31 December 2021. The decrease in revenue was mainly due to lower sales recorded in both Manufacturing and Property Division.

The Group recorded a LBT of RM6.9 million for the six months period ended 31 December 2021 ("6M2022"), an increase of RM5.75 million as compared to LBT of RM1.15 million recorded in corresponding period of the preceding financial year ("6M2021"). Higher LBT recorded in 6M2022 was mainly due to lower sales in Manufacturing and Property Division.

Manufacturing Division

For 6M2022, Manufacturing Division recorded a revenue of RM15.1 million, a decrease of RM3.2 million from RM18.3 million in 6M2021. The division recorded a LBT of RM4.9 million as compared to LBT of RM0.3 million in 6M2021. A higher LBT recorded in 6M2022 was mainly due to lower revenue recorded.

Property Division

For 6M2022, Property Division recorded a revenue of RM1.04 million, a decrease of RM2.05 million from RM3.09 million in 6M2021. The division recorded a LBT of RM0.21 million as compared to LBT of RM0.26 million in 6M2021.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the second quarter ended 31 December 2021**  
**(The figures have not been audited)**

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

	<b>Current quarter ended 31 Dec 2021 RM'000</b>	<b>Preceding quarter ended 30 Sept 2021 RM'000</b>	<b>Variation %</b>
Revenue	9,566	6,584	45.29%
Loss before taxation	<u>(3,072)</u>	<u>(3,843)</u>	<u>-20.06%</u>

For the second quarter ended 31 December 2021, the Group recorded revenue of RM9.57 million, an increase of RM2.98 million as compared to the preceding quarter mainly due to increase of revenue in Property and Manufacturing Division.

The Group recorded a LBT of RM3.07 million for the current quarter as compared to LBT of RM3.8 million in the preceding quarter. The decrease in LBT was mainly due to higher revenue recorded in both Manufacturing and Property Division.

**3. Current year prospects**

The Group's business will remain challenging and volatile due to the uncertainty caused by Covid-19 pandemic.

With the introduction of vaccine for COVID-19 to all the countries, the Group performance will regain some momentum towards the end of the year and excel in the following year.

**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 2021 RM'000</b>	<b>30 June 2021 RM'000</b>
Secured:		
Bridging loans	7,560	8,174
Bankers' acceptances	6,109	8,208
Term loans	4,784	5,574
Bank overdrafts	<u>4,207</u>	<u>6,151</u>
	22,660	28,107
Less: Amount due within 12 months	<u>(18,782)</u>	<u>(16,358)</u>
	<u>3,878</u>	<u>11,749</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 second quarter ended 31 December 2021**  
**(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 31 Dec 2021</b>	<b>Year to Date 31 Dec 2021</b>
Loss attributable to shareholders (RM'000)	(3,072)	(6,915)
Weighted average number of ordinary shares ('000)	130,564	166,616
Loss per share (sen)	<u>(2.35)</u>	<u>(4.15)</u>

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

	<b>3 months ended 31 Dec 2021 RM'000</b>	<b>Year to Date 31 Dec 2021 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	360	913
(d) Depreciation and amortization	852	1,680
(e) Provision for and write off of receivable	(36)	24
(f) Provision for and write off of inventories	-	-
(g) Loss on disposal of plant and equipment	-	-
(h) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
(i) Impairment of asset	-	-
(j) Foreign exchange gain/(loss)	11	(41)
(k) Gain or (loss) on derivatives	-	-
(l) Exceptional item	-	-

**11. Corporate Proposal**

Multiple proposals

On 9 August 2021, on behalf of our Board, AmInvestment Bank Berhad has announced that the Right 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 Right 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>Net (RM'000)</b>	<b>Intended Timeframe for Utilisation</b>
Capital expenditure	3,680	1,740	# 1,940	within 12 months
Repayment of bank borrowings	3,000	3,000		within 12 months
Working capital	2,967	4,907	# (1,940)	within 12 months
Estimated expenses in relation to the Proposals	850	850		within 2 weeks
<b>Total</b>	<b>10,497</b>	<b>10,497</b>	<b>-</b>	

# the balance of the unutilised proceeds for capital expenditure had been reclassified and utilised as working 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 24 February 2022.