



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2018**

**30 NOVEMBER 2018**



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the first quarter ended 30 September 2018**  
**(The figures have not been audited)**

|   | Individual Quarter<br>3 months ended<br>30 September |                              | Cumulative Quarter<br>3 months ended<br>30 September |                              |
|---|--|------------------------------|--|------------------------------|
|   | 2018<br>RM'000                                       | 2017<br>RM'000<br>(Restated) | 2018<br>RM'000                                       | 2017<br>RM'000<br>(Restated) |
| <b>Revenue</b>  | 10,841   | 15,852                       | 10,841   | 15,852                       |
| Other operating income  | 199  | 62                           | 199  | 62                           |
| Operating expenses  | (11,755)   | (12,461)                     | (11,755)   | (12,461)                     |
| Depreciation & amortisation   | (412)  | (415)                        | (412)  | (415)                        |
| <b>Results from operating activities</b>  | <b>(1,127)</b>                                       | <b>3,038</b>                 | <b>(1,127)</b>                                       | <b>3,038</b>                 |
| Finance costs   | (440)  | (287)                        | (440)  | (287)                        |
| Share of result in an associate, net of tax   | (129)  | (122)                        | (129)  | (122)                        |
| <b>(Loss)/Profit before taxation</b>  | <b>(1,696)</b>                                       | <b>2,629</b>                 | <b>(1,696)</b>                                       | <b>2,629</b>                 |
| Taxation  | -  | (314)                        | -  | (314)                        |
| <b>(Loss)/Profit for the year &amp;<br/>total comprehensive (loss)/income<br/>attributed to the Company</b> | <b>(1,696)</b>                                       | <b>2,315</b>                 | <b>(1,696)</b>                                       | <b>2,315</b>                 |
| <b>Earnings per share attributable to equity<br/>holder of the Company:</b>                                 |  |                              |  |                              |
| (Loss)/Profit per share (sen)   | (1.76)   | 2.64                         | (1.76)   | 2.64                         |

**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 2018 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 September 2018  
 (The figures have not been audited)

|                                       | As at<br>30 Sept 2018<br>RM'000 | (Unaudited)<br>As at<br>30 June 2018<br>RM'000<br>(Restated) | (Unaudited)<br>As at<br>1 July 2017<br>RM'000<br>(Restated) |
|---------------------------------------|---------------------------------|--|---|
| <b>ASSETS</b>                         |                                 |  |   |
| <b>Non-current assets</b>             |                                 |  |   |
| Property, plant and equipment         | 28,887                          | 28,625   | 26,302  |
| Investment in an associate company    | -                               | 129  | 212   |
| Amount owing by an associate company  | 6,681                           | 4,613  | 3,096   |
| Land held for property development    | 10,149                          | 10,149   | 10,111  |
| <b>Total non-current assets</b>       | <b>45,717</b>                   | <b>43,516</b>  | <b>39,721</b>   |
| <b>Current assets</b>                 |                                 |  |   |
| Inventories                           | 17,574                          | 17,784   | 15,592  |
| Trade and other receivables           | 27,684                          | 28,389   | 42,060  |
| Contract assets                       | 37,138                          | 30,728   | 31,100  |
| Amount owing by an associate company  | 17                              | 458  | -   |
| Current tax assets                    | 15                              | 96   | 179   |
| Fixed deposit, cash and bank balances | 2,300                           | 1,529  | 3,036   |
| <b>Total current assets</b>           | <b>84,728</b>                   | <b>78,984</b>  | <b>91,967</b>   |
| <b>TOTAL ASSETS</b>                   | <b>130,445</b>                  | <b>122,500</b>   | <b>131,688</b>  |
| <b>EQUITY AND LIABILITIES</b>         |                                 |  |   |
| Share capital                         | 49,056                          | 49,056   | 46,887  |
| Treasury shares                       | (307)                           | (307)  | (307)   |
| Reserves                              | (10,293)                        | (8,597)  | (5,653)   |
| <b>Total Equity</b>                   | <b>38,456</b>                   | <b>40,152</b>  | <b>40,927</b>   |
| <b>Non-current liabilities</b>        |                                 |  |   |
| Trade and Other payables              | 1,293                           | 1,287  | 1,536   |
| Hire-purchase payables                | 845                             | 948  | 1,064   |
| Borrowings                            | 11,042                          | 10,721   | 14,797  |
| Deferred tax liabilities              | 1,128                           | 1,128  | 1,140   |
| <b>Total non-current liabilities</b>  | <b>14,308</b>                   | <b>14,084</b>  | <b>18,537</b>   |
| <b>Current liabilities</b>            |                                 |  |   |
| Trade and other payables              | 50,029                          | 53,247   | 50,834  |
| Contract liabilities                  | 6,845                           | 599  | 7,285   |
| Hire-purchase payables                | 388                             | 392  | 355   |
| Current tax liabilities               | 729                             | 951  | 1,065   |
| Borrowings                            | 19,690                          | 13,075   | 12,685  |
| <b>Total current liabilities</b>      | <b>77,681</b>                   | <b>68,264</b>  | <b>72,224</b>   |
| <b>Total Liabilities</b>              | <b>91,989</b>                   | <b>82,348</b>  | <b>90,761</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>130,445</b>                  | <b>122,500</b>   | <b>131,688</b>  |
| <b>Net Assets per share (RM)</b>      | <b>0.40</b>                     | <b>0.42</b>  | <b>0.46</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 2018 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 first quarter ended 30 September 2018  
 (The figures have not been audited)

|   | Share Capital<br>RM'000 | Treasury Shares<br>RM'000 | Non-distributable                     |                               | Distributable              | Total<br>RM'000 |
|---|-------------------------|---------------------------|---------------------------------------|-------------------------------|----------------------------|-----------------|
|   |                         |                           | Reverse Acquisition Reserve<br>RM'000 | Revaluation Reserve<br>RM'000 | Retained Profits<br>RM'000 |                 |
| As at 30 June 2017 (as previously reported) | 46,887                  | (307)                     | (19,524)                              | 4,717                         | 8,807                      | 40,580          |
| Effects of transition from FRSs to MFRSs    | -                       | -                         | -                                     | -                             | 347                        | 347             |
| As at 30 June 2017 (as restated)            | 46,887                  | (307)                     | (19,524)                              | 4,717                         | 9,154                      | 40,927          |
| Loss for the period                         |                         |                           |                                       |                               |                            |                 |
| As previously reported                      | -                       | -                         | -                                     | -                             | 1,400                      | 1,400           |
| Effects of transition from FRSs to MFRSs    | -                       | -                         | -                                     | -                             | 915                        | 915             |
| As restated                                 | -                       | -                         | -                                     | -                             | 2,315                      | 2,315           |
| As at 30 September 2017                     | 46,887                  | (307)                     | (19,524)                              | 4,717                         | 11,469                     | 43,242          |
| As at 30 June 2018 (as previously reported) | 49,056                  | (307)                     | (19,524)                              | 4,717                         | 9,342                      | 43,284          |
| Effects of transition from FRSs to MFRSs    | -                       | -                         | -                                     | -                             | (3,132)                    | (3,132)         |
| As at 30 June 2018 (as restated)            | 49,056                  | (307)                     | (19,524)                              | 4,717                         | 6,210                      | 40,152          |
| Loss for the period                         | -                       | -                         | -                                     | -                             | (1,696)                    | (1,696)         |
| As at 30 September 2018                     | 49,056                  | (307)                     | (19,524)                              | 4,717                         | 4,514                      | 38,456          |

**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 2018 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 first quarter ended 30 September 2018**  
**(The figures have not been audited)**

| Note   | Cumulative<br>3 months ended Sept |                              |
|--|-----------------------------------|------------------------------|
|  | 2018<br>RM'000                    | 2017<br>RM'000<br>(Restated) |
| <b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>  |                                   |                              |
| (Loss)/Profit before taxation                          | (1,696)                           | 2,629                        |
| Adjustments for:                                       |                                   |                              |
| Depreciation of property, plant and equipment          | 412                               | 415                          |
| Share of net loss in an associate                      | 129                               | 122                          |
| Allowance for doubtful debts                           | 13                                | -                            |
| Interest income  | (87)                              | (62)                         |
| Finance costs  | 440                               | 287                          |
|  | <u>(789)</u>                      | <u>3,391</u>                 |
| Movements in working capital:                          |                                   |                              |
| (Increase)/Decrease in:                                |                                   |                              |
| Inventories  | 210                               | 408                          |
| Trade & other receivables                              | 694                               | 912                          |
| Contract assets  | (6,410)                           | (10,014)                     |
| Increase/(Decrease) in:                                |                                   |                              |
| Trade and other payables                               | (3,213)                           | 6,487                        |
| Contract liabilities                                   | 6,246                             | (52)                         |
|  | <u>(3,262)</u>                    | <u>1,132</u>                 |
| Cash (used in)/generated from operations               | (3,262)                           | 1,132                        |
| Income tax refunded                                    | 89                                | -                            |
| Interest income received                               | 30                                | -                            |
| Income tax paid  | (230)                             | (145)                        |
| Net Cash (Used In)/Generated From Operating Activities | <u>(3,373)</u>                    | <u>987</u>                   |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>         |                                   |                              |
| Advances granted to an associated company              | (1,556)                           | (735)                        |
| Purchase of property, plant and equipment              | (675)                             | (34)                         |
| Net Cash Used In Investing Activities                  | <u>(2,231)</u>                    | <u>(769)</u>                 |
| <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>  |                                   |                              |
| Proceed/(Repayment) of bankers' acceptances            | 629                               | (1,077)                      |
| Repayment of bridging and term loans                   | (650)                             | (837)                        |
| Repayment of hire-purchase payables                    | (107)                             | (87)                         |
| Proceed from bank overdraft                            | 5,957                             | -                            |
| Proceed from term loan                                 | 1,000                             | 1,000                        |
| Finance costs paid                                     | (440)                             | (287)                        |
| Net Cash Generated From/(Used in) Financing Activities | <u>6,389</u>                      | <u>(1,288)</u>               |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH</b>        | <b>785</b>                        | <b>(1,070)</b>               |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>          | <b>522</b>                        | <b>2,058</b>                 |
| <b>CASH AND CASH EQUIVALENTS AT END</b>                | <b>A14</b>                        | <b>988</b>                   |
|  | <u>1,307</u>                      | <u>988</u>                   |

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 2018 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 first quarter ended 30 September 2018**  
**(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 2018 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 2018.

The interim financial report of the Group for the current quarter ended 30 September 2018 is the first interim financial report prepared in accordance with MFRS Framework, including MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. The Group adopts this standard using the full retrospective method.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017, being the transition date, and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated as a result of transition to MFRS Framework.

A number of new standards and amendments to Standards and Issues Committee ("IC") Interpretations are effective for the current financial period. None of these is expected to have a significant effect on the consolidated financial statements of the Group except for MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards and MFRS 15: Revenue from Contracts with Customers.

The financial impact to the interim financial statements of the Group arising from the adoption of MFRS 15 are as follows:

**Condensed Consolidated Statement of Comprehensive Income**  
**For the first quarter ended 30 September 2017**

|   | As previously<br>RM'000 | Effect on MFRS<br>RM'000 | As restated<br>RM'000 |
|---|-------------------------|--------------------------|-----------------------|
| <b>Revenue</b>                              | 17,840                  | (1,988)                  | 15,852                |
| Other operating income                      | 62                      |                          | 62                    |
| Operating expenses                          | (15,364)                | 2,903                    | (12,461)              |
| Depreciation & amortisation                 | (415)                   |                          | (415)                 |
| <b>Results from operating activities</b>    | <u>2,123</u>            |                          | <u>3,038</u>          |
| Finance costs                               | (287)                   |                          | (287)                 |
| Share of result in an associate, net of tax | (122)                   |                          | (122)                 |
| <b>Profit before taxation</b>               | <u>1,714</u>            |                          | <u>2,629</u>          |
| Taxation                                    | (314)                   |                          | (314)                 |
| <b>Total comprehensive income</b>           | <u><u>1,400</u></u>     |                          | <u><u>2,315</u></u>   |

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 September 2018**  
**(The figures have not been audited)**

**1. Basis of Preparation (Continue)**

**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2018**

|                                       | As previously<br>RM'000 | Effect on MFRS<br>RM'000 | As restated<br>RM'000 |
|---------------------------------------|-------------------------|--------------------------|-----------------------|
| <b>ASSETS</b>                         |                         |                          |                       |
| <b>Non-current assets</b>             |                         |                          |                       |
| Property, plant and equipment         | 28,625                  |                          | 28,625                |
| Investment in an associated company   | 129                     |                          | 129                   |
| Amount owing by an associated company | 4,613                   |                          | 4,613                 |
| Land held for property development    | 10,149                  |                          | 10,149                |
| <b>Total non-current assets</b>       | <u>43,516</u>           |                          | <u>43,516</u>         |
| <b>Current assets</b>                 |                         |                          |                       |
| Inventories                           | 17,784                  |                          | 17,784                |
| Trade and other receivables           | 11,469                  | 16,920                   | 28,389                |
| Contract assets                       | -                       | 30,728                   | 30,728                |
| Amount owing by an associated company | 458                     |                          | 458                   |
| Property development projects         | 37,187                  | (37,187)                 | -                     |
| Current tax assets                    | 96                      |                          | 96                    |
| Fixed deposit, cash and bank balances | 1,529                   |                          | 1,529                 |
| <b>Total current assets</b>           | <u>68,523</u>           |                          | <u>78,984</u>         |
| <b>TOTAL ASSETS</b>                   | <u><b>112,039</b></u>   |                          | <u><b>122,500</b></u> |
| <b>EQUITY AND LIABILITIES</b>         |                         |                          |                       |
| Share capital                         | 49,056                  |                          | 49,056                |
| Treasury shares                       | (307)                   |                          | (307)                 |
| Reserves                              | (5,465)                 | (3,132)                  | (8,597)               |
| <b>Total Equity</b>                   | <u>43,284</u>           |                          | <u>40,152</u>         |
| <b>Non-current liabilities</b>        |                         |                          |                       |
| Trade and other payables              | 1,287                   |                          | 1,287                 |
| Hire-purchase payables                | 948                     |                          | 948                   |
| Borrowings                            | 10,721                  |                          | 10,721                |
| Deferred tax liabilities              | 1,128                   |                          | 1,128                 |
| <b>Total non-current liabilities</b>  | <u>14,084</u>           |                          | <u>14,084</u>         |
| <b>Current liabilities</b>            |                         |                          |                       |
| Trade and other payables              | 39,654                  | 13,593                   | 53,247                |
| Contract liabilities                  | -                       | 599                      | 599                   |
| Hire-purchase payables                | 392                     |                          | 392                   |
| Progress billings                     | 599                     | (599)                    | -                     |
| Current tax liabilities               | 951                     |                          | 951                   |
| Borrowings                            | 13,075                  |                          | 13,075                |
| <b>Total current liabilities</b>      | <u>54,671</u>           |                          | <u>68,264</u>         |
| <b>Total Liabilities</b>              | 68,755                  |                          | 82,348                |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <u><b>112,039</b></u>   |                          | <u><b>122,500</b></u> |

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 September 2018**  
**(The figures have not been audited)**

**1. Basis of Preparation (Continue)**

**Condensed Consolidated Statement of Financial Position**  
**As at 1 July 2017**

|                                       | As previously<br>RM'000 | Effect on MFRS<br>RM'000 | As restated<br>RM'000 |
|---------------------------------------|-------------------------|--------------------------|-----------------------|
| <b>ASSETS</b>                         |                         |                          |                       |
| <b>Non-current assets</b>             |                         |                          |                       |
| Property, plant and equipment         | 26,302                  |                          | 26,302                |
| Investment in an associate company    | 212                     |                          | 212                   |
| Amount owing by an associate company  | 3,096                   |                          | 3,096                 |
| Land held for property development    | 10,111                  |                          | 10,111                |
| <b>Total non-current assets</b>       | <u>39,721</u>           |                          | <u>39,721</u>         |
| <b>Current assets</b>                 |                         |                          |                       |
| Inventories                           | 15,592                  |                          | 15,592                |
| Trade and other receivables           | 19,308                  | 22,752                   | 42,060                |
| Contract assets                       | -                       | 31,100                   | 31,100                |
| Property development projects         | 31,514                  | (31,514)                 | -                     |
| Current tax assets                    | 179                     |                          | 179                   |
| Fixed deposit, cash and bank balances | 3,036                   |                          | 3,036                 |
| <b>Total current assets</b>           | <u>69,629</u>           |                          | <u>91,967</u>         |
| <b>TOTAL ASSETS</b>                   | <u><b>109,350</b></u>   |                          | <u><b>131,688</b></u> |
| <b>EQUITY AND LIABILITIES</b>         |                         |                          |                       |
| Share capital                         | 46,887                  |                          | 46,887                |
| Treasury shares                       | (307)                   |                          | (307)                 |
| Reserves                              | (6,000)                 | 347                      | (5,653)               |
| <b>Total Equity</b>                   | <u>40,580</u>           |                          | <u>40,927</u>         |
| <b>Non-current liabilities</b>        |                         |                          |                       |
| Trade and other payables              | 1,536                   |                          | 1,536                 |
| Hire-purchase payables                | 1,064                   |                          | 1,064                 |
| Borrowings                            | 14,797                  |                          | 14,797                |
| Deferred tax liabilities              | 1,140                   |                          | 1,140                 |
| <b>Total non-current liabilities</b>  | <u>18,537</u>           |                          | <u>18,537</u>         |
| <b>Current liabilities</b>            |                         |                          |                       |
| Trade and other payables              | 28,843                  | 21,991                   | 50,834                |
| Contract liabilities                  | -                       | 7,285                    | 7,285                 |
| Hire-purchase payables                | 355                     |                          | 355                   |
| Progress billings                     | 7,285                   | (7,285)                  | -                     |
| Current tax liabilities               | 1,065                   |                          | 1,065                 |
| Borrowings                            | 12,685                  |                          | 12,685                |
| <b>Total current liabilities</b>      | <u>50,233</u>           |                          | <u>72,224</u>         |
| <b>Total Liabilities</b>              | 68,770                  |                          | 90,761                |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <u><b>109,350</b></u>   |                          | <u><b>131,688</b></u> |



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 September 2018**  
**(The figures have not been audited)**

**1. Basis of Preparation (Continue)**

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

|  | Effective for<br>financial periods<br>beginning on or<br>after. |
|--|---|
| Annual Improvements to MFRSs 2015-2017 Cycle                                 | 1 January 2019  |
| MFRS 16 Leases   | 1 January 2019  |
| Amendments to MFRS 9 Prepayment Features with Negative Compensation          | 1 January 2019  |
| Amendments to MFRS 119 Employee Benefits                                     | 1 January 2019  |
| Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures  | 1 January 2019  |
| Amendments to MFRS 3 Business Combinations                                   | 1 January 2019  |
| Amendments to MFRS 101 Presentation of Financial Statements                  | 1 January 2019  |
| Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an | 1 January 2019  |

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 2018 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

As at 30 September 2018, 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 first quarter ended 30 September 2018  
(The figures have not been audited)

8. Segmental information

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

3 Months ended 30 September 2018

|                                 | Manufacturing<br>RM'000 | Property<br>Development<br>RM'000 | Investment<br>Holding<br>RM'000 | Consolidated<br>RM'000 |
|---------------------------------|-------------------------|-----------------------------------|---------------------------------|------------------------|
| <b>Revenue</b>                  | 8,726                   | 2,115                             | -                               | 10,841                 |
| <b>Results</b>                  |                         |                                   |                                 |                        |
| Segment results                 | (725)                   | (2)                               | (478)                           | (1,205)                |
| Investment revenue              | 71                      | 7                                 | -                               | 78                     |
| Finance costs                   | (349)                   | (91)                              | -                               | (440)                  |
|                                 | (1,003)                 | (86)                              | (478)                           | (1,567)                |
| Share of result in an associate | (129)                   | -                                 | -                               | (129)                  |
| Loss before tax                 | (1,132)                 | (86)                              | (478)                           | (1,696)                |
| Tax expenses                    |                         |                                   |                                 | -                      |
| Loss after tax                  |                         |                                   |                                 | (1,696)                |

3 Months ended 30 September 2017 (Restated)

|                                 | Manufacturing<br>RM'000 | Property<br>Development<br>RM'000 | Investment<br>Holding<br>RM'000 | Consolidated<br>RM'000 |
|---------------------------------|-------------------------|-----------------------------------|---------------------------------|------------------------|
| <b>Revenue</b>                  | 9,370                   | 6,482                             | -                               | 15,852                 |
| <b>Results</b>                  |                         |                                   |                                 |                        |
| Segment results                 | (303)                   | 3,679                             | (383)                           | 2,993                  |
| Investment revenue              | 38                      | 7                                 | -                               | 45                     |
| Finance costs                   | (217)                   | (70)                              | -                               | (287)                  |
|                                 | (482)                   | 2,701                             | (383)                           | 2,751                  |
| Share of result in an associate | (122)                   | -                                 | -                               | (122)                  |
| (Loss)/Profit before tax        | (604)                   | 2,701                             | (383)                           | 2,629                  |
| Tax expenses                    |                         |                                   |                                 | (314)                  |
| Loss after tax                  |                         |                                   |                                 | 2,315                  |

| <b>Geographical Area</b> | <b>3 Months<br/>ended<br/>30 Sept 2018</b> | <b>3 Months<br/>ended<br/>30 Sept 2017</b> |
|--------------------------|--|--|
| <b>Revenue</b>           |  |  |
| Asia                     | 1,731                                      | 1,962                                      |
| Middle East              | 270  | 361  |
| Africa                   | -  | 34   |
| Oceania                  | 618  | 974  |
| Others                   | 42   | 19   |
| Total export             | 2,661                                      | 3,350                                      |
| Malaysia                 | 8,180                                      | 12,502                                     |
| Total revenue            | 10,841                                     | 15,852                                     |

9. Valuation of property, plant and equipment

There were no valuation of the property, plant and equipment in the current quarter under review.

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**(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 25 November 2018.

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

There were no changes in the composition of the Group since the previous quarter.

**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 25 November 2018.

**13. Capital commitments**

As of 25 November 2018, the Group has the following capital commitment in respect of property, plant and equipment:

|                             | <b>RM'000</b> |
|-----------------------------|---------------|
| Approved and contracted for | <u>563</u>    |

**14. Cash and cash equivalents**

|                                   | <b>As at<br/>30 Sept 2018<br/>RM'000</b> | <b>As at<br/>30 Sept 2017<br/>RM'000</b> |
|-----------------------------------|--|--|
| Cash & bank balances              | 1,307                                    | 2,362                                    |
| Fixed deposits with licensed bank | 993                                      | 984                                      |
|                                   | <u>2,300</u>                             | <u>3,346</u>                             |
| Bank overdraft                    | -  | (1,374)                                  |
| Fixed deposits pledged            | (993)                                    | (984)                                    |
|                                   | <u>1,307</u>                             | <u>988</u>                               |

**15. Related party transaction**

The following is the related party transaction:

|                                    | <b>3 months ended<br/>30 Sept 2018<br/>RM</b> | <b>Year to Date<br/>30 Sept 2018<br/>RM</b> |
|------------------------------------|---|---|
| Rental paid to a Director of Group | <u>7,950</u>                                  | <u>7,950</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 Sept 2018 | Corresponding quarter ended 30 Sept 2017 | 3 Months 30 Sept 2018 RM'000 | 3 Months 30 Sept 2017 RM'000 | Variation % |
|-------------------------------|------------------------------------|--|------------------------------|------------------------------|-------------|
| Revenue                       | 10,841                             | 15,852                                   | 10,841                       | 15,852                       | -32%        |
| (Loss)/Profit before taxation | (1,696)                            | 2,629                                    | (1,696)                      | 2,629                        | -165%       |

Group

For the first quarter ended 30 September 2018, the Group recorded a revenue of RM10.8 million, a decrease of RM5.0 million or 32% against preceding year's corresponding quarter which was mainly due to decrease of revenue in Manufacturing and Property Division.

During this quarter under review, the Group recorded a loss before tax ("LBT") of RM1.7 million against profit before taxation ("PBT") of RM2.6 million in preceding year's corresponding quarter. A loss was recorded during this current quarter was mainly due loss making position in Property Division and higher loss in Manufacturing Division.

Manufacturing Division

During current quarter ended 30 September 2018, Manufacturing Division recorded a revenue of RM8.8 million, decrease of RM0.5 million from RM9.3 million in preceding year's corresponding quarter was due lower production output which was affected by more public holiday in the month of September 2018. A LBT of RM1.1 million was recorded in current quarter, when compare to LBT of RM0.6 million in preceding year's corresponding quarter. The increase in loss was due to lower revenue recorded and lower production volume during the current quarter.

Property Division

During current quarter ended 30 September 2018, Property Division recorded a revenue of RM2.1 million, decrease of RM4.4 million from RM6.5 million in preceding year's corresponding quarter was due to slow in both take-up rate and approval of loan from bankers for the buyers. During this quarter, LBT of RM0.1 million was recorded when compare to PBT of RM2.7 million in preceding year's corresponding quarter, mainly due to lower revenue recorded in this current quarter.

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

|                      | Current quarter ended 30 Sept 2018 RM'000 | Preceding quarter ended 30 June 2018 RM'000 (Restated) | Variation % |
|----------------------|---|--|-------------|
| Revenue              | 10,841                                    | 11,917   | -9.0%       |
| Loss before taxation | (1,696)                                   | (859)  | 97.4%       |

For the first quarter ended 30 September 2018, the Group recorded the revenue of RM10.8 million, a decrease of RM1.1 million as compared to the preceding quarter.

The Group recorded a LBT of RM1.6 million for the current quarter as compare to LBT of RM0.9 million in the immediate preceding quarter. The increase in loss in current quarter was due to lower revenue recorded during the current quarter.

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**3. Current year prospects**

The outlook for the manufacturing and property industry remain challenging. The Group continues to seek ways and implement measures to improve the financial 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 provision for taxation due to loss during the period

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

|                                   | <b>30 Sept 2018</b> | <b>30 June 2018</b> |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>RM'000</b>       | <b>RM'000</b>       |
| Secured:                          |                     |                     |
| Bridging loans                    | 8,966               | 9,446               |
| Bankers' acceptances              | 4,653               | 4,024               |
| Term loans                        | 7,255               | 6,425               |
| Bank overdrafts                   | 9,858               | 3,901               |
|                                   | <u>30,732</u>       | <u>23,796</u>       |
| Less: Amount due within 12 months | (19,690)            | (13,075)            |
|                                   | <u>11,042</u>       | <u>10,721</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. Listing requirement**

The external auditor of the Company has performed a limited review on this quarterly report to comply with the requirement as stipulated in the letter of Bursa Securities Malaysia Berhad ("Bursa Securities") dated 21 September 2017 as announced by Bursa Securities on 29 September 2017. The limited review report is modified with the respect to the impact adjustments arising from the adoption of MFRS 9 and MFRS 15.

**9. Dividends**

No dividend is proposed in this quarter.

**10. 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</b> | <b>Year to Date</b> |
|---|-----------------------|---------------------|
|   | <b>30 Sept 2018</b>   | <b>30 Sept 2018</b> |
| Loss attributable to shareholders (RM'000)        | (1,696)               | (1,696)             |
| Weighted average number of ordinary shares ('000) | 96,209                | 96,209              |
| Loss per share (sen)                              | <u>(1.76)</u>         | <u>(1.76)</u>       |

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

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

|   | <b>3 months ended<br/>30 Sept 2018<br/>RM'000</b> | <b>Year to Date<br/>30 Sept 2018<br/>RM'000</b> |
|---|---|---|
| The profit has been arrived at after accounting for the following items     |   |   |
| (a) Interest income   | 87  | 87  |
| (b) Other income including investment income                                | -   | -   |
| (c) Interest expense  | 440   | 440   |
| (d) Depreciation and amortization   | 412   | 412   |
| (e) Provision for and write off of receivable                               | -   | -   |
| (f) Provision for and write off of inventories                              | 13  | 13  |
| (g) Gain/(loss) on disposal of quoted or unquoted investments or properties | -   | -   |
| (h) Impairment of asset   | -   | -   |
| (i) Foreign exchange gain/(loss)  | 29  | 29  |
| (j) Gain or (loss) on derivatives   | -   | -   |
| (k) Exceptional item  | -   | -   |

**12. Corporate proposals**

On 21 December 2017, 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 8,675,300 new ordinary shares to investors. The Private Placement of 8,675,300 new ordinary shares was fully subscribed and completed on 6 March 2018.

The status of utilisation of the proceeds from the Private Placement as at 30 September 2018 are as follows:

| Purpose  | Proceeds Raised (RM'000) | Amount Utilised (RM'000) | Amount Unutilised (RM'000) |
|--|--------------------------|--------------------------|----------------------------|
| Working capital  | 2,049                    | (2,049)                  | -                          |
| Estimated expenses in relation to the Proposed Private Placement | 120                      | (93)                     | # 27                       |
| Total  | 2,169                    | (2,142)                  | 27                         |

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

**13. Authorisation for issue**

The unaudited interim financial reports were authorised for issue by the Board of Directors.

By Order of the Board  
Dato' Loo Bin Keong  
Executive Director

30 November 2018