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If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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SCANWOLF CORPORATION BERHAD

(Registration No. 200601021156 (740909-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF SCANWOLF CORPORATION BERHAD ("SCANWOLF" OR "COMPANY") AND ITS SUBSIDIARIES TO INCLUDE THE SUPPLY OF BUILDING MATERIALS AND CONSTRUCTION RELATED MATERIALS AND PRODUCTS ("PROPOSED DIVERSIFICATION"); AND**
- (II) **PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF RM45.00 MILLION IN SCANWOLF PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("PROPOSED SHARE CAPITAL REDUCTION")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



SCS GLOBAL ADVISORY (M) SDN BHD

(Registration No. 200901020913 (864010-V))
(A licensed corporate finance advisory firm)

The Notice of Extraordinary General Meeting ("**EGM**") of Scanwolf to be convened at Fox Hotels, Level 8, Pusat Komersil Vestland (The GLENZ) East 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 12:00 p.m. or immediately following the conclusion or adjournment of Scanwolf's 19th Annual General Meeting ("**AGM**"), which will be held at the same venue on the same day at 10:00 a.m., whichever is later or at any adjournment thereof, together with the Proxy Form, are enclosed with this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Proxy Form must be lodged at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or in the case of electronic appointment, the Proxy Form can be electronically submitted via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmy.vistra.com> not less than forty-eight (48) hours before the time and date stipulated for the EGM, as indicated below. Please refer to the Administrative Guide for the EGM on the procedures for electronic submission of proxy form via The Portal. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Tuesday, 25 November 2025 at 12:00 p.m.

Day, date and time of the EGM : Thursday, 27 November 2025 at 12:00 p.m., or immediately following the conclusion or adjournment of Scanwolf's 19th AGM, whichever is later or at any adjournment thereof

This Circular is dated 5 November 2025

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following definitions shall apply throughout this Circular and the accompanying appendix:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
Board	:	Board of Directors of Scanwolf
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
By-Laws	:	The by-laws governing the ESS
Circular	:	This circular to shareholders in relation to the Proposals dated 5 November 2025
Constitution	:	The constitution of our Company
Construction Business	:	Our Group's existing business of construction and construction related activities
Director(s)	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in subsection 2(1) of the Capital Markets and Services Act 2007 and Section 2(1) of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Diversification were agreed upon, a director or a chief executive of Scanwolf, its subsidiaries or holding company
EGM	:	Extraordinary general meeting
ESGP	:	Employees' share grant plan
ESGP Awards	:	The grant of an award of such number of Scanwolf Shares to the eligible person without any cash consideration payable by the eligible persons
ESOS	:	Employees' share option scheme
ESOS Options	:	Options granted or which may be granted under the ESOS pursuant to the By-Laws, where each holder of the ESOS Options can subscribe for 1 new Share for every 1 ESOS Option held
ESS	:	Employees' share scheme, comprising ESOS and ESGP involving issuance of up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible Executive Director(s) and employees of our Group, which took effect on 2 May 2024, for a period of 5 years
Existing Businesses	Principal :	Collectively, the Manufacturing Business, Property Business and Construction Business
FYE	:	Financial year ended 30 June

DEFINITIONS *(Cont'd)*

ICULS : 56,470,800 outstanding 5-year 3% irredeemable convertible unsecured loan stocks 2021/2026 of Scanwolf with a nominal value of RM0.10 per ICULS which are convertible into new Scanwolf Shares at the ICULS Conversion Ratio, as at the LPD

ICULS Conversion Ratio : The conversion ratio of:

- (i) 1 new Scanwolf Share for every 3 ICULS which is computed based on the conversion price of RM0.30; or
- (ii) 1 new Scanwolf Share for 1 ICULS and payment of RM0.20 which is computed based on the conversion price of RM0.30

LAT : Loss after tax

Listing Requirements : Main Market Listing Requirements of Bursa Securities

LPD : 29 October 2025, being the latest practicable date prior to the printing of this Circular

LPS : Losses per Share

Major Shareholder(s) : A person who has an interest or interests in one or more voting shares in Scanwolf and the number or aggregate number of those shares, is:

- (i) 10% or more of the total number of voting shares in Scanwolf; or
- (ii) 5% or more of the total number of voting shares in Scanwolf where such a person is the largest shareholder of Scanwolf.

For the purpose this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.

Major Shareholders shall include any person who is or was within 6 months of the date on which the terms of the Proposal Diversification were agreed upon, a major shareholder of Scanwolf as defined above or any other company which is Scanwolf’s subsidiary or Scanwolf’s holding company

Manufacturing Business : Our Group’s existing business of manufacturing plastics extrusion products and flooring products

Maximum Scenario : Assuming all of the outstanding ICULS are converted into new Shares at a conversion ratio of 1 new Scanwolf Share for 1 ICULS and payment of RM0.20, all of the outstanding Warrants are exercised into new Shares, and none of the ESOS Options/ESGP Awards are granted prior to the completion of the Proposed Share Capital Reduction

Minimum Scenario : Assuming none of the outstanding ICULS and Warrants are converted/exercised into new Shares, and none of the ESOS Options/ESGP Awards are granted prior to the completion of the Proposed Share Capital Reduction

NA : Net assets

PAT : Profit after tax

DEFINITIONS (Cont'd)

Property Business	: Our Group's existing business of property development related activities
Proposals	: Collectively, the Proposed Diversification and Proposed Share Capital Reduction
Proposed Diversification	: Proposed diversification of the existing principal activities of the Scanwolf Group to include the Trading Business
Proposed Share Capital Reduction	: Proposed reduction of the issued share capital of our Company of RM45.00 million pursuant to Section 117 of the Act
RM and sen	: Ringgit Malaysia and sen, respectively
Scanwolf or Company	: Scanwolf Corporation Berhad (Registration No. 200601021156 (740909-T))
Scanwolf Group or Group	: Scanwolf and its subsidiaries, collectively
SCS Global or Adviser	: SCS Global Advisory (M) Sdn Bhd (Registration No. 200901020913 (864010-V))
Share(s) or Scanwolf Share(s)	: Ordinary share(s) in Scanwolf
Trading Business	: Supply of building materials and construction related materials and products
Warrant(s)	: 40,043,000 outstanding warrants 2021/2026 of Scanwolf which are exercisable into new Scanwolf Shares at an exercise price of RM0.30 per Warrant, as at the LPD

All references to “you” in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Scanwolf's plans and objectives will be achieved.

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NOTICE OF EGM**ENCLOSED****PROXY FORM****ENCLOSED**

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

Sections	Summary
Details of Proposed Diversification	<p>As at the LPD, our Group is principally involved in the Manufacturing Business, Property Business and Construction Business.</p> <p>As part of our Group's broader Manufacturing Business, our Group is also principally involved activities in the Trading Business which we supply building materials, construction related materials and products, which are presently carried out under our Manufacturing Business. These activities encompass both the manufacture and trading of products such as plastic extrusion materials (including plastic pipes, corner beads, groove lines and stair nosing) and flooring products, in particular stone plastic composite flooring tiles, which are supplied to property developers, building contractors and end-users.</p> <p>The consistent recognition of the Trading Business revenues underlines the role of the supply of building materials, construction related materials and products as an integral and established component of our Group's Manufacturing Business, while providing a synergistic support base for the Construction Business and/or Property Business going forward.</p> <p>On top of the trading of plastic extrusion materials and flooring products, the Trading Business is expected to leverage on opportunities within our Group's Property Business and Construction Business through the expansion into the supply of building materials and construction related materials and products, including, amongst others, wood-based materials, builder's supplies, timber, and electrical appliances and fittings, glass, furnishings, furniture, decorative items and household utensils.</p> <p>Given the size and nature of the Trading Business, our Board anticipates that, barring any unforeseen circumstances, the Trading Business may potentially contribute to 25% or more of our Group's net profits and/or result in a diversion of 25% or more of our Group's NA after taking into consideration the Existing Principal Businesses' historical financial performance and the expected profits contribution from the Trading Business following the Proposed Diversification. Pursuant thereto, our Board proposes to seek the approval from the shareholders of Scanwolf for the Proposed Diversification in accordance with Paragraph 10.13 of the Listing Requirements at the forthcoming EGM. If approved, our Group will become principally involved in the Existing Principal Businesses as well as the Trading Business.</p> <p>Please refer to Section 2 of this Circular for further details of the Proposed Diversification.</p>
Details of Proposed Share Capital Reduction	<p>The Proposed Share Capital Reduction entails the reduction of our Company's issued share capital pursuant to Section 117 of the Act, via the cancellation of our Company's issued share capital which is lost or unrepresented by available assets of RM45.00 million.</p> <p>The Proposed Share Capital Reduction will result in a credit of RM45.00 million, which will be utilised to set off against the accumulated losses of our Company at Company level and our Group on a consolidated basis.</p> <p>Please refer to Section 3 of this Circular for further details of the Proposed Share Capital Reduction.</p>

EXECUTIVE SUMMARY (Cont'd)

Sections	Summary
Rationale of the Proposals	<p><u>Proposed Diversification</u></p> <p>The Proposed Diversification is sought as our Group expects the Trading Business to contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of our Group's NA in the future.</p> <p>Our Managing Director, Dato' Seah Ley Hong is currently overseeing our Group's initiatives to revive the performance of the Manufacturing Business and Property Business as well as to grow the Construction Business. Our Group had also initiated plans to enter into business relationships with certain privately held businesses of the Joint Ultimate Offerors such as Fixus Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd, Sg. Besi Construction Sdn Bhd and Armani Hallson KLCC Sdn Bhd (formerly known as Golden Rainbow View Sdn Bhd), which includes the supply of building materials and construction related materials and products. As such, with the objective of further enhancing our Group's financial performance, our Group has implemented strategies to revive its Existing Principal Businesses and simultaneously pursue prospects available under the Trading Business via the Proposed Diversification.</p> <p>Therefore, the Proposed Diversification is in line with our Group's business strategy of pursuing business opportunities to generate additional income streams and enhance our Group's profits in response to the lacklustre financial performance of its Existing Principal Businesses.</p> <p>Furthermore, in the event our Group is able to identify and undertake additional property development and construction projects in the future, the Manufacturing Business, Property Business, Construction Business and Trading Business would be able to complement each other, as opposed to our Group diversifying into another unrelated business activity.</p> <p><u>Proposed Share Capital Reduction</u></p> <p>The Proposed Share Capital Reduction will enable our Group to rationalise their financial positions by reducing the accumulated losses to more appropriately reflect the value of the underlying assets and the financial position of our Group.</p> <p>In addition, the reduction of accumulated losses is expected to enhance the credibility of our Group with the bankers, customers, suppliers, investors and other stakeholders.</p> <p>Please refer to Section 4 of this Circular for further information on the rationale for the Proposals.</p>
Risk factors	<p>The risk factors, which may not be exhaustive, pertaining to the Proposals are set out below:</p> <ul style="list-style-type: none">(i) our Group will be subject to risks inherent to the property and construction industries arising from the supply of building materials and construction related materials and products to these sectors;(ii) our Group will face direct competition from both new entrants and existing players in the supply of building materials and construction related materials business in terms of pricing, market presence, reputation, and track record in product distribution and services;

EXECUTIVE SUMMARY *(Cont'd)*

Sections	Summary
	(iii) our Group's involvement in the Trading Business depends largely on the abilities, skills, experience, competency and continued efforts of our key management personnel; and
	(iv) our Group will be subject to any adverse changes in political, economic, and social conditions in Malaysia, which could materially and unfavourably affect the financial prospects of the Trading Business directly or indirectly.

Please refer to **Section 6** of this Circular for further information.

Effects of the Proposed Diversification
Proposals

The Proposed Diversification will not have any immediate effect on the issued share capital, NA, gearing, loss and LPS of our Group as well as the substantial shareholders' shareholding in Scanwolf.

The effects of the Proposed Diversification on the issued share capital, NA, gearing, loss and LPS of our Group as well as the substantial shareholders' shareholding in Scanwolf, where applicable, will depend on the mode of funding for the Trading Business moving forward.

Any profit contribution from the Trading Business is expected to contribute positively to the financial performance of our Group.

Proposed Share Capital Reduction

The Proposed Share Capital Reduction will:

- (i) reduce RM45.00 million of the issued share capital of our Company but it will not have any effect on the total number of our issued Shares;
- (ii) not have any material effect on the NA per Share, gearing, losses and LPS of our Group for the FYE 2025;
- (iii) not have any effect on the shareholdings of our substantial shareholders; and
- (iv) not result in any adjustment to the exercise price and number of outstanding Warrants and ICULS.

Please refer to **Section 7** of this Circular for further information.

Approvals
required

The Proposals are subject to the following:

- (i) approval from our shareholders at the forthcoming EGM; and
- (ii) any other relevant authorities, if required.

For avoidance of doubt, the Proposed Share Capital Reduction is not subject to the confirmation of the court, pursuant to Section 117 of the Act.

The Proposals are not inter-conditional upon each other. The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

Please refer to **Section 9** of this Circular for further information.

EXECUTIVE SUMMARY (Cont'd)

Sections	Summary
Directors' statement and recommendation	<p>Our Board, having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of Scanwolf.</p> <p>Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.</p> <p>Please refer to Section 12 of this Circular for further information.</p>

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SCANWOLF CORPORATION BERHAD

(Registration No. 200601021156 (740909-T))
(Incorporated in Malaysia)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

5 November 2025

Board of Directors

Dato' Ir Haji Cheremi Bin Haji Tarman (*Independent Non-Executive Chairman*)
Dato' Seah Ley Hong (*Managing Director*)
Dato' Tan Sin Keat (*Executive Director*)
Ng Chee Wai (*Executive Director*)
Fong Keng Mun (*Independent Non-Executive Director*)
Khoo Kien Hoe (*Independent Non-Executive Director*)
Lee Pei Fen (*Independent Non-Executive Director*)
Teoh Wei Loong (*Independent Non-Executive Director*)

To: The Shareholders of Scanwolf

Dear Sir/Madam,

SCANWOLF CORPORATION BERHAD ("SCANWOLF" OR "COMPANY")

(I) PROPOSED DIVERSIFICATION; AND

(II) PROPOSED SHARE CAPITAL REDUCTION

1. INTRODUCTION

On 2 October 2025, SCS Global had, on behalf of our Board, announced that our Company proposed to undertake the Proposals.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

2.1 Principal Activities of our Group

As at the LPD, our Group is principally involved in the Manufacturing Business, Property Business and Construction Business.

(i) Manufacturing Business

Presently, our Group is involved in the manufacturing of plastic extrusion products such as plastic edging, which are widely used in the furniture industry, as well as flooring products, catering to property developers, building contractors and end consumers.

As detailed under Section 2.2 of this Circular, our Group's Manufacturing Business has been in a loss-making position in recent financial years. Our Group has been implementing several measures as part of our Group's strategy to improve our financial performance of the Manufacturing Business as follows:

(a) Plastic Extrusion Products

To diversify our revenue sources and expand our customer base, our Group has been promoting our plastic extrusion products to penetrate new markets such as the property and construction industries, while at the same time continuing to strengthen our relationships with traders who procured our products locally and internationally. In addition, our Group has also streamlined our product offering and sales to furniture manufacturers to cater to their requirements and align with market demand. These initiatives are intended to enable our Group to broaden our sales channels and mitigating the risk of revenue volatility.

Recognising that resin constitutes a significant proportion of production costs, our Group has practised bulk purchase arrangements with key resin suppliers of our Group. This measure has enabled us to negotiate more competitive pricing, ensure continuity of supply and reduce exposure to short-term price volatility. Additionally, our procurement monitoring process has been enhanced through periodic market price monitoring and the adoption of procurement strategies that consider both confirmed purchase orders and anticipated demand, where appropriate.

At the operational level, our Group has progressively introduced automation in selected production lines to reduce labour dependency, manage our output consistency and minimise wastage. This measure is also complemented by continued process improvements such as tighter quality control.

Our Group has also expanded its production range to include plastic pipes and other plastic building materials such as corner beads, groove lines and stair nosing, which are commonly used in the construction industry. These expanded product offerings are intended to broaden our customer base and tap into new demand segments.

(b) Flooring products

In respect of flooring products, our Group has continued to strengthen our marketing activities through a combination of online and offline platforms. The online platform primarily caters to the business-to-consumer segment, while offline initiatives such as product demonstrations and project presentations are directed towards property developers and building contractors in the property development and construction industries. To broaden our Group's market reach, we have engaged a distributor in East Malaysia to market our products.

In addition, our Group is evaluating potential initiatives which may include, amongst others, strategic collaborations with international industry players with the objective of enhancing our competitive advantages, developing new products and improving cost structures.

Our Group has also invested in new production machinery to support the introduction of stone plastic composite ("**SPC**") flooring. SPC are aimed to offer improved durability and design flexibility as compared to traditional luxury vinyl tile (LVT) products. The shift in product mix towards SPC forms part of our Group's strategy to improve financial performance and strengthen our competitive positioning in the flooring market.

Collectively, these measures are expected to reposition our Manufacturing Business on a more competitive footing by expanding market reach, securing cost advantages and strengthening operational resilience. Our Board and management believe that these measures, coupled with the normalisation in raw material prices, will support a gradual turnaround in the financial performance of the Manufacturing Business and improve its contribution to our Group's overall results going forward.

(ii) Property Business

On 28 June 2024, Scanwolf Properties Sdn Bhd ("**Scanwolf Properties**"), a wholly-owned subsidiary of our Group, entered into a joint venture agreement ("**JVA**") with Ratna Bina Sdn Bhd ("**RBSB**") for the development of a parcel of leasehold land located in Sungai Buloh, Selangor. Under the JVA, RBSB (as the landowner) contributes the land, while Scanwolf Properties bears all development costs and a consideration of RM14.00 million payable to RBSB in several tranches, including redemption of the existing encumbrance and staged instalments. Upon full settlement of the consideration, Scanwolf Properties is entitled to the beneficial ownership of the land, with RBSB holding the land on trust.

Subsequent to the execution of the JVA, Scanwolf Properties and RBSB entered into a letter of variation dated 4 February 2025 ("**Letter of Variation**") to vary certain terms of the JVA. Our Board will continue to make timely disclosures of any further material developments of the JVA in accordance with the Listing Requirements.

The development project is planned to comprise approximately 330 office units with an estimated gross development value ("**GDV**") of approximately RM130.44 million and gross development cost ("**GDC**") of approximately RM98.62 million. The project is expected to be completed within a period of 3 years from the approval of the relevant development order. Scanwolf Properties submitted its development order application in December 2024 and has since obtained the conditional approval on 17 March 2025. As at the LPD, our Group is in the midst of appealing against one condition of the development order. As at the LPD, our Group has not commenced the development work of this development project. Barring any unforeseen circumstances, our Group expects the development work in relation to the JVA to commence in the 4th quarter of FYE 2026. Please refer to Section 4, Appendix I of this Circular for further details of the JVA and the Letter of Variation.

In December 2015, our Group had commenced a property development project comprising 600 commercial units, namely Kampar Putra Project, located in Kampar Perak, with an estimated GDV of RM122.10 million and GDC of RM94.63 million. The Kampar Putra Project has been completed and the Certificate of Completion and Compliance (CCC) for all units was obtained in April 2019. As at the LPD, our Group is focusing on the sale of the remaining 290 unsold units of 3-storey shop/office, representing a take-up rate of 51.67% of the total 600 units. Our Group has engaged several real estate agencies to advertise and sell the abovementioned 290 units of 3-storey shop/office.

Separately, our Group also holds 2 parcels of vacant commercial/residential land located in Kampar, Perak. As at the LPD, no development order has been submitted for the abovementioned 2 parcels of vacant commercial/residential land and there are no immediate plans for development, after taking into consideration, amongst others, prevailing market conditions and our Group's capital allocation priorities.

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(iii) Construction Business

In July 2024, our Group had obtained shareholders' approval to diversify into the Construction Business, focusing on building construction projects such as residential developments, mixed-use developments, public buildings as well as infrastructure projects, including flood mitigation works, road construction and construction of water treatment plants. In addition, the Construction Business is also involved in construction related activities such as project management services, architecture, interior design and fit-out services, as well as maintenance contracts for buildings and infrastructure.

As at the LPD, our Group has recently completed several projects as follows:

Description of the construction projects		Contract value (RM'million)	Commencement date	Completion date
No.	Location			
1.	Provision of supply, delivery, construction and completion of Sultan sales gallery work excluding interior design for a sales gallery	6.00	16 December 2024	15 June 2025
2.	Supply, delivery, construction and completion of carpentry works, stone works, lamination works, partitions works, finishes, external façade, entrance statement and landscaping works for a sales gallery	8.00	27 March 2025	31 July 2025
3.	Supply of materials, machinery (including fuel, oil, etc.), skilled labour, tools, and other associated work deemed necessary to complete the building-integrated photovoltaic steel structure work for a solar photovoltaic facility	10.73	30 March 2025	30 September 2025

As at the LPD, our Group is currently involved in the following construction projects, which are yet to be completed:

No.	Description of the construction projects	Location	Contract value (RM'million)	Commencement date	Expected completion date	Percentage of completion as at the LPD
1.	Provision of structural work, post tensioning, waterproofing, tiling, flooring, painting, aluminium and mild steel work for a residential project	Bandar Sri Permaisuri, Cheras, Kuala Lumpur	9.73	30 July 2024	8 November 2026	62.89%
2.	Sub-structure works including all piling works, basement retaining structure and On-Site-Detention (OSD) and water tank under the lowest floor level for a commercial building development project	Jalan Ampang, Kuala Lumpur	42.00	20 March 2025	19 September 2026	83.07%
3.	Relocation of water supply for an infrastructure project	Gombak, Selangor	16.63	22 April 2025	31 December 2025	55.33%

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2.2 Financial Performance of our Group

Our Group's segmental audited consolidated financial performance for the past 4 FYEs up to the FYE 2025 are set out below:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing Business	35,027	32,283	32,401	34,994
- Property Business	4,190	4,267	400	952
- Construction Business	-	-	-	55,199
- Investment holding ⁽¹⁾	-	-	-	-
Total	39,217	36,550	32,801	91,145
PAT/(LAT)				
- Manufacturing Business	(6,777)	(7,882)	(4,653)	(13,929)
- Property Business	301	(667)	(256)	(994)
- Construction Business	-	-	-	5,162
- Investment holding ⁽¹⁾	(10,598)	(1,842)	(1,597)	(1,420)
Total	(17,074)	(10,391)	(6,506)	(11,181)

Note:

(1) Relates to our Company's activities of managing its subsidiaries' operations.

The financial commentary on our Group's past 4 FYEs up to the FYE 2025 are as set out below:

(i) FYE 2022 vs FYE 2023

Our Group's revenue decreased by RM2.67 million or 6.80% to RM36.55 million in FYE 2023 (FYE 2022: RM39.22 million) which was mainly due to a decrease in export sales of plastic extrusion products by approximately RM1.68 million, particularly to the Oceania region. The decrease in revenue was primarily due to the shift in customer preferences towards more environmentally friendly plastic products such as acrylonitrile butadiene styrene plastic products in comparison to plastic extrusion products. Additionally, the decrease in revenue was also due to the lower production of plastic extrusion products in FYE 2023 which is attributable to the shortage of raw materials, in particular resin, thereby leading to a bottleneck between the supply of and demand for plastic extrusion products.

Our Group recorded a LAT of RM17.07 million in the FYE 2022 was mainly due to the losses recorded by our Manufacturing Business and investment holding segment. Our Manufacturing Business recorded a LAT of RM6.78 million was mainly due to cost of raw materials, staff costs, other operating expenses, depreciation and finance costs. Meanwhile, the investment holding segment recorded a LAT of RM10.60 million was mainly due to the recognition of one-off employee benefits expenses amounting to approximately RM7.82 million in relation to the vesting of employees' share options granted to our Group's employees, as well as the staff costs incurred.

Our Group recorded a LAT of RM10.39 million in the FYE 2023 was mainly due to the losses recorded by our Manufacturing Business and investment holding segment. Our Manufacturing Business recorded a LAT of RM7.88 million was mainly due to cost of raw materials, staff costs, other operating expenses, depreciation and finance costs. Meanwhile, the investment holding segment recorded a LAT of RM1.84 million was mainly due to the staff costs incurred.

The decrease in LAT by RM6.68 million to RM10.39 million in FYE 2023 as compared to a LAT of RM17.07 million in FYE 2022 was mainly due to the absence of one-off employee benefits expenses amounting to approximately RM7.82 million recognised in FYE 2022 in relation to the vesting of employees' share options granted to our Group's employees.

(ii) FYE 2023 vs FYE 2024

Our Group's revenue decreased by RM3.75 million or 10.26% to RM32.80 million in FYE 2024 (FYE 2023: RM36.55 million), mainly due to lower sales recorded in the Property Business. The decrease in revenue of Property Business was mainly due to the slower sales of completed units from the project located in Kampar, Perak.

Our Group recorded a LAT of RM6.51 million in the FYE 2024 was mainly due to the losses recorded by our Manufacturing Business and investment holding segment. Our Manufacturing Business recorded a LAT of RM4.65 million was mainly due to, cost of raw materials, staff costs, other operating expenses, impairment of property, plant and equipment, depreciation and finance costs. Meanwhile, the investment holding segment recorded a LAT of RM1.60 million was mainly due to the staff costs incurred.

Our Group's LAT decreased by RM3.88 million or 37.39% from RM10.39 million in FYE 2023 to RM6.51 million in FYE 2024 which was mainly due to the reversal of staff cost amounting to RM7.61 million arising from termination of the shares issuance scheme as well as waiver of debt from a main contractor of RM1.93 million via a settlement arrangement. The aforementioned improvement was negated by the higher impairment loss on property, plant and equipment of RM5.86 million.

(iii) FYE 2024 vs FYE 2025

Our Group's revenue increased by RM58.34 million or 177.87% to RM91.15 million in FYE 2025 (FYE 2024: RM32.80 million), mainly due to the following:

- (a) higher revenue contributed by Construction Business following the proposed diversification in June 2024; and
- (b) higher revenue contributed by Manufacturing Business mainly attributable to higher demand from existing customers.

Our Group's LAT increased by RM4.68 million or 71.86% from RM6.51 million in FYE 2024 to RM11.18 million in FYE 2025 which was mainly due to the following:

- (a) absence of the reversal of staff cost arising from termination of the share issuance scheme in the FYE 2025 (FYE 2024: RM7.61 million); and
- (b) absence of waiver of debt from a main contractor in the FYE 2025 (FYE 2024: RM1.93 million).

Nonetheless, the increase in LAT abovementioned was partially offset by the PAT contributed by the Construction Business amounting to RM5.16 million in the FYE 2025.

Our Manufacturing Business recorded a LAT of RM13.91 million in the FYE 2025 was mainly due to cost of raw materials, staff costs, other operating expenses, impairment of property, plant and equipment, depreciation and finance costs.

2.3 Details of the Proposed Diversification

As part of our Group's broader Manufacturing Business, our Group is also principally involved in activities in the Trading Business which we supply building materials, construction related materials and products, which are presently carried out under our Manufacturing Business. These activities encompass both the manufacture and trading of products such as plastic extrusion materials (including plastic pipes, corner beads, groove lines and stair nosing) and flooring products, in particular SPC, which are supplied to property developers, building contractors and end-users.

Our Manufacturing Business has consistently registered breakdown between manufacturing and trading revenue for the past 4 FYEs up to the FYE 2025, reflecting the contribution from the Trading Business to our Group's overall financial performance. The breakdown of the revenue of our Manufacturing Business as well as its contribution to our Group's total revenue for the past 4 FYEs up to the FYE 2025, is set out below:

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%
Revenue						
Manufacturing Business	35,027	89.32	32,283	88.33	32,401	98.78
- Manufacturing	29,828	76.06	29,057	79.50	25,336	77.24
- Trading	5,199	13.26	3,226	8.83	7,065	21.54
					1,728	1.89
					34,994	38.39
					33,266	36.50
					1,728	1.89

Note:

(1) Revenue contribution to our Group's total revenue for the respective FYEs.

The consistent recognition of the Trading Business revenues underlines the role of the supply of building materials, construction related materials and products as an integral and established component of our Group's Manufacturing Business, while providing a synergistic support base for the Construction Business and/or Property Business going forward.

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On 20 January 2025, Mighty Alliance Sdn Bhd ("**MASB**" or "**Offeror**") became a major shareholder of our Company following its acquisition of an aggregate 69,808,420 Scanwolf Shares from Armani Synergy Sdn Bhd, Dato' Seah Ley Hong, Esfinity Sdn Bhd, PEG Capital Sdn Bhd and Lim Nyuk Sang @ Freddy Lim, representing approximately 34.38% equity interest in Scanwolf. Upon completion of the acquisition of shares, the collective shareholding of the MASB (i.e. Offeror), Dato' Seah Ley Hong, Dato' Sri Wong Sze Chien, Dato' Sri Azlan bin Azmi, Dato' Sri Andrew Lim Eng Guan ("**Joint Ultimate Offerors**") and the persons acting in concert with them ("**PACs**") have increased from 54,647,510 Scanwolf Shares, representing approximately 26.91% equity interest in Scanwolf, to 80,544,310 Scanwolf Shares, representing approximately 39.66% equity interest in Scanwolf. Pursuant thereto, MASB was obliged to extend a take-over offer to acquire all the remaining securities not already owned by MASB, Joint Ultimate Offerors and the PACs ("**Offer**"). The Offer was closed on 14 March 2025.

As set out in the Offer document, MASB and the Joint Ultimate Offerors intend to continue and focus on the existing businesses of the Scanwolf Group and do not have any plans and/or intention to liquidate any company within the Scanwolf Group. Dato' Seah Ley Hong (being one of the Joint Ultimate Offerors and Managing Director of Scanwolf) is overseeing our Group's initiatives to revive the performance of the Manufacturing Business and Property Business as well as to grow the Construction Business. As highlighted in Section 3 of the Offer document, our Group had initiated plans to enter into business relationships with certain privately held businesses of the Joint Ultimate Offerors such as Fixus Construction Sdn Bhd ("**Fixus**"), Mercu Majuniaga Sdn Bhd, Sg. Besi Construction Sdn Bhd and Armani Hallson KLCC Sdn Bhd (formerly known as Golden Rainbow View Sdn Bhd), which includes the supply of building materials and construction related materials and products.

Our Group also proposed to enter into recurrent related party transactions ("**RRPT**"), including, amongst others, the purchase and supply of building materials and construction related products to abovementioned related parties, Speed Concrete Industries Sdn Bhd, TAFI Industries Berhad and its subsidiaries as well as Magna Prima Berhad and its subsidiaries. Accordingly, our Board proposes to seek shareholders' mandate for the RRPT to be entered by our Group ("**Proposed Shareholders' Mandate**") in accordance with Paragraph 10.09 of the Listing Requirements. The circular in relation to the Proposed Shareholders' Mandate was despatched to our shareholders on 29 October 2025 and the annual general meeting ("**AGM**") is expected to be held on 27 November 2025. For information purposes, the Directors who are interested in the Proposed Shareholders' Mandate have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in relation to the Proposed Shareholders' Mandate. The interested Directors and interested Major Shareholders will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM. Further, the interested Directors and interested Major Shareholders will ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any on the said resolution at the AGM.

The Proposed Diversification represents an expansion of activities previously undertaken under our Group's Manufacturing Business. Going forward, our Group plans to develop a dedicated business segment for the Trading Business by undertaking several business plans, amongst others, the following:

- (i) widening the product range in addition to the trading of plastic extrusion materials and flooring products, i.e. wood-based materials, builder's supplies, timber, electrical appliances and fittings, glass, furnishings, furniture, decorative items and household utensils;
- (ii) leveraging on opportunities and existing value chain within our Group's Property Business and Construction Business through the expansion into the supply of building materials and construction related materials and products to property developers, building contractors and end-users;

- (iii) supply and purchase of building materials and construction related materials and products with the abovementioned related parties as disclosed in the circular in relation to the Proposed Shareholders' Mandate dated 29 October 2025; and
- (iv) product sourcing is expected to be carried out locally and/or internationally, depending on product pricing, expected financial performance of Trading Business, supplier relationships and credit terms obtained from suppliers as well as customers' requirements.

Operationally, the Trading Business will be managed by a dedicated team, spearheaded by our Group's Managing Director and Director of Scanwolf Flooring Industries Sdn Bhd, which is a wholly-owned subsidiary of our Company, to be responsible for procurement, warehousing, logistics and marketing. Our Group will utilise existing factory and warehouse facilities to store materials and will source supplies through related parties as well as both local and overseas suppliers based on quality, cost and delivery considerations. The Trading Business will also integrate with our Group's Property and Construction Businesses, enabling internal supply of building materials and construction related materials and products for ongoing and upcoming projects, while participating in external tenders and supply contracts to optimise utilisation and economies of scale.

Our Group expect to fund the operations of the Trading Business by using internally generated funds, credit terms extended by the suppliers and/or bank borrowings. As at the LPD, our Group is in discussions and preliminary negotiations with several potential customers involved in the property development and construction industries, but no material contract/purchase order have been secured. Accordingly, as at the LPD, our Group does not expect any material financial commitment in the next 12 months. In the event our Group secures any material contract/purchase order, our Group will make immediate disclosure to Bursa Securities in accordance with Paragraph 9.03 of the Listing Requirements.

Barring any unforeseen circumstances, our Board expects our Trading Business to contribute positively to the future earnings of our Group by FYE 2026 or FYE 2027 subject to, amongst others, the following:

- (i) internal synergies with our Group's Property and Construction Businesses;
- (ii) award of contract/purchase order from customers involved in the property development and construction industries; and
- (iii) fluctuations in the prices and availability of building materials and construction related materials and products as well as competition from both new entrants and existing players within the industry for trading of building materials and construction related materials and products.

Given the size and nature of the Trading Business, our Board anticipates that, barring any unforeseen circumstances, the Trading Business may potentially contribute to 25% or more of our Group's net profits and/or result in a diversion of 25% or more of our Group's NA after taking into consideration the Existing Principal Businesses' historical financial performance and the expected profits contribution from the Trading Business following the Proposed Diversification. Pursuant thereto, our Board proposes to seek the approval from the shareholders of Scanwolf for the Proposed Diversification in accordance with Paragraph 10.13 of the Listing Requirements at the forthcoming EGM. If approved, our Group will become principally involved in the Existing Principal Businesses as well as the Trading Business.

2.4 Key Management Personnel

The Proposed Diversification will be spearheaded by Dato' Seah Ley Hong, who is the Managing Director and a Major Shareholder of Scanwolf, and Tan Yann Kang, who is the Director of Scanwolf Flooring Industries Sdn Bhd.

By leveraging on the expertise of the following key management personnel, our Board believes that our Group has the capability and resources to diversify into the Trading Business without impacting our Group's existing operation.

2.4.1 Dato' Seah Ley Hong

Dato' Seah Ley Hong, a Malaysian male, age 36, is the Managing Director and a Major Shareholder of Scanwolf. He is responsible for the overall implementation as well as overseeing the management and operation of our Group's construction projects. He holds a Bachelor of Engineering from the University of Leeds, United Kingdom and has over 10 years of relevant experience in the construction related industry.

In 2013, he began his career as a sales executive of Speed Concrete Industries Sdn Bhd ("**SCISB**"), a premier pre-cast concrete manufacturer in Malaysia, whereby his role involved generating leads, managing client accounts and negotiating contracts. He was subsequently appointed as an Executive Director of the company in 2013 whereby his responsibilities included strategic planning, overseeing operations, managing finances and guiding the overall direction of SCISB. Dato' Seah Ley Hong resigned as the Executive Director of SCISB in February 2022.

In 2015, Dato' Seah Ley Hong established Fixus, a company specialising in building and infrastructure construction, as well as the maintenance of buildings and infrastructure throughout Malaysia, including flood mitigation projects. As the Executive Director of Fixus, Dato' Seah Ley Hong is responsible for the strategic planning of the company and guiding the overall direction of Fixus. Dato' Seah Ley Hong, assisted by his team, also partakes in contract negotiations, contract monitoring, progress monitoring, budget and quality control monitoring as well as overseeing the construction and infrastructure works of the projects and overall operations of the construction business.

Dato' Seah Ley Hong is also currently the Managing Director of Magna Prima Berhad ("**MPB**"), a position he has held since November 2024 and a major shareholder of MPB. MPB is listed on the Main Market of Bursa Securities and is principally involved in property development, building construction, trading and management services. As the Managing Director of MPB, Dato' Seah Ley Hong is primarily responsible for formulating the business strategies and business direction of MPB and its subsidiaries.

Save for Scanwolf and MPB, Dato' Seah Ley Hong does not hold any directorship or have any substantial shareholding in any other public listed company in Malaysia as at the LPD.

2.4.2 Tan Yann Kang

Tan Yann Kang, a Malaysian male aged 34, currently serves as the Director of Scanwolf Flooring Industries Sdn Bhd, which is a wholly-owned subsidiary of Scanwolf. He oversees the day-to-day operations, business strategy, and overall business development of our Group's manufacturing and trading arms. He is entrusted with the responsibility of establishing and executing our Group's business plans and directions, ensuring alignment with long-term growth strategies.

He holds a Bachelor of Business (Marketing) from Monash University, Australia and has accumulated over 12 years of relevant experience across the manufacturing, marketing, and industrial trading industries. His academic grounding in marketing, combined with extensive practical experience in operations, strategy and business development, has equipped him with a comprehensive skillset to drive both revenue growth and market expansion.

He began his career in 2013 with Serrano Limited, a company listed on the Singapore Exchange (SGX), where he served as an Administration Executive reporting directly to the general manager. In this role, he gained early exposure to corporate administration, compliance and management processes in a listed entity environment.

In 2014, he joined Scanwolf Plastic Industries Sdn Bhd as a Management Trainee and, through his demonstrated leadership and results, was promoted to Director of Scanwolf Flooring Industries Sdn Bhd in 2016. He played an instrumental role in steering our Group's diversification into new product lines and market segments.

He is dedicated to advance our Group's downstream expansion, building a strong sales network for flooring products and industrial building materials, serving business-to-project (B2P), business-to-business (B2B) and business-to-consumer (B2C) segments. This initiative has enabled our Group to capture greater value along the supply chain, broaden its customer base and strengthen recurring revenue streams.

Through his progressive leadership roles within the Scanwolf Group, he has accumulated hands-on experience in manufacturing operations, joint venture management, product marketing, business development and industrial trading. His proven track record in leading market expansion initiatives, and driving trading activities demonstrates that he possesses the requisite expertise, commercial acumen, and leadership capabilities to spearhead our Group's proposed Trading Business under the Proposed Diversification.

3. DETAILS OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction entails the reduction of our Company's issued share capital pursuant to Section 117 of the Act, via the cancellation of our Company's issued share capital which is lost or unrepresented by available assets of RM45.00 million. The quantum of Proposed Share Capital Reduction of RM45.00 million was arrived at after taking into the consideration, amongst others, our Group's accumulated losses of RM41.22 million as at 30 June 2025, being the latest unaudited consolidated statements of financial position available when the proposal was approved by our Board.

The Proposed Share Capital Reduction will result in a credit of RM45.00 million, which will be utilised to set off against the accumulated losses of our Company at Company level and our Group on a consolidated basis.

Based on the latest audited consolidated statements of financial position as at 30 June 2025, our Company's issued share capital was RM87,497,013, comprising 214,335,310 Shares. As at the LPD, our Company has the following convertible securities:

- (i) 56,470,800 outstanding ICULS; and
- (ii) 40,043,000 outstanding Warrants.

In addition, our Company does not hold any treasury shares and there are no outstanding ESOS Options which have been granted but are yet to be exercised. Our Company does not intend to grant any ESOS Options/ESGP Awards prior to the completion of the Proposed Share Capital Reduction.

For illustrative purposes, the pro forma effects of the Proposed Share Capital Reduction on the accumulated losses of our Company and our Group based on the latest audited consolidated statements of financial position as at 30 June 2024 and 30 June 2025 are as follows:

	Audited		Audited	
	As at 30 June 2024		As at 30 June 2025	
	Company level	Group level	Company level	Group level
	RM'000	RM'000	RM'000	RM'000
Accumulated losses	(84,689)	(29,945)	(102,117)	(40,728)
Add: Credit arising from the Proposed Share Capital Reduction	45,000	45,000	45,000	45,000
Less: Estimated expenses incurred for the Proposals	(120)	(120)	(120)	(120)
Resultant (accumulated losses) /retained earnings	(39,809)	14,935	(57,237)	4,152

Our Company recorded accumulated losses of RM84.69 million as at 30 June 2024 and RM102.12 million as at 30 June 2025 mainly due to, amongst others, recognition of impairment loss on amount due from subsidiaries and impairment loss on investment in subsidiaries over the past financial years.

Our Group recorded accumulated losses of RM29.95 million as at 30 June 2024 and RM40.73 million as at 30 June 2025 mainly due to, amongst others, the losses incurred by Manufacturing Business over the past financial years as explained in Section 2.2.

Subject and subsequent to the receipt of approvals of the Proposed Share Capital Reduction from the shareholders of our Company at the forthcoming EGM, the effective date of the Proposed Share Capital Reduction will be the date when the Registrar of Companies has recorded the information lodged in the appropriate register pursuant to Section 119 of the Act.

For avoidance of doubt, the Proposed Share Capital Reduction will not result in:

- (i) any adjustment to our Share price;
- (ii) any change in our total number of Shares in issue or our number of Shares held by our shareholders;
- (iii) any payment to our shareholders; and
- (iv) any cash outflows or change in the NA of our Group, save for the estimated expenses to be incurred in relation to the Proposals.

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Diversification

As set out in Section 2 of this Circular, the Proposed Diversification is sought as our Group expects the Trading Business to contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of our Group's NA in the future.

As highlighted in Section 2.3 of this Circular, our Managing Director, Dato' Seah Ley Hong is currently overseeing our Group's initiatives to revive the performance of the Manufacturing Business and Property Business as well as to grow the Construction Business. Our Group had also initiated plans to enter into business relationships with certain privately held businesses of the Joint Ultimate Offerors such as Fixus, Mercu Majuniaga Sdn Bhd, Sg. Besi Construction Sdn Bhd and Armani Hallson KLCC Sdn Bhd (formerly known as Golden Rainbow View Sdn Bhd), which includes the supply of building materials and construction related materials and products. As such, with the objective of further enhancing our Group's financial performance, our Group has implemented strategies to revive its Existing Principal Businesses and simultaneously pursue prospects available under the Trading Business via the Proposed Diversification.

Therefore, the Proposed Diversification is in line with our Group's business strategy of pursuing business opportunities to generate additional income streams and enhance our Group's profits in response to the lacklustre financial performance of its Existing Principal Businesses. Our Group shall leverage the expertise, experience and business network of Dato' Seah Ley Hong in the property development and construction industry as well as experience of Tan Yann Kang in industrial trading as set out in Section 2.4 of this Circular, to undertake the Trading Business. At this juncture, notwithstanding the lacklustre performance of our Group's Property Business, our Group believes that the Trading Business remains correlated with our Group's existing Property Business and Construction Business wherein our Group can still leverage on the Property Business and Construction Business' network of property developers/owners as well as contractors to secure orders of supplying the building materials and construction related material and products.

Furthermore, in the event our Group is able to identify and undertake additional property development and construction projects in the future, the Manufacturing Business, Property Business, Construction Business and Trading Business would be able to complement each other, as opposed to our Group diversifying into another unrelated business activity.

Premised on the above and in view of the positive outlook of property, construction as well as property and construction materials sector as set out in Section 5 of this Circular, coupled with the experience and track record of Dato' Seah Ley Hong spearheading the Property Business and Construction Business and experience of Tan Yann Kang in industrial trading, our Company is optimistic that the Proposed Diversification is expected to contribute positively to the future earnings of our Group and strengthen its financial position in the longer term.

4.2 Proposed Share Capital Reduction

The Proposed Share Capital Reduction will enable our Group to rationalise their financial positions by reducing the accumulated losses to more appropriately reflect the value of the underlying assets and the financial position of our Group.

In addition, the reduction of accumulated losses is expected to enhance the credibility of our Group with the bankers, customers, suppliers, investors and other stakeholders.

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

5.1 Overview and Outlook of the Malaysian Economy

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of ICT related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the E&E segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries is anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil (CPO) and demand from food related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shutdown for maintenance purposes.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

The Malaysian economy expanded by 4.4% in the second quarter of 2025 (1Q 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued electrical and electronics (E&E) exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities.

On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and Government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2025, Bank Negara Malaysia)

5.2 Overview and Outlook of the Construction Industry in Malaysia

The construction sector expanded by 12.1 per cent as compared to 14.2 per cent recorded in the previous quarter. In terms of seasonally adjusted, this sector increased by 5.2 per cent (Q1 2025: 1.1%). The growth in this sector was driven by the performance in non-residential buildings, specialised construction activities, civil engineering and residential buildings.

(Source: Gross Domestic Product Second Quarter 2025, Ministry of Economy Malaysia)

The construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as LRT3 Phase 2 and Sarawak-Sabah Link Road Phase 2. Similarly, the non-residential buildings subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas such as the Kerian Integrated Green Industrial Park (KIGIP) and Johor-Singapore Special Economic Zone (JS-SEZ). Furthermore, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Ekonomi MADANI framework, alongside new development projects by the private sector.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

5.3 Overview and Outlook of the Property Market in Malaysia

The property market performance continues to strengthen, supported by stable economic conditions and targeted government initiatives. A total of 420,545 transactions worth RM232.30 billion were recorded, expanded by 5.4% and 18.0% in volume and value of transactions, showing the highest market activities in Malaysia over the past decade. Of the total transactions, 77.7% (326,784 transactions) were transfers dated in 2024, 19.1% (80,487 transactions) were from 2023, and the remaining share consisted of transfers from previous years.

Sectoral market activity performance continued its upward momentum. All subsectors recorded year-on-year growth in the volume of transactions. Higher increases were observed for the commercial subsector (13.6%) and development land and others (9.7%). Meanwhile, the industrial subsector also grew at a faster pace by 7.7%, driven by sustained demand for vacant industrial land nationwide. The residential and agricultural subsectors show modest growth of 4.0% and 4.1%, respectively. On the value front, all sub sectors recorded higher growth, led by the commercial sub-sector (51.6%), followed by development land and others (32.7%), industrial (16.4%), residential (5.9%), and agricultural (4.8%).

The residential sub-sector retained the largest share of the overall property transactions, with a 62.0% contribution in volume. This was followed by agriculture (18.7%), commercial (10.9%), development land and others (6.3%), and industrial (2.1%). Similarly, in value, residential took the lead with a 46.0% share, followed by commercial (25.0%), industrial (12.0%), development land and others (8.6%), and agriculture (8.4%).

(Source: Property Market Report 2024, Ministry of Finance Malaysia)

The Malaysian House Price Index (MHPI) preliminary data for Q2 2025^P was recorded at 227.3 points, representing a moderate year-on-year increase of 0.7%. This growth rate is notably lower than the 4.1% recorded in Q2 2024 and is the slowest since the post-pandemic period. The quarter-on-quarter index for Q2 2025^P reflects a decline of -1.7%, reversing the 0.1% marginal increase seen in the previous quarter. As of Q2 2025^P, all states recorded modest annual growth compared to Q2 2024 ranging from 0.1% to 7.2%, except Kuala Lumpur and Pahang, which saw declines of -4.3% and -0.3% respectively, while Selangor remained stable. Kuala Lumpur continues to command the highest house prices in the country, with an average of RM771,057 per unit. Selangor followed as the second most expensive market at RM560,386. Notably, Melaka and Perlis, previously among the most affordable housing states, have crossed the average house price threshold of RM250,000 per unit for the first time, recording RM251,301 and RM252,956 respectively.

Overall, preliminary data for Q2 2025^P indicates a modest annual decline across most housing segments, with price indices falling between -0.2% and -2.4% compared to Q2 2024. The notable exception was the terraced house residential index, which showed the most resilience with an annual growth of 2.4%, albeit lower, compared to the same period last year.

(Source: Malaysia House Price Index Report Q2 2025, National Property Information Centre Malaysia)

5.4 Overview and Outlook of the Property and Construction Materials Industry in Malaysia

In addition, output for construction related materials such as metals and cement is anticipated to rise, following acceleration of ongoing infrastructure projects and upcoming development activities. On the other hand, increasing approved and realised investments signifies a positive outlook for construction activities, thereby propelling the growth in the manufacturing of construction related materials.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

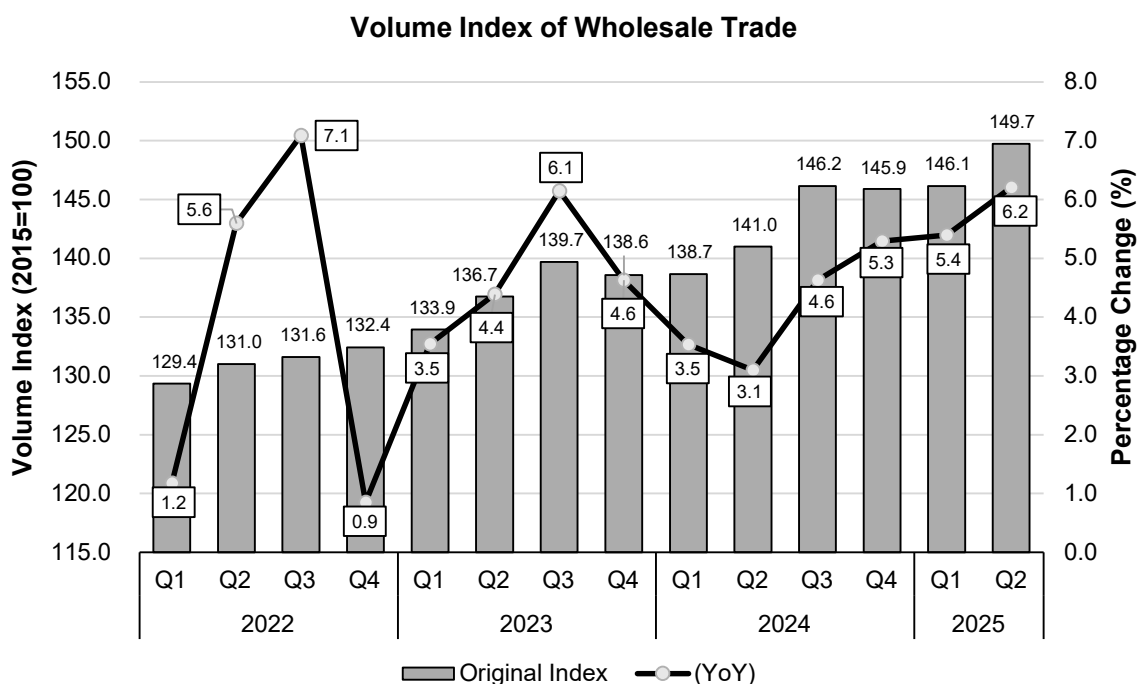
5.5 Overview and Outlook of the Trading in Building Materials and Construction Related Materials and Products

In the second quarter of 2025, the volume index for the wholesale trade rose 6.2% year-on-year to 149.7 points, supported primarily by a 9.5% increase in the wholesale of machinery, equipment & supplies. Notable contributions also came from non-specialised wholesale trade (8.6%), wholesale of household goods (6.7%), wholesale of agricultural raw materials & live animals (6.0%), and wholesale on a fee or contract basis (5.9%). On a quarterly basis, the sub-sector recorded a positive growth of 2.5%, while the seasonally adjusted volume index posted a gain of 2.4% compared to the previous quarter.

(Source: Volume Index of Wholesale & Retail Trade Second Quarter 2025, Department of Statistics Malaysia)

For information purposes, the wholesale trade includes, amongst others, the wholesale of lumber and timber, household furniture, household appliances, household utensils and cutlery, crockery, glassware, chinaware and pottery, electrical and electronic goods, lift escalators, air-conditioning, security and firefighting equipment, construction materials as well as fittings and fixtures.

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(Source: Volume Index of Wholesale & Retail Trade Second Quarter 2025, Department of Statistics Malaysia)

5.6 Prospects of the Proposed Diversification and Scanwolf Group

As set out in Section 2 of this Circular, our Group has implemented several measures as part of our Group's strategy to improve our financial performance of the Manufacturing Business, including, amongst others, promoting our plastic extrusion products to penetrate new markets such as property and construction industries, streamlining product offering and sales to furniture manufacturers, practising bulk purchase arrangements to negotiate more competitive pricing, introducing automation in selection production lines to reduce labour dependency, and expansion of production range to include plastic pipes and other plastic building materials used in the construction industry. Barring any unforeseen circumstances, our Group expects that the measures undertaken in the Manufacturing Business, together with the development of 330 office units pursuant to the JVA which is expected to commence in the 4th quarter of FYE 2026, and the on-going construction projects as disclosed in Section 2 of this Circular, are expected to enhance our Group's future financial performance.

Our Board is of the view that the expertise, experience and network of the key management personnel of our Group, as set out in Section 2.4 of this Circular, augur well for our Group's Proposed Diversification, which is expected to complement the Property Business and Construction Business. Further, our Board expects the additional source of income from the Proposed Diversification would enhance our Group's future financial performance as well as reduce our dependency on the Existing Principal Businesses.

Given the positive outlook of the Malaysian economy and the construction sector coupled with the potential of the property development sector in Malaysia as set out in Sections 5.1, 5.2, 5.3, 5.4 and 5.5 of this Circular, our Board is of the view that the prospects for the Proposed Diversification and our Group are favourable.

(Source: Management of Scanwolf)

6. RISK FACTORS

The risk factors, which may not be exhaustive, pertaining to the Proposals are set out below:

6.1 Business Risk

Pursuant to the Proposed Diversification, our Group will be subject to risks inherent to the property and construction industries arising from the supply of building materials and construction related materials and products to these sectors. Such risks may include fluctuations in the prices and availability of building materials and construction related materials and products. Any increase in the prices of these materials may adversely affect our Group's profitability while shortages may hinder our Group's ability to meet customer demand.

Our Group will adopt prudent management and efficient operating procedures to adapt to any negative changes in the property and construction industries. However, no assurance can be given that any changes to these factors will not have any material adverse effect on our Group.

6.2 Competition Risk

Our Group will face direct competition from both new entrants and existing players in the supply of building materials and construction related materials business. Our Group may also face competition in various areas such as pricing, market presence, reputation, and track record in product distribution and services.

Our Group seeks to mitigate this risk by leveraging on the extensive experience and track record of our key management personnel, as set out in Section 2.4 of this Circular. Our Group will also endeavour to be competitive by providing quality products and competitive pricing and actively seeking new opportunities through intense marketing efforts. However, there can be no assurance that these efforts will enable our Group to compete successfully and effectively with the current as well as new entrants in the Trading Business.

6.3 Dependency on Key Management Personnel

As in any other business, our Group's involvement in the Trading Business depends largely on the abilities, skills, experience, competency and continued efforts of our key management personnel. The loss of any of the relevant key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our Group's Trading Business and consequently, its revenue and profitability.

Recognising the importance of the key management personnel, our Group will continuously adopt appropriate approaches to retain the key management personnel. To avoid over dependence on any key management personnel, our Group will strive to attract qualified and experienced employees as well as groom its junior employees to support and complement the key management team. This will in turn help to ensure continuity and competency of our Group's management team.

6.4 Political, Economic and Social Factors

The changes in political, economic, and social conditions in Malaysia which include changes in geopolitical situations, economic performance, and governmental policies, such as the taxation and introduction of new regulations, could materially and unfavourably affect the financial prospects of the Trading Business directly or indirectly. These factors are generally beyond the management's control and affect all players in this business.

To mitigate these risks, our Group will take cognisance of this and take effective measures to minimise such risks by practising prudent financial management and proactively adapting to evolving demands and conditions.

7. EFFECTS OF THE PROPOSALS

The Proposed Diversification will not have any immediate effect on the issued share capital, NA, gearing, loss and LPS of our Group as well as the substantial shareholders' shareholding in Scanwolf.

The effects of the Proposed Diversification on the issued share capital, NA, gearing, loss and LPS of our Group as well as the substantial shareholders' shareholding in Scanwolf, where applicable, will depend on the mode of funding for the Trading Business moving forward.

Any profit contribution from the Trading Business is expected to contribute positively to the financial performance of our Group.

7.1 Issued Share Capital

The pro forma effects of the Proposed Share Capital Reduction on the issued share capital of our Company, under both the Minimum Scenario and Maximum Scenario are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares (‘000)	RM’000	No. of Shares (‘000)	RM’000
Issued share capital as at the LPD	214,335	86,791	214,335	86,791
To be issued assuming full exercise of Warrants	-	-	(1)40,043	(1)14,687
To be issued assuming full conversion of ICULS	-	-	(2)56,471	(2)13,588
After full exercise/conversion of convertible securities	214,335	86,791	310,849	115,066
Reduction of the issued share capital pursuant to the Proposed Share Capital Reduction	-	(45,000)	-	(45,000)
Enlarged issued share capital	214,335	41,791	310,849	70,066

Notes:

- (1) Assuming full exercise of 40,043,000 outstanding Warrants at the exercise price of RM0.30 each.
- (2) Assuming full conversion of 56,470,800 outstanding ICULS based on the combination of 1 ICULS together with cash payment of RM0.20 for 1 Scanwolf Share.

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7.2 NA and Gearing

The pro forma effects of the Proposed Share Capital Reduction on our NA, NA per Share and gearing based on the latest audited consolidated statement of financial position as at 30 June 2025, under both the Minimum Scenario and Maximum Scenario are as follows:

(i) Minimum Scenario

	Audited as at 30 June 2025	After the Proposed Share Capital Reduction
	RM'000	RM'000
Share capital	87,497	⁽¹⁾ 42,497
Other reserves		
- Revaluation reserve	10,242	10,242
- Reverse acquisition reserve	(19,524)	(19,524)
- ICULS – equity component	1,685	1,685
- Warrant reserves	2,674	2,674
(Accumulated losses)/retained earnings	(40,728)	⁽¹⁾ 4,152
Total equity/NA	41,846	41,726
Number of Scanwolf Shares ('000)	214,335	214,335
NA per Share (RM) ⁽²⁾	0.20	0.19
Total borrowings ⁽³⁾	33,226	33,226
Gearing (times) ⁽⁴⁾	0.79	0.80

Notes:

- (1) After setting off RM45.00 million from our Group's accumulated losses due to the cancellation of our Group's issued share capital and deducting the estimated expenses of RM0.12 million in relation to the Proposals.
- (2) Calculated as NA divided by the total number of Scanwolf Shares in issue.
- (3) Calculated as the total borrowings and lease liabilities, excluding lease liabilities relating to rentals.
- (4) Calculated as total borrowings divided by total equity.

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(ii) Maximum Scenario

	Audited as at 30 June 2025	After full exercise/ conversion of all outstanding Warrants and ICULS	After the Proposed Share Capital Reduction
	RM'000	RM'000	RM'000
Share capital	87,497	⁽¹⁾ 115,772	⁽²⁾ 70,772
Other reserves			
- Revaluation reserve	10,242	10,242	10,242
- Reverse acquisition reserve	(19,524)	(19,524)	(19,524)
- ICULS – equity component	1,685	⁽¹⁾ -	-
- Warrant reserves	2,674	⁽¹⁾ -	-
(Accumulated losses)/retained earnings	(40,728)	(40,728)	⁽²⁾ 4,152
Total equity/NA	41,846	65,762	65,642
Number of Scanwolf Shares ('000)	214,335	310,849	310,849
NA per Share (RM) ⁽³⁾	0.20	0.21	0.21
Total borrowings ⁽⁴⁾	33,226	33,226	33,226
Gearing (times) ⁽⁵⁾	0.79	0.51	0.51

Notes:

(1) Assuming full exercise/conversion of the following:

- (a) 40,043,000 outstanding Warrants at the exercise price of RM0.30 each; and
- (b) 56,470,800 outstanding ICULS based on the combination of 1 ICULS together with cash payment of RM0.20 for 1 Scanwolf Share.

(2) After setting off RM45.00 million from our Group's accumulated losses due to the cancellation of our Group's issued share capital and deducting the estimated expenses of RM0.12 million in relation to the Proposals.

(3) Calculated as NA divided by the total number of Scanwolf Shares in issue.

(4) Calculated as the total borrowings and lease liabilities, excluding lease liabilities relating to rentals.

(5) Calculated as total borrowings divided by total equity.

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7.3 Substantial Shareholders' Shareholding

The Proposed Share Capital Reduction will not have any effect on the shareholdings of our Company's substantial shareholders.

7.4 Losses and LPS

The Proposed Share Capital Reduction will not have any material effect on the losses and LPS of our Group for the FYE 2025.

7.5 Convertible Securities

As at the LPD, save for the outstanding ICULS and Warrants as disclosed in Section 3 of this Circular, our Company does not have any other outstanding convertible securities.

The Proposed Share Capital Reduction will not result in any adjustment to the exercise price and number of outstanding ICULS and Warrants.

For information, Scanwolf had implemented the ESS which came into effect on 2 May 2024 and is in force for a period of 5 years. No ESOS Options were awarded pursuant to the ESS since 2 May 2024 up to the LPD.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of our Shares as traded on Bursa Securities for the past 12 months up to October 2025 are as follows:

	High	Low
	RM	RM
2024		
November	0.51	0.43
December	0.53	0.47
2025		
January	0.54	0.50
February	0.54	0.54
March	0.55	0.52
April	0.53	0.47
May	0.54	0.51
June	0.54	0.49
July	0.54	0.48
August	0.54	0.48
September	0.53	0.48
October	0.50	0.48

Last transacted market price on 1 October 2025, being the last market day immediately prior to the first announcement of the Proposals 0.48

Last transacted market price as at the LPD 0.50

(Source: S&P Capital IQ)

9. APPROVALS REQUIRED

The Proposals are subject to the following:

- (i) approval from our shareholders at the forthcoming EGM; and
- (ii) any other relevant authorities, if required.

For avoidance of doubt, the Proposed Share Capital Reduction is not subject to the confirmation of the court, pursuant to Section 117 of the Act.

The Proposals are not inter-conditional upon each other. The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there are no other corporate exercises which have been announced but not yet completed as at the date of this Circular.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, Major Shareholders and/or persons connected with them has interest, direct or indirect, in the Proposals.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of Scanwolf.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM.

13. ADVISER

SCS Global has been appointed as the Adviser to our Company for the Proposals.

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14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed by the first quarter of 2026.

The tentative timetable in relation to the completion of the Proposals is as follows:

Tentative timeline	Events
27 November 2025	EGM
January 2026	Submission and lodgement of documents to the Registrar of Companies for the Proposed Share Capital Reduction
January 2026	Completion of the Proposed Share Capital Reduction

The Proposed Diversification will take effect immediately upon obtaining Scanwolf's shareholders' approval at the forthcoming EGM.

15. EGM

The EGM, the notice of which is set out in this Circular, will be held at Fox Hotels, Level 8, Pusat Komersil Vestland (The GLENZ) East 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 12:00 p.m. or immediately following the conclusion or adjournment of Scanwolf's 19th Annual General Meeting, which will be held at the same venue on the same day at 10:00 a.m., whichever is later or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instruction provided thereon so as to arrive at our Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or in the case of electronic appointment, the Proxy Form can be electronically submitted via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmy.vistra.com> not less than forty-eight (48) hours before the time set for the EGM or any adjournment thereof. Please refer to the Administrative Guide for the EGM on the procedures for electronic submission of proxy form via The Portal. The lodging of the Proxy Form does not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

16. FURTHER INFORMATION

You are advised to refer to the enclosed appendix in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
SCANWOLF CORPORATION BERHAD

NG CHEE WAI
EXECUTIVE DIRECTOR

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved the contents of this Circular and they individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular. Our Board confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any information or statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

SCS Global, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

SCS Global is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Adviser to our Company for the Proposals.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material Commitments**

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results/position of our Group.

3.2 Contingent Liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results/position of our Group.

4. MATERIAL CONTRACTS

As at the LPD, save as disclosed below, neither our Company nor any of our subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this Circular:

- (i) On 26 March 2024, Scanwolf Plastic Industries Sdn Bhd ("**SPISB**") had entered into a supply agreement - renewable energy (SARE) with Tenaga Nasional Berhad and Armani Energy Sdn Bhd ("**AESB**") (the owner for the solar photovoltaic ("**Solar PV**") system) for the Solar PV energy generated and delivered by the Solar PV system to SPISB for a term of 20 years. SPISB shall make payments in full to Tenaga Nasional Berhad for the net electrical output delivered on a monthly basis at a rate of RM0.32/kilowatt-hour (subject to minimum payment of RM27,000.00) due and payable within 30 days of the date of the billing invoice ("**Principal Agreement**").

The Solar PV system shall at the cost of AESB, be designed, constructed, installed, owned, operated and maintained by AESB as a solar photovoltaic energy generating system with a declared capacity of 1,064 kilowatt peak to be located on the rooftop of the premises owned and occupied by SPISB to generate and supply Solar PV energy to SPISB.

APPENDIX I – FURTHER INFORMATION (Cont'd)

On 10 January 2025, SPISB had entered into a novation agreement with Tenaga Nasional Berhad, AESB and IL Energy Sdn Bhd to novate in full all AESB's rights, and obligations under the Principal Agreement to IL Energy Sdn Bhd effective from 1 January 2025. Subsequent thereto, the Principal Agreement was terminated on the reason that the current transformer (CT) meter installed at the Solar PV system exceeded the maximum size offered by Tenaga Nasional Berhad.

On 7 April 2025, SPISB had entered into a conditional power purchase agreement with IL Energy Sdn Bhd whereby IL Energy Sdn Bhd shall construct, install, test, commission and maintain the Solar PV System at the premises of SPISB and SPISB shall purchase from IL Energy Sdn Bhd the Solar PV energy generated for a term of 20 years. SPISB shall pay IL Energy Sdn Bhd for the Solar PV energy generated on monthly basis at the rate of RM0.32/kilowatt-hour (subject to minimum payment of RM27,000.00).

The construction of the Solar PV system was completed in November 2024 and commissioned in April 2025.

- (ii) On 28 June 2024, Scanwolf Properties had entered into a joint-venture agreement with RBSB for the development of a land in Selangor which is on a commercial development scheme.

RBSB will make available the land for the development and in consideration, Scanwolf Properties will pay a total RM14.00 million to RBSB in the following manner:

- (a) monthly payment of RM45,000 for the period from August 2024 to September 2025, payable on the 30th of every month, totalling RM630,000.00 ("**First Tranche Payment**");
- (b) Scanwolf Properties shall redeem the loan in full from Al Rajhi Banking & Investment Corporation (Malaysia) Bhd at an estimated sum of RM7,400,000.00 by September 2025. This will be treated as part of the payment of the consideration ("**Second Tranche Payment**");
- (c) monthly payment of RM300,000 to commence 24 months after the signing date of 1st sales and purchase agreement for 12 months, totalling of RM3,600,000; and
- (d) within 30 days from the development project completion date define as the date of issuance of certificate of completion and compliance (CCC) of the development project and the exemption obtain from the Housing Ministry with regards to the exemption of the handover of the strata titles, Scanwolf Properties shall pay the remaining estimated sum of RM 2,370,000.00. However, the final remaining sum will be adjusted by the actual payment based on item (b) and item (c) above.

On 4 February 2025, Scanwolf Properties had entered into a letter of variation to the joint-venture agreement with RBSB to vary the payment terms as follows:

- (a) a monthly payment of RM45,000.00 for the period from August 2024 to December 2024 (total RM225,000) had been paid to RBSB. The remaining First Tranche Payment including that of January 2025 shall be deferred to the period from December 2025 to August 2026. A monthly payment of RM45,000.00 shall be payable on the 30th of each month, totaling RM405,000; and
- (b) Scanwolf Properties shall redeem the loan in full from Al Rajhi Banking & Investment Corporation (Malaysia) Bhd at an estimated sum of RM7,400,000 by August 2026. This will treat as part of the payment of the consideration.

APPENDIX I – FURTHER INFORMATION (Cont'd)

Save for the variation in the First Tranche Payment and Second Tranche Payment, the other terms and conditions of the joint-venture agreement remain in full force and effect.

5. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

As at the LPD, neither our Company nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board does not have any knowledge of any proceedings, pending or threatened, against our Company or our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of Scanwolf at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours (i.e. between 8:30 a.m. to 5:30 p.m.) from Monday to Friday (except public holidays) from the date of this Circular up to and including the time fixed for the holding of the EGM:

- (a) Constitution of Scanwolf;
- (b) audited consolidated financial statements of Scanwolf for the past two (2) FYE 2024 and FYE 2025 and latest unaudited quarterly results of Scanwolf for the 12 months FYE 2025;
- (c) the letter of consent and declaration of conflict of interest referred to in Section 2 of Appendix I of this Circular; and
- (d) material contracts and supplemental letters referred to in Section 4 of Appendix I.

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SCANWOLF CORPORATION BERHAD
(Registration No. 200601021156 (740909-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Scanwolf Corporation Berhad ("**Scanwolf**" or "**Company**") will be held at Fox Hotels, Level 8, Pusat Komersil Vestland (The GLENZ) East 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 12:00 p.m. or immediately following the conclusion or adjournment of Scanwolf's 19th Annual General Meeting, which will be held at the same venue on the same day at 10:00 a.m., whichever is later or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions:

AGENDA

ORDINARY RESOLUTION

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF SCANWOLF AND ITS SUBSIDIARIES TO INCLUDE THE SUPPLY OF BUILDING MATERIALS AND CONSTRUCTION RELATED MATERIALS AND PRODUCTS ("PROPOSED DIVERSIFICATION")

"THAT subject to all approvals being obtained from the relevant regulatory authorities (if any), approval be and is hereby given to the Board of Directors of the Company ("**Board**") to diversify the principal activities of the Company and its subsidiaries to include the supply of building materials and construction related materials and products as described in the circular to shareholders dated 5 November 2025;

AND THAT the Board be and is hereby authorised and empowered to act for and on behalf of the Company and to take all such steps and do all such acts, matters, deeds and things, to enter into any arrangements, transactions, agreements and/or undertakings to sign and execute, deliver and cause to be delivered for and on behalf of the Company all such documents as may be necessary, appropriate or expedient to give full effect and to implement the Proposed Diversification with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted or imposed by the relevant authorities and to deal with all matters relating thereto to implement, finalise and give full effect to the Proposed Diversification."

SPECIAL RESOLUTION

PROPOSED REDUCTION OF RM45.00 MILLION OF THE ISSUED SHARE CAPITAL OF SCANWOLF PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("PROPOSED SHARE CAPITAL REDUCTION")

"THAT subject to the approvals from the relevant authorities and/or relevant parties, where required, being obtained, approval be and is hereby given to the Company to reduce RM45.00 million of the issued share capital of the Company by way of cancellation of the issued share capital of the Company which is unrepresented by available assets pursuant to Section 117 of the Companies Act 2016. The corresponding credit of RM45.00 million arising from such cancellation shall be utilised to set off the accumulated losses of the Company and the remaining balance, if any, will be credited to a capital reserve account of the Company, which serves as additional buffer for the Company to set off future losses of the Company and/or such other purposes as the Board deems fit and as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

AND THAT the Board be and is hereby authorised with full power to do or procure to be done all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Share Capital Reduction, with full power to assent to any conditions or make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required/imposed by the relevant authorities to give effect to the Proposed Share Capital Reduction, and to take all such steps as they may deem necessary or expedient in the best interests of the Company to implement, finalise and give full effect to the Proposed Share Capital Reduction.”

By Order of the Board
SCANWOLF CORPORATION BERHAD

YAU JYE YEE (SSM PC NO. 202008000733) (MAICSA 7059233)
YEOW SZE MIN (SSM PC NO. 201908003120) (MAICSA 7065735)

Company Secretaries
Kuala Lumpur
5 November 2025

Notes:

- (1) *For the purpose of determining a member who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 November 2025 (“**ROD**”). Only a depositor whose name appears on the ROD therein shall be entitled to attend this EGM or appoint a proxy to attend and/or vote on his/her stead.*
- (2) *A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
- (3) *A member of the Company who is entitled to participate at this EGM of the Company may appoint not more than two (2) proxies to participate instead of the member at this EGM.*
- (4) *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- (5) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
- (7) *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (8) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote:*

In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic form

In the case of an appointment made via electronic mean, the proxy form can be electronically submitted to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd via The Portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the EGM on the procedures for electronic submission of proxy form via The Portal.

- (9) *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
- (10) *Last date and time for lodging the proxy form is **Tuesday, 25 November 2025 at 12:00 p.m.***
- (11) *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
- (12) *For a corporate member who has appointed an authorised representative instead of a proxy to participate in this EGM, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form if this has not been lodged at the Company's Share Registrar earlier.*
- (13) *Shareholders are advised to check the Company's website at <https://www.scanwolf.com/> and announcements from time to time for any changes to the administration of the EGM.*

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SCANWOLF CORPORATION BERHAD
(Registration No. 200601021156 (740909-T))
(Incorporated in Malaysia)

PROXY FORM

CDS Account No: (Nominee Account Only)
Contact No:
No. of Shares Held:

*I/We, (full name in capital letters)
*NRIC No./ Passport No./ Registration No. of (full address)
being a *member/members of SCANWOLF CORPORATION BERHAD ("the Company"), hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:		Contact No.:		

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:		Contact No.:		

to put on a separate sheet where there are more than 2 proxies

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") to be held at Fox Hotels, Level 8, Pusat Komersil Vestland (The GLENZ) East 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia, on Thursday, 27 November 2025 at 12:00 p.m. or immediately following the conclusion or adjournment of Scanwolf's 19th Annual General Meeting ("**AGM**"), which will be held at the same venue on the same day at 10:00 a.m., whichever is later or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction for voting is given, the proxy will vote or abstain from voting at *his/her discretion.

	For	Against
Ordinary Resolution – Proposed Diversification		
Special Resolution – Proposed Share Capital Reduction		

* Strike out whichever not applicable

As witness my/our hand(s) this day of, 2025

.....
* Signature/Common Seal of Member



Notes:

- (1) For the purpose of determining a member who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 November 2025 ("**ROD**"). Only a depositor whose name appears on the ROD therein shall be entitled to attend this EGM or appoint a proxy to attend and/or vote on his/her stead.
- (2) A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to participate at this EGM of the Company may appoint not more than two (2) proxies to participate instead of the member at this EGM.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote:
In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
By electronic form
In the case of an appointment made via electronic mean, the proxy form can be electronically submitted to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd via The Portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the EGM on the procedures for electronic submission of proxy form via The Portal.
- (9) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (10) Last date and time for lodging the proxy form is **Tuesday, 25 November 2025 at 12:00 p.m.**
- (11) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (12) For a corporate member who has appointed an authorised representative instead of a proxy to participate in this EGM, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form if this has not been lodged at the Company's Share Registrar earlier.
- (13) Shareholders are advised to check the Company's website at <https://www.scanwolf.com/> and announcements from time to time for any changes to the administration of the EGM.

Fold this flap for sealing

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AFFIX
STAMP

The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD.
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia

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