



SCANWOLF CORPORATION BERHAD

200601021156 (740909-T)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024**

29 NOVEMBER 2024



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

	Individual Quarter 3 months ended 30 Sept		Cumulative Quarter 3 months ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	10,602	7,732	10,602	7,732
Other operating income	24	1	24	1
Operating expenses	(11,465)	(9,955)	(11,465)	(9,955)
Depreciation & amortisation	(487)	(994)	(487)	(994)
Results from operating activities	(1,326)	(3,216)	(1,326)	(3,216)
Finance costs	(527)	(384)	(527)	(384)
Profit /(Loss) before taxation	(1,853)	(3,600)	(1,853)	(3,600)
Taxation	-	-	-	-
Profit /(Loss) for the period & total comprehensive loss attributed to the Company	(1,853)	(3,600)	(1,853)	(3,600)
Profit /(Loss) per share attributable to equity holders of the Company:				
Profit/(Loss) per share (sen)	(0.91)	(1.81)	(0.91)	(1.81)

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no. 740909-T)
Condensed Consolidated Statement of Financial Position
As at 30 September 2024
(The figures have not been audited)

	As at	(Audited)
	30 Sept 2024	As at
	RM'000	30 June 2024
		RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	39,348	38,996
Right-of-use assets	1,666	2,183
Deferred tax assets	154	154
Inventories	1,532	2,665
Total non-current assets	42,700	43,998
Current assets		
Inventories	47,774	44,838
Trade and other receivables	9,457	8,860
Cash and bank balances	1,199	481
Total current assets	58,430	54,179
TOTAL ASSETS	101,130	98,177
EQUITY AND LIABILITIES		
Share capital	83,261	82,577
ICULS equity	1,972	1,972
Warrant reserve	3,236	3,398
Other reserves	(14,267)	(14,267)
Accumulated losses	(31,798)	(29,945)
Total Equity	42,404	43,735
Non-current liabilities		
Lease liabilities	2,755	2,831
Borrowings	1,942	1,568
Deferred tax liabilities	2,107	1,897
Total non-current liabilities	6,804	6,296
Current liabilities		
Trade and other payables	28,716	28,967
Lease liabilities	1,216	1,700
Borrowings	21,371	16,834
ICULS liabilities	643	643
Tax payables	(24)	2
Total current liabilities	51,922	48,146
Total liabilities	58,726	54,442
TOTAL EQUITY AND LIABILITIES	101,130	98,177
Net Assets per share (RM)	0.21	0.22

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no. 740909-T)
 Condensed Consolidated Statement of Changes in Equity
 For the First Quarter ended 30 September 2024
 (The figures have not been audited)

	Non-distributable				Distributable	Total RM'000	
	Share capital RM'000	ICULS equity RM'000	Warrant reserve RM'000	Reverse acquisition reserve RM'000	Revaluation reserve RM'000		Retained earnings RM'000
As at 01 July 2024	82,577	1,972	3,398	(19,524)	5,257	(29,945)	43,735
Loss, representing total comprehensive loss for the period	-	-	-	-	-	(1,853)	(1,853)
Conversion of Warrant	684	-	(162)	-	-	-	522
As at 30 September 2024	<u>83,261</u>	<u>1,972</u>	<u>3,236</u>	<u>(19,524)</u>	<u>5,257</u>	<u>(31,798)</u>	<u>42,404</u>

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no. 740909-T)
Condensed Consolidated Statement of Cash Flows
For the First Quarter ended 30 September 2024
(The figures have not been audited)

	Note	Cumulative 3 months ended Sept	
		2024 RM'000	2023 RM'000
CASH FLOWS FROM / (USED IN) OPERATING			
Loss before tax		(1,853)	(3,600)
Adjustments for:			
Allowance for expected credit losses		-	89
Depreciation		517	994
Interest expense		510	384
Realised loss / (gain) on foreign exchange - cash and		(63)	(3)
Unrealised (gain) / loss on foreign exchange		17	26
		<u>(872)</u>	<u>(2,110)</u>
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(1,803)	(915)
Trade & other receivables		5,676	2,795
Increase / (Decrease) in:			
Trade and other payables		<u>(5,775)</u>	<u>3,447</u>
Cash generated from / (used in) operations		<u>(2,774)</u>	<u>3,217</u>
Income tax paid		<u>(19)</u>	<u>(5)</u>
Net cash (used in)/generated from operating activities		<u>(2,793)</u>	<u>3,212</u>
CASH FLOWS (USED IN) / FROM INVESTING			
Acquisition of plant and equipment		<u>(352)</u>	-
Net cash (used in)/ generated from investing activities		<u>(352)</u>	-
CASH FLOWS FROM / (USED IN) FINANCING			
Interest paid		(510)	(187)
Proceeds from issuance of share		717	-
Proceeds from bankers' acceptances		14,297	6,600
Repayment of bankers' acceptances		(9,064)	(5,892)
Repayment of bridging and term loans		(1,292)	(3,593)
Repayment of lease liabilities		-	(369)
Net cash (used in)/generated from financing activities		<u>4,148</u>	<u>(3,441)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH		1,003	(229)
CASH AND CASH EQUIVALENTS AT BEGINNING		(4,623)	(5,031)
EFFECT OF EXCHANGE DIFFERENCES		-	3
CASH AND CASH EQUIVALENTS AT END	A14	<u><u>(3,620)</u></u>	<u><u>(5,257)</u></u>

Note:

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the Interim Financial Report.

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

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2024. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2024.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 30 June 2024. The adoption of the new MFRS, amendments/improvements to MFRSs and new IC Interpretations does not have any significant impact on the financial performance and financial position of the Group.

2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 30 June 2024 was not subject to any qualification.

3. Comments about Seasonality or Cyclicity of Operations

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in estimates

There were no changes in estimates of amounts which have a material effect in the current quarter under review.

6. Debt and equity securities

During the financial period ended 30 September 2024, the Company increased its issued and paid up ordinary share capital from RM82.6 million to RM83.2 million by way of issuance of 2,312,900 new ordinary shares of RM0.30 each pursuant to the conversion of warrants to ordinary shares.

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

7. Dividend paid

No dividend was paid during this quarter.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the First Quarter ended 30 September 2024
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8. Segmental information

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

3 Months ended 30 Sept 2024

	Manufacturing RM'000	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	9,539	963	100	-	10,602
Results					
Segment results	(1,031)	43	(180)	(338)	(1,506)
Finance costs	(493)	(17)	-	(17)	(527)
Profit/(Loss) before tax	(1,524)	26	(180)	(355)	(1,853)
Tax expenses					-
Loss after tax					(1,853)

3 Months ended 30 Sept 2023

	Manufacturing RM'000	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	7,732	-	-	-	7,732
Results					
Segment results	(2,463)	(500)	-	(253)	(3,216)
Finance costs	(253)	(86)	-	(45)	(384)
Loss before tax	(2,716)	(586)	-	(298)	(3,600)
Tax expenses					-
Loss after tax					(3,600)

Geographical Area	3 Months ended 30 Sept 2024 RM'000	3 Months ended 30 Sept 2023 RM'000
Revenue		
Asia	5,403	1,094
Oceania	575	180
Middle East	-	137
Others	500	17
Total export	6,478	1,428
Malaysia	4,124	6,304
Total revenue	10,602	7,732

9. Valuation of property, plant and equipment

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

10. Material events subsequent to the end of the quarter

Neither the Company nor its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

There were no material events subsequent to the statement of financial position date up to 27 November 2024.

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

11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

12. Contingent liabilities

The Group has no contingent liabilities which upon crystallisation would have a material impact on the financial position and business of the Group as at 27 November 2024.

13. Capital commitments

As at 27 November 2024, there is no significant commitment for capital expenditure by the Group which might have a material impact on the financial position or business of the Group.

14. Cash and cash equivalents

	As at 30 Sept 2024 RM'000	As at 30 Sept 2023 RM'000
Cash & bank balances	1,199	257
Bank overdrafts	(4,819)	(5,514)
	<u>(3,620)</u>	<u>(5,257)</u>

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

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of performance

	Current quarter ended 30 Sept 2024 RM'000	Corresponding quarter ended 30 Sept 2023 RM'000	3 Months 30 Sept 2024 RM'000	3 Months 30 Sept 2023 RM'000	Variation %
Revenue	10,602	7,732	10,602	7,732	37%
Profit/(Loss)	(1,853)	(3,600)	(1,853)	(3,600)	-49%

1Q2025 vs 1Q2024

For the first quarter ended 30 September 2024, the Group recorded a revenue of RM10.60 million, an increase of RM2.87 million against previous year's corresponding quarter which due increase of revenue recorded in Manufacturing Division and Property Division in current quarter.

During this quarter under review, loss before tax ("LBT") of RM1.85 million is recorded as compared to LBT of RM3.60 million in previous year's corresponding quarter mainly due to improvement in profit margin in Manufacturing and Property division.

Manufacturing Division

During current quarter ended 30 September 2024, Manufacturing Division recorded a revenue of RM9.53 million, an increase of RM0.36 million from RM7.73 million in previous year's corresponding quarter. The division recorded a LBT of RM1.52 million as compared to LBT of RM2.76 million in previous year's corresponding quarter which was mainly due to the higher revenue recorded.

Property Division

During current quarter ended 30 September 2024, Property Division recorded a revenue of RM1.06 million, an increase of RM1.06 million in previous year's corresponding quarter. The division recorded a profit before tax ("PBT") of RM0.26 million as compared to LBT of RM0.59 million in previous year's corresponding quarter due to higher revenue recorded during the current quarter.

Construction Division

During current quarter ended 30 September 2024, Construction Division recorded a revenue of RM0.1 million, while recorded a LBT of RM0.2 million due to the higher project cost recognised.

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Notes To The Interim Report
For the First Quarter ended 30 September 2024
(The figures have not been audited)

2. Variation of results against preceding quarter

	Current quarter ended 30 Sept 2024 RM'000	Preceding quarter ended 30 June 2024 RM'000	Variation %
Revenue	10,602	7,343	44.38%
Profit/(Loss) before taxation	(1,853)	3,271	-156.65%

For the first quarter ended 30 September 2024, the Group recorded revenue of RM10.60 million, an increase of RM3.26 million as compared to the preceding quarter due to increase of revenue recorded in Manufacturing Division.

The Group recorded a LBT of RM1.85 million for the current quarter as compared to PBT of RM3.27 million in the preceding quarter mainly due to reversal of share option in preceding quarter.

3. Current year prospects

The US Federal Reserve Bank has commenced dropping interest rate and should spur consumer spending in the US which will bring some much needed relief to the furniture sector which will benefit the manufacturing division.

The Group will focus on our strengths, seek new opportunities, and implement cost-saving measures to be profitable.

While in Property and Construction Divisions, the Group is anticipating to positive impact the Group's profitability and cash flow in coming years.

4. Profit forecast and profit guarantee

The Company did not issue any profit forecast or profit guarantee in this quarter and financial year to date.

5. Taxation

There is no tax expense due available of unutilised capital allowances or losses brought forward.

6. Group's borrowings and debt securities

	As at 30 Sept 2024 RM'000	As at 30 June 2024 RM'000
Secured:		
Bankers' acceptances	16,791	11,556
Term loans	1,705	1,741
Bank overdrafts	4,817	5,105
	<u>23,313</u>	<u>18,402</u>
Less: Amount due within 12 months	(1,942)	(1,568)
	<u>21,371</u>	<u>16,834</u>

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

7. Material litigation

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

8. Dividends

No dividend is proposed in this quarter.

9. Earnings per share

Basic earnings per share is calculated by dividing net profit attributable to ordinary equity holders by the weighted average number of ordinary shares (excluding treasury shares) in issue during the period.

Weighted average number of ordinary shares for calculation of basic earnings per share:

	3 months ended 30 Sept 2024	Year to Date 30 Sept 2024
Profit/(Loss) attributable to shareholders (RM'000)	(1,853)	(1,853)
Weighted average number of ordinary shares ('000)	202,620	202,620
Profit/(Loss) per share (sen)	<u>(0.91)</u>	<u>(0.91)</u>

10. Notes to the Condensed Consolidated Income Statement

	3 months ended 30 Sept 2024 RM'000	Year to Date 30 Sept 2024 RM'000
The profit/(loss) has been arrived at after accounting for the following items		
(a) Interest income	-	-
(b) Other income including investment income	24	24
(c) Interest expense	527	527
(d) Depreciation and amortization	487	487
(e) Provision for and write off of receivable	-	-
(f) Provision for and write off of inventories	-	-
(g) (Gain) / Loss on disposal of property, plant and equipment	-	-
(h) Gain/(loss) on disposal of quoted/unquoted investments/properties	-	-
(i) Property, plant and equipment written off /impairment of asset	-	-
(j) Foreign exchange gain/(loss)	(46)	(46)
(k) Gain or (loss) on derivatives	-	-
(l) Share options vested under SIS	<u>-</u>	<u>-</u>

11. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 29 November 2024.