



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2010

21 February 2011



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Comprehensive Income
For the third quarter ended 31 December 2010
(The figures have not been audited)

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 9 months ended 31 December	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	11,110	10,680	32,352	30,438
Other operating income	164	14	208	76
Operating expenses	(9,301)	(9,079)	(27,375)	(25,259)
Depreciation & amortisation	(850)	(825)	(2,582)	(2,407)
Finance costs	(16)	(31)	(33)	(97)
Profit before taxation	1,107	759	2,570	2,751
Taxation	(33)	(13)	(159)	(239)
Profit for the period	1,074	746	2,411	2,512
Attributable to :				
Equity holders of the Company	1,074	746	2,411	2,512
Earnings per share attributable to equity holder of the Company:				
Basic (sen)	1.36	0.94	3.03	3.15
Comprehensive income				
Profit for the period	1,074	746	2,411	2,512
Fair value gain on available-for-sale investments	10	-	10	-
Total comprehensive income	1,084	746	2,421	2,512
Attributable to :				
Equity holders of the Company	1,084	746	2,421	2,512

Note:

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the Interim Financial Report.



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Financial Position
As at 31 December 2010
 (The figures have not been audited)

	As at 31 December 2010 RM'000	(Audited) As at 31 March 2010 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	27,761	29,100
Available-for-sale investments	110	-
Total non-current assets	<u>27,871</u>	<u>29,100</u>
Current assets		
Inventories	11,393	9,814
Trade receivables	13,279	10,948
Other receivables, deposit and prepayment	991	1,250
Current tax assets	597	620
Cash and bank balances	2,048	3,671
Total current assets	<u>28,308</u>	<u>26,303</u>
TOTAL ASSETS	<u>56,179</u>	<u>55,403</u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Reserves	8,102	7,229
Total Equity	<u>48,102</u>	<u>47,229</u>
Non-current liabilities		
Hire purchase payables	103	260
Deferred taxation	3,238	3,238
Total non-current liabilities	<u>3,341</u>	<u>3,498</u>
Current liabilities		
Trade payables	2,621	2,918
Other payables	1,505	1,207
Hire purchase payables	278	327
Borrowings	332	224
Total current liabilities	<u>4,736</u>	<u>4,676</u>
Total liabilities	<u>8,077</u>	<u>8,174</u>
TOTAL EQUITY AND LIABILITIES	<u>56,179</u>	<u>55,403</u>
Net Assets per share (RM)	<u>0.60</u>	<u>0.59</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 31 March 2010 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 third quarter ended 31 December 2010
 (The figures have not been audited)

	Non-distributable					Distributable		Total RM'000
	Share Capital RM'000	Reverse Acquisition Reserve RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Revaluation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
As at 1 April 2010	40,000	(19,524)	2,035	-	1,483	(95)	23,330	47,229
Total comprehensive income	-	-	-	-	-	-	486	486
As at 30 June 2010	40,000	(19,524)	2,035	-	1,483	(95)	23,816	47,715
Dividend paid	-	-	-	-	-	-	(1,191)	(1,191)
Total comprehensive income	-	-	-	-	-	-	851	851
Purchase of treasury shares	-	-	-	-	-	(148)	-	(148)
As at 30 September 2010	40,000	(19,524)	2,035	-	1,483	(243)	23,476	47,227
Total comprehensive income	-	-	-	10	-	-	1,074	1,084
Purchase of treasury shares	-	-	-	-	-	(209)	-	(209)
As at 31 December 2010	40,000	(19,524)	2,035	10	1,483	(452)	24,550	48,102

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 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 third quarter ended 31 December 2010
(The figures have not been audited)

	Note	Cumulative	
		9 months ended 31 December 2010	2009
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,570	2,751
Adjustments for:			
Depreciation of property, plant and equipment		2,582	2,407
Gain on disposal of property, plant and equipment		(147)	-
Property, plant and equipment write off		19	-
Tax penalty		2	-
Finance costs		33	96
		<u>5,059</u>	<u>5,254</u>
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(1,579)	698
Trade receivables		(2,034)	(2,321)
Other receivables, deposits and prepaid expenses		(38)	139
(Decrease)/Increase in:			
Trade payables		(136)	211
Other payables and accrued expenses		137	312
		<u>1,409</u>	<u>4,293</u>
Cash Generated From Operations		1,409	4,293
Income tax refund		89	-
Income tax paid		(228)	(348)
		<u>1,270</u>	<u>3,945</u>
Net Cash Generated From Operating Activities		1,270	3,945
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to acquire available-for-sale investments		(101)	-
Proceeds from disposal of property, plant and equipment		147	-
Purchase of property, plant and equipment		(1,261)	(388)
		<u>(1,215)</u>	<u>(388)</u>
Net Cash Used In Investing Activities		(1,215)	(388)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceed/(repayment) of bankers' acceptances		108	(107)
Dividend paid		(1,191)	(1,595)
Purchase of treasury shares		(356)	(1)
Finance costs paid		(33)	(96)
Repayment of hire-purchase payables		(206)	(337)
		<u>(1,678)</u>	<u>(2,136)</u>
Net Cash Used In Financing Activities		(1,678)	(2,136)
NET (DECREASE)/ INCREASE IN CASH AND CASH		(1,623)	1,421
CASH AND CASH EQUIVALENTS AT BEGINNING		3,671	1,321
CASH AND CASH EQUIVALENTS AT END	A14	<u>2,048</u>	<u>2,742</u>

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 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 third quarter ended 31 December 2010
(The figures have not been audited)

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards ("FRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2010, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations applicable to the Group with effect from 1 January 2010.

FRSs, Amendments to FRSs and Interpretations:-

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 139	Financial Instruments: Recognition and Measurement (revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

Other revised FRSs, Amendments to FRSs and Interpretations which are effective from 1 January 2010 are not applicable to the Group.

The adoption of the above FRSs, Amendments to FRSs and Interpretations do not have any significant impact on the financial statements of the Group except for the following:

FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group determines and presents operating segments based on information that is internally provided to the Board of Directors. This standard does not have any impact on the financial position and results of the Group.

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FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements consist of balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the financial statements. The Group has adopted to present the comprehensive income in a single statement of comprehensive income.

Amendment to FRS 117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group which is in substance financial leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification has no effect on the profit or loss for the first quarter ended 30 June 2010 or on the comparative prior financial period. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

31 March 2010	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Prepaid lease payment	2,367	(2,367)	-
Property, plant & equipment	26,733	2,367	29,100

2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 March 2010 was not subject to any qualification.

3. Comments about Seasonality or Cyclicity of Operations

Normally the Group experiences lower sales during the first half of the financial year.

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

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

5. Changes in estimates

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

6. Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter.

As at 31 December 2010, the number of treasury shares held is 1,257,900 ordinary shares.

7. Dividend paid

No dividend was paid during this quarter.

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Notes To The Interim Report
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8. Segmental information

Segmental information for the Group by primary format, business segment is presented as follows:

Business Segment	9 Months ended 31 Dec 2010 RM'000	9 Months ended 31 Dec 2009 RM'000
<u>Revenue</u>		
Manufacturing	29,558	27,515
Trading	2,794	2,923
	32,352	30,438
<u>Segment Results</u>		
Manufacturing	2,275	2,491
Trading	328	357
	2,603	2,848
Finance cost	(33)	(97)
	2,570	2,751
Income tax expense	(159)	(239)
Profit from operations	2,411	2,512
<u>Geographical Segments</u>		
<u>Revenue</u>		
<u>Export Market</u>		
Asia	11,260	11,691
Middle East	8,138	7,478
Africa	279	697
Oceania	558	285
Others	208	116
	20,443	20,267
Malaysia	11,909	10,171
	32,352	30,438

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

In the opinion of the Directors, there were no material events between the end of the current quarter and the date of this report, which is likely to substantially affect the current quarter results under review.

11. Changes in the composition of the Group

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

12. Contingent liabilities

The Group has no contingent liabilities which upon crystallisation would have a material impact on the financial position and business of the Group as at 18 February 2011, (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

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Notes To The Interim Report
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13. Capital commitments

As at 18 February 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results), the commitment for capital expenditure contracted by the Group which might have a material impact on the financial position or business of the Group.

	RM'000
Acquisition of lease industrial land in Vietnam	<u>3,027</u>

14. Cash and cash equivalents

	As at 31 Dec 2010 RM'000	As at 31 Dec 2009 RM'000
Cash & bank balances	<u>2,048</u>	<u>2,742</u>

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

1. Review of performance

	Year to Date 31 Dec 2010 RM'000	Year to Date 31 Dec 2009 RM'000	Variation %
Revenue	32,352	30,438	6.3%
Profit before taxation (PBT)	<u>2,570</u>	<u>2,751</u>	-6.6%

The Group registered revenue of RM32.4 million for the 9 months ended 31 December 2010, an increase of 6% as compared to the preceding year corresponding period. The increase was mainly due to higher contribution from both local and overseas customers.

However, the Group registered a lower PBT for the 9 months compared to the preceding year corresponding period. This is mainly due to loss in foreign exchange arising from the strengthening of the Ringgit against the USD.

2. Variation of results against preceding quarter

	Current quarter ended 31 Dec 2010 RM'000	Preceding quarter ended 30 Sept 2010 RM'000	Variation %
Revenue	11,110	10,363	7.2%
Profit before taxation (PBT)	<u>1,107</u>	<u>938</u>	18.0%

The Group revenue increase by 7% during the current quarter as compared to the immediate preceding quarter was mainly due to higher contribution from overseas customers. The increase in revenue has resulted in the Group recording a higher PBT of RM1.11 million as compared to RM0.94 million in the immediate preceding quarter, an increase of RM0.17 million or 18%.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
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(The figures have not been audited)

3. Prospects

Barring any adverse market condition, we expect our financial performance to remain positive for the remainder of the financial year.

4. Profit forecast and profit guarantee

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

5. Taxation

	3 months ended	Year to Date
	31 Dec 2010	RM'000
	RM'000	RM'000
Income tax		
Current tax expenses	33	159

The effective tax rate is lower than the statutory tax rate principally due to the utilisation of unabsorbed reinvestment allowance claim by Scanwolf Plastic Industries Sdn Bhd, a wholly-owned subsidiary of the Company.

6. Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

7. Quoted securities

	Year to Date	
	31 Dec 2010	31 Dec 2009
	RM'000	RM'000
Shares quoted in Malaysia		
- Cost	101	-
- Carrying value/market value	110	-

8. Group's borrowings and debt securities

	31 Dec 2010	31 March 2010
	RM'000	RM'000
Secured:		
Bankers' acceptances	332	224

9. Realised and unrealised profits or losses

	31 Dec 2010	30 Sept 2010
	RM'000	RM'000
Total retained profits of the Group		
- Realised profits	24,568	23,466
- Unrealised (loss)/profit	(18)	10
	<u>24,550</u>	<u>23,476</u>

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
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(The figures have not been audited)

10. Off balance sheet financial instruments

As at 18 February 2011, the Group does not have any off balance sheet financial instruments.

11. Material litigation

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.

12. Dividends

The Directors declared a first interim tax exempt dividend of 2% or 1 sen per share for the financial year ending 31 March 2011.

The entitlement date was 31 December 2010 and paid on 17 January 2011.

13. 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 31 Dec 2010 RM'000	Year to Date 31 Dec 2010 RM'000
Net profit attributable to shareholders	1,074	2,411
Weighted average number of ordinary shares	78,742	79,473
Basic earnings per share (sen)	<u>1.36</u>	<u>3.03</u>

13. Corporate proposals

There were no corporate proposals announced in this quarter and financial year to date.

14. Authorisation for issue

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

By order of the Board

Loo Bin Keong
 Chief Executive Director

21 February 2011