



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2011**

28 May 2011

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**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the fourth quarter ended 31 March 2011**  
**(The figures have not been audited)**

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 12 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	9,339	8,904	41,691	39,342
Other operating income	167	357	375	433
Operating expenses	(9,164)	(7,855)	(36,539)	(33,037)
Depreciation & amortisation	(903)	(935)	(3,485)	(3,342)
Finance costs	(120)	(64)	(153)	(237)
<b>(Loss)/profit before taxation</b>	(681)	407	1,889	3,159
Taxation	(253)	(412)	(412)	(651)
<b>(Loss)/profit for the period</b>	(934)	(5)	1,477	2,508
<b>Attributable to :</b>				
Equity holders of the Company	(934)	(5)	1,477	2,508
<b>(Loss)/earnings per share attributable to equity holder of the Company:</b>				
Basic (sen)	(1.19)	(0.01)	1.87	3.15
<b>Comprehensive income</b>				
(Loss)/profit for the period	(934)	(5)	1,477	2,508
Fair value gain on available-for-sale investments	34	-	44	-
<b>Total comprehensive income</b>	(900)	(5)	1,521	2,508
<b>Attributable to :</b>				
Equity holders of the Company	(900)	(5)	1,521	2,508

**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 March 2011  
 (The figures have not been audited)

	As at 31 March 2011 RM'000	(Audited) As at 31 March 2010 RM'000 (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	27,052	29,100
Other investment	145	-
<b>Total non-current assets</b>	<u>27,197</u>	<u>29,100</u>
<b>Current assets</b>		
Inventories	9,986	9,814
Trade receivables	12,204	10,948
Other receivables, deposit and prepayment	940	1,250
Current tax assets	678	620
Cash and bank balances	3,406	3,671
<b>Total current assets</b>	<u>27,214</u>	<u>26,303</u>
<b>TOTAL ASSETS</b>	<u>54,411</u>	<u>55,403</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Reserves	5,838	7,229
<b>Total Equity</b>	<u>45,838</u>	<u>47,229</u>
<b>Non-current liabilities</b>		
Hire purchase payables	69	260
Deferred taxation	3,475	3,238
<b>Total non-current liabilities</b>	<u>3,544</u>	<u>3,498</u>
<b>Current liabilities</b>		
Trade payables	2,751	2,918
Other payables	1,592	1,207
Hire purchase payables	236	327
Borrowings	450	224
<b>Total current liabilities</b>	<u>5,029</u>	<u>4,676</u>
<b>Total liabilities</b>	<u>8,573</u>	<u>8,174</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>54,411</u>	<u>55,403</u>
Net Assets per share (RM)	<u>0.58</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 fourth quarter ended 31 March 2011  
 (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
Dividend paid	-	-	-	-	-	-	(787)	(787)
Total comprehensive income	-	-	-	34	-	-	(934)	(900)
Purchase of treasury shares	-	-	-	-	-	(577)	-	(577)
As at 31 March 2011	40,000	(19,524)	2,035	44	1,483	(1,029)	22,829	45,838

**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 fourth quarter ended 31 March 2011**  
**(The figures have not been audited)**

	Note	Cumulative	
		12 months ended 31 March 2011	12 months ended 31 March 2010
		RM'000	RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Profit before taxation		1,889	3,159
Adjustments for:			
Depreciation of property, plant and equipment		3,485	3,342
Allowance for slow moving inventories		237	-
Impairment loss recognised on trade receivables		48	23
Unrealised loss on foreign exchange - net		110	392
Doubtful debts on trade receivables recovered		(27)	(36)
Gain in disposal of investment property		-	(350)
Gain on disposal of property, plant and equipment		(147)	-
Investment revenue		(2)	(54)
Property, plant and equipment write off		19	-
Tax penalty		2	19
Finance costs		153	237
		<u>5,767</u>	<u>6,732</u>
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(410)	251
Trade receivables & other receivables		(1,041)	74
(Decrease)/Increase in:			
Trade payables and other payables		182	940
		<u>182</u>	<u>940</u>
Cash Generated From Operations		4,498	7,997
Income tax refunded		89	-
Back duty tax paid		-	(36)
Tax penalty paid		-	19
Income tax paid		(324)	(329)
		<u>(324)</u>	<u>(329)</u>
Net Cash Generated From Operating Activities		<u>4,263</u>	<u>7,651</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds from disposal of investment property		-	1,150
Rental received		-	47
Interest received from fixed and short-term deposits		2	6
Proceeds from disposal of property, plant and equipment		147	700
Acquisition of quoted shares		(101)	-
Purchase of property, plant and equipment		(1,405)	(951)
		<u>(1,405)</u>	<u>(951)</u>
Net Cash (Used In)/From Investing Activities		<u>(1,357)</u>	<u>952</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from/(Repayment of) bankers' acceptances		226	(2,639)
Dividend paid		(1,978)	(2,791)
Repurchase of own shares		(934)	(4)
Finance costs paid		(153)	(237)
Repayment of hire-purchase payables		(332)	(446)
		<u>(3,171)</u>	<u>(6,117)</u>
Net Cash Used In Financing Activities		<u>(3,171)</u>	<u>(6,117)</u>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH</b>		<u>(265)</u>	<u>2,486</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>		3,671	1,321
Effect of changes in exchange rate on foreign currency translation		-	(116)
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>A14</b>	<u><u>3,406</u></u>	<u><u>3,691</u></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 fourth quarter ended 31 March 2011**  
**(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.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2011**  
**(The figures have not been audited)**

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 March 2011, the number of treasury shares held is 2,647,000 ordinary shares.

**7. Dividend paid**

An interim tax exempt dividend of 2% or 1 sen per share for financial year ended 31 March 2011 amounting of RM787,690 was paid on 17 January 2011.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2011**  
**(The figures have not been audited)**

**8. Segmental information**

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

	<b>12 Months ended 31 March 2011 RM'000</b>	<b>12 Months ended 31 March 2010 RM'000</b>
<b>Business Segment</b>		
<b><u>Revenue</u></b>		
Manufacturing	38,203	35,458
Trading	3,488	3,884
	<u>41,691</u>	<u>39,342</u>
<b><u>Segment Results</u></b>		
Manufacturing	1,741	3,061
Trading	301	335
	<u>2,042</u>	<u>3,396</u>
Finance cost	(153)	(237)
	<u>1,889</u>	<u>3,159</u>
Income tax expense	(412)	(651)
Profit from operations	<u>1,477</u>	<u>2,508</u>
<b>Geographical Segments</b>		
<b><u>Revenue</u></b>		
<b><u>Export Market</u></b>		
Asia	14,997	14,969
Middle East	10,318	8,983
Africa	318	723
Oceania	673	343
Others	58	92
	<u>26,364</u>	<u>25,110</u>
Malaysia	15,327	14,232
	<u>41,691</u>	<u>39,342</u>

**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 25 May 2011, (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2011**  
**(The figures have not been audited)**

**13. Capital commitments**

As at 25 May 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 by the Group which might have a material impact on the financial position or business of the Group.

	<b>RM'000</b>
Approved but not contracted for:	
Acquisition of lease industrial land in Vietnam	1,619
Approved and contracted for:	
Motor vehicle	357
	<u>1,976</u>

**14. Cash and cash equivalents**

	<b>As at 31 March 2011 RM'000</b>	<b>As at 31 March 2010 RM'000</b>
Cash & bank balances	<u>3,406</u>	<u>3,691</u>

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

**1. Review of performance**

	<b>12 Months 31 March 2011 RM'000</b>	<b>12 Months 31 March 2010 RM'000</b>	<b>Variation %</b>
Revenue	41,691	39,342	6.0%
Profit before taxation (PBT)	<u>1,889</u>	<u>3,159</u>	-40.2%

The Group registered revenue of RM41.7 million for the 12 months ended 31 March 2011, an increase of 6% as compared to the preceding year. The increase was mainly due to higher contribution from both local and overseas customers.

However, the Group registered a lower PBT for the 12 months compared to the preceding year is mainly due to loss in foreign exchange arising from the strengthening of the Ringgit against the USD and increase in cost of chemical and material.

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

	<b>Current quarter ended 31 March 2011 RM'000</b>	<b>Preceding quarter ended 31 December 2010 RM'000</b>	<b>Variation %</b>
Revenue	9,339	11,110	-15.9%
(Loss)/profit before taxation (PBT)	<u>(681)</u>	<u>1,107</u>	-161.5%

The Group revenue decreased by 16% during the current quarter as compared to the immediate preceding quarter was mainly due to more public holidays in this quarter. The current quarter under review recorded a loss of RM0.7 million, mainly due to the write down of inventories.

**Scanwolf Corporation Berhad (Company no: 740909-T)**

**Notes To The Interim Report**

**For the fourth quarter ended 31 March 2011**

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

**3. Prospects**

The strengthening of the Ringgit against the USD continues to exert pressure on our export margins. The impact is significant given that export sales account for approximately 64% of our sales revenue. The surge in oil prices is also driving up prices of chemicals.

The Group will continue to focus on expanding its customer base and enhancing operating efficiencies to sustain positive performance in the next 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**

	<b>3 months ended 31 March 2011 RM'000</b>	<b>Year to Date RM'000</b>
Current tax expenses	16	175
Deferred tax	237	237
	<u>253</u>	<u>412</u>

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**

	<b>31 March 2011 RM'000</b>	<b>31 March 2010 RM'000</b>
Shares quoted in Malaysia		
- Cost	101	-
- Carrying value/market value	145	-
	<u>145</u>	<u>-</u>

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

	<b>31 March 2011 RM'000</b>	<b>31 March 2010 RM'000</b>
Secured:		
Bankers' acceptances	450	224
	<u>450</u>	<u>224</u>

**9. Realised and unrealised profits or losses**

	<b>31 March 2011 RM'000</b>	<b>31 March 2010 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	25,644	25,908
- Unrealised	(2,815)	(2,578)
	<u>22,829</u>	<u>23,330</u>

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2011**  
**(The figures have not been audited)**

**10. Off balance sheet financial instruments**

As at 25 May 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 recommend the payment of a final tax exempt dividend of 4% or 2 sen per share for financial year ended 31 March 2011, subject to the approval of the shareholders at the Fifth Annual General Meeting to be announced in due course.

The date of entitlement and payment date will be announced later.

**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:

	<b>3 months ended 31 March 2011 RM'000</b>	<b>Year to Date 31 March 2011 RM'000</b>
Net (loss)/ profit attributable to shareholders	(934)	1,477
Weighted average number of ordinary shares	78,261	79,064
Basic (loss)/earnings per share (sen)	<u>(1.19)</u>	<u>1.87</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

28 May 2011