



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS ENDED 30 JUNE 2012

24 AUGUST 2012



Scanwolf Corporation Berhad (Company no: 740909-T)
Condensed Consolidated Statement of Comprehensive Income
For the first quarter ended 30 June 2012
(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	9,257	10,070	9,257	10,070
Other operating income	16	28	16	28
Operating expenses	(9,586)	(9,513)	(9,586)	(9,513)
Depreciation & amortisation	(935)	(592)	(935)	(592)
Finance costs	(129)	(21)	(129)	(21)
Loss before taxation	(1,377)	(28)	(1,377)	(28)
Taxation	-	-	-	-
Loss for the period	(1,377)	(28)	(1,377)	(28)
Other comprehensive loss				
Fair value loss on available-for-sale investments	(23)	-	(23)	-
Total comprehensive loss	(1,400)	(28)	(1,400)	(28)
Loss attribute to:				
Equity holders of the Company	(1,473)	(16)	(1,473)	(16)
Non-controlling interest	96	(12)	96	(12)
	(1,377)	(28)	(1,377)	(28)
Total comprehensive loss attributable to :				
Equity holders of the Company	(1,496)	(16)	(1,496)	(16)
Non-controlling interest	96	(12)	96	(12)
	(1,400)	(28)	(1,400)	(28)
Earnings per share attributable to equity holder of the Company:				
Loss per share (sen)	(1.93)	(1.19)	(1.93)	(1.19)

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 2012 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 June 2012
(The figures have not been audited)

	As at 30 June 2012 RM'000	(Audited) As at 31 March 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,530	28,352
Other investment	-	124
Total non-current assets	27,530	28,476
Current assets		
Inventories	7,413	9,102
Trade and other receivables	24,601	23,491
Property development costs	2,972	1,791
Current tax assets	267	234
Cash and bank balances	2,524	2,448
Total current assets	37,777	37,066
TOTAL ASSETS	65,307	65,542
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Reserves	2,800	4,296
	42,800	44,296
Non-controlling interest	(82)	(178)
Total Equity	42,718	44,118
Non-current liabilities		
Hire purchase payables	1,060	1,112
Deferred taxation	4,066	4,066
Total non-current liabilities	5,126	5,178
Current liabilities		
Trade and other payables	2,666	3,368
Hire purchase payables	293	347
Progress billings	4,435	3,259
Current tax liability	13	13
Borrowings	10,056	9,259
Total current liabilities	17,463	16,246
Total liabilities	22,589	21,424
TOTAL EQUITY AND LIABILITIES	65,307	65,542
Net Assets per share (RM)	0.56	0.56

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 2012 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 June 2012
 (The figures have not been audited)

	Non-distributable					Distributable		Non-controlling interest RM'000	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 2012	40,000	(19,524)	2,035	23	3,020	(1,638)	20,380	(178)	44,118
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	(23)	-	-	(1,473)	96	(1,400)
As at 30 June 2012	40,000	(19,524)	2,035	-	3,020	(1,638)	18,907	(82)	42,718

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 2012 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 June 2012
(The figures have not been audited)

	Note	Cumulative 3 months ended 30 June	
		2012 RM'000	2011 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Loss before taxation		(1,377)	(28)
Adjustments for:			
Depreciation of property, plant and equipment		935	592
Gain on disposal of quoted shares		(46)	-
Finance costs		129	21
		<u>(359)</u>	<u>585</u>
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		1,688	(1,248)
Trade & other receivables		(1,110)	(1,099)
Property development costs		(1,181)	-
Increase/(Decrease) in:			
Trade and other payables		(1,253)	(1,174)
Progress billings		1,726	-
		<u>(489)</u>	<u>(2,936)</u>
Cash Used In Operations		(489)	(2,936)
Income tax refunded		14	-
Income tax paid		(47)	(78)
		<u>(47)</u>	<u>(78)</u>
Net Cash Used In Operating Activities		<u>(522)</u>	<u>(3,014)</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of quoted shares		147	-
Net cash inflow on acquisition of a subsidiary		-	49
Purchase of property, plant and equipment		(113)	(234)
		<u>(113)</u>	<u>(234)</u>
Net Cash Generated From/(Used In) Investing Activities		<u>34</u>	<u>(185)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from bankers' acceptances		3,556	2,215
Repurchase of own shares		-	(504)
Finance costs paid		(129)	(21)
Repayment of hire-purchase payables		(105)	(72)
		<u>(105)</u>	<u>(72)</u>
Net Cash Generated From Financing Activities		<u>3,322</u>	<u>1,618</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>2,834</u>	<u>(1,581)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING		<u>(310)</u>	<u>3,406</u>
CASH AND CASH EQUIVALENTS AT END	A14	<u><u>2,524</u></u>	<u><u>1,825</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 2012 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 June 2012
(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 Standard ("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 report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2012. These explanatory notes attached to the condensed consolidated interim financial report provide an explanation of the 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 31 March 2012.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2012 save for the adoption of the following new and revised FRS, Issues Committee("IC") Interpretations and amendments to FRSs and IC Interpretations that are mandatory for the Group for the financial year commencing 1 April 2012:

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14 Prepayments of Minimum Funding Requirement
Amendments to FRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7 Transfers of Financial Assets
Amendments to FRS 112 Deferred Tax: Recovery of Underlying Assets
FRS 124 Related Party Disclosures

The adoption of these new FRSs, amendments and IC Interpretation will have no material impact on the financial statements of the Group. The Group have not early adopted the following FRSs, IC Interpretations and amendments to FRSs, which have been issued and will be effective for the financial periods as stated below:-

	Effective Date for financial periods beginning on or after
Amendments to FRS 101 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interest in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

New Malaysian Accounting Standards Board ("MASB") Approved Accounting Framework

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS) Framework. The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2015.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the first quarter ended 30 June 2012
(The figures have not been audited)

2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 March 2012 was not subject to any qualification.

3. Comments about Seasonality or Cyclicity of Operations

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

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

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

5. Changes in estimates

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

6. Debt and equity securities

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

As at 30 June 2012, the number of treasury shares held is 4,040,000 ordinary shares.

7. Dividend paid

No dividend was paid during this quarter.

8. Segmental information

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

	3 Months ended 30 June 2012 RM'000	3 Months ended 30 June 2011 RM'000
Business Segment		
<u>Revenue</u>		
Manufacturing	7,367	9,345
Trading	554	725
Property development	1,336	-
	<u>9,257</u>	<u>10,070</u>
<u>Segment Results</u>		
Manufacturing	(1,114)	(54)
Trading	39	47
Property development	(173)	-
	<u>(1,248)</u>	<u>(7)</u>
Finance cost	(129)	(21)
	<u>(1,377)</u>	<u>(28)</u>
Income tax expense	-	-
Loss from operations	<u>(1,377)</u>	<u>(28)</u>
Geographical Segments		
<u>Revenue</u>		
<u>Export Market</u>		
Asia	2,726	4,110
Middle East	673	1,470
Africa	84	118
Oceania	214	245
Others	119	106
	<u>3,816</u>	<u>6,049</u>
Malaysia	5,441	4,021
	<u>9,257</u>	<u>10,070</u>

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the first quarter ended 30 June 2012
(The figures have not been audited)

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 21 August 2012, (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

13. Capital commitments

As at 21 August 2012 (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.

Approved but not contracted for:

Acquisition of lease industrial land in Vietnam	1,300
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14. Cash and cash equivalents

	As at 30 June 2012 RM'000	As at 30 June 2011 RM'000
Cash & bank balances	2,524	1,825

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

1. Review of performance

	3 Months 30 June 2012 RM'000	3 Months 30 June 2011 RM'000	Variation %
Revenue	9,257	10,070	-8.1%
Loss before taxation	(1,377)	(28)	4817.9%

For the first quarter ended 30 June 2012, the Group registered a revenue of RM9.2 million which was lower by RM0.8 million (8.4%) as compared to the preceding year corresponding quarter.

The decrease in revenue is mainly due to decrease in sales volume in both the Manufacturing and Trading Divisions, from RM10.0 million in preceding year corresponding quarter to RM7.9 million in current quarter. The decrease is offset by revenue recorded in the Property Division of RM1.3 million in current quarter while no revenue was recorded in preceding year corresponding quarter.

With the drop of revenue in both the Manufacturing and Trading Divisions, the Group recorded a loss before tax of RM1.4 million as compared to a loss before tax of RM28,000 in the preceding year corresponding quarter.

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the first quarter ended 30 June 2012
(The figures have not been audited)

2. Variation of results against preceding quarter

	Current quarter ended 30 June 2012 RM'000	Preceding quarter ended 31 March 2012 RM'000	Variation %
Revenue	9,257	8,098	14.3%
Loss before taxation	<u>(1,377)</u>	<u>(864)</u>	59.4%

Group revenue has improved by RM1.159 million due to revenue contribution of RM1.336 million from the Property Division which was partially offsetted by a decrease of RM177,000 revenue from the Manufacturing and Trading Divisions.

Despite the increase in Group revenue, the Group recorded a loss before tax of RM1.377 million as compared to a loss before tax of RM0.9 million in the preceding quarter.

In the Manufacturing Division, the Group recorded a loss before tax of RM1.114 million as compared to a loss before tax of RM267,000 recorded in the preceding quarter mainly owing to lower production volume.

In the Trading Division, the Group recorded a profit before tax of RM39,000 during the current quarter as compared to a profit before tax of RM26,000 in the preceding quarter.

In the Property Division, the Group recorded a loss of RM174,000 in the current quarter as compared to a loss before tax of RM228,000 in preceding quarter mainly due to the project is still in its early development stage.

3. Prospects for this financial year

The uncertainties in the Euro Zone debt crisis and political crisis in the Middle East have negatively impacted on the Group's export market. However, with the Property Division coming onstream, the Group expects its contribution to offset any shortfall arising from the Manufacturing and Trading Divisions. Considering these factors and barring any unforeseen circumstances, the Group has forecasted a profit for the current 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

No provision for taxation provided as the Group incurred loss in the current quarter.

6. Group's borrowings and debt securities

	30 June 2012 RM'000	31 March 2012 RM'000
Secured:		
Bankers' acceptances	10,056	9,259
Bank overdraft	-	2,759
	<u>10,056</u>	<u>12,018</u>

7. Realised and unrealised profits or losses

	30 June 2012 RM'000	31 March 2012 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	22,115	23,588
- Unrealised	(3,269)	(3,269)
	<u>18,846</u>	<u>20,319</u>
Consolidation adjustments	61	61
	<u>18,907</u>	<u>20,380</u>

Scanwolf Corporation Berhad (Company no: 740909-T)
Notes To The Interim Report
For the first quarter ended 30 June 2012
(The figures have not been audited)

8. 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.

9. Dividends

No dividend is proposed in this quarter.

10. Earnings per share

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

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

	3 months ended 30 June 2012	Year to Date 30 June 2012
Loss attributable to shareholders (RM'000)	(1,473)	(1,473)
Weighted average number of ordinary shares ('000)	76,147	76,147
Basic loss per share (sen)	<u>(1.93)</u>	<u>(1.93)</u>

11. Notes to the Condensed Consolidated Income Statement

	3 months ended 30 June 2012 RM'000	Year to Date 30 June 2012 RM'000
The loss has been arrived at after accounting for the following items		
(a) Interest income	4	4
(b) Other income including investment income	-	-
(c) Interest expense	129	129
(d) Depreciation and amortization	935	935
(e) Provision for and write off of receivable	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain/(loss) on disposal of quoted or unquoted investments or properties	46	46
(h) Impairment of asset	-	-
(i) Foreign exchange gain/(loss)	13	13
(j) Gain or loss on derivatives	-	-
(k) Exceptional item	-	-

12. Corporate proposals

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

13. 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

24 August 2012