



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2013**

**30 May 2013**

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**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the fourth quarter ended 31 March 2013**  
**(The figures have not been audited)**

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 12 months ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	9,653	8,098	36,755	36,947
Other operating income	252	15	288	467
Operating expenses	(9,033)	(7,304)	(34,311)	(34,115)
Depreciation & amortisation	(899)	(1,406)	(3,618)	(3,779)
Finance costs	(346)	(87)	(1,014)	(377)
<b>Loss before taxation</b>	(373)	(684)	(1,900)	(857)
Taxation	(114)	(294)	(96)	(297)
<b>Loss for the period</b>	(487)	(978)	(1,996)	(1,154)
<b>Other comprehensive loss</b>				
Fair value loss on available-for-sale investments	(23)	-	(23)	(22)
Gain in revaluation of land and buildings	-	1,538	-	1,538
<b>Total comprehensive (loss)/income</b>	(510)	560	(2,019)	362
<b>(Loss)/income attribute to:</b>				
Equity holders of the Company	(465)	(801)	(2,254)	(928)
Non-controlling interest	(22)	(177)	258	(226)
	(487)	(978)	(1,996)	(1,154)
<b>Total comprehensive (loss)/income attributable to :</b>				
Equity holders of the Company	(465)	737	(2,277)	588
Non-controlling interest	(22)	(177)	258	(226)
	(487)	560	(2,019)	362
<b>Earnings per share attributable to equity holder of the Company:</b>				
Loss per share (sen)	(0.60)	(1.03)	(2.98)	(1.22)

**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 31 March 2013**  
**(The figures have not been audited)**

	<b>As at 31 March 2013 RM'000</b>	<b>(Audited) As at 31 March 2012 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	26,261	28,352
Land held for property development	13,277	-
Trade receivables	2,015	-
Other investment	-	124
<b>Total non-current assets</b>	<b>41,553</b>	<b>28,476</b>
<b>Current assets</b>		
Inventories	8,828	9,102
Trade and other receivables	15,369	23,491
Property development projects	12,900	1,791
Current tax assets	386	234
Cash and bank balances	3,886	2,448
<b>Total current assets</b>	<b>41,369</b>	<b>37,066</b>
<b>TOTAL ASSETS</b>	<b>82,922</b>	<b>65,542</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Reserves	1,844	4,296
	<b>41,844</b>	<b>44,296</b>
Non-controlling interest	154	(178)
<b>Total Equity</b>	<b>41,998</b>	<b>44,118</b>
<b>Non-current liabilities</b>		
Hire purchase payables	957	1,112
Borrowings	5,771	-
Deferred taxation	3,798	4,066
<b>Total non-current liabilities</b>	<b>10,526</b>	<b>5,178</b>
<b>Current liabilities</b>		
Trade and other payables	10,374	3,368
Hire purchase payables	352	347
Progress billings	4,665	3,259
Current tax liability	271	13
Borrowings	14,736	9,259
<b>Total current liabilities</b>	<b>30,398</b>	<b>16,246</b>
<b>Total liabilities</b>	<b>40,924</b>	<b>21,424</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82,922</b>	<b>65,542</b>
Net Assets per share (RM)	0.55	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 fourth quarter ended 31 March 2013  
 (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
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
Additional non-controlling interest arising acquisition of the SDSB	-	-	-	-	-	-	-	74	74
Purchase of treasury shares	-	-	-	-	-	(168)	-	-	(168)
Total comprehensive loss	-	-	-	-	-	-	(559)	(58)	(617)
As at 30 September 2012	40,000	(19,524)	2,035	-	3,020	(1,806)	18,348	(66)	42,007
Purchase of treasury shares	-	-	-	-	-	(5)	-	-	(5)
Total comprehensive income	-	-	-	-	-	-	244	242	486
As at 31 December 2012	40,000	(19,524)	2,035	-	3,020	(1,811)	18,592	176	42,488
Purchase of treasury shares	-	-	-	-	-	(3)	-	-	(3)
Total comprehensive loss	-	-	-	-	-	-	(465)	(22)	(487)
As at 31 March 2013	40,000	(19,524)	2,035	-	3,020	(1,814)	18,127	154	41,998

**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 fourth quarter ended 31 March 2013**  
**(The figures have not been audited)**

	Note	Cumulative 12 months ended 31 March	
		2013 RM'000	2012 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Loss before taxation		(1,996)	(1,154)
Adjustments for:			
Depreciation of property, plant and equipment		3,618	3,780
Impairment loss recognised on trade receivables		274	-
Property, plant and equipment written off		217	-
Allowance for slow moving inventories		160	572
Income tax expense recognised in profit or loss		96	297
Fair value loss/(gain) on financial derivatives		37	(45)
Recovered from insurance claim		(290)	-
Unrealised gain on foreign exchange - net		(92)	(37)
Gain in disposal of property, plant and equipment		(20)	(279)
Investment revenue		(5)	(9)
Revaluation deficit on property, plant and equipment		-	164
Doubtful debts on trade receivables recovered		-	(49)
Finance costs		1,014	377
		<u>3,013</u>	<u>3,617</u>
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		114	313
Trade & other receivables		1,736	(4,359)
Property development costs		(4,847)	(1,791)
Increase/(Decrease) in:			
Trade and other payables		745	(974)
Progress billings		1,406	2,672
		<u>2,167</u>	<u>(522)</u>
Cash from/(used in) Operations		2,167	(522)
Income tax refunded		4	386
Income tax paid		(263)	(147)
		<u>1,908</u>	<u>(283)</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds from disposal of quoted shares		101	-
Proceeds from issuance shares to non-controlling interests		73	49
Proceeds from disposal of property, plant and equipment		20	280
Interest received from fixed and short-term deposits		5	3
Dividend income from quoted investment		-	5
Deposits paid for acquisition of land		(920)	(5,200)
Deposits paid for purchase of property, plant and equipment		(33)	(131)
Purchase of land held for property development		(8,033)	-
Purchase of property, plant and equipment		(1,545)	(1,644)
		<u>(10,332)</u>	<u>(6,638)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from bankers' acceptances		6,105	6,050
Repurchase of own shares		(176)	(610)
Proceed from term loan		8,625	-
Repayment of term loan		(1,012)	-
Dividend paid		-	(1,521)
Finance costs paid		(955)	(354)
Repayment of hire-purchase payables		(349)	(397)
		<u>12,238</u>	<u>3,168</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		3,814	(3,753)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>			
		(310)	3,406
Effect of changes in exchange rate on foreign currency translation		92	37
<b>CASH AND CASH EQUIVALENTS AT END</b>			
	A14	<u>3,596</u>	<u>(310)</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 fourth quarter ended 31 March 2013**  
**(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 fourth quarter ended 31 March 2013**  
**(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 31 March 2013, the number of treasury shares held is 4,603,000 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:

	<b>12 Months ended 31 March 2013 RM'000</b>	<b>12 Months ended 31 March 2012 RM'000</b>
<b>Business Segment</b>		
<b>Revenue</b>		
Manufacturing	26,921	33,471
Trading	2,341	3,476
Property development	7,493	-
	<u>36,755</u>	<u>36,947</u>
<b>Segment Results</b>		
Manufacturing	(1,398)	(473)
Trading	75	272
Property development	437	(279)
	<u>(886)</u>	<u>(480)</u>
Finance cost	(1,014)	(377)
	<u>(1,900)</u>	<u>(857)</u>
Income tax expense	(96)	(297)
Loss from operations	<u>(1,996)</u>	<u>(1,154)</u>
<b>Geographical Segments</b>		
<b>Revenue</b>		
<i>Export Market</i>		
Asia	10,738	13,992
Middle East	2,024	6,469
Africa	218	354
Oceania	962	843
Others	227	367
	<u>14,169</u>	<u>22,025</u>
Malaysia	<u>22,586</u>	<u>14,922</u>
	<u>36,755</u>	<u>36,947</u>

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2013**  
**(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 27 May 2013, (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 27 May 2013 (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

RM'000

482

**14. Cash and cash equivalents**

	As at 31 March 2013 RM'000	As at 31 March 2012 RM'000
Cash & bank balances	3,886	2,448
Bank overdraft	(290)	(2,758)
	<u>3,596</u>	<u>(310)</u>

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

**1. Review of performance**

	Current quarter ended 31 March 2013	Corresponding quarter ended 31 March 2012	12 Months 31 March 2013 RM'000	12 Months 31 March 2012 RM'000	Variation %
Revenue	9,653	8,098	36,755	36,947	-0.5%
Loss before taxation	<u>(373)</u>	<u>(684)</u>	<u>(1,900)</u>	<u>(857)</u>	121.7%

Current Quarter

For the fourth quarter ended 31 March 2013, the Group registered a revenue of RM9.7 million, an increase of RM1.6 million or 19% as compared to the preceding year's corresponding quarter.

The increase is due to the contribution of RM2.6 million from the Property Division and partly offset by the decrease of RM1.0 million from the Manufacturing Division.

The Group recorded a loss before tax of RM373,000 as compared to a loss before tax of RM684,000 in the preceding year's corresponding quarter. The improvement in the results is due to improved gross profit margin in the Manufacturing Division. The Property Division contributed profit before tax of RM773,000 to the Group for the current quarter as compare to a loss before tax of RM173,000 in the preceding year's corresponding quarter.



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2013**  
**(The figures have not been audited)**

YTD - 12 Months Financial Year

In the financial year ended 31 March 2013, the Group registered a marginal decrease in revenue to RM36.7 million as compared to the previous financial year of RM36.9 million.

The Manufacturing & Trading Division recorded a reduction in revenue by 21% to RM29.2 million. The decrease in revenue is due mainly to the competition faced by the Group especially for the lower price items coupled with the slow recovery of the global economy which has also contributed to lesser demand. The Property Division recorded revenue of RM7.5 million due to the launch of 3 storey shop office.

In the financial year ended 31 March 2013, the Group recorded a loss before tax of RM1.9 million owing to decrease in revenue in Manufacturing Division by RM6.5 million or 20% as compared with previous financial year. Apart from the reason stated above, the loss is also attributed to the allowance for doubtful debt of RM273,000 and allowance for slow moving stock of RM160,000 provided during the financial year in Manufacturing Division.

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

	<b>Current quarter ended 31 March 2013 RM'000</b>	<b>Preceding quarter ended 31 Dec 2012 RM'000</b>	<b>Variation %</b>
Revenue	9,653	9,731	-0.8%
(Loss)/profit before taxation	<u>(373)</u>	<u>467</u>	-179.9%

The Group revenue is consistent with preceding quarter ended 31 December 2012.

The Group recorded a loss before tax of RM373,000 as compared to preceding quarter mainly due to allowance for doubtful debt and slow moving stock made in the Manufacturing Division as explained above Part B (1).

In the Manufacturing Division, the Group recorded a loss before tax of RM613,000 as compared to profit before tax of RM233,000 recorded in the preceding quarter, mainly due to reason explained above Part B (1).

In the Trading Division, the Group recorded a loss before tax of RM187,000 during the current quarter as compared to a profit before tax of RM127,000 in the preceding quarter, due to final adjustment made to the shared operation cost with the Manufacturing Division.

In the Property Division, the Group recorded a profit before tax of RM773,000 in the current quarter as compared to a profit before tax of RM350,000 in preceding quarter mainly due to higher percentage of completion of project.

**3. Prospects for next financial year**

The outlook for the global economy for the next financial year is expected to be more positive although still challenging. To face these challenges, the Group's strategies are to continue to optimise the use of resources and production capacity, to improve its products and pricing policy as well as to enhance its marketing edge. The Group remains upbeat on its property development with the favourable response to its projects for the financial year 2014.

**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**

The taxation charge is for the property division as the manufacturing & trading division made losses.

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

	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Secured:		
Bankers' acceptances	12,605	6,500
Term loans	7,612	-
Bank overdraft	290	2,759
	<u>20,507</u>	<u>9,259</u>

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2013**  
**(The figures have not been audited)**

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

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	21,153	23,588
- Unrealised	(3,026)	(3,269)
	<u>18,127</u>	<u>20,319</u>
Consolidation adjustments	-	61
	<u><u>18,127</u></u>	<u><u>20,380</u></u>

**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:

	<b>3 months ended</b>	<b>Year to Date</b>
	<b>31 March 2013</b>	<b>31 March 2013</b>
Loss attributable to shareholders (RM'000)	(465)	(2,254)
Weighted average number of ordinary shares ('000)	77,113	75,595
Loss per share (sen)	<u>(0.60)</u>	<u>(2.98)</u>

**11. Notes to the Condensed Consolidated Income Statement**

	<b>3 months ended</b>	<b>Year to Date</b>
	<b>31 March 2013</b>	<b>31 March 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
The loss has been arrived at after accounting for the following items		
(a) Interest income	-	-
(b) Other income including investment income	-	-
(c) Interest expense	346	1,014
(d) Depreciation and amortization	899	3,618
(e) Provision for and write off of receivable	273	273
(f) Provision for and write off of inventories	160	160
(g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of asset	-	-
(i) Foreign exchange gain/(loss)	(50)	(120)
(j) Gain or (loss) on derivatives	(37)	(37)
(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

30 May 2013