



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2014**

**24 May 2014**

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**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the fourth quarter ended 31 March 2014**  
**(The figures have not been audited)**

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 12 months ended 31 March	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	11,667	9,653	43,603	36,755
Other operating income	85	252	172	288
Operating expenses	(9,894)	(9,033)	(40,073)	(34,300)
Depreciation & amortisation	(865)	(899)	(3,465)	(3,618)
Finance costs	(273)	(346)	(1,158)	(1,014)
<b>Profit/(Loss) before taxation</b>	720	(373)	(921)	(1,889)
Taxation	18	(114)	(124)	(41)
<b>Profit/(Loss) for the period</b>	738	(487)	(1,045)	(1,930)
<b>Other comprehensive income/(loss)</b>				
Fair value loss on available-for-sale investments	-	(23)	-	(23)
<b>Total comprehensive income/(loss)</b>	738	(510)	(1,045)	(1,953)
<b>Income/(Loss) attribute to:</b>				
Equity holders of the Company	593	(465)	(1,500)	(2,192)
Non-controlling interest	145	(22)	455	262
	738	(487)	(1,045)	(1,930)
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	593	(488)	(1,500)	(2,215)
Non-controlling interest	145	(22)	455	262
	738	(510)	(1,045)	(1,953)
<b>Earnings per share attributable to equity holder of the Company:</b>				
Earning/(Loss) per share (sen)	0.79	(0.60)	(1.99)	(2.98)

**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 2013 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 2014**  
**(The figures have not been audited)**

	<b>As at 31 March 2014 RM'000</b>	<b>(Audited) As at 31 March 2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,116	26,261
Land held for property development	15,179	13,277
Trade receivables	2,087	1,741
<b>Total non-current assets</b>	<b>41,382</b>	<b>41,279</b>
<b>Current assets</b>		
Inventories	8,349	8,828
Trade and other receivables	16,807	15,643
Property development projects	16,939	12,900
Current tax assets	42	444
Cash and bank balances	3,655	3,886
<b>Total current assets</b>	<b>45,792</b>	<b>41,701</b>
<b>TOTAL ASSETS</b>	<b>87,174</b>	<b>82,980</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Treasury shares	(1,831)	(1,814)
Reserves	2,220	3,720
	40,389	41,906
Non-controlling interest	858	158
<b>Total Equity</b>	<b>41,247</b>	<b>42,064</b>
<b>Non-current liabilities</b>		
Hire purchase payables	1,166	957
Borrowings	7,822	5,771
Deferred tax liabilities	3,372	3,797
<b>Total non-current liabilities</b>	<b>12,360</b>	<b>10,525</b>
<b>Current liabilities</b>		
Trade and other payables	18,037	10,363
Hire purchase payables	465	352
Progress billings	2,637	4,665
Current tax liability	441	274
Borrowings	11,987	14,737
<b>Total current liabilities</b>	<b>33,567</b>	<b>30,391</b>
<b>Total liabilities</b>	<b>45,927</b>	<b>40,916</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>87,174</b>	<b>82,980</b>
Net Assets per share (RM)	0.54	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 2013 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 2014  
 (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	Revaluation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000		
As at 1 April 2013	40,000	(19,524)	2,035	3,020	(1,814)	18,189	158	42,064
Total comprehensive income	-	-	-	-	-	(122)	174	52
As at 30 June 2013	40,000	(19,524)	2,035	3,020	(1,814)	18,067	332	42,116
Additional non-controlling interest arising acquisition of the SDSB	-	-	-	-	-	-	245	245
Purchase of treasury shares	-	-	-	-	(2)	-	-	(2)
Total comprehensive income	-	-	-	-	-	(992)	20	(972)
As at 30 September 2013	40,000	(19,524)	2,035	3,020	(1,816)	17,075	597	41,387
Purchase of treasury shares	-	-	-	-	(11)	-	-	(11)
Total comprehensive income	-	-	-	-	-	(979)	116	(863)
As at 31 December 2013	40,000	(19,524)	2,035	3,020	(1,827)	16,096	713	40,513
Purchase of treasury shares	-	-	-	-	(4)	-	-	(4)
Total comprehensive income	-	-	-	-	-	593	145	738
As at 31 March 2014	40,000	(19,524)	2,035	3,020	(1,831)	16,689	858	41,247

**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 2013 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 2014**  
**(The figures have not been audited)**

Note	Cumulative 12 months ended 31 March	
	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Loss before taxation	(1,045)	(1,930)
Adjustments for:		
Depreciation of property, plant and equipment	3,465	3,618
Fair value adjustment on non-current trade receivables	(65)	274
Property, plant and equipment written off	-	217
Inventories written down	422	160
Income tax expense recognised in profit or loss	123	41
Fair value loss/(gain) on financial derivatives	(45)	37
Recovered from insurance claim	-	(290)
Unrealised gain on foreign exchange - net	(133)	(92)
Gain in disposal of property, plant and equipment	(98)	(20)
Investment revenue	(23)	(5)
Finance costs	1,158	1,014
	<u>3,759</u>	<u>3,024</u>
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	56	114
Trade & other receivables	(2,513)	1,736
Property development costs	(3,854)	(4,847)
Increase/(Decrease) in:		
Trade and other payables	7,674	733
Progress billings	(2,028)	1,406
	<u>7,674</u>	<u>733</u>
Cash generated from operations	3,094	2,166
Income tax refunded	506	4
Income tax paid	(485)	(263)
	<u>3,115</u>	<u>1,907</u>
Net Cash Generated From Operating Activities	<u>3,115</u>	<u>1,907</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	245	73
Proceeds from disposal of property, plant and equipment	144	20
Interest received from fixed and short-term deposits	23	5
Refund received/(Deposits paid) for acquisition of land	1,272	(920)
Deposits paid for purchase of property, plant and equipment	(464)	(33)
Purchase of land held for property development	(1,858)	(8,033)
Purchase of property, plant and equipment	(302)	(1,545)
	<u>(940)</u>	<u>(10,332)</u>
Net Cash Used In Investing Activities	<u>(940)</u>	<u>(10,332)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
(Repayment of)/Proceeds from bankers' acceptances	(3,067)	6,105
Repurchase of own shares	(16)	(176)
Proceed from term loan	2,114	8,625
Repayment of term loan	(338)	(1,012)
Finance costs paid	(1,158)	(955)
Repayment of hire-purchase payables	(544)	(349)
	<u>(3,009)</u>	<u>12,238</u>
Net Cash (Used In)/Generated From Financing Activities	<u>(3,009)</u>	<u>12,238</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(834)</u>	<u>3,813</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<u>3,596</u>	<u>(310)</u>
Effect of changes in exchange rate on foreign currency translation	12	92
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><u>2,774</u></u>	<u><u>3,595</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 2013 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 2014**  
**(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 2013. 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 2013.

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 2013 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 2013:

FRS 10 Consolidated Financial Statements  
FRS 11 Joint Arrangements  
FRS 12 Disclosure of Interest in Other Entities  
FRS 13 Fair Value Measurement  
FRS 119 Employee Benefits  
FRS 127 Separate Financial Statements  
FRS 128 Investment in Associates and Joint Ventures  
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine  
Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities  
Amendments to FRS 132 Financial Instruments: Presentation  
Amendments to FRS 10 Consolidated Financial Statements: Transition Guidance  
Amendments to FRS 11 Joint Arrangements: Transition Guidance  
Amendments to FRS 12 Disclosure of Interests in Other Entities: Transition Guidance  
Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities  
Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities  
Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting  
IC Interpretation 21 Levies  
Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets

Effective Date for financial periods  
beginning on or after

FRS 9 Financial Instruments

1 January 2015

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

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. The Malaysian Accounting Standards Board ("MASB") has, on 7 August 2013, announced to allow entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities"), to defer the adoption of the Malaysian Financial Reporting Standards ("MFRS") Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015 in light of the latest status of the International Accounting Standards Board's ("IASB") work plan on the two transitional issues that have yet to be resolved.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2014**  
**(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 2013 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 2014, the number of treasury shares held is 4,654,100 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>Business Segment</b>	<b>12 Months ended 31 March 2014 RM'000</b>	<b>12 Months ended 31 March 2013 RM'000</b>
<b><u>Revenue</u></b>		
Manufacturing	28,717	26,921
Property development	14,886	9,834
	<u>43,603</u>	<u>36,755</u>
<b><u>Segment Results</u></b>		
Manufacturing	(738)	(1,873)
Property development	(307)	(57)
Loss from operations	<u>(1,045)</u>	<u>(1,930)</u>
<b><u>Geographical Segments</u></b>		
<b><u>Revenue</u></b>		
- Asia	10,258	10,738
- Middle East	400	218
- Oceania	1,174	962
- Africa	1,224	2,024
- Others	288	227
Total export	<u>13,344</u>	<u>14,169</u>
Malaysia	<u>30,259</u>	<u>22,586</u>
	<u>43,603</u>	<u>36,755</u>

**9. Valuation of property, plant and equipment**

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

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2014**  
**(The figures have not been audited)**

**10. Material events subsequent to the end of the quarter**

There were no material events subsequent to the balance sheet date up to 20 May 2014, being the latest practicable date from the date of issuance of this financial results.

**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 20 May 2014, (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 20 May 2014 (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 and contracted for:

4 Storey Shop Office  
Machinery

**RM'000**

1,959

529

2,488

**14. Cash and cash equivalents**

	<b>As at 31 March 2014 RM'000</b>	<b>As at 31 March 2013 RM'000</b>
Cash & bank balances	2,993	3,466
Fixed deposit	663	420
Bank overdrafts	(882)	(291)
	<u>2,774</u>	<u>3,595</u>

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

**1. Review of performance**

	<b>Current quarter ended 31 March 2014</b>	<b>Corresponding quarter ended 31 March 2013</b>	<b>12 Months 31 March 2014 RM'000</b>	<b>12 Months 31 March 2013 RM'000</b>	<b>Variation %</b>
Revenue	11,667	9,653	43,603	36,755	18.6%
Profit/(Loss) before taxation	<u>720</u>	<u>(373)</u>	<u>(921)</u>	<u>(1,889)</u>	51.2%

Current Quarter

For this quarter ended 31 March 2014, the Group registered a revenue of RM11.7 million, an increase of RM2.0 million or 21% as compared to the preceding year's corresponding quarter.

The increase in revenue is mainly contributed from the Manufacturing.

Manufacturing Division:

For the quarter under review, revenue increase by RM2.0 million or 43% as compared to previous financial year corresponding quarter. Profit recorded in current quarter of RM0.5 million as compared to a loss of RM0.7 million in previous financial year corresponding quarter. The profit recorded in this quarter is mainly due to higher revenue and favourable foreign exchange rate.

Property Division:

For the quarter under review, revenue and profit remain consistent as compared to previous financial year corresponding quarter.



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2014**  
**(The figures have not been audited)**

Year To Date

For the 12 months financial year ended 31 March 2014, the Group registered a revenue of RM43.6 million which was higher by RM6.8 million or 18% as compared to the preceding year corresponding quarter.

The increase in revenue is mainly due to increase in revenue of property by RM5.9 million.

The Group recorded a loss before tax of RM0.9 million as compared to a loss before tax of RM1.9 million in the preceding year. The decrease in loss is mainly due to higher revenue recorded in Manufacturing Division, which contributed to better a margin for this financial year.

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

	<b>Current quarter ended 31 March 2014 RM'000</b>	<b>Preceding quarter ended 31 Dec 2013 RM'000</b>	<b>Variation %</b>
Revenue	11,667	11,149	4.6%
Profit/(Loss) before taxation	720	(854)	184.3%

The Group revenue increased by 4% as compared to preceding quarter, mainly contributed from Property division.

The Group recorded a profit before tax of RM0.7 million as compare to loss before tax of RM0.8 million in preceding quarter respectively, mainly due to higher net margin achieved in both Manufacturing and Property Division.

Manufacturing Division

In the Manufacturing Division, the Group recorded a profit of RM0.5 million in current quarter while a loss of RM0.6 million in preceding quarter. The profit is mainly due to favourable foreign exchange rate recorded in current quarter.

Property Division

In the Property Division, the Group recorded a profit before tax of RM0.2 million in the current quarter as compared to a loss before tax RM0.3 million in preceding quarter mainly due to higher progress billing of RM1.5 million recorded in this current quarter.

**3. Prospects for next financial year**

Notwithstanding the resilience of the Malaysian economy in 2014, the Group will face many challenges in view of rising cost of living as a result of increase in prices of goods and services coupled with the pressure from China products. However, the Group expects a moderate performance for the Manufacturing Division once the new production equipment is put in place within the coming months, which will enable our Group to compete more competitively. In addition, the Group expects the Property Development Division to complement the growth of the Group. Therefore, barring any unforeseen circumstances, the Group expects to perform better 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**

The taxation charge is for the property division as the manufacturing has unabsorbed tax losses and capital allowances brought forward from previous financial year.

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

	<b>31 March 2014 RM'000</b>	<b>31 March 2013 RM'000</b>
Secured:		
Bankers' acceptances	9,538	12,605
Term loans	9,389	7,613
Bank overdraft	882	290
	19,809	20,508

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the fourth quarter ended 31 March 2014**  
**(The figures have not been audited)**

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

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	19,227	21,417
- Unrealised	<u>(3,194)</u>	<u>(3,027)</u>
	16,033	18,390
Consolidation adjustments	<u>656</u>	<u>(201)</u>
	<u><u>16,689</u></u>	<u><u>18,189</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 2014</b>	<b>31 March 2014</b>
Profit/(Loss) attributable to shareholders (RM'000)	593	(1,500)
Weighted average number of ordinary shares ('000)	75,352	75,376
Earning/(Loss) per share (sen)	<u>0.79</u>	<u>(1.99)</u>

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

	<b>3 months ended</b>	<b>Year to Date</b>
	<b>31 March 2014</b>	<b>31 March 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
The loss has been arrived at after accounting for the following items		
(a) Interest income	5	23
(b) Other income including investment income	-	7
(c) Interest expense	273	1,158
(d) Depreciation and amortization	865	3,465
(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	-	-
(h) Impairment of asset	-	-
(i) Foreign exchange gain/(loss)	108	158
(j) Gain or (loss) on derivatives	44	-
(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  
Dato' Loo Bin Keong  
Chief Executive Director

24 May 2014