



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND THREE MONTHS ENDED 30 JUNE 2014**

**29 August 2014**

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**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the first quarter ended 30 June 2014**  
**(The figures have not been audited)**

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	11,748	10,552	11,748	10,552
Other operating income	77	7	77	7
Operating expenses	(11,521)	(9,234)	(11,521)	(9,234)
Depreciation & amortisation	(876)	(867)	(876)	(867)
Finance costs	(289)	(287)	(289)	(287)
<b>Profit/(loss) before taxation</b>	(861)	171	(861)	171
Taxation	(91)	(119)	(91)	(119)
<b>Profit/(Loss) for the period &amp; Total comprehensive income/(loss)</b>	<u>(952)</u>	<u>52</u>	<u>(952)</u>	<u>52</u>
<b>Income/(loss) attribute to:</b>				
Equity holders of the Company	(1,020)	(122)	(1,020)	(122)
Non-controlling interest	68	174	68	174
	<u>(952)</u>	<u>52</u>	<u>(952)</u>	<u>52</u>
<b>Total comprehensive income/(loss) attributable to :</b>				
Equity holders of the Company	(1,020)	(122)	(1,020)	(122)
Non-controlling interest	68	174	68	174
	<u>(952)</u>	<u>52</u>	<u>(952)</u>	<u>52</u>
<b>Earnings per share attributable to equity holder of the Company:</b>				
Loss per per share (sen)	<u>(1.35)</u>	<u>(0.16)</u>	<u>(1.35)</u>	<u>(0.16)</u>

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

	<b>As at 30 June 2014 RM'000</b>	<b>(Audited) As at 31 March 2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,786	24,116
Land held for property development	14,959	15,179
Trade receivables	2,030	2,087
<b>Total non-current assets</b>	<b>40,775</b>	<b>41,382</b>
<b>Current assets</b>		
Inventories	6,628	8,349
Trade and other receivables	21,304	16,807
Property development projects	17,088	16,939
Current tax assets	48	42
Cash and bank balances	1,978	3,655
<b>Total current assets</b>	<b>47,046</b>	<b>45,792</b>
<b>TOTAL ASSETS</b>	<b>87,821</b>	<b>87,174</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Treasury shares	(1,831)	(1,831)
Reserves	1,200	2,220
	39,369	40,389
Non-controlling interest	926	858
<b>Total Equity</b>	<b>40,295</b>	<b>41,247</b>
<b>Non-current liabilities</b>		
Hire-purchase payables	1,459	1,166
Borrowings	10,433	7,822
Deferred tax liabilities	3,372	3,372
<b>Total non-current liabilities</b>	<b>15,264</b>	<b>12,360</b>
<b>Current liabilities</b>		
Trade and other payables	14,820	18,037
Hire-purchase payables	479	465
Progress billings	4,493	2,637
Current tax liabilities	451	441
Borrowings	12,019	11,987
<b>Total current liabilities</b>	<b>32,262</b>	<b>33,567</b>
<b>Total liabilities</b>	<b>47,526</b>	<b>45,927</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>87,821</b>	<b>87,174</b>
Net Assets per share (RM)	0.52	0.54

**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 2014 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 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 2014	40,000	(19,524)	2,035	3,020	(1,831)	16,689	858	41,247
Total comprehensive income	-	-	-	-	-	(1,020)	68	(952)
As at 30 June 2014	<u>40,000</u>	<u>(19,524)</u>	<u>2,035</u>	<u>3,020</u>	<u>(1,831)</u>	<u>15,669</u>	<u>926</u>	<u>40,295</u>

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

Note	Cumulative 3 months ended 30 June	
	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(861)	171
Adjustments for:		
Depreciation of property, plant and equipment	876	867
Gain on disposal of property, plant and equipment	(48)	-
Finance costs	289	287
	<u>256</u>	<u>1,325</u>
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	1,721	(960)
Trade & other receivables	(4,440)	(1,069)
Property development costs	71	(1,307)
Increase/(Decrease) in:		
Trade and other payables	(3,217)	2,029
Progress billings	1,856	242
	<u>(3,753)</u>	<u>260</u>
Cash generated from/(used in) operations	(3,753)	260
Income tax refunded	-	241
Income tax paid	(89)	(68)
	<u>(3,842)</u>	<u>433</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	48	-
Purchase of property, plant and equipment	(548)	(52)
	<u>(500)</u>	<u>(52)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from bankers' acceptances	(1,130)	(1,536)
Proceeds from term loans	4,500	-
Repayment of term loan	(1,237)	(48)
Finance costs paid	(289)	(287)
Proceeds from hire purchase payables	423	-
Repayment of hire-purchase payables	(116)	(88)
	<u>2,151</u>	<u>(1,959)</u>
Net Cash Generated From/(Used In) Financing Activities	2,151	(1,959)
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,191)</b>	<b>(1,578)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>2,111</b>	<b>3,596</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>A14 (80)</b>	<b>2,018</b>

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 2014 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 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 2014. 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 2014.

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 2014 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 2014:

IC Interpretation 21 Levies

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities

Amendments to FRS 132 Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

Amendments to FRS 136 Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)

Amendments to FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)

The Group has not early adopted the following FRSS and amendments to FRSS that have been issued but not yet effective:

	Effective Date for financial periods beginning on or after
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be decided later
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be decided later
FRS 9 Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)	To be decided later
Amendments to FRS 119 Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)	1 July 2014
Amendments to FRSS contained in the document entitled Annual Improvements to FRSS 2010 - 2012 Cycle3	1 July 2014
Amendments to FRSS contained in the document entitled Annual Improvements to FRSS 2011 - 2013 Cycle3	1 July 2014

These new and amended standards will have no material impact on the financial statements of the Group upon their initial application.

**Adoption of the Malaysian Financial Reporting Standards Framework ("MFRS Framework")**

On November 19, 2011, the MASB has issued a new MASB approved accounting framework, the MFRS Framework, a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities ("TEs"). TEs, being entities with the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were given a transitional period of two years, which allow these entities an option to continue with the FRS Framework. Following the announcement by the MASB on August 7, 2013, the transitional period for TEs has been extended for an additional year. The Group and the Company being TEs have availed themselves of this transitional arrangement and will continue to apply FRSS in the preparation of its financial statements. Accordingly, the Group and the Company will be required to prepare their first set of MFRS financial statements when the MFRS Framework is mandated by MASB.

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 June 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 2014 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 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>3 Months ended 30 June 2014 RM'000</b>	<b>3 Months ended 30 June 2013 RM'000</b>
<b>Business Segment</b>		
<b><u>Revenue</u></b>		
Manufacturing	8,588	7,620
Property development	3,160	2,932
	11,748	10,552
<b><u>Segment Results</u></b>		
Manufacturing	(732)	6
Property development	(129)	165
(Loss)/Profit from operations	(861)	171
<b>Geographical Segments</b>		
<b><u>Revenue</u></b>		
Export Market:		
Asia	2,878	2,772
Middle East	505	510
Africa	109	74
Oceania	382	290
Others	-	69
	3,874	3,715
Malaysia	7,874	6,837
	11,748	10,552

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 June 2014**  
**(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 25 August 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 25 August 2014 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results), there is no commitment for capital expenditure by the Group which might have a material impact on the financial position or business of the Group.

**14. Cash and cash equivalents**

	<b>As at 30 June 2014 RM'000</b>	<b>As at 30 June 2013 RM'000</b>
Cash & bank balances	1,312	2,018
Fixed deposits	666	-
	<hr/> 1,978	<hr/> 2,018
Bank overdrafts	(1,392)	-
Fixed deposits pledged	(666)	-
	<hr/> (80)	<hr/> 2,018

**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 30 June 2014</b>	<b>Corresponding quarter ended 30 June 2013</b>	<b>3 Months 30 June 2014 RM'000</b>	<b>3 Months 30 June 2013 RM'000</b>	<b>Variation %</b>
Revenue	11,748	10,552	11,748	10,552	11.3%
(Loss)/Profit before taxation	<hr/> (861)	<hr/> 171	<hr/> (861)	<hr/> 171	<hr/> -603.5%

Current Quarter & YTD

For the first quarter ended 30 June 2014, the Group registered a revenue of RM11.7 million, an increase by 11% as compared to the preceding year's corresponding quarter.

The increase in revenue is attributed from both Property and Manufacturing Division.

Manufacturing Division

For the quarter under review, revenue increased by RM0.9 million or 13 % as compared to previous financial year corresponding quarter. However, a loss of RM0.7 million is recorded as compared to a minor profit, due to more sale of low profit margin products while increase in production overheads.

Property Division

For the quarter under review, revenue increased by RM0.2 million or 8% as compared to previous financial year corresponding quarter. However, a loss of RM0.1 million is recorded as compared to profit of RM0.1 million in the previous corresponding quarter, due to insufficient profit contribution to absorb the fixed overhead.



**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 June 2014**  
**(The figures have not been audited)**

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

	<b>Current quarter ended 30 June 2014 RM'000</b>	<b>Preceding quarter ended 31 March 2014 RM'000</b>	<b>Variation %</b>
Revenue	11,748	11,667	0.7%
(Loss)/Profit before taxation	<u>(861)</u>	<u>720</u>	-219.6%

The Group's recorded loss before tax for the quarter under review of RM0.8 million lower than profit before tax of RM0.7 million in the immediate preceding quarter ended 31 March 2014.

The Group recorded a loss under review is due to more sales of low margin products coupled with higher production overheads in Manufacturing Division and insufficient profit contribution to absorb the fixed overhead in Property Division.

**3. Current year prospects**

In Manufacturing, the results of the Group's operations are expected to be primarily influenced by fluctuations of customer demand on our products, products prices and utilisation rate of our production facilities. While in Property, cooling measures and tighter lending conditions expected to continue to impact transactions volumes. The Group anticipates the market to remain challenging in financial year ending 31 March 2015.

**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>30 June 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
Secured:		
Bankers' acceptances	8,408	9,538
Term loans	12,652	9,389
Bank overdraft	1,392	882
	<u>22,452</u>	<u>19,809</u>

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

	<b>30 June 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	18,317	19,227
- Unrealised	<u>(3,372)</u>	<u>(3,194)</u>
	14,945	16,033
Consolidation adjustments	724	656
	<u>15,669</u>	<u>16,689</u>

**Scanwolf Corporation Berhad (Company no: 740909-T)**  
**Notes To The Interim Report**  
**For the first quarter ended 30 June 2014**  
**(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:

	<b>3 months ended 30 June 2014</b>	<b>Year to Date 30 June 2014</b>
Loss attributable to shareholders (RM'000)	(1,020)	(1,020)
Weighted average number of ordinary shares ('000)	75,346	75,346
Loss per share (sen)	<u>(1.35)</u>	<u>(1.35)</u>

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

	<b>3 months ended 30 June 2014 RM'000</b>	<b>Year to Date 30 June 2014 RM'000</b>
The loss has been arrived at after accounting for the following items		
(a) Interest income	6	6
(b) Other income including investment income	-	-
(c) Interest expense	289	289
(d) Depreciation and amortization	876	876
(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)	-	-
(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

29 August 2014