SCANWOLF®

SCANWOLF CORPORATION BERHAD (740909-T)

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of Scanwolf Corporation Berhad will be held at 10:00 a.m. on Saturday, August 20, 2011 at Regency 4, Level 11, Tower Regency Hotel & Apartments, 6-8, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended March 31, 2011 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a final dividend of 2 sen per share, tax exempt in respect of the financial year ended March 31, 2011. **(Resolution 2)**

3. To approve the payment of Directors' fees. **(Resolution 3)**

4. To re-elect the following Directors retiring in accordance with Article 103(1) of the Articles of Association of the Company:-

   (i) Neoh Choo Kean **(Resolution 4)**

   (ii) Tan Sin Keat **(Resolution 5)**

5. To appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

6. **Ordinary Resolution**
   Proposed Renewal of Authority for Scanwolf Corporation Berhad to purchase its own ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up share capital of the Company

   "THAT, subject to the provisions of the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad and any applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force or as may be amended, modified or re-enacted from time to time and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company ("Directors") from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time of the said purchase(s); and that the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits and share premium of the Company for the Proposed Share Buy-Back;

   AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all the shares so purchased and/or to retain the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Malaysia Securities Berhad and/or to retain part thereof as treasury shares and cancel the remainder;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities;

AND THAT the Directors be and are hereby empowered immediately upon the passing of this Ordinary Resolution until the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or the earlier revocation or variation of their authority through a general meeting whichever is the earliest, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date." **(Resolution 7)**

7. **Ordinary Resolution**
Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the approvals of the relevant authorities, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting and that the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the Annual General Meeting of the Company." **(Resolution 8)**

8. **Special Resolution**
Proposed Amendment to the Articles of Association of the Company

"THAT the existing Article 160 be deleted in its entirety and that the following new Article 160 be adopted:-

New Article 160

Subject to the provision of the Act, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash by the Company in respect of a share may be paid by cheque or warrant and sent by post addressed to the holder at his registered address or by direct electronic or other methods of funds transfer to the bank account of the holder as it appears in the Register or Record of Depositors or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or banker's draft or direct electronic transfer shall operate as a good and full discharge to the Company in respect of the dividend represented thereby notwithstanding that it may subsequently appear that such cheque or warrant or banker's draft has been stolen or that the endorsement thereon has been forged or in the case of direct electronic transfer, there is discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant or banker's draft or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented." **(Resolution 9)**

9. To transact any other business of the Company for which due notice has been given.

By Order of the Board

CHAN CHEE KHEONG (MAICSA 0810287)
CHANG POOI YEE (MAICSA 7036213)

Secretaries

Ipoh
July 28, 2011

Note:

A member of the Company entitled to attend and vote at the above-mentioned Meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy must be deposited at the Company's registered office at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

Explanatory Notes:

1. **Resolution 7**
   Proposed Renewal of Authority for Scanwolf Corporation Berhad to purchase its own ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up share capital of the Company

   The resolution, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. Please refer to the Share Buy-Back Statement dated July 28, 2011, which is dispatched together with the Company's Annual Report 2011.

2. **Resolution 8**
   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

   The Company wishes to seek a new mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the Fifth Annual General Meeting of the Company (hereinafter referred to as the "General Mandate").

   The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organise a general meeting. This authority unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting.

   The Company is actively exploring opportunities to broaden its earnings potential. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

3. **Resolution 9**
   Proposed Amendment to the Articles of Association of the Company

   That Article 160 of the Company's Articles of Association be amended in line with the amendments in the Listing Requirements of Bursa Malaysia Securities Berhad in relation to e-Dividend and that the said Article shall read as follow:-

   New Article 160

   Subject to the provision of the Act, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash by the Company in respect of a share may be paid by cheque or warrant and sent by post addressed to the holder at his registered address or by direct electronic or other methods of funds transfer to the bank account of the holder as it appears in the Register or Record of Depositors or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or banker's draft or direct electronic transfer shall operate as a good and full discharge to the Company in respect of the dividend represented thereby notwithstanding that it may subsequently appear that such cheque or warrant or banker's draft has been stolen or that the endorsement thereon has been forged or in the case of direct electronic transfer, there is discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant or banker's draft or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATES

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Fifth Annual General Meeting to be held on August 20, 2011, a final dividend of 2 sen per ordinary share, tax exempt in respect of the financial year ended March 31, 2011, will be paid on September 22, 2011 to shareholders registered in the Register of Members at the close of business on September 9, 2011.

A depositor shall qualify for entitlement to the dividend only in respect of:-

a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on September 9, 2011 in respect of ordinary transfers; and

b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

CHAN CHEE KHEONG (MAICSA 0810287)
CHANG POOI YEE (MAICSA 7036213)
Secretaries

Ipoh
July 28, 2011

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. Names of Directors who are standing for re-election:-

(i) Neoh Choo Kean (retiring pursuant to Article 103(1) of the Articles of Association of the Company);
(ii) Tan Sin Keat (retiring pursuant to Article 103(1) of the Articles of Association of the Company)

2. Details of attendance of Directors at Board Meetings:-

Four Board Meetings were held during the financial year from April 1, 2010 to March 31, 2011. Details of attendance of Directors at Board Meetings are stated in the Statement of Corporate Governance on page 17 of the Annual Report.

3. Date, time and venue of Board Meeting:-

The Fifth Annual General Meeting of the Company will be held at 10:00 a.m. on Saturday, August 20, 2011 at Regency 4, Level 11, Tower Regency Hotel & Apartments, 6-8, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan.

4. Profile of Directors standing for re-election:-

Please refer to pages 8 to 10 of the Annual Report.

5. Securities Holdings in the Company and its Subsidiaries:-

The Company:-
Please refer to page 106 of the Annual Report.

Subsidiary Companies:-
Please refer to page 106 of the Annual Report.

6. Family Relationship:-

None of the Directors standing for re-election have any family relationship with the other Directors or major shareholders of the Company.

7. Conflict of Interest:-

None of the Directors standing for re-election have any conflict of interest with the Company.

8. Conviction of Offences:-

None of the Directors standing for re-election have been convicted of any offences for the past 10 years, other than traffic offences, if any.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Neoh Choo Kean
(Independent Non-Executive Chairman)

Loo Bin Keong
(Chief Executive Officer)

Tan Sin Keat
(Executive Director)

Leuk Sing King
(Executive Director)

Teoh Teik Kean
(Executive Director)

Lau Tiang Hua
(Independent Non-Executive Director)

Lim Beng Huat
(Independent Non-Executive Director)

COMPANY SECRETARY

Chan Chee Kheong (MAICSA 0810287)
Chang Pooi Yee (MAICSA 7036213)

REGISTERED OFFICE

41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh, Perak Darul Ridzuan
Tel: 605-5480 888
Fax: 605-5459 222

REGISTRAR

Tricor Investor Services Sdn Bhd
41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh, Perak Darul Ridzuan
Tel: 605-5451 222
Fax: 605-5459 222

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Stock Code: 7239

PRINCIPAL BANKER

Public Bank Berhad
HSBC Bank Malaysia Berhad

AUDITORS

Deloitte KassimChan
Chartered Accountants
87, Jalan Sultan Abdul Jalil
30450, Ipoh, Perak Darul Ridzuan
Tel: 605 – 2531 358
Fax: 605 – 2530 090

BUSINESS ADDRESS

Lot PT404, Jalan Bota
Mukim Belanja, 31750
Tronoh, Perak Darul Ridzuan
Tel: 605-3677 866
Fax: 605-3677 852

BOARD OF DIRECTORS

Neoh Choo Kean

Independent Non-Executive Chairman

Neoh Choo Kean, 68, was appointed as our Independent Non-Executive Director on May 23, 2007. He was subsequently appointed non-executive Chairman of the Board of Directors on April 2, 2008. He obtained his Bachelor of Economics degree from the University of Malaya, and has over 25 years of experience in the banking industry and in the process, building up expertise in areas like credit and risk management, strategic planning and human resource management. He held the position of Chief Operating Officer in a local public listed bank before leaving it in 2001. Prior to this, he has also served as a director of BHLB Trustee Berhad and BHLB Properties Sdn Bhd, both wholly-owned subsidiaries of Ban Hin Lee Bank Berhad where he was the General Manager.

Since leaving the banking industry in 2001, he joined an Australian performance management consultancy company as a business associate. He has also undertaken advisory projects for a development financial institution as well as consultancy assignments for RAM Consultancy Services Sdn Bhd, a wholly-owned subsidiary of RAM Holdings Berhad. Neoh Choo Kean is the Chairman of Remuneration Committee and a member of Audit Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company, nor does he have any conflict of interest with the Company. He has not been convicted for any offences within the past ten (10) years.

Loo Bin Keong

Chief Executive Director

Loo Bin Keong, 53, was appointed as Chief Executive Director ("CED") on April 2, 2007. He is one of the founders of Scanwolf Plastic Industries Sdn. Bhd. ("SPI"), a wholly-owned subsidiary of the Company, and served as its Chairman/CED until today. He is also the Chairman/CED of Scanwolf Building Materials Sdn.Bhd. ("SBM"), which is also a wholly-owned subsidiary of the Company.

Loo Bin Keong has more than 30 years experience in the furniture fittings and plastic extrusion industries. He is credited with the early expansion and transformation of SPI into an integrated manufacturer of a wide range of extrusion products, specialising in edgebands and profiles. He has diverse practical experience in the marketing and management of the business.

Loo Bin Keong is a member of Remuneration Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company, nor does he have any conflict of interest with the Company except he is also the CED and substantial shareholder of the Company. He has had no conviction for any offences within the past ten (10) years.

Tan Sin Keat

Executive Director

Tan Sin Keat, 47, was appointed as our Executive Director on April 2, 2007. He is one of the founders of SPI and still served as its Executive Director. He also served as a Director of SBM. Tan Sin Keat has more than 25 years experience in the extrusion industry and is currently responsible for the product and business development aspect of the Group. His skill, knowledge and experience in various areas of PVC extrusion business, including machinery fabrication and colour matching, contributed immensely to the growth of the Group.

Tan Sin Keat has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company, nor does he have any conflict of interest with the Company except he is also the Executive Director and substantial shareholder of the Company. He has had no conviction for any offences within the past ten (10) years.

Leuk Sing King

Executive Director

Leuk Sing King, aged 50, was appointed as our Executive Director on April 2, 2007. He is one of the founders of SPI and still served as its Executive Director. Leuk Sing King graduated with a Bachelor's Degree in Management Economics from the University of Guelph, Ontario, Canada in 1983. He has more than 20 years experience in the extrusion industry. He is currently responsible for the production and quality aspect of the business.

Leuk Sing King has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company, nor does he have conflict of interest with the Company except he is also the Executive Director and substantial shareholder of the Company. He has had no conviction for any offences within the past ten (10) years.

Teoh Teik Kean

Executive Director

Teoh Teik Kean, 54, was appointed as our Executive Director on April 2, 2007. He joined SPI in March 1, 2004 and is currently serving as its Corporate Planner. Teoh Teik Kean graduated from Ungku Omar Polytechnic, Ipoh, Perak with a Diploma in Accountancy in 1977. Since his graduation, he has been working with a public listed local bank until he joined SPI on March 1, 2004. His last posting in the banking industry before joining SPI was as a Regional Business Development Manager. His contributions in SCB include ensuring the smooth and successful listing of the Group on the Second Board of Bursa Malaysia Securities Berhad.

Teoh Teik Kean is a member of Nomination Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company, nor does he have any conflict of interest with the Company except he is also the Executive Director and a shareholder of the Company. He has had no conviction for any offences within the past ten (10) years.

Lau Tiang Hua

Independent Non-Executive Director

Lau Tiang Hua, 58, was appointed as our Independent Non-Executive Director on May 23, 2007. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He articled with Peat, Marwick, Mitchell & Co. and later served as an Audit Manager with Arthur Young & Co. He was General Manager for Finance and Administration, with Star Publications (Malaysia) Berhad before starting his own practice in 1985 under the name of JB Lau & Associates which has since merged with Grant Thornton on January 1, 2008.

Currently, he also sits on the board of Tomei Consolidated Berhad, Land & General Berhad and Ewein Berhad. Lau Tiang Hua is the Chairman of the Audit Committee and a member of Nomination Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has had no conviction for any offences within the past ten (10) years.

Lim Beng Huat

Independent Non-Executive Director

Lim Beng Huat, 59, was appointed as our Independent Non-Executive Director on May 23, 2007. Upon completion of his secondary school in St Xavier's Institution, Penang, he joined Ban Hin Lee Bank Berhad (now known as CIMB Bank Berhad) in 1973. He held various managerial positions in the bank for a period of 35 years.

Lim Beng Huat is a Chairman of Nomination Committee, a member of Remuneration Committee and a member of Audit Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2011. He does not have any relationship with any Director and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has had no conviction for any offences within the past ten (10) years.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasant duty to present to you the Annual Report and Audited Financial Statements of Scanwolf Corporation Berhad ("SCB") and its Group of Companies ("the Company") for the financial year ended March 31, 2011.

THE YEAR IN REVIEW

SCB continued to be profitable for the financial year ended March 31, 2011. However, the level of profitability did not reach the expectation of the Company in spite of the improved revenue generated compared to previous financial year. The slightly lower profit recorded can be attributed to various factors which proved difficult to bring under our control. The strengthening of the Ringgit against the US Dollar is one of the major factors that seriously dented our bottom-line.

Other factors that caused uncertainty in the business environment during this financial year includes various natural disasters happening around the world, the latest being the earthquake in Japan recently. In fact, multiple calamities that happened almost at around the same time in various part of the globe caused great financial loss as well as impairment of their natural resources and productivity capacity for the countries affected. In addition, political upheavals in the Middle-East further worsen the business environment. All these resulted in the rise of various commodity prices, petroleum in particular. This not only led to the rise in PVC resin prices but also the rise in the prices of various other chemicals and raw materials which we use for our production.

It is under this trying and volatile economic environment that Scanwolf Corporation Berhad Group had to operate in for almost the whole of the financial year. During the financial year, we saw the prices of fuel and energy rising every other month which resulted in the steep rise in every aspect of our production cost. Raw material cost rose to unprecedented levels and the Ringgit strengthening to its strongest level since 1997 by the end of the financial year.

In face of the challenging market conditions in 2011, your management strengthened the various proactive steps it adopted previously to better utilize our various resources. Some of these key initiatives included tapping whatever opportunities available to increase overall productivity such as further improving operational procedures, optimizing the use of the Company's production capacity, minimizing wastages and maintaining staff morale and management effectiveness. Senior management executives remained vigilant at all times to stay on top of the situation.

During the year under review, besides managing the supply side of the equation, attention was given to increase the demand of our products. Your management stepped up marketing efforts both at the domestic and international levels to widen the customer base. At the international level, we participated in Index Dubai 2010 exhibition held in UAE and also the Malaysian International Furniture Fair 2011 (MIFF 2011) held in Kuala Lumpur. Our Group markets our product locally and currently also exports to more than 30 countries worldwide in the ratio of 36.10% local and 63.90% foreign sales. The Group's wide geographical coverage is intended to make us less dependent on a particular market and any single country thereby reducing our country and concentration risks.

Briefly highlighting on other corporate matters, there has been no new development on the lease of land of 14,100 square meters of industrial land in Vietnam for future business expansion as reported previously. The handover of the land by the Developer of this business park project is now expected to be in 2012. In view of the changing business and economic environment since the land was first acquired, your Management will do a fresh evaluation to determine whether to proceed with the construction of the factory to expand our production capacity as originally planned.

Taking heed of the very competitive environment of our current core business, your Management has been actively deliberating on potential new strategic direction for the Company. Among others, diversification into other viable business sectors has been mooted. Ventures into property development have been closely evaluated and should the right partner and projects become available, they will be carefully considered.

Apart from the business issues, during the financial year under review, our Company continued to pursue the recruitment of quality management talent to enhance its human capital capability. However, this has proven to be not an easy task to hire talent given our operations is based in Tronoh, regarded as an out-of-town location which is considered rather unattractive by potential candidates. Nevertheless, more effort will be put into achieving our target. Attention also continued to be given to improving the skill of our human resources and the implementation of a more comprehensive appraisal and performance evaluation system to ensure fair reward for the employees' contribution during the year. There is also an on-going plan to diversify the recruitment of production operators from various sources to ensure a healthy mix. As can be seen, the Company believes that human capital is most important for the future development of SCB into an established and stable Company.

In terms of corporate governance, the Company strongly believes in and strongly adheres to the principles and best practice of good corporate governance which is reported in greater details under our Statement on Corporate Governance.

FINANCIAL PERFORMANCE

Despite the various challenges faced during the financial year, the Group is able to continue to record profits for the financial year ended March 31, 2011 although its profit performance fell behind that achieved in the previous financial year.

Nevertheless, for the FYE March 31, 2011, we recorded revenue of RM41.69 million. This represents an increase of RM2.35 million or 5.97% from the revenue achieved in FYE March 31, 2010. This increase was attributable to our ability to have our customers absorbed some of the higher cost of production.

The Group pre-tax profit decreased by 40.19% to RM1.89 million as compared to RM3.16 million recorded in the previous financial year. Profit after tax attributable to shareholders in FYE 2011 decreased to RM1.52 million, a decrease of 39.44% from RM2.51 million previously. Although our revenue improved during the financial under review, fluctuation in the USD/Ringgit exchange and increasing cost of materials dampened the eventual profit figures.

Export sales contributed 63.90% of the total revenue amounting to RM26.64 million as compared to RM25.11 million achieved in FYE 2010, an increase of 6.09%. Local sales continue to grow from RM14.23 million recorded in the previous to RM15.05 million for FYE 2011, an increase of 5.76%.

At the close of the FYE March 31 2011, shareholders' fund stood at RM42.53 million. The cash flow and working capital situation remains at a healthy level as we move into the new financial year.

DIVIDEND

We take pride in being able to continue to reward our loyal shareholders as the Company continues to be profitable.

In the FYE 2011, the Group paid an interim dividend tax-exempt dividend of 1.00 sen per ordinary share of RM0.50 each amounting to RM787,690 on 17 January 2011. The Board is pleased to recommend a final tax-exempt dividend of 2.00 sen per ordinary share of RM0.50 each amounting to RM1,547,060 in respect of the financial year ended March 31, 2011, bringing the total dividend declared for the year to 3.00 sen per ordinary share of RM0.50 each amounting to RM2,334,750. The payment of the proposed dividend will not adversely affect the Company's working capital requirement for the new financial year.

The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting

LOOKING AHEAD

Market conditions will remain competitive and challenging in the new financial year. US dollar is expected to continue to weaken. Raw material costs are seen to continue to rise. Your Board and Management will remain alert and vigilant and continue to be pro-active in monitoring and managing the situation.

Going forward, the Company will enhance its international presence by continuing to entrench its products over a wider geographical reach, paying special attention to those markets that we can be competitive and can excel.

On the domestic front, the Company will continue to capitalize on its reputation as a market leader in Malaysia by leveraging on its product quality, efficient service and established network to strengthen market share.

In anticipation of inflationary pressures, our Group will strive to enhance its efficiency levels to ensure cost effectiveness. Significant focus on productivity, stringent quality control and constant endeavors in adding value to our product will continue to be our key differentiating factors in this highly competitive and challenging industry to enable us to stand distinctly apart from our competitors both locally and abroad.

While principally focusing on its core manufacturing activities, there are prospects that the Company will move into other viable business sectors as a new strategy to diversify into other revenue-generating business in the new financial year as part of a longer term plan to move the Company forward. Shareholders are assured that careful thought and evaluation will be undertaken before venturing into any new business.

Barring unforeseen circumstances, the Company is expected to perform satisfactory in the coming financial year.

ACKNOWLEGEMENT

The Board of Directors would like to thank the Management and staff of the Company for their hard work, dedication and loyalty to the Company

The Board of Directors fully acknowledges that the strong support of customers and shareholders coupled with the continued dedication of the staff and management will be the bedrock of the Company to meet new challenges in the years ahead.

The Board of Directors would also like to express its sincere appreciation to our customers, shareholders, business associates, government authorities and bankers for their continued confidence in and support of SCB.

Last but not least, my vote of thanks to my fellow Directors for their fine co-operation and teamwork which lighten my role as a Chairman of SCB.

NEOH CHOO KEAN
Independent Non-Executive Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the " Board") of Scanwolf Corporation Berhad ("SCB" or "Company") is committed to maintaining high standards of corporate governance by adopting and applying the Malaysian Code on Corporate Governance ("Code") throughout the Company and its group of companies ("Group") to protect and enhance shareholders' value as well as to support the Group's continued growth and success.

This statement sets out the manner in which the Group has applied the principles of good governance and the extent of compliance by the Group with the best practices recommended by the Code throughout the financial year ended March 31, 2011.

BOARD OF DIRECTORS

The Role of the Board of Directors

The Board is collectively responsible for promoting the success of the Group by directing and supervising its affairs. The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enable risks to be assessed and managed. It sets the Group's strategic direction, business policies and objectives. It further ensures that the necessary financial and human resources as well as standards of corporate governance are in place for the Group to meet its objectives and review management performance. The Board also establishes the Group's value and standards within the organization and ensures that its obligation to its shareholders and other stakeholders are understood and met.

Certain responsibilities of the Board are delegated to Board Committees; namely the Nomination Committee, the Remuneration Committee and the Audit Committee (collectively referred to as "Board Committees"). The Board Committees operate within clearly defined terms of reference and have the authority to examine particular issues delegated to them and report back to the Board with their recommendations and comments. The ultimate responsibility for the final decision on all significant matters proposed by the Board Committees, however, lies with the Board as a whole.

The Group fully appreciates the pivotal role played by the Board in the stewardship and monitoring of its long term direction and achievement of business objectives; and ultimately the enhancement of shareholders' values.

Board Composition and Balance

During the financial year under review, the Board comprises of four (4) Executive Directors and three (3) Independent Non-Executive Directors, headed by an Independent Non-Executive Chairman. The profile of each director is presented on pages 8 to 10 of this Annual Report.

The Board composition complied with the Listing Requirements of Bursa Malaysia Securities Berhad whereby at least one third of the Board must comprise of Independent Directors.

The Board of SCB has a good balance of Executive and Non-Executive Directors with a strong combination of appropriate skills in management, operational and decision-making process and enjoys the benefit of good balance in terms of participating minds during deliberation and discussions. The members of the Board have always acted independently in expressing their thoughts and views without any influence from any other members. This enables the Board to operate in an atmosphere of equitable power and authority, thus avoiding situations where individuals or group of individual may seek to dominate.

All members of the Board are individuals who are committed to business integrity and professionalism. Their extensive work experiences in various fields enable them to exercise balance and sound judgments on issues of group strategy, performance, resource planning and utilization and standards of conduct.

The Board is of the view that its composition fairly reflects the composition of its shareholders. There is a balance of executive, non-executive and independent non-executive directors. The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders of the Company.

Role of Chairman and the Chief Executive Director

There is a clear accepted division of responsibility between the Non-Executive Chairman of SCB and its Chief Executive Director ("CED"). The positions of the Chairman and CED are held by separate persons to ensure a clear demarcation of responsibilities.

The Non-Executive Chairman is entrusted, along with the other members of the Board, the task of developing the Group's overall business policies and strategic direction whilst the CED is responsible for the implementation of such policies and decisions as well as serve as a link to the Board in providing feedbacks on the business operations. The CED, in his day-to-day management of the Group, is ably assisted by the Executive Directors.

Board Responsibilities and Duties

The Board retained full and effective control over the affairs of the Group. The primary focus of the Board is on the overall strategic planning, performing periodic reviews of business and financial performance, adopting and reviewing risk management, exercising internal controls and enforcing legal statutory compliance.

The presence of independent non-executive directors further strengthens the Board in providing unbiased and independent views, advices and judgements as well as to safeguard the interest of the minority shareholders. The Board also contributes to the formulation of policies and decision-making through their expertise and experience.

Apart from the above, the Board's more specific responsibilities include the following:-

- Reviewing and guiding the Group's corporate strategy and adopting a strategic plan for the Group through the development of risk policy, annual budgets and long term business plans, reviewing major capital expenditures and acquisitions.

- Monitoring corporate performance and the conduct of the Group's business and ensuring compliance to best practices and principles of corporate governance.

- Identifying and implementing appropriate systems to manage principal risks. The Board undertakes this responsibility through the Audit Committee.

- Ensuring the existence of and reviewing the adequacy and soundness of the Group's financial systems, internal control systems and management systems in compliance with applicable standards and laws and regulations.

- Developing and implementing an investor relation programme as well as a shareholders' communication policy for the Group.

Board Meeting

The Board meets quarterly and also on other occasions to approve the Quarterly Reports, the Annual Report, the Business Plan and to review the progress of the operating subsidiaries in achieving their strategic goals. Meetings for the year are scheduled early in the year. The Board meeting agenda is sanctioned by the Chairman prior to issuance. Due notice is given for all scheduled meetings and additional meetings are convened on ad-hoc basis for urgent and important matters. Where appropriate, decisions are taken by way of circular resolutions in-between scheduled meetings.

The Board, during its meetings, reviews and approves the strategic plans, business plans, budgets, annual and quarterly financial results, key financial and operating policies, significant capital or operating expenses, organization and corporate structure, related party transactions and announcements on significant matters.

The Board receives support and guidance in discharging its duties and responsibilities from the Company Secretary. The Company Secretary is required to update the Board on the latest rules and regulations from Bursa Malaysia and all other relevant governmental authorities.

There were four (4) meetings held during the financial year ended March 31, 2011. All the Directors attended the four (4) meetings. In addition, the Executive Directors met regularly to discuss corporate strategy and business operations and results of the business units in the Group.

Board Committees

To ensure its effectiveness in the periodic monitoring, deliberating and safeguarding of shareholders interest, the Board has delegated certain of its responsibilities to the Board Committees which operate within clearly defined Terms of Reference to carry out their responsibilities in a supporting role to the Board. These Board Committees provide added assurance and accountability to shareholders.

The Board Committees, comprising of members from the Board itself, are empowered to deliberate and examine issues delegated to them and provide feedbacks to the Board with their recommendations and comments.

The Board Committees are as follows:-

- **Audit Committee**

  The Audit Committee operates under a clearly defined terms of reference stating its roles and responsibilities in ensuring the quality and integrity of the practices of the Group.

  The Audit Committee comprises of three (3) Board members, all of whom, including the Chairman, are independent non-executive directors. The selection of members of the Audit Committee is designed to ensure a balance in the members' roles and responsibilities within the Committee.

  The principal objective of the Committee is to assist the Board in ensuring the Group's process of assessing internal controls, corporate governance and other compliance requirements of the Group have been, and are in full effect.

  In accordance with the best practices of corporate governance, the Audit Committee presents its report on pages 26 to 29 of this Annual Report.

- **Nomination Committee**

  The primary responsibility of the Nomination Committee is to ensure proper Board succession for the Group by considering and recommending eligible candidates for directorship in the Board.

  The Nomination Committee comprises of three (3) Board members, two (2) of whom, including the Chairman, are independent non-executive directors and the other is an executive director.

  The Committee's duties and other responsibilities include:-

  i. Making appropriate recommendations to the Board on matters of renewal, extension, retirement, appointment and re-appointment of director.

  ii. Assessing and recommending suitable candidate for directorship and ensuring an appropriate plan for Board succession for the Group.

  iii. Reviewing annually the mix of skills and experience and the effectiveness of the Board as a whole, the committees of the Board and contributions of each individual director to the decision making process of the Board.

  During the year under review, the Nomination Committee met a once to carry out its responsibilities.

- **Remuneration Committee**

  The Remuneration Committee operates in its established structure and policy given by the Board which includes the following responsibilities and duties:-

  i. To review and recommend to the Board the policy and framework for the directors' remuneration and benefits including those for executive directors and key senior management personnel, ensuring that the level of remuneration and benefits are sufficiently competitive to attract, motivate and retain a team of executive directors and key management executives to manage the Group successfully and profitably.

  ii. Reviewing and recommending to the Board the contributions and performance of executive directors and key management executives on an annual basis to determine the level of rewards, both monetary and non-monetary, to be rewarded to them based on the Group's financial performance.

  iii. To evaluate and recommend to the Board, any other policies and matters related to payments to directors and key management executives as may be referred to it by the Board from time to time.

  The Committee consists of three (3) directors of which two (2) are independent directors. The Chairman is an independent non-executive director.

  During the year under review, the Remuneration Committee met a total of four (4) times.

Supply of Information

Every member of the Board has full and unrestricted access to senior management within the Group and is entitled to advice and services of the Company Secretary.

The Board members are supplied with the required and timely information which allow them to discharge their responsibilities effectively and efficiently. Prior to each meeting, every Director is given the complete agenda and a set of Board papers for each agenda to be deliberated.

The Directors have the consent of the Board, whether acting as full Board or in their individual capacity to take independent professional advice, where necessary, in furtherance of their duties. However, no such advice was sought by any of the Directors during the financial year.

Directors' Training

The Board encourages its Directors to participate in talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively and in discharging their responsibilities towards corporate governance with particular attention to operational and regulatory issues.

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, all members of the Board have completed the Mandatory Accreditation Programme (MAP).

APPOINTMENT AND RE-ELECTION OF DIRECTORS

- **Appointment of Directors**

  The Board appoints its members through a formal process that is consistent with the Company's Articles of Association.

  The proposed appointment of new members to the Board, as well as proposed re-appointment and re-election of directors seeking re-election at the Annual General Meeting are recommended by the Nomination Committee to the Board for approval.

  New members of the Board are encouraged to undergo an in-house company training programme to familiarize with the operation of the Group.

- **Re-election of Directors**

  In accordance with the Articles of Association of the Company, one-third of the Board of Directors shall retire from office at each Annual General Meeting and, subject to eligibility, may offer themselves for re-election.

  Directors who are appointment by the Board during any part of the year shall hold office until the next Annual General Meeting of the Company and they shall retire and be eligible for re-election.

Directors' Remuneration

The Board has empowered the Remuneration Committee to deliberate, examine and propose the compensation level of remuneration for directors guided by the need to attract and retain directors with the right calibre and experience to run the Group successfully.

The Remuneration Committee is placed with the responsibility to set the framework and benchmark values on compensation and benefits in line with market norms and industry practices. The Committee strives to ensure adoption of fair structure of compensation comparable to those organizations of similar size, market sector and business complexity.

Details of the Directors' remuneration for the financial year ended March 31, 2011 are as follows:-

Category	Fees RM	Salaries RM	Benefits In Kind RM	Other Emoluments RM	Total RM
Executive Directors	60,000	774,000	64,550	268,320	1,166,870
Non-Executive Directors	93,000	-	-	-	93,000
Total	153,000	774,000	64,550	268,320	1,259,870

The number of Directors whose remuneration fell within the following bands is shown below:-

Director's Remuneration	Executive Directors	Non-Executive Directors
Below 50,000	-	3
200,001 to 250,000	1	-
250,001 to 300,000	2	-
350,000 to 400,000	1	-

The Directors' fees payable are subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

ACCOUNTABILITY AND AUDIT

- **Financial Reporting**

  The Board of SCB acknowledges its responsibility to ensure that the Group's financial statement presents a true and fair assessment of the state of affairs and are in accordance with the applicable and approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

  The Board is also committed to provide the highest level of disclosure possible to ensure integrity and consistency of financial reports

  The Group publishes full financial statements annually and condensed financial statements quarterly as required by Bursa Malaysia Securities Berhad Listing Requirements.

  The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Statement by the Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 103 of this Annual Report.

  The Statement of Directors' Responsibility is also enclosed in page 104 of this Annual Report.

- **Internal Control**

  The Board of SCB acknowledges its overall responsibility for continuous maintenance of a sound system of internal control to safeguard shareholders' investments and Company's assets.

  The Internal Audit function which was outsourced, acts as support to the Board through the Audit Committee to undertake review, assess and provide feedbacks on the effectiveness of the internal control systems in place and the compliance of the operating system to such controls. The Internal Auditor reports to the Board's Audit Committee which reviews the tasks and results of the audit assignment periodically. The Internal Auditor operates independently from the management of the Group.

  In line with the requirement of the Bursa Malaysia Securities Berhad, a Statement on Internal Control is set out from pages 24 to 25 in this Annual Report.

- **Relationship With Auditors**

  The Group's internal and external auditors continue to provide independent assurance to shareholders on the Group's operational controls and financial statements. The Group, through the Audit Committee, has established a transparent and appropriate relationship with the auditors to meet their professional requirements.

  The auditors are invited to attend the Audit Committee meetings as and when required apart from the scheduled meeting. During such meetings, the auditors highlight and discuss the nature, scope of the audit, internal controls and problems that may require the attention of the Board.

  During the year under review, the Audit Committee met a total of two (2) times with the external auditors. Meetings with auditors were held without the presence of the management.

SHAREHOLDERS' COMMUNICATIONS

The Board is continuously maintaining adequate communication with shareholders by dissemination of information on performance and strategic decisions via the distribution of Annual Reports, Circulars, Quarterly Financial Reports, press releases and announcements.

The Annual General Meeting ("AGM") of the Group provides a forum for shareholders to participate effectively in the deliberation on the Group's affairs including resolutions tabled at the AGM. All shareholders will have direct access to Board members at this AGM.

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE

In compliance with the Best Practices of the Code, the Board hereby provides the assurance that it has maintained a high standard of corporate governance throughout the Group and has strived to achieve the highest level of integrity and ethical standard in all its business dealings.

This statement is made in accordance with the resolution of the Board of Directors dated June 13, 2011.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Scanwolf Corporation Berhad ("SCB") fully supports the initiatives taken by the Government and Bursa Malaysia Securities Berhad to increase the awareness of corporate social responsibility ("CSR") among Malaysian companies. The principal approach towards CSR is the integration of business practices with strong ethical value towards achieving the fiscal goals of the company, while at the same time aligning with the aspirations of society, local community and other stakeholders in general.

SCB is conscious of its social obligations to society in general and its employees in particular and strives for a balanced approach in fulfilling its business goals and at the same time giving back to its staff and the society within the social settings where it conducts its business. Ongoing efforts will also be consciously pursued to ensure that in the conduct of its business, the environment will be protected through the strict management of our production processes and that consumers of our products will not face undue health hazards

We are pleased to report the following CSR activities for the financial year ended March 31, 2011.

Supporting Our Employees

The welfare and well-being of our employees continued to receive our close attention. Apart from improving working conditions, social and recreational activities in form of short holiday trips and an annual dinner were organized. The objectives were to forge closer working relationships between Management and staff and among the staff themselves, helping to create a balance between work and recreation to de-stress the employees and creating an awareness on the need to have a balanced life-style.

Health and safety of staff in their work place continued to be emphasized by strict adherence to our Occupational and Health Policy of our Company.

Employees were strongly encouraged to excel in their work performance by acquiring new skills through our training programmes and performance incentive schemes. Staff development to assist employees to grow in their career formed part of the Company's strategy to ensure its continued long-term growth and success.

Protecting the Environment

Conscious of the need to protect our surrounding environment, the Company ensured the general neat upkeep of its work place and no dumping of litters or any toxic substance that can damage ecology and the environment around the factory.

Contributing To Society

SCB ensured that the products sold to its customers are not harmful or can cause health hazards to its intermediate or end-users.

Financial contributions continued to be extended to local charitable organization, schools and a state sports association to fund their charitable, social and sporting activities.

Building On Our Commitment

SCB will continue to align its future business objectives to its commitment to its corporate social responsibility through more thoughtful and creative activities.

STATEMENT ON INTERNAL CONTROL

Introduction

In relation to internal control, pursuant to the requirements under the Malaysian Code on Corporate Governance for companies listed on the Bursa Malaysia Securities Berhad, your Board of Directors recognises the importance of a sound system of internal control to safeguard shareholders' investments and the Group's assets.

Board Responsibilities

Your Board recognises the importance of a sound system of internal controls and risk management framework to good corporate governance practices. The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of those systems.

However, it should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, any system could provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. This process is regularly reviewed by the Board which dedicates time for discussion on this subject. The Group's system of internal controls comprises the following key elements:

Board Meetings

Your Board meets at least quarterly and has a formal agenda on matters for discussion. The Chairman leads the meeting and provides the forum for comprehensive deliberations of important issues before arriving at any decision.

Organisational structure

Clearly defined delegation of responsibilities to the committees of the Board and to the management including authorization level for all aspects of the business is in place. The Board committees which are in place are the Audit Committee, the Nomination Committee and Remuneration Committee. The Nomination Committee and Remuneration Committee were merged into one as the Nomination and Remuneration Committee on March 28, 2011.

Risk Framework

There are policy guidelines and authority limits imposed on Executive Directors and management within the Group in respect of the day-to-day operations including acquisitions and disposal of assets.

The Internal Auditor as well as Management identifies risks relevant to the business and operation environment in which the Group operates. Risk action plan is then formulated to mitigate or eliminate the consequences happening from such risks. The risk assessment and the related action plan are also tabled to the Board for deliberations and its inputs.

Internal Audit Function

The Internal Audit function is outsourced to a professional firm specializing in providing internal audit services. Internal audits are carried out based on the annual audit plan approved by the Audit Committee and this includes regular and systematic review of the internal controls and to provide the Audit Committee with sufficient assurance that the operational controls are effective in addressing the risks identified.

The Internal Auditor will report his findings and recommendations to the Audit Committee for deliberations in the quarterly meetings. Such deliberations are conducted in the presence of the Management. Once the recommendations are accepted, the Management will see to their implementation.

Some weaknesses in internal control were identified for the year under review but these are not deemed significant and hence have not been included in this Statement, as these weaknesses have not materially impacted the business or operations of the Group.

This Statement has been approved by a resolution of your Board of Directors dated June 13, 2011 and has been reviewed by the external auditors.

AUDIT COMMITTEE REPORT

1. Composition

The composition of Audit Committee during the financial year under review is as follows:

Name
Lau Tiang Hua, Chairman
Neoh Choo Kean, Member
Lim Beng Huat, Member

2. Terms of reference of the Audit Committee

2.1 Membership

a) The Audit Committee shall comprise at least 3 directors.

b) No alternate directors shall be appointed to the Audit Committee.

c) All the Audit Committee members must be non-executive directors, with a majority of them being independent directors.

d) At least one member of the Audit Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience; and
  - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountant's Act 1967; or
  - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountant's Act 1967; or
- Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

e) Members of the Audit Committee shall elect a Chairman who shall be an Independent Non-Executive Director, from among themselves.

f) The term of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors at least once every 3 years.

g) In the event of any vacancy in the Audit Committee resulting in the number of members is reduced to below 3, the vacancy must be filled within 3 months.

2.2 Objectives

a) The Audit Committee is to serve as a focal point for communication between Directors, the external auditors, internal auditor and the Management on matters in connection with accounting, reporting and controls.

b) The Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities for ensuring quality, integrity and reliability of the practices of the Group.

c) The Audit Committee will reinforce the independence of the Group's external and internal auditors.

2.3 Functions

The Audit Committee shall, amongst others, discharge the following functions:-

a) Review the following and report the same to the Board:-

i) With the external auditors their audit plan, their evaluation of the system of internal controls and their audit report;

ii) The assistance provided by employees to the external auditors;

iii) The adequacy of the scope, functions, competency and resources of the internal audit function and the necessary authority given to the internal auditor in order for him to carry out his work;

iv) The internal audit plan and the results of the internal audit undertaken and whether or not appropriate action has been taken on the recommendations of the internal auditor;

v) Quarterly interim financial reports and year end financial statements prior to the approval of the Board focusing particularly on:-

- changes in significant accounting policies;
- significant and unusual events;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

vi) Any related party transactions and conflict of interest situation including any transaction, procedure or course of conduct that raises questions of management integrity;

vii) Any letters of resignation from the external auditors;

viii) Whether there is any reason to believe that the external auditors are not suitable for re-appointment;

ix) The effectiveness of the internal control and management information systems; and

x) All areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels.

b) Recommend the nomination of a person or persons as external auditors.

c) Meet up with the external auditors at least twice a year without the presence of executive directors and management.

d) Report promptly to Bursa Malaysia Securities Berhad any matter that the Audit Committee had reported to the Board which was not satisfactorily resolved and/or had resulted in a breach of the Listing Requirements and/or the Companies Act, 1965.

2.4 Authority

For the performance of its duties, the Audit Committee shall:-

a) Have authority to investigate any matter within its terms of reference;

b) Have the resources required to perform its duties;

c) Have direct communication channels with the external auditors and persons carrying out the internal audit function;

d) Have full and unrestricted access to any information pertaining to the Group;

e) Be able to obtain independent professional or other advice at a cost which is to be approved by the Board;

f) Be able to convene meetings with the external auditors, the internal auditors or both, with the exclusion of Executive Directors and employees, whenever deemed necessary; and

g) Be able to invite outsiders with relevant experience to attend its meetings if necessary.

2.5 Meetings

The Audit Committee shall regulate its meetings as follows:-

a) The Audit Committee shall hold at least 4 meetings in each financial year;

b) A member of the Audit Committee may at any time summon a meeting of the Audit Committee;

c) Notice calling for a meeting of the Audit Committee shall be given to its members at least 14 days before the meeting or at shorter notice as the Audit Committee members shall determine or agree;

d) The quorum for a meeting of the Audit Committee shall be two members, and the majority of members present must be Independent Directors;

e) Questions arising at any Audit Committee meeting shall be decided by a majority vote of its members present. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote; and

f) Minutes of each Audit Committee meeting shall be kept by the Company Secretary.

3. Summary of activities of the Audit Committee

The Committee members and details attendance of each member at committee meeting during financial year ended March 31, 2011are set out below:

	Meetings Attended
Mr. Lau Tiang Hua	4 out of 4
Mr. Neoh Choo Kean	4 out of 4
Mr. Lim Beng Huat	4 out of 4

The following is a summary of the activities carried out by the Audit Committee during the financial year ended March 31, 2011:-

a) Reviewed and recommended for Board's approval the quarterly interim financial report of the Group for announcement to Bursa Malaysia Securities Berhad;

b) Reviewed the audit plan for the annual statutory audit with the external auditors;

c) Reviewed the audit report and observations made by the external auditors on the annual financial statements that required appropriate actions and the Management's response thereon and reported them to the Board;

d) Identified and deliberated high risk areas with Executive Directors and Management and the implementation of controls to mitigate such risks identified;

e) Reported to the Board the matters discussed in the Audit Committee meetings;

f) Held two private meetings with the external auditors without the presence of the Executive Directors and Management to discuss problems, issues and concerns arising from the interim and final audits, and any other relevant matters;

g) Reviewed the impact of new or proposed changes in accounting standards and regulatory requirements to the Company;

h) Reviewed any related party transactions and conflict of interest situation that may arise within the Company or the Group;

i) Reviewed and approved the annual audit plan of the internal auditor; and

j) Reviewed and deliberated on the report of findings and recommendations from the internal auditor.

4. Internal audit function

The Group has outsourced its internal audit function to Finfield Corporate Services Sdn. Bhd., a professional company specializing in providing internal audit services.

During the year ended March 31, 2011, the internal auditor has carried out audits to assess the adequacy of the internal controls of the main operating subsidiary, based on the audit plan approved by the Audit Committee. The internal auditor reported his findings and recommendations to the Audit Committee for deliberations together with the Management. Where areas of improvements were required, it was highlighted to the Management for implementation. The Audit Committee monitored the progress of the implementation.

This Audit Committee Report has been approved by a resolution of your Board of Directors dated June 13, 2011.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

During the financial year, there were no proceeds raised by your Company from any corporate proposals.

Material Contracts

There were no material contracts entered into during the financial year ended March 31, 2011 involving Directors' and major shareholders' interests.

Sanctions and/or Penalties

During the financial year ended March 31, 2011, no material sanctions and/or penalties were imposed on the Group and its subsidiaries, directors or management by the relevant regulatory bodies.

Non-Audit Fees

The amount of non-audit fees paid to an associate firm of the Group's external auditors for financial year ended March 31, 2011 amounted to RM24,400.00 for corporate tax compliance and advisory services rendered.

Share Buy-Back

Details of the shares repurchased and held as Treasury Shares are presented on page 33.

Option, Warrants or Convertible Securities

The Group did not issue options, warrants or convertible securities during the financial year ended March 31, 2011.

Results Variation

During the financial year, there was no variation of results that differ by more than 10% from any profit forecast or unaudited results that were announced.

Profit Guarantee

There were no profit guarantees given by the Group during the financial year.

Revaluation Policy

The Group has not adopted a revaluation policy on its landed properties during the financial year ended March 31, 2011.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of **SCANWOLF CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended March 31, 2011.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 17 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit for the year attributable to owners of the Company	1,477,212	2,170,244

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A final dividend of 1.50 sen per ordinary share, tax-exempt, amounting to RM1,190,832 proposed in respect of the financial year ended March 31, 2010 and dealt with in the previous Directors' report, was paid by the Company on September 27, 2010.

An interim dividend of 1.00 sen per ordinary share, tax-exempt, amounting to RM787,690 declared in respect of the current financial year, was paid on January 17, 2011.

The Directors propose a final dividend of 2.00 sen per ordinary share, tax-exempt, amounting to RM1,547,060 computed based on the outstanding issued and paid-up capital, excluding treasury shares held by the Company of 77,353,000 ordinary shares of RM0.50 each in respect of the current financial year. This proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

REPURCHASE OF OWN SHARES

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on August 21, 2010, granted the approval for the Company to repurchase its own shares. The shares repurchased are being held as Treasury Shares in accordance with the requirements of Section 67A of the Companies Act, 1965. Details of the shares repurchased and held as Treasury Shares are as follows:

Month	No. of shares repurchased	Highest price paid per share RM	Lowest price paid per share RM	Average price paid per share (including incidental costs) RM	Total consideration RM
As of April 1, 2010	280,900	0.42	0.30	0.34	95,346
June 2010	7,000	0.32	0.32	0.33	2,284
July 2010	57,400	0.36	0.36	0.36	20,555
August 2010	181,900	0.38	0.36	0.37	67,483
September 2010	155,000	0.37	0.36	0.37	56,777
October 2010	92,000	0.36	0.36	0.36	33,455
November 2010	72,800	0.38	0.37	0.38	27,334
December 2010	410,900	0.39	0.38	0.39	158,840
January 2011	189,500	0.41	0.39	0.41	77,128
February 2011	406,200	0.41	0.40	0.41	167,230
March 2011	793,400	0.42	0.40	0.41	322,690
	2,647,000				1,029,122

The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that no known bad debts need to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would necessitate the writing off of any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made other than those disclosed in Note 35 to the financial statements.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:

Mr. Loo Bin Keong
Mr. Tan Sin Keat
Mr. Leuk Sing King
Mr. Teoh Teik Kean
Mr. Neoh Choo Kean
Mr. Lim Beng Huat
Mr. Lau Tiang Hua

In accordance with Article 103(1) of the Company's Articles of Association, Mr. Tan Sin Keat and Mr. Neoh Choo Kean retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.50 each
Registered in the name of Directors	
Mr. Loo Bin Keong	23,858,440
Mr. Tan Sin Keat	8,373,981
Mr. Leuk Sing King	8,373,981
Mr. Teoh Teik Kean	1,967,799

There was no movement in the Directors' shareholdings during the financial year.

By virtue of Mr. Loo Bin Keong's interests in the shares of the Company, he is also deemed to have an interest in the shares of all the subsidiaries to the extent that the Company has interest.

None of the other Directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its subsidiaries during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and its subsidiaries as disclosed in Note 21 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

MR. LEUK SING KING

MR. TAN SIN KEAT

Ipoh,
June 13, 2011

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SCANWOLF CORPORATION BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Scanwolf Corporation Berhad, which comprise the statements of financial position of the Group and of the Company as of March 31, 2011 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 101.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of March 31, 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act;

(b) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(c) our auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 37 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEOH SIEW MING
Partner - 2421/05/13(J/PH)
Chartered Accountant

June 13, 2011

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2011

		The Group		The Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Revenue	5	41,691,419	39,341,824	3,300,000	3,240,000
Investment revenue	7	2,494	53,510	228,460	196,537
Other gains and losses	8	(468,452)	(781,269)	-	-
Other operating income		136,972	65,245	-	-
Changes in inventories of finished goods and work-in-progress		134,468	591,693	-	-
Raw materials and consumables used		(21,984,315)	(19,184,323)	-	-
Purchase of finished goods		(2,458,052)	(2,588,468)	-	-
Directors' remuneration	9	(1,195,320)	(1,071,720)	(1,195,320)	(1,071,720)
Employee benefits expenses	10	(5,336,881)	(4,742,088)	-	-
Depreciation of property, plant and equipment	14	(3,485,743)	(3,341,859)	-	-
Finance costs	11	(152,715)	(236,921)	-	-
Other operating expenses		(4,994,793)	(4,946,316)	(163,495)	(150,084)
Profit before tax	10	1,889,082	3,159,308	2,169,645	2,214,733
Income tax (expense)/ credit	12	(411,870)	(651,648)	599	-
PROFIT FOR THE YEAR		1,477,212	2,507,660	2,170,244	2,214,733
Other comprehensive income:					
Net gain arising on revaluation of available-for-sale financial asset during the year		44,000	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,521,212	2,507,660	2,170,244	2,214,733
Profit attributable to owners of the Company		1,477,212	2,507,660	2,170,244	2,214,733
Total comprehensive income attributable to owners of the Company		1,521,212	2,507,660	2,170,244	2,214,733
Earnings per share:					
Basic	13	1.87 sen	3.15 sen		
Diluted	13	1.87 sen	3.15 sen		

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2011

The Group	Note	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
ASSETS				
Non-current assets				
Property, plant and equipment	14	27,052,306	29,100,550	32,656,620
Investment property	16	-	-	800,000
Investment in subsidiaries	17	-	-	-
Other investment	18	144,800	-	-
Total non-current assets		27,197,106	29,100,550	33,456,620
Current assets				
Inventories	19	9,986,463	9,814,329	10,065,599
Trade and other receivables	20	13,143,632	12,197,692	12,095,143
Current tax assets	12	676,894	619,646	526,561
Cash and bank balances	22	3,406,060	3,671,038	1,321,664
Total current assets		27,213,049	26,302,705	24,008,967
Total assets		54,410,155	55,403,255	57,465,587
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	23(a)	40,000,000	40,000,000	40,000,000
Treasury shares	23(b)	(1,029,122)	(95,346)	(91,274)
Reserves	24	6,866,771	7,324,081	7,606,939
Total equity		45,837,649	47,228,735	47,515,665
Non-current liabilities				
Hire-purchase payables	25	69,115	260,146	587,266
Deferred tax liabilities	26	3,474,873	3,237,739	2,841,228
Total non-current liabilities		3,543,988	3,497,885	3,428,494
Current liabilities				
Trade and other payables	27	4,342,601	4,125,515	3,212,134
Hire-purchase payables	25	235,917	327,120	446,294
Borrowings	28	450,000	224,000	2,863,000
Total current liabilities		5,028,518	4,676,635	6,521,428
Total liabilities		8,572,506	8,174,520	9,949,922
Total equity and liabilities		54,410,155	55,403,255	57,465,587

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2011 (cont'd)

The Company	Note	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
ASSETS				
Non-current assets				
Investment in subsidiaries	17	21,824,076	21,824,076	21,824,076
Amount owing by a subsidiary	21	-	20,018,974	20,231,560
Total non-current assets		21,824,076	41,843,050	42,055,636
Current assets				
Trade and other receivables	20	374,653	367,449	367,449
Amount owing by a subsidiary	21	20,453,097	1,200,000	1,600,000
Current tax assets	12	17,420	18,800	9,000
Cash and bank balances	22	99,763	64,694	15,919
Total current assets		20,944,933	1,650,943	1,992,368
Total assets		42,769,009	43,493,993	44,048,004
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	23(a)	40,000,000	40,000,000	40,000,000
Treasury shares	23(b)	(1,029,122)	(95,346)	(91,274)
Reserves	24	3,559,675	3,367,953	3,943,738
Total equity		42,530,553	43,272,607	43,852,464
Current liabilities				
Trade and other payables	27	238,456	221,386	195,540
Total equity and liabilities		42,769,009	43,493,993	44,048,004

		← Attributable to Owners of the Company							→
				← Non-distributable Reserves			→	Distributable	
The Group	**Note**	**Issued Capital RM**	**Treasury Shares RM**	**Reverse Acquisition Reserve RM**	**Share Premium RM**	**Revaluation Reserve RM**	**Investments Revaluation Reserve RM**	**Reserve Retained Earnings RM**	**Total Equity RM**
Balance as of April 1, 2009		40,000,000	(91,274)	(19,524,076)	2,035,339	1,482,638	-	23,613,038	47,515,665
Total comprehensive income for the year		-	-	-	-	-	-	2,507,660	2,507,660
Payment of dividends	29	-	-	-	-	-	-	(2,790,518)	(2,790,518)
Buy-back of ordinary shares	23(b)	-	(4,072)	-	-	-	-	-	(4,072)
Balance as of March 31, 2010		40,000,000	(95,346)	(19,524,076)	2,035,339	1,482,638	-	23,330,180	47,228,735
Profit for the year		-	-	-	-	-	-	1,477,212	1,477,212
Other comprehensive income for the year		-	-	-	-	-	44,000	-	44,000
Total comprehensive income for the year		-	-	-	-	-	44,000	1,477,212	1,521,212
Payment of dividends	29	-	-	-	-	-	-	(1,978,522)	(1,978,522)
Buy-back of ordinary shares	23(b)	-	(933,776)	-	-	-	-	-	(933,776)
Balance as of March 31, 2011		40,000,000	(1,029,122)	(19,524,076)	2,035,339	1,482,638	44,000	22,828,870	45,837,649

The accompanying Notes form an integral part of the financial statements.

The Company	Note	Issued Capital RM	Treasury Shares RM	Non-distributable Reserve Share Premium RM	Distributable Reserve Retained Earnings RM	Total Equity RM
Balance as of April 1, 2009		40,000,000	(91,274)	2,035,339	1,908,399	43,852,464
Total comprehensive income for the year		-	-	-	2,214,733	2,214,733
Payment of dividends	29	-	-	-	(2,790,518)	(2,790,518)
Buy-back of ordinary shares	23(b)	-	(4,072)	-	-	(4,072)
Balance as of March 31, 2010		40,000,000	(95,346)	2,035,339	1,332,614	43,272,607
Total comprehensive income for the year		-	-	-	2,170,244	2,170,244
Payment of dividends	29	-	-	-	(1,978,522)	(1,978,522)
Buy-back of ordinary shares	23(b)	-	(933,776)	-	-	(933,776)
Balance as of March 31, 2011		40,000,000	(1,029,122)	2,035,339	1,524,336	42,530,553

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2011

	Note	The Group 2011 RM	The Group 2010 RM As restated
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		1,477,212	2,507,660
Adjustments for:			
Depreciation of property, plant and equipment		3,485,743	3,341,859
Income tax expenses recognised in profit or loss		411,870	651,648
Allowance for slow moving inventories		237,415	-
Finance costs		152,715	236,921
Unrealised loss on foreign exchange - net		110,187	391,741
Impairment loss recognised on trade receivables		47,925	22,655
Property, plant and equipment written off		18,666	-
Tax penalty		2,438	18,809
Gain on disposal of property, plant and equipment		(146,997)	-
Doubtful debts on trade receivables recovered		(27,141)	(36,053)
Investment revenue		(2,494)	(53,510)
Gain on disposal of investment property		-	(350,000)
		5,767,539	6,731,730
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(409,549)	251,270
Trade and other receivables		(1,080,521)	74,271
Increase in trade and other payables		220,696	940,526
Cash Generated From Operations		4,498,165	7,997,797
Income tax refunded		89,425	-
Income tax paid		(323,847)	(312,031)
Back duty tax paid		-	(36,191)
Tax penalty paid		-	(18,809)
Net Cash Generated From Operating Activities		4,263,743	7,630,766
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		147,000	700,000
Interest received from fixed and short-term deposits		2,494	6,410
Purchase of property, plant and equipment	31(a)	(1,406,168)	(951,426)
Acquisition of quoted shares		(100,800)	-
Proceeds from disposal of investment property		-	1,150,000
Rental received		-	47,100
Net Cash (Used In)/From Investing Activities		(1,357,474)	952,084

	Note	The Group 2011 RM	The Group 2010 RM As restated
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from/(Repayment of) bankers' acceptances		226,000	(2,639,000)
Dividends paid		(1,978,522)	(2,790,518)
Repurchase of own shares		(933,776)	(4,072)
Repayment of hire-purchase payables		(332,234)	(446,294)
Finance costs paid		(152,715)	(236,921)
Net Cash Used In Financing Activities		(3,171,247)	(6,116,805)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(264,978)	2,466,045
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,671,038	1,321,664
Effect of changes in exchange rate on foreign currency translation		-	(116,671)
CASH AND CASH EQUIVALENTS AT END OF YEAR	31(b)	3,406,060	3,671,038

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2011 (cont'd)

	Note	The Company 2011 RM	The Company 2010 RM As restated
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		2,170,244	2,214,733
Adjustments for:			
Dividends income		(2,400,000)	(2,400,000)
Investment revenue		(228,460)	(196,537)
Income tax credit recognised in profit or loss		(599)	-
		(458,815)	(381,804)
Movements in working capital:			
Increase in trade and other receivables		(7,204)	-
Increase in trade and other payables		17,070	25,846
Cash Used in Operations		(448,949)	(355,958)
Income tax refunded		9,199	-
Income tax paid		(7,220)	(9,800)
Net Cash Used in Operating Activities		(446,970)	(365,758)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from a subsidiary		2,000,000	2,800,000
Repayment from a subsidiary - net		1,165,877	212,586
Interest received from advances granted to a subsidiary		228,460	196,537
Net Cash Generated From Investing Activities		3,394,337	3,209,123
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(1,978,522)	(2,790,518)
Repurchase of own shares		(933,776)	(4,072)
Net Cash Used In Financing Activities		(2,912,298)	(2,794,590)
NET INCREASE IN CASH AND CASH EQUIVALENTS		35,069	48,775
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		64,694	15,919
CASH AND CASH EQUIVALENTS AT END OF YEAR	31(b)	99,763	64,694

The accompanying Notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 17.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The registered office of the Company is located at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Lot PT 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on June 13, 2011.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs")

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

(a) During the financial year, the Group and the Company adopted all new and revised FRSs and IC Interpretations ("Int.") issued by the Malaysian Accounting Standards Board that are relevant to their operations and effective for accounting periods beginning on or after January 1, 2010. The adoption of these new and revised FRSs and IC Int. have not resulted in material changes to the Group's and the Company's accounting policies except as follows:

(i) FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and process for managing capital.

Comparative disclosures have not been presented upon initial adoption of this Standard as the Group and the Company have availed themselves of the transitional provision in this Standard.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

(a) **(ii) FRS 8 Operating Segment**

FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting segments based on internal reports that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group presents segment information in respect of its business segment (see Note 6). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

(iii) Revised FRS 101: Presentation of Financial Statements

The revised FRS 101 introduces changes in the presentation and disclosure of financial statements. The revised standard requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line labelled as total comprehensive income. The revised standard also requires the presentation of the statement of comprehensive income. It presents all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group's and the Company's objective, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(iv) Amendment to FRS 117: Leases

The Group had previously accounted for leases of land, which has an indefinite economic life, where title is not expected to pass to the lessee at the end of the lease term as an operating lease as the lease does not transfer substantially the risks and rewards incidental to ownership to the lessee.

Upon adoption of the Amendments to FRS 117 Leases, the Group had reassessed the classification of leases of land based on information existing at the inception of the lease using the general principles in FRS 117. This assessment had resulted in classifying leases of land where the lease transfers substantially the risks and rewards incidental to ownership to the lessee as a finance lease. This change in classification had been applied retrospectively in accordance with the transitional provisions. The effect arising from the adoption of this amendments are disclosed in Note 33.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

(a) **(v) FRS 139 Financial Instruments: Recognition and Measurement**

FRS 139 sets out the requirements for the recognition and measurement of the Group's and of the Company's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the end of reporting date reflects the designation of the financial instruments. The Group and the Company have adopted FRS 139 prospectively in accordance with the transitional provision of FRS 139. The Group and the Company determine the classification of financial instruments at their initial recognition and for the purpose of the first adoption of the standard, as at transitional date on January 1, 2010.

The effects arising from the adoption of this standard is assessed as immaterial and has not been accounted for by adjusting the opening balance of retained earnings as of April 1, 2010.

(b) At the date of authorisation for issue of these financial statements, the FRSs, IC Int. and amendments to FRSs and IC Int. which were in issue but not yet effective are as listed below:

FRS and IC Int.		**Effective for annual periods beginning on or after**
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010)	July 1, 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to limited exemption from comparative FRS 7 disclosures for first-time adopters)	January 1, 2011
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to additional exemptions for first-time adopters)	January 1, 2011
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)	January 1, 2011
FRS 3	Business Combinations (Revised in 2010)	July 1, 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)	January 1, 2011
FRS 124	Related Party Disclosure (Revised in 2010)	January 1, 2012
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)	July 1, 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)	March 1, 2010
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to consequential amendments arising from FRS 3 (Revised in 2010) and FRS 127 (Revised in 2010))	July 1, 2010

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

(b)

FRS and IC Int.		Effective for annual periods beginning on or after
Improvements to FRSs (2010)		January 1, 2011
IC Int. 4	Determining whether an Arrangement contains a Lease	January 1, 2011
IC Int. 12	Service Concession Arrangements	July 1, 2010
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)	July 1, 2011
IC Int. 15	Agreements for the Construction of Real Estate	January 1, 2012
IC Int. 16	Hedges of a Net Investment in a Foreign Operation	July 1, 2010
IC Int. 17	Distributions of Non-cash Assets to Owners	July 1, 2010
IC Int. 18	Transfers of Assets from Customers	January 1, 2011
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2011

The Directors anticipate that the abovementioned FRSs and IC Int. will be adopted in the annual financial statements of the Group and of the Company when they become effective, and that the adoption of these FRSs and IC Int. will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as follows:

FRS 3 Business Combinations (Revised in 2010)

The revised FRS 3:

- allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority interests') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;

- changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;

- requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and

- requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the business combination.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

FRS 3 Business Combinations (Revised in 2010) (cont'd)

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption. The Directors are of the view that the impact of the eventual application is not known or reasonably estimable presently.

FRS 127 - Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the accounting policies of the Group regarding changes in ownership interests in its subsidiaries that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiaries regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Under FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstances, FRS 127 (Revised in 2010) requires that the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption. The Directors are of the view that the impact of the eventual application is not known or reasonably estimable presently.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below:

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group made up to March 31, 2011.

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Company owns, directly or indirectly through subsidiaries, more than one half of the voting rights of the said company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

Financial statements of Scanwolf Plastic Industries Sdn. Bhd. Group ("SPI Group") are consolidated with those of the Company using the reverse acquisition method of accounting.

FRS 3 requires that the consolidated financial statements to be issued under the name of the legal parent company, though they are a continuation of the financial statements of the legal subsidiary. In order to comply with FRS 3, the following have been reflected in the consolidated financial statements:

(i) the assets and liabilities of the Company and SPI Group have been recognised at their book values immediately prior to the reverse acquisition;

(ii) the retained earnings and other equity balances recognised in the consolidated financial statements are those of SPI Group immediately before the business combination;

(iii) the amount recognised as issued equity instruments in the consolidated financial statements is the sum of:

   a) the issued and paid-up share capital of SPI immediately before the reverse acquisition; and

   b) the cost of achieving the combination;

(iv) the equity structure appearing in these consolidated financial statements after the reverse acquisition reflects the equity structure of the Company.

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All significant intergroup transactions, balances and income and expenses are eliminated in full on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Business Combinations

The acquisitions of subsidiaries are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 Business Combinations are recognised at their fair values at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of sales tax, trade discounts and customer returns.

Sale of goods

Revenue from sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the customer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Rental income is accrued on a time apportion basis, by reference to the agreement entered. Rental income from investment property is recognised on a straight-line basis over the term of the relevant lease.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's right to receive payment is established, provided that it is probable that the economic benefits will flow to the Group and the Company, and the amount of revenue can be measured reliably.

Management income

Income from management services rendered is recognised as and when the services are provided.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits

Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plan

The Group is required by law to make monthly contributions to the Employees' Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's contributions to the EPF are recognised as an expense when employees have rendered service entitling them to the contributions and are disclosed separately. The employees' contributions to EPF are included in salaries and wages.

Foreign Currencies

The financial statements of the Group and of the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group and the Company operate (their functional currency).

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Group's and the Company's functional currency are initially recorded in Ringgit Malaysia at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the statements of comprehensive income in the year in which they arise except for exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in the statements of comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in the statements of comprehensive income.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use, are capitalised and included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The tax effects of unutilised reinvestment allowance are only recognised upon actual realisation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in the statements of comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Leasehold land is amortised over the lease period ranging from 45 to 87 years.

Capital work-in-progress is stated at cost and is not depreciated. Capital work-in-progress comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on assets under construction commences when the assets concerned are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets or valuation of assets, other than capital work-in-progress, less their residual values over their estimated useful lives, using the straight-line method on the following bases:

Factory buildings	2%
Plant and machinery	10%
Moulds	20%
Motor vehicles	20%
Office equipment	10%
Computers	20%
Furniture, fixtures and fittings	8%
Tools and equipment	10%
Electrical installation	10%
Air-conditioners	10%
Signboard	10%
Renovation	10%

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statements of comprehensive income.

Property, Plant and Equipment under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the assets under hire-purchase at the inception of the respective arrangements.

Finance costs, which represent the difference between the total hire-purchase commitments and the fair values of the assets acquired, are charged to the statements of comprehensive income over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, other than leasehold properties classified as investment property, are classified as operating leases. Property interest held under an operating lease to earn rentals or for capital appreciation or both is classified as investment property.

Assets held under finance leases are initially recognised as assets of the Company at its fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statements of comprehensive income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at costs, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Fair value is arrived by reference to market evidence of transaction prices for similar properties. Gain or loss arising from changes in the fair value of investment property is included in the statements of comprehensive income for the year in which they arise.

Investment in Subsidiary

Investment in subsidiary, which is eliminated on consolidation, is stated in the Company's financial statements at cost less accumulated impairment losses, if any.

Investment

Investment in quoted shares, is classified as being available-for-sale and is stated at fair value, with any resultant fair value changes recognised in statements of comprehensive income and accumulated in the investments revaluation reserve, with the exception for impairment losses.

Goodwill

Goodwill acquired in a business combination is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill arising on consolidation represents the excess of cost of business combination over the Group's interest in the net fair values of the identifiable assets, liabilities and contingent liabilities recognised of the acquiree at the date of the combination.

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the consolidated profit or loss and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of an entity or operation, the goodwill associated with the entity or operation disposed of is included in the carrying amount of the entity or operation when determining the gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than inventories, financial assets and investment property which are dealt with in their respective policies) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statements of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount would not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statements of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "First-in, First-out" method. The cost of raw materials, packing materials, spare parts and goods-in-transit comprise the original purchase price plus cost incurred in bringing the inventories to their present location. The cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and an appropriate proportion of production overheads. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past event and it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Provisions (cont'd)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Treasury Shares

Shares repurchased by the Company are held as treasury shares, and are stated at the cost of repurchases, including directly attributable costs.

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets and financial liabilities classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income and expense is recognised on an effective interest basis for debt instruments other than those financial assets or financial liabilities classified as at FVTPL.

(a) Financial assets

Financial assets of the Group and of the Company are classified into 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Financial assets (cont'd)

(i) AFS financial assets

AFS financial assets are non-derivatives financial assets that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets are measured at fair value at the reporting period. Gains and losses arising from changes in fair value are recognised in statements of comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's and the Company's right to receive the dividends is established.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Financial assets (cont'd)

(iii) Impairment of financial assets *(cont'd)*

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statements of comprehensive income.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in the statements of comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in the statements of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statements of comprehensive income to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

Financial liabilities of the Group and of the Company including borrowing, are classified into "other financial liabilities" category, and are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(iv) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) *Critical judgement made in applying accounting policies*

In the application of the Group' and of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) *Key sources of estimation uncertainty*

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Impairment of Property, Plant and Equipment

The carrying amounts of property, plant and equipment of the Group as of March 31, 2011 was RM27,052,306 (2010: RM29,100,550).

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimate calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Management of the Group has carried out an impairment review on its property, plant and equipment and concluded that there is no indication of impairment.

(ii) Estimated Useful Lives of Property, Plant and Equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

(iii) Recoverability of Receivables

The carrying amounts of third-party trade and other receivables of the Group and of the Company as of March 31, 2011 were RM12,362,546 and RM7,204 (2010: RM11,425,258 and RMNil) respectively.

An allowance is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of transactions. This is determined based on the ageing profile and collection patterns. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) ***Key sources of estimation uncertainty*** (cont'd)

(iv) Allowance for Slow Moving Inventories

The Group makes allowance for slow moving inventories based on an assessment of the recoverability of the inventories through sales and recycling for alternatives uses. Allowance is applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable.

The identification of slow moving inventories requires use of judgement and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and slow moving inventories expenses in the period in which such estimate has been changed.

5. REVENUE

	The Group		The Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Manufacturing sales	38,203,134	35,458,072	-	-
Trading sales	3,488,285	3,883,752	-	-
Dividend income	-	-	2,400,000	2,400,000
Management fee received from a subsidiary company	-	-	900,000	840,000
	41,691,419	39,341,824	3,300,000	3,240,000

6. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segment. The primary format, business segment, is based on the Group's management and internal reporting structure.

Business Segment

For management purposes, the Group is organised into trading and manufacturing divisions. Inter-segment pricing is determined based on negotiated terms.

Unallocated corporate assets and liabilities include items that cannot be reasonably allocated to individual segment.

6. SEGMENT REPORTING (cont'd)

Business Segment (cont'd)

The Group 2011	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	38,203,134	3,488,285	-	-	41,691,419
Inter-segment sales	716,668	-	3,300,000	(4,016,668)	-
	38,919,802	3,488,285	3,300,000	(4,016,668)	41,691,419
Results					
Segment results	3,035,450	365,162	(1,358,815)	-	2,041,797
Finance costs					(152,715)
Profit before tax					1,889,082
Income tax expense					(411,870)
Profit for the year					1,477,212
Other information					
Capital expenditure	1,456,168	-	-	-	1,456,168
Depreciation of property, plant and equipment	3,485,743	-	-	-	3,485,743
Consolidated Statement of Financial Position					
Assets					
Segment assets	48,714,775	1,467,626	-	-	50,182,401
Unallocated corporate assets					4,227,754
Consolidated total assets					54,410,155
Liabilities					
Segment liabilities	4,325,333	322,300	-	-	4,647,633
Unallocated corporate liabilities					3,924,873
Consolidated total liabilities					8,572,506

6. SEGMENT REPORTING (cont'd)

Business Segment (cont'd)

The Group 2010	**Manufacturing RM**	**Trading RM**	**Others RM**	**Eliminations RM**	**Consolidated RM**
Revenue					
External sales	35,458,072	3,883,752	-	-	39,341,824
Inter-segment sales	537,781	-	3,240,000	(3,777,781)	-
	35,995,853	3,883,752	3,240,000	(3,777,781)	39,341,824
Results					
Segment results	4,268,257	349,776	(1,221,804)	-	3,396,229
Finance costs					(236,921)
Profit before tax					3,159,308
Income tax expense					(651,648)
Profit for the year					2,507,660
Other information					
Capital expenditure	951,426	-	-	-	951,426
Depreciation of property, plant and equipment	3,494,574	-	-	-	3,494,574
Consolidated Statement of Financial Position					
Assets					
Segment assets	49,829,888	1,282,683	-	-	51,112,571
Unallocated corporate assets					4,290,684
Consolidated total assets					55,403,255
Liabilities					
Segment liabilities	4,433,581	279,200	-	-	4,712,781
Unallocated corporate liabilities					3,461,739
Consolidated total liabilities					8,174,520

6. SEGMENT REPORTING (cont'd)

Geographical Segment

The analysis of the Group's segment revenue from external customers by geographical area based on the region in which the customer is located is as follows:

	The Group	
	2011 RM	2010 RM
Asia	14,997,295	14,968,598
Middle east	10,317,998	8,982,696
Oceania	672,723	342,738
Africa	318,427	722,591
Others	335,507	93,820
Total export	26,641,950	25,110,443
Malaysia	15,049,469	14,231,381
Total revenue	41,691,419	39,341,824

Information on the carrying amounts of segment assets by geographical market and cost to acquire property, plant and machinery by location of assets have not been provided as the Group operates principally in Malaysia.

7. INVESTMENT REVENUE

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest income from:				
Fixed and short-term deposits	2,494	6,410	-	-
Advances granted to a subsidiary	-	-	228,460	196,537
Rental income (Note 16)	-	47,100	-	-
	2,494	53,510	228,460	196,537

8. OTHER GAINS AND LOSSES

	The Group	
	2011 RM	2010 RM
Gain on disposal of property, plant and equipment	146,997	-
Realised loss on foreign exchange	(505,262)	(739,528)
Unrealised loss on foreign exchange - net	(110,187)	(391,741)
Gain on disposal of investment property	-	350,000
	(468,452)	(781,269)

9. DIRECTORS' REMUNERATION

	The Group and The Company	
	2011 RM	2010 RM
Executive Directors:		
Fees	60,000	60,000
Salaries and bonuses	903,000	792,000
EPF contributions	139,320	126,720
	1,102,320	978,720
Non-executive Directors:		
Fees	93,000	93,000
	1,195,320	1,071,720

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group amounted to RM64,550 (2009: RM85,800).

The remuneration of executive Directors above also represent remuneration for all key management personnel of the Group.

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after crediting/(charging):

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Doubtful debts on trade receivables recovered	27,141	36,053	-	-
Rental of:				
Premises	(191,730)	(170,260)	-	-
Gas cylinder	(712)	(771)	-	-
Rubbish bin	-	(1,800)	-	-
Auditors remuneration:				
Statutory audit:				
Current year	(48,000)	(43,000)	(23,000)	(18,000)
Prior year	(5,000)	7,500	(5,000)	(3,000)
Non-audit services:				
Current year	(3,000)	(5,000)	(3,000)	-
Prior year	-	(3,000)	-	(3,000)
Impairment loss recognised on trade receivables	(47,925)	(22,655)	-	-
Property, plant and equipment written off	(18,666)	-	-	-

Included in employee benefits expenses of the Group are contributions made to EPF of RM309,401 (2010: RM229,121).

11. FINANCE COSTS

	The Group	
	2011 RM	2010 RM
Interest on:		
Hire-purchase	24,149	45,881
Bankers' acceptances	17,523	56,915
Bank overdrafts	6,161	20,120
Bank charges and commission	104,882	114,005
	152,715	236,921

12. INCOME TAX (EXPENSE)/CREDIT

Income tax recognised in profit or loss

	The Group		The Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Income tax comprises:				
Current tax expense in respect of the current year	(171,300)	(232,000)	-	-
Prior year adjustments recognised in the current year in relation to:				
Income tax	(3,436)	13,054	599	-
Back duty	-	(36,191)	-	-
	(174,736)	(255,137)	599	-
Deferred tax:				
Relating to origination and reversal of temporary differences:				
Current year	(231,000)	(337,000)	-	-
Prior year adjustments recognised in the current year	(23,000)	(76,596)	-	-
	(254,000)	(413,596)	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of property, plant and equipment	16,866	17,085	-	-
(Note 26)	(237,134)	(396,511)	-	-
	(411,870)	(651,648)	599	-

12. INCOME TAX (EXPENSE)/CREDIT (cont'd)

The tax (expense)/credit for the year can be reconciled to profit before tax as follows:

	The Group		The Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Profit before tax	1,889,082	3,159,308	2,169,645	2,214,733
Tax expense calculated using the Malaysian statutory income tax rate of 25% (2010: 25%)	(472,000)	(790,000)	(542,000)	(554,000)
Tax effects of:				
Reinvestment allowances utilised	185,000	280,000	-	-
Expenses available for double deduction	42,000	24,000	-	-
Income that is not taxable in determining taxable profit	7,000	97,000	600,000	600,000
Expenses that are not deductible in determining taxable profit	(121,434)	(138,915)	(32,000)	(22,000)
Loss not available for offset against future taxable income	(26,000)	(24,000)	(26,000)	(24,000)
Prior year adjustments recognised in the current year in relation to:				
Income tax	(3,436)	13,054	599	-
Back duty	-	(36,191)	-	-
Deferred tax	(23,000)	(76,596)	-	-
Income tax expense recognised in profit or loss	(411,870)	(651,648)	599	-
Current tax assets				
Tax refund receivable	676,894	619,646	17,420	18,800

As of March 31, 2011, the Company has tax-exempt account balance of approximately RM633,000 (2010: RM1,812,000). The tax-exempt account arose from tax-exempt dividend received and is available for distribution as tax-exempt dividends to the shareholders of the Company.

As of March 31, 2011, the subsidiaries have tax credits and tax-exempt accounts balances of approximately RM3,909,000 (2010: RM3,909,000) and RM5,372,000 (2010: RM5,084,000) respectively. The tax-exempt accounts arose from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholder of the subsidiaries.

As of March 31, 2011, a subsidiary has unutilised reinvestment allowances claimed amounting to approximately RM2,922,000 (2010: RM2,956,000) which are available to set-off against future taxable income.

13. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated as follows:

	The Group	
	2011 RM	2010 RM
Basic and diluted		
Profit for the year attributable to equity holders of the Company	1,477,212	2,507,660
Number of ordinary shares in issue as of April 1	80,000,000	80,000,000
Share repurchased and held as treasury shares as of April 1	(280,900)	(268,900)
	79,719,100	79,731,100
Effect of shares repurchased	(655,058)	(3,000)
Weighted average number of ordinary shares in issue	79,064,042	79,728,100
	2011	**2010**
Basic and diluted earnings per ordinary share (sen)	1.87	3.15

14. PROPERTY, PLANT AND EQUIPMENT

The Group 2011	At beginning of year RM	Additions RM	Disposals RM	Written off RM	Reclassification RM	At end of year RM
	Cost or valuation					
At valuation:						
Factory buildings	8,190,000	-	-	-	-	8,190,000
Long-term leasehold land	300,000	-	-	-	-	300,000
Short-term leasehold land	2,280,000	-	-	-	-	2,280,000
At cost:						
Factory buildings	585,048	13,725	-	-	-	598,773
Plant and machinery	27,053,165	968,079	-	-	133,628	28,154,872
Plant and machinery under hire-purchase	357,390	-	-	-	-	357,390
Moulds	4,099,545	72,272	-	-	-	4,171,817
Motor vehicles	1,927,196	75,776	(672,617)	-	841,166	2,171,521
Motor vehicles under hire-purchase	1,641,662	110,373	-	-	(841,166)	910,869
Office equipment	174,124	71,477	-	-	-	245,601
Computers	301,604	32,042	-	(35,000)	-	298,646
Furniture, fixtures and fittings	255,656	14,254	-	-	-	269,910
Tools and equipment	454,619	21,335	-	-	-	475,954
Electrical installation	424,517	63,054	-	-	-	487,571
Air-conditioners	177,601	13,781	-	-	-	191,382
Signboard	16,294	-	-	-	-	16,294
Renovation	30,537	-	-	-	-	30,537
Capital work-in-progress	133,628	-	-	-	(133,628)	-
Total	48,402,586	1,456,168	(672,617)	(35,000)	-	49,151,137

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group 2011	Accumulated depreciation: At beginning of year RM	Charge for the year RM	Disposals RM	Written off RM	Reclassification RM	At end of year RM
At valuation:						
Factory buildings	640,888	165,226	-	-	-	806,114
Long-term leasehold land	14,550	3,488	-	-	-	18,038
Short-term leasehold land	198,206	50,151	-	-	-	248,357
At cost:						
Factory buildings	29,786	11,739	-	-	-	41,525
Plant and machinery	11,217,223	2,328,840	-	-	-	13,546,063
Plant and machinery under hire-purchase	47,652	35,739	-	-	-	83,391
Moulds	2,908,431	457,929	-	-	-	3,366,360
Motor vehicles	1,813,112	132,349	(672,614)	-	772,241	2,045,088
Motor vehicles under hire-purchase	1,183,178	169,297	-	-	(772,241)	580,234
Office equipment	102,482	14,583	-	-	-	117,065
Computers	250,492	20,730	-	(16,334)	-	254,888
Furniture, fixtures and fittings	193,222	9,876	-	-	-	203,098
Tools and equipment	271,648	35,860	-	-	-	307,508
Electrical installation	262,836	39,429	-	-	-	302,265
Air-conditioners	136,425	8,128	-	-	-	144,553
Signboard	12,640	591	-	-	-	13,231
Renovation	19,265	1,788	-	-	-	21,053
Capital work-in-progress	-	-	-	-	-	-
Total	19,302,036	3,485,743	(672,614)	(16,334)	-	22,098,831

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group 2010	Cost or valuation: At beginning of year: As previously stated RM	Effect of adoption of amendments to FRS 117 RM	As restated RM	Additions RM	Disposals RM	Reclassification RM	At end of year RM
At valuation:							
Factory buildings	8,190,000	-	8,190,000	-	-	-	8,190,000
Long-term leasehold land	-	300,000	300,000	-	-	-	300,000
Short-term leasehold land	-	2,280,000	2,280,000	-	-	-	2,280,000
At cost:							
Factory buildings	573,676	-	573,676	11,372	-	-	585,048
Plant and machinery	22,780,844	-	22,780,844	652,630	-	3,619,691	27,053,165
Plant and machinery under hire-purchase	357,390	-	357,390	-	-	-	357,390
Moulds	3,871,091	-	3,871,091	228,454	-	-	4,099,545
Motor vehicles	1,455,879	-	1,455,879	2,560	-	468,757	1,927,196
Motor vehicles under hire-purchase	2,110,419	-	2,110,419	-	-	(468,757)	1,641,662
Office equipment	167,040	-	167,040	7,084	-	-	174,124
Computers	288,708	-	288,708	12,896	-	-	301,604
Furniture, fixtures and fittings	243,076	-	243,076	12,580	-	-	255,656
Tools and equipment	454,619	-	454,619	-	-	-	454,619
Electrical installation	424,517	-	424,517	-	-	-	424,517
Air-conditioners	176,251	-	176,251	1,350	-	-	177,601
Signboard	16,294	-	16,294	-	-	-	16,294
Renovation	30,537	-	30,537	-	-	-	30,537
Capital work-in-progress	4,896,456	-	4,896,456	22,500	(1,165,637)	(3,619,691)	133,628
Total	46,036,797	2,580,000	48,616,797	951,426	(1,165,637)	-	48,402,586

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group 2010	Accumulated depreciation: At beginning of year: As previously stated RM	Effect of adoption of amendments to FRS 117 RM	As restated RM	Charge for the year RM	Disposals RM	Reclassification RM	At end of year RM
At valuation:							
Factory buildings	471,666	-	471,666	169,222	-	-	640,888
Long-term leasehold land	-	11,061	11,061	3,489	-	-	14,550
Short-term leasehold land	-	148,173	148,173	50,033	-	-	198,206
At cost:							
Factory buildings	18,220	-	18,220	11,566	-	-	29,786
Plant and machinery	9,249,497	-	9,249,497	1,967,726	-	-	11,217,223
Plant and machinery under hire-purchase	11,913	-	11,913	35,739	-	-	47,652
Moulds	2,397,560	-	2,397,560	510,871	-	-	2,908,431
Motor vehicles	1,385,509	-	1,385,509	38,873	-	388,730	1,813,112
Motor vehicles under hire-purchase	1,153,883	-	1,153,883	418,025	-	(388,730)	1,183,178
Office equipment	90,927	-	90,927	11,555	-	-	102,482
Computers	220,506	-	220,506	29,986	-	-	250,492
Furniture, fixtures and fittings	184,283	-	184,283	8,939	-	-	193,222
Tools and equipment	233,810	-	233,810	37,838	-	-	271,648
Electrical installation	225,549		225,549	37,287	-	-	262,836
Air-conditioners	129,093	-	129,093	7,332	-	-	136,425
Signboard	12,019	-	12,019	621	-	-	12,640
Renovation	16,508	-	16,508	2,757	-	-	19,265
Capital work-in-progress	-	-	-	-	-	-	-
Total	15,800,943	159,234	15,960,177	3,341,859	-	-	19,302,036

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	Net book value		
	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
At valuation:			
Factory buildings	7,383,886	7,549,112	7,718,334
Long-term leasehold land	281,962	285,450	288,939
Short-term leasehold land	2,031,643	2,081,794	2,131,827
At cost:			
Factory buildings	557,248	555,262	555,456
Plant and machinery	14,608,809	15,835,942	13,531,349
Plant and machinery under hire-purchase	273,999	309,738	345,477
Moulds	805,457	1,191,114	1,473,531
Motor vehicles	126,433	114,084	70,370
Motor vehicles under hire-purchase	330,635	458,484	956,536
Office equipment	128,536	71,642	76,113
Computers	43,758	51,112	68,202
Furniture, fixtures and fittings	66,812	62,434	58,793
Tools and equipment	168,446	182,971	220,809
Electrical installation	185,306	161,681	198,968
Air-conditioners	46,829	41,176	47,158
Signboard	3,063	3,654	4,275
Renovation	9,484	11,272	14,029
Capital work-in-progress	-	133,628	4,896,454
Total	27,052,306	29,100,550	32,656,620

Certain leasehold land and buildings of the Group with total carrying value of RM1,468,488 and RM7,761,134 (2010: RM1,504,638 and RM7,920,374) respectively are charged to local licensed banks for facilities granted to the Group as mentioned in Note 28.

The leasehold land and buildings of the Group were revalued by the Directors on September 12, 2006 based on valuations carried out by Mr. Thoo Sing Choon, registered valuer of Colliers, Jordan Lee & Jaafar Sdn. Bhd., an independent firm of professional valuers using the "Open Market Value on Existing Use" basis. The resulting revaluation surplus amounting to RM1,482,638 (net of deferred tax of RM520,927) has been credited to properties revaluation reserve account.

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The historical cost, accumulated depreciation and carrying amount of the revalued leasehold land and buildings are as follows:

The Group	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Cost:			
Leasehold land	2,004,968	2,004,968	2,004,968
Factory buildings	7,030,273	7,030,273	7,030,273
	9,035,241	9,035,241	9,035,241
Accumulated depreciation:			
Leasehold land	510,942	463,508	416,074
Factory buildings	1,165,968	1,030,755	895,542
	1,676,910	1,494,263	1,311,616
Carrying amounts	7,358,331	7,540,978	7,723,625

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use with costs as follows:

The Group	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Plant and machinery	4,001,592	3,998,552	3,922,378
Moulds	2,137,340	1,562,964	1,286,436
Motor vehicles	1,850,027	1,324,860	1,249,861
Office equipment	55,857	55,772	53,504
Computers	212,841	205,208	138,314
Furniture, fixtures and fittings	143,293	137,571	134,178
Tools and equipment	170,683	114,083	76,232
Electrical installation	52,837	49,407	49,407
Air-conditioners	103,380	103,380	103,380
Signboard	10,394	10,394	9,920
Renovation	12,658	12,658	2,958
Total	8,750,902	7,574,849	7,026,568

15. PREPAID LEASE PAYMENTS

The Group - 2010	Short-term leasehold land RM	Long-term leasehold land RM	Total RM
At cost			
At beginning of year	2,280,000	300,000	2,580,000
Effect of adoption of amendments to FRS 117	(2,280,000)	(300,000)	(2,580,000)
At end of year	-	-	-
Accumulated amortisation			
At beginning of year	148,173	11,061	159,234
Effect of adoption of amendments to FRS 117	(148,173)	(11,061)	(159,234)
At end of year	-	-	-
Carrying amount	-	-	-

16. INVESTMENT PROPERTY

	Long-term leasehold shop office	
The Group	**2011 RM**	**2010 RM**
At fair value:		
At beginning of year	-	800,000
Less: Disposal	-	(800,000)
At end of year	-	-

In prior year, the rental income and direct operating expenses from investment property that generated rental income amounted to RM47,100 and RM2,883 respectively.

17. INVESTMENT IN SUBSIDIARIES

	The Company 2011 RM	The Company 2010 RM
Unquoted shares, at cost	21,824,076	21,824,076

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Scanwolf Plastic Industries Sdn. Bhd.	Malaysia	100	100	Design and manufacture of plastic extrusions, PVC compounding, processing of PVC coils and trading of industrial consumables
Held through Scanwolf Plastic Industries Sdn. Bhd.				
Scanwolf Building Materials Sdn. Bhd.	Malaysia	100	100	Sales and marketing of PVC extruded building materials, trading of other building materials and manufacturing of foam profile.

18. OTHER INVESTMENT

	The Group 2011 RM	The Group 2010 RM
Available-for-sale investment carried at fair value:		
Quoted shares in Malaysia	144,800	-

The fair value of quoted shares is determined based on quoted price of the investment in an actual market.

19. INVENTORIES

	The Group	
	2011 RM	**2010 RM**
Finished goods	3,729,285	2,768,005
Work-in-progress	3,270,495	3,361,753
Raw materials	3,093,779	3,038,212
Packing materials and spare parts	130,319	92,027
Goods-in-transit	-	554,332
	10,223,878	9,814,329
Less: Allowance for slow moving inventories	(237,415)	-
	9,986,463	9,814,329

The cost of inventories recognised as an expense during the year for the Group was RM33,990,600 (2010: RM30,770,855).

An allowance for slow moving inventories of RM237,415 was recognised by the Group during the year.

20. TRADE AND OTHER RECEIVABLES

The Group	**31.3.2011 RM**	**31.3.2010 RM**	**1.4.2009 RM**
Trade receivables	12,600,050	11,322,879	11,580,295
Less: Allowance for doubtful debts	(395,757)	(374,973)	(388,371)
	12,204,293	10,947,906	11,191,924
Other receivables	210,283	529,382	104,585
Less: Allowance for doubtful debts	(52,030)	(52,030)	(52,030)
	158,253	477,352	52,555
Refundable deposits	498,650	501,547	491,600
Loans and receivables	12,861,196	11,926,805	11,736,079
Advance payment for:			
Acquisition of plant and machinery	33,950	16,000	12,500
Purchase of raw materials	160,458	196,453	262,928
Advance payment for trade fair exhibition	-	-	5,544
Prepaid expenses	88,028	58,434	78,092
	13,143,632	12,197,692	12,095,143

20. TRADE AND OTHER RECEIVABLES (cont'd)

The Company	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Other receivables	7,204	-	-
Refundable deposits	352,450	352,450	352,450
Loans and receivables	359,654	352,450	352,450
Prepaid expenses	14,999	14,999	14,999
	374,653	367,449	367,449

Trade and other receivables disclosed above are classified as loans and receivables and are therefore, measured at amortised costs.

Trade receivables of the Group comprise amounts receivable for the sale of goods. Certain trade transactions were on cash terms and credit period granted for remaining non-interest bearing trade transactions ranged from 30 days to 120 days (2010: 30 days to 120 days).

Other receivables of the Group comprise mainly advances granted to employees and expenses paid on behalf, which are unsecured and interest-free.

In prior year, included in other receivables of the Group was sale proceeds receivable of RM465,637 arising from disposal of plant and machinery to a third party.

Refundable deposits of the Group and of the Company include down payments for acquisition of leased industrial land in Vietnam of RM352,450 (2010: RM352,450).

The currency profile of trade and other receivables are as follows:

The Group	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Ringgit Malaysia	5,073,583	5,460,485	3,744,313
United States Dollar	4,923,450	4,376,011	6,459,966
United Arab Emirates Dirham	2,448,541	1,763,883	1,225,126
Singapore Dollar	333,178	245,087	255,475
Chinese Renminbi	28,669	-	-
Euro	2,571	6,795	-
New Taiwan Dollar	341	-	-
	12,810,333	11,852,261	11,684,880
The Company			
Ringgit Malaysia	7,204	-	-

An allowance has been made for estimated irrecoverable amounts of trade receivables and other receivables of RM395,757 and RM52,030 (2010: RM374,973 and RM52,030) respectively based on the default experience of the Group.

20. TRADE AND OTHER RECEIVABLES (cont'd)

Movement in the allowance for doubtful debts is as follows:

The Group	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Trade receivables			
Balance at beginning of year	374,973	388,371	181,855
Amounts recovered during the year	(27,141)	(36,053)	-
Impairment loss recognised on receivables	47,925	22,655	206,516
Balance at end of year	395,757	374,973	388,371
Other receivables			
Balance at beginning of year	52,030	52,030	-
Impairment loss recognised on receivables	-	-	52,030
Balance at end of year	52,030	52,030	52,030

Ageing of impaired trade and other receivables are as follows:

	The Group 2011 RM
Trade receivables	
More than 120 days	397,757
Other receivables	
More than 360 days	52,030

Included in trade receivables of the Group are receivable with total carrying amount of RM5,034,675 which are past due at the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances nor does it have a legal right to offset against any amounts owed by the company to the counterparty.

Ageing of trade receivables which are past due but not impaired as at the reporting period is as follows:

	The Group RM
1 - 30 days	155,187
31 - 60 days	154,682
61 - 90 days	549,876
91 - 120 days	1,304,464
More than 120 days	2,870,466
	5,034,675

20. TRADE AND OTHER RECEIVABLES (cont'd)

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management. The Group has not provided for impairment loss on these trade receivables that are past due as there has not been a significant change in credit quality and the amounts are still considered recoverable.

21. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS

The amount owing by a subsidiary company represents advances granted with interest rate of 1.00% (2010: 1.00%) per annum which is collectible upon demand and dividend receivable. In prior year, the advances was not collectible within next twelve months and has therefore been classified as non-current assets.

During the financial year, significant related party transactions are as follows:

	The Company	
	2011 RM	2010 RM
Subsidiary:		
Dividend received/receivable	2,400,000	3,240,000
Management fee received	900,000	840,000
Interest on advances received/receivable (Note 7)	228,460	196,537

22. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Ringgit Malaysia	2,627,651	783,110	99,763	64,694
United States Dollar	760,141	2,878,704	-	-
Euro	16,284	7,006	-	-
Others	1,984	2,218	-	-
	3,406,060	3,671,038	99,763	64,694

23. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

	The Group and The Company			
	2011 Number of ordinary shares	2010 Number of ordinary shares	2011 RM	2010 RM
Authorised:				
Ordinary shares of RM0.50 each	100,000,000	100,000,000	50,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	80,000,000	80,000,000	40,000,000	40,000,000

(b) Repurchase of Own Shares

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on August 21, 2010, granted the approval for the Company to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company.

Details of the shares repurchased and held as Treasury Shares of the Group and of the Company are as follows:

Month	No. of shares repurchased	Highest price paid per share RM	Lowest price paid per share RM	Average price paid per share (including incidental costs) RM	Total consideration RM
As of April 1, 2010	280,900	0.42	0.30	0.34	95,346
June 2010	7,000	0.32	0.32	0.33	2,284
July 2010	57,400	0.36	0.36	0.36	20,555
August 2010	181,900	0.38	0.36	0.37	67,483
September 2010	155,000	0.37	0.36	0.37	56,777
October 2010	92,000	0.36	0.36	0.36	33,455
November 2010	72,800	0.38	0.37	0.38	27,334
December 2010	410,900	0.39	0.38	0.39	158,840
January 2011	189,500	0.41	0.39	0.41	77,128
February 2011	406,200	0.41	0.40	0.41	167,230
March 2011	793,400	0.42	0.40	0.41	322,690
	2,647,000				1,029,122

23. SHARE CAPITAL AND TREASURY SHARES (cont'd)

During the financial year, the Company repurchased a total of 2,366,100 (2010: 12,000) of its issued shares from the open market for a total cost of RM933,776 (2010: RM4,072). The average price paid for the shares repurchased during the year was RM0.39 (2010: RM0.34) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as Treasury Shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

As of March 31, 2011, 2,647,000 (2010: 280,900) out of the total of 80,000,000 (2010: 80,000,000) issued and fully paid ordinary shares are held as Treasury Shares by the Company. The number of ordinary shares of RM0.50 each in issue and fully paid as of March 31, 2011 after excluding the Treasury Shares is 77,353,000 (2010: 79,719,100).

The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year.

24. RESERVES

	The Group	
	2011	**2010**
	RM	**RM**
Non-distributable reserves		
Share premium	2,035,339	2,035,339
Properties revaluation reserve	1,482,638	1,482,638
Investment revaluation reserve	44,000	-
Reverse acquisition reserve	(19,524,076)	(19,524,076)
	(15,962,099)	(16,006,099)
Distributable reserve		
Retained earnings	22,828,870	23,330,180
	6,866,771	7,324,081

	The Company	
	2011	**2010**
	RM	**RM**
Non-distributable reserve		
Share premium	2,035,339	2,035,339
Distributable reserve		
Retained earnings	1,524,336	1,332,614
	3,559,675	3,367,953

24. RESERVES (cont'd)

(a) Share premium

Share premium represents the excess of the issue price over the par value of the ordinary shares of the Company, net of share issue expenses of RM1,564,661 (2010: RM1,564,661).

(b) Properties revaluation reserve

	The Group	
	2011 RM	**2010 RM**
At beginning and at end of year	1,482,638	1,482,638

The properties revaluation reserve of the Group arises on the revaluation of land and buildings. When revalued land and buildings are sold, the portion of the properties revaluation reserve that relates to the disposal asset is effectively realised, and is transferred directly to retained earnings.

(c) Investment revaluation reserve

	The Group	
	2011 RM	**2010 RM**
At beginning of year	-	-
Net gain arising on revaluation of available-for-sale financial asset	44,000	-
At end of year	44,000	-

The investment revaluation reserve of the Group arises from changes in fair value of the investment. When the investment is disposed of, the portion of the reserve that relates to the disposed investment is effectively realised and is transferred directly to retained earnings.

(d) Reverse acquisition reserve

Reverse acquisition reserve arose from the reverse acquisition of the Company by SPI Group in 2008 as follows:

	The Group	
	2011 RM	**2010 RM**
Paid-up share capital of the Company immediately prior to the reverse acquisition	2	2
Shares issued by the Company to acquire SPI Group	21,824,076	21,824,076
Reversal of SPI's paid-up share capital pursuant to reverse acquisition	(2,300,000)	(2,300,000)
Equity instruments deemed issued to the owner of the legal parent	(2)	(2)
	19,524,076	19,524,076

24. RESERVES (cont'd)

(e) Retained earnings

The Company did not opt to disregard the Section 108 tax credit balance in accordance with the Finance Act, 2007. The Company may utilise the Section 108 tax credit balance which has been frozen as of December 31, 2007 to frank dividend payments during the six-year transitional period. Based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credits and tax-exempt income to frank dividends out of its entire retained earnings as of March 31, 2011.

25. HIRE-PURCHASE PAYABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2011 RM	2010 RM	2011 RM	2010 RM
Amounts payable under hire-purchase arrangements:				
Within one year	245,105	350,315	235,917	327,120
In the second to fourth year inclusive	70,890	267,458	69,115	260,146
	315,995	617,773	305,032	587,266
Less: Future finance charges	(10,963)	(30,507)	-	-
Present value of hire-purchase payables	305,032	587,266	305,032	587,266
Less: Amount due within 12 months (shown under current liabilities)			(235,917)	(327,120)
Non-current portion			69,115	260,146

The non-current portion is repayable as follows:

	The Group	
	2011 RM	2010 RM
Financial years ending March 31:		
2012	-	219,912
2013	57,235	40,234
2014	11,880	-
	69,115	260,146

It is policy of the Group to acquire certain of its property, plant and equipment under hire-purchase arrangements. The terms for hire-purchase is 3 years (2010: 3 years to 5 years). For the financial year ended March 31, 2011, the average effective borrowing rate was 6.43% (2010: 5.89%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The hire-purchase payables of the Group are secured by the assets under hire-purchase.

The fair values of the hire-purchase payables are approximately equal to their carrying amounts.

26. DEFERRED TAX LIABILITIES

	The Group	
	2011 RM	2010 RM
At beginning of year	(3,237,739)	(2,841,228)
Recognised in profit or loss (Note 12)		
Property, plant and equipment	(239,000)	(528,596)
Unrealised loss on foreign exchange	(71,000)	98,000
Allowance for slow moving inventories	60,000	-
Revaluation reserve	16,866	17,085
Unutilised tax losses and unabsorbed tax capital allowances	(4,000)	17,000
At end of year	(3,474,873)	(3,237,739)

Deferred tax balances are presented in the statements of financial position after appropriate offsetting as follows:

	The Group	
	2011 RM	2010 RM
Deferred tax assets	100,000	115,000
Deferred tax liabilities	(3,574,873)	(3,352,739)
	(3,474,873)	(3,237,739)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following:

	The Group	
	2011 RM	2010 RM
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	(2,860,000)	(2,621,000)
Revaluation reserve	(714,873)	(731,739)
	(3,574,873)	(3,352,739)
Offsetting	100,000	115,000
Deferred tax liabilities (after offsetting)	(3,474,873)	(3,237,739)
Deferred tax assets (before offsetting):		
Allowance for slow moving inventories	60,000	-
Unrealised loss on foreign exchange	27,000	98,000
Unutilised tax losses and unabsorbed tax capital allowances	13,000	17,000
	100,000	115,000
Offsetting	(100,000)	(115,000)
Deferred tax assets (after offsetting)	-	-

27. TRADE AND OTHER PAYABLES

The Group	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Trade payables	2,750,596	2,918,348	1,841,700
Other payables	1,029,769	674,361	731,856
Accrued expenses	562,236	532,806	626,128
Refundable deposits received	-	-	12,450
	4,342,601	4,125,515	3,212,134
The Company			
Other payables	28,153	23,231	22,357
Accrued expenses	210,303	198,155	173,183
	238,456	221,386	195,540

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit terms granted to the Group for trade purchases ranged from 30 days to 120 days (2010: 30 days to 120 days). The amounts are non-interest bearing. The Group has finance risk management policies in place to ensure that all payables are paid within the time frame.

The amounts owing to other payables of the Group and of the Company are unsecured, interest-free and are repayable upon demand.

The currency profile of trade and other payables are as follows:

The Group	31.3.2011 RM	31.3.2010 RM	1.4.2009 RM
Ringgit Malaysia	2,845,153	2,728,473	2,489,235
United States Dollar	913,263	858,250	84,321
Singapore Dollar	19,247	-	-
Euro	2,440	-	-
Chinese Renminbi	262	5,986	-
	3,780,365	3,592,709	2,573,556
The Company			
Ringgit Malaysia	28,153	23,231	22,357

28. BORROWINGS

Borrowings of the Group comprise outstanding bankers' acceptances amounting to RM450,000 (2010: RM224,000).

The Group's banking facilities with licensed banks amounting to RM9,750,000 (2010: RM10,840,000) are secured by:

(a) Leasehold land and buildings of the Group as disclosed in Note 14; and

(b) Facility agreement of RM10,250,000 (2010: RM10,250,000).

The facilities are further guarantee by the Company and all the Directors of the Group jointly and severally.

The average effective interest rate is as follows:

	2011 %	2010 %
Bankers' acceptances	2.98	3.05

29. DIVIDENDS

	The Group and The Company		Net dividend per share	
	2011 RM	2010 RM	2011 sen	2010 sen
Final tax-exempt dividend of 1.50 sen per ordinary share for financial year 2010 (2.00 sen per ordinary share for financial year 2009)	1,190,832	1,594,582	1.50	2.00
Interim tax-exempt dividend of 1.00 sen per ordinary share for financial year 2011 (1.50 sen per ordinary share for financial year 2010)	787,690	1,195,936	1.00	1.50
	1,978,522	2,790,518	2.50	3.50

A final dividend of 1.50 sen per ordinary share, tax-exempt, amounting to RM1,190,832 proposed in respect of the financial year ended March 31, 2010 and dealt with in the previous Directors' report, was paid by the Company on September 27, 2010.

An interim dividend of 1.00 sen per ordinary share, tax-exempt, amounting to RM787,690 declared in respect of the current financial year, was paid on January 17, 2011.

29. DIVIDENDS (cont'd)

The Directors propose a final dividend of 2.00 sen per ordinary share, tax-exempt, amounting to RM1,547,060 computed based on the outstanding issued and paid-up capital, excluding treasury shares held by the Company of 77,353,000 ordinary shares of RM0.50 each in respect of the current financial year. This proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments as of March 31, 2011

	The Group RM	The Company RM
Financial assets		
Loans and receivables:		
Trade and other receivables	12,861,196	359,654
Amount owing by a subsidiary	-	20,453,097
Cash and cash equivalents - cash and bank balances	3,406,060	99,763
Available-for-sale asset - other investment	144,800	-
Financial liabilities		
Amortised cost:		
Trade and other payables	4,342,601	238,458
Hire-purchase payables	305,032	-
Borrowings	450,000	-

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Market risk

The Group's and the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rate.

There have been no changes to the Group's and the Company's exposure to market risks or the manner in which these risks are managed and measured.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk management

The Group is exposed to the effects of foreign currency exchange rate fluctuation primarily in relation to the United States Dollar ("USD"), arising from normal trading activity. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The Group plans to enter into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in Notes 20, 22 and 27.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD. The management considers that the impact of the other currencies to be immaterial.

The following table details the Group's sensitivity to a 2% increase and decrease in RM against the relevant foreign currency. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates in the next 12 months.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates. A positive number below indicates an increase in profit where the RM strengthens 2% against the relevant currency. For a 2% weakening of RM against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	Profit or loss RM
USD impact	128,633

The above impacts are mainly attributable to the exposure on the respective currency on receivables and payables outstanding at the end of the reporting period in the Group. In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure of the Group during the year.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk are minimal. Hence, no sensitivity analysis to interest rate risk was disclosed.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group and of the Company and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables and, where appropriate, credit guarantee insurance cover is purchased.

At the end of the reporting period, the Group and the Company are subject to significant concentration of credit risk as 53% of its trade receivables are from the top 5 customers. A majority of these amounts have not been received since the reporting date but they are covered by letter of credits.

As the Group does not hold any collateral, the maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position.

The Group places its cash and cash equivalents with a number of creditworthy financial institutions. The Group's policy limits the concentration of financial exposure to any single financial institution.

There is no other class of financial assets that is past due and/or impaired except for trade receivables which is disclosed in Note 20.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity and cash flow risks management

Ultimate responsibility for liquidity and cash flow risks management rests with the Board of Directors, which has establish an appropriate liquidity and cash flow risks management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity and cash flow management requirements. The Group and the Company manage liquidity and cash flow risks by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Management is of the view that the Group's and the Company's exposure to liquidity and cash flow risks are minimal as the Group and the Company have sufficient funds to finance its ongoing working capital requirements. The Group and the Company may consider opportunities to obtain additional funds to support its working capital requirements and capital expenditures.

The Group has credit facilities of approximately RM9,300,000 which is unused at the end of the reporting period. The Group expects to meet its financial obligations from its operating cash flows and proceeds from maturing financial assets.

The maturity profile for the non-derivative financial assets/liabilities of the Group and of the Company at the reporting date based on the undiscounted cash flows of the respective financial assets/liabilities representing the earliest date on which the Group and the Company are entitled to receive/required to pay, is as follows:

The Group	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Other investment	144,800	-	-	144,800
Trade and other receivables	12,861,196	-	-	12,861,196
Cash and bank balances	3,406,060	-	-	3,406,060
Total undiscounted non-derivative financial assets	16,412,056	-	-	16,412,056
Non-derivative financial liabilities:				
Trade and other payables	4,342,601	-	-	4,342,601
Hire-purchase payables	235,917	69,115	-	305,032
Borrowings	450,000	-	-	450,000
Total undiscounted non-derivative financial liabilities	5,028,518	69,115	-	5,097,633
Total net undiscounted non-derivative financial assets/(liabilities)	11,383,538	(69,115)	-	11,314,423

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity and cash flow risks management (cont'd)

The Company	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Trade and other receivables	359,654	-	-	359,654
Amount owing by a subsidiary company	20,453,097	-	-	20,453,097
Cash and bank balances	99,763	-	-	99,763
Total undiscounted non-derivative financial assets	20,912,514	-	-	20,912,514
Non-derivative financial liabilities:				
Trade and other payables	238,456	-	-	238,456
Total net undiscounted non-derivative financial assets	20,674,058	-	-	20,674,058

The Group and the Company have not committed to any derivative financial instruments during the financial year.

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2010.

The capital structure of the Group and of the Company consists of net debt and equity of the Group and of the Company. The Group and the Company are not subject to any externally imposed capital requirements.

Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of the short-term financial assets and liabilities recognised at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair values of hire-purchase of the Group are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase arrangements and approximate to their carrying amounts.

The fair value of quoted investment classified as available-for-sale asset is disclosed in Note 18.

31. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group	
	2011 RM	2010 RM
Cash purchase	1,406,168	951,426
Hire-purchase financing	50,000	-
	1,456,168	951,426

The principal amount of instalment repayments for property, plant and equipment acquired by hire-purchase are reflected as cash outflows from financing activities.

(b) Cash and cash equivalents

Cash and cash equivalents of the Group and of the Company comprise cash and bank balances amounting to RM3,406,060 and RM99,763 (2010: RM3,671,038 and RM64,694) respectively.

32. CAPITAL COMMITMENTS

As of March 31, 2011, the Group has the following capital commitment in respect of property, plant and equipment:

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Capital expenditure:				
Approved and contracted for	357,200	-	-	-
Approved but not contracted for	1,620,420	3,365,669	1,620,420	3,365,669

33. PRIOR YEAR ADJUSTMENTS

During the financial year, the Group adopted the amendments to FRS 117 Leases which resulted in the reclassification of land held under leasehold arrangements as finance leases. The adoption of the amendments to FRS 117 has been applied retrospectively, and the effects on prior financial years have been taken as prior year adjustments in the financial statements.

The effects to the financial statements are reflected as follows:

The Group	**As previously reported RM**	**Adjustments RM**	**As restate RM**
As of/For the financial year ended March 31, 2010			
Profit or loss			
Depreciation of property, plant and equipment	3,288,337	53,522	3,341,859
Amortisation of prepaid lease payments	53,522	(53,522)	-
Statements of financial position			
Property, plant and equipment	26,733,306	2,367,244	29,100,550
Prepaid lease payments	2,367,244	(2,367,244)	-
Statements of cash flows			
Depreciation of property, plant and equipment	3,288,337	53,522	3,341,859
Amortisation of prepaid lease payments	53,522	(53,522)	-

34. OPERATING LEASE ARRANGEMENTS

Operating leases relates to leases of office, warehouse and hostels with lease terms which range from 1 to 2 years (2010: 1 to 2 years). All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The Group does not have an option to purchase the leased office, warehouse and hostels at the expiry of the lease periods.

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group	
	2011 RM	**2010 RM**
Within one year	175,395	79,840
In the second to fifth year inclusive	85,800	-
	261,195	79,840

35. SUBSEQUENT EVENTS

The following subsequent events occurred after the reporting date:

(a) The Company incorporated a wholly-owned subsidiary company, Scanwolf Properties Sdn. Bhd. ("SPSB") on March 9, 2011 with authorised share capital of RM100,000 of RM1 each and issued and fully paid-up share capital of RM2. SPSB is principally involved in property development and as an investment holding company. However, the allotment of shares was only effected on April 1, 2011. On May 4, 2011, the Company subscribed additional 99,998 ordinary shares of RM1 each in SPSB. The effective equity interest of the Company remained at 100%;

(b) On April 1, 2011, the wholly-owned subsidiary company, SPSB acquired 51,000 ordinary shares of RM1 each, representing 51% of the total issued and fully paid-up share capital of Scanwolf Development Sdn. Bhd. ("SDSB") for a total consideration of RM51,000; and

(c) On May 26, 2011, SPSB entered into a joint-venture agreement with Almal Development (M) Sdn. Bhd. to undertake the proposed development of forty-four (44) units of Three-Storey Shop Office Building. This project is part of a mixed development project which includes 714 units of residential houses, known as "Kampar Putra". The 44 plots of land for the purpose of this development is currently held under HS(D) 8508 to HS(D) 8551 for No. PT 20153 to No. PT 20196 respectively located in Mukim Kampar, District of Kinta, Perak Darul Ridzuan. The proposed development of the shop-office units will be undertaken by SDSB as project manager.

36. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been restated to conform with current year's presentation.

The Group	**As previously reported RM**	**As restated RM**
As of/For the financial year ended March 31, 2010		
Statements of financial position		
Trade and other receivables	11,621,711	12,197,692
Other assets	575,981	-
Trade and other payables	3,592,709	4,125,515
Other liabilities	532,806	-
Statements of cash flows		
Cash Flows From/(Used) In Operating Activities:		
Movements in working capital:		
Trade and other receivables	68,060	74,271
Other assets	6,211	-
Trade and other payables	1,046,298	940,526
Other liabilities	(105,772)	-

(Forward)

36. COMPARATIVE FIGURES (cont'd)

The Company	As previously reported RM	As restated RM
As of/For the financial year ended March 31, 2010		
Statement of financial position		
Trade and other receivables	-	367,449
Other assets	367,449	-
Trade and other payables	23,231	221,386
Other liabilities	198,155	-
Statement of cash flows		
Cash Flows From/(Used) In Operating Activities:		
Movements in working capital:		
Trade and other payables	874	25,846
Other liabilities	24,972	-

37. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS/LOSSES

On March 25, 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On December 20, 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of March 31, 2011 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group 2011 RM	The Company 2011 RM
Total retained earnings of the Company and its subsidiaries		
Realised	25,643,870	1,524,336
Unrealised	(2,760,000)	-
	22,883,870	1,524,336
Less: Consolidated adjustments	(55,000)	-
Total retained earnings as per statements of financial position	22,828,870	1,524,336

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia on March 25, 2010.

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010. A charge or a credit to the statements of comprehensive income of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the statements of comprehensive income upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and is not made for any other purposes.

STATEMENT BY DIRECTORS

The Directors of **SCANWOLF CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of March 31, 2011 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

MR. LEUK SING KING

MR. TAN SIN KEAT

Ipoh,
June 13, 2011

DECLARATION BY THE DIRECTOR
PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **MR. LEUK SING KING**, the Director primarily responsible for the financial management of **SCANWOLF CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MR. LEUK SING KING

Subscribed and solemnly declared by
the abovenamed **MR. LEUK SING KING**
at IPOH this 13th day of June, 2011.

Before me,

K. KANESAN (A 132)
COMMISSIONER FOR OATHS

LIST OF GROUP'S PROPERTIES

Item	Location	Description	Usage	Area	Tenure	Age of Buildings (Years)	Net Book Value 31-Mar-11 RM	Date of Valuation
1	Title No. HS (D) 44267, Lot P.T. 404, Mukim of Belanja, District of Kinta, State of Perak	Industrial land with two single storey detached factory/office buildings	Factory	3.7 acres	Lease period expiring on 13/6/2054	15 and 8	5,861,055	27 June 2006
2	Title No. Pajakan Negeri 148201, Lot 192446, Mukim of Belanja, District of Kinta, State of Perak	Industrial land with a single storey detached factory	Factory	3.2 acres	Lease period expired on 2/12/2051	5	3,368,566	27 June 2006
3	Title No. Pajakan Negeri 90115, Lot 195536, Mukim of Belanja, District of Kinta, State of Perak	Industrial land with a single storey detached building	Staff use	2.9 acres	Lease period expiring on 26/5/2052	5	743,157	27 June 2006
4	(HSM 1048, P.T. 4528), (HSM 1049, P.T. 4529), (HSM 1050, P.T. 4530), (HSM 1051, P.T. 4531), (HSM 1052, P.T. 4538), (HSM 1053, P.T. 4539), (HSM 1054, P.T. 4540), (HSM 1055, P.T. 4541), (HSM 1059, P.T. 4552), (HSM 1067, P.T. 4583), (HSM 1068, P.T. 4584), (HSM 1069, P.T. 4585), (HSM 1070, P.T. 4586), (HSM 1071, P.T. 4587), (HSM 1072, P.T. 4590), (HSM 1073, P.T. 4591), (HSM 1074, P.T. 4592), (HSM 1075, P.T. 4593), (HSM 1076, P.T. 4594), and (HSM 1077, P.T. 4595), Mukim of Sungai Terap, District of Kinta, State of Perak	20 parcel of vacant detached house lots	Vacant	4,000 sq ft per unit	Lease period expiring on 07/10/2093	N/A	281,961	27 June 2006

ANALYSIS OF SHAREHOLDINGS
AS AT JUNE 20, 2011

Authorised Share Capital	RM50,000,000
Issued and Fully Paid	RM40,000,000
Class of shares	Ordinary Shares of RM0.50 each
Voting Right	1 vote per Ordinary Share

Distribution of Shareholders As At June 20, 2011
(Excludig 3,757,700 Treasury Shares)

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	3	0.23	150	0.00
100 - 1,000	344	26.73	313,400	0.41
1,001 - 10,000	623	48.41	2,986,850	3.92
10,001 - 100,000	264	20.51	8,726,700	11.45
100,001 to less than 5% of issued shares	48	3.73	30,845,798	40.46
5% and above of issued shares	5	0.39	33,369,402	43.77
Total	1,287	100.00	76,242,300	100.00

Directors' Interest for Ordinary Shares As At June 20, 2011
(Excludig 3,757,700 Treasury Shares)

	Direct	%	Indirect	%
LEUK SING KING	3,836,981	5.03	4,537,000	5.95 *
LOO BIN KEONG	21,858,440	28.67	2,030,000	2.66 **
TAN SIN KEAT	7,673,981	10.07	700,000	0.92 ***
TEOH TEIK KEAN	1,967,999	2.58	-	-
NEOH CHOO KEAN	-	-	-	
LIM BENG HUAT	-	-	-	
LAU TIANG HUA	-	-	-	-

* Deemed interested by virtue of his shares held under EB Nominees (Tempatan) Sendirian Berhad CIMSEC Nominees (Tempatan) Sdn. Bhd. and RHB Capital Nominees (Tempatan) Sdn. Bhd.

** Deemed interested by virtue of his shares held under EB Nominees (Tempatan) Sendirian Berhad and shares held by Loo Run Wei (Son)

*** Deemed interested by virtue of his shares held under EB Nominees (Tempatan) Sendirian Berhad

Substantial Shareholders As At June 20, 2011
(Excludig 3,757,700 Treasury Shares)

	No. of shares			
	Direct	%	Indirect	%
LEUK SING KING	3,836,981	5.03	4,537,000	5.95 *
LOO BIN KEONG	21,858,440	28.67	2,030,000	2.66 **
TAN SIN KEAT	7,673,981	10.07	700,000	0.92 ***

* Deemed interested by virtue of his shares held under EB Nominees (Tempatan) Sendirian Berhad CIMSEC Nominees (Tempatan) Sdn. Bhd. and RHB Capital Nominees (Tempatan) Sdn. Bhd.

** Deemed interested by virtue of his shares held under EB Nominees (Tempatan) Sendirian Berhad and shares held by Loo Run Wei (Son)

*** Deemed interested by virtue of his shares held under EB Nominees (Tempatan) Sendirian Berhad

30 Largest Securities Account Holders for Ordinary Shares As At June 20, 2011
(Excludig 3,757,700 Treasury Shares)

	Names	Holdings	
		No.	%
1	LOO BIN KEONG	11,229,240	14.73
2	LOO BIN KEONG	10,629,200	13.94
3	TAN SIN KEAT	3,837,000	5.03
4	LEUK SING KING	3,836,981	5.03
5	TAN SIN KEAT	3,836,981	5.03
6	LEE HUAT BOON	3,774,599	4.95
7	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEUK SING KING	2,637,000	3.46
8	YAW CHUN FOOK	2,450,000	3.21
9	TAN PIN HOOI	2,040,000	2.68
10	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD - PLEDGED SECURITIES ACCOUNT FOR LOO BIN KEONG (IPO-SFC)	2,000,000	2.62
11	LIEW CHIN LEONG	1,691,600	2.22
12	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD - PLEDGED SECURITIES ACCOUNT FOR LEUK SING KING (IPO-SFC)	1,000,000	1.31
13	TEOH TEIK KEAN	1,000,000	1.31

30 Largest Securities Account Holders for Ordinary Shares As At June 20, 2011
(Excludig 3,757,700 Treasury Shares) (cont'd)

	Names	Holdings No.	Holdings %
14	TEOH TEIK KEAN	967,999	1.27
15	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB BANK FOR LEUK SING KING (MY0667)	900,000	1.18
16	FOO CHONG MING	850,000	1.11
17	GERALD JOHN RICHARDS	803,800	1.05
18	TAN YEAN CHOW	760,000	1.00
19	GO WINSTON DY	745,100	0.98
20	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD - PLEDGED SECURITIES ACCOUNT FOR TAN SIN KEAT (IPO-SFC)	700,000	0.92
21	OW KOK CHEE	560,000	0.73
22	TA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR HAR LAI KENG	523,900	0.69
23	KONG CHOY WAN	500,000	0.66
24	LIEW PENG CHUEN @ LIEW AH CHOY	500,000	0.66
25	YAW CHUN FOOK	500,000	0.66
26	YAW CHUN FOOK	500,000	0.66
27	FOO CHONG CHIN	486,000	0.64
28	LOO MING TECK	391,600	0.51
29	LIEW CHIN LEONG	377,700	0.50
30	GB CHEMICAL (M) SDN. BHD.	352,000	0.46
		60,380,700	79.20

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SCANWOLF CORPORATION BERHAD (740909-T)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

I/We ____

of ____

____

being a Member/Members of the abovenamed Company, hereby appoint ____________________

____

of ____

or failing him, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Fifth Annual General Meeting of the Company to be held at Regency 4, Level 11, Tower Regency Hotel & Apartments, 6-8, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan on Saturday, August 20, 2011 at 10:00 a.m. and at any adjournment thereof in respect of my/our holding of shares in the manner indicated below:-

My/our proxy is to vote as indicated below:

Resolution		For	Against
1.	To receive and adopt the Audited Financial Statements and Reports of the Directors for the financial year ended March 31, 2011		
2.	To declare a final dividend		
3.	To approve the payment of Directors' fees		
4.	Re-election of Director – Mr. Neoh Choo Kean		
5.	Re-election of Director – Mr. Tan Sin Keat		
6.	To appoint Auditors and to authorise the Directors to fix their remuneration		
7.	Proposed Renewal of Authority for Scanwolf Corporation Berhad to purchase its own ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up share capital of the Company		
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
9.	Proposed Amendment to Article 160 of the Articles of Association of the Company		

(Please indicate with a cross (x) in the space provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

No. of Shares held

____
Signature of Shareholder
or Common Seal

Dated this _____ day of ______________ 2011.

Note:
A member of the Company entitled to attend and vote at the above-mentioned Meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy must be deposited at the Company's registered office at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

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STAMP

The Secretary
SCANWOLF CORPORATION BERHAD (740909-T)

Registered Office
41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh, Perak Darul Ridzuan.

Fold along this line

Scanwolf Corporation Berhad (740909-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Lot PT 404, Jalan Bota, Mukim Belanja,
31750 Tronoh, Perak, Malaysia.
Tel : 605-367 7866
Fax : 605-367 7852

www.scanwolf.com