SCANWOLF CORPORATION BERHAD (740909-T)

Annual Report 2012

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of Scanwolf Corporation Berhad will be held at 10:00 a.m. on Friday, August 24, 2012 at Menglembu - 6A, Level 6, Kinta Riverfront Hotel & Suites, Jalan Lim Bo Seng, 30000 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, 2012 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees. **(Resolution 2)**

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

   (i) Lau Tiang Hua **(Resolution 3)**

   (ii) Lim Beng Huat **(Resolution 4)**

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

As Special Business

5. To consider and, if thought fit, to pass the following Special and Ordinary Resolutions:-

   (i) Special Resolution
   Proposed Amendments to the Articles of Association of the Company

   "THAT the amendments to the Articles of Association of the Company as set out in Part A of the Circular to Shareholders dated August 1, 2012 be and is hereby approved and adopted accordingly AND THAT the Board of Directors be and is hereby authorised to give effect to the said amendments." **(Resolution 6)**

   (ii) 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)**

(iii) 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)**

6. 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
August 1, 2012

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company. A member shall not be entitled to appoint more than two proxies to attend at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.

3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A (1) of SICDA.

5. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

6. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall 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 forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

7. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 69 (2) of the Articles of Association of the Company and Paragraph 7.16 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at August 16, 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory Notes To Special Business:

1. **Resolution 6**
   Proposed Amendments to the Articles of Association of the Company

   The proposed amendments to the Articles of Association of the Company are to streamline the Company's Articles of Association to be aligned with the recent amendments made in Chapter 7 of Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Appointment of Multiple Proxies by an Exempt Authorised Nominees, Qualification of Proxy and Rights of Proxy to Speak.

   For further information, please refer to Part A of the Circular to Shareholders dated August 1, 2012.

2. **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 August 1, 2012, which is dispatched together with the Company's Annual Report 2011.

   For further information, please refer to Part B of the Statement to Shareholders dated August 1, 2012.

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

   The proposed adoption of the Resolution 8 is primarily to give flexibility to the Board of Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of the next Annual General Meeting of the Company.

   This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate").

   The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investment project(s), working capital, repayment of borrowings and/or acquisitions. The previous mandate was not utilised and accordingly no proceeds were raised.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

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

(i) Lau Tiang Hua (retiring pursuant to Article 103(1) of the Articles of Association of the Company);
(ii) Lim Beng Huat (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 01, 2011 to March 31, 2012. 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 Sixth Annual General Meeting of the Company will be held at 10:00 a.m. on Friday, August 24, 2012 at Menglembu – 6A, Level 6, Kinta Riverfront Hotel & Suites, Jalan Lim Bo Seng, 30000 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 104 of the Annual Report.

Subsidiary Companies:-
Please refer to page 104 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, 69, 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 Nomination and Remuneration Committee and a member of Audit Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2012. 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 Officer

Loo Bin Keong, 54, was appointed as Chief Executive Officer (”CEO”) 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/CEO until today. He is also the Chairman/CEO of Scanwolf Building Materials Sdn.Bhd. (“SBM”) and Scanwolf Properties Sdn. Bhd. (“SPSB”), which is also a wholly-owned subsidiary of the Company. On March 13, 2012, he is a Chief Executive Officer of Scanwolf Development Sdn. Bhd. (“SDSB”).

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 Nomination and Remuneration Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2012. 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 CEO 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, 48, 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 and SPSB. 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, 2012. 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 51, 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 is the Director of SPSB. 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, 2012. 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, 55, was appointed as our Executive Director on April 2, 2007. He joined SPI in March 1, 2004 as Corporate Planner. He is a Director of SDSB. 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 and Remuneration Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2012. 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, 59, 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 is now a member of the Grant Thornton International network on January 1, 2008.

Currently, he also sits on the board of Tomei Consolidated Berhad and Ewein Berhad. Lau Tiang Hua is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He has attended all four (4) Board Meetings held during the financial year ended March 31, 2012. 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, 60, 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. He has since retired.

Lim Beng Huat is a member of Nomination and Remuneration and Audit Committee. He has attended 3 out of 4 Board Meetings held during the financial year ended March 31, 2012. 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, I am pleased to present to you the Annual Report and Audited Financial Statements of Scanwolf Corporation Berhad ("SCB" or the "Company") and its subsidiaries (collectively the "Group" for the financial year ended March 31, 2012.

THE YEAR IN REVIEW

The financial year ended March 31, 2012 was the most challenging year for SCB since its listing. The economic and political uncertainties in the Eurozone economies as well as in the Middle East countries, the very volatile movements in the prices of raw materials and chemicals and the severe price competition posed to our products in the international market had a negative impact on the Group's performance. Operating under these adverse circumstances, the Management closely monitored and reviewed the Group's operations and performance and adopted various measures to adapt to the changing business environment in our core business of plastic extrusion manufacturing.

Among the critical measures adopted was the strengthening of the several proactive steps previously taken to better utilize our 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 Group'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.

Another important measure was giving close attention to increase the demand for 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 2011 exhibition held in UAE and also the Malaysian International Furniture Fair 2012 (MIFF 2012) held in Kuala Lumpur. Our Group markets our products locally and abroad. However, our exports are experiencing a slowdown with our foreign sales dropping from 65% to about 50% of total sales. Our local sales revenue improved slightly year on year.

Yet another very critical measure being actively pursued by Management is the review of our product pricing. The international market has become very competitive especially with the increase in the number of edgebending manufacturers and the entry of China into the market. Management recognizes that gross margin for our products will continue to decline for us to stay competitive and to increase our market share

Mindful of the greater challenges SCB is facing in its current core business, your Management has decided on a strategic shift to the still vibrant property development sector to ensure that the Group is not wholly dependent on a single source of revenue. This diversification move received the consent of our shareholders at an Extraordinary General Meeting held on April 9, 2012.

On the diversification activities undertaken to date, your Management is pleased to report that we have set-up Scanwolf Properties Sdn Bhd ("SPSB"), a fully owned subsidiary of SCB, as a vehicle for us to venture into the property sector. SPSB has in turn set-up a 51% owned subsidiary, Scanwolf Development Sdn Bhd ("SDSB") to carry out the construction activities. A more detailed report is posted under the 'Business Development' section.

On other corporate matters, your Management has decided not to proceed with the construction of a factory in Vietnam to expand our production capacity as originally planned after careful review and taking into consideration the current economic situation. We are now in the process of disposing the land.

Apart from the business issues, during the financial year under review, our Group continued to pursue the recruitment of quality management talent to enhance its human capital capability. Continued attention was 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 Group believes that human capital is most important for the future development of SCB into an established and stable Group.

In terms of corporate governance, your Board decided to merge the Nomination Committee and Remuneration Committee into a single committee to be more effective. The Group 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.

The Group also continued to play its part in being a good corporate citizen by its contributions to schools, colleges, youth bodies, sports associations and charitable organizations for them to carry out their various programmes. Among those that received our support are two (2) schools, a sports association and the Fire & Rescue Department's Workers' Association in Perak.

FINANCIAL PERFORMANCE

The financial year 2012 was a difficult year for your Company. This was generally caused by the deteriorating world economic conditions and other critical factors mentioned earlier. In 2012, the Group achieved revenue of RM36.9 million against RM41.7 million in the preceding year, representing a drop of about 11.5%. While local sales remain largely unchanged as compared to preceding year, export sales eased to 58% of total revenue as compared to 64% in 2011. A major drop in our export sales was to a Middle East country as a result of economic sanctions by the United States. This has resulted in the Group making a net loss of RM928, 000 for the financial year under review.

At the close of the financial year on March 31, 2012, our Group's shareholders' fund stood at RM44.3 million. The cash flow and working capital situation remains at a healthy level as we move into the new financial year.

DIVIDEND

The Company is not proposing any dividend payment in the forthcoming Annual General Meeting.

BUSINESS DEVELOPMENT

During the financial year, your Company has taken steps to diversify into property development business with the formation of two (2) companies, namely, Scanwolf Properties Sdn Bhd ("SPSB"), a wholly owned subsidiary, and Scanwolf Development Sdn Bhd, a 51% owned subsidiary of SPSB. Both companies were formed for the purpose of venturing into property development business.

On May 26, 2011, its wholly-owned subsidiary, Scanwolf Properties Sdn Bhd signed 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 Buildings which is part of a mixed development project. The proposed development of the shop-office units will be undertaken by Scanwolf Development Sdn Bhd.

On January 20, 2012 its subsidiary, Scanwolf Development Sdn Bhd, signed a Joint Venture Agreement with SQ Land Sdn Bhd to undertake the proposed development of One Hundred and Twenty-Eight (128) plots of mixed development land into Five (5) units of shophouses and One Hundred and Twenty Three (123) units of terrace houses located in Mukim Bidor, Daerah Batang Padang, State of Perak Darul Ridzuan.

On February 9, 2012, its wholly-owned subsidiary, SPSB, entered into a sale and purchase agreement with Kinta Real Estate Sdn Bhd for the proposed acquisition of 511 leasehold vacant development plots identified as P.T. Nos. 16097 to 16607 held under the respective titles, all within Mukim and District of Kampar, State of Perak for a total cash consideration of RM13,000,000. The proposed acquisition was approved by the shareholders at the Extraordinary General Meeting held on April 9, 2012.

Also approved at the Extraordinary General meeting is the proposed diversification of the existing core businesses of the Group into property development. Your Board of Directors is confident that the proposed diversification of the core businesses of the Group into property development will help the Company to improve its earnings and provide better returns to the Company in the near future

MOVING FORWARD – PROSPECTS AND OUTLOOK

Amidst the uncertain global economic and financial crisis, particularly in the Eurozone, furniture manufacturing and property development activities in Malaysia and countries that we export to are expected to stabilize. Despite the challenging circumstances, the Group continues to be fundamentally strong with healthy financials and we will strive to remain competitive moving forward.

Our Group will continue its strategies of further entrenching our products across all furniture and building material market segments, to further expand our geographical reach both in the domestic and international markets.

With the wealth of experience and expertise the Management has in the plastic extrusion business coupled with the still expanding domestic and international demands of plastic extrusion products, your Management remains bullish that our plastic extrusion business is still a viable one. However, newer strategies have to be adopted to improve efficiency and productivity in its production processes, its marketing efforts and in particular its product pricing.

Our strategic shift into the property development sector is expected to contribute to the Group's profit over the medium to longer term. Nevertheless, this shift is also designed to create a link to the existing core business in the shorter term as the Management is exploring supplying building materials, furniture and fittings and related products to the houses built by the Group through its subsidiary companies.

In view of the current global financial and economic uncertainties, the Group will continue to practice prudent management, ensure cost effectiveness, improve staff development and productivity and implement good business practices and strategies to meet challenges ahead.

ACKNOWLEGEMENT

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

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 stand the Group in good stead to meet new challenges in the future.

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

A special word of thanks to our shareholders for their understanding and continued support in the face of current economic uncertainties.

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

NEOH CHOO KEAN
Independent Non-Executive Chairman

STATEMENT ON CORPORATE GOVERNANCE

THE CODE

The Board of Directors of Scanwolf Corporation Berhad ("SCB") appreciates and is committed to the importance of good corporate governance within the Group as it is a fundamental part of discharging its responsibilities to enhance shareholders' value and financial performance of the Group. The Board will undertake steps as far as practical, towards compliance with the recommendations in the Malaysian Code of Corporate Governance ("Code") to ensure that good corporate governance is practiced throughout the Group.

The Board is pleased to report on the main corporate governance practices of the Group for the year ended March 31, 2012.

BOARD OF DIRECTORS ("BOARD")

The Board of SCB undertakes full responsibility of controlling and providing the direction for the Group in formulating policies, setting strategic focus and priorities and overseeing viable investments and the sound operations of the Group.

In compliance with the Listing Requirements, the Board comprises of four (4) executive directors and three (3) independent non-executive directors. The profile of each director is presented on pages 8 to 10 of this Annual Report.

BOARD BALANCE

The Board of SCB has a good combination of directors with appropriate skills in management, operational and decision-making processes 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 judgment on issues of group strategy, performance, resource planning and utilization and standards of conduct.

The Board has nominated the Chairman as Senior Independent Non-Executive Director to whom concerns may be conveyed.

ROLE OF CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

There is a clear accepted division of responsibility between the Non-Executive Chairman of SCB and the Chief Executive Officer ("CEO"). The position of the Chairman and CEO 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 CEO 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 CEO, in his day-to-day management of the Company, is ably assisted by the Executive Directors.

BOARD RESPONSIBILITIES AND DUTIES

During the year under review, 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 judgments 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 principle 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 the applicable standards and laws and regulations.

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

BOARD MEETINGS

Board meetings are planned ahead and the meeting dates are approved in advance by the Board at each quarterly meeting to enable the directors to plan and adjust their schedules to ensure good attendance and the expected degree of attention given to Board agenda. A minimum of four (4) scheduled meetings are planned for the financial year.

The scheduled meetings of the Board are timed to take into account the need to review and deliberate on the Group's quarterly financial results before their announcement to Bursa Malaysia Securities Berhad.

The Board meetings are also scheduled to facilitate review of financial and operational performance of the Group at appropriately paced intervals. Additional meetings are held as and when deemed necessary.

The agenda for the Board meetings are discussed and cleared with the Chairman prior to the meeting dates. All Board papers for consideration are distributed in advance to ensure the directors have sufficient time to prepare for the relevant discussion during the meetings.

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 relevant governmental authorities.

There are four (4) meetings held during the financial year ended March 31, 2012. All Directors attended the four (4) meetings except for Mr. Lim Beng Huat who missed one (1) meeting due to unavoidable circumstances. In addition, the Executive Directors meet regularly to discuss corporate strategy, 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 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 28 of this annual report.

- **Nomination And Remuneration Committee**

  During this financial year, the Board decided to merge the remuneration and the nomination committees for more effective utilisation of resources. The new committee consists of three (3) Directors of which two (2) are Independent Non-Executive Directors. The Chairman is an Independent Non-Executive Director.

  The Committee's duties and responsibilities include:-

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

  II. Assessing and recommending suitable candidate for directorship and ensuring an appropriate Board succession plan 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.

IV. Reviewing and recommending to the Board the remuneration 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.

V. 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 awarded to them base on the Group's financial performance.

VI. Evaluating and recommending 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.

During the year under review, the Nomination and Remuneration Committee met a total of four (4) times, attended by all members of the Committee except for Mr. Lim Beng Huat who missed one (1) meeting.

SUPPLY OF INFORMATION

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

The Board members are supplied with 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 item to be deliberated.

The Directors have the consent of the Board, whether acting as full Board or in their individual capacity to take independent 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 retirement of Directors by rotation seeking re-election at the Annual General Meeting are recommended by the Remuneration and Nomination Committee to the Board for approval.

  New members of the Board will be encouraged to undergo an in-house company training programme to familiarise 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 appointed 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.

  The Articles of Association also provide that all Directors shall retire at least once in 3 years.

DIRECTORS' REMUNERATION

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

Details of the Directors' remuneration for the financial year ended March 31, 2012 are as follows:-

Category	Fees RM	Salaries RM	Benefits In Kind RM	Other Emoluments RM	Total RM
Executive Directors	60,000	928,800	68,965	261,162	1,318,927
Non-Executive Directors	83,000	-	-	-	83,000
Total	143,000	928,800	68,965	261,162	1,401,927

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
250,001 to 300,000	1	-
300,001 to 350,000	2	-
400,001 to 450,000	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 statements present a true a fair assessment of the state of affairs and are in accordance with applicable and approved accounting standards in Malaysia and the provision 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 the Listing Requirements of Bursa Malaysia Securities Berhad.

  The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

- **Directors' Responsibility Statement in respect of the Financial Statement**

  The Directors are required under the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with applicable approved accounting standards and give a true a fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

  The Directors are satisfied that in preparing the financial statements of the Group and Company for the financial year ended March 31, 2012, the Group has used the appropriate accounting policies and applied them consistently. The Directors are also of the view that the relevant approved accounting standards have been followed in the preparation of these financial statements.

- **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 for financial year ending March 31, 2012, will act 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 will report to the Board's Audit Committee which reviews the tasks and results of the audit assignment periodically. The Internal Auditor will operate independently from the management of the Group.

  In line with the requirements 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 external auditors continue to provide independent assurance to shareholders on the Group's 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 Audit Committee meetings as and when required apart from the scheduled meetings. 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 Executive Directors.

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 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.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Scanwolf Corporation Berhad (“SCB”) recognises the initiatives taken by the Government and Bursa Malaysia 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 values towards achieving the fiscal goals of the Group, while at the same time aligning with the aspirations of society, local community and other stakeholders in general.

At SCB, we are also conscious of the environment we operate in and continuously seek to equip our employees, with the tools and skills they need to effectively support the organisation. We are also committed to society at large, contributing in meaningful ways to make a difference in their lives.

It is with this underlying appreciation that SCB presents the CSR Statement for the financial year ended March 31, 2012.

Human Resource Development

SCB believes that employees with good knowledge, competent skills and positive attitude are among the cornerstones for its continuous success. Thus we actively create opportunities for our employees to develop and realise their true potential through formal and informal training opportunities, whether on the job or outside the job. This includes participation in external or internally organised trainings in various job related areas.

Employee performance review is conducted for each employee on an annual basis. The objective of the performance review is to provide a systematic and comprehensive approach in evaluation of employee performance in relation to competencies and agreed deliverables. The outcome of the review is used to establish the employees’ development plan, training needs, career aspirations and appropriate remuneration package.

To achieve better working relationship among colleagues, annual events such as staff annual dinner, team building programmes and short holiday trips are organised to foster better unity and understanding among the workforce.

Safety And Health

The Occupational Safety and Health policy in SCB is committed to the provision of a safe and healthy working environment for employees in the Group. The Occupational Safety and Health Committee was set up as part of the Group’s plan to ensure a healthy and safe working environment for the employees. The Committee is chaired by the Human Resource Manager, who reports directly to the Executive Director who is responsible for Human Resource Department, and its members include employees from various departments of the Company. The Committee ensures that all initiatives on safety and health implemented by the Group are appropriately adhered to.

Environmental Management

As part of the CSR agenda, we strive to minimise any adverse impact our operation may have on the environment and to achieve continuous improvement with regards to our factory’s environmental performance.

Industrial wastes are properly disposed of by licensed industrial waste collector on a regular and systematic manner. Recyclable items such as carton boxes, plastic containers and wooden pallets are sold off and the proceeds use for the benefit of the staff.

Community

As a responsible corporate citizen, SCB has from time to time made financial contributions and donations to various organisations and schools. SCB places great importance in educating and providing healthy sporting and social activities for the young in our country and as part of its corporate social responsibility, SCB has contributed financially to schools, colleges, youth bodies, sports associations and charitable organisations for them to carry out their various programmes.

For this year, two (2) schools, a state sports association and Fire and Rescue Department Workers' Association received the company's support

Our Commitment

Scanwolf Corporation Berhad will continue to enhance its commitment towards Corporate Social Responsibility to ensure that all stakeholders will be able to benefit from our existence.

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 and Remuneration Committee.

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 May 25, 2012 and has been reviewed by the external auditors.

AUDIT COMMITTEE REPORT

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

Terms of reference of the Audit Committee

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 being reduced to below 3, the vacancy must be filled within 3 months.

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.

Functions

The key functions of the Audit Committee are to review the interim quarterly results and the annual audited financial statements and to make the appropriate recommendations to the Board of Directors. In addition, the Audit Committee will review the reports of the internal auditors as well as those of the external auditors and to instruct management to take the appropriate actions to rectify whatever shortcomings reported. All significant breaches especially those in contravention of existing rules and regulations and laws will be reported to the Board of Directors and the regulatory authorities where appropriate.

The Audit Committee will review related party transactions on a quarterly basis to ensure that such transactions are not at a disadvantage to the Group and where appropriate, have the prior approval of the disinterested shareholders at a general meeting.

The Audit Committee will also review the adequacy of the internal controls and identify risks to ensure that inadequacies of internal controls and risks are rectified or mitigated.

The Audit Committee will meet with the external auditors at least twice a year without the presence of the Management.

Procedures

The Audit Committee shall regulate its procedures 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 necessary for the transaction of business at an Audit Committee meeting shall be two and the majority of members present must be independent directors;

e) Questions arising at any Audit Committee meeting shall be decided by the 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.

Summary of activities

The Committee members and details of attendance of each member at committee meeting during financial year ended March 31, 2012, are 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	3 out of 4

The following is a summary of the activities carried out by the Audit Committee during the financial year ended March 31, 2012:-

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.

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, 2012, 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 May 25, 2012.

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, 2012 involving Directors' and major shareholders' interests.

- **Sanctions and/or Penalties**

  During the financial year ended March 31, 2012, 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, 2012 amounted to RM3,000.00 for advisory services rendered.

- **Share Buy-Back**

  Details of the shares repurchased and held as Treasury Shares are presented on page 31.

- **Option, Warrants or Convertible Securities**

  The Group did not issue options, warrants or convertible securities during the financial year ended March 31, 2012.

- **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.

DIRECTORS' REPORT

The Directors of SCANWOLF CORPORATION BERHAD hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended March 31, 2012.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 15 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
Loss for the year	(1,154,636)	(120,023)
Loss attributable to:		
Owners of the Company	(928,094)	(120,023)
Non-controlling interests	(226,542)	-
	(1,154,636)	(120,023)

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 2.00 sen per ordinary share, tax-exempt, amounting to RM1,520,720 proposed in respect of the financial year ended March 31, 2011 and dealt with in the previous Directors' report, was paid by the Company on September 13, 2011.

The Directors do not propose any final dividend in respect of current financial year.

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 20, 2011, 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, 2011	2,647,000	0.42	0.30	0.39	1,029,122
April 2011	418,900	0.43	0.42	0.43	181,502
May 2011	511,800	0.44	0.44	0.44	226,343
June 2011	216,000	0.44	0.44	0.44	95,853
July 2011	98,500	0.45	0.43	0.44	43,823
August 2011	71,800	0.47	0.42	0.45	32,530
December 2011	19,000	0.35	0.35	0.36	6,780
January 2012	10,000	0.37	0.37	0.38	3,785
February 2012	47,000	0.42	0.37	0.40	18,926
	4,040,000				1,638,664

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 have 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 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.

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. Lim Beng Huat and Mr. Lau Tiang Hua 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:

Registered in the name of Directors	Number of ordinary shares of RM0.50 each
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	1,967,999

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 20 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,
May 25, 2012

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, 2012 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 page 37 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 is 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. 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, 2012 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 35 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.

Other Matters

This report is made solely to the members of the Company, 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.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

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

May 25, 2012

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2012

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Revenue	5	36,946,645	41,691,419	960,000	3,300,000
Investment revenue	7	8,890	2,494	538,145	228,460
Other gains and losses	8	342,037	(468,452)	-	-
Other operating income		117,047	136,972	-	-
Changes in inventories of finished goods and work-in-progress		(1,175,774)	134,468	-	-
Raw materials and consumables used		(19,088,246)	(21,984,315)	-	-
Purchase of finished goods		(2,079,534)	(2,458,052)	-	-
Directors' remuneration	9	(1,332,962)	(1,195,320)	(1,332,962)	(1,195,320)
Employee benefits expenses	10	(5,479,559)	(5,336,881)	-	-
Depreciation of property, plant and equipment	14	(3,779,981)	(3,485,743)	-	-
Finance costs		(377,329)	(152,715)	-	-
Other operating expenses		(4,958,878)	(4,994,793)	(257,206)	(163,495)
(Loss)/Profit before tax	10	(857,644)	1,889,082	(92,023)	2,169,645
Income tax (expense)/credit	12	(296,992)	(411,870)	(28,000)	599
(LOSS)/PROFIT FOR THE YEAR		(1,154,636)	1,477,212	(120,023)	2,170,244
Other comprehensive income:					
Gain arising from revaluation of properties		1,537,434	-	-	-
Net (loss)/gain arising on revaluation of available-for-sale financial asset during the year		(20,800)	44,000	-	-
Other comprehensive income for the year		1,516,634	44,000	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		361,998	1,521,212	(120,023)	2,170,244

(Forward)

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
(Loss)/Profit attributable to:					
Owners of the Company		(928,094)	1,477,212	(120,023)	2,170,244
Non-controlling interests		(226,542)	-	-	-
		(1,154,636)	1,477,212	(120,023)	(2,170,244)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		588,540	1,521,212	(120,023)	2,170,244
Non-controlling interests		(226,542)	-	-	-
		361,998	1,521,212	(120,023)	2,170,244
(Loss)/Earnings per share:					
Basic	13	(1.22 sen)	1.87 sen		
Diluted	13	(1.22 sen)	1.87 sen		

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

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2012

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	28,351,542	27,052,306	-	-
Investment in subsidiaries	15	-	-	21,924,076	21,824,076
Other investment	16	124,000	144,800	-	-
Total non-current assets		28,475,542	27,197,106	21,924,076	21,824,076
Current assets					
Inventories	17	9,101,830	9,986,463	-	-
Property development projects	18	1,791,114	-	-	-
Trade and other receivables	19	23,446,243	13,143,632	367,449	374,653
Amount owing by subsidiaries	20	-	-	18,113,578	20,453,097
Other financial asset	21	44,950	-	-	-
Current tax assets	12	233,873	676,894	4,300	17,420
Cash and bank balances	22	2,448,495	3,406,060	104,062	99,763
Total current assets		37,066,505	27,213,049	18,589,389	20,944,933
Total assets		65,542,047	54,410,155	40,513,465	42,769,009
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	23(a)	40,000,000	40,000,000	40,000,000	40,000,000
Treasury shares	23(b)	(1,638,664)	(1,029,122)	(1,638,664)	(1,029,122)
Reserves	24	5,934,591	6,866,771	1,918,932	3,559,675
Equity attributable to owners of the Company		44,295,927	45,837,649	40,280,268	42,530,553
Non-controlling interests	25	(177,542)	-	-	-
Total equity		44,118,385	45,837,649	40,280,268	42,530,553

(Forward)

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Non-current liabilities					
Hire-purchase payables	26	1,112,403	69,115	-	-
Deferred tax liabilities	27	4,066,378	3,474,873	-	-
Total non-current liabilities		5,178,781	3,543,988	-	-
Current liabilities					
Trade and other payables	28	3,368,140	4,342,601	233,197	238,456
Hire-purchase payables	26	345,637	235,917	-	-
Borrowings	29	9,258,914	450,000	-	-
Progress billings		3,259,190	-	-	-
Current tax liability	12	13,000	-	-	-
Total current liabilities		16,244,881	5,028,518	233,197	238,456
Total liabilities		21,423,662	8,572,506	233,197	238,456
Total equity and liabilities		65,542,047	54,410,155	40,513,465	42,769,009

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2012

		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	Subtotal RM	Non-controlling Interests RM	Total Equity RM
Balance as of April 1, 2010		40,000,000	(95,346)	(19,524,076)	2,035,339	1,482,638	-	23,330,180	47,228,735	-	47,228,735
Profit for the year		-	-	-	-	-	-	1,477,212	1,477,212	-	1,477,212
Other comprehensive income for the year		-	-	-	-	-	44,000	-	44,000	-	44,000
Total comprehensive income for the year		-	-	-	-	-	44,000	1,477,212	1,521,212	-	1,521,212
Payment of dividends	30	-	-	-	-	-	-	(1,978,522)	(1,978,522)	-	(1,978,522)
Buy-back of ordinary shares	23(b)	-	(933,776)	-	-	-	-	-	(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	-	45,837,649
Loss for the year		-	-	-	-	-	-	(928,094)	(928,094)	(226,542)	(1,154,636)
Other comprehensive income for the year		-	-	-	-	1,537,434	(20,800)	-	1,516,634	-	1,516,634
Total comprehensive income for the year		-	-	-	-	1,537,434	(20,800)	(928,094)	588,540	(226,542)	361,998
Issuance of shares to non-controlling interests		-	-	-	-	-	-	-	-	49,000	49,000
Payment of dividends	30	-	-	-	-	-	-	(1,520,720)	(1,520,720)	-	(1,520,720)
Buy-back of ordinary shares	23(b)	-	(609,542)	-	-	-	-	-	(609,542)	-	(609,542)
Balance as of March 31, 2012		40,000,000	(1,638,664)	(19,524,076)	2,035,339	3,020,072	23,200	20,380,056	44,295,927	(177,542)	44,118,385

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	Retained Earnings (Accumulated Loss) RM	Total Equity RM
Balance as of April 1, 2010		40,000,000	(95,346)	2,035,339	1,332,614	43,272,607
Profit and total comprehensive income for the year		-	-	-	2,170,244	2,170,244
Payment of dividends	30	-	-	-	(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
Loss and total comprehensive loss for the year		-	-	-	(120,023)	(120,023)
Payment of dividend	30	-	-	-	(1,520,720)	(1,520,720)
Buy-back of ordinary shares	23(b)	-	(609,542)	-	-	(609,542)
Balance as of March 31, 2012		40,000,000	(1,638,664)	2,035,339	(116,407)	40,280,268

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012

	Note	The Group 2012 RM	2011 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
(Loss)/Profit for the year		(1,154,636)	1,477,212
Adjustments for:			
Depreciation of property, plant and equipment		3,779,981	3,485,743
Allowance for slow moving inventories		571,965	237,415
Finance costs		377,329	152,715
Income tax expense recognised in profit or loss		296,992	411,870
Revaluation deficit on property, plant and equipment		164,546	-
Impairment loss recognised on trade receivables		699	47,925
Gain on disposal of property, plant and equipment		(278,998)	(146,997)
Doubtful debts on trade receivables recovered		(49,314)	(27,141)
Fair value gain on financial derivatives		(44,950)	-
Unrealised (gain)/loss on foreign exchange - net		(37,198)	110,187
Investment revenue		(8,890)	(2,494)
Interest income		(256)	(249)
Property, plant and equipment written off		-	18,666
Tax penalty		-	2,438
		3,617,270	5,767,290
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		312,668	(409,549)
Property development projects		(1,791,114)	-
Trade and other receivables		(4,358,820)	(1,080,521)
Increase/(Decrease) in:			
Trade and other payables		(974,461)	220,696
Progress billings		2,672,470	-
Cash (Used In)/Generated From Operations		(521,987)	4,497,916
Income tax refunded		385,743	89,425
Interest income received		256	249
Income tax paid		(147,687)	(323,847)
Net Cash (Used In)/Generated From Operating Activities		(283,675)	4,263,743

	Note	The Group 2012 RM	The Group 2011 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		279,000	147,000
Proceeds from issuance of shares to non-controlling interests		49,000	-
Dividend income from quoted investment		5,400	-
Interest received from fixed and short-term deposits		3,490	2,494
Deposit paid for acquisition of land		(5,200,000)	-
Purchase of property, plant and equipment	32(a)	(1,643,853)	(1,406,168)
Deposit paid for purchase of property, plant and equipment		(131,050)	-
Acquisition of quoted shares		-	(100,800)
Net Cash Used In Investing Activities		(6,638,013)	(1,357,474)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from bankers' acceptances		6,050,000	226,000
Dividends paid		(1,520,720)	(1,978,522)
Repurchase of own shares		(609,542)	(933,776)
Repayment of hire-purchase payables		(396,992)	(332,234)
Finance costs paid		(354,735)	(152,715)
Net Cash From/(Used In) Financing Activities		3,168,011	(3,171,247)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,753,677)	(264,978)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,406,060	3,671,038
Effect of changes in exchange rate on foreign currency translation		37,198	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	32(b)	(310,419)	3,406,060

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012 (cont'd)

	Note	The Company 2012 RM	2011 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
(Loss)/Profit for the year		(120,023)	2,170,244
Adjustments for:			
Income tax expense/(credit) recognised in profit or loss		28,000	(599)
Investment revenue		(538,145)	(228,460)
Dividend income		-	(2,400,000)
		(630,168)	(458,815)
Movements in working capital:			
Decrease/(Increase) in trade and other receivables		7,204	(7,204)
(Decrease)/Increase in trade and other payables		(5,259)	17,070
Cash Used in Operations		(628,223)	(448,949)
Income tax paid		(14,880)	(7,220)
Income tax refunded		-	9,199
Net Cash Used in Operating Activities		(643,103)	(446,970)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Dividends received from a subsidiary		1,600,000	2,000,000
Repayment from subsidiaries - net		739,519	1,165,877
Interest received from advances granted to subsidiaries		538,145	228,460
Investment in a subsidiary		(100,000)	-
Net Cash Generated From Investing Activities		2,777,664	3,394,337
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(1,520,720)	(1,978,522)
Repurchase of own shares		(609,542)	(933,776)
Net Cash Used In Financing Activities		(2,130,262)	(2,912,298)
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,299	35,069
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		99,763	64,694
CASH AND CASH EQUIVALENTS AT END OF YEAR	32(b)	104,062	99,763

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 15.

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 May 25, 2012.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS

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

Adoption of new and revised FRSs and IC Interpretations ("IC Int.")

During the financial year, the Group and the Company adopted all new and revised FRSs and IC Int. issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for accounting periods beginning on or after April 1, 2011 as follows:

FRS and IC Int.

FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 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)
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to additional exemptions for first-time adopters)
FRS 3	Business Combinations (Revised in 2010)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 127	Consolidated and Separate Financial Statements (Revised in 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))
Improvements to FRSs (2010)	

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

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 for:

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

The Group has applied FRS 127, Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In addition, on November 19, 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012.

The Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") in their financial statements for the financial year ending March 31, 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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, 2012.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

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 quoted and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

Management income

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

Property development projects

Revenue and cost of property development projects are recognised in the statements of comprehensive income using the percentage of completion method in respect of sales where agreement has been finalised by the end of the reporting period. The percentage of completion is determined based on the proportion that property development projects incurred for work performed to-date bear to the estimated total property development projects.

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. Once the contributions have been paid, the Group has no further payment obligations.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currencies (cont'd)

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.

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 temporary 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation (cont'd)

Deferred tax *(cont'd)*

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.

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 land and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

Depreciation is recognised so as to write off the cost of assets or valuation of assets, 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%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, 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.

Property Development Projects

Property development project consists of the cost of land, direct building costs and related development expenditure incurred less cost recognised in the statements of comprehensive income and allowances for foreseeable loss (if any).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property Development Projects (cont'd)

Property development revenue are recognised, using the percentage of completion method, based on the proportion that property development projects incurred bear to the estimated total costs for the property development, in respect of sales where agreements have been finalised by the end of the financial year.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development projects incurred that is probable of recovery.

Any anticipated loss on a property development project (including costs to be incurred over the defects liability period), is recognised as an expense immediately.

Accrued billings represent the excess of property development revenue recognised in the statements of comprehensive income over the billings to purchasers while progress billings represent the excess of billings to purchasers over property development revenue recognised in the statements of comprehensive income.

Allowance for foreseeable loss (if any) is made based on losses estimated to arise upon the completion of the property development project which are already in progress.

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 in Subsidiaries

Investment in subsidiaries, 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.

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, property development projects and financial assets 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets Excluding Goodwill (cont'd)

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 (or 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 (or 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 (or 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 and spare parts 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 assets and financial liabilities 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.

(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.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

(a) Financial assets *(cont'd)*

(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.

Financial assets of the Group are cash and bank balances, trade and other receivables, other investment and other financial assets.

Financial assets of the Company are cash and bank balances, trade and other receivables and amount owing by subsidiaries.

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

(a) Financial assets *(cont'd)*

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

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)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Financial liabilities and debt and equity instruments issued by the Group and the Company 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.

(iv) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities of the Group are trade and other payables, hire-purchase payables and borrowings.

Financial liabilities of the Company are trade and other payables.

(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.

Property development projects

The Group recognises property development projects in the statements of comprehensive income by using the stage of percentage-of-completion method, which is the standard for similar industries.

The stage of completion is determined by the proportion that property development projects incurred bear to the estimated total costs for the property development. Estimated losses are recognised in full when determined. Property development projects and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the stage of completion, the extent of the property development projects incurred, the estimated total property development revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a project is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustments based on the percentage-of-completion method are reflected in property development revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

(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, 2012 was RM28,351,542 (2011: RM27,052,306).

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

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

(i) Impairment of Property, Plant and Equipment (cont'd)

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, 2012 were RM13,192,727 and RMNil (2011: RM12,362,546 and RM7,204) 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.

(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.

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 (cont'd)

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.

(v) Property development projects

Management is required to estimate the profitability of each property development projects by formulating reasonable assumptions and estimates of each project's budgeted costs and revenue. The assumptions and estimates are reviewed annually or when circumstances on which the original assumptions and estimates were based on have changed.

5. REVENUE

	The Group		The Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Manufacturing sales	33,471,215	38,203,134	-	-
Trading sales	3,475,430	3,488,285	-	-
Management fees received from subsidiaries	-	-	960,000	900,000
Dividend income	-	-	-	2,400,000
	36,946,645	41,691,419	960,000	3,300,000

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 manufacturing, trading and property development 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)

The Group 2012	Manufacturing RM	Trading RM	Property Development RM	Others RM	Eliminations RM	Consolidated RM
Revenue						
External sales	33,471,215	3,475,430	-	-	-	36,946,645
Inter-segment sales	519,370	-	-	1,010,000	(1,529,370)	-
	33,990,585	3,475,430	-	1,010,000	(1,529,370)	36,946,645
Results						
Segment results	(472,547)	272,085	(279,853)	-	-	(480,315)
Finance costs						(377,329)
Loss before tax						(857,644)
Income tax expense						(296,992)
Loss for the year						(1,154,636)
Other information						
Capital expenditure	1,637,154	-	-	-	-	1,637,154
Depreciation of property, plant and equipment	3,779,981	-	-	-	-	3,779,981
Consolidated Statement of Financial Position						
Assets						
Segment assets	55,401,798	1,109,188	7,579,873	-	-	64,090,859
Unallocated corporate assets						1,451,188
Consolidated total assets						65,542,047
Liabilities						
Segment liabilities	3,998,138	114,800	3,972,432	-	-	8,085,370
Unallocated corporate liabilities						13,338,292
Consolidated total liabilities						21,423,662

6. SEGMENT REPORTING (cont'd)

The Group 2011	Manufacturing RM	Trading RM	Property Development 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)

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	
	2012 RM	2011 RM
Asia	13,991,830	14,997,295
Middle east	6,469,311	10,317,998
Oceania	843,171	672,723
Africa	353,838	318,427
Others	367,007	335,507
Total export	22,025,157	26,641,950
Malaysia	14,921,488	15,049,469
Total revenue	36,946,645	41,691,419

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest income from:				
Fixed and short-term deposits	3,490	2,494	-	-
Dividend income from quoted investment	5,400	-	-	-
Advances granted to subsidiaries	-	-	538,145	228,460
	8,890	2,494	538,145	228,460

8. OTHER GAINS AND LOSSES

	The Group	
	2012 **RM**	**2011** **RM**
Gain on disposal of property, plant and equipment	278,998	146,997
Realised gain/(loss) on foreign exchange	145,437	(505,262)
Fair value gain on financial derivatives	44,950	-
Unrealised gain/(loss) on foreign exchange - net	37,198	(110,187)
Revaluation deficit on property, plant and equipment	(164,546)	-
	342,037	(468,452)

9. DIRECTORS' REMUNERATION

	The Group and The Company	
	2012 **RM**	**2011** **RM**
Executive Directors:		
Fees	60,000	60,000
Salaries and bonuses	1,025,550	903,000
EPF contributions	164,412	139,320
	1,249,962	1,102,320
Non-executive Directors:		
Fees	83,000	93,000
	1,332,962	1,195,320

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group amounted to RM68,965 (2011: RM64,550).

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

10. (LOSS)/PROFIT BEFORE TAX

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Doubtful debts on trade receivables recovered	49,314	27,141	-	-
Interest income	256	249	-	-
Allowance for slow moving inventories	(571,965)	(237,415)	-	-
Rental of:				
Premises	(204,125)	(191,730)	-	-
Office	(7,500)	-	-	-
Gas cylinder	-	(712)	-	-
Auditors remuneration:				
Statutory audit:				
Current year	(54,000)	(48,000)	(23,000)	(23,000)
Prior year	-	(5,000)	-	(5,000)
Non-audit services	(3,000)	(3,000)	(3,000)	(3,000)
Preliminary expenses written off	(7,204)	-	-	-
Impairment loss recognised on trade receivables	(699)	(47,925)	-	-
Property, plant and equipment written off	-	(18,666)	-	-

Included in employee benefits expenses of the Group are contributions made to EPF of RM336,223 (2011: RM309,401).

11. FINANCE COSTS

	The Group	
	2012 RM	2011 RM
Interest on:		
Bankers' acceptances	187,158	17,523
Hire-purchase	51,586	24,149
Bank overdrafts	22,541	6,161
Bank charges and commission	116,044	104,882
	377,329	152,715

12. INCOME TAX (EXPENSE)/CREDIT

Income tax recognised in profit or loss

	The Group		The Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Income tax comprises:				
Current tax expense in respect of the current year	(110,000)	(171,300)	(28,000)	-
Prior year adjustments recognised in the current year in relation to income tax	(107,965)	(3,436)	-	599
	(217,965)	(174,736)	(28,000)	599
Deferred tax:				
Relating to origination and reversal of temporary differences:				
Current year	(41,000)	(231,000)	-	-
Prior year adjustments recognised in the current year	(67,000)	(23,000)	-	-
	(108,000)	(254,000)	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of property, plant and equipment	28,973	16,866	-	-
(Note 27)	(79,027)	(237,134)	-	-
	(296,992)	(411,870)	(28,000)	599

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

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
(Loss)/Profit before tax	(857,644)	1,889,082	(92,023)	2,169,645
Tax expense calculated using the Malaysian statutory income tax rate of 25% (2011: 25%)	214,000	(472,000)	23,000	(542,000)
Tax effects of:				
Income that is not taxable in determining taxable profit	24,000	7,000	-	600,000
Expenses that are not deductible in determining taxable profit	(293,027)	(121,434)	(51,000)	(32,000)
Unutilised tax losses and unabsorbed tax capital allowances carried forward	(67,000)	-	-	-
Reinvestment allowances utilised	-	185,000	-	-
Expenses available for double deduction	-	42,000	-	-
Loss not available for offset against future taxable income	-	(26,000)	-	(26,000)
Prior year adjustments recognised in the current year in relation to:				
Income tax	(107,965)	(3,436)	-	599
Deferred tax	(67,000)	(23,000)	-	-
Income tax (expense)/ credit recognised in profit or loss	(296,992)	(411,870)	(28,000)	599
Current tax assets				
Tax refund receivable	233,873	676,894	4,300	17,420
Current tax liability				
Income tax payables	13,000	-	-	-

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

As of March 31, 2012, the Company has tax-exempt account balance of approximately RM713,000 (2011: RM633,000). 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, 2012, the subsidiaries have tax credits and tax-exempt accounts balances of approximately RM3,909,000 (2011: RM3,909,000) and RM3,880,000 (2011: RM5,372,000) 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, 2012, a subsidiary has unutilised reinvestment allowances claimed amounting to approximately RM3,642,000 (2011: RM2,922,000) which are available for set-off against future taxable income.

13. (LOSS)/EARNINGS PER SHARE

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

	The Group	
	2012 RM	**2011 RM**
Basic and diluted		
(Loss)/Profit for the year attributable to equity holders of the Company	(928,094)	1,477,212
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	(2,647,000)	(280,900)
	77,353,000	79,719,100
Effect of shares repurchased	(1,206,458)	(655,058)
Weighted average number of ordinary shares in issue	76,146,542	79,064,042
	2012	**2011**
Basic and diluted (loss)/earnings per ordinary share (sen)	(1.22)	1.87

14. PROPERTY, PLANT AND EQUIPMENT

The Group 2012	Cost or valuation At beginning of year RM	Additions RM	Revaluation RM	Disposals RM	Reclassification RM	At end of year RM
At valuation:						
Factory buildings	8,190,000	30,100	229,627	-	621,273	9,071,000
Long-term leasehold land	300,000	-	50,000	-	-	350,000
Short-term leasehold land	2,280,000	-	280,000	-	-	2,560,000
At cost:						
Factory buildings	598,773	22,500	-	-	(621,273)	-
Plant and machinery	28,154,872	786,556	-	-	357,390	29,298,818
Plant and machinery under hire-purchase	357,390	-	-	-	(357,390)	-
Moulds	4,171,817	320,874	-	-	-	4,492,691
Motor vehicles	2,171,521	1,600	-	(638,083)	156,548	1,691,586
Motor vehicles under hire-purchase	910,869	1,911,096	-	-	(156,548)	2,665,417
Office equipment	245,601	61,699	-	-	-	307,300
Computers	298,646	25,652	-	-	-	324,298
Furniture, fixtures and fittings	269,910	5,661	-	-	-	275,571
Tools and equipment	475,954	6,150	-	-	-	482,104
Electrical installation	487,571	13,545	-	-	-	501,116
Air-conditioners	191,382	8,420	-	-	-	199,802
Signboard	16,294	-	-	-	-	16,294
Renovation	30,537	-	-	-	-	30,537
Total	49,151,137	3,193,853	559,627	(638,083)	-	52,266,534

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

The Group 2012	Accumulated depreciation — At beginning of year RM	Charge for the year RM	Revaluation RM	Disposals RM	Reclassification RM	At end of year RM
At valuation:						
Factory buildings	806,114	206,449	(1,010,175)	-	41,525	43,913
Long-term leasehold land	18,038	3,562	(21,236)	-	-	364
Short-term leasehold land	248,357	51,357	(294,328)	-	-	5,386
At cost:						
Factory buildings	41,525	-	-	-	(41,525)	-
Plant and machinery	13,546,063	2,449,989	-	-	119,130	16,115,182
Plant and machinery under hire-purchase	83,391	35,739	-	-	(119,130)	-
Moulds	3,366,360	410,407	-	-	-	3,776,767
Motor vehicles	2,045,088	54,714	-	(638,081)	119,385	1,581,106
Motor vehicles under hire-purchase	580,234	431,365	-	-	(119,385)	892,214
Office equipment	117,065	23,112	-	-	-	140,177
Computers	254,888	16,853	-	-	-	271,741
Furniture, fixtures and fittings	203,098	10,339	-	-	-	213,437
Tools and equipment	307,508	30,835	-	-	-	338,343
Electrical installation	302,265	43,696	-	-	-	345,961
Air-conditioners	144,553	9,186	-	-	-	153,739
Signboard	13,231	590	-	-	-	13,821
Renovation	21,053	1,788	-	-	-	22,841
Total	22,098,831	3,779,981	(1,325,739)	(638,081)	-	23,914,992

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

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	Net book value 2012 RM	Net book value 2011 RM
At valuation:		
Factory buildings	9,027,087	7,383,886
Long-term leasehold land	349,636	281,962
Short-term leasehold land	2,554,614	2,031,643
At cost:		
Factory buildings	-	557,248
Plant and machinery	13,183,636	14,608,809
Plant and machinery under hire-purchase	-	273,999
Moulds	715,924	805,457
Motor vehicles	110,480	126,433
Motor vehicles under hire-purchase	1,773,203	330,635
Office equipment	167,123	128,536
Computers	52,557	43,758
Furniture, fixtures and fittings	62,134	66,812
Tools and equipment	143,761	168,446
Electrical installation	155,155	185,306
Air-conditioners	46,063	46,829
Signboard	2,473	3,063
Renovation	7,696	9,484
Total	28,351,542	27,052,306

Certain leasehold land and buildings of the Group with total carrying value of RM1,846,143 and RM8,827,460 (2011: RM1,468,488 and RM7,761,134) respectively are charged to local licensed banks for facilities granted to the Group as mentioned in Note 29.

The leasehold land and buildings of the Company were revalued by the Directors on February 24 and February 28, 2012 based on valuations carried out by Mr. Heng Kiang Hai, registered valuer of CH Williams Talhar & Wong, an independent firm of professional valuers using the "Open Market Value on Existing Use" basis. The resulting revaluation surplus amounting to RM1,537,434 (net of deferred tax of RM512,478) 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	
	2012 RM	2011 RM
Cost:		
Leasehold land	2,004,968	2,004,968
Factory buildings	7,455,988	7,030,273
	9,460,956	9,035,241
Accumulated depreciation:		
Leasehold land	546,465	510,942
Factory buildings	1,691,297	1,165,968
	2,237,762	1,676,910
Carrying amounts	7,223,194	7,358,331

15. INVESTMENT IN SUBSIDIARIES

	The Company	
	2012 RM	2011 RM
Unquoted shares, at cost	21,924,076	21,824,076

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	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
Scanwolf Properties Sdn. Bhd.	Malaysia	100	-	Property development.

15. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
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.
Held through Scanwolf Properties Sdn. Bhd.				
Scanwolf Development Sdn. Bhd.	Malaysia	51	-	Property development.

16. OTHER INVESTMENT

	The Group 2012 RM	The Group 2011 RM
Available-for-sale investment carried at fair value:		
Quoted shares in Malaysia	124,000	144,800

The quoted shares above is classified as Level 1 and fair value measurement is derived from quoted price (unadjusted) in active market.

17. INVENTORIES

	The Group 2012 RM	The Group 2011 RM
Raw materials	3,231,176	3,093,779
Finished goods	3,213,077	3,729,285
Work-in-progress	2,787,150	3,270,495
Packing materials and spare parts	679,807	130,319
	9,911,210	10,223,878
Less: Allowance for slow moving inventories	(809,380)	(237,415)
	9,101,830	9,986,463

17. INVENTORIES (cont'd)

The cost of inventories recognised as an expense during the year for the Group was RM31,665,409 (2011: RM33,990,600).

An allowance for slow moving inventories of RM571,965 (2011: RM237,415) was recognised by the Group during the year.

Movement in the allowance for slow moving inventories is as follows:

	The Group	
	2012 RM	**2011 RM**
Balance at beginning of year	237,415	-
Amount recognised during the year	571,965	237,415
Balance at end of year	809,380	237,415

18. PROPERTY DEVELOPMENT PROJECTS

Property development projects comprise the followings:

	The Group	
	2012 RM	**2011 RM**
At beginning of year	-	-
Development costs incurred during the year	1,791,114	-
At end of year	1,791,114	-

Property development projects of the subsidiary comprise the development costs in respect of Joint Development Agreements as follows:

(a) On May 26, 2011, Scanwolf Properties Sdn. Bhd., entered into a Joint Development Agreement ("JDA 1") with an independent third party ("Landowner 1") for the development of a parcel of leasehold land located in Kampar, Perak Darul Ridzuan held under HS(D) 8508 to HS(D) 8551 for No. PT20153 to PT20196, Mukim of Kampar, District of Kinta, Perak Darul Ridzuan measuring approximately 2.58 acres. The development of the project is undertaken by the subsidiary.

The salient features of JDA 1 are as follows:

(i) Landowner 1 is entitled to 2 units of shoplots amounted to RM1,990,998 and a sum of RM6,009,002; and

(ii) The subsidiary would be entitled to all remaining profit of the development after deduction of landowner's entitlement.

Based on JDA 1, the subsidiary is required to pay an advance of RM3,000,000 to landowner as part of the total landowner's entitlement as disclosed in Note 19 to the financial statements during the financial year.

18. PROPERTY DEVELOPMENT PROJECTS (cont'd)

(b) On January 26, 2012, the subsidiary entered into a Joint Development Agreement ("JDA 2") with an independent third party ("Landowner 2") for the development of a parcel of land located in Bidor, Perak Darul Ridzuan held under HS(D) 15463 to HS(D) 15590 for No. PT7445 to PT7572, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan measuring approximately 12.65 acres.

The salient features of JDA 2 are as follows:

(i) Landowner 2 is entitled to a sum of between 12% to 20% of the sales proceeds with a total minimum entitlement of not less than RM4,051,760; and

(ii) The subsidiary would be entitled to all remaining profits of the development after deduction of landowner's entitlement.

Upon signing of JDA 2, the subsidiary is required to pay a deposit of RM800,000 to landowner as part of the total landowner's entitlement as disclosed in Note 19 to the financial statements during the financial year.

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade receivables	13,263,526	12,600,050	-	-
Less: Allowance for doubtful debts	(106,319)	(395,757)	-	-
	13,157,207	12,204,293	-	-
Other receivables	87,550	210,283	-	7,204
Less: Allowance for doubtful debts	(52,030)	(52,030)	-	-
	35,520	158,253	-	7,204
Refundable deposits	499,600	498,650	352,450	352,450
Loans and receivables	13,692,327	12,861,196	352,450	359,654
Advance payment for:				
Acquisition of plant and machinery	165,000	33,950	-	-
Acquisition of land	5,200,000	-	-	-
Landowners' entitlement	3,800,000	-	-	-
Purchase of raw materials	334,098	160,458	-	-
Prepaid expenses	254,818	88,028	14,999	14,999
	23,446,243	13,143,632	367,449	374,653

19. TRADE AND OTHER RECEIVABLES (cont'd)

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 amount receivable for the sale of goods and amounts receivable from progress billings to customers. Certain trade transactions for sale of goods were on cash terms and credit period granted for remaining trade transactions ranged from 30 days to 120 days (2011: 30 days to 120 days). Credit period for progress billings to customers is 14 days.

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

Refundable deposits of the Group and of the Company include down payments for acquisition of leased industrial land in Vietnam of RM352,450 (2011: RM352,450).

During the financial year, the Group entered a sale and purchase agreement to purchase 511 leasehold vacant development land at District of Kampar, Perak Darul Ridzuan for a total consideration of RM13,000,000. Deposit of RM1,300,000 and advance payment of RM3,900,000 was paid for the said acquisition.

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

	The Group		The Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Ringgit Malaysia	6,499,277	5,073,583	-	7,204
United States Dollar	4,042,609	4,923,450	-	-
United Arab Emirates Dirham	2,297,919	2,448,541	-	-
Singapore Dollar	511,271	333,178	-	-
Chinese Renminbi	-	28,669	-	-
Euro	-	2,571	-	-
New Taiwan Dollar	-	341	-	-
	13,351,076	12,810,333	-	7,204

An allowance has been made for estimated irrecoverable amounts of trade receivables and other receivables of RM106,319 and RM52,030 (2011: RM395,757 and RM52,030) respectively based on the default experience of the Group.

Movement in the allowance for doubtful debts is as follows:

	The Group	
	2012 RM	**2011 RM**
Trade receivables		
Balance at beginning of year	395,757	374,973
Amounts recovered during the year	(49,314)	(27,141)
Amount written off during the year	(240,823)	-
Impairment loss recognised on receivables	699	47,925
Balance at end of year	106,319	395,757
Other receivables		
Balance at beginning and end of year	52,030	52,030

19. TRADE AND OTHER RECEIVABLES (cont'd)

Ageing of impaired trade and other receivables are as follows:

	The Group	
	2012 RM	2011 RM
Trade receivables		
More than 120 days	106,319	395,757
Other receivables		
More than 120 days	52,030	52,030

Included in trade receivables of the Group are receivable with total carrying amount of RM5,877,861 (2011: 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	
	2012 RM	2011 RM
1 - 30 days	20,834	155,187
31 - 60 days	59,973	154,682
61 - 90 days	214,061	549,876
91 - 120 days	187,653	1,304,464
More than 120 days	5,395,340	2,870,466
	5,877,861	5,034,675

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.

20. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS

The amount owing by subsidiaries represents advances granted with interest rates which range from 1.50% to 7.10% (2011: 1.00%) per annum which are collectible upon demand.

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

	The Company	
	2012 RM	2011 RM
Subsidiaries		
Repayment of advances received	11,435,000	-
Advances granted	10,000,000	-
Management fee received	960,000	900,000
Interest on advances granted received/receivable (Note 7)	538,145	228,460
Dividend received/receivable	-	2,400,000

21. OTHER FINANCIAL ASSET

	The Group	
	2012 RM	2011 RM
Derivative financial asset - foreign currency forward contracts	44,950	-

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuation on foreign receipts and payments.

22. CASH AND BANK BALANCES

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Ringgit Malaysia	1,751,651	2,627,651	104,062	99,763
United States Dollar	569,605	760,141	-	-
Singapore Dollar	95,681	-	-	-
Euro	29,937	16,284	-	-
Others	1,621	1,984	-	-
	2,448,495	3,406,060	104,062	99,763

23. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

	The Group and The Company			
	2012 Number of ordinary shares	2011 Number of ordinary shares	2012 RM	2011 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 20, 2011, 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, 2011	2,647,000	0.42	0.30	0.39	1,029,122
April 2011	418,900	0.43	0.42	0.43	181,502
May 2011	511,800	0.44	0.44	0.44	226,343
June 2011	216,000	0.44	0.44	0.44	95,853
July 2011	98,500	0.45	0.43	0.44	43,823
August 2011	71,800	0.47	0.42	0.45	32,530
December 2011	19,000	0.35	0.35	0.36	6,780
January 2012	10,000	0.37	0.37	0.38	3,785
February 2012	47,000	0.42	0.37	0.40	18,926
	4,040,000				1,638,664

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

During the financial year, the Company repurchased a total of 1,393,000 (2011: 2,366,100) of its issued shares from the open market for a total cost of RM609,542 (2011: RM933,776). The average price paid for the shares repurchased during the year was RM0.44 (2011: RM0.39) 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, 2012, 4,040,000 (2011: 2,647,000) out of the total of 80,000,000 (2011: 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, 2012 after excluding the Treasury Shares is 75,960,000 (2011: 77,353,000).

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		The Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Non-distributable reserves				
Share premium	2,035,339	2,035,339	2,035,339	2,035,339
Properties revaluation reserve	3,020,072	1,482,638	-	-
Investment revaluation reserve	23,200	44,000	-	-
Reverse acquisition reserve	(19,524,076)	(19,524,076)	-	-
	(14,445,465)	(15,962,099)	2,035,339	2,035,339
Distributable reserve				
Retained earnings/ (Accumulated loss)	20,380,056	22,828,870	(116,407)	1,524,336
	5,934,591	6,866,771	1,918,932	3,559,675

(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 (2011: RM1,564,661).

24. RESERVES (cont'd)

(b) Properties revaluation reserve

	The Group	
	2012 **RM**	**2011** **RM**
At beginning of year	1,482,638	1,482,638
Increase arising on revaluation of properties	2,049,912	-
Deferred tax liability arising on revaluation	(512,478)	-
At end of year	3,020,072	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 disposed asset is effectively realised, and is transferred directly to retained earnings.

(c) Investment revaluation reserve

	The Group	
	2012 **RM**	**2011** **RM**
At beginning of year	44,000	-
Net (loss)/gain arising on revaluation of available-for-sale financial asset	(20,800)	44,000
At end of year	23,200	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	
	2012 **RM**	**2011** **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.

25. NON-CONTROLLING INTERESTS

	The Group	
	2012 RM	**2011 RM**
Balance at beginning of year	-	-
Issuance of shares to non-controlling interest in Scanwolf Development Sdn. Bhd.	49,000	-
Share of loss for the year	(226,542)	-
	(177,542)	-

26. HIRE-PURCHASE PAYABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Amounts payable under hire-purchase arrangements:				
Within one year	407,649	245,105	345,637	235,917
In the second to fourth year inclusive	1,204,113	70,890	1,112,403	69,115
	1,611,762	315,995	1,458,040	305,032
Less: Future finance charges	(153,722)	(10,963)	-	-
Present value of hire-purchase payables	1,458,040	305,032	1,458,040	305,032
Less: Amount due within 12 months (shown under current liabilities)			(345,637)	(235,917)
Non-current portion			1,112,403	69,115

26. HIRE-PURCHASE PAYABLES (cont'd)

The non-current portion is repayable as follows:

	The Group	
	2012 RM	2011 RM
Financial years ending March 31:		
2013	-	57,235
2014	315,575	11,880
2015	318,988	-
2016	334,280	-
2017	143,560	-
	1,112,403	69,115

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 (2011: 3 years). For the financial year ended March 31, 2012, the average effective borrowing rate was 5.34% (2011: 6.43%) 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 and certain hire-purchase payables are guaranteed by the Company and a director of the Company.

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

27. DEFERRED TAX LIABILITIES

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

	The Group	
	2012 RM	2011 RM
Deferred tax assets	210,000	100,000
Deferred tax liabilities	(4,276,378)	(3,574,873)
	(4,066,378)	(3,474,873)

27. DEFERRED TAX LIABILITIES (cont'd)

The Group 2012	At beginning of year RM	Revaluation surplus RM	Recognised in profit or loss RM	At end of year RM
Deferred tax assets				
Allowance for slow moving inventories	60,000	-	142,000	202,000
Unrealised gain/(loss) on foreign exchange	27,000	-	(36,000)	(9,000)
Unutilised tax losses and unabsorbed tax capital allowances	13,000	-	4,000	17,000
	100,000	-	110,000	210,000
Deferred tax liabilities				
Property, plant and equipment	(2,860,000)	-	(218,000)	(3,078,000)
Property revaluation reserve	(714,873)	(512,478)	28,973	(1,198,378)
	(3,574,873)	(512,478)	(189,027)	(4,276,378)

The Group 2011	At beginning of year RM	Revaluation surplus RM	Recognised in profit or loss RM	At end of year RM
Deferred tax assets				
Allowance for slow moving inventories	-	-	60,000	60,000
Unrealised loss on foreign exchange	98,000	-	(71,000)	27,000
Unutilised tax losses and unabsorbed tax capital allowances	17,000	-	(4,000)	13,000
	115,000	-	(15,000)	100,000
Deferred tax liabilities				
Property, plant and equipment	(2,621,000)	-	(239,000)	(2,860,000)
Property revaluation reserve	(731,739)	-	16,866	(714,873)
	(3,352,739)	-	(222,134)	(3,574,873)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The estimated amount of unabsorbed tax capital allowances and unutilised tax losses which are not recognised in the financial statements due to uncertainty of its realisation. The unabsorbed tax capital allowances and unutilised tax losses are available for offset against future chargeable income.

27. DEFERRED TAX LIABILITIES (cont'd)

Deferred tax assets not recognised at the reporting date:

	The Group	
	2012 RM	2011 RM
Unutilised tax losses and unabsorbed tax capital allowances	67,000	-

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade payables	1,849,748	2,750,596	-	-
Other payables	794,930	1,029,769	26,353	28,153
Accrued expenses	555,122	562,236	206,844	210,303
	3,199,800	4,342,601	233,197	238,456
Deposits received from shoplots buyers	168,340	-	-	-
	3,368,140	4,342,601	233,197	238,456

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 (2011: 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 cash terms are applied for construction work.

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		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Ringgit Malaysia	2,369,351	2,845,153	26,353	28,153
United States Dollar	263,692	913,263	-	-
Singapore Dollar	11,635	19,247	-	-
Euro	-	2,440	-	-
Chinese Renminbi	-	262	-	-
	2,644,678	3,780,365	26,353	28,153

29. BORROWINGS

	The Group 2012 RM	The Group 2011 RM
Secured:		
Bankers' acceptances	6,500,000	450,000
Bank overdraft	2,758,914	-
	9,258,914	450,000
Less: Amount due within 12 months (shown under current liabilities)	(9,258,914)	(450,000)
	-	-

The average effective interest rates are as follows:

	The Group 2012 %	The Group 2011 %
Bankers' acceptances	3.92	2.98
Bank overdraft	7.10	-

The Group's banking facilities with licensed banks amounting to RM15,850,000 (2011: RM9,750,000) are secured by:

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

(b) Facility agreement of RM10,250,000 (2011: RM10,250,000).

The facilities are further guaranteed by the Company.

30. DIVIDENDS

	The Group and The Company			
			Net dividend per share	
	2012 RM	2011 RM	2012 sen	2011 sen
Final tax-exempt dividend of 2.00 sen per ordinary share for financial year 2011 (1.50 sen per ordinary share for financial year 2010)	1,520,720	1,190,832	2.00	1.50
Interim tax-exempt dividend of 1.00 sen per ordinary share for financial year 2011	-	787,690	-	1.00
	1,520,720	1,978,522	2.00	2.50

30. DIVIDENDS (cont'd)

A final dividend of 2.00 sen per ordinary share, tax-exempt, amounting to RM1,520,720 proposed in respect of the financial year ended March 31, 2011 and dealt with in the previous Directors' report, was paid by the Company on September 13, 2011.

The Directors do not propose any final dividend in respect of current financial year.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Financial assets				
Loans and receivables:				
Trade and other receivables	13,692,327	12,861,196	352,450	359,654
Amount owing by subsidiaries	-	-	18,113,578	20,453,097
Cash and bank balances	2,448,495	3,406,060	104,062	99,763
Available-for-sale asset				
- other investment	124,000	144,800	-	-
Derivative financial assets				
- foreign currency forward contract	44,950	-	-	-
Financial liabilities				
Amortised cost:				
Trade and other payables	3,199,800	4,342,601	233,197	238,456
Hire-purchase payables	1,458,040	305,032	-	-
Borrowings	9,258,914	450,000	-	-

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and 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.

31. 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 enters 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 19, 22 and 28.

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 USD strengthens 2% against the RM. For a 2% weakening of USD against the RM, there would be a comparable impact on the profit, and the balances below would be negative.

	The Group Profit or loss	
	2012 RM	**2011 RM**
USD impact	86,970	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.

31. 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 sensitivity analysis

At the end of the reporting period, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM27,589 higher/lower arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(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.

At the end of the reporting period, the Group and the Company are subject to significant concentration of credit risk as 61% (2011: 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 19.

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of credit facilities granted to a subsidiary. The Company monitors on an ongoing basis the trend of repayments made by the subsidiary.

The maximum exposure to credit risk amounts to RM9,299,148 (2011: RM450,000) representing the outstanding balance of credit and hire-purchase facilities of the subsidiary in which financial guarantees are given as of the end of the reporting date.

At the end of the reporting date, there was no indication that the subsidiary would default on repayment.

31. 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 RM9,282,000 (2011: 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 2012	**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	124,000	-	-	124,000
Trade and other receivables	13,692,327	-	-	13,692,327
Cash and bank balances	2,448,495	-	-	2,448,495
Derivative financial asset:				
Foreign currency forward contracts	44,950	-	-	44,950
Total undiscounted financial assets	16,309,772	-	-	16,309,772
Non-derivative financial liabilities:				
Trade and other payables	3,199,800	-	-	3,199,800
Hire-purchase payables	407,649	1,204,113	-	1,611,762
Borrowings	9,258,914	-	-	9,258,914
Total undiscounted non-derivative financial liabilities	12,866,363	1,204,113	-	14,070,476
Total net undiscounted financial assets/ (liabilities)	3,443,409	(1,204,113)	-	2,239,296

31. 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 Group 2011	**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	245,105	70,890	-	315,995
Borrowings	450,000	-	-	450,000
Total undiscounted non-derivative financial liabilities	5,037,706	70,890	-	5,108,596
Total net undiscounted non-derivative financial assets/(liabilities)	11,374,350	(70,890)	-	11,303,460

The Company 2012	**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	352,450	-	-	352,450
Amount owing by subsidiaries	18,113,578	-	-	18,113,578
Cash and bank balances	104,062	-	-	104,062
Total undiscounted non-derivative financial assets	18,570,090	-	-	18,570,090
Non-derivative financial liabilities:				
Trade and other payables	233,197	-	-	233,197
Total net undiscounted non-derivative financial assets	18,336,893	-	-	18,336,893

31. 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 2011	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	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 2011.

The capital structure of the Group and of the Company consists of net debt and equity of the Group and of the Company.

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

Fair Values of Financial Instruments

Foreign exchange forward contracts

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding at the reporting date are as follows:

The Group

	Foreign currency		Notional value		Fair value	
	2012	2011	2012 RM	2011 RM	2012 RM	2011 RM
Outstanding contracts						
Sell USD	1,750,000	-	5,475,710	-	44,950	-

The fair values are calculated by reference to the current rates for contracts with similar maturity profiles.

Financial instruments carried at amortised cost

The carrying amounts of short-term financial assets and financial liabilities approximate their respective 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 16.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group

2012	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial derivatives - foreign currency forward contracts	-	44,950	-	44,950

There were no transfers between Levels 1 and 2 in 2012.

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

Fair Values of Financial Instruments (cont'd)

Available-for-sale financial assets

The Group 2012	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Quoted shares	124,000	-	-	124,000

There were no transfers between Levels 1 and 2 in 2012.

32. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

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

	The Group	
	2012 RM	**2011 RM**
Cash purchase	1,643,853	1,406,168
Hire-purchase financing	1,550,000	50,000
	3,193,853	1,456,168

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

For the purposes of the statements of cash flows, cash and cash equivalents include cash and bank balances net of outstanding bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		**The Company**	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Cash and bank balances	2,448,495	3,406,060	104,062	99,763
Bank overdraft	(2,758,914)	-	-	-
	(310,419)	3,406,060	104,062	99,763

33. CAPITAL COMMITMENTS

As of March 31, 2012, the Group has the following capital commitment in respect of capital expenditure:

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Land held for future development:				
Approved and contracted for	7,800,000	-	-	-
Property, plant and equipment:				
Approved and contracted for	247,500	357,200	-	-
	8,047,500	357,200	-	-
Property, plant and equipment:				
Approved but not contracted for	1,620,420	1,620,420	1,620,420	1,620,420

34. OPERATING LEASE ARRANGEMENTS

Operating leases relates to leases of office, warehouse and hostels with lease terms which range from 1 to 2 years (2011: 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.

Payment recognised as an expense:

	The Group	
	2012 RM	2011 RM
Minimum lease payments	204,125	191,730

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

	The Group	
	2012 RM	2011 RM
Within one year	118,160	175,395
In the second to fifth year inclusive	18,340	85,800
	136,500	261,195

35. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as of March 31, 2012 into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	The Group		The Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Total retained earnings/ (accumulated loss) of the Company and its subsidiaries				
Realised	23,588,324	25,643,870	(116,407)	1,524,336
Unrealised	(3,269,357)	(2,760,000)	-	-
	20,318,967	22,883,870	(116,407)	1,524,336
Add: Consolidation adjustments	61,089	(55,000)	-	-
Total retained earnings/ (accumulated loss) as per statements of financial position	20,380,056	22,828,870	(116,407)	1,524,336

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.

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, 2012 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 35, 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,
May 25, 2012

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 25th day of May, 2012.

Before me,

S. LETCHUMI DEVI, No. A080
COMMISSIONER FOR OATHS

LIST OF GROUP'S PROPERTIES

Item	Location	Description	Usage	Area	Tenure	Age of Buildings (Years)	Net Book Value 31-Mar-12 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	16 and 9	7,365,685	24 February 2012
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	6	3,307,918	24 February 2012
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	6	908,099	24 February 2012
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	349,636	28 February 2012

ANALYSIS OF SHAREHOLDINGS
AS AT JUNE 26, 2012

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 26, 2012
(Excludig 4,040,000 Treasury Shares)

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	3	0.23	150	0.00
100 - 1,000	319	24.15	290,800	0.38
1,001 - 10,000	616	46.63	3,053,250	4.02
10,001 - 100,000	317	24.00	10,776,300	14.19
100,001 to less than 5% of issued shares	60	4.54	24,558,499	32.33
5% and above of issued shares	6	0.45	37,281,001	49.08
Total	1,321	100.00	75,960,000	100.00

Directors' Interest for Ordinary Shares As At June 26, 2012
(Excludig 4,040,000 Treasury Shares)

	Direct	%	Indirect	%
LEUK SING KING	3,836,981	5.05	4,537,000	5.97 *
LOO BIN KEONG	21,858,440	28.78	2,030,000	2.67 **
TAN SIN KEAT	7,673,981	10.10	700,000	0.92 ***
TEOH TEIK KEAN	1,967,999	2.59	-	-
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 26, 2012
(Excludig 4,040,000 Treasury Shares)

	No. of shares			
	Direct	%	Indirect	%
LEUK SING KING	3,836,981	5.05	4,537,000	5.97 *
LOO BIN KEONG	21,858,440	28.78	2,030,000	2.67 **
TAN SIN KEAT	7,673,981	10.10	700,000	0.92 ***
NG CHOI HA	3,911,599	5.15	-	-

* 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 26, 2012
(Excludig 4,040,000 Treasury Shares)

	Names	Holdings	
		No.	%
1	LOO BIN KEONG	11,229,240	14.78
2	LOO BIN KEONG	10,629,200	13.99
3	NG CHOI HA	3,911,599	5.15
4	TAN SIN KEAT	3,837,000	5.05
5	LEUK SING KING	3,836,981	5.05
6	TAN SIN KEAT	3,836,981	5.05
7	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEUK SING KING	2,637,000	3.47
8	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD - PLEDGED SECURITIES ACCOUNT FOR LOO BIN KEONG (IPO-SFC)	2,000,000	2.63
9	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD - PLEDGED SECURITIES ACCOUNT FOR LEUK SING KING (IPO-SFC)	1,000,000	1.32
10	FOO CHONG MING	1,000,000	1.32
11	TEOH TEIK KEAN	1,000,000	1.32
12	TEOH TEIK KEAN	967,999	1.27

30 Largest Securities Account Holders for Ordinary Shares As At June 26, 2012
(Excludig 4,040,000 Treasury Shares) (cont'd)

	Names	Holdings	
		No.	%
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB BANK FOR LEUK SING KING (MY0667)	900,000	1.18
14	GERALD JOHN RICHARDS	802,800	1.06
15	TAN YEAN CHOW	760,000	1.00
16	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD - PLEDGED SECURITIES ACCOUNT FOR TAN SIN KEAT (IPO-SFC)	700,000	0.92
17	FOO CHONG CHIN	628,000	0.83
18	OW KOK CHEE	560,000	0.74
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEE BENG CHONG (E-BBB)	553,900	0.73
20	TA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR HAR LAI KENG	523,900	0.69
21	LIEW CHIN LEONG	508,000	0.67
22	KONG CHOY WAN	500,000	0.66
23	LIEW PENG CHUEN @ LIEW AH CHOY	500,000	0.66
24	YAW CHUN FOOK	500,000	0.66
25	YAW CHUN FOOK	500,000	0.66
26	AIBB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LIM GEOK ENG MARY	400,000	0.53
27	LIM GEOK ENG MARY	400,000	0.53
28	LOO MING TECK	391,600	0.52
29	GO WINSTON DY	370,300	0.49
30	WONG LAI FUN	369,000	0.49
		55,753,500	73.40

FORM OF PROXY

SCANWOLF®

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

CDS Account No.	No. of shares held

I/We ____ Tel: ________________

(Full name in block, NRIC No./Company No. and telephone number)

of ____

being a member/members of SCANWOLF CORPORATION BERHAD, hereby appoint:-

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and /or (delete as appropriate)

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company to be held at Menglembu – 6A, Level 6, Kinta Riverfront Hotel & Suites, Jalan Lim Bo Seng, 30000 Ipoh, Perak Darul Ridzuan on Friday, August 24, 2012 at 10:00 a.m. and at any adjournment thereof, and to vote as indicated below:-

Resolution		For	Against
1.	Adoption of Audited Financial Statements for the financial year ended March 31, 2012		
2.	To approve the payment of Directors' fees		
3.	Re-election of Director – Lau Tiang Hua		
4.	Re-election of Director – Lim Beng Huat		
5.	To appoint Auditors and to authorise the Directors to fix their remuneration		
6.	Proposed Amendments to the Articles of Association of the Company		
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		

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.

Dated this ______ day of ________________ 2012.

____
Signature of Shareholder/Common Seal

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company. A member shall not be entitled to appoint more than two proxies to attend at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A (1) of SICDA.
5. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall 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 forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 69 (2) of the Articles of Association of the Company and Paragraph 7.16 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 16 August 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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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