TOYO VENTURES HOLDINGS BERHAD

(Company No. 202001001322 (1357641-P))

2021

LAPORAN TAHUNAN

ANNUAL REPORT

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second (2nd) Annual General Meeting ("AGM") of Toyo Ventures Holdings Berhad ("the Company") will be held at Langkawi Room, 1st Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 10 March 2022, at 10.30 a.m. or at any adjournment thereof for the transaction of the following businesses: -

AS ORDINARY BUSINESSES: -

1.	To receive the Audited Financial Statements for the financial period ended 30 September 2021 together with the Reports of the Directors and the Auditors thereon.	(Refer Explanatory Note 1)
2.	To approve the additional payment of Directors' Fees and benefits amounting to RM77,750.00 and RM165,500.00 respectively which was in excess of the earlier approved amount for the financial year ended 30 June 2021.	**(Resolution 1)** (Refer Explanatory Note 2)
3.	To approve the payment of Directors' fees of RM210,000.00 in respect of the financial year ending 30 September 2022.	**(Resolution 2)** (Refer Explanatory Note 3)
4.	To approve the payment of Directors' benefit up to RM200,000.00 for the period commencing from the conclusion of the 2nd AGM until the conclusion of the next AGM of the Company.	**(Resolution 3)**
5.	To re-elect the following Directors, who were appointed during the year, who retire pursuant to Clause 119 of the Company's Constitution :-	
	(a) Ms. Chan Kee Eng	**(Resolution 4)**
	(b) Ms. Lim Soek Fun (Lin Shufen)	**(Resolution 5)**
6.	To re-elect Mr. Song Kok Cheong who is retiring pursuant to Clause 114 of the Company's Constitution and being eligible, has offered himself for re-election.	**(Resolution 6)**
7.	**As Special Business:-** To consider and, if thought fit, to pass the following Ordinary Resolution : -	
	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 "THAT subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of any other relevant governmental/regulatory bodies where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue shares in the Company, to such persons, at any time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a General Meeting."	**(Resolution 7)** (Refer Explanatory Note 4)
8.	To transact any other business for which due notice shall have been given.	

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347)
SSM PC No. 202008003125
Company Secretary
Kuala Lumpur
31 January 2022

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend, speak and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.

2. Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares standing to the credit of the said Securities Account.

3. Where a member of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.

4. In the case of a corporate body, the proxy appointed must be in accordance with the Constitution and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of the officer or attorney duly authorised.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the 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.

6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the Resolutions set out in this Notice will be put to vote by poll.

7. For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("MMLR"), a Record of Depositors as at 3 March 2022 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Notes:-

1. **Audited Financial Statements for the financial period ended 30 September 2021**
   The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this agenda is not put forward for voting by shareholders of the Company.

2. **Resolution 1 - Additional Payment of Directors' Fees**

   At the 1st AGM of the Company held on 17 December 2020, the shareholders had approved RM135,000.00 as a Directors' Fees to the Directors of the Company for the financial year ended 30 June 2021.

   On 7 October 2021, the Company had change its financial year end from 30 June 2021 to 30 September 2021. Due to the change in financial year end from a 12 months period to a 15 months period and additional meetings and benefits, the Company wish to seek approval from the shareholders on the shortfall.

3. **Resolution 3 - Payment of Directors' Benefit**
   Pursuant to Section 230 (1) of the Companies Act 2016, the fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting.

   The proposed Directors Benefits payable comprise allowances and other benefits. The total estimated amount of Director's benefit payable is calculated based on the number of scheduled Board's and Board's Committee Meeting from 11 March 2022 (being the day after the 2nd AGM) until the 3rd AGM. In the event, the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

4. **Resolution 7 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**
Resolution No. 7 is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016. The proposed Resolution No. 7, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the interests of the Company up to an aggregate not exceeding ten percent (10%) of the total number of issued shares of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

   The renewed mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisition.

STATEMENT ACCOMPANYING NOTICE OF SECOND (2ND) ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of Main Market Listing Requirements of Bursa Malaysia Securities

1. Pursuant to the Company's Constitution the following Directors are standing for re-election at the 2nd AGM of the Company:-

(a)	Ms. Chan Kee Eng	(Clause 119)
(b)	Ms. Lim Soek Fun (Lin Shufen)	(Clause 119)
(c)	Mr. Song Kok Cheong	(Clause 114)

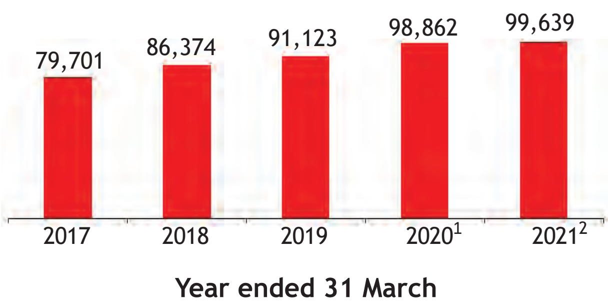
2. No individual is standing for election as a Director at the forthcoming 2nd AGM of the Company other than the Directors seeking for re-election as a Director at the 2nd AGM.

3. The profiles of the Directors who are standing for re-election at the 2nd AGM are set out in the Company's Annual Report 2021.

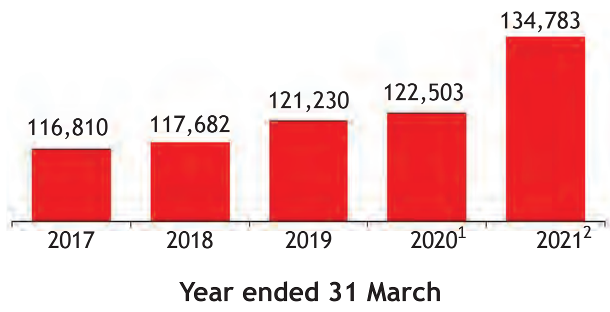
4. The Company will seek shareholder's approval on the AGM to allot and issue shares. Please refer to the proposed Resolution 7 as stated in the Notice of the 2nd AGM of the Company for further details.

FINANCIAL HIGHLIGHTS - 31 MARCH 2017 TO 30 SEPTEMBER 2021

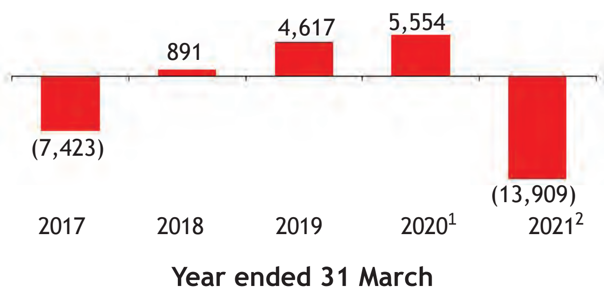
Group Turnover RM('000)



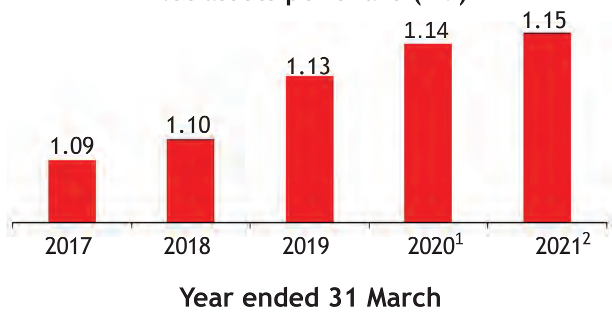
Total Shareholders' Funds RM('000)



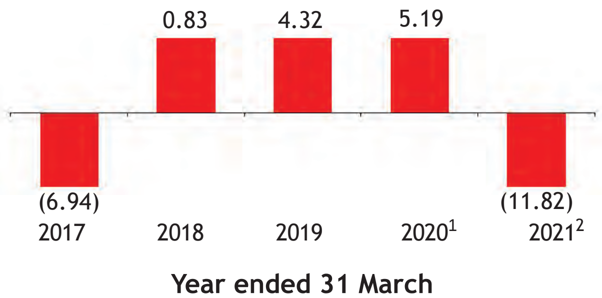
Net profit after tax RM('000)



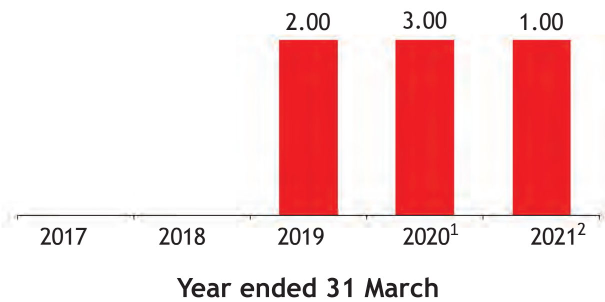
Net assets per share (RM)



Net earnings per share (Sen)



Gross dividend per share (Sen)



	2017	2018	2019	2020	2021
Group Turnover (RM"000)	79,701	86,374	91,123	98,862	99,639
Total shareholders' funds (RM'000)	116,810	117,682	121,230	122,503	134,783
Net assets per share (RM)	1.09	1.10	1.13	1.14	1.15
Net profit after tax (RM'000)	(7,423)	891	4,617	5,554	(13,909)
Net earnings per share (sen)	(6.94)	0.83	4.32	5.19	(11.82)
Gross dividend per share (sen)	0.00	-	2.00	3.00	1.00

Notes

1. The previous financial year end of the Group has been changed from 31 March to 30 June and cover a period of fifteen (15) months from 1 April 2019 to 30 June 2020

2. The current financial year end of the Group has been changed from 30 June to 30 Sep and cover a period of fifteen (15) months from 1 July 2020 to 30 September 2021

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff bin Daud
(Malaysian, aged 76)
Independent Non-Executive Chairman

Tuan Hj. Ir. Yusoff bin Daud is the Independent Non-Executive Chairman of the Board of Directors of Toyo Ventures Holdings Berhad ("TVHB"). He was appointed to the Board on 30 September 2020. He is a member of the Nomination Committee and Audit & Risk Management Committee.

He graduated from the University of Brighton with a Bachelor of Science (Honours) Degree in Electrical Engineering in 1968. He joined the National Electricity Board (LLN), Kota Bharu immediately after his graduation and in 1970 he was posted to Kedah as Assistant Engineer, Consumers. In 1974 he was promoted to District Engineer where he was responsible for the planning and implementation of electricity supply for Northern Kedah and the State of Perlis. In 1977 he took the position of Senior District Manager, Kuala Terengganu where he was responsible for the overall management and operations of electricity supply in the State of Terengganu. From 1979 to 1980 he was attached to Petronas in the Special Projects Department as its Deputy Head responsible for the planning of the Peninsula Gas Utilization Project.

Tuan Haji Ir. Yusoff bin Daud was appointed a Director of Zaidun-Leeng Sdn Bhd in 1981 and was subsequently made Managing Director in 1994, a position which he held until 2002. He was then appointed Chairman of the Board and continues to hold this position up to the present. He is also a Director of Lingkaran Trans Kota Holdings Berhad since 1995.

He has attended all Board meetings held during his tenure in office in the financial period ended 30 September 2021.

He has no conflict of interest with the Company.

Mr. Song Kok Cheong
(Malaysian, aged 69)
Group Managing Director

Mr. Song Kok Cheong is the Group Managing Director of TVHB and was appointed to the Board on 30 September 2020. Mr. Song has more than 40 years' experience in the printing ink and printing related businesses.

Mr Song is the Group Managing Director of TIGB and was appointed to the Board of TIGB on 4 August 2003. He is a member of the Remuneration Committee.

He started his career in 1970 as a printing technician in Federal Metal Printing Company and subsequently joined DIC (M) Sdn Bhd, the world's largest printing ink manufacturer operating in Malaysia, in 1975. He left in 1980 to join Toyo Ink Sdn Bhd and has been instrumental in building up the businesses of Toyo Ink Group Berhad up to the present day.

He has attended all Board meetings held during his tenure in office in the financial period ended 30 September 2021.

He has no conflict of interest with the Company.

Mr. Chew Cheong Loong
(Malaysian, aged 54)
Executive Director

Mr. Chew Cheong Loong is a Non-Independent Executive Director and the Managing Director of EDM Group of Companies and was appointed to the Board of THVB on 30 September 2020. He is a member of the Remuneration Committee. He was appointed as the Executive Director of TIGB on 22 March 2019.

Mr Chew graduated from Institute Technology Jaya, Kuala Lumpur in 1988 with a Diploma in Electrical and Electronics Engineering and obtained certificate in Chartered Institute of Marketing from Stamford College in 1992. He started his career in JVC Electronics (M) Sdn Bhd in 1989 as production technician and promoted as assistant production line leader before joining EDM-Tools (M) Sdn Bhd as a sales engineer in January 1990.

Mr Chew is the first employee in ETSB and responsible for business development in Malaysia for the Precision Mould, Tool & die industries. He went through the whole journey of the company's growth and expansion till present day and is responsible for overall business operations and performance of EDM Group of Companies.

He has attended all Board meetings held during his tenure in office in the financial period ended 30 September 2021.

He does not hold any directorships of public companies and listed issuers.

DIRECTORS' PROFILE

Ms Lim Soek Fun
(Singaporean, aged 40)
Non-Independent Non-Executive Director

Miss Lim Soek Fun is a Non-Independent Non-Executive Director appointed to the Board on 1 April 2021. Ms Lim Soek Fun is a graduate with a Bachelor of Arts degree from Curtin University, Western Australia. She has 10 years of involvement in the printing ink industry and is currently serving as the Managing Director of Toyo Ink Pte. Ltd.

She has attended 5/6 Board meetings held during her tenure in office in the financial period ended 30 September 2021.

She has no conflict of interest with the Company.

Mr. Tham Kut Cheong
(Malaysian, aged 76)
Independent Non-Executive Director

Mr. Tham Kut Cheong is an Independent Non-Executive Director of TVHB and was appointed to the Board on 30 September 2020. He is the Chairman of the Audit & Risk Managmeent, Nomination and Remuneration Committees.

He graduated from University of Malaya in 1970 with a Bachelor of Economics degree and completed his training in accountancy under Deloittes & Co., United Kingdom. He is a fellow of the Institute of Chartered Accountants in Ireland and was admitted to the Malaysian Institute of Accountants in 1980 as a Public Accountant. Upon completing his training he started his own practice, K.C.Tham & Co. in 1980.

He has attended all Board meetings held during his tenure in office in the financial period ended 30 September 2021.

He has no conflict of interest with the Company.

Ms. Chan Kee Eng
(Malaysian, aged 64)
Independent Non-Executive Director

Ms. Chan Kee Eng was appointed to the Board of TVHB as an Independent Non-Executive Director on 1 March 2021. She is also a member of the Audit & Risk Management, Nomination and Remuneration Committees.

Ms. Chan has been working in the banking and finance industry for more than 30 years. In 1984, Ms. Chan Kee Eng joined MUI Finance, a member of Malayan United Industries Berhad, as a Confidential Secretary to the Assistant General Manager. After several years she applied for a transfer to the Loans Department and worked as a Loan Officer in the Credit Supervision Unit.

In 1994, MUI Finance was acquired by Advance Synergy Berhad and renamed as United Merchant Finance Berhad (UMF). In 1998 under UMF, Ms. Chan Kee Eng was appointed as Branch Manager for one of its branches. Later she was transferred to Head Office to head the Credit Supervision Unit handling corporate loans recovery.

She was also appointed to the Board of OCB Berhad as an Independent Non-Executive Director on 1 December 2021.

She has attended all Board meetings held during her tenure in office in the financial period ended 30 September 2021.

She has no conflict of interest with the Company.

Song Hsiao May
(Malaysian, aged 36)
Non-Independent Non-Executive Alternate Director to Song Kok Cheong

Song Hsiao May is a Non-independent Non-Executive Director and Alternate Director to Mr. Song Kok Cheong and was appointed to the Board on 30 September 2020. Song Hsiao May is a graduate with a Master in Business Administration and has a Bachelor Degree in Applied Science of Biotechnology. She has 9 years of involvement in the printing ink industry. In July 2019, she is promoted to the position of General Manager of Toyo Ink Sdn Bhd.

She has not attended any Board meetings held during her tenure in office in the financial period ended 30 September 2021.

She has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. Lim Guan Lee

(Singaporean, aged 71)
Non-Independent Non-Executive Alternate Director to Lim Soek Fun

Mr. Lim Guan Lee is a Non-Independent Non-Executive Director and Alternate Director to Ms Lim Soek Fun appointed to the Board on 1 April 2021. Mr. Lim has more than 40 years of involvement in the printing ink industry and is currently the Chairman of Toyo Ink Pte. Ltd. He is also the Chairman and Managing Director of Lim Keenly Holdings Pte. Ltd.

He has not attended any Board meetings held during his tenure in office in the financial period ended 30 September 2021.

He has no conflict of interest with the Company.

Notes:

None of the Directors has been convicted of any offences within the past five (5) years other than traffic offences.

None of the Directors has any family relationship with any Directors and/or substantial shareholders of the Company, saved as disclosed below:-

(a) Ms. Song Hsiao May is the daughter of Mr. Song Kok Cheong and Madam Fong Po Yin.
(b) Mr. Lim Guan Lee and Ms. Lim Soek Fun are father and daughter.

PROFILES OF SENIOR MANAGEMENT

Mr. Soo Zin Chuen
(Malaysian, aged 42)
Group Financial Controller

Mr Soo joined the Group in August 2013 as Finance and Accounting Manager and was later designated as the Group Financial Controller upon the completion of the Group's Internal Reorganisation in October 2020. He has completed his professional qualification in ACCA and is a member of the Malaysian Institute of Accountants. Prior to joining Toyo Ink Group, Mr. Soo had accumulated 18 years of auditing, finance and accounting related experience in the commerce and public accounting firm.

He does not hold any directorships of public companies and listed issuers. He has no family relationship with any Director and/or major shareholder of the Company.

Ms. Cheong Poh Leng
(Malaysian, aged 61)
Group HR Manager

Ms Cheong joined the Group in March 1998 as Secretary and Personal Assistant to the Managing Director and was re-designated as Administration and Human Resources Manager cum Personal Assistant in May 2003. On 1 February 2016, she was re-designated as Senior Manager for Admin & HR cum Purchasing Department. In November 2020, she was re-designated as the Group Admin and Human Resources Manager upon completion of the internal reorganisation.

Prior to joining the Group she had more than 18 years of working experience in various different companies like architectural firms, educational institution, property development, software integration and clearing house for the Malaysian commodity exchange; holding positions as Confidential Secretary, Administrator and Senior Executive for senior management.

She does not hold any directorships of public companies and listed issuers. She has no family relationship with any Director and/or major shareholder of the Company.

Ms. Song Hsiao May
(Malaysian aged 36)
General Manager, Ink Group

Refer to Directors' Profile on page 7.

Mr. Yap Kim Fatt
(Malaysian, aged 44)
General Manager (Sales & Marketing), EDM-Tools Group

Yap Kim Fatt is the General Manager in Sales and Marketing Division and is responsible to advise and assist the Managing Director within EDM-Tools Group in implementing the strategic plans of the company, identifying new businesses or investment opportunities for the company.

He has more than twenty years of experiences in the wire-cut consumables, Precision Mould and Die related business. He started his career in 1995 at Multi Purpose Holding Berhad before joining Edm-Tools Group as Technical sales Executive in April 1996. In Feb 2010 he was promoted to Deputy General Manager of Edm-Tools (M) Sdn Bhd and subsequently promoted to his current position as General Manager in April 2017.

He does not hold any directorships of public companies and listed issuers. He has no family relationship with any Director and/or major shareholder of the Company.

PROFILES OF SENIOR MANAGEMENT

Mr Heng Lai Koui

(Malaysian, aged 55)

Senior Manager, (Glasurit Division) Ink Group

On March 2012, he joined as Product Manager in Toyo Photo Products Sdn Bhd, responsible for sales of prepress solution including the sale of machineries and consumables. Later in 2015, he was re-designated as Senior Manager in Toyo Ink Group. In January 2020, he was assigned to take charge of Glasurit Car Paints and Finishes Division. Prior to joining Toyo Ink Group he was working in DIC since 1995, as Service Engineer for prepress solution and subsequently in 1997 he was transferred to sales department.

He does not hold any directorships of public companies and listed issuers. He has no family relationship with any Director and/or major shareholder of the Company.

Ms. Fiona Mah Lay Hong

(Malaysian, aged 47)

Senior Manager, (Masterbatch and Ink) Ink Group

Ms. Fiona Mah joined Toyo Ink in 2004 as Senior Sales Executive and was responsible for the sales and marketing of Masterbatch and Ink products in Johor Baru office. In 2010, she was promoted to Deputy Sales Manager after successfully expanded the business opportunities for Toyo Ink in Johor Baru. Prior to joining the Group, Ms. Fiona had more than 8 years of working experience in sales for various companies like Antah Pharma, Bayer Pharmaceuticals and BASF (Malaysia) Sdn Bhd. Currently, she is the Senior Manager for Masterbatch and Ink Division. She is responsible to develop and increase the market share for Masterbatch besides increasing the overall performance of Ink in Johor Baru.

She does not hold any directorship of public companies and listed issuers. She has no family relationship with any Director and/or major shareholder of the Company.

Mr. Tan Ling Huai

(Malaysian, Aged 38)

Senior Manager Johore Branch, EDM-Tools Group

Tan Ling Huai is a Senior Manager of EDM-Tools Group responsible for the sales and operation activities Johore branch. He joined EDM-Tools Group in 2004 and has more than 17 years of experiences in the wire-cut consumables, precision, mould and die related business. In 2017, he graduated with Executive Master in Management from Asia E University.

He does not hold any directorships of public companies and listed issuers. He has no family relationship with any Director and/or major shareholder of the Company.

Ms. Teoh Chin Yee

(Malaysian, Aged 38)

Senior Manager Penang Branch, EDM-Tools Group

Teoh Chin Yee is a Senior Manager of EDM-Tools Group responsible for the sales and operation activities of Penang branch. She joined EDM-Tools Group in November 2007 and has 14 years of experience in laser products, wire-cut consumables, Precision Mold and Die related business. Miss Teoh Chin Yee obtained a higher Diploma in Business Administration from Tunku Abdul Rahman College in 2004. She is currently taking a part time MBA course in Inti International University and College.

She does not hold any directorships of public companies and listed issuers. She has no family relationship with any Director and/or major shareholder of the Company.

PROFILES OF SENIOR MANAGEMENT

Mr. Chiew Siang Yoong

(Malaysian, Aged 49)

Senior Manager (Sales & Marketing), EDM-Tools Group

Chiew Siang Yoong is a Senior Manager of EDM-Tools Group responsible for the Graphite & Machining Division, a core product for EDM-Tools Group. He joined EDM-Tools Group in 2001 and responsible for everything relating to graphite materials and machining.
He has more than twenty years experiences in Precision Mold & Die related business.

He does not hold any directorship of Public Company and Listed issuers. He has no family relationship with any Director and/or major shareholder of the Company.

Mr. Chin Chee Wah

(Malaysian, Aged 44)

Senior Manager (Technical / Engineering Division), EDM-Tools Group

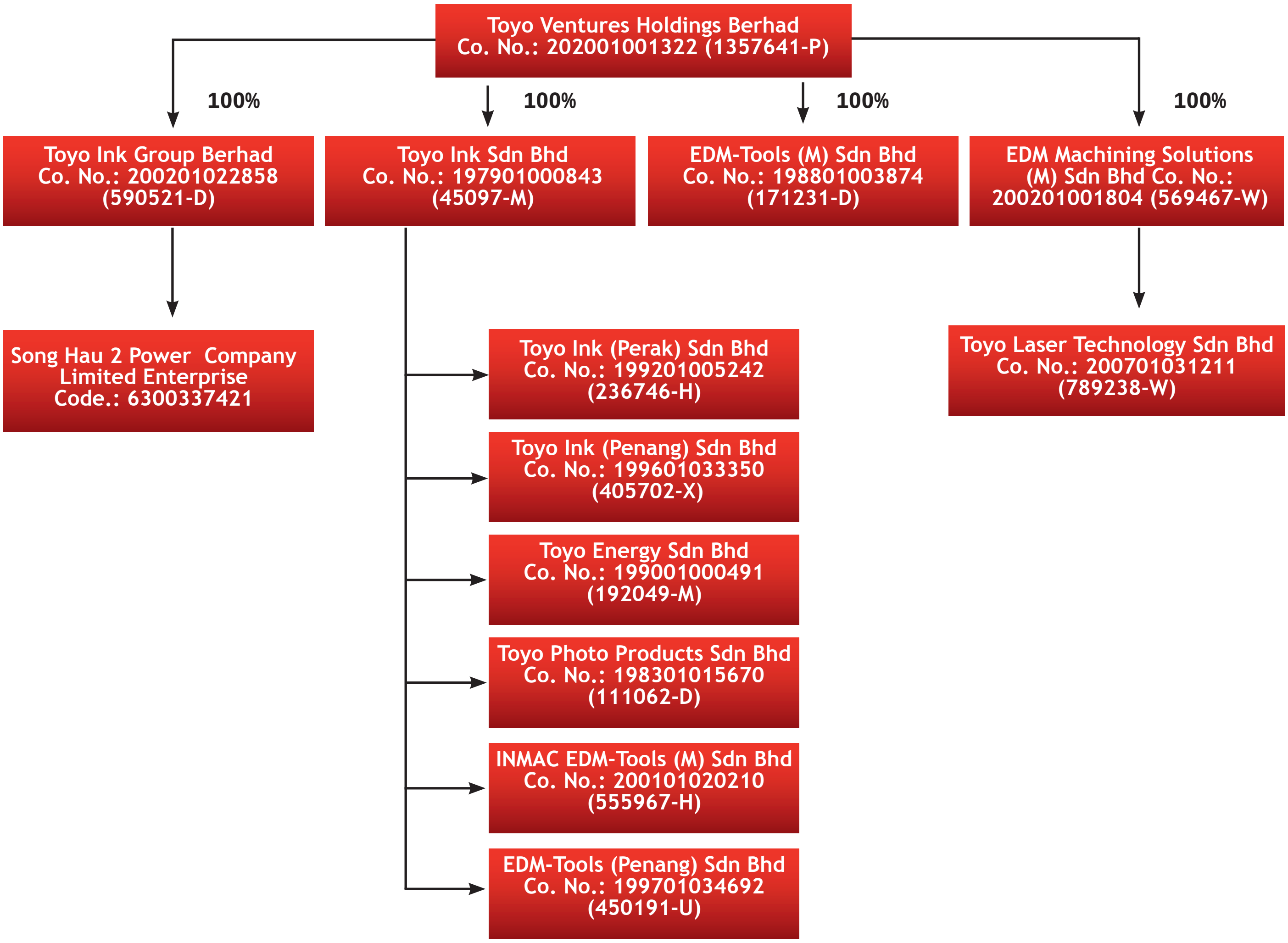
Chin Chee Wah is a Senior Manager of EDM-Tools Group responsible for after sales service of all engineering products - Laser application, measuring equipment, automation and precision machinery. Prior to joining EDM-Tools Group in 2010, he completed his studies at Singapore Ngee Ann PolyTechnics in 2001 with merit in Mechatronics Engineering. Worked as PR in Singapore for Machine Tools Industries for 10 years before posted as Engineering Advisor at Shanghai, Sodick Singapore (China).

He does not hold any directorships of public companies and listed issuers. He has no family relationship with any Director and/or major shareholder of the Company.

Notes:

(a) None of the Senior Management has any conflict of interest with the Company.
(b) None of the Senior Management has been convicted for offences other than traffic offence within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial period ended 30 September 2021.

CORPORATE STRUCTURE



CORPORATE INFORMATION

Board of Directors
Tuan Hj. Ir. Yusoff bin Daud (Chairman)
Song Kok Cheong
Chew Cheong Loong
Lim Soek Fun
Tham Kut Cheong
Chan Kee Eng
Song Hsiao May (alternate to Song Kok Cheong)
Lim Guan Lee (alternate to Lim Soek Fun)

Audit & Risk Management Committee
Tham Kut Cheong (Chairman)
Tuan Hj. Ir. Yusoff bin Daud
Chan Kee Eng

Nomination Committee
Tham Kut Cheong (Chairman)
Tuan Hj. Ir. Yusoff bin Daud
Chan Kee Eng

Remuneration Committee
Tham Kut Cheong (Chairman)
Chan Kee Eng
Song Kok Cheong
Chew Cheong Loong

Company Secretary
Andrea Huong Jia Mei (MIA 36347)
SSM PC No. 202008003125

Registered Office
Lot 4.100, Tingkat 4, Wisma Central
Jalan Ampang, 50450 Kuala Lumpur
Telephone: 03-21619733
Fax: 03-21628157

Solicitors
Tony Chiu & Partners
K.H. Tan & Associates

Principal Place of Business
PT 3477, Jalan 6/1
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan
Telephone: 03-89423335
Fax: 03-89421161

Share Registrar
Insurban Corporate Services Sdn. Bhd.
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Telephone: 03-77295529
Fax: 03-77285948

Auditors
KC Chia & Noor (AF 0922)
229-1 & 2, Jalan Perkasa Satu
Taman Maluri
55100 Cheras, Kuala Lumpur

Principal Bankers
AmBank (M) Berhad
Public Bank Berhad
Industrial and Commercial Bank of China
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd.

Stock Exchange Listing
Bursa Malaysia Securities Berhad
Main Market - Stock Code 7173

CORPORATE INFORMATION

TOYO VENTURES HOLDINGS BERHAD
TOYO INK GROUP BERHAD
TOYO INK SDN BHD

PT 3477, Jalan 6/1,
Kawasan Perusahaan Seri Kembangan,
43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

EDM-TOOLS (M) SDN BHD

6 & 8, Jalan TPP 1/1A,
Taman Industri Puchong, 47100 Puchong,
Selangor Darul Ehsan, Malaysia.

EDM MACHINING SOLUTIONS (M) SDN BHD

10, Jalan TPP 1/1A,
Taman Industri Puchong,
47100 Puchong, Selangor, Malaysia.

TOYO INK SDN BHD (IPOH BRANCH)

17 & 19, Dataran Kledang 4,
Taman Perindustrian Chandran Raya,
31450 Menglembu Perak, Malaysia.

TOYO INK SDN BHD (PENANG BRANCH)

46 & 48, Lorong Mak Mandin 5/1,
Kawasan Perindustrian Mak Mandin,
13400 Butterworth, Penang, Malaysia.

EDM-MACHINING SOLUTIONS (M) SDN BHD
EDM-TOOLS (M) SDN BHD
(JOHOR BRANCH)

36, Jalan Puncak,
Taman Perindustrian Puncak,
81800 Ulu Tiram, Johor, Malaysia.

EDM-TOOLS (M) SDN BHD
EDM MACHINING SOLUTIONS (M) SDN BHD
(PENANG BRANCH)

6, Lorong Industri Sungai Lokan 3,
Taman Industri Sungai Lokan,
13800, Butterworth, Penang, Malaysia.

CORPORATE INFORMATION

**TOYO INK SDN BHD
(JOHOR BRANCH)**

6 & 8, Jalan Bayu 2/5,
Taman Perindustrian Tampoi Jaya,
81200 Johor Bahru, Johor, Malaysia.

**EDM-TOOLS (M) SDN BHD
EDM-MACHINING SOLUTIONS (M) SDN BHD
(MELAKA BRANCH)**

No. 54, Jalan M 6,
Taman Merdeka, Fasa 2,
Batu Berendam, 75350 Melaka, Malaysia.

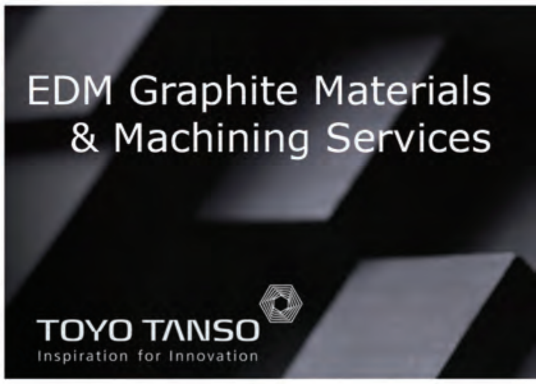
TOYO INK PTE LTD

63, Joo Koon Circle,
Singapore 629076.

SONG HAU 2 POWER COMPANY LIMITED

348, Phu Xuan Hamlet, Mai Dam Town
Chau Thanh District,
Hau Giang Province, Vietnam.

EDM PRODUCTS AND SERVICES



PRODUCTS AND SERVICES

Flexographic ink

Gravure ink

Masterbatch products - colorants

Offset process ink products

Masterbatch products - colorants

Glasurit automotive paints

RODIM Automotive Paint Related Product

TOYO CARE - Disinfectant and Hand Sanitizer

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") provides an analysis of the financial performance and review of the business of Toyo Ventures Holdings ("TVHB" or "the Company") and its subsidiaries for the financial period ended 30 September 2021 ("FPE 2021").

For the financial period ended 30 September 2021, TVHB changed its financial year end from 30 June 2021 to 30 September 2021 and as a result, the Company's financial information presented below covers a 15 months period from 1 July 2020 to 30 September 2021.

The MD&A is the responsibility of the Management and the Board of Directors has reviewed and approved the MD&A for inclusion in this Annual Report.

OVERVIEW

The operations of Toyo Ventures Holdings Berhad are organised into four (4) principal business units:

a. Ink Group
b. EDM-Tools Group
c. Power Generation
d. Investment Holding

Ink Group

The Ink Group organises its principal businesses into three (3) business divisions:

i. Ink Division
ii. Masterbatch Division
iii. Trading Division

Ink Division

This division is principally involved in manufacture of gravure and flexographic ink in Malaysia. Ink manufactured by the Company is supplied to a wide variety of industries which include the consumer goods, industrial products, and printing industries.

Masterbatch Division

This division is principally involved in manufacture of colour masterbatch for Polyolefin application in film blowing, injection moulding, blow moulding and extrusion moulding.

Trading Division

This division is principally involved in trading of consumable and equipment for Graphic Art Industry and also in trading of component automotive refinish system for one of the world leader in refinish technology.

EDM-Tools Group

The EDM-Tools Group organises its principal businesses into three (3) major business divisions:

i. Engineering Division
ii. Consumable Division
iii. CNC Machining and Graphite Division

Engineering Division

This division is principally involved in sales and distribution of electrical discharge machining (EDM) tools and providing solutions to Precision Mould, Tool and Die Industries in productivity improvements.

Consumables Division

This division is principally involved in manufacture of high quality EDM-Tools Cut Wires and trading of consumables products. Cut Wires manufactured by the Company and the consumable products are supplied to a wide variety of customers in the Precision Mould and Die Industries..

CNC Machining and Graphite Division
This division is principally involved in manufacturing and fabrication of EDM graphite electrode and assembling of CNC Machining centres.

Power Generation

The Power Generation Song Hau 2 Power Company Limited (the "BOT Company"), a wholly owned subsidiary of Toyo Ink Group Berhad ("TIGB") was incorporated in Dec 2020 in Vietnam to undertake the development of 2 x 1,060 MW Coal Fired Thermal Power Plant Project in Song Hau Power Complex, Hau Giang Province, Vietnam. In December 2020, TIGB and the BOT Company have executed the Project Agreements for the investment and development of "Song Hau 2 Thermal Power Plant Project" in Vietnam.

In January 2021, TIGB has signed the Investment and Development Agreement ("IDA"), with China Energy Engineering Investment Corporation Limited ("CEEIC") with the aim of providing a framework for the conditions precedent to investment and finalisation of the detailed terms and arrangements for the proposed divestment of TVHB's equity interest in TIGB to CEEIC. Currently, The Group is currently finalising the definitive agreements to be entered into by both parties.

Investment Holding

TVHB is the investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad and wholly owned directly all the active operating subsidiaries upon the completion of the internal reorganisation and internal restructuring of the Group in June 2021.

FINANCIAL PERFORMANCE

The contributions of the respective units to the Group's revenue and profit/(loss) before taxation are as below:

	FY 2021	FY 2020	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue:				
Ink Group	49,419	48,034	1,385	2.9%
EDM-Tools Group	50,222	50,828	(606)	-1.2%
Profit/(loss) Before Tax:				
Ink Group	1,807	1,256	551	43.9%
EDM-Tools Group	3,148	5,211	(2,063)	-39.6%
Power Generation	(13,197)	N/A	(13,197)	-100.0%

Ink Group

The Ink Group recorded an increase in revenue to RM49.42 million in FPE 2021 as compared to RM48.03 million in FPE 2020 mainly contributed by the ink division and the trading division involved in the automotive refinish paints and consumable and equipment for Graphic Art Industry.

The Group operates from the main manufacturing plant in Seri Kembangan, Selangor with Sales Offices located in Prai, Penang, Ipoh and Johor Bahru.

The Ink Group has recorded a profit before tax of RM1.81 million compared to RM1.26 mil in FPE2020 mainly due to the improved performance from all the divisions under Ink Group.

EDM-Tools Group

The EDM-Tools Group recorded revenue of RM50.22 million in FPE 2021 as compared to RM50.83 million in FPE 2020 mainly contributed from the sales in the Engineering, Consumables and CNC Machining Division. The Group operates from the two (2) manufacturing facilities in Puchong, Selangor with Sales Offices located in Prai, Penang, Melaka and Johor Bahru.

EDM-Tools Group recorded a decrease of RM2.06 million in revenue for FPE 2021 compared to FPE 2020 mainly due to lower revenue in the consumables division as the export of EDM Cut Wires were affected from the Covid-19 pandemic. The profit before tax for FPE 2021 reduced to RM3.15 million compared to RM5.21 million in FY2020 as the higher profit before tax achieved in prior financial period ended is from one-off gain on disposal of investment property of RM2.83 million. The Group has continued to achieve the expected results locally due to the strong demand from Group's customers in the semiconductor and mould & die industries.

MANAGEMENT DISCUSSION AND ANALYSIS

Power Generation

The Power Generation Division recorded a loss before taxation of RM12.71 million in the current period ended 30 September 2021 as a result of certain expenditures in relation to the power plant project being expenses off. There is no comparative financial information in prior year as the BOT Company is incorporated during the current financial period ended 30 September 2021.

MANAGING RISKS EXPOSURE

The operations of the Group are exposed to credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group has adopted policies on financial risk management as disclosed in the Statement of Risk Management and Internal Control.

LIQUIDITY AND CAPITAL MANAGEMENT

The Group maintains a healthy level of cash and cash equivalents and credit facilities from financial institutions to fund the Group's short term and long term commitments.

The Group's long term and short term borrowings are principally denominated in Ringgit Malaysia in Malaysia and amounting to RM2.80 million as at 30 September 2021.

As at 30 September 2021, the Group has cash and cash equivalent amounting to RM28.63 million as well as unutilised banking facilities amounting to RM11.40 million. The Group anticipates its cash and cash equivalents and available credit facilities to be sufficient to fund the working capital and capital investment for our business.

Private Placement of shares

On 9 April 2021, the Company completed the issuance of the first tranche of the private placement comprised of 6,450,000 new ordinary shares at an issue price of RM2.35 per share. Subsequently on 16 April 2021, the Company completed the issuance of the second and final trance of the private placement comprised 4,250,000 new ordinary shares at an issue price of RM2.35 per share. The total gross proceeds raised from the above private placement amounted to RM25.15 million.

DIVIDEND POLICY

The Group has adopted a policy of paying an annual dividend of not more than 60 per cent of its consolidated annual net profit and this policy is adopted since financial year ended 31 March 2019.
The Board will evaluate the Group's profitability, long term plans and cash flows position annually before recommending any dividend payment.

- On 10 June 2021, the Group declared an interim single tier dividend of 1 sen per ordinary share amounting to RM1,177,025 in respect of the financial period ended 30 September 2021. The dividend was paid on 30 July 2021.

PROSPECTS

The Board is confident of achieving encouraging performance in FY 2022 based on current market conditions in which are still being affected by the Covid-19 pandemic, disruption of the global chain supply and the volatility of the US Dollar. The Board anticipated the USD dollar to be stable for the near future as volatility of the USD against the Ringgit Malaysia will influence the Group's future earnings especially for the export business under EDM-Tools Group and import of raw materials under the Ink Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement ("CG Overview Statement") represents Toyo Ventures Holdings Berhad ("TVHB") corporate governance practices for the financial period from 1 July 2020 till 30 September 2021 ("the financial period").

The Board of Directors of TVHB ("Board") is committed to ensure that the principles and best practices of the Corporate Governance are observed throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders value.

The Board is fully dedicated to continuously evaluate the Group's Corporate Governance practices and procedures with a view to ensure the principles and recommendations in Corporate Governance as stipulated by the Malaysian Code on Corporate Governance 2017 ("MCCG") are applied and adhered to.

This statement is prepared in compliance with Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the Corporate Governance Report 2021 ("CG Report") which is available at the corporate website at www.toyoventures.com.my

The Board presents this statement to provide an insight into the Corporate Governance practices of TVHB under the leadership of the Board with reference to the following principles:-

A: Board leadership and effectiveness;
B: Effective audit and risk management; and
C: Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

STRATEGIC AIMS, VALUES AND STANDARDS

The Board plays an active role in the development of the Group's overall corporate strategy, marketing and financial plan.

The Board is also responsible to formulate an appropriate succession planning and has entrusted the Nomination Committee and Remuneration Committee with the duty of reviewing the appointment, training and determination of compensation of Senior Management of the Group, as well as assessing the performance of the directors and Committee members, and where appropriate, the appointment of new member of the Board.

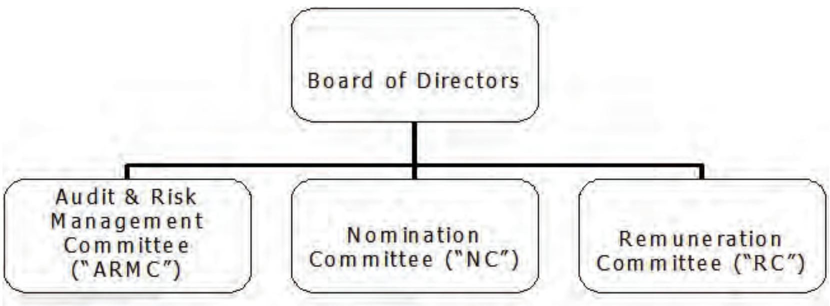
BOARD ROLES AND RESPONSIBILITIES

Toyo Ventures Holdings Berhad ("the Company") and its subsidiaries ("the Group") continues to be led and managed by an effective, active and experienced Board which ensures that the interests of the shareholders and stakeholders are protected by setting out the Group's values and standards.

The Board plays a pivotal role in the stewardship of the Group's direction and operations, including enhancing long-term shareholder value. In order to fulfil this role, the Board is explicitly responsible for reviewing and adopting the Group's strategic plans, overseeing the conduct of the business operations of the Company and the Group, reviewing adequacy of the internal control, identifying principal risks and ensuring that the risks are properly managed, establishing a succession plan, developing a communications policy and reviewing management information and internal control system and promote good Corporate Governance culture within the Group which reinforces ethical, prudent and professional behaviour.

The Management is accountable to the Board and is to fulfill their responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

In order to ensure orderly and effective discharge of the above functions and responsibilities, the Board has also delegated certain responsibilities to the following Board Committees.



The delegation of authority for Board Committees are stipulated in their respective Terms of Reference ("TOR(s)"). The TORs are reviewed periodically to ensure effective and efficient decision making in the Group.

The Board Committees also act as a reviewing committee, evaluating and recommending matters under their purview for the Board to consider and approve. The Board receives reports at its meetings from the Chairman of each Committee on current activities and it is the general policy of the Company that all major decisions shall be considered by the Board as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE CHAIRMAN

Tuan Hj. Ir. Yusoff bin Daud was appointed as the Independent Non-Executive Chairman of the Company. The Chairman has been acting as facilitator at meetings of Directors and ensure smooth functioning of the Board in the interest of good Corporate Governance practice. The Chairman is responsible to provide leadership for the Board so that the Board can perform its responsibilities effectively.

CHAIRMAN AND MANAGING DIRECTOR

The role of the Independent Non-Executive Chairman, Tuan Hj. Ir. Yusoff bin Daud and the Managing Director ("MD"), Mr. Song Kok Cheong are distinct and separate to ensure that there is a balance of power and authority. The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board, while the MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decision. The MD is familiar with the performance and operations of the company's business and also understands the matters affecting the industry and the company in general. The MD is responsible to ensure due execution of strategic goals, effective operation within the Company, and to explain, clarify and inform the Board on matters pertaining to the Company.

QUALIFIED AND COMPETENT COMPANY SECRETARY

The Board had appointed a qualified secretary who is a member of the Malaysian Institute of Accountants and is qualified to act as Company Secretary under Section 235(2)(a) of the Companies Act, 2016.

The Company Secretary is responsible, amongst other, ensure proper preparation of notices of all Board and Board Committees Meetings, attending all Board and Board Committees Meetings and to ensure that accurate and adequate records of the proceedings of meetings and decisions made are properly kept as well as preparation and submission of statutory returns and forms as and when required by the Companies Commission of Malaysia. The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

ACCESS TO INFORMATION AND ADVICE

The Board is provided with appropriate information and comprehensive Board papers 7 days prior to Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. Management is invited to attend the Board and Board Committees meetings and to brief and provide explanations to the Board and Board Committee members on the operations of the Group. Upon conclusion of the meeting, minutes are circulated in a timely manner.

Every Director has unhindered access to the advice and services of the Company Secretary and senior management. The Directors are also empowered to seek independent professional advice at the Company's expense should they consider it is necessary in the furtherance of their duties.

BOARD CHARTER

Board Charter sets out the composition, operation, processes, role and a list of specific functions that are reserved for the Board. It is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. Key matters reserved for the Board's approval includes managing conflict of interest issues, approval of material acquisitions and disposition of assets, corporate plans, annual budgets, new ventures, authority level, dividend policy and significant treasury policies.

The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new rules and regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available at the corporate website at www.toyoventures.com.my.

CODE OF ETHICS & CONDUCT

The Group has established a Code of Ethics and Conduct ("Code") on 29 July 2013.

This Code of Ethics and Conduct sets out the principles and standards of business ethics and conduct of the Group. The Code covers managing conflicts of interest, confidential information, insider information and securities trading, protection of assets and funds, business records and control, compliance with law, personal gifting, health and safety, sexual harassment, outside interest, fair and courteous behaviour and misconduct.

The Board will periodically review and update the Code in accordance with the needs of the Group to ensure that they continue to remain relevant and appropriate.

A summary of the Code is available at the corporate website at www.toyoventures.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

WHISTLE BLOWING POLICY

The Group has established a Whistle Blowing Policy ("WBP") on 29 July 2013.

The WBP provides an avenue to employees and stakeholders (shareholders, customers and suppliers) to raise genuine concerns about unethical behaviour, illegal activities, malpractices and/or failure in compliance with legal or regulatory requirements at the workplace to enable appropriate actions to be taken to resolve them effectively.

The WBP of the Group covers amongst others:-

a. Fraud;
b. Corruption, bribery or blackmail;
c. Criminal offences;
d. Failure to comply with a legal or regulatory obligation;
e. Miscarriage of justice;
f. Conflict of interest;
g. Sexual harassment;
h. Misuse of confidential information; and
i. Concealment of any or a combination of the above.

A summary of the Whistle Blowing Policy is available at the corporate website at www.toyoventures.com.my.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Company has adopted an Anti-Bribery and Anti-Corruption Policy that sets out the Group's principles and stance and adequate procedures against bribery and corruption activities in the conduct of its business. The Anti-Bribery and Anti-Corruption Policy provide guidance to the employees and business partners towards eliminating acts of bribery and corruption in the conduct of the Group's business and affairs.

The Anti-Bribery and Anti-Corruption Policy is available at the corporate website at www.toyoventures.com.my.

SECTION II: BOARD COMPOSITION

COMPOSITION OF THE BOARD

As at the financial period ended 30 September 2021, the Board is made up of the following composition: -

Director	Independent	Non-Independent	Executive	Non-Executive
Tuan Hj. Ir. Yusoff Bin Daud	√	X	X	√
Song Kok Cheong	X	√	√	X
Lim Soek Fun (Lin Shufen)	X	√	X	√
Tham Kut Cheong	√	X	X	√
Chew Cheong Loong	X	√	√	X
Chan Kee Eng	√	X	X	√
Lim Guan Lee (Alternate Director to Lim Soek Fun (Lin Shufen)	X	√	X	√
Song Hsiao May (Alternate Director to Song Kok Cheong)	X	√	X	√
Total Number	**3**	**3 (2*)**	**2**	**4 (2*)**

*Alternate Director

The above composition of 3/6 of Independent Director currently fulfills and complies with the MMLR of Bursa Securities which requires listed issuer to have at least two (2) Directors or 1/3 of the Board of Director of a listed issuer, whichever is higher must be Independent Director.

The presence of the Independent Non-Executive Directors assures an element of balance to the Board as they provide an independent view, advice and judgement to ensure that the interests of minority shareholders and the general public are given due consideration in the decision-making progress.

The Constitution of TVHB provide that at least one-third of the Directors are subject to retirement by rotation at every Annual General Meeting ("AGM"). Each Director shall retire from office once every three (3) years and is eligible to offer himself for re-election. The Constitution of TVHB also provided that a Director who is appointed during the year shall be subject to re-election at the next AGM held following his appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

TENURE OF INDEPENDENT DIRECTOR

The tenure of an independent director should not exceed a cumulative term of nine (9) years.

As recommended by the MCCG, upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.

If the Board continues to retain the Independent Director after the ninth (9th) year, the Board will seek annual shareholders' approval through a two-tier voting process. As at the date of this statement, none of the independent directors had served the Company for more than nine (9) years.

DIVERSE BOARD AND SENIOR MANAGEMENT TEAM

Members of the Board comprise professionals from diverse gender, ethnicity, age, bringing with them in-depth and diversity of expertise, a wide range of experience and perspective in discharging their responsibilities and duties and in managing the business of the Group. The profile of each Director is presented on pages 6 to 8 of this Annual Report.

The Group practices a division of responsibility between the Executive and Non-Executive Directors. The Executive Directors are responsible for the overall management of the Group, to oversee operations and to coordinate the development and implementation of business and corporate strategies.

The appointment of Senior Management was also made with due regard for diversity in skills, experience, age, cultural background and gender. Their detailed particulars are provided on page 9 to 11 of this Annual Report.

The existing Directors' age distribution falls within the respective age group and are as follows:

Age Group	31-40	41-50	51-60	61 & above
Number of Directors	1	-	1	4

The current diversity in the race/ethnicity and nationality of the existing Directors are as follows:

Number of Directors	Race/Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreign
	1	5	0	0	5	1

GENDER DIVERISTY POLICY

The Board is supportive of the gender diversity policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

Currently, our Board members comprise of two (2) female directors. In line with the country's aspirational target of 30% representation of women on boards, the Board may consider appointing more females onto the Board in future to bring about a more diverse perspective.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD MEETINGS

The Board held ten (10) meetings during the financial period ended 30 September 2021. The details of Directors' attendances are set out below:

Name of Directors	No. of meetings attended
Executive Directors	
Song Kok Cheong/ his alternate Song Hsiao May	10/10
Chew Cheong Loong	10/10
Non-Executive Directors	
Lim Soek Fun (Lin Shufen)/ her alternate Lim Guan Lee (appointed on 1 April 2021)	5/6
Tuan Hj. Ir. Yusoff bin Daud	10/10
Tham Kut Cheong	10/10
You Tong Lioung @ Yew Tong Leong (demised on 26 January 2021)	0/2
Chan Kee Eng (appointed on 1 March 2021)	6/6

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

The Board meets on a quarterly basis, with amongst others, review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings maybe convened by the Company Secretaries, after consultation with the Chairman. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

NOMINATION COMMITTEE

The NC was established comprising exclusively of Non-Executive Directors, a majority of whom independent.

As at the date of this Statement, the present members of the NC are as follows:

Chairman	Tham Kut Cheong	*(Independent Non-Executive Director)*
Members	Tuan Hj. Ir. Yusoff bin Daud	*(Independent Non-Executive Chairman)*
	Chan Kee Eng	*(Independent Non-Executive Director)*

The Terms of Reference of the NC is available at the corporate website at www.toyoventures.com.my.

The NC key responsibilities are:-

(a) Appointment of New Director

The chart below shows the procedures on appointment of new Director
The current process with regards to the appointment of new Directors to the Board are based on the recommendations of the NC based on Directors' network and referrals from major shareholders.

The NC, in making a recommendation to the Board on the candidate for recruitment or new Board appointment, shall have regards to:

(i) Size, composition, diversity (including gender diversity) and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and the Group;
(ii) The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence criteria as set out in Paragraph 1.01 of the MMLR; and
(iii) The appropriate number of Independent Non-Executive Directors to fulfil the requirements under MMLR which requires at least two (2) or 1/3 of the membership of the Board must be Independent Directors.

The final decision as to who shall be appointed as Director remains the responsibility of the full Board after considering the recommendation of the NC.

(b) Board Evaluation

The evaluation of the effectiveness of the Board, Board Committees as well as individual Directors including Independent Director was conducted in-house under the purview of the NC and facilitated by the Company Secretary.

The evaluation criteria for the Board, Board Committees and individual Directors are primarily anchored on regulatory enumerations and emerging best practices of MCCG as the method of evaluation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC assesses the effectiveness of the Board and the Board Committees, as well as performance of individual Directors on an annual basis. In furtherance to these annual assessments, the NC is able to identify gaps in the Board composition and the needs to identify and select new members to the Board.

(c) Re-election and Re-appointment of Directors

The NC is responsible for making recommendation to the Board for the re-election and re-appointment of Directors who retire by rotation. This recommendation is based on formal reviews on the performance of Directors, taking into consideration the Board competency matrix and the Directors' contribution to the Board through their knowledge and commitments, experiences, level of independence and ability to act in the best interest of the Group in decision making.

Director's re-election provides an opportunity for shareholders to renew their mandate conferred to the Directors. In this respect, Clause 114 of the Constitution of the Company provides that all Directors shall retire by rotation once in every 3 years or at least 1/3 of the Directors shall retire from office and be eligible to offer themselves for re-election at the AGM.

Any Director appointed during the year is required under the Company's Constitution to retire and seek re-election by shareholders at the following AGM immediately after his appointment.

NC'S ACTIVITIES DURING THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

Below is a summary of the activities undertaken by the NC for the financial period ended 30 September 2021 :-

(a) Reviewed and assessed the mix of skills, experience, competency and size of the Board;
(b) Reviewed and assessed the performance, and made recommendations to the Board for its approval, regarding the Directors who are seeking for election at the upcoming AGM;
(c) Assessed the overall Board and the Board Committees' performance and effectiveness as a whole;
(d) Reviewed and assessed the independence of Independent Directors and their tenure of service;
(e) Assessed Directors' training needs to ensure all Directors receive appropriate continuous training programmes; and
(f) Reviewed and assessed the term of office and performance of the AC and each of its members.

The Board is satisfied with the time commitment given by the Directors. All of the Directors does not hold more than 5 directorships as required under Paragraph 15.06 of the MMLR.

The same Board Committees will assist the Board of TVHB in discharging its duties in the next financial year.

DIRECTORS TRAINING

The Board evaluates the needs to attend training in order to enhance their skills and knowledge and keep abreast with the relevant changes in laws, regulations and business environment enabling them to discharge their duties effectively.

During the financial year, all the Directors have attended the following training programmes: -

Name of Directors	Development and Training Programmes
Song Kok Cheong	• Internal Audit of ISO 37001:2016 organised by SQC Consulting Group on 3 – 4 November 2020
Tuan Hj. Ir. Yusoff bin Daud	• Internal Audit of ISO 37001:2016 organised by SQC Consulting Group on 3 – 4 November 2020
Lim Soek Fun (Lin Shufen)	• Board Evaluation and Succession Planning held at Zoom Webinar organised by the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") on 25 November 2021
Tham Kut Cheong	• Internal Audit of ISO 37001:2016 organised by SQC Consulting Group on 3 – 4 November 2020
Chew Cheong Loong	• Internal Audit of ISO 37001:2016 organised by SQC Consulting Group on 3 – 4 November 2020
Chan Kee Eng	• Mandatory Accreditation Program for Directors of Public Listed Companies organised by Asia School of Business on 31 May – 2 June 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SECTION III: REMUNERATION

REMUNERATION POLICY

The objective of the Group's remuneration policy is to attract and retain the Directors and Senior Management required to lead and control the Group effectively. In the case of Executive Director and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. The Remuneration Committee ("RC") shall ensure that the level of remuneration is sufficient to attract and retain Directors of the quality required to manage the business of the Group.

REMUNERATION COMMITTEE

As at the date of this Statement, the present members of the RC are as follows:

Chairman	Tham Kut Cheong	*(Independent Non-Executive Director)*
Members	Chan Kee Eng	*(Independent Non-Executive Director)*
	Song Kok Cheong	*(Managing Director)*
	Chew Cheong Loong	*(Executive Director)*

The RC's duty is to make recommendations to the Board on the remuneration framework for all Executive Directors. The policy practiced on Directors' remuneration is to provide the remuneration necessary to attract, retain and motivate Executive Directors of the quality required to manage the businesses of the Company.

Annually, the RC reviews the remuneration of the Executive Directors to ensure that it commensurate with the market expectation, the Directors' experience and competency and the performance of the Group. Directors do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year. The RC had held one (1) meeting during the financial period ended 30 September 2021.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors shall abstain from discussions pertaining to their own remuneration.

DETAILS OF DIRECTOR'S REMUNERATION

The remuneration of the Directors of the Company for the financial period ended 30 September 2021 are as follows:

The details of the remuneration of Directors of the Company comprising the remuneration received/receivable from the Company and its subsidiaries during the financial period ended 30 September 2021 are as follows: -

Directors	Fees (RM)	Salaries & *Other Emoluments (RM)	Benefits-in-kind (RM)	Total (RM)
The Company				
Executive Director				
Song Kok Cheong	30,000	15,000	-	45,000
Chew Cheong Loong	30,000	15,000	-	45,000
Non-Executive Directors				
Tuan Hj. Ir. Yusoff bin Daud	30,000	60,000	-	90,000
Lim Soek Fun (Lin Shufen)	15,000	6,000	-	21,000
Tham Kut Cheong	30,000	38,0000	-	68,000
Chan Kee Eng	17,500	9,000	-	26,500
You Tong Lioung @ Yew Tong Leong^^	10,000	-	-	10,000
Lim Guan Lee^	15,000	6,000	-	21,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DETAILS OF DIRECTOR'S REMUNERATION (cont'd)

The Group				
Executive Director				
Song Kok Cheong	70,250	819,563	-	889,813
Chew Cheong Loong	65,250	767,229	-	832,479
Non-Executive Directors				
Tuan Hj. Ir. Yusoff bin Daud	56,250	76,500	-	132,750
Lim Soek Fun (Lin Shufen)	15,000	6,000	-	21,000
Tham Kut Cheong	65,250	112,000	-	177,250
Chan Kee Eng	17,500	9,000	-	26,500
You Tong Lioung @ Yew Tong Leong^^	17,500	3,000	-	20,500
Lim Guan Lee^	41,250	9,000	-	50,250

*Other emoluments include bonuses and the Group's contribution to the Employer Provident Fund and Social Security contributions.

^ Resigned w.e.f 31 March 2021
^^ Demised on 26 January 2021

Remuneration of the top 10 Senior Management

The aggregate remuneration paid to the top 10 (10) Senior Management of the Group during the financial period ended 30 September 2021 analysed into bands of RM50,000 are as follows:

Remuneration Bands	Number of Senior Management
RM100,001-RM150,000	1
RM150,001-RM200,000	4
RM200,001-RM250,000	3
RM250,001-RM300,000	2

Details of the remuneration of the top 10 senior management on a named basis are not disclosed in this report as the Board is of the view that the transparency and accountability aspects of the MCCG on disclosure of the remuneration of senior management are appropriately served by the above remuneration disclosures in bands as shown above.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

SECTION I: AUDIT COMMITTEE
EFFECTIVE AND INDEPENDENT AUDIT COMMITTEE

The Audit & Risk Management Committee ("ARMC") comprises 3 Non-Executive Directors. The ARMC is chaired by an Independent Non-Executive Director, Mr. Tham Kut Cheong. The ARMC is comprised of members who are financially literate, possess the appropriate level of expertise and experience. The ARMC Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 32 to 34.

The Terms of Reference of the ARMC is available at the corporate website at www.toyoventures.com.my

EXTERNAL AUDITORS

To maintain a transparent and formal relationship with the Company's External Auditors, the ARMC reviews the appointment, performance, independence and remuneration of the External Auditors.

The ARMC had met with the External Auditors once during the financial year under review without the presence of executive members of the Board.

The ARMC, had on 20 September 2021 deliberated on the re-appointment of Messrs. KC Chia & Noor as its External Auditors, which included amongst others, an assessment on the engagement teams' qualification, credentials and experience, its audit approach, the audit firm's professional standing and reputation as well as audit cost. The ARMC has reviewed the independence of the External Auditors, via amongst others, an annual review of the non-audit services rendered by the External Auditors and the related amount of fees. The ARMC had also obtained assurance from the External Auditors confirming their independence throughout the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SECTION II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is updated on the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls on a quarterly basis. Ongoing reviews are performed throughout the year on quarterly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and sufficiently resourced internal audit function as well as the Company's management team. Please refer to the Statement on Risk Management and Internal Control on pages 35 to 37 of this Annual Report for further information.

EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

The Group has out-sourced the Internal Audit Function to an independent consulting firm to provide an independent assessment of the adequacy, efficiency, effectiveness of the Group's internal control system. The independent Internal Auditors reports directly to the ARMC on its activities based on approved annual internal audit plan.

The principal responsibility of the internal audit department is to undertake regular and systematic review of the systems of internal control, risk management process and compliance with the Group's established policies and procedures so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. Functionally, the internal auditor reviews and assesses the Group's systems of internal control and report to the ARMC directly. Before the commencement of audit reviews for the financial year, an audit plan is produced and presented to the ARMC for review and approval. This ensures that the audit direction is in line with the ARMC's expectations.

Further details of the activities of the internal audit function are set out in the ARMC Report on page 32 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

SECTION I: COMMUNICATION WITH STAKEHOLDERS

The Board endeavors to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Information is disseminated through various disclosures and announcements made to the Bursa Securities which includes the quarterly financial results, audited financial statements and Annual Reports. This information is also electronically published at the Bursa Securities and the corporate website at http://www.bursamalaysia.com and www.toyoventures.com.my respectively and it is accessible by public.

The Board has also designated Mr. Tham Kut Cheong as the Independent Director to whom shareholders and investors can voice their view and concerns by email to kc.tham@toyoink.com.my.

The Board adheres strictly to the Bursa Securities disclosure framework to provide investors and the public with accurate and complete information on a timely basis and not merely to meet the minimum regulatory requirements for disclosure. The Board ensures that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.

SECTION II: CONDUCT OF GENERAL MEETING

The Board regards the AGM and other General Meetings as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue.

Notice of the AGM and Annual Report are sent to shareholders at least 28 days prior to the meeting. At each AGM, the Board presents the performance and progress of the Group and provides shareholders with the opportunity to raise questions pertaining to the Group. The Chairman and the Board will respond to the questions raised by the shareholders during the AGM. Each shareholder can vote in person or by appointing a proxy to attend and vote on his behalf. The Board has also ensured that an explanatory statement will accompany each item of Special Business included in the notice of meeting on the effects of the proposed resolution.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this CG Overview Statement. The Board considered that the CG Overview Statement provides the information necessary to enable shareholders of the Company to evaluate how the principles and best practices as set out in the MCCG have been complied with. The Board shall remain committed in attaining the highest possible standards through the continuous adoption of the principles and best practices of the MCCG and all other applicable laws and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board considers that the Company has complied with the provisions and applies the key principles of the MCCG throughout the financial period except for the following where the explanation for departure is stated in the CG Report:-

Practice 7.2: Remuneration on Detailed Named basis for top 5 Senior Management
Practice 11.2: Integrated Reporting
Practice 12.3: Electronic Voting

STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 and the MMLR of the Bursa Securities so as to give a true and fair view of the Group's state of affairs and of the profit and loss and cash flows as at the end of the accounting period.

In preparing the audited financial statements, the Directors are satisfied that the applicable approved accounting standards in Malaysia have been complied with and reasonable and prudent judgements and estimates have been made.

This CG Overview Statement was approved by the Board of Directors of TVHB on 20 January 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

This report outlines the activities of the Audit and Risk Management Committee ("ARMC") of Toyo Ventures Holdings Berhad ("TVHB") for the financial period 1 July 2020 till 30 September 2021 ("financial period").

This Report has been reviewed by the ARMC and approved by the Board of Directors ('the Board") of TVHB on 20 January 2021.

The ARMC assist the Board by giving an objective and independent review of the Group's financial and operational system and review risks management procedure and maintain proper internal controls of the Group. The ARMC also assist in evaluating the External Auditors as well as Internal Auditors and oversee compliance with laws and regulations together with observance of proper code of conduct.

ESTABLISHMENT AND COMPOSITION

The Composition of the ARMC meets the requirements of Paragraph 15.09(1)(c) of the MMLR. The ARMC Chairman is a member of the Malaysian Institute of Accountant, which is in compliance with Rule 15.09(1)(c)(i) of the MMLR. Members of the ARMC are subject to annual evaluations and its composition is review annually by the Board.

The ARMC comprises the following directors: -

Chairman	
Tham Kut Cheong	(Independent Non-Executive Director)
Members	(Independent Non-Executive Chairman)
Tuan Hj. Ir. Yusoff bin Daud	
Chan Kee Eng (appointed on 1 March 2021)	(Independent Non-Executive Director)
You Tong Lioung @ Yew Tong Leong (demised on 26 January 2021)	(Independent Non-Executive Director)

COMMITTEE MEETINGS

The ARMC members met six (6) times during the financial period ended 30 September 2021. The details of ARMC'S meetings held and attended by the ARMC members during the financial year are as follows: -

ARMC Member	No. of ARMC Meetings Attended/ Held
Tham Kut Cheong	6/6
You Tong Lioung @ Yew Tong Leong	1/1
Tuan Hj. Ir. Yusoff bin Daud	6/6
Chan Kee Eng	4/4

SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

During the financial period ended 30 September 2021, the activities of the ARMC include the following: -

FINANCIAL REPORTING

(a) Reviewed the unaudited quarterly financial results before recommending to the Board of Directors ("Board") for approval to release to Bursa accordingly;

(b) Reviewed the audited financial statements for the financial period ended 30 September 2021;

(c) Reviewed the Sustainability Statement for inclusion in the Annual Report 2021; and

(d) Reviewed the AC Report, Corporate Governance Overview Statement, Corporate Governance Report 2021 and Statement on Risk Management and Internal Control to ensure compliance with the MMLR of Bursa and recommend to the Board for inclusion in the Annual Report 2021.

EXTERNAL AUDIT

(a) During the financial period ended 30 September 2021, the ARMC reviewed and endorsed the External Auditor's, Messrs. KC Chia & Noor ("KCN") presentation which are as follows: -

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(i) Audit Planning Memorandum which outlined its summary of their audit plan of the audit of the financial statements of the Company for the financial period ended 30 September 2021 and the review of the Directors' Statement on Risk Management and Internal Controls.

(ii) Audit Review Memorandum for the financial period ended 30 September 2021 which highlights the Key Audit Matters and Significant Audit Findings identified during the audit, matters for control improvements and significant outstanding matters.

(iii) Final draft of Audited Financial Statements for the financial period ended 30 September 2021.

(b) Scrutinised potential Key Audit Matters raised by the External Auditors and ensured that adequate work had been done to support the audit conclusions and overall impact on the financial statements;

(c) The ARMC had undertaken an annual assessment of the suitability and independence of the External Auditor and based on the results of the assessment, the ARMC was satisfied with the suitability of KCN to be reappointed as External Auditors of the Company and had made recommendation to the Board for the External Auditors re-appointment;

(d) Discussed with the External Auditors on updates in relation to new or proposed changes in accounting standards and regulatory requirements and considered the implications to the financial statements presentation and disclosure arising from the adoption of the new Financial Reporting Standards;

(e) Met with the External Auditors once during the financial period ended 30 September 2021 without the presence of Executive Directors and management to discuss audit findings, assistance given by the management to the External Auditors or any observations noted during the audit process; and

(f) Considered the appointment of External Auditors and their audit fees.

INTERNAL AUDIT

(a) Reviewed the adequacy of the scope, functions , competency and resources of the Internal Audit outsourced and that it has the necessary independence and authority to carry out its work;

(b) Reviewed the Internal Audit Reports and ensures remedial actions was taken by the Management on any lapses in control identified by the Internal Auditors; and

(c) Reviewed the performance of the Internal Auditors annually.

RELATED PARTY TRANSACTIONS

Reviewed related party transactions and conflict of interest situations to ensure that such transactions are at arm's length and are in the best interest of the Group and TVHB and, where appropriate, recommend to the Board for approval.

ANNUAL REVIEW OF THE TERMS OF REFERENCE OF THE AUDIT & RISK MANAGEMENT COMMITTEE

Review the Terms of Reference of the ARMC which laid down its duties and responsibilities are accessible via the Company's website at www.toyoventures.com.my

INTERNAL AUDIT FUNCTION

During the financial period ended 30 September 2021, the Group outsourced its internal audit function to IA Essential Sdn Bhd, an independent internal audit service company and the selected team is independent of the activities audited by them. The cost incurred for the internal audit function in respect of the financial period ended 30 September 2021 is RM 93,165.

The principal responsibility of the internal auditor is to undertake regular and systematic review of the systems of internal control, risk management process and compliance with the Group's established policies and procedures so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. Functionally, the internal auditor reviews and assesses the Group's systems of internal control and report to the ARMC directly. Before the commencement of audit reviews for the financial year, an audit plan is produced and presented to the ARMC for review and approval. This ensures that the audit direction is in line with the ARMC's expectations.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Throughout the financial year, the ARMC had reviewed the following Internal Audit reports: -

i.	Internal Audit on Sales & Marketing and Credit Control Function EDM-Tools Sdn. Bhd.	(26 February 2021)
ii.	Internal Audit Report on Sales and Credit Control Function of Toyo Ink Sdn. Bhd.	(20 September 2021)
iii.	Internal Audit Report On Corporate Governance Review	(29 November 2021)

The final reports containing the audit findings and recommendations together with responses by Management were circulated to all members of the ARMC. Areas of improvement identified were communicated to the Management for further action. All internal audit reports were reviewed by the ARMC and discussed at Committee Meetings and recommendations were duly acted upon by the Management. Follow-up reviews would subsequently be performed to ascertain the extent of implementation of the recommended corrective action for improvements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of Toyo Ventures Holdings Berhad ("TVHB") is pleased to present its Statement on Risk Management and Internal Control for the financial period ended 30 September 2021. The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") and the suggested disclosures under the Malaysian Code on Corporate Governance ("MCCG").

BOARD'S RESPONSIBILITIES

In accordance with the MCCG, the Board who is responsible for the Group's risk management and internal control systems, shall set appropriate policies on internal control and seek assurance that the systems are functioning effectively. In addition, the Board must also ensure that the systems of risk management and internal control manage risks and form part of its corporate culture.

The Board understands the principal risks of the business that the Group is engaged in and accepts that all business ventures involve the incurrence of risks. The Board collectively reviews the conduct of the Group's business while the Managing Director and management carry out measures and controls to ensure that risks are effectively managed.

The Board has delegated and empowered the Audit and Risk Management Committee ("ARMC") with the responsibility in overseeing internal controls and risk management in the Group. Following are the review mechanism applied by the ARMC in deriving its comfort on the state of internal control and risk management of the Group:

i. Assessing the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews are done quarterly where the Internal Auditors present their internal audit report to the ARMC;

ii. Understanding the Group's performance and effectiveness of management in managing the Group's operations when reviewing management presentation of the Group's quarterly financial performance and results as well as the on-going development and status of the independent power plant venture in Vietnam;

iii. Obtaining feedback from External Auditors on risk and control issues noted by them in the course of their statutory audit with respect to the integrity of the accounting system and results generated by the system thereof annually.

The Group has also defined and implemented the Anti-Bribery and Anti-Corruption ("ABAC") Policy. The objective of this framework and policy is to provide guidance to staff members, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities. The policy has been posted on the Company's website for public reference.

INTERNAL CONTROLS AND RISK MANAGEMENT

Internal controls are an integral part of the risk management system. The Board continually reviews and enhances its internal control procedures by incorporating recommendations for improvement suggested by its Auditors.

The key features of the Group's internal control and risk management framework and procedures are:

i. Defined authority and responsibilities of the Board and management and the establishment of various Board Committees and the presence of independent directors to overseeing the financial, compliance and operational performance of the management;

ii. Organisational structure outlining the lines of responsibilities and hierarchical structure for functional division covering the sales, marketing, production, administration and human resources, and accounts and finance;

iii. Periodic heads of department, credit and progress meetings are headed by Managing Director to discuss, review and monitor the business and financial progress, challenges faced and action plans with his management team based on the financial data generated from the Group's management information systems;

iv. Implementation of the quality management operating procedures. Third party surveillance audits are carried out by external certification body to verify the compliance with ISO requirements. The quality management system present in the key subsidiaries are Quality Management System: ISO 9001:2015 for Toyo Ink Sdn. Bhd, EDM Machining Solution (M) Sdn. Bhd. and EDM Tools (M) Sdn. Bhd. and Environment Management Systems: ISO 14001:2015 for Toyo Ink Sdn. Bhd.

v. Quarterly sales budget is established and monitored closely serving as target, KPI and alert to management;

vi. The ARMC also discusses with the External Auditors on key audit concerns and findings at the audit planning, interim and final audit stages as well as internal control deficiencies, if any;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

vii. The Internal Audit Function assists the ARMC and the Board to carry out independent assessment on the internal control systems. The internal audit reports are presented highlighting the significant findings and deficiencies requiring management's attention and improvement. Follow-up audits are conducted to ensure that appropriate corrective action plans are implemented by management;

viii. Operational risks are shared by way of insurance to minimize Group's financial exposures and losses resulting from risk of fire, perils, fire consequential loss, machine and equipment, burglary, money, public liability, fidelity and group personal accident; and

ix. Security controls are put in place at premises of the Company and its subsidiaries.

During the financial year, the Group has completed its internal reorganisation to streamline the business operations of the Group by establishing an investment holding company, solely for holding investments in subsidiaries/associated companies. Continuing from this streamlining exercise, the Group has further liquidated voluntarily four (4) dormant companies namely Inmac EDM-Tools (M) Sdn. Bhd, Toyo Laser Technology Sdn. Bhd., Toyo Photo Products Sdn. Bhd. and Toyo Energy Sdn. Bhd. By voluntary winding up these dormant companies, it enables the Group to save the future costs and reduce statutory compliance risk associated with maintaining these subsidiaries.

From the Group's risk management perspectives, the separation of investment holding function from operating companies enables clearer demarcation of roles and functions and shield the new holding company from direct exposure to operating risks such as claims and litigation associated with its operating subsidiaries.

Covid 19 Pandemic

The Covid-19 pandemic continues to weigh down on the performance of the Group. The Group has undertaken the following measures to ensure stakeholders' safety and conserve its cash flows:

i. Comply with the government's movement control order, and safety and sanitisation procedures in accordance with the health authorities;

ii. Contain and reduce overhead costs when possible and deferring certain capital expenditures; and

iii. Develop a new stream of revenue in sanitisation products.

Investment in Power Plant Project in Vietnam

The proposed investment in 2 units of 1,060-megawatt Song Hau 2 Coal-Fired Thermal Power Plant Project in Hau Giang Province of Vietnam is at the finalisation stage. The various project agreements are readily to be executed while the financial obligation under the Initial Security Deposit has yet to be delivered.

The Group is committed to ensure the finalisation of the various project agreements on time and endeavour in meeting the financial obligations. Negotiations with interested and potential investors and partners are pursued by the Board to jointly undertake the proposed investment.

During the financial year, the Group has raised ten percent (10%) share from private placement. This private placement provided the Group with the financial resources needed to fund the Group's equity investment in Song Hau 2 Power Company Limited ("the BOT Company"), a wholly owned subsidiary incorporated in Vietnam on 1 December 2020 to undertake the investment and development of the power plant project.

The Directors regarded this is an important investment to enhance the asset position of the Group and to contribute positively to the Group's financial performance for the benefit of the shareholders in the long run. The internal control and risk management framework and procedures adopted by the BOT Company will be similar to those of the Group's, which are subject to the periodic review of the Board.

The Company has established a Power Plant Project Working Group ("PPPWG") Committee. This Committee comprises Group Managing Director, an Executive Director, Independence Non-Executive Director, Group Financial Controller, legal counsel and an adviser. The main objective of this Committee is to monitor the progress and funding risks of the Power Plant Project. The Share Subscription Agreement, Shareholders Agreement and Call Option Agreement proposed by potential investors and partners are subject to the review of this Committee. In addition, an investor relation consultancy firm was engaged to assist the Committee in managing the relation with potential investors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for identifying risks for the Group's businesses, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant changes in risks that could affect the Group performance. Before producing this Statement, the Board has received assurance from the Group Managing Director that, to the best of his knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

The Board recognises that the risk management and systems of internal control should be continuously improved. It should also be noted that all risk management material and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

For the financial year under review, the Board is satisfied with the effectiveness and adequacy of the Group's existing systems of risk management and internal control.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Main Market Listing Requirement of Bursa Securities and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysia Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial period ended 30 September 2021.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 20 January 2022.

SUSTAINABILITY STATEMENT

Our Sustainability Statement for the period from 1st July 2020 to 30 September 2021 is prepared in manner as prescribe under the new Main Market Listing Requirement issued by Bursa Malaysia Securities Berhad ("the Exchange") and based on the guidelines issued by the Global Reporting Initiative ("GRI") Sustainability Reporting Standard.

This Sustainability Statement has been reviewed and approved by the Board of the Directors of Toyo Ventures Holdings Berhad ("TVHB").

Governance Structure

The Audit and Risk Management Committee ("ARMC") takes on the additional role and responsibilities of a Sustainability Committee to sets and oversees the sustainability framework of the Group.

The Group's Governance structure for Sustainability as below:

Stakeholder Group	Stakeholders' Expectations	Management Response to Stakeholders' Expectations	Engagement Approaches
Customers	• Product and services quality • Customer satisfaction	• Stringent Quality control and audit • Maintain regular communication	• Customer satisfaction survey • Face to face meetings
Suppliers	• Suppliers' selection and evaluation • Quality products and services	• Assessment and review form • Regular suppliers' meeting and audit	• Selection evaluation form • Performance evaluation form
Shareholders/ Investors	• Company's performance • Timely disclosure of information	• Ensure all material information are made available on timely basis	• Annual General Meeting • Information on Bursa website

Material Sustainability Matters
The Group has identified the following material sustainability matters and taken the relevant measures in managing the material sustainability matters:

Economic Sustainability
Our commitment is always to operate to the highest standards of quality and performance with the support of our customers and suppliers in order for us to produce our products with high customers' satisfaction level. TVHB also always maintain active communication with the customers and suppliers as we believe they will contribute positively to the long term sustainability of the Group.

TVHB always gather customers' feedback through internal survey to seek continuous improvement on our product quality and customers' satisfaction. TVHB is also subjected to customers' audits and assessment to ensure that we meet their stringent business requirements.

Environmental Sustainability
TVHB has been certified with the ISO 14001:2015 Environmental Management System and has implemented DOE's Guideline Self-Regulation ("GSR") and the Environmental Performance Monitoring Committee ("EPMC") and Environmental Regulatory Compliance Monitoring Committee ("ERCMC") will coordinate and monitor the Environmental Management activities of the Company.

Air Emissions
Our manufacturing plant does not generate significant air emission but we strived to ensure we comply with the regulations set by the Department of Environment ("DOE") pursuant to the Clean Air Regulation (2014). The Environmental Performance Monitoring Committee (EPMC) and Environmental Regulatory Compliance Monitoring Committee ("ERCMC") will monitor the emission of air from the chimney through sampling and ensure the compliance to DOE's requirement.

Waste Management
As an ink manufacturer, TVHB recognises its duty and responsibility in managing waste and always embedded sustainability practices into our business process to operate in more efficient ways in minimising the waste. TVHB categorise the waste as scheduled and non-scheduled waste as per the regulations. All the scheduled waste is being collected by the DOE's approved licensed contractor pursuant to First Schedule of the Environmental Quality (Scheduled Wastes) Regulations 2005 (8,9) and non-scheduled waste is collected by local authority's waste collector.

Social Sustainability
Our social commitment covers our responsibility to our employees and the community within our manufacturing plant and offices.

Employee Workforce
TVHB recognises the importance of diversity in workforce and try our best in providing the equal opportunity to our employees without discriminating their race, belief, gender and sexual orientation. As at 30 September 2021, TVHB employed 66.9% of male employees and 33.1% of female employees and our workforce is made of 88% local and 12% foreigner and our foreign workers are made of contract workers. It is always our commitment to practice local development and support the local community within our manufacturing plant and offices.

TVHB always believe that a healthy turnover rate of full-time employees should be lower than 25% and in year 2021, the turnover rate is less than 10%. We also comply with the Minimum Wage Order 2012 and its subsequent amendments as and when announced by the Government. We believe in work-life balance for our employees and do not condone to excessive workings hours and ensure the overtime hours are within the guidelines under the Employment Act.

Employee Welfare
The Group strive to provide a conducive working environment to its employee as our employee's well-being is one of keys for higher productivity and performance. Throughout the year, the Group continue to organise various employee events ranging from festival celebrations to recreational activities

Anti-Bribery and Anti-Corruption Policy adoption
The Group has introduced the Anti-Bribery and Anti-Corruption ("ABAC") Policy and its Standard Operating Procedures ("SOP") to align with the Guidelines on Adequate Procedures and Malaysian Anti-Corruption (Amendment) Act 2018 in early 2020. The Group has engaged an external consultant to guide the Group on the adoption and implementation of the ABAC policy within its existing SOP and also toward the certification under *ISO 37001 Anti-Bribery Management System*.

And to educate the Group's workforce on the adoption of the ABAC policy, a series of trainings on Anti-Bribery and Corruption were also held for the directors, steering committee and managers.

Development of young talent

TVHB are committed to develop the young people as we believe the young talents will be important for the sustainability of the business. We continue to support the internship program by providing industrial training to students from colleges, polytechnics and other vocational institutions in order for them to gain practical working experience. We will also employ some of these intern trainees if there are vacancies available in the Company upon completion of their internship program in the Company.

During the current financial year, we have provided internship program to young students from universities and vocational institution.

SUSTAINABILITY STATEMENT

Safety and Health
Safety is our top priority and TVHB is committed to provide a safe and healthy working environment to our employees. A Safety and Health Committee (Regulation 1996) is formed to monitor the safety and health activities within the Company.

Emergency response plan and evacuation drills are conducted annually at our manufacturing plant in order to create the awareness of all our employees on safety measures in case an incident occur. During the year, Fire Safety Drill was conducted internally with the objective to ensure our employees are knowledgeable in fire prevention at our manufacturing plant.

In our efforts to achieve a safe working environment, the number of incidents is identified and notified on monthly basis (Control of Industrial Major Accident Hazards) Regulation 1996 (CIMAH) which includes major incidents, minor incidents and fatalities which results in lost workdays, restriction of work, medical treatment and hospitalisation. We also emphasised on a safe workplace by ensuring the workplace is under 24 hours' security surveillance.

Every year, TVHB will provide adequate healthcare for its employees and will carry out medical surveillance for all its employees. We will ensure employees involved directly in the manufacturing plant are properly trained to handle their works in a safe manner.

Our training initiatives also includes other internal and external training programmes offered to all our employees and not necessarily from the manufacturing division. These training courses include safety and health training, fire safety training, business and development training and other will be provided to employees in their respective field of work as and when required.

Corporate Social Responsibility
The Board of TVHB had always emphasized the importance of creating a caring presence in our day to day dealings with the community that we operate in. As management of a corporate body we are fully aware of the less fortunate members of our society and the Board of TVHB has adopted the practice of "giving back to society", be it in deeds or in kind.

During the current financial period, TVHB staff made visit to Rumah Victory Children Home in OUG, Kuala Lumpur – a local orphanage for children and Persatuan Kebajikan Kanak-Kanak Terencat Akal Malaysia in Petaling Jaya, Selangor. It is our fervent hope that every small gesture will go towards further improvements to the services that can be provided to the less fortunate in our society.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

On 5 February 2021, KAF Investment Bank Berhad had on behalf of TVHB, announced that TVHB proposed to undertake a private placement of new ordinary shares in TVHB of up to ten percent (10%) of the total number of issued shares in TVHB.

The private placement was completed with the issuance of 10,700,000 new ordinary shares at an issue price of RM2.35 per share on 16 April 2021. The Company has raised total proceeds of RM25,145,000 from the said 10% Private Placement.

The status of the utilisation of proceeds from proceeds raised in the Private Placement exercise of RM25,145,000 is as follows:

Purpose	Proposed Utilisation (RM)	Actual Utilisation (RM)	Intended Timeframe for Utilisation
Investment in Power Plant Project	24,500	12,788	Within one year
Estimated expenses in relation to the Private Placements	650	545	Completed

Audit and Non-Audit fees

The total amount of audit fees and non-audit fees paid to the External Auditors of the Group and its subsidiaries for the financial period ended 30 September 2021 amounted to RM273,000/- and RM87,000 respectively.

Material Contracts Involving Directors and Major Shareholders

There were no material contracts (not being contracts entered into in the ordinary course of business) of the Company and its subsidiaries, involving Directors' and major shareholders' interests, still subsisting at the end of the financial year.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial period from 1 July 2020 to 30 September 2021.

Change of financial year end

The Company and its subsidiaries changed their financial year end from 30 June to 30 September and accordingly, the financial statements for a financial period of 15 months from 1 July 2020 to 30 September 2021 have been drawn up by the Group and the Company.

Principal Activities

The Company is principally involved in investment holding and provision of management services to the subsidiaries within the Group.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial period.

Results

	Group (RM)	Company (RM)
(Loss)/profit for the financial period	(13,909)	1,347
Attributable to:		
- Owners of the Company	(13,909)	1,347

Reserves and Provisions

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

Dividends

Since the end of the previous financial year, the Group and the Company paid the following dividend:

	Group and Company RM'000
In respect of financial period ended 30 June 2020	
- A final single-tier dividend of 1.00 sen per ordinary share	1,177

The directors do not recommend the payment of any dividend in respect of the current financial period.

Issue of Shares and Debentures

During the financial period, the Company increased its issued and paid-up share capital of from RM 2 to RM RM131,605,212 by way of: (Note 27)

(a) Issuance of 107,000,000 new ordinary shares in exchange for 107,000,000 ordinary shares in Toyo Ink Group Berhad ("TIGB") on one-for-one basis pursuant to the internal reorganisation scheme as detailed in Note 45(a) to the financial statements.

(b) Issuance of 10,700,000 new ordinary shares pursuant to a private placement to independent parties at the issue price of RM2.35 per share for a cash consideration of RM25,145,000.

(c) Issuance of 2,500 new ordinary shares pursuant to exercise of warrants at the exercise price of RM1.50 per warrant for a cash consideration of RM3,750.

The net proceeds from the issuance of the above ordinary shares were utilised to finance the power plant development project in Vietnam. The new shares issued rank pari passu in all respects with the then existing shares.

There was no issuance of debentures during the financial period.

DIRECTORS' REPORT

Warrants 2020/2023 ("Warrants C")

During the financial period, the Company issued 53,499,995 Warrants 2020/2023 ("Warrants C") in exchange of 53,499,995 Warrants 2019/2023 ("Warrants B") in TIGB on one-for-one basis pursuant to the internal reorganisation scheme as detailed in Note 45(a) to the financial statements.

The salient terms of Warrants C are disclosed in Note 27(b) to the financial statements. During the financial period, the movement of the outstanding warrants is as follows:-

Date of issue	Exercise price	Number of Warrants C outstanding				
		At 1.7.2020	Effect of securities exchange	Exercised	Lapsed	At 30.9.2021
23 October 2020	RM1.50	-	53,499,995	(2,500)	-	53,497,495

Share options

No option had been granted by the Company to any parties to take up unissued shares of the Company during the financial period.

Directors

The names of the directors of the Company in office since the beginning of the financial period to the date of this report are:

Tuan Haji Ir. Yusoff Bin Daud*	
Song Kok Cheong*	
Chew Cheong Loong*	
Tham Kut Cheong*	
You Tong Lioung @ Yew Tong Leong	(Deceased on 26 January 2021)
Lim Soek Fun (Lin Shufen)	(Resigned as Alternate Director to Lim Guan Lee on 31March 2021 and appointed as Director on 1 April 2021)
Chan Kee Eng	(Appointed on 1 March 2021)
Lim Guan Lee*	(Resigned on 31 March 2021 and appointed as Alternate Director to Lim Soek Fun (Lin Shufen)(f) on 1 April 2021)
Song Hsiao May *	(Alternate Director to Song Kok Cheong)

* These directors are also Directors of certain subsidiaries.

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of directors of the subsidiaries who served since the beginning of the financial period to the date of this report, not including those directors mentioned above, is as follows:

Wong Hon Ying

Directors' benefits

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 38 (a) to the financial statements.

Directors' remuneration

Included in the analysis below is remuneration for directors of the Group and of the Company in accordance with the requirements of the Companies Act, 2016.

	Group RM'000	Company RM'000
Salaries and bonuses	1,339	-
Other emoluments	387	149
Defined contribution plan	109	178
Fees	358	-
	2,193	327

Further details of the directors' remuneration are disclosed in Note 9 to the financial statements.

Directors' Interests

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, the interests of directors in office at the end of the financial period in shares in the Company during the financial period were as follows:

	Number of ordinary shares				
	AT 1.7.2020	Effect of securities exchange	Acquired	Sold	AT 30.9.2021
Interests in the Company					
- Direct Interest:					
Tuan Haji. Ir. Yusoff Bin Daud	-	230,964	-	-	230,964
Song Kok Cheong	-	11,626,000	--	(970,200)	10,655,800
Chew Cheong Loong	-	1,000,000	-	-	1,000,000
Song Hsiao May [Alternate to Song Kok Cheong]	-	392,000	-	-	392,000
Lim Guan Lee** [Alternate to Lim Soek Fun (Lin Shufen)]	-	11,939,204	80,000	(122,000)	11,897,204
Chan Kee Eng	-	1,000	-	-	1,000
- Indirect Interest:					
Song Kok Cheong	-	392,000	-	-	392,000
Chew Cheong Loong*	-	1,380,000	-	-	1,380,000
Lim Soek Fun (Lin Shufen)*	-	12,058,204	80,000	(241,000)	11,897,204
Lim Guan Lee** [Alternate to Lim Soek Fun (Lin Shufen)]	-	119,000	-	(119,000)	-
Song Hsiao May* [Alternate to Song Kok Cheong]	-	11,626,000	-	(970,200)	10,655,800

DIRECTORS' REPORT

	Number of Warrants C				
	AT 1.7.2020	Effect of securities exchange	Addition	Sold	At 30.9.2021
Interests in the Company					
- Direct Interest:					
Song Kok Cheong	-	1,075,500	-	(930,500)	145,000
Song Hsiao May [Alternate to Song Kok Cheong]	-	196,000	-	(196,000)	-
Lim Guan Lee** [Alternate to Lim Soek Fun (Lin Shufen)]	-	1,600,000	60,000	(1,660,000)	-
- Indirect Interest:					
Song Kok Cheong *	-	196,000	-	(196,000)	-
Lim Soek Fun (Lin Shufen)*	-	1,600,000	60,000	(1,660,000)	-
Song Hsiao May* [Alternate to Song Kok Cheong]	-	1,075,500	-	(930,500)	145,000

* Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.
** Deemed interest by virtue of his shareholding in Lim Keenly Investments Pte. Ltd., a company incorporated in Singapore.

Other than as disclosed above, the other directors in office at the end of the financial period had no interest in shares in the Company or its related corporations during the financial period.

Other Statutory Information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

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

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

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.

Other Statutory Information (Cont'd)

(f) In the opinion of the Directors:

(i) 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 period which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

Indemnification of directors and officers

There were no indemnity given to or insurance effected for the directors or officers of the Group and of the Company during the financial period.

Subsidiaries

Details of the subsidiaries are disclosed in Note 15 to the financial statements.

The auditors' reports on the financial statements of the Company's subsidiaries did not contain any qualification or adverse comment made under Sections 266 of the Companies Act, 2016.

At the end of the financial period, none of the subsidiaries held any shares in the Company.

Significant events

Significant events during and after the financial period are disclosed in Note 45 to the financial statements.

Subsequent event

Subsequent event after the financial period is disclosed in Note 46 to the financial statements.

DIRECTORS' REPORT

Auditors

The retiring auditors, Messrs., KC Chia & Noor, do not wish to seek re-appointment.

To the extent permitted by law, the Company has agreed to indemnify its auditors, KC Chia & Noor, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify KC Chia & Noor during or since the financial period.

Auditors' remunerations are disclosed in Note 7 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 January 2022

....
Song Kok Cheong

....
Chew Cheong Loong

27 January 2022
Kuala Lumpur

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Song Kok Cheong and Chew Cheong Loong, being two of the directors of Toyo Ventures Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out from page 55 to 122 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and of their financial performance and their cash flows for the period from 1 July 2020 to 30 September 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 January 2022

Song Kok Cheong

Chew Cheong Loong

27 January 2022
Kuala Lumpur

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Song Kok Cheong, being the director primarily responsible for the financial management of Toyo Ventures Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements as set out from page 55 to 122 are in my opinion correct, and I make this statutory declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed Song Kok Cheong)
at Kuala Lumpur)
in the State of Wilayah Persekutuan on
27 January 2022

SONG KOK CHEONG

Before me,

No. W490
S. ARULSAMY

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOYO VENTURES HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Qualified Opinion

We were engaged to audit the financial statements of Toyo Ventures Holdings Berhad, which comprise the statements of financial position as at 30 September 2021 of the Group and of the Company, 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 financial period 1 July 2020 to 30 September 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 122.

In our opinion, except for the possible effects of the matters as described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021, and of their financial performance and cash flows for the financial period from 1 July 2020 to 30 September 2021 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

1. Uncertainty of power plant development project of a subsidiary

As disclosed in Note 14 to the financial statements, the carrying amount of power plant development project in Vietnam ("the Project") undertaken by Toyo Ink Group Berhad ("TIGB"), a wholly-owned subsidiary of the Company, is recorded at RM 296.1 million (30.6.2020: Nil).

On 29 December 2020, TIGB and its Vietnamese subsidiary, Song Hau 2 Power Company Limited ("the BOT Company"), had entered into a Built-Operate and Transfer ("BOT") contract with the Vietnamese authority to undertake the investment and development of the Project.

On 22 January 2021, the Company had entered into an agreement with an intended investor for the proposed divestment of its majority equity interest in TIGB and the on-going co-operation in the investment and development of the Project. As at the reporting date, the consultant of the intended investor had completed the due diligence report.

The ultimate successful outcome of the Project is dependent upon the following:

(i) the Share Sale Agreement ("SSA") with the intended investor will be duly executed ;

(ii) successfully obtaining the financing package ("Financial Close") of the Project;

(iii) successfully attaining the commercial operation of the Project;

(iv) continued financial support from the non-current other payables related to a substantial shareholder until the completion and delivery of the Project or the full and complete disposal of the Project, whichever is earlier; and

(v) ability of the Group to achieve sustainable and viable operations for the Project and to generate sufficient cash flows which enable the Group to meet its obligations as and when they fall due.

Should the above not forthcoming, adjustments relating to the recoverability and reclassification of assets and liabilities pertaining to the Project may be required, inter alia, to write down the carrying value of power plant development project to their realisable values less costs of disposal and reclassify non-current other payables to current and provide for any possible losses that may arise.

In view that the Project is still at the preliminary development stage, we were unable to obtain sufficient appropriate audit evidence to determine the continuity and successful outcome and reliable measurement of the expenditures attributable to power plant development project during its development phase, and determine the effect of adjustments, if any, that might have been found to be necessary on the financial position of the Group as at 30 September 2021, or on its performance and cash flows of the Group for the financial period then ended.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOYO VENTURES HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements (Cont'd)

Basis for Qualified Opinion (Cont'd)

2. Audited financial statements of the Vietnamese subsidiary

As disclosed in Note 15 to the financial statements, the audited financial statements of the indirect Vietnamese subsidiary, Song Hau 2 Power Company Limited ("the BOT Company"), of which we have not acted as auditors, for the financial period from 2 December 2020 (date of incorporation) to 30 September 2021 that are required to be prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, were not available to the management for consolidation purpose. The financial position and results of the said subsidiary that have been consolidated into the Group's consolidated financial statements were based on the management financial statements prepared by the said subsidiary.

We were unable to carry out adequate procedures to obtain information and explanations we considered necessary on the unaudited management financial statements of the subsidiary during our audit of the consolidated financial statements of the Group. We were unable to obtain sufficient appropriate audit evidence on the existence, completeness, accuracy, classification, and related disclosures of various transactions and balances entered into with suppliers and related companies within the Group, of such expenditures incurred in the investment and development of the Project. Therefore, we could not determine the effect of adjustments and the extent of the impact, if any, on the financial statements of the Group for the financial period then ended.

3. Payment of RM344,202,100 made to the Vietnamese consultant

As disclosed in Note 21 to the financial statements, included in the deferred expenditure of RM 417.5 million (30.6.2020: RM387.3 million), RM344.2 million was paid directly to the accounts of the Vietnamese consultant and then paid to other relevant parties.

We observed that certain of these payments were not supported by adequate documentary evidence. Due to the accounting records being kept by a third party, we were unable to access to the original source documents and perform any verification procedures by any alternative means to substantiate the justification, classification, and related disclosures of various transactions and balances entered into with suppliers and relevant parties.

We were unable to obtain sufficient appropriate audit evidence on certain of these payments attributable to deferred expenditure, and determine the effect of adjustments, if any, that might have been found to be necessary on the financial position of the Group as at 30 September 2021, or on its performance and cash flows of the Group for the financial period then ended.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Power plant development project
(Refer to Note 14 to the financial statements)

The carrying value of the power plant development project ("the Project") as at 30 September 2021 stands at RM296.1million. (30.6.2020: Nil). The Group has engaged an independent professional consultant to carry out the impairment assessment on the carrying value of the Project. Based on the Financial model prepared by the independent professional consultant and the Investment appraisal carried out by the management, it was concluded that there is no indication of impairment on the Project by comparing the potential recoverable amount of the Project to its total cost of investment.

Report on the audit of the financial statements (Cont'd)

Key Audit Matters (Cont'd)

Power plant development project (Cont'd)
(Refer to Note 14 to the financial statements)

The Group evaluated the viability of the Project by using the discount-cash-flow method of valuation which involves discounting to its present value the estimated future free cash inflows that will be derived from the Project against the total cost of investment computed at an appropriate rate.

The power plant development project is considered as a key audit matter due to the magnitude of the balances and risk of material misstatement due to significant judgement being applied in its impairment.

Our response

Our audit procedures included, among others:

(a) Assessed the objectivity, independence and expertise of the independent professional consultant and the management that is involved in the evaluation process;

(b) Performed enquiry and obtained explanations from the management to corroborate the audit evidence obtained;

(c) Evaluated and assessed the following in relation to the viability of the Project:-

    (i) Key assumptions used in the computation of the net present value("NPV);

    (ii) Discount rate used in the computation of the NPV; and

    (iii) Sensitivity analysis of the key assumptions used.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Due to the matter described in the Basis for Qualified Opinion paragraphs, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOYO VENTURES HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOYO VENTURES HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements (Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that:

(a) The non-availability of the audited financial statements of a subsidiary, of which we have not acted as auditors, is disclosed in Note 15 to the financial statements;

(b) In our opinion, except as disclosed in the Basis for Qualified Opinion section above, the accounting and other records have been properly kept by the Company in accordance with the requirements of the Companies Act, 2016 in Malaysia;

(c) In our opinion, we have not obtained all the information and explanations that we required during the course of our audit; and

(d) In our opinion, except as disclosed in the Basis for Qualified Opinion section above, the procedures and methods used by a holding company or a subsidiary in arriving at the amount taken into any consolidated financial statements were appropriate to the circumstances of the consolidation.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

KC Chia & Noor
AF 0922
Chartered Accountants

Chia Kwong Chow
No. 1127/01/2024 J
Chartered Accountant

28 January 2022
Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

		Group		Company	
	Note	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Revenue	4	99,639	98,862	2,642	-
Cost of sales		(78,842)	(77,937)	-	-
Gross profit		20,797	20,925	2,642	-
Other items of income					
Interest income		325	250	66	-
Other income	5	911	5,511	-	-
Other items of expenses					
Administrative expenses		(23,410)	(9,631)	(1,302)	(17)
Selling and distribution expenses		(9,908)	(10,137)	-	-
(Loss)/profit from operations		(11,285)	6,918	1,406	(17)
Finance costs	6	(383)	(447)	-	-
Share of results of an associate		-	(3)	-	-
(Loss)/profit before tax	7	(11,668)	6,468	1,406	(17)
Income tax expense	10	(2,241)	(914)	(59)	-
(Loss)/profit after tax		(13,909)	5,554	1,347	(17)
Other comprehensive loss:					
Items that will be reclassified to profit or loss in subsequent year:					
Currency translating gain from consolidation		2,761	-	-	-
(Loss)/profit net of tax representing total comprehensive (loss)/ income for the financial period		(11,148)	5,554	1,347	(17)
(Loss)/profit net of tax attributable to					
Owners of the Company		(13,909)	5,554	1,347	(17)
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(11,148)	5,554	1,347	(17)
(Loss)/earnings per share ("EPS") attributable to owners of the Company (sen):					
Basic EPS	11(a)	(11.8)	5.19		
Diluted EPS	11(b)	*	#		

* Anti-dilutive in nature
# No potential dilutive effect as the exercise price of warrants had exceeded the average market price of the ordinary shares.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		Group		Company	
	Note	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	18,842	18,518	2	-
Right-of-use assets	13	720	948	-	-
Power plant development project	14	296,142	-	-	-
Investment in subsidiaries	15	-	-	147,075	-
Investment in an associate	16	-	-	-	-
Other investment	17	690	690	-	-
Product development costs	18	-	-	-	-
Goodwill on consolidation	19	-	2,322	-	-
Lease receivables	20	4	42	-	-
Deferred expenditures	21	-	-	-	-
Total non-current assets		316,398	22,520	147,077	-
Current assets					
Inventories	22	15,490	15,362	-	-
Trade receivables	23	16,803	15,904	108	-
Other receivables, deposits and prepayments	24	82,786	790	57	-
Lease receivables	20	24	54	-	-
Tax recoverable		826	375	-	-
Fixed deposit with licensed banks	25	19,423	7,149	12,051	-
Cash and bank balances	25	9,210	2,990	440	*
		144,562	42,624	12,656	*
Deferred expenditures classified as assets held for sale	26	-	387,302	-	-
Total current assets		144,562	429,926	12,656	*
Total assets		460,960	452,446	159,733	*

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

Statements of Financial Position (Cont'd)

	Note	Group 30.9.2021 RM'000	Group 30.6.2020 RM'000	Company 30.9.2021 RM'000	Company 30.6.2020 RM'000
<u>Equity and liabilities</u>					
Equity					
Equity attributable to owners of the Company:					
Share capital	27	125,720	*	125,720	*
Warrant reserve	27(b)	5,885	5,885	5,885	-
Merger reserve	28	-	101,115	-	-
Other reserve	29	2,761	-	-	-
Retained profits / (Accumulated losses)		417	15,503	153	(17)
Total equity/(Capital deficiency)		134,783	122,503	131,758	(17)
Non-current liabilities					
Deferred tax liabilities	30	1,851	818	-	-
Finance lease liabilities	31	279	93	-	-
Lease liabilities	32	629	838	-	-
Other payables	34	303,702	-	-	-
Total non-current liabilities		306,461	1,749	-	-
Current Liabilities					
Trade payables	33	13,208	10,198	-	-
Other payables	34	3,068	1,980	81	17
Amount due to directors	35	109	124	-	-
Amount due to subsidiaries	36	-	-	27,835	-
Finance lease liabilities	31	263	191	-	-
Lease liabilities	32	164	158	-	-
Bank borrowings	37	2,800	3,649	-	-
Tax payable		104	33	59	-
		19,716	16,333	27,975	17
Non-current other payables classified as liabilities held for sale	26	-	311,861	-	-
Total current liabilities		19,716	328,194	27,975	17
Total liabilities		326,177	329,943	27,975	17
Total equity and liabilities		460,960	452,446	159,733	*

* Represents RM2 only.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Attributable to Owners of the Company							
	Non-distributable				Distributable			
Group	Share capital (Note 27) RM'000	Warrant reserve (Note 27(b)) RM'000	Merger reserve (Note 28) RM'000	Other reserve (Note 29) RM'000	Retained profit/ accumulated loss RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2019	*	5,885	101,115	-	14,229	121,229	-	121,229
Profit for the financial period, representing total comprehensive loss for the financial period	-	-	-	-	5,554	5,554	-	5,554
Transaction with owners of the Company:								
Dividends paid	-	-	-	-	(4,280)	(4,280)	-	(4,280)
Total transactions with owners, recognised directly in equity	-	-	-	-	(4,280)	(4,280)	-	(4,280)
At 30 June 2020 and 1 July 2020	*	5,885	101,115	-	15,503	122,503		122,503
Loss for the financial period	-	-	-	-	(13,909)	(13,909)	-	(13,909)
Currency translation gain on consolidation	-	-	-	2,761	-	2,761	-	2,761
Total comprehensive income/(loss) for the financial period	-	-	-	2,761	(13,909)	(11,148)	-	(11,148)
Transactions with owners:								
Acquisition of TIGB pursuant to internal reorganisation	107,000	(5,885)	(101,115)	-	-	-	-	-
Issuance of Warrants C	(5,885)	5,885	-	-	-	-	-	-
Issuance of ordinary shares pursuant to								
- Private placement	25,145	-	-	-	-	25,145	-	25,145
- Exercise of warrants	4	-	-	-	-	4	-	4
Share issue expenses	(544)	-	-	-	-	(544)	-	(544)
Dividend paid	-	-	-	-	(1,177)	(1,177)	-	(1,177)
Total transactions with owners, recognised directly in equity	125,720	-	(101,115)	-	(1,177)	23,428	-	23,428
At 30 September 2021	125,720	5,885	-	2,761	417	134,783	-	134,783

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Attributable to Owners of the Company					
	Non-distributable		Distributable			
Company	Share capital (Note 27) RM'000	Warrant reserve (Note 27(b)) RM'000	Retained profits/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 13 January 2020 (date of incorporation)	*	-	-	*	-	*
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(17)	(17)	-	(17)
At 30 June 2020 and 1 July 2020	*	-	(17)	(17)	-	(17)
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,347	1,347	-	1,347
Total comprehensive income for the financial period	-	-	1,330	1,330	-	1,330
Transactions with owners:						
Acquisition of TIGB pursuant to internal reorganisation	107,000	-	-	107,000	-	107,000
Issuance of Warrants C	(5,885)	5,885	-	-	-	-
Issuance of ordinary shares pursuant to						
- Private placement	25,145	-	-	25,145	-	25,145
- Exercise of warrants	4	-	-	4	-	4
Share issue expenses	(544)	-	-	(544)	-	(544)
Dividends paid	-	-	(1,177)	(1,177)	-	(1,177)
Total transactions with owners, recognised directly in equity	125,720	5,885	(1,177)	130,428	-	130,428
At 30 September 2021	125,720	5,885	153	131,758	-	131,758

* Represents RM2 only.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

		Group		Company	
	Note	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Operating activities					
(Loss)/profit before tax		(11,668)	6,468	1,406	(17)
Adjustments for:					
Bad debts written off		99	44	-	-
Dividend income from subsidiaries		-	-	(1,850)	-
Depreciation of property, plant and equipment		1,292	1,335	1	-
Amortisation of right-of-use assets		222	227	-	-
Product development cost		-	123	-	-
Finance income		(3)	(6)	-	-
Gain on disposal of property, plant and equipment		(131)	(2,919)	-	-
Gain on disposal of assets held for sale		-	(1,791)	-	-
Gain on disposal of an associate		-	(42)	-	-
Gain on disposal of leased assets		-	(90)	-	-
Impairment loss on goodwill on consolidation		2,322	-	-	-
Interest expense		383	447	-	-
Interest income		(325)	(250)	66	-
(Reversal)/ allowance of impairment loss on trade receivables		(98)	98	-	-
(Reversal)/allowance of lifetime expected credit loss on trade receivables		(84)	230	-	-
Property, plant and equipment written off		69	54	-	-
Returned of property, plant and equipment		20	-	-	-
Share of results of an associate		-	3	-	-
Unrealised (gain)/loss on foreign exchange		(213)	89	-	-
Operating (loss)/profit before working capital changes		**(8,115)**	**4,020**	**(509)**	**(17)**
Changes in working capital:					
Increase in inventories		(128)	(1,926)	-	-
(Increase)/decrease in receivables		(82,809)	5,272	(165)	-
Increase/(decrease) in payables		4,113	(5,830)	64	17
Cash flows (used in)/from operations		(86,939)	1,536	(610)	-
Interest received		325	250	66	-
Interest paid		(383)	(447)	-	-
Income tax paid, net of refunds		(1,588)	(1,209)	-	-
Net cash flows (used in)/from operating activities		(88,585)	130	(544)	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	Group		Company	
		1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Investment activities					
Acquisition of property, plant and equipment	12(a)	(1,208)	(3,754)	(3)	-
Adjustment/(addition) to deferred expenditures	21	91,160	(28,437)	-	-
Advances to a subsidiary		-	-	(11,740)	-
Termination of right-of-use assets		6	-	-	-
Collection from lease receivables		68	103	-	-
Dividend income received		-	-	1,350	-
Finance income received from lease receivables		3	6	-	-
Net proceeds from disposal of property, plant and equipment		226	4,293	-	-
Net proceeds from disposal of non-current assets held for sale		-	4,961	-	-
Net cash flows from/(used) in investing activities		90,255	(22,828)	(10,393)	-
Financing activities					
Advances from directors		(15)	-	-	-
(Adjustment)/advances from non-current other payables		(8,159)	26,815	-	-
Dividends paid	48	(1,177)	(4,280)	(1,177)	-
Net changes in banker's acceptance		(119)	(1,508)	-	-
Proceeds from issuance of ordinary shares pursuant to					
- private placement		24,601	-	24,601	-
- exercise of warrants		4	-	4	-
Repayment of finance lease liabilities		(334)	(259)	-	-
Repayment of lease liabilities		(196)	(179)	-	-
Repayment of term loan		-	(1,672)	-	-
Termination of lease liabilities		(7)	-	-	-
Net cash flows from financing activities		14,598	18,917	23,428	-
Net increase/(decrease) in cash and cash equivalents		16,268	(3,781)	12,491	-
Cash and cash equivalents at 1 July 2020 / 1 April 2019 and 1 July 2020 / 13 January 2020		9,409	13,095	*	*
Effect of foreign exchange changes on cash and cash equivalents		2,956	95	-	-
Cash and cash equivalents at 30 September 2021/30 June 2020		28,633	9,409	12,491	*

* Represents RM2 only.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

		GROUP		COMPANY	
	Note	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Cash and cash equivalents at 30 September 2021/ 30 June 2020 comprise:					
Bank overdrafts	37	-	(730)	-	-
Cash and bank balances	25	9,210	2,990	440	*
Fixed deposits with a licensed bank	25	19,423	7,149	12,051	-
		28,633	9,409	12,491	*

* Represents RM2 only.

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Non - current other payables RM'000	Bank borrowings RM'000	Finance lease liabilities RM'000	Right-of-use lease liabilities RM'000	Total RM'000
Group					
At 1 April 2019	285,046	7,107	345	-	292,498
Effect of adoption of MFRS 16	-	-	-	1,175	1,175
1 April 2019 (Restated)	285,046	7,107	345	1,175	293,673
Acquisition of new finance lease	-	-	198	-	198
Addition of advances	26,815	-	-	-	26,815
Repayment of bank borrowings	-	(3,180)	-	-	(3,180)
Repayment of bank overdraft	-	(278)	-	-	(278)
Repayment of finance lease liabilities	-	-	(259)	-	(259)
Repayment of lease liabilities	-	-	-	(179)	(179)
At 30 June 2020 and 1 July 2020	311,861	3,649	284	996	316790
Acquisition of new finance lease	-	-	592	-	592
Adjustment for diferred expenditures	(8,159)	-	-	-	(8,159)
Drawdown from bank borrowings	-	2,800	-	-	2,800
Repayment of bank borrowings	-	(2,919)	-	-	(2,919)
Repayment of bank overdraft	-	(730)	-	-	(730)
Repayment of finance lease liabilities	-	-	(334)	-	(334)
Repayment of lease liabilities	-	-	-	(196)	(196)
Termination of lease liabilities	-	-	-	(7)	(7)
At 30 September 2021	303,702	2,800	542	793	307,837

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate Information

Toyo Ventures Holdings Berhad (the "Company" or "TVHB") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

On 23 October 2020, the Company had completed the internal reorganisation exercise by way of Members' Scheme of Arrangement under Section 366 of the Companies Act 2016 in Malaysia, which involved securities exchange with Toyo Ink Group Berhad ("TIGB") as follows:

(i) Issuance of 107,000,000 new ordinary shares in the Company in exchange for 107,000,000 ordinary shares in TIGB representing the entire issued and paid-up share capital of TIGB on one-for-one basis; and

(ii) Issuance of 53,499,995 Warrants 2020/2023 ("Warrants C") in the Company in exchange for 53,499,995 Warrants 2019/2023 ("Warrants B") in TIGB on one-for-one basis.

Consequently, TVHB became the new holding company of TIGB and its subsidiaries ("TIGB Group") and assumed the listing status of TIGB on the Main Market of Bursa Securities.

The registered office of the Company is located at Lot 4.10, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur whilst the principal place of business is located at PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.

The Company is principally involved in investment holding and provision of management services to the subsidiaries within the Group. The principal activities of the subsidiaries are set out in Note 15 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial period.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except as disclosed in the accounting policies below. The accounting policies below are adhered to by the Group and the Company except as otherwise indicated.

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

On 1 July 2020, the Group and the Company adopted the following amendments which are effective for annual periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2021 (1 June 2020)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021

The adoption of these amendments did not have any material effect on the financial position or performance of the Group and of the Company.

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint ventures	Deferred

The directors do not expect any material effect from the adoption of the above standards in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements of the Company comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if, and only if, the Company has the following:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(b) Exposure, or rights, to variable returns from its investment with the investee; and

(c) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(a) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(b) Potential voting rights held by the Company, other vote holders or other parties;

(c) Rights arising from other contractual arrangements; and

(d) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation(cont'd)

Losses applicable to the non-controlling interest in subsidiaries are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiaries and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiaries at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. All other contingent consideration shall be measured at fair value and such changes shall be recognised in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiaries acquired, the difference is recognised in profit or loss.

Internal reorganisation

Acquisition of entities under an internal reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company is a continuation of the acquired entities and is accounted for as follows:

(a) The results of entities are presented as if the internal reorganisation occurred from the beginning of the earliest period presented in the financial statements;

(b) The Company will consolidate the assets and liabilities of the acquired entities at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the internal reorganisation that would otherwise be done under the acquisition method; and

(c) No new goodwill is recognised as a result of the internal reorganisation. The only goodwill that is recognised is the existing goodwill relating to the combining entities. Any difference between the consideration paid transferred and the equity acquired is reflected within equity as merger reserve.

2. Summary of significant accounting policies (cont'd)

2.5 Subsidiaries

A subsidiary is an entity over which the Company has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(b) exposure, or rights, to variable returns from its investment with the investee; and

(c) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Investment in associate

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 9 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136: Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

The assets and liabilities of foreign operations are translated into RM at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

(c) Foreign operations

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.8 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

2. Summary of significant accounting policies (cont'd)

2.8 Property, plant and equipment and depreciation (cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is amortised over their lease terms on the straight line method. Capital works-in-progress are not depreciated as these assets are not available for use. Depreciation on other property, plant and equipment is computed on the straight line method over the following estimated useful lives of the assets:

Freehold buildings	50 years
Leasehold land and buildings	Over the unexpired lease periods
Plant, machinery and equipment	5 to 15 years
Motor vehicles	5 years
Office equipment	2 to 10 years
Furniture and fittings, renovation and signboard	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the year the asset is derecognised.

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

(b) Other intangible-assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets (cont'd)

(b) Other intangible-assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The expenditure is capitalised and no amortisation is necessary when the asset is still under the development stage.

2.10 Power plant development project/ Deferred expenditures

Power plant development project/Deferred expenditures are incidental expenditures incurred in securing, investing and developing the power plant project in Vietnam that include costs, expenses and outgoings for advisory, consultancy, engineering, legal and other professional services, various expenditures for research and development, feasibility and viability studies on the Project. The power plant development project/ deferred expenditures are capitalised as power plant development project/deferred expenditures when the project is deemed economically viable with business rationality and the management are confident of the successful outcome of the project based on the progress of the Project. Costs not directly attributable to the project, including general administrative and other overhead costs, are expensed off in the financial year they are incurred.

The Group assesses at each reporting date whether there is an indication that the deferred expenditures (partially or in full) may need to be impaired. If any such indication exists, or when an annual impairment assessment for the power plant development project/deferred expenditures is carried out, the management may engage an independent reviewer to make an estimate of the recoverable amount from the Project. Consequently, those expenditures, in excess of estimated recovered amount, shall be recognised as an expense in profit and loss.

When the project is deemed to be no longer commercially viable or when there is an indication that no future economic benefits will be derived from the project, the power plant development project/deferred expenditures less recoverable amount, would have to be impaired or written off in profit and loss.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the earning amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in the statement of profit or loss expense categories consistent with the function of the impaired assets.

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present locations and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out and weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. These costs are assigned on a first-in first-out and weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to conclude the sale.

2.13 Non-current assets or disposal group held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within 12 months from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal groups are measured at the lower of carrying amount and fair value less costs of disposal.

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs of disposal of an asset is recognised but not in excess of the cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale.

2. Summary of significant accounting policies (cont'd)

2.14 Financial instruments

(a) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(b) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised costs as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or losses are subsequently measured at their fair value. Net gain or losses, including any interest or dividend income, are recognised in the profit or loss. All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment.

2. Summary of significant accounting policies (cont'd)

2.14 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(i) Fair value through profit or loss ("FVTPL")

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- A group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- If a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(ii) Amortised cost

Other financial liabilities not categorised as fair value through profit or losses are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of awards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 Financial instruments (cont'd)

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amount and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2.15 Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at the amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt instruments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flow of the financial assets have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures of the Group and of the Company for recovery of amounts due.

2.16 Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. Summary of significant accounting policies (cont'd)

2.16 Fair value measurement (cont'd)

The Group and the Company use calculation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.17 Cash and bank equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2.18 Provisions

Provisions are recognised when the Group or the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and the activities to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantial all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

2. Summary of significant accounting policies (cont'd)

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building premises	Over the unexpired lease period

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset instead of the lease term.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery
and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.20 Leases (cont'd)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.21 Revenue

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good and service to the customer, which is when the customer obtain control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control over the asset.

(a) Sale of goods

The Group transfers control of a good at a point in time unless one of the following over time criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to-date.

(b) Services rendered

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(c) Other revenue

Revenue from other sources are recognised as follows:

(i) Dividend income

Dividend income is recognised when the right of the Group and of the Company to receive payment is established, which is generally when shareholders approve the dividend.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items in relation to the underlying transaction that do not affect profit or loss are recognised either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

(c) Sales and Services Tax ("SST")

Revenues, expenses and assets are recognised net of the amount of SST except:

- Where the amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of SST included.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.23 Employee benefits

(a) Short term benefits

Wages, salaries, allowances and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees. Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Additional disclosures on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(a) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(b) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. Summary of significant accounting policies (cont'd)

2.25 Equity instruments (cont'd)

(c) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in retained earnings.

2.26 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the assets or the obligation is disclosed as a contingent assets or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3. Significant accounting estimates and judgements

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Revenue from contracts with customers

Determining method to estimate variable consideration

Certain contracts with customers include trade incentives and certain consideration payable to customers. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of goods.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

(b) Power plant development project/deferred expenditures

Power plant development project/deferred expenditures are incidental expenditures incurred in securing, investing and developing the power plant project in Vietnam that include costs, expenses and outgoings for advisory, consultancy, engineering, legal and other professional services, various expenditures for research and development, feasibility and viability studies on the Project .

The application of the Group's accounting policy for power plant development project/ deferred expenditures requires judgement in determining whether the future economic benefits will be likely to be derived and flown into the Group and the recoverability of the power plant development expenditure/ deferred expenditures arising from the ultimate outcome of the project. In this regard, the Directors are confident of the successful outcome of the project based on the progress of the project.

3. Significant accounting estimates and judgements (cont'd)

3.1 Critical judgements made in applying accounting policies (cont'd)

(b) Power plant development project/deferred expenditures (cont'd)

The current status and carrying amount for power plant development project/ deferred expenditures as at the reporting date are disclosed in Note 14 and Note 21 respectively to the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated
economic useful lives. Management estimates the useful lives of these property, plant and equipment to be
within 2 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore, future depreciation charges could be revised. The carrying amount of
the Group's property, plant and equipment at the reporting date is disclosed in Note 12.

(b) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 22.

(c) Impairment of investments in subsidiaries

The Group assesses whether there is any indication that investment in a subsidiary may be impaired at each reporting date. In assessing whether there is any indication that its interest in a subsidiary may be impaired, the Company considers the external and internal sources of information. The Company estimated the recoverable amount of the interest in a subsidiary is based on estimated future cash flows and discounting them at an appropriate rate. The carrying amount of the Company's investments in subsidiaries is disclosed in Note 15.

(d) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated.

When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 19.

(e) Allowance for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. Significant accounting estimates and judgements (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(e) Allowance for expected credit losses of trade and other receivables (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 23.

(f) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4. Revenue

Revenue comprised the following:

	Group		Company	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Revenue from contracts with customers				
- Sales of goods and services rendered	99,639	98,862	-	-
Revenue from subsidiaries				
- Management fees	-	-	792	-
- Dividend income	-	-	1,850	-
	-	-	2,642	-
Total revenue	99,639	98,862	2,642	-
Timing of revenue recognition				
At a point in time	99,639	98,862	1,850	-
Over time	-	-	792	-
	99,639	98,862	2,642	-

Significant terms of sales are as follows:

(i) Sale of goods - Credit term of 30 to 120 (30.06.2020: 30 to 120) days from the invoicing date.
(ii) Rendering of services - Credit term of 30 to 120 (30.06.2020: 30 to 120) days from the invoicing date.

5. Other income

	Group	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000
Gain on disposal of property, plant and equipment	131	2,919
Gain on disposal of assets held for sale	-	1,791
Gain on disposal of investment in an associate	-	42
Gain on disposal of leased assets	-	90
Wages subsidies from government	370	210
Others	410	459
	911	5,511

6. Finance Costs

	Group	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000
Interest expenses on:		
Term loans	-	61
Bank overdrafts	103	25
Bankers' acceptance	141	235
Finance lease liabilities	39	26
Lease liabilities	12	97
Others	88	3
	383	447

7. (Loss)/profit before tax

In addition to those disclosed elsewhere in the financial statements, the following amounts have been charged out/(credited) in arriving at (loss)/profit before tax:

	Group		Company	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Amortisation of right-of-use assets	222	227	-	-
Auditors' remuneration				
- current financial period's provision	243	217	72	5
- under-provision in prior period	5	7	-	-
- non-statutory audit	87	56	44	-
- foreign subsidiary	25	-	-	-
Bad debts written off	99	44	-	-
Depreciation of property, plant and equipment	1,292	1,335	1	-
(Gain)/loss on foreign exchange				
- realised	(395)	119	-	-
- unrealised	(213)	89	-	-
Impairment loss on goodwill on consolidation	2,322	-	-	-
Product development costs written off	-	123	-	-
Property, plant and equipment written off	69	54	-	-
Preliminary expenses written off	-	-	-	7
Rental of hostel	64	-	-	-
Rental of office	607	-	-	-
Rental of premises	14	-	-	-
(Reversal)/impairment loss allowance on trade receivables (Note 23)	(98)	98	-	-
(Reversal)/allowance for expected credit loss on trade receivables (Note 23)	(84)	230	-	-
Short term lease expenses	-	96	-	-

8. Employee benefits expense

	Group		Company	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Salaries, allowances and bonuses	12,431	11,875	315	-
Contributions to a defined contribution plan	1,377	1,243	29	-
Contributions to social security plans	146	140	1	-
	13,954	13,258	345	-

9. Directors' remuneration

The remuneration received and receivable by directors of the Group and of the Company are as follows:

	Group		Company	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Executive				
Fees	136	123	60	-
Salaries and other emoluments	1,510	1,752	30	-
Defined contribution and social security plans	109	101	-	-
Total short-term employee benefits	1,755	1,976	90	-
Non-Executive				
Fees	222	226	118	-
Salaries and other emoluments	216	327	119	-
Total short-term employee benefits	438	553	237	-
Total remuneration of the directors	2,193	2,529	327	-

Other emoluments comprised salaries, allowances, bonuses, defined contribution plan and social security plans.

10. Income tax expense

The major components of income tax expense for the financial period are:

	Group		Company	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Statements of profit or loss and other comprehensive income:				
Current income tax:				
- Malaysian income tax	1,251	1,166	59	-
- Over provision in respect of previous years	(43)	(6)	-	-
	1,208	1,160	59	-
Deferred income tax (Note 30):				
- Origination and reversal of temporary differences	1,015	(120)	-	-
- Under/(over) provision in respect of previous years	18	(126)	-	-
	1,033	(246)	-	-
Income tax expense recognised in profit or loss	2,241	914	59	-

10. Income tax expense (Cont'd)

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate is as follows:

	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000
Group		
(Loss)/profit before tax	(11,668)	6,468
Tax at Malaysian statutory tax rate of 24% (30.06.2020: 24%)	**(2,800)**	1,552
Adjustments:		
Non-deductible expenses	4,570	1,824
Income not subject to tax	(474)	(2,230)
Utilisation of previously unrecognised deferred tax assets	-	(100)
Deferred tax assets not recognised	1	-
Relating to origination/reversal of timing differences	969	-
(Over)/under provision in respect of previous period:-		
- income tax	(43)	(6)
- deferred tax	18	(126)
Income tax expense	2,241	914
Company		
Profit/(loss) before tax	1,406	(17)
Tax at Malaysian statutory tax rate of 24% (30.06.2020: 24%)	337	(4)
Adjustments:		
Non-deductible expenses	1	4
Income not subject to tax	(279)	-
Income tax expense	59	-

(a) Domestic income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit for the financial period.

In the previous financial year, the Malaysian corporate tax rate was reduced to a range of 20% to 24% from the tax rate of 24%. The reduction in income tax rate is based on the percentage of increase in chargeable income as compared to immediate preceding year of assessment.

(b) At the reporting date, subject to the agreement of the tax authority, the Group has the following tax losses and allowances to offset against future taxable income.

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Unutilised tax losses	14,319	2,057
Unabsorbed capital allowances	46	97
	14,365	2,154

10. Income tax expense (Cont'd)

(c) Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unabsorbed capital allowances can be carried forward indefinitely, but the unutilised tax losses will be expired until the following years of assessment:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Unutilised tax losses to be carried forward until:		
- Year of assessment 2025	1,560	2,051
- Year of assessment 2026	-	6
- Year of assessment 2027	1,278	-
- Year of assessment 2028	48	-
	2,886	2,057

(d) The Company and its subsidiaries are subject to tax audits to be carried out by the tax authorities in respective jurisdictions, potential tax liabilities may arise from such tax audits.

11. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share amounts is calculated by dividing (loss)/ profit for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following table reflects the (loss)/profit and share data used in the computation of basic (loss)/earnings per share for the financial period ended 30 September 2021 and 30 June 2020.

	Group	
	1.7.2020 to 30.9.2021	1.4.2019 to 30.6.2020
(Loss)/profit net of tax attributable to owners of the Company (RM'000)	(13,909)	5,554
Weighted average number of ordinary shares in issue ('000)	117,703	107,000
Basic (loss)/earnings per share (sen)	(11.8)	5.19
Diluted (loss)/earnings per share (sen) [Note 11(b)]	N/A	N/A

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share amount is calculated by dividing (loss)/profit for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares inclusive of warrants into ordinary shares.

At the date of this report, the diluted loss per share is not presented because they are anti- dilutive in nature for the financial period covered.

<u>In the previous financial period</u>

The Group has no dilution in its earnings per share as the exercise price of the outstanding warrants had exceeded the average market price of ordinary shares during the financial period, thus the outstanding warrants do not have any dilutive effect on the weighted average number of ordinary shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. Property, Plant and Equipment

Group	Freehold land RM'000	Freehold buildings RM'000	Leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings, renovation and signboards RM'000	Total RM'000
Cost								
At 1 April 2019	3,097	1,537	14,865	13,609	1,221	1,983	2,444	38,756
Additions	1,920	1,185	-	428	67	114	238	3,952
Disposals	(853)	(641)	-	(404)	(54)	(2)	(89)	(2,043)
Reclassification	-	-	-	(294)	-	-	-	(294)
Written off	-	-	-	(113)	-	(24)	(2)	(139)
At 30 June 2020 and 1 July 2020	4,164	2,081	14,865	13,226	1,234	2,071	2,591	40,232
Additions	-	-	-	961	132	468	239	1,800
Disposals	-	-	-	(151)	(65)	-	-	(216)
Returned	-	-	-	(91)	-	-	-	(91)
Written off	-	-	-	(335)	-	(167)	(142)	(644)
At 30 September 2021	4,164	2,081	14,865	13,610	1,301	2,372	2,688	41,081
Accumulated depreciation								
At 1 April 2019	-	484	3,781	12,462	1,033	1,699	1,847	21,306
Depreciation charged for the financial period	-	27	321	672	74	121	120	1,335
Disposals	-	(214)	-	(389)	(54)	(1)	(11)	(669)
Reclassification	-	-	-	(173)	-	-	-	(173)
Written off	-	-	-	(60)	-	(24)	(1)	(85)
At 30 June 2020 and 1 July 2020	-	297	4,102	12,512	1,053	1,795	1,955	21,714
Depreciation charged for the financial period	-	52	324	482	99	219	116	1,292
Disposals	-	-	-	(56)	(65)	-	-	(121)
Returned	-	-	-	(71)	-	-	-	(71)
Written off	-	-	-	(269)	-	(167)	(139)	(575)
At 30 September 2021	-	349	4,426	12,598	1,087	1,847	1,932	22,239
Net carrying amount								
At 30 June 2020	4,164	1,784	10,763	714	181	276	636	18,518
At 30 September 2021	4,164	1,732	10,439	1,012	214	525	756	18,842

12. Property, plant and equipment (cont'd)

	Office equipment RM'000
Company	
Cost	
At 30 June 2020 and 1 July 2020	-
Additions	3
At 30 September 2021	3
Accumulated depreciation	
At 30 June 2020 and 1 July 2020	-
Depreciation charged for the financial period	1
At 30 September 2021	1
Net carrying amount	
At 30 June 2020	-
At 30 September 2021	2

(a) Reconciliation to the statement of cash flows

Reconciliation to the cash flow for purchases of property, plant and equipment is as follows:

	Group	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2020 RM'000
Additions for the financial period	1,800	3,952
Less: Finance lease arrangements	(592)	(198)
Total cash payments during the financial period	1,208	3,754

(b) Assets charged

The carrying amount of property, plant and equipment of the Group charged to banks for banking facilities extended to certain subsidiaries as disclosed in Note 37 is as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Freehold land	1,744	4,164
Freehold buildings	579	1,784
Leasehold land	3,036	3,222
Leasehold buildings	6,657	7,541
	12,016	16,711

(c) Assets acquired under finance lease arrangements

The carrying amount of property, plant and equipment of the Group acquired under finance lease arrangements is as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Plant and machinery	166	249
Motor vehicles	106	59
Office equipment	189	-
Furniture and fittings, renovation and signboard	343	142
	804	450

13. Right-of-use assets

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020/1 April 2019	1,175	-
Effect of adoption of MFRS l6 (Note 2.20)	-	1,175
At 1July 2020/1 April 2019 (restated)	1,175	1,175
Accumulated amortisation charged	(449)	(227)
Termination of lease	(6)	-
At 30 September 2021/30 June 2020	720	948

The movement in accumulated amortisation during the period is as follow:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Accumulated amortisation		
At 1 July 2020/1 April 2019	227	-
Amortisation charged for the financial period	222	227
At 30 September 2021/30 June 2020	449	227

The Group has lease contracts for building premises used in its operations.

The Group also applies judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective lease.

14. Power plant development project

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Intangible asset at cost:		
<u>Initial costs incurred prior to the BOT contract:</u>		
At 1 July 2020/1 April 2019	-	-
Transfer from deferred expenditures	268,191	-
At 30 September 2021/30 June 2020	268,191	-
<u>Development expenditures:</u>		
At 1 July 2020/1 April 2019	-	-
Additions during the financial period	27,951	-
At 30 September 2021/30 June 2020	27,951	-
Total expenditures	296,142	-

Power plant development project is in respect of the investment and development of 2 units with scale capacity of 1,060 MW Song Hau 2 Thermal-electric Power Plant in the Hau Giang Province of Vietnam ("the Project") with an estimated investment cost of USD2.70 billion, undertaken by Toyo Ink Group Berhad ("TIGB"), a wholly- owned subsidiary of the Company.

On 29 December 2020, TIGB and Song Hau 2 Power Company Limited ("the BOT Company"), a wholly-owned Vietnamese subsidiary of TIGB, had entered into a on a Build-Operate-Transfer BOT contract with the Ministry of Industry and Trade of Vietnam ("MOIT") to undertake the investment and development of the Project on the BOT basis for a concession period of 25 years.

14. Power plant development project (Cont'd)

It is the Group's policy to conduct an impairment assessment on power plant development project (an intangible asset not yet available for use) annually in accordance with MFRS 136 Impairment of Assets and MFRS 138 Intangible Assets. The impairment assessment on power plant development project requires significant judgement made by the Directors on the continuity and expected successful outcome in recovering of the cost of investment and development in the Project. Thus, the Directors had engaged an independent professional consultant to conduct an impairment assessment on power plant development project. Based on the financial model prepared by the independent professional consultant and the investment appraisal carried out by the management, it was concluded that there is no indication of impairment to be recognised during the financial period.

Should the Group is unable to secure the Share Sale Agreement ("SSA") with the intended investor duly executed and obtain the necessary financing package ("Finance Close") for the Project within the stipulated time frame, the expenditures attributable to power plant development project may have to be potentially impaired.

15. Investments in subsidiaries

	Company	
	30.9.2021 RM'000	30.6.2020 RM'000
Unquoted shares, at cost	147,075	-

(a) Details of the subsidiaries are as follows:

Name of subsidiary	Place of incorporation	Principal activities	Proportion of ownership interest	
			30.9.2021 %	30.6.2020 %
Direct subsidiaries of the Company:				
Toyo Ink Group. Berhad. ("TIGB")	Malaysia	Investment holding and undertake the investment and development of the power plant project.	100	-
Toyo Ink Sdn. Bhd. ("TISB")	Malaysia	Investment holding and ink manufacturer.	100	-
EDM-Tools (M) Sdn. Bhd.	Malaysia	Sales and distributions of electrical discharge machining tools.	100	-
EDM Machining Solutions (M) Sdn. Bhd. ("EDMSB")	Malaysia	Manufacturing and fabrication of metal and graphite parts.	100	-
Direct subsidiary of TIGB:				
Song Hau 2 Power Company Limited ^	Vietnam	Investment and development of the power plant project in Vietnam	100	-
Direct subsidiaries of TISB:				
Toyo Ink (Perak) Sdn. Bhd.	Malaysia	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	100	100
Toyo Ink (Penang) Sdn. Bhd.	Malaysia	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	100	100
EDM-Tools (Penang) Sdn. Bhd.	Malaysia	Dealer of all kinds of engineering and aviation equipment, accessories and attachments	100	100

15. Investments in subsidiaries (cont'd)

(a) Details of the subsidiaries are as follows: (cont'd)

Name of subsidiary	Place of incorporation	Principal activities	Proportion of ownership interest 30.9.2021 %	30.6.2020 %
Direct subsidiaries of TISB (cont'd):				
Toyo Photo Products Sdn. Bhd.	Malaysia	Under members' voluntary winding up	100	100
Toyo Energy Sdn. Bhd.	Malaysia	Under members' voluntary winding up	100	100
INMAC EDM-Tools (M) Sdn. Bhd.	Malaysia	Under members' voluntary winding up	100	100
Direct subsidiary of EDMSB:				
Toyo Laser Technology Sdn. Bhd.	Malaysia	Under members' voluntary winding up.	100	100

^ Subsidiary audited by another firm of auditors other than KC Chia & Noor.

(b) Audited financial statements of Song Hau 2 Power Company Limited, Vietnam

The audited financial statement of the said subsidiary from 2 December 2020 (date of incorporation) to 30 September 2021 that are required to be prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, were not available to the management for consolidation purpose. The financial position and results of the said subsidiary that have been consolidated into the Group's consolidated financial statements were based on the management financial statements prepared by the said subsidiary.

In the previous financial period

Acquisition of remaining equity interest in a subsidiary

On 28 May 2019, the Company acquired the remaining 0.01% equity interest representing 1 ordinary share in the then subsidiary, Toyo Energy Sdn Bhd, with the purchase consideration of RM 1 only.

16. Investment in an associate

	Group 30.9.2021 RM'000	30.6.2020 RM'000
Unquoted shares, at cost	-	310
Share of post-acquisition results	-	120
Adjustment for exchange gain arising on year end translation of investment in foreign associate	-	218
	-	648
Disposal of investment in an associate	-	(648)
	-	-
Represented by:		
Share of net assets of an associate	-	-
Discount on acquisition	-	-
	-	-

16. Investment in an associate (cont'd)

In the previous financial period

Disposal of an associate

On 26 June 2020, the Group has disposed of its entire 50% equity interest comprising 200,000 ordinary shares in Toyo Color Pte Ltd. in exchange for 151,784 ordinary shares representing 7.16% of the equity interest in the capital of Toyo Ink Pte Ltd. Both companies are incorporated and domiciled in Singapore.

(a) The following table summarises the financial information in respect of the Group's associate. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Assets and liabilities		
As at 30 September 2021/30 June 2020		
Non-current assets	-	1,396
Current assets	-	7
Current liabilities	-	(12)
Net assets	-	1,391
Financial results		
For the period ended 30 September 2021/30 June 2020		
Loss for the financial period, representing total comprehensive loss for the financial period	-	(6)

17. Other investment

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At cost:		
At 1 July 2020/1 April 2019	690	-
Unquoted shares outside Malaysia, at cost	-	690
At 30 September 2021/30 June 2020	690	690

In the previous financial period

Investment in a foreign company

On 26 June 2020, the Group acquired 7.16% equity interest comprising of 151,784 ordinary shares in Toyo Ink Pte Ltd, a company incorporated and domiciled in Singapore.

18. Product development costs

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020/1 April 2019	-	123
Amount written off	-	(123)
At 30 September 2021/30 June 2020	-	-

In the previous financial period

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of the new products are capitalised only when technical feasibility of completion of the project is demonstrated. The Group had the availability of adequate technical, financial and other resources to complete the development of new products and the ability to measure reliably the development costs incurred. Such costs included costs of purchases of materials and services and payroll-related costs for employees directly involved in the project.

The product development costs had been expensed off in profit or loss as the development phase of the new product had been completed and the new products are ready for sale.

19. Goodwill on consolidation

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020 / 1 April 2019	17,496	17,496
Less: Accumulated impairment losses	(17,496)	(15,174)
At 30 September 2021 / 30 June 2020	-	2,322

Movement in the allowance for impairment losses of goodwill on consolidation is as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020/1 April 2019	15,174	15,174
Impairment loss recognised during the financial period	2,322	-
At 30 September 2021/30 June 2020	17,496	15,174

The carrying value of goodwill allocated to the Group's cash generating units are as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Toyo Ink (Perak) Sdn. Bhd.	-	43
EDM-Tools (M) Sdn. Bhd.	-	1,651
EDM Machining Solutions (M) Sdn. Bhd.	-	628
	-	2,322

The recoverable amounts of the CGUs have been measured based on their fair value less cost to sell which is based on calculations using cash flow projections from financial budgets approved by the management covering 5 (30.6.2020: 3) year period.

19. Goodwill on consolidation (cont'd)

The gross margin, discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate the cash flows beyond the 5 (30.6.2020: 3) year period are as follows:

	Group	
	30.9.2021 %	30.6.2020 %
Gross margin	-	14 - 28
Growth rate	-	4 - 9
Discount rate	-	7.5

The calculation of fair value for the TVHB's CGU is most sensitive to the following assumptions:

Gross margins:	The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year and is revised for expected efficiency improvements.
Growth rates:	The forecasted growth rates are based on the published industry research and do not exceed the long term average growth rate for the industries relevant to the CGU.
Discount rate:	The discount rate reflects the management's estimate of the risks specific to this entity. In determining appropriate discount rate, consideration has been given to the applicable weighted average cost of capital.

20. Lease receivables

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Minimum lease collections:		
Within 1 year	25	57
After 1 year and within 2 years	4	35
After 2 years and within 5 years	-	7
	29	99
Less: Future finance income	(1)	(3)
Total finance lease receivables	28	96
Present value of minimum lease collections:		
Within 1 year	24	54
After 1 year and within 2 years	4	35
After 2 years and within 5 years	-	7
	28	96
Analysed as:		
Repayable within 12 months	24	54
Repayable after 12 months	4	42
	28	96

The finance lease receivables charge interest at rate of 3.85% (30.6.2020: 3.85%) per annum.

21. Deferred expenditures

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Intangible asset at cost:		
At 1 July 2020/1 April 2019	387,302	358,865
Additions	30,162	28,437
	417,464	387,302
Expenses disregarded by the intended investor being absorbed and reimbursed by other payables	(121,322)	-
	296,142	387,302
Transfer to power plant development project (Note 14)		
- initial costs incurred prior to the BOT contract	(268,191)	-
- development expenditure	(27,951)	-
Reclassified as assets held for sale (Note 26)	-	(387,302)
At 30 September 2021/ 30 June 2020	-	-

Deferred expenditures are in respect of initial costs incurred for the investment and development of 2 units with scale capacity of 1,060MW Song Hau 2 Thermal-electric Power Plant in the Hau Giang Province of Vietnam ("the Project") with an estimated investment cost of USD2.70 billion, undertaken by Toyo Ink Group Berhad ("TIGB"), a wholly-owned subsidiary of the Company.

TIGB had initiated the Project in 2007. As at 30 September 2021, the deferred expenditures incurred accumulated to RM417.5 million. Out of which, RM303.7 million (30.6.2020: RM309.8 million) is being financed by non-current other payables related to a substantial shareholder as disclosed in Note 34(a) to the financial statements.

On 29 December 2020, TIGB and Song Hau 2 Power Company Limited ("the BOT Company"), a wholly-owned Vietnamese subsidiary of TIGB, had entered into a on a Build-Operate-Transfer ("BOT") contract with the Ministry of Industry and Trade of Vietnam ("MOIT") to undertake the investment and the development of the Project on the BOT basis for a concession period of 25 years.

On 22 January 2021, the Company had entered into an agreement with an intended investor for the proposed divestment of its majority equity interest in TIGB, and the on-going co-operation in the investment and development of the Project. As at the reporting date, the consultant of the intended investor had completed the due diligence report.

The ultimate successful outcome of the Project is dependent upon the following:

(i) the Share Sale Agreement ("SSA") with the intended investor will be executed;
(ii) successfully obtaining the necessary financing package ("Financial Close") for the Project;
(iii) successfully attaining to the commercial operation stage of the Project;
(iv) continued financial support from the non-current other payables related to a substantial shareholder until the completion and delivery of the Project or the full or the full and complete disposal of the Project, whichever is earlier; and
(v) ability of the Group to achieve sustainable and viable operations for the Project and to generate sufficient cash flows which enable the Group to meet its obligations as and when they fall due.

While evaluating the risks involved, the Directors are confident that the Group has the ability to fulfil the conditions as mentioned above leading to a successful outcome of the Project.

Should the above are not forthcoming, adjustments relating to the recoverability and reclassification of assets and liabilities pertaining to the same may be required, inter alia, to write down the deferred expenditures and non-current assets held for sale to their realisable values less costs of disposal and reclassify non-current other payables to current and provide for any losses which may arise.

21. Deferred expenditures (cont'd)

It is the Group's policy to conduct an impairment assessment on the deferred expenditures (an intangible asset not yet available for use) annually in accordance with MFRS 136 Impairment of Assets and MFRS 138 Intangible Assets. The impairment assessment on deferred expenditures requires significant judgement made by the Directors on the continuity and expected successful outcome in recovering of the cost of investment in the Project. Thus, the Directors had engaged an independent professional consultant to conduct an impairment assessment on the deferred expenditures. Based on the Financial model prepared by the independent professional consultant and the Investment appraisal carried out by the management, it was concluded that there is no indication of impairment to be recognised during the financial period.

In the previous financial period

As at the report date, the Directors were also of the opinion that no impairment was recognised during the current financial period as the Company was in the midst negotiating with few potential investors/partners to jointly undertake the Proposed Project and a successful outcome of the disposal would be reached within the next 12 months and the proceeds of the disposal would be higher than the costs of the deferred expenditures incurred.

Accordingly, the deferred expenditures had been reclassified as non-current asset held for sales as disclosed in Note 26.

22. Inventories

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At cost		
Raw materials	4,104	2,905
Finished goods	10,917	12,039
Goods-in-transit	469	100
Trading merchandise	-	218
	15,490	15,262
At net realisable value		
Finished goods	-	100
	15,490	15,362

(a) During the financial period, the amount of inventories recognised as an expense in cost of sales of the Group was RM70,988,412 (30.6.2020: RM69,260,658).
(b) Raw materials, amongst others, consist of ink, die-cutters, metal, graphite parts and other consumables.

23. Trade receivables

	Group		Company	
	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
Third parties	16,949	16,232	-	-
Amount due from subsidiaries	-	-	108	-
Less: Expected credit loss allowance	(146)	(328)	-	-
	16,803	15,904	108	-

23. Trade receivables (cont'd)

The movement in the expected credit loss allowance in respect of trade receivables during the financial period is shown below:

	Trade receivables		
	Lifetime ECL RM'000	Credit Impaired RM'000	Total RM'000
Group			
At 1 April 2019	-	-	-
Impairment loss recognised (Note 7)	230	98	328
At 30 June 2020 and 1 July 2020	230	98	328
Reversal of impairment loss	(84)	(98)	(182)
At 30 September 2021	146	-	146

(i) The Group's average credit period ranges from 30 to 150 days (30.6.2020: 30 to 120 days).

(ii) The ageing analysis of the Group's trade receivables is as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Current (not past due)	7,164	6,785
Past due not impaired:		
Less than 30 days past due	3,981	1,275
31 to 60 days past due	2,291	2,614
61 to 90 days past due	1,468	2,141
More than 90 days past due	2,045	3,417
	16,949	16,232
Amount impaired	(146)	(328)
	16,803	15,904

Information about the credit exposures are disclosed in Note 42(a).

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(iii) The Group writes off a trade receivable amounting to RM99,035 (30.6.2020: RM43,670) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off were subject to enforcement activities.

(iv) As at 30 September 2021, trade receivables of RM9,639,119 (30.6.2020: RM9,119,034) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

24. Other receivables, deposits and prepayments

	Group		Company	
	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
Other receivables	14	95	-	-
Deposits	368	448	-	-
Prepayments	1,540	247	57	-
	1,922	790	57	-
Advance payments for the Project [Note 24(a)]	80,864	-	-	-
	82,786	790	57	-

(a) Included in the advance payments for the Project are prepayments made for the rights-of-use of the land for the power plant project in Vietnam according to the unaudited financial statements of the Vietnamese subsidiary.

25. Cash and cash equivalents

	Group		Company	
	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
Cash in hand and at banks	9,210	2,990	440	*
Short-term deposits with licensed banks	19,423	7,149	12,051	-
Total cash and cash equivalents	28,633	10,139	12,491	*

* Represent RM 2 only

Short-term deposits are made for the maturity period of 47 days (30.6.2020: 30 days) depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The weighted average effective interest rates as at the reporting date for the Group were ranging from 1.80% to 2.90% (30.6.2020: 1.30% to 3.55%).

26. Non-current assets and liabilities directly associated with assets classified as held for sale

The major classes of assets and liabilities comprising the disposal assets classified as held for sale are as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Reclassified as assets held for sale		
Deferred expenditures	-	387,302
Reclassified as liabilities held for sale		
Non-current other payables	-	(311,861)
Net	-	75,441

<u>In the previous financial period</u>

The Directors resolved to dispose of the Group's investment in power plant development project in Vietnam (with an option to retain certain portion of the equity interest). Negotiations with several interested parties had subsequently taken place. The non-current assets attributable to and liabilities directly associated with the said power plant, which are expected to be sold within 12 months, had been classified as a disposal assets held for sale and are presented separately in the statement of financial position. The deferred expenditures of the power plant development activities had been included in the Group's energy activity for segment reporting purposes (Note 44).

26. Non-current assets and liabilities directly associated with assets classified as held for sale (cont'd)

The carrying value of the deferred expenditures amounting to RM387,301,608 had been reclassified to current assets in accordance with *MFRS 5 Non-current Assets Held for Sale and Discontinued Operations*.

Accordingly, the impairment assessment on those deferred expenditures had ceased and non-current other payables directly associated with deferred expenditures of RM311,860,628 had also been reclassified to non-current other payables held for sale.

27. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020/1 April 2019 and 1 July 2020/13 January 2020	2	2	*	*
Issuance of ordinary shares pursuant to				
- securities exchange	107,000,000	-	107,000	-
- private placement	10,700,000	-	25,145	-
- exercise of warrants	2,500	-	4	-
Shares issuance expenses	-	-	(544)	-
	117,702,502	2	131,605	*
Warrant reserve for issuance of Warrants C	-	-	(5,885)	-
At 30 September 2021/30 June 2020	117,702,502	2	125,720	*

* Represents RM2 only.

During the financial period, the Company increased its issued and paid up share capital from RM2 to RM131,605,212 by way of :

(a) Issuance of 107,000,000 new ordinary shares in exchange for 107,000,000 ordinary shares in Toyo Ink Group Berhad ("TIGB") on one-for-one basis pursuant to the internal reorganisation scheme as detailed in Note 45(a) to the financial statements;

(b) Issuance of 10,700,000 new ordinary shares pursuant to a private placement to independent parties at the issue price of RM2.35 per share for a cash consideration of RM25,145,000; and

(c) Issuance of 2,500 new ordinary shares pursuant to exercise of warrants at the exercise price of RM1.50 per share for a cash consideration of RM3,750.

The net proceeds from the issuance of the above ordinary shares were utilised to finance the power plant development project in Vietnam. The new shares issued rank pari passu in all respects with the then existing shares.

(a) Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Warrants 2020/2023 ("Warrants C")

On 23 October 2020, the Company issued 53,499,995 Warrants C in exchange for 53,499,995 Warrants 2018/2023 ("Warrants B") in TIGB on one-for-one basis and had assumed the salient terms of Warrants B, thus Warrants C are also being constituted by the Deed Poll of Warrants B dated 22 October 2018 ("Deed Poll").

On 26 October 2020, Warrants C were quoted and listed on the Main Board of Bursa Securities.

27. Share capital (cont'd)

(b) Warrants 2020/2023 ("Warrants C") (cont'd)

Fair values from the issuance of Warrants C ("Warrants") have been credited to warrant reserve which is non-distributable. In arriving at the related fair values, the fair values of the warrants are determined using the available market data for the Warrants on the date the Warrants are issued.

When the Warrants are exercised or expired, the warrant reserve will be reversed, to the extent that such exercise of Warrants is of significant quantity.

The salient terms of the Warrants C are as follows:

Each Warrant entitles the registered holder thereof ("Warrant holder") to subscribe for one (1) new ordinary share of RM1.00 each in the Company at the exercise price of RM1.50 during the 5-year period expiring on 6 November 2023 ("Exercise Period"), subject to the adjustments in accordance with the Deed Poll constituting the Warrants.

At the expiry of the Exercise Period, any Warrant which has not been exercised shall automatically lapse and cease to be valid for any purpose:

(i) The new shares to be issued upon the exercise of the Warrants shall, upon issue and allotment, rank pari passu in all respects with the existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared by the Company, which entitlement date thereof precedes the allotment date of the new shares to be issued pursuant to the exercise of the Warrants;

(ii) For purpose of trading on Main Market of Bursa Securities, a board lot for the Warrants shall be one hundred (100) or such other number of units as may be prescribed by Bursa Securities from time to time; and

(iii) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the law and regulations of Malaysia.

As at 30 September 2021, the movement in Warrant C and the corresponding warrant reserve is as follows:

	Number of warrants		Warrant reserve	
Group	**30.9.2021 Unit**	**30.6.2020 Unit**	**30.9.2021 RM'000**	**30.6.2020 RM'000**
At 1 July 2020/1 April 2019	53,499,995	53,499,995	5,885	5,885
Cancellation of Warrants B pursuant to internal reorganisation	(53,499,995)	-	(5,885)	-
Issuance of Warrants C	53,499,995	-	5,885	-
Exercised	(2,500)	-	*	-
At 30 September 2021/30 June 2020	53,497,495	53,499,995	5,885	5,885
Company				
At 1 July 2020/1 April 2019 and 1 July 2020 /13 January 2020	-	-	-	-
Issuance of Warrants C in exchange of Warrants B in TIGB	53,499,995	-	5,885	-
Exercised	(2,500)	-	*	-
At 30 September 2021/30 June 2020	53,497,495	-	5,885	-

* Negligible and less than RM1,000.

Warrant reserve represents the reserve allocated to detachable warrants issued in exchange of Warrants B in TIGB pursuant to the internal reorganisation during the financial period.

In the previous financial periods/years, warrant reserves were allocated as expenses to the bonus or right issues of new ordinary shares issued.

27. Share capital (cont'd)

(b) Warrants 2020/2023 ("Warrants C") (cont'd)

Warrants 2018/2023 (Warrants B) in TIGB

Group

On 23 October 2020, the Company issued 53,499,995 Warrants C in exchange of 53,499,995 Warrants B in TIGB on one-for-one basis pursuant to the internal reorganisation.

Consequently, all Warrants B in TIGB were cancelled and the corresponding warrant reserve of RM5,885,000 had been reversed and credited back to the share capital account of TIGB.

(c) Proposed issuance of ICULS

On 8 December 2021, the Company announced the proposed issuance of 208,708,000 units of five (5) years zero coupon Irredeemable Cumulative Unsecured Loan Stocks ("ICULS") to non-current other payables related to a substantial shareholder at 100% of its nominal value of RM 1.20 per ICULS amounting to RM250,449,600 for the proposed settlement portion of the debts due and owing to them ("the Proposed Settlement").

The Proposed Settlement is subject to the due process of proof of debts, approvals from shareholders of the Company and relevant authorities.

The salient terms of the proposed ICULS are as follows:

(i) The ICULS will be maturing Five (5) years from and inclusive of the date of issuance of the ICULS;

(ii) The coupon rate for the ICULS is zero (0) per annum;

(iii) The ICULS has a nominal value of RM1.20 per ICULS and is convertible to ordinary shares of TVHB without payment of any cash consideration upon the maturity date;

(iv) The ICULS has a conversion ratio of 1:1 and will be converted on the market day falling immediately before the fifth anniversary of the date of ICULS; and

(v) The ICULS will not be listed, quoted or traded on Bursa Securities. However, an application for approval of Bursa Securities will be made for the listing of and quotation for the new TVHB Shares to be issued arising from the conversion of the ICULS on the Main Market of Bursa Securities.

28. Merger reserve

	Group	
	30.9.2021 RM'000	**30.6.2020 RM'000**
At 1 July 2020/1 April 2019	101,115	101,115
Reversal of warrant reserve in TIGB pursuant to Internal Reorganisation	5,885	-
	107,000	101,115
Less: Purchase consideration to acquire equity of TIGB	(107,000)	-
At 30 September 2021/30 June 2020	-	101,115

(a) As disclosed in Note 45(a), the Company had accounted for the acquisition of TIGB Group as a continuation of the acquired entity. Therefore, the share capital of TIGB is reflected as a merger reserve as at 30 June 2020.

(b) As detailed in Note 27, the Company completed the internal reorganisation on 23 October 2020. Consequently, the merger reserve represents the difference between the purchase consideration to acquire TIGB and the share capital of TIGB.

29. Other reserve

Translation reserve

Translation reserve of the Group represents foreign exchange differences arising from the translation of the financial statements of a foreign subsidiary whose functional currencies are different from that of the Group's functional currency.

30. Deferred tax liabilities

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020/1 April 2019	818	1,064
Recognised in statements of profit or loss and other comprehensive income (net) (Note 10)	1,033	(246)
At 30 September 2021/30 June 2020	1,851	818

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 the deferred income taxes relate to the same tax authority.

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Deferred tax assets	239	262
Deferred tax liabilities	(2,090)	(1,080)
	(1,851)	(818)

	Property, plant and equipment RM'000	Other temporary differences RM'000	Total RM'000
Deferred tax assets			
At 1 April 2019	-	-	-
Recognised in statements of profit or loss and other comprehensive income	-	262	262
At 30 June 2020 and 1 July 2020	-	262	262
Recognised in statements of profit or loss and other comprehensive income	-	(23)	(23)
At 30 September 2021	-	239	239
Deferred tax liabilities			
At 1 April 2019	(1,064)	-	(1,064)
Recognised in statements of profit or loss and other comprehensive income	212	(228)	(16)
At 30 June 2020 and 1 July 2020	(852)	(228)	(1,080)
Recognised in statements of profit or loss and other comprehensive income	15	(1,008)	(993)
Over provision in prior year	(17)	-	(17)
At 30 September 2021	(854)	(1,236)	(2,090)

31. Finance lease liabilities

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Minimum lease payments:		
Within 1 year	292	203
After 1 year and within 2 years	222	83
After 2 years and within 5 years	69	15
	583	301
Less: Future finance costs	(41)	(17)
Total finance lease liabilities	542	284
Present value of minimum lease payments:		
Within 1 year	263	191
After 1 year and within 2 years	211	79
After 2 years and within 5 years	68	14
	542	284
Analysed as:		
Repayable within 12 months	263	191
Repayable after 12 months	279	93
	542	284

The finance lease liabilities bearinterest at rates ranging from 3.18% to 3.85% (30.06.2020: 3.50% to 3.85%).

32. Lease liabilities

The movement in lease liabilities during the financial period is as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
At 1 July 2020/1 April 2019	996	-
Effect of adoption of MFRS 16 (Note 2.2)	-	1,175
At 1 July 2020/1 April 2019 (Restated)	996	1,175
Accretion of interest charged	80	97
Payment of:		
- Principal	(196)	(179)
- Interest	(80)	(97)
Termination of lease	(7)	-
At 30 September 2021/30 June 2020	793	996
Analysed as:		
Current	164	158
Non-current	629	838
	793	996

32. Lease liabilities (cont'd)

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Amortisation of right-of-use assets	222	227
Interest expense on lease liabilities	79	97

The Group had total cash outflows for leases amounted to RM276,099 (30.6.2020: RM276,050) during the current financial period.

There were no leases with residual value guarantee or leases not yet commenced to which the Group is committed.

33. Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 to 150 days (30.6.2020: 60 to 120 days).

34. Other payables

	Group		Company	
	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
Current				
Other payables	925	1,131	-	-
Deposits and prepayments received	543	175	-	-
Accrued expenses	1,600	674	81	17
	3,068	1,980	81	17
Non-current				
Other payables [Notes 34(a) and 34(b)]	303,702	-	-	-
Total	306,770	1,980	81	17

(a) The movement in non-current other payables during the financial period is as follows:

	Group		Company	
	30.9.2021 RM'000	30.6.2020 RM'000	30.9.2021 RM'000	30.6.2020 RM'000
At 1July 2020/1 April 2019	311,861	285,046	-	-
Addition	-	26,815	-	-
Adjustment	(8,159)	-	-	-
	303,702	311,861	-	-
Reclassified as liabilities held for sale	-	(311,861)	-	-
At 30 September 2021/30 June 2020	303,702	-	-	-

(b) Non-current other payables

Non-current other payables are in respect of the amounts due and owing to parties related to a substantial shareholder of the Company. These advances are used for the funding of the investment and development of the power plant project in Vietnam as disclosed in Note 14. These amounts are unsecured, interest free and have no fixed terms of repayment.

34. Other payables (cont'd)

(b) Non-current other payables (cont'd)

In the previous financial period, these amounts had been reclassified as liabilities classified as held for sale as disclosed in Note 26 as these liabilities were directly associated to proposed disposal of the assets held for sale.

On 8 December 2021, the Company announced the proposed issuance of 208,708,000 units of five (5) years zero coupon ICULS to the above non-current other payables at 100% of its nominal value of RM 1.20 per ICULS amounting to RM250,449,600 for the proposed settlement portion of the debts due and owing by TIGB to them as disclosed in Note 27(c).

35. Amount due to directors

The amount due to directors are unsecured, non-interest bearing and are repayable upon demand, and such amounts are to be settled by cash.

36. Amount due to subsidiaries

The amount due to subsidiaries of the Company are unsecured, non-interest bearing and are repayable upon demand and such amounts are to be settled by cash.

37. Bank borrowings

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Secured		
Current		
Bankers' acceptance	2,800	2,919
Bank overdraft	-	730
	2,800	3,649

(a) The above bank borrowings are secured as follows:

(i) Legal charges over the freehold and leasehold land and buildings of certain subsidiaries are disclosed in Notes 12.
(ii) Negative pledge by a subsidiary; and
(iii) Corporate guaranteed by the Company and a subsidiary of the Group.

(b) The interest rates of the bank borrowings of the Group are as follows:

	Group	
	30.9.2021 %	30.6.2020 %
Bankers' acceptance	2.85-2.86	3.22-4.83
Bank overdraft	-	6.95

38. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Company	
	30.9.2021 RM'000	30.6.2020 RM'000
Transactions with subsidiaries		
Dividend income received	1,850	-
Management fee received	792	-

38. Significant related party transactions (cont'd)

Information regarding outstanding balance arising from related party transactions as at 30 September 2021 and 30 June 2020 is disclosed in Notes 23 and 36.

The compensation of key management personnel is same as the Directors' remuneration as disclosed in Note 9.

39. Contingent liabilities

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Corporate guarantees		
Granted to licensed banks for banking facilities extended to subsidiaries	20,891	13,480

The management had assessed and concluded that there is no indication that the corporate guarantees would crystalise and no provision for expected credit loss has been provided on these guarantees as the borrowings are also secured over the land held for development of the subsidiaries. Consequently, the fair value of the corporate guarantees is assessed as nil.

40. Financial instruments

Categories of financial instruments

The table below provides an analysis of financial instruments as at 30 September 2021 and 30 June 2020 categorised as follows:

	Amortised cost	
	30.9.2021 RM'000	30.6.2020 RM'000
Group		
Financial assets		
Trade receivables	16,803	15,904
Other receivables and deposits	382	543
Lease receivables	28	96
Fixed deposits with a licensed bank	19,423	7,149
Cash and bank balances	9,210	2,990
	45,846	26,682
Financial liabilities		
Trade payables	13,208	10,198
Other payables and accrued expenses	306,770	1,980
Amount due to directors	109	124
Bank borrowings	2,800	3,649
Finance lease liabilities	542	284
Lease liabilities	793	996
	324,222	17,231

40. Financial instruments (cont'd)

Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments as at 30 September 2021 and 30 June 2020 categorised as follows:

	Amortised cost	
	30.9.2021 RM'000	**30.6.2020 RM'000**
Company		
Financial assets		
Trade receivables	108	-
Fixed deposits with licensed banks	12,051	-
Cash and bank balances	440	-
	12,599	-
Financial liabilities		
Other payables	81	17
Amount due to subsidiaries	27,835	-
	27,916	17

41. Fair value measurements

(a) Determination of fair value and the fair value hierarchy

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes on Bloomberg and Reuters. Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived.

The Group and the Company generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

MFRS 13 Fair Value Measurement requires each class of assets and liabilities measured at fair value in the statements of financial position after initial recognition to be categorised according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of those financial instruments and non-financial assets:

Level 1: Quoted market prices: quoted prices (unadjusted) in active market for identical instruments;

Level 2: Fair values based on observable inputs: inputs other than quoted prices include within Level l that are observable for the instrument, whether directly (i.e. prices) or (i.e. derived from prices), are used; and

Level 3: Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

41. Fair value measurements (cont'd)

(b) Financial instruments not measured at fair value

The following tables provide an analysis of financial instruments not carried at fair values at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group					
30 September 2021					
Financial assets					
Lease receivables	-	28	-	28	28
Financial liabilities					
Finance lease liabilities	-	542	-	542	542
Lease liabilities	-	793	-	793	793
	-	1,335	-	1,335	1,335
30 June 2020					
Financial assets					
Lease receivables	-	96	-	96	96
Financial liabilities					
Finance lease liabilities	-	284	-	284	284
Lease liabilities	-	996	-	996	996
	-	1,280	-	1,280	1,280

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The Group's overall risk management strategy seeks to minimise potential adverse effects on the financial performance of the Group. The key financial risks include credit risk, liquidity risk and market risk.

Financial risk management policies are reviewed and approved by the Board of Directors and executed by the management of the respective operating units. The Group Risk Committee provides independent oversight on the effectiveness of the risk management process.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

42. Financial risk management objectives and policies

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. At the reporting date, the Group's exposure to credit risk arises primarily from trade and other receivables. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries and an associate.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

42. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiaries. The Company's maximum exposure in this respect is RM2,800,000 (30.6.2020: RM3,648,980) representing the outstanding banking facilities of the subsidiaries as at the end of reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over the approved limits.

At each reporting date, the Group assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

(i) Trade receivables

- **Exposure to credit risk, credit quality and collateral**

  At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

  Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

  Information regarding financial assets that are either past due or impaired and ageing analysis is disclosed below. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

- **Recognition and measurement of impairment loss**

  In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is as follows:

  (i) Above 120 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and

  (ii) Above 180 days past due, the Group will commence a legal proceeding against the customer.

  The Group uses an allowance matrix to measure ECLs of trade receivables for all except for government agencies. Consistent with the debt recovery process, balances which are past 90 days will be considered as credit impaired.

  Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 120 days past due. Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

  For some trade receivables, the Group has obtained security in the form of bank guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

  For long term contracts, as there are only a few customers, the Group assesses the risk of loss of each customer individually based on their financial information, pass trend of payments and external ratings, where applicable to ensure all these customers have low risk of default.

42. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(i) Trade receivables (cont'd)

- **Recognition and measurement of impairment loss (cont'd)**

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by withholding the transfer of registered ownership of the development properties until full settlement by the purchaser of the self- financed portion of the purchase consideration or upon undertaking of end- financing by the purchaser's end-financier.

For long term contracts, as there are only a few customers, the Group assesses the risk of loss of each customer individually based on their financial information, pass trend of payments and external ratings, where applicable to ensure all these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 September 2021 and 30 June 2020 and, which are grouped together as they are of similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
30 September 2021			
Current (not past due)	7,164	(35)	7,129
1 to 30 days past due	3,981	(42)	3,939
31 to 60 days past due	2,291	(25)	2,266
61 to 90 days past due	1,468	(16)	1,452
More than 90 days past due	2,045	(28)	2,017
	16,949	(146)	16,803
Individually impaired	-	-	-
	16,949	(146)	16,803
30 June 2020			
Current (not past due)	6,785	-	6,785
1 to 30 days past due	1,275	(23)	1,252
31 to 60 days past due	2,614	(52)	2,562
61 to 90 days past due	2,141	(43)	2,098
More than 90 days past due	3,417	(112)	3,305
	16,232	(230)	16,002
Individually impaired	-	(98)	(98)
	16,232	(328)	15,904

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are customers that have been transacting with the Group for over 5 years, and these customers are considered unlikely to have default in payments.

The movement in allowance for impairment is disclosed in Note 23.

42. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(ii) Financial guarantees

- **Risk management objectives, policies and process for managing the risk**

The Group provides secured bank guarantee in favour of third parties for business purposes. The maximum exposure of credit risk amounted to RM55,000 (30.6.2020: RM55,000). There was no indication that the guarantee will be called upon.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for loans to its subsidiaries where risks of default have been assessed to be low.

- **Exposure to credit risk, credit quality and collateral**

The maximum exposure to credit risk relates to unsecured corporate guarantees given to banks for banking facilities granted to the Company and its subsidiaries as disclosed in Note 39.

As at the end of the reporting period, there was no indication that there would be an event of default on repayment in relation to those extended to the subsidiaries.

(iii) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(iv) Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and equipment rented. These deposits will be received at the end of each lease terms.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. As at the end of the reporting period, the Group and the Company did not recognised any loss allowance.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company adopt a prudent approach to manage their liquidity risk. The Group and the Company always maintain sufficient cash and cash equivalents, and have available funding through a diverse source of committed and uncommitted credit facilities from various banks. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

42. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the financial liabilities of the Group and of the Company based on contractual undiscounted repayment obligations.

		Cash Flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group					
At 30 September 2021					
Financial liabilities:					
Trade payables	13,208	13,208	-	-	13,208
Other payables and accrued expenses	306,770	3,068	-	303,702	306,770
Amount due to directors	109	109	-	-	109
Bank borrowings	2,800	2,800	-	-	2,800
Finance lease liabilities	542	292	222	69	583
Lease liabilities	793	164	629	-	793
	324,222	19,641	851	303,771	324,263
At 30 June 2020					
Financial liabilities:					
Trade payables	10,198	10,198	-	-	10,198
Other payables and accrued expenses	1,980	1,980	-	-	1,980
Amount due to directors	124	124	-	-	124
Bank borrowings	3,649	3,649	-	-	3,649
Finance lease liabilities	284	203	98	-	301
Lease liabilities	996	158	838	-	996
	17,231	16,312	936	-	17,248

42. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below analyses the maturity profile of the financial liabilities of the Group and of the Company based on contractual undiscounted repayment obligations. (cont'd)

	Carrying amount RM'000	Cash Flows			
		On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Company					
At 30 September 2021					
Financial liability:					
Accrued expenses	81	81	-	-	81
Amount due to subsidiaries	27,835	27,835	-	-	27,835
	27,916	27,916	-	-	27,916
At 30 June 2020					
Financial liability:					
Accrued expenses	17	17	-	-	17

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from purchases and imports that are denominated in a currency other than the functional currencies of the Group.

The Group also has exposure to foreign exchange risk as a result of providing unsecured advances to associates.

- **Risk management objectives, policies and process for managing the risk**

  It is the Group's policy to hedge this risk where the exposures are certain and cost- efficient. The Group and the Company do not apply hedge accounting and do not issue derivative financial instruments for trading purposes.

- **Exposure to foreign currency risk**

  The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Swiss Franc ("CHF"), Japanese Yen ("JPY") and Euro ("EURO"), and a small percentage in other foreign currencies. Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the exposure is at an acceptable level.

42. Financial risk management objectives and policies (cont'd)

(c) Market risk (cont'd)

(i) Currency risk (cont'd)

- **Exposure to foreign currency risk**

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level. As at 30 September 2021 and 30 June 2020, the Group has not entered into any forward foreign currency contracts.

	Group	
Net unhedged financial assets/(liabilities)	**30.9.2021 RM'000**	**30.6.2020 RM'000**
United States Dollar ("USD")	(265,856)	(451)
Singapore Dollar ("SGD")	150	(1)
Vietnamese Dong ("VND")	81,665	-
Swiss Franc ("CHF")	(226)	(17)
Japanese Yen ("JPY")	(133)	(15)
European Euro ("EURO")	(199)	(10)

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the USD, SGD, CHF, JPY and EURO exchange rates against the respective functional currencies of the Group component entities, with all other variables held constant at the reporting date.

		Group	
	Change in exchange rate	**30.9.2021 Effect on loss before tax RM'000**	**30.6.2020 Effect on profit before tax RM'000**
USD/RM	- strengthened by 10%	(26,586)	(45)
	- weakened by 10%	26,586	45
SGD/RM	- strengthened by 10%	15	*
	- weakened by 10%	(15)	*
VND/RM	- strengthened by 10%	8,167	-
	- weakened by 10%	(8,167)	-
CHF/RM	- strengthened by 10%	(23)	(2)
	- weakened by 10%	23	2
JPY/RM	- strengthened by 10%	(13)	(2)
	- weakened by 10%	13	2
EURO/RM	- strengthened by 10%	(20)	(1)
	- weakened by 10%	20	1

* Less than RM 1,000

42. Financial risk management objectives and policies (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

- **Risk management objectives, policies and process for managing the risk**

  Interest rate exposure arising from the Group's and the Company's borrowings is managed through the use of fixed and floating rate debts. The Group will consider entering into derivative financial instruments where necessary to achieve an appropriate mix of fixed and floating rate exposure.

- **Exposure to interest rate risk**

  As the Group and the Company have no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits and money market funds. The Group's borrowings at floating rates are contractually re-priced at intervals of less than 6 months (30.6.2020: 6 months).

  The interest rate profile of the interest-bearing financial instruments of the Group based on carrying amounts as at the end of the reporting period, was:

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Fixed rate instruments		
Financial assets		
- Deposits with licensed banks	19,423	7,149
Financial liabilities		
- Finance lease liabilities	(542)	(284)
- Lease liabilities	(793)	(996)
	(1,335)	(1,280)
	18,088	5,869
Floating rate instruments		
Financial liabilities		
- Banker acceptance	(2,800)	(2,919)
- Bank overdraft	-	(730)
	(2,800)	(3,649)

- Interest rate risk sensitivity analysis

  At the reporting date, it is estimated that a hundred (100) basis points increase in interest rate, with all other variables held constant, would decrease the Group's profit after tax by approximately RM28,000 (30.6.2020: RM36,489), arising mainly as a result of higher interest expense on net floating borrowing position. A decrease in interest rate would have had the equal but opposite effect on the aforesaid amount, on the basis that all other variables remain constant.

43. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its businesses and maximise shareholders' value. No changes were made in the objectives, policies and processes during the financial period ended 30 September 2021 and 30 June 2020.

The Group reviews its capital structure and make adjustments to reflect economic conditions, business strategies and future commitments on a continuous basis.

The directors monitor and are determined to maintain an optimal debts-to-equity ratio that complies with debt covenants and regulatory requirements. The debts-to-equity ratio is calculated as net debts divided by the equity attributable to owners of the Company.

	Group	
	30.9.2021 RM'000	30.6.2020 RM'000
Finance lease liabilities (Note 31)	542	284
Lease liabilities (Note 32)	793	996
Bank borrowings (Note 37)	2,800	3,649
	4,135	4,929
Less: Cash and cash equivalents (Note 25)	(28,633)	(10,139)
Net debts	(24,498)	(5,210)
Equity attributable to the owners of the Company	134,783	122,503
Debts-to-equity ratio (times)	N/A*	N/A*

* N/A denotes not applicable as the net debts are in a negative position.

The Group is not required to comply with any externally imposed capital requirements during the financial period ended 30 September 2021 and 30 June 2020.

44. Segment information

(a) Segmental information is prepared on the basis of the "management approach", which requires presentation of the segments on the basis of internal reports about the components of the entity.

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i)	Manufacturing	Manufacturing of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, CNC machining of graphite and copper EDM electrodes, files, chemicals, and equipment for lithography and allied industries.
(ii)	Trading and investment holding	Investment holding of the investments in subsidiary companies and property investment, supplies, distributions and dealing of printing ink, colour pigment, colourants for plastic and other printing materials, electrical discharge machining tools, graphite materials and 3D profile metal components.
(iii)	Energy	Investment and development of the thermo-electric power plant project in Vietnam.

For each of the operating segments, the Group Managing Director as the Chief Operation Officer reviews the internal management reports on a monthly basis and conducts performance dialogues with the divisions on a regular basis. The Group assesses the performance of the operating segments based on measure of revenue and profit before tax.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities, income and expenses.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These transfers are eliminated on consolidation.

44. Segment Information (Cont'd)

	Manufacturing RM'000	Trading and investment holding RM'000	Energy RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
30 September 2021						
Revenue						
External customers	98,208	1,431	-	-		99,639
Inter-segment sales	16,277	3,089	-	(19,366)	A	-
Total revenue	114,485	4,520	-	(19,366)		99,639
Results:			-	4		(383)
Finance costs	(387)	-	-	(4)		325
Interest income	262	67				
Reversal of lifetime expected credit loss on trade receivables	64	20	-	-		84
Reversal of impairment loss on trade receivables	-	98	-	-		98
Capital expenditure	(3,101)	(4)	(9)	1,314		(1,800)
Depreciation and amortisation expenses	(1,519)	(9)	(1)	15		(1,514)
Other non-cash items expenses	100	1,849	10	(3,923)	B	(1,964)
Segment profit/(loss) before tax	19,505	2,863	(12,711)	(21,325)		(11,668)
Segment assets	93,241	317,199	377,817	(327,297)		460,960

44. Segment Information (Cont'd)

	Manufacturing RM'000	Trading and investment holding RM'000	Energy RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
30 June 2020						
Revenue						
External customers	66,063	32,799	-	-		98,862
Inter-segment sales	5,665	5,040	-	(10,705)	A	-
Total revenue	71,728	37,839	-	(10,705)		98,862
Results:						
Finance costs	(332)	(115)	-	-		(447)
Lifetime expected credit loss on trade receivables	(209)	(21)	-	-		(230)
Impairment loss allowance on trade receivables	-	(98)	-	-		(98)
Capital expenditure	(693)	(3,646)	-	(387)		(3,952)
Depreciation and amortisation expenses	(1,260)	(160)	-	(142)		(1,562)
Other non-cash items expenses	1,484	(119)	-	-	B	1,365
Segment profit before tax	8,530	6,564	-	(8,626)		6,468
Segment assets	83,335	58,447	387,302	(76,638)	h	452,446

44. Segment Information (cont'd)

Notes **Nature of adjustments and eliminations to arrive at amounts reported in the Consolidated financial statements**

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	30.9.2021 RM'000	30.6.2020 RM'000
Bad debts written off	(99)	(44)
Gain on disposal of assets held for sale	-	1,791
Gain on disposal of property, plant and equipment	131	-
Impairment loss on goodwill on consolidation	(2,322)	-
Lifetime expected credit loss on trade receivables	84	(230)
Impairment loss allowance on trade receivables	98	(98)
Property, plant and equipment written off	(69)	(54)
Unrealised gain on foreign exchange	213	-
	(1,964)	1,365

	30.9.2021 RM'000	30.6.2020 RM'000
C Unallocated corporate expenses	67	364

D Additions to non-current assets consist of:

	30.9.2021 RM'000	30.6.2020 RM'000
Property, plant and equipment	18,842	18,518

E The following items are deducted from segment assets to arrive at total assets reported in the Group's statement of financial position:

	30.9.2021 RM'000	30.6.2020 RM'000
Investments in an associate	-	(648)
Inter-segment assets	(327,297)	(76,638)
	(327,297)	(77,286)

(b) Geographical segments

Segmental information is presented in respect of the Group's geographical segments based on the Group's management and internal reporting structure.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on location of the assets. The non-current assets do not include financial instruments, investment in associate and deferred tax assets.

44. Segment information (Cont'd)

(b) Geographical segments (Cont'd)

Geographical information

	External revenue RM'000	Non-current assets RM'000
Group		
30 September 2021		
Malaysia	99,639	20,248
Vietnam	-	296,150
	99,639	316,398
30 June 2020		
Malaysia	98,862	65,144
Vietnam	-	387,302
	98,862	452,446

(c) Major customers

The Group has a diversified range of customers. Except as disclosed above, no operating segments have been aggregated to form the above reportable operating segments.

45. Significant events

(a) Internal reorganisation

On 23 October 2020, the Company had completed the securities exchange with Toyo Ink Group Berhad ("TIGB") pursuant to the internal reorganisation exercise by way of Members' Scheme of Arrangement under Section 366 of the Companies Act, 2016 in Malaysia, which involved:

(i) Issuance of 107,000,000 new ordinary shares in the Company in exchange for 107,000,000 ordinary shares in TIGB representing the entire issued and paid-up share capital of TIGB on one-for-one basis; and

(ii) Issuance of 53,499,995 Warrants 2021/2023 ("Warrants C") in the Company in exchange for 53,499,995 Warrants 2019/2023 ("Warrants B") in TIGB on one-for- one basis.

Consequently, TVHB became the new holding company of TIGB and its subsidiaries ("TIGB Group") and assumed the listing status of TIGB on the Main Market of Bursa Securities .

(b) Power plant project in Vietnam

(i) Incorporation of a subsidiary in Vietnam

On 2 December 2020, Toyo Ink Group Berhad ("TIGB"), a wholly-owned subsidiary of the Company had incorporated a subsidiary, Song Hau 2 Power Company Limited (the "BOT Company") in Vietnam to undertake the investment and development of the power plant project in Vietnam (the "Project").

(ii) Executing the BOT contract for the Project

On 29 December 2020, TIGB together with the BOT Company had entered into a Built-Operate and Transfer ("BOT") contract with the Vietnamese authority to undertake the investment and development of the Project.

(iii) Signing of an agreement with an intended investor for the proposed divestment of equity interest in TIGB

On 22 January 2021, the Company had entered into an agreement with an intended investor for the proposed divestment of its majority equity interest in TIGB, and the on-going co-operation in the investment and development of the Project. As at the reporting date, the consultant of the intended investor had completed the due diligence report.

45. Significant events (Cont'd)

(c) Private placement

On 16 April 2021, the Company completed a private placement up to ten (10) percent (%) of the issues and paid-up share capital of the Company by issuance of 10,700,000 new ordinary shares at the issue price of RM2.35 per share to independent parties for a total cash consideration of RM25,145,000.

(d) Winding-up of inactive subsidiaries

On 30 June 2021, the Company had placed the following subsidiaries under the member's voluntary winding-up proceedings pursuant to Section 439(1)(b) of the Companies Act, 2016:

(i) Inmac EDM-Tools (M) Sdn. Bhd.;
(ii) Toyo Laser Technology Sdn. Bhd.;
(iii) Toyo Photo Products Sdn. Bhd.; and
(iv) Toyo Energy Sdn. Bhd.

(e) Impact of Covid-19 virus ("Covid-19") pandemic

Covid-19 pandemic has significantly affected many businesses and the Malaysian economy as a whole. On 16 March 2020, the Malaysian Government issued the Movement Control Order ("MCO") from 18 March to 12 May 2020 as a preventive measure against the spread of Covid-19 which requires the closure of all government and private premises except for those involved in the provision of essential services. The MCO was subsequently followed by Conditional MCO, Extended MCO, Recovery MCO and Enhanced MCO, in addition to the state of Emergency for the country until 1 August 2021 declared by the King of Malaysia on 12 January 2021.

The restrictions imposed have adversely impacted Group's and the Company's financial performance in Malaysia as certain of their business activities was not allowed to operate throughout the MCO period, under restrictions as set by the Ministry of International Trade and Industry ("MITI").

As the situation is fluid and still evolving and given the widespread nature of the outbreak and the uncertainties of future development of Covid-19, it is not practicable to provide a quantitative estimate of the potential financial impact of Covid-19 on the financial statements of the Group and of the Company for the financial year ending 30 September 2022 reliably at this juncture.

46. Subsequent event

(a) Proposed issuance of ICULS for debt settlement

On 8 December 2021, the Company announced the proposed issuance of 208,708,000 units of five (5) years zero coupon Irredeemable Cumulative Unsecured Loan Stocks ("ICULS") to non-current other payables related to a substantial shareholder at 100% of its nominal value of RM 1.20 per ICULS amounting to RM250,449,600 for the proposed settlement portion of the debts due and owing by TIGB to them ("Proposed Settlement").

The Proposed Settlement is subject to the due process of proof of debts, approvals from shareholders of the Company and relevant authorities. Further details of the proposed ICULS are disclosed in Note 27 (c).

47. Comparative information

(a) Internal reorganisation

The acquisition of the entire issued and paid-up share capital of TIGB by the Company is an internal reorganisation exercise does not result in any change in economic substance of the group. Accordingly, the consolidated financial statements of the Company are a continuation of the TIGB Group and are accounted for as follows:

(i) The results of entities are presented as if the internal reorganisation occurred from the beginning of the earliest period presented in the financial statements;

(ii) The Company consolidated the assets and liabilities of the TIGB Group at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the internal reorganisation that would otherwise be done under the acquisition method; and

(iii) No new goodwill is recognised as a result of the internal reorganisation. The only goodwill that is recognised is the existing goodwill recorded in TIGB Group. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as merger reserve or deficit.

47. Comparative information (Cont'd)

(b) Comparatives

The financial statements of the Group for the current financial period have been draw up for a period of 15 months from 1 July 2020 to 30 September 2021 while the comparable figures also covered a period of 15 months from 1 April 2019 to 30 June 2020.

48. Dividends

(a) Recognised during the financial period:

	Group		Company	
	1.7.2020 to 30.9.2021 RM'000	1.4.2019 to 30.6.2021 RM'000	1.7.2020 to 30.9.2021 RM'000	13.1.2020 to 30.6.2020 RM'000
Dividends recognised as distribution to ordinary shareholders of the Company:				
In respect of financial period ended 30 June 2020				
- A final single-tier dividend of 1.00 sen per ordinary share	1,177	-	1,177	-
- An interim single-tier dividend of 2.00 sen per ordinary share	-	2,140	-	-
In respect of financial year ended 31 March 2019				
- A final single-tier dividend of 2.00 sen per ordinary share		2,140	-	-
	1,177	4,280	1,177	-

The directors do not recommend the payment of any dividend in respect of the current financial period.

49. Authorisation of financial statements for issue

The financial statements for the financial period from 1 July 2020 to 30 September 2021 were authorised for issue by the Board in accordance with a resolution of the directors on 27 January 2022.

ANALYSIS OF SHAREHOLDINGS AS AT 31 DECEMBER 2021

SHARE CAPITAL

Issued shares	:	117,702,502
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	1,701

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	292	17.17	1,380	0.00
100 to 1,000	477	28.04	267,860	0.23
1,001 to 10,000	613	36.04	2,718,001	2.31
10,001 to 100,000	244	14.34	7,164,350	6.09
100,001 and below 5% of issued shares	68	4.00	45,617,467	38.76
5% and above of issued shares	7	0.41	61,933,444	52.62
	1,701	100.00	117,702,502	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares Held	%
1.	Pembinaan Maju Wangi Sdn. Bhd.	12,158,740	10.33
2.	Lim Guan Lee	11,897,204	10.11
3.	Eng Lian (L) Inc	9,728,525	8.27
4.	Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.35
5.	Ng Tze Woei	7,229,843	6.14
6.	Bukit Asa Sdn. Bhd.	6,750,000	5.73
7.	Song Kok Cheong	6,700,000	5.69
8.	Kok Sow May	4,323,522	3.67
9	Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Calibre Wealth Management Sdn. Bhd. (PB)	4,250,000	3.61
10.	Kwok Sow Yoong	3,889,676	3.30
11.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Song Kok Cheong	3,551,000	3.02
12.	Tseng, Sheng-Lung	1,930,000	1.64
13.	Ooi Chin Hock	1,712,700	1.46
14.	Foo Fong Lee	1,380,000	1.17
15.	Liao Shu Hui	1,210,000	1.03
16.	Liao, Shu-Hui	1,171,000	0.99
17.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Yap Chiat Bine	1,163,600	0.99
18.	RHB Capital Nominees (Tempatan) Sdn Bhd Beneficiary: Lee Jia Zhang	1,151,000	0.98
19.	Leong Hoy Kum	1,150,000	0.98
20.	Ng Lu Siong @ Ng Soon Huat	1,055,555	0.90
21.	Kong Pak Lim	1,050,000	0.89
22.	Chew Cheong Loong	1,000,000	0.85
23.	RHB Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securites Account for Yong Loy Huat	770,000	0.65
24.	Alliancegroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Ooi Chin Hock (8058312)	700,000	0.59

ANALYSIS OF SHAREHOLDINGS AS AT 31 DECEMBER 2021

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. Of Shares Held	%
25.	Set Business Advisory And Consulting Sdn Bhd	696,200	0.59
26	Lee Chee Beng	587,500	0.50
27.	Lee Kok Hin	558,300	0.47
28.	Kow Kuwi Wing @ Kow Sai Sum	534,200	0.45
29.	Chen Tsu Peh @ Chin Fui	519,000	0.44
30.	Ng Loo Soon	500,000	0.42
		96,786,697	82.23

SUBSTANTIAL SHAREHOLDERS *(As shown in the Register of Substantial Shareholders)*

Name of Substantial Shareholders		No. of Ordinary Shares of RM1/- Each			
		Direct	%	Indirect	%
1.	Lim Guan Lee	11,897,204	10.11	-	-
2.	Song Kok Cheong	10,655,800	9.05	392,000	0.33
3.	Ng Tze Woei	7,229,843	6.14	-	-
4.	Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.35	-	-
5.	Pembinaan Maju Wangi Sdn. Bhd.	12,158,740	10.33	-	-
6.	Eng Lian Enterprise Sdn. Bhd.	-	-	16,478,525	14.00
7.	Bukit Asa Sdn. Bhd.	6,750,000	5.73	-	-
8.	Ng Lu Siong @ Ng Soon Huat	1,055,555	0.90	16,478,525	14.00
9.	Ng Ling Li	250,000	0.21	16,478,525	14.00
10.	Lam Peng Kee	185,500	0.16	12,158,740	10.33
11.	Fong Siew Ching	-	-	12,344,240	10.49
12	Ng Tee Chuan	-	-	16,478,525	14.00
13.	Lu Pat Sdn. Bhd.	-	-	16,478,525	14.00
14.	The Nehsons Trust Company Berhad	-	-	16,478,525	14.00
15.	Yvonne Po Leng Lam	150,000	0.13	16,478,525	14.00
16.	Geraldine Marie Tse Chian Ng	-	-	16,478,525	14.00
17.	Ng Earn Chin	-	-	16,478,525	14.00
18.	Eng Lian (L) Inc	9,728,525	8.27	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name		No. of Ordinary Shares of RM1/- Each			
		Direct	%	Indirect	%
1.	Tuan Hj. Ir. Yusoff bin Daud	230,964	0.20	-	-
2.	Song Kok Cheong	10,655,800	9.05	392,000	0.33
3.	Chew Cheong Loong	1,000,000	0.85	1,380,000	1.17
4.	Tham Kut Cheong	-	-	-	-
5.	Lim Soek Fun (Lin ShuFen)	-	-	-	-
6.	Chan Kee Eng	1,000	0.00	-	-
7.	Lim Guan Lee *(alternate director to Lim Soek Fun (Lin ShuFen)*	11,897,204	10.11	-	-
8.	Song Hsiao May *(alternate director to Song Kok Cheong)*	392,000	0.33	-	-

ANALYSIS OF WARRANTHOLDINGS AS AT 31 DECEMBER 2021

WARRANTS 2018/2023

No. of warrants 2018/2023	:	53,499,995
No. of warrants 2018/2023 outstanding	:	53,497,495
Class of Securities	:	Warrants 2018/2023 ("Warrants")
No. of Warrants holders	:	1,226

ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrant holders	%	No. of Warrants Held	%
Less than 100	480	39.15	10,241	0.02
100 to 1,000	176	14.36	111,264	0.21
1,001 to 10,000	346	28.22	1,709,890	3.20
10,001 to 100,000	177	14.44	5,875,988	10.98
100,001 and below 5% of issued warrants	41	3.34	12,025,850	22.48
5% and above of issued warrants	6	0.49	33,764,262	63.11
	1,226	100.00	53,497,495	100.00

LIST OF THIRTY LARGEST WARRANTHOLDERS

No.	Name	No. Of Warrants Held	%
1.	Ooi Chin Hock	9,049,500	16.92
2.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged securities account for Ooi Chin Hock (8058312)	7,481,600	13.98
3.	Law Mee Heng	6,293,900	11.76
4.	Eng Lian Enterprise Sdn Bhd	4,864,262	9.09
5.	Bukit Asa Sdn Bhd	3,375,000	6.31
6.	Liao Shu Hui	2,700,000	5.05
7.	Tseng, Sheng-Lung	2,079,900	3.89
8.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Siva Kumar A/L M Jeyapalan (PB)	1,131,700	2.12
9	Sim Mui Khee	700,000	1.31
10.	Lee Kok Hin	433,000	0.81
11.	Liao, Shu-Hui	400,000	0.75
12.	Wong Wai Sam	397,800	0.74
13.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Swee Tau (1011119)	391,800	0.73
14.	Yang Mee Ting	368,000	0.69
15.	Chen Tsu Peh @ Chin Fui	335,900	0.63
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Yong Kwee Lian	300,000	0.56
17.	Kong Pak Lim	300,000	0.56
18.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Sze See Chuen (PB)	286,500	0.54
19.	Ang Hui Chan	268,000	0.50
20.	Colin Ong Tai Lee	267,000	0.50
21.	Tee Teh Sdn. Berhad	250,000	0.47
22.	Chan Pooi Chuen	236,250	0.44
23.	Gan Chee Yap	230,000	0.43
24.	Tan Teong Heng	229,400	0.43

ANALYSIS OF WARRANTHOLDINGS AS AT 31 DECEMBER 2021

LIST OF THIRTY LARGEST WARRANTHOLDERS (CONT'D)

No.	Name	No. Of Warrants Held	%
25.	Loh Yet Kong	228,800	0.43
26	Teh Bee Gaik	217,300	0.41
27.	Lee Hock Chin	214,300	0.40
28.	Lee Chee Beng	201,100	0.38
29.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Teong Heng (CEB)	185,600	0.35
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Lian Seng (6000082)	180,400	0.34
		43,597,012	81.49

STATEMENT OF DIRECTORS' WARRANTHOLDINGS

Name of Directors		No. of Warrants Held Direct	%	No. of Warrants Held Indirect	%
1.	Song Kok Cheong	145,000	0.27	-	-
2.	Lim Soek Fun (Lin ShuFen)	-	-	-	-
3.	Song Hsiao May (alternate director to Song Kok Cheong)	-	-	-	-
4.	Tuan Hj. Ir. Yusoff bin Daud	-	-	-	-
5.	Chew Cheong Loong	-	-	-	-
6.	Tham Kut Cheong	-	-	-	-
7.	Chan Kee Eng	-	-	-	-
8.	Lim Guan Lee (alternate director to Lim Soek Fun)	-	-	-	-

LIST OF PROPERTIES AS AT 30 SEPTEMBER 2021

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (Sq / ft)	Built-up Area (Sq / ft)	Net Book Value as at 09/30/2021	Date of Acquisition*/ Valuation**
1	PT No. 3477, Mukim of Petaling, District of Petaling, State of Selangor	Industrial building with a three (3) storey office and single storey factory annexe	18 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	9,289,645	10 Sept 2012**
2	GRN 369740, Lot No.111298 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	27 years	Freehold	3,091	2,400	357,390	27 Aug 2002**
3	GRN 369744, Lot No.111299 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	27 years	Freehold	3,091	2,400	388,600	23 July 2002**
4	Lot No. 212808 & 212809, Mukim of Hulu Kinta District of kinta State of Perak	Two (2) adjoining units of 1 1/2 storey semi-detached industrial building	26 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	201,939 and 201,939	22 Aug 2002**
5	Lot No. 2788 and 2789, Bandar Butterworth Seksyen 3, District of Perai Utara, State of Pulau Pinang	Two (2) adjoining units of 1 1/2 storey terrace industrial buildings	28 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	249,899 and 249,899	22 Aug 2002**
6	Lot PT 22 & PT 23 Mukim Dan Daerah Petaling , No.6 & 8 Jln TPP 1/1A, Taman Industrial Puchong Selangor Darul Ehsan	1 1/2 storey freehold semi-detached light industrial building	17 years	Freehold	22,000	15,000	2,322,834	24 Apr 2002* 5 Jan 2005**
7	GRN 169419, PT No. 6379, Lot 10146, District of Seberang Perai Utara, State of Pulau Pinang	1 1/2 storey semi freehold semi-detached light industrial factory	2 years	Freehold	9,085	4,168	3,073,098	22 Feb 2019*
					Grand Total		29,916,499	

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PROXY FORM

I/We ____
(FULL NAME AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

Company No.__________________/ NRIC No. (new)__________________________ (old)______________________

____
(FULL ADDRESS)

being a member(s) of TOYO VENTURES HOLDINGS BERHAD hereby appoint:

____________________________________NRIC No. (new)__________________________ (old)_________________

or failing him/her,

____________________________________NRIC No. (new)__________________________ (old)_________________

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Second ("2nd") Annual General Meeting ("AGM") of the Company to be held at Langkawi Room, 1st Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil 57000 Kuala Lumpur on Thursday, 10 March 2022, at 10.30 a.m. or at any adjournment thereof.
*(*Strike out whichever is not desired)*

The proportions of my/our holdings to be represented by my/our proxy(ies) are as-follows :-
Proxy 1 __________ %
Proxy 2 __________ %
100 %

(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the additional payment of Directors' Fees and benefits amounting to RM77,750 and RM165,500 respectively which was in excess of the earlier approved amount for the financial year ended 30 June 2021.		
2.	To approve the payment of Directors' Fees		
3.	To approve the payment of Directors' Benefit		
4.	Re-election of Ms. Chan Kee Eng as Director		
5.	Re-election of Ms. Lim Soek Fun (Lin Shufen) as Director		
6.	Re-election of Mr. Song Kok Cheong as Director		
7.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Signed this ______________ day of ____________________2022

No. of Shares held	
CDS Account No.	
Tel No. (during office hours):	

____
Signature/Common Seal of Member(s)

Notes:-

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend, speak and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
2. Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares standing to the credit of the said Securities Account.
3. Where a member of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
4. In the case of a corporate body, the proxy appointed must be in accordance with the Constitution, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of the officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the 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.
6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the Resolutions set out in this Notice will be put to vote by poll.
7. For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("MMLR"), a Record of Depositors as at 3 March 2022 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

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AFFIX
STAMP
HERE

The Share Registrar
Insurban Corporate Services Sdn. Bhd. (76260-W)
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
W.P. Kuala Lumpur

First Fold here

Address : PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.
Tel: 603-8942 3335 Fax: 603-8942 1161 email: admin@toyoink.com.my

Website: http://www.toyoink.com.my