TOYO INK GROUP BERHAD
(Company No. 590521-D)

2013
LAPORAN TAHUNAN
ANNUAL REPORT

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Company will be held at the Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 25 September 2013, at 10.30 a.m. for the transaction of the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2013 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To approve the Directors' fees of RM87,500.00 (2012: RM87,500.00) in respect of the year ended 31 March 2013. **(Resolution 2)**

3. To re-elect the following Directors who retire pursuant to Article 92 of the Company's Articles of Association and, being eligible, offer themselves for re-election:-
   (a) Tuan Hj. Ir. Yusoff bin Daud **(Resolution 3)**
   (b) Mr. Song Kok Cheong **(Resolution 4)**

4. To consider and, if thought fit, pass the following ordinary resolution in accordance with Section 129(6) of the Companies Act, 1965 ("Act"):-

   "THAT Mr. You Tong Lioung @ Yew Tong Leong, retiring pursuant to Section 129(2) of the Act, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **(Resolution 5)**

5. To re-appoint Messrs. Ecovis AHL as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. **As Special Business:-**
   To consider and, if thought fit, to pass the following ordinary resolutions:-

   a. **Ordinary Resolution 1** **(Resolution 7)**
   Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

   "THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time until the conclusion of the next annual general meeting and 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 pursuant to this resolution does not exceed 10% of the issued capital 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 Malaysia Securities Berhad."

   b. **Ordinary Resolution 2** **(Resolution 8)**
   Continuing In Office As Independent Non-Executive Director

   "THAT authority be and is hereby given to Mr. Tham Kut Cheong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

   c. **Ordinary Resolution 3** **(Resolution 9)**
   Continuing In Office As Independent Non-Executive Director

   "THAT subject to the passing of Resolution No. 5, authority be and is hereby given to Mr. You Tong Lioung @ Yew Tong Leong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.

7. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD,

CHOW CHOOI YOONG (MAICSA 0772574)
HAZLINA BT HARUN (LS 03078)
Company Secretaries

Kuala Lumpur
3 September 2013

Notes:-

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend 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 Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.

3. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.

4. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.

5. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 September 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.

6. **Explanatory Notes on Special Business:-**

(a) Resolution pursuant to Section 132D of the Companies Act, 1965

Resolution No. 7 proposed under item 6(a) is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965 which was approved by shareholders at the Company's Annual General Meeting ("AGM") last year.

As at the date of this notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last AGM.

The proposed Resolution No. 7, if passed, will give the Directors of the Company from the date of the above AGM, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM.

The renewed general mandate will provide flexibility to the Company for allotment of shares 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.

(b) Resolution Nos. 8 and 9

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Board of Directors has assessed the independence of Mr. Tham Kut Cheong and Mr. You Tong Lioung @ Yew Tong Leong, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) Both of them have fulfilled the criteria under the definition of Independent Director as stated in the LR of Bursa Securities, and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board.

(ii) Mr. Tham Kut Cheong is a fellow of the Institute of Chartered Accountants in Ireland and a member of the Malaysian Institute of Accountants and thus, he is able to fulfill the financial expertise requisite under the LR in relation to the composition of the Audit Committee. Being the Chairman of the Audit Committee, his knowledge, skills and experience in finance and audit would enable him to ensure the effectiveness of the Audit Committee in providing independent, objective and effective oversight to the Board.

(iii) Mr. You Tong Lioung @ Yew Tong Leong's vast experience in the banking and finance industry would enable him to provide the Board with a diverse set of experience, expertise and independent judgment to better manage the Group.

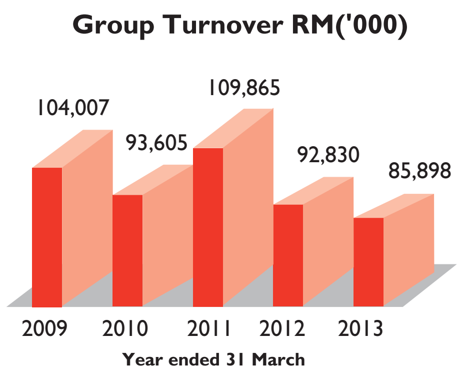
(iv) Both of them, having been with the Company for more than nine years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.

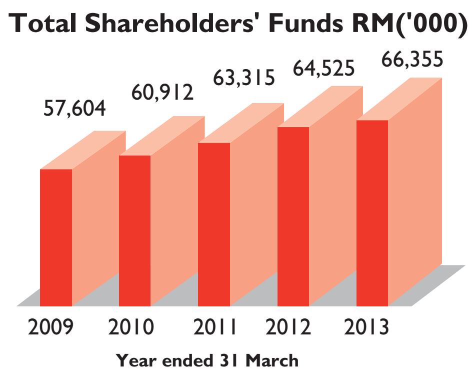
(v) Both have exercised due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in the interest of the Company and shareholders.

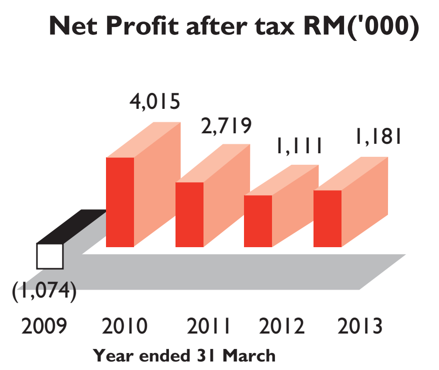
Resolution No. 8 proposed under item 6(b), if passed, will authorise Mr. Tham Kut Cheong to continue in office as an Independent Non-Executive Director of the Company.

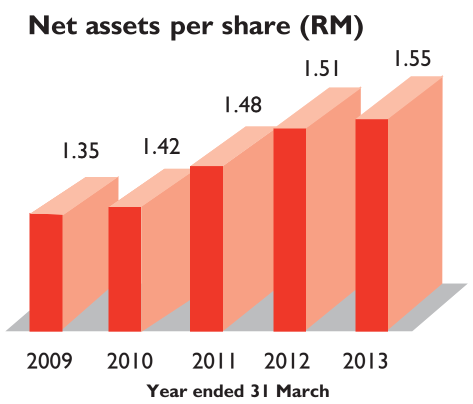
Resolution No. 9 proposed under item 6(c), if passed, will authorise Mr. You Tong Lioung @ Yew Tong Leong to continue in office as an Independent Non-Executive Director of the Company.

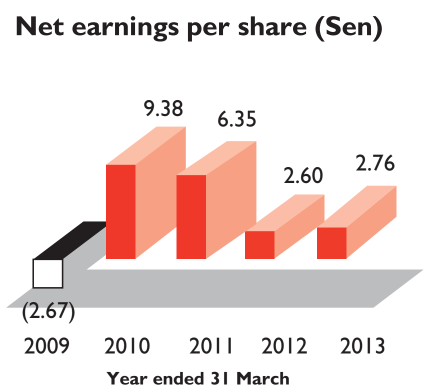
FINANCIAL HIGHLIGHTS - 31 MARCH 2009 TO 31 MARCH 2013

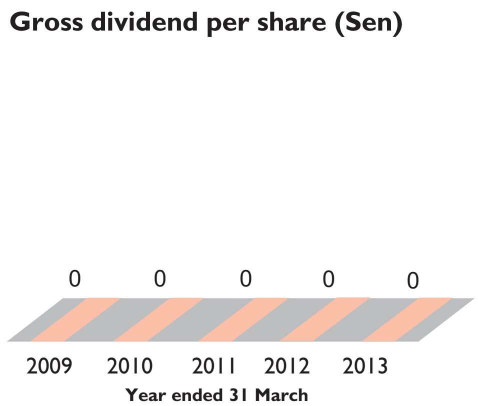












	2009	2010	2011	2012	2013
Group Turnover RM('000)	104,007	93,605	109,865	92,830	85,898
Total shareholders' funds RM('000)	57,604	60,912	63,315	64,525	66,355
Net assets per share (RM)	1.35	1.42	1.48	1.51	1.55
Net profit after tax RM('000)	(1,074)	4,015	2,719	1,111	1,181
Net earnings per share (sen)	(2.67)	9.38	6.35	2.60	2.76
Gross dividend per share (sen)	0	0	0	0	0

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff bin Daud

(Malaysian, aged 68)
Independent Non-Executive Chairman

Tuan Hj. Ir. Yusoff bin Daud is the Independent Non-Executive Chairman of the Board of Directors of Toyo Ink Group Berhad. He was appointed to the Board on 4 August 2003. He is a member of the Nomination Committee and Audit 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 5 Board meetings held during his tenure in office in the financial year ended 31 March 2013.

He has no conflict of interest with the Company.

Mr. Song Kok Cheong

(Malaysian, aged 61)
Managing Director

Mr. Song Kok Cheong is the Managing Director of Toyo Ink Group Berhad and was appointed to the Board on 4 August 2003. Mr. Song has more than 37 years experience in the printing ink and printing related businesses. Mr. Song 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.

Mr. Song is also a Director of Halex Holdings Berhad since January 2009.

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2013.

He has no conflict of interest with the Company.

Mr. Tham Kut Cheong

(Malaysian, aged 68)
Independent Non-Executive Director

Mr. Tham Kut Cheong is an Independent Non-Executive Director of Toyo Ink Group Berhad and was appointed to the Board on 4 August 2003. He is the Chairman of the Audit, 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.

Mr. Tham sits on the boards of several private limited companies in Malaysia. He is also a Director of Halex Holdings Berhad since January 2009.

He has attended all Board meetings held during his tenure in office in the year ended 31 March 2013.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. You Tong Lioung @ Yew Tong Leong

(Malaysian, aged 77)
Independent Non-Executive Director

Mr. You Tong Lioung @ Yew Tong Leong was appointed to the Board of Toyo Ink Group Berhad as an Independent Non-Executive Director on 4 August 2003. He is also a member of the Audit, Nomination and Remuneration Committees.

Upon graduation from Nanyang University in Singapore with a Bachelor of Commerce degree majoring in Banking, Mr. Yew naturally chose banking as his career by joining UMBC (the short of United Malayan Banking Corporation Berhad and is presently known as RHB Bank) on 16 December 1960. It was there he was trained intensively as a Bills Officer specializing in import and export trade financing. After one year, Mr. Yew was posted to several branches throughout the country as a Branch Manager for a period of about 23 years.

After his round in the branches, Mr. Yew resigned from UMBC and joined the then Malaysian French Bank (fondly known as French Bank, and now known as Alliance Bank) in 1985 as a Branch Manager serving in several branches for a period of about 11 years.

To further his career development, Mr. Yew retired from the bank in November 1996 to join a construction company as a Senior Operation Manager in Kedah.

He left the construction company in July 1998 to join Kurnia Insurans (M) Bhd, a leading general insurance company in Malaysia and Asean, as a Senior Manager until February 2012.

Mr. Yew is also sitting on the Board of SKB Shutters Corporation Berhad and chairs their Internal Audit Committee.

The Board of Toyo Ink Group stands to benefit significantly from Mr. Yew's vast experience and rich knowledge earned from the financial sector and other sectors over the years.

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2013.

He has no conflict of interest with the Company.

Mr. Ng Chong You

(Malaysian, aged 63)
Executive Director

Mr. Ng Chong You is an Executive Director of Toyo Ink Group Berhad and was appointed to the Board on 4 August 2003. Mr. Ng has vast experience in the printing business, particularly in the technical and production aspects of ink manufacturing and is responsible for all ink production matters in Toyo Ink Group Berhad.

With more than 37 years experience in the manufacture of the various types of printing inks, he is further responsible for technical customer support, research and development of new varieties of inks and the sourcing for raw materials for the production processes.

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2013.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. Lim Guan Lee
(Singaporean, aged 63)
Non-Independent Non-Executive Director

Mr. Lim Guan Lee is a Non-Independent Non-Executive Director appointed to the Board on 4 August 2003. Mr. Lim has more than 40 years of involvement in the printing 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 attended 4 Board meetings held during his tenure in office in the financial year ended 31 March 2013.

He has no conflict of interest with the Company.

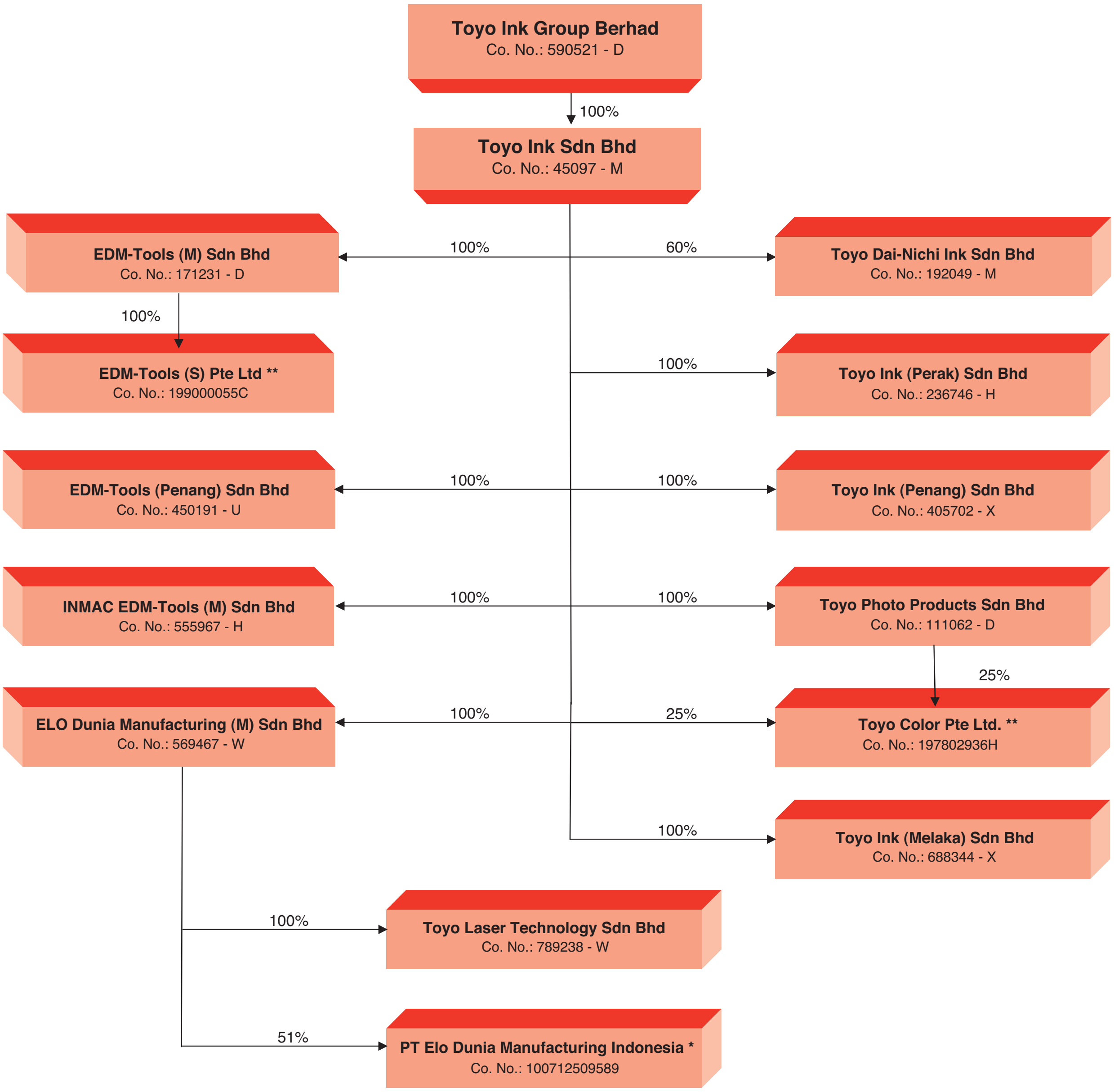
Mr. Lim Kee Min
(Singaporean, aged 35)
Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee

Mr. Lim Kee Min is the Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee and was appointed to the Board on 29 November 2004. Mr. Lim Kee Min is a graduate with a Bachelor of Arts degree in Sociology and Information & Communications Management from the National University of Singapore. He has 10 years of involvement in the printing ink industry and is currently serving as the Managing Director of Toyo Ink Pte. Ltd.

He has not attended any Board meetings held during his tenure in office in the financial year ended 31 March 2013.

He has no conflict of interest with the Company.

CORPORATE STRUCTURE



* Incorporated in Indonesia
** Incorporated in Singapore

CORPORATE INFORMATION

BOARD OF DIRECTORS
Tuan Hj. Ir. Yusoff bin Daud
(Chairman)

Song Kok Cheong

Ng Chong You

Lim Guan Lee

Tham Kut Cheong

You Tong Lioung @ Yew Tong Leong

Lim Kee Min
(alternate director to Lim Guan Lee)

AUDIT COMMITTEE
Tham Kut Cheong
(Chairman)

Tuan Hj. Ir. Yusoff bin Daud

You Tong Lioung @ Yew Tong Leong

NOMINATION COMMITTEE
Tham Kut Cheong
(Chairman)

Tuan Hj. Ir. Yusoff bin Daud

You Tong Lioung @ Yew Tong Leong

REMUNERATION COMMITTEE
Tham Kut Cheong
(Chairman)

You Tong Lioung @ Yew Tong Leong

Song Kok Cheong

COMPANY SECRETARIES
Chow Chooi Yoong MAICSA 0772574
Hazlina Bt. Harun LS 03078

REGISTERED OFFICE
Lot 4.100, Tingkat 4, Wisma Central
Jalan Ampang, 50450 Kuala Lumpur
Tel No.: 03-21619733
Fax No.: 03-21628157

SOLICITORS
Tan Kim Soon & Co
Ee & Associates

PRINCIPAL PLACE OF BUSINESS
PT 3477, Jalan 6/1
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan
Tel No.: 03-8942 3335
Fax No.: 03-8942 1161

SHARE REGISTRAR
Insurban Corporate Services Sdn. Bhd.
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel No.: 03-77295529
Fax No.: 03-77285948

AUDITORS
Ecovis AHL (formerly known as AHL)
(AF:001825)
Chartered Accountants
No 9-3, Jalan 109F
Plaza Danau 2, Taman Danau Desa
58100 Kuala Lumpur

PRINCIPAL BANKERS
AmIslamic Bank Berhad
AmBank (M) Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Bhd.

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Market - Stock Code 7173

CORPORATE INFORMATION

TOYO INK GROUP BHD
PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan,
43300 Seri Kembangan, Selangor, MALAYSIA.

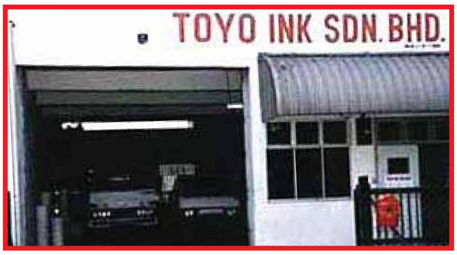
TOYO DAI-NICHI INK SDN BHD
Lot 21, Jalan Pahat 16/8A
40000 Shah Alam
Selangor, MALAYSIA.

EDM-TOOLS (M) SDN BHD
6 & 8 Jalan TPP 1/1A
Taman Industri Puchong 47100 Puchong
Selangor, MALAYSIA.

TOYO INK (PENANG) SDN BHD
48 Lorong Mak Mandin 5/1
Kawasan Perindustrian Mak Mandin
13400 Butterworth, Penang, MALAYSIA.

TOYO INK (PERAK) SDN BHD
17 & 19, Dataran Kledang 4
Taman Perindustrian Chandran Raya
31450 Menglembu, Perak, MALAYSIA.

TOYO INK (MELAKA) SDN BHD
29 Jalan IMJ 5
Taman Industri Malim Jaya
75250 Melaka, MALAYSIA.



TOYO INK SDN BHD (Johor Bahru Branch)
8 Jalan Bayu 2/5, Taman Perindustrian Tampoi Jaya
81200 Johor Bahru, Johor, MALAYSIA.

TOYO COLOR PTE LTD
63 Joo Koon Circle
Singapore 629076

CHAIRMAN'S STATEMENT

It gives me great pleasure to welcome all of you to the 11th Annual General Meeting of Toyo Ink Group Berhad. While noting the general sluggishness of the overall global economic condition, I am happy to report that Toyo Ink Group had weathered the 2012/2013 financial year and came through with positive results.

Financial Performance

The financial year ended 31 March 2013 could be described as one of cautious optimism with an ever changing dark cloud hanging over the overall global economic scenario while the local Malaysian economy was comparatively stable. Much effort was, therefore, focused upon cost control and the maintenance of trading margins albeit at times at a slight disadvantage to business volume.

With this strategy in mind the Toyo Ink Group had registered an annual consolidated turnover of RM85.898 million which is 7.4% lower than the previous financial year's RM92.830 million. Gross and net margins had improved with the financial year ended 31 March 2013 registering a final net profit after tax of RM1.181 million which was a 6.4% improvement over the previous financial year's RM1.111 million.

Review of Operations

The Toyo Ink Group manages its day to day activities through the Managing Director and an Executive Director. Regular monthly performance review meetings and quarterly budget review meetings are held where operational managers present their results for the month against budgets previously approved by the Board. The Board of Toyo Ink Group reviews these results and variances against budgeted performance are thoroughly analysed and understood for corrective actions to be taken.

Your Board is fully committed to achieving a satisfactory level of return to shareholders and stakeholders. Our 60% owned manufacturing facility in Vietnam, Citi Ink Manufactured Joint Venture Company Ltd., had not been profitable due to various negative business factors over the last few years and your Board had decided to secure an interested Vietnamese party to purchase our 60% share in this subsidiary. This was completed during the financial year ended 31 March 2013. Your Group shall, however, continue to export printing inks to Vietnam through our Vietnamese business partners.

CHAIRMAN'S STATEMENT

Your Board is happy to report that we had been designated by the Vietnamese Government as the approved investor for a 2 x 1000 MW coal-fired power plant in Hau Giang Province, Vietnam. This project is expected to be operational by 2019/20. The Board is actively involved in the implementation of this project with various professional consultants/advisors and we are confident that your Group will enjoy a very healthy income stream.

Corporate Developments

In the financial year 2012/13, your Group embarked on a corporate exercise to raise further working capital in order to pare down the bank borrowings of the Group, which will reduce substantially the cost of finance, and at the same time maintain sufficient liquidity to further expand the existing businesses of the Group.

The corporate exercise comprise the following:-

> Renounceable rights issue of up to 42,800,000 new ordinary shares of RM1.00 each in Toyo Ink Group Berhad (TIGB) together with up to 42,800,000 free new detachable warrants at an issue price of RM1.20 per rights share on the basis of one rights share together with one warrant for every one existing ordinary share of RM1.00 each held in TIGB; and
>
> Bonus issue of up to 21,400,000 TIGB shares to be credited as fully paid-up on the basis of one new TIGB share for every two rights shares subscribed by the existing shareholders of TIGB.

This exercise was completed in April 2013.

Corporate Social Responsibility

Your Group is very conscious of and is fully committed to play a meaningful role as a good and caring corporate citizen to the community at large. Budgets are set aside for activities/programmes which we hope will benefit the less fortunate in our society.

Towards this end we had made a donation to Pertubuhan Orang Cacat Penglihatan Malaysia to assist them in implementing various programmes for their members. To inculcate a healthy and caring work force in our Group we took part in a Kempen Derma Darah organized by Pusat Darah Malaysia which we hope will contribute in a small way towards alleviating the acute shortage of blood in our hospitals.

Moving forward

The financial year ended 31 March 2013 had been an eventful year and much new thinking and approaches had been put in place by the Board through the Managing Director and his team with the focus on achieving a reasonable return for our shareholders and stakeholders.

We are confident that the next financial year will show further improvements in performance with substantial reduction in interest costs and gradual increases in gross and net margins. The Malaysian Economy is expected to be cushioned against any external shocks with our planned infra-structure (MRT) project and Iskandar Malaysia Project under the Iskandar Regional Development Authority (IRDA). In the medium to long-term our Power Plant Project in Vietnam will add further value for our shareholders and stakeholders.

Appreciation

It is with much pride and gratitude that I take this opportunity to convey my sincere thanks to the management team of the Group for their determination and commitment in working with the Board as a team throughout a very challenging financial year.

My sincere thanks, too, to my colleagues on the Board who had given me much valuable advice and counsel.

Last but not least, to our loyal shareholders, customers, service providers, bankers and other stakeholders who had worked tirelessly with us throughout the year, I extend my deepest appreciation for your support.

Thank you.

Tuan Hj. Ir. Yusoff bin Daud
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Toyo Ink Group Berhad ("Board") is pleased to report that for the financial year under review, the Board has continued to apply good governance practices in managing and directing the business of the Group by adopting the principles and recommendations prescribed in the latest Malaysian Code on Corporate Governance ("2012 Code").

Set out below is a statement of how the Group has applied the principles and recommendations laid down in the 2012 Code and the extent of its compliance during the financial year ended 31 March 2013. The Board considers that it has generally applied the principles and recommendations of the 2012 Code as disclosed below:-

1. Establish clear roles and responsibilities

1.1 Clear Functions of the Board and Management

The Group continues to be led and managed by an effective Board. The Board is responsible for the corporate governance and the overall performance of the Group.

To ensure the effective discharge of its function and responsibilities, the Board maintains specific Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberation of specific board agenda. However, in order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The Chairman of the respective Board Committee would report to the Board during the Board Meetings on significant matters deliberated in the Committees.

In addition, subsequent to the financial year end, the Board has approved its Board Charter which sets out a list of specific functions that are reserved for the Board. Key matters reserved for the Board's approval includes financial results, related party transactions, new ventures and investments, material acquisitions and disposal of assets not in the ordinary course of business and authority levels.

1.2 Clear Roles and Responsibilities

The Board assumes the primary responsibilities prescribed under the 2012 Code. These include, amongst others, the review of the Group's overall strategic plans, overseeing and evaluating the business operations of the Group, reviewing adequacy of the internal control, identifying principal risks and ensuring that the risks are properly managed, establishing a succession plan and developing an investor relations program.

1.3 Formalised Ethical Standards through Code of Ethics

In line with good governance practices, the Group has established a Whistle Blowing Policy and a Code of Ethics and Conducts ("Code") subsequent to the financial year end. The Whistleblowing Policy provides a framework for direction and procedure to deal with fraud and related matters and defines the rights of the informants and the protection accorded to them while the Code sets out the principles and standards of business ethics and conduct of the Group.

1.4 Strategies Promoting Sustainability

The Group is committed to sustainability development. A detailed statement on sustainability activities, demonstrating the Company's commitment to its environmental, social and governance is clearly outlined on page 26 in this Annual Report.

1.5 Access to Information and Advice

The Directors have full access to all information, management and the advice and services of the Company Secretary. The Directors are supplied with the relevant documents and information in advance of each meeting so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. In addition, the Directors are also empowered to seek independent professional advice at the Company's expense, should they consider it necessary in their course of duties.

1.6 Qualified and Competent Company Secretary

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. The Company Secretary attends all board meetings and ensures that accurate and adequate records of the proceedings of board meetings and decisions made are properly kept.

CORPORATE GOVERNANCE STATEMENT

1.7 Board Charter

The Company's Board Charter sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board will periodically review and update its charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

2. Strengthen Composition

2.1 Nomination Committee ("NC")

The NC was established on 28 August 2003. With the re-designation of Tuan Hj. Ir. Yusoff bin Daud from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman on 24 July 2012, the composition of the NC is now comprised wholly of Independent Non-Executive Directors as follows:-

Chairman

Tham Kut Cheong	*(Independent Non-Executive Director)*

Members

Tuan Hj. Ir. Yusoff bin Daud	*(Independent Non-Executive Chairman)*
You Tong Lioung @ Yew Tong Leong	*(Independent Non-Executive Director)*

The NC is responsible for making recommendations on any nomination to the Board and to Committees of the Board. In making these recommendations, due consideration is given to the required mix of skills and experience that the proposed directors should bring to the Board and to the respective Board Committees. The decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the NC.

The NC will also access annually, the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director including Independent Non-Executive Directors.

The NC had held two (2) meetings during the financial year ended 31 March 2013 which were attended by all members.

2.2 Develop, Maintain And Review Criteria For Recruitment And Annual Assessment Of Directors

(a) Recruitment or New Appointment of Directors

The Board appoints its members through a formal and transparent selection process which involves (1) identification of candidates for directorships, (2) evaluation and deliberation of suitability of candidates by the NC and (3) recommendation to the Board.

In making these, due consideration is given to the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment, gender diversity and other qualities that the proposed directors should bring to the Board and to the respective Board Committees.

(b) Gender Diversity Policy

The Board has no immediate plans to implement a 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. The Board will, nevertheless, give consideration to the gender diversity objectives.

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

The Articles of Association of the Company provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire from office and be eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

CORPORATE GOVERNANCE STATEMENT

Any Director appointed during the year is required under the Company's Articles to retire and seek re-election by shareholders at the following AGM immediately after his appointment. In addition, Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Information of each Director standing for re-election covering their personal profile, meeting attendance, directorships in other public companies and shareholdings in the Group is furnished in the Annual Report.

(d) Annual Assessment

The NC conducted its annual appraisal on the effectiveness of the Board, its Committees and the contribution of each director at the meeting held on 28 May 2012. The NC, upon the review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.

2.3 Directors' Remuneration

The Remuneration Committee ("RC") was established on 28 August 2003. The members of the RC, comprising a majority of Independent Non-Executive Directors, are as follows:-

Chairman Tham Kut Cheong	*(Independent Non-Executive Director)*
Members You Tong Lioung @ Yew Tong Leong	*(Independent Non-Executive Chairman)*
Song Kok Cheong	(Managing 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 two (2) meetings during the financial year ended 31 March 2013 and both meetings were attended by all the members.

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.

The details of the Directors' remuneration from the Group for the financial year ended 31 March 2013 are as follows:-

(a) An analysis of the aggregate remuneration received by the Directors of the Company from the Group, categorised into appropriate components is set out below:-

	Fees RM'000	Salaries & other Emoluments RM'000	Benefits in Kind RM'000	Total RM'000
Executive Directors	105	917	62	1,084
Non-Executive Directors	112	111	-	223

CORPORATE GOVERNANCE STATEMENT

(b) Analysis of Directors' remuneration categorized in successive band of RM50,000:-

Remuneration Bands	Executive Directors	Non-Executive
RM50,000 and below	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	1
RM500,001 to RM550,000	1	-
RM550,001 to RM600,000	1	-

3. Reinforce Independence

3.1 Annual Assessment of Independence

The Board will assess the independence of its Independent Directors annually in accordance with the criteria prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

During the financial year, the Board conducted the annual appraisal on the independence of the Independent Directors using the peer evaluation questionnaire for assessing the performance of the Independent Directors and the Independent Director questionnaire. Based on results of the appraisal, it was concluded that the Independent Directors continue to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Additionally, each of the Independent Non-Executive Directors has provided an annual confirmation of their independence to the Nomination Committee and the Board.

3.2 Tenure of Independent Directors

In line with the 2012 Code, the Board has agreed that upon the 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 Non-Executive Director. However, the Board must justify and seek shareholders' approval in the event it retains an Independent Director, a person who has served in that capacity for more than nine (9) years.

As at the date of this statement, two of its existing Independent Directors namely Mr. Tham Kut Cheong and Mr. You Tong Lioung @ Yew Tong Leong have served for more than nine years. The Board, through the NC, has assessed, reviewed and determined that they have both remain objective and independent. The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The Board believes that the Group benefits from long serving Directors, who possess detailed knowledge of the Group's business and have proven commitment, experience and competence for informed and balanced decision making. As such, the Board would be seeking shareholders' approval at the coming AGM for them to continue in office as Independent Directors.

3.3 Separation of positions of the Chairman and Managing Director ("MD")

The roles and responsibilities of the Chairman and MD are separated to ensure balance of authority. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility for the day-to-day management of the Group's businesses and implementation of the Board's policies and decisions. All major matters and issues are referred to the Board for consideration and approval.

3.4 Composition of the Board

On 24 July 2012, Tuan Hj. Ir. Yusoff bin Daud was re-designated from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman, thereby increasing the number of Independent Non-Executive Directors in the Company from two (2) to three (3). As at the financial year ended 31 March 2013, the Board has six (6) members comprising two Executive Directors and four (4) Non-Executive Directors of which three are Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE STATEMENT

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

The role of the Independent Non-Executive Directors is particularly important in providing an independent view, advice and judgment to ensure that the interests of minority shareholders and the general public are given due consideration in the decision-making process.

The Board comprises a balanced mix of members with professional and business experience relevant to the Group's businesses. A brief profile of each Director is presented on pages 5 to 7 of this Annual Report.

4. Foster Commitment

4.1 Time Commitment

The Directors' commitment in carrying out their duties and responsibilities is affirmed by their attendance at the Board and Board Committee Meetings held during the financial year ended 31 March 2013, as reflected below:-

	Attendance At Meetings of			
	Board	**Audit Committee**	**NC**	**RC**
Tuan Hj. Ir. Yusoff bin Daud	5/*6	5/*5	2/*2	N/A
Song Kok Cheong	6/*6	5/#5	N/A	2/*2
Ng Chong You	6/*6	N/A	N/A	N/A
Lim Guan Lee	4/*6	N/A	N/A	N/A
Tham Kut Cheong	6/*6	5/*5	2/*2	2/*2
You Tong Lioung @ Yew Tong Leong	6/*6	5/*5	2/*2	2/*2
Lim Kee Min (Alternate Director to Lim Guan Lee)	0/*6	N/A	N/A	N/A

Reflect the number of meetings held during the director's tenure of office
#Attended by invitation
N/A – Not Applicable

4.2 Directors' Training

All Board members have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements. During the financial year ended 31 March 2013, all the Directors have attended an in-house training programme on the topic entitled "Malaysian Code On Corporate Governance 2012" and "The SC's Blueprint On Corporate Governance and Its Impact".

The Board acknowledges the importance of continuous education and training to enable the Board to effectively discharge its duties and responsibilities. The Board shall evaluate and determine the training needs of its Directors on a continuous basis pursuant to the Listing Requirements of Bursa Securities.

5. Uphold Integrity In Financial Reporting

5.1 Compliance With Applicable Financial Reporting Standards

The Directors are responsible for the preparation and fair presentation of the financial statements for each financial year in accordance with applicable Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Quarterly financial results and annual financial statements are reviewed and deliberated upon by the Audit Committee to ensure the quality and adequacy of such information, prior to submission to the Board for its approval.

The Statement of Directors' Responsibility in relation to the financial statements is presented on page 26 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

5.2 Assessment Of Suitability And Independence of External Auditors

To maintain a transparent and formal relationship with the Company's external auditors, the Audit Committee reviews the appointment, performance, independence and remuneration of the external auditors. The Audit Committee had met with the external auditors twice during the financial year under review without the presence of executive members of the Board. The Audit Committee Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 20 to 23.

6. Recognise And Manage Risks

6.1 Sound Framework to Manage Risks

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. Risk management is embedded in the Group's management systems. The Board with the assistance of the outsourced internal audit function has established processes for identifying, evaluating and managing the significant risks faced by the core business of the Group. The outcome of the process is reviewed by the Board and is guided by the Statement on Risk Management & Internal Control Guidelines for Directors of Public Listed Companies issued by Bursa Securities.

6.2 Internal Audit Function

The internal audit function is outsourced to an independent internal audit service company. The Audit Committee reviews and approves the internal audit plan, which is developed based on the key risk areas and major operating units of the Group. Audit reviews were carried out on quarterly basis and audit findings were reported to the Audit Committee. Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 20 to 23 of this Annual Report.

The Statement of Risk Management and Internal Control furnished on pages 24 to 25 of this Annual Report provides an overview on the state of internal controls within the Group.

7. Ensure Timely and High Quality Disclosure

7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. In that respect, the Company is guided by Bursa Securities' disclosure framework as outlined in its Corporate Disclosure Guide.

7.2 Leverage on Information Technology For Effective Dissemination of Information

The Board endeavours to leverage on information technology for broader and effective ways to communicate with both its shareholders and stakeholders. 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. Shareholders and members of the public can obtain information on the Group through the Bursa Securities' website at http://www.bursamalaysia.com and the Company's website at http://www.toyoink.com.my

8. Strengthen Relationship Between Company and Shareholders

8.1 Encourage Shareholder Participation At General Meetings

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 21 days' prior to the meeting. At each AGM, the Board presents the performance and progress of the Company and provides shareholders with the opportunity to raise questions pertaining to the Company. The Chairman and the Board will respond to the questions raised by the shareholders during the AGM. The Board has 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.

CORPORATE GOVERNANCE STATEMENT

8.2 Encourage Poll Voting

Recommendation 8.2 of the 2012 Code recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that with the current level of shareholders' attendance at AGM, voting by way of a show of hands continues to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

8.3 Effective Communication And Proactive Engagement

Besides the key channels of communication through the Company's AGM, Annual Report, Quarterly Report and various announcements to the Bursa Securities, the Company's website at http://www.toyoink.com.my also provides corporate, financial and non-financial information. Through the website, shareholders are able to direct enquiries to the Company. Additionally, a press conference is held immediately after the AGM upon request.

The Board has also designated Mr. Tham Kut Cheong as the Senior Independent Non-Executive Director to whom shareholders and investors can voice their view and concerns by email at kc.tham@toyoink.com.my as an alternative channel of communication with shareholders.

Statement of Directors' Responsibility for Preparation of the 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 Financial Reporting Standards and the requirements of the Companies Act, 1965 and the Main Market Listing Requirements of the Bursa Securities so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have:

- applied appropriate and relevant accounting policies consistently;
- complied with all applicable approved accounting standards; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a resolution of the Board dated 29 July 2013.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee of Toyo Ink Group Berhad was established on 28 August 2003. For the financial year ended 31 March 2013, the Audit Committee comprises the following directors:-

Chairman

Tham Kut Cheong	*(Independent Non-Executive Director)*

Members

You Tong Lioung @ Yew Tong Leong	*(Independent Non-Executive Director)*
Tuan Hj. Ir. Yusoff bin Daud	*(Independent Non-Executive Chairman)*

SUMMARY OF THE TERMS OF REFERENCE

1) MEMBERSHIP

1.1) The Committee shall be appointed by the Board from amongst the directors of the Company and shall be composed exclusively of Non-Executive Directors of no fewer than three members, of whom the majority shall be independent.

1.2) The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least 3 years' working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or alternatively a person who has fulfilled such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

1.3) No alternate director shall be appointed as a member of the Committee.

1.4) The members of the Committee shall elect from among their number a chairman who is non-executive and independent, as defined above.

1.5) If one or more members of the Committee resign, die or for any other reason cease to be a member with the result that the Listing Requirements of the Bursa Securities are breached, the Board shall, within three months of the event, appoint such number of new members as may be required to correct the breach.

1.6) The Board shall review the term of office of Committee members no less than once every three years.

2) AUTHORITY

2.1) The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:

(a) investigate any activity within the Committee's terms of reference;

(b) have resources which are reasonably required to enable it to perform its duties;

(c) have full and unrestricted access to any information pertaining to the Company or its subsidiaries;

(d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;

(e) obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and

(f) convene meetings with the External Auditors, Internal Auditors or both, excluding the attendance of the other directors and employees of the Company, whenever deemed necessary.

AUDIT COMMITTEE REPORT

3) FUNCTIONS AND RESPONSIBILITIES

3.1) The functions of the Committee shall be, amongst others, to review the following and report the same to the Board:-

(a) with the External Auditors, the scope of the audit and the audit plan;

(b) with the External Auditors, their evaluation of the system of internal controls;

(c) with the External Auditors, their management letter and the management's response;

(d) with the External Auditors, their audit report;

(e) the assistance given by the employees to the External Auditors;

(f) the nomination or re-appointment of the External Auditors and their audit fees as well as matters pertaining to resignation or change of the External Auditors;

(g) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(h) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(i) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-

(i) any changes in or implementation of major accounting policy changes;

(ii) significant adjustments arising from the audit;

(iii) significant and unusual events;

(iv) the going concern assumption; and

(v) compliance with accounting standards and other legal requirements;

(j) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

(k) any other matters as directed by the Board.

3.2) The Committee shall establish an internal audit function which is independent of the activities it audits.

3.3) The Committee shall oversee the internal audit function and is authorised to commission investigations to be conducted by internal audit as it deems fit.

3.4) The Internal Auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.

3.5) All proposals by management regarding the appointment, transfer or dismissal of the Internal Auditor shall require the prior approval of the Committee.

AUDIT COMMITTEE REPORT

4) QUORUM, ATTENDANCE AND FREQUENCY OF MEETINGS

4.1) The quorum shall be formed only if there is a majority of members present at the meeting who are independent directors.

4.2) The Head of Finance, the Head of Internal Audit and a representative of the External Auditors shall normally attend meetings. Other Board members and employees may attend any particular meeting upon the invitation of the Audit Committee, specific to the relevant meeting. However, at least twice a year the Committee shall meet with the External Auditors without executive Board members present.

4.3) The Chairman shall call for meetings, to be held not less than four times a year. The External Auditors may request a meeting if they consider one necessary.

5) REPORTING PROCEDURESS

5.1) The Company Secretary shall be the Secretary of the Committee. He shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Committee. All minutes of meetings shall be circulated to every member of the Board.

5.2) The Committee shall prepare an annual report to the Board that provides a summary of the activities of the Committee and the internal audit function or activity for inclusion in the Company's annual report.

5.3) The Committee may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Securities

AUDIT COMMITTEE MEETINGS

The Audit Committee met five times during the financial year ended 31 March 2013. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:-

Audit Committee Member	No. of Audit Committee Meetings	
	Held	**Attended**
Chairman		
Tham Kut Cheong *(Independent Non-Executive Director)*	5	5
Members		
You Tong Lioung @ Yew Tong Leong *(Independent Non-Executive Director)*	5	5
Tuan Hj. Ir. Yusoff bin Daud *(Independent Non-Executive Chairman)*	5	5

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2013

During the financial year ended 31 March 2013, the activities of the Audit Committee included the following:-

(a) reviewed the unaudited quarterly financial results and announcements of the company and the Group prior to submission to the Board of Directors for consideration and approval;

(b) reviewed the audited financial statements for the year ended 31 March 2012;

(c) reviewed the External Auditors' report to the Committee in relation to the audit and accounting issues arising from the audit of the Group's financial statements;

AUDIT COMMITTEE REPORT

(d) considered the audit fee payable and the nomination of the External Auditors for recommendation to the Board for re-appointment;

(e) reviewed the assistance and cooperation given by the employees to the External Auditors in respect of the audit for the financial year ended 31 March 2012;

(f) reviewed the External Auditors' audit plan and scope of audit for the financial year ended 31 March 2013;

(g) met with the External Auditors twice during the financial year ended 31 March 2013 without the presence of any executive board members;

(h) reviewed internal audit reports prepared by the Internal Auditor on the Company and its subsidiaries, management implementation of audit recommendations and recurrent related party transactions; and

(i) reviewed the disclosure statements on Corporate Governance, Audit Committee Report and the Statement of Internal Control for the year ended 31 March 2012 and recommended their adoption to the Board.

INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2013, the Group has outsourced its internal audit function to 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 year ended 31 March 2013 is RM71,000.

The principal responsibility of the internal audit function is to undertake regular and systematic review of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The Internal Auditors undertake internal audit function based on the audit plan that was reviewed and approved by the Audit Committee.

During the financial year under review, the Internal Auditors have conducted audit on selected subsidiaries and key functions and reported their findings and recommendation to the Audit Committee. These internal audit reports together with responses by management were circulated to all members of the Audit Committee. All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings and recommendations were duly acted upon by the management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board') is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 March 2013. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" issued by the Task Force on Internal Control with the support and endorsement of the Exchange.

BOARD RESPONSIBILITIES

The Board acknowledges that risk management and systems of internal control are integral parts of corporate governance and believes that the focus on effective risk oversight is critical to set the right tone and culture towards effective risk management and internal control in the Group.

Principally, the responsibilities of the Board as provided in the Guideline for risk governance and controls are:

- To embed risk management in all aspects of the company's activities;
- To define and approve the board's acceptable risk appetite; and
- To review risk management framework, processes, responsibilities and assessing whether the present systems provide reasonable assurance that risk is managed within tolerable ranges.

The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the incurrence and balancing of risk and return in order to reward the shareholders. The Board implements and reviews the risk management processes with the assistance of management in identification and assessment of risk as well as designing and monitoring of internal controls to mitigate and manage risks.

Functionally, risk management is the responsibility of all executive directors and the management team members. The Managing Director, Executive Director and senior management regularly organise informal meetings and discussions to identify and manage the business risk of the Group and ensure that businesses are under control and corporate targets and objectives are achieved.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS

Risk management is regarded by the Board as part of the business operations in the Group. The Board collectively overseas and reviews the conduct of the Group's business while the Managing Director, Executive Director and the management execute measures and controls to ensure that risks are effectively managed. The principal operational risks of the Group are managed, supervised and monitored by the present management. It is the Board's priority to ensure that uncertainty and risks of investment in new business venture are monitored in order to safeguard the interest of the shareholders.

The systems of internal control are independently reviewed by the Audit Committee. The presence of the internal audit functions supports this review by assessing and reporting the status of management control procedures to the Audit Committee. Audit Committee reviews the internal audit reports and reports to the Board on major issues. Follow-up audit is carried out to ascertain if management actions have been effectively implemented. Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by Management. With the consultation with Management, the Board and Audit Committee deliberate the integrity of the financial results, annual report and audited financial statements before presenting this financial information to the shareholders and public investors.

The quality management systems namely the ISO 9001:2008 and ISO14001:2004 are adopted in two key subsidiaries of the Group. These quality management systems form the guiding principles for the operation procedures. Annual third party surveillance audits are conducted by external certification body to ensure these operational procedures are in compliance with the ISO requirements. Toyo Ink Sdn Bhd continues to be certified under the ISO 9001:2008 and ISO14001:2004 while INMAC EDM-Tools (M) Sdn Bhd, ELO Dunia Manufacturing (M) Sdn Bhd and Toyo Dai-Nichi Ink Sdn Bhd are ISO 9001:2008 certified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of systems of internal control and its review mechanisms are as follows:

i. Clearly defined job description, authority and responsibility for each functional division and process and procedure for core business activities;

ii. Management information systems generating timely financial data and information for reporting, review and monitoring purposes; and

iii. Security controls at the premises of the Group and its subsidiaries to keep away unauthorized access to these premises.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Bursa's Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies implementation, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

Before producing this Statement, the Board has received assurance from the Group Managing Director and Chief Financial Officer that, to the best of their 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 confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. For the financial year under review, the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulting from significant control problem that would require separate disclosure in the Annual Report.

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

Review of Statement on Internal Control by External Auditors

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 March 2013. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants.

The External Auditors 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 processes the Board has adopted in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group. RPG 5 does not require the External Auditors to consider whether this statement covers all risks and controls or to form an opinion on the effectiveness of the Group's risk management and internal control system.

This statement was made in accordance with a resolution of the Board dated 29th July 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The Directors are satisfied that the Financial Statements for the year ended 31 March 2013 have adopted all relevant Financial Reporting Standards and these have been consistently applied and in a prudent and reasonable manner. These financial statements have been prepared on the going concern basis.

The Directors are responsible to ensure that the Group maintains sufficient accounting records to disclose a true and fair view of the state of affairs and cash flows of the Group.

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STATEMENT ON CORPORATE SUSTAINABILITY

Policy Statement
The Board of Directors acknowledges the importance of Corporate Sustainability and believes this business approach will create long-term wealth by embracing opportunities and maximizing values deriving from economic, environmental and social developments.

The policy is applicable to all companies within the Group.

Objective of the Policy
The objectives of the policy are as follow:-

- Integrate management system and ensure organization value is continuously enhanced by economic, environmental and social improvement.

- Contribute values to the communities by improving quality of life of workforce and development of the industry

Scope of the Policy
The Group will address the principles of sustainability in the following variety of areas:-

- Comply with the applicable rules and regulatory as well as best practices of the industry;

- Promote a corporate culture with the Group to operate business in an integrity and transparent manner and in line with code of ethics and conduct;

- Manage human resources by maintaining workforce capabilities and employee satisfaction through continuous organizational learning, on-the-job training, safety and health practices and vibrant workplace;

- Ensure fair business practices with customers, suppliers and business partners;

- Ensure product and service innovation and development by utilization of available technology and human resources in effective , efficient, economic and environmentally friendly manner; and

- Take into consideration environmental, economic and social factors in all corporate decision making.

Execution
The Group believes in leading by example and channeling the value of the Corporate Sustainability Policy to all its subsidiaries, business lines and overall operations.

Review of the Policy
The Board will review the policy regularly to ensure its effectiveness and reserves the right to amend the policy if necessary.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds
Save as disclosed in our Chairman's Statement, there were no proceeds raised by the Company from any corporate proposal during the financial year just ended.

Share Buy-backs
The Company did not have a share buy-back programme in place during the financial year.

Options, Warrants or Convertible Securities
There were no options, warrants or convertible securities issued during the financial year.

Depository Receipt Programme
During the financial year, the Company did not sponsor any Depository Receipt Programme.

Sanctions and/or Penalties
There was no public imposition of sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial year.

Non-Audit fees
Non-audit fees paid to the external auditors of the Group for the financial year ended 31 March 2013 amounted to RM9,500.

Profit Guarantee
During the financial year, there were no profit guarantees given by the Company.

Variation in Results
There were no material variance between the Company's audited Financial Statements for the financial year ended 31 March 2013 and the unaudited results previously announced.

Revaluation Policy
The Group has no revaluation policy on landed properties.

Family Relationship of Directors
Save as disclosed below, none of the Directors has any family relationship with any Directors and/or substantial shareholders of the Company:

(a) Mr. Song Kok Cheong and Madam Fong Po Yin are husband and wife.
(b) Mr. Lim Guan Lee and Mr. Lim Kee Min are father and son.
(c) Mr. Ng Chong You and Madam Ling Ka Hee are husband and wife.

Conflict of Interest with the Company
None of the Directors has any conflict of interest with the Company.

List of Conviction of Offences
None of the Directors has been convicted of any offences within the past ten (10) years other than traffic offences.

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 Statement

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	981,189	643,864
Attributable to:		
Owners of the parent	1,181,499	643,864
Non-controlling interests	(200,310)	-
	981,189	643,864

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

On 3 December 2012, the Company had increased its authorised share capital from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM250,000,000 comprising 250,000,000 ordinary shares of RM1.00 each by the creation of an additional 200,000,000 ordinary shares of RM1.00 each.

There were no changes in the issued and paid-up share capital of the Company during the financial year.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who served since the date of the last report are:

Tuan Hj. Ir. Yusoff bin Daud
Song Kok Cheong
Ng Chong You
Lim Guan Lee
Tham Kut Cheong
You Tong Lioung @ Yew Tong Leong
Lim Kee Min *(alternate director to Lim Guan Lee)*

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in the shares of the Company are as follows:

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	At 1 April 2012	Bought	Sold	At 31 March 2013
Tuan Hj. Ir. Yusoff bin Daud	80,964	-	-	80,964
Song Kok Cheong				
- direct	3,400,025	970,400	-	4,370,425
- indirect*	156,226	-	-	156,226
Ng Chong You				
- direct	2,404,043	-	-	2,404,043
- indirect*	36,000	-	-	36,000
Lim Guan Lee	4,579,281	-	-	4,579,281

*Via spouse/children

None of the other Directors holding office at 31 March 2013 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which a Director is a member, or with a company in which the Director has a substantial financial interest, other than transactions in the ordinary course of business between companies in the Group and a company in which the Director of the Company has substantial financial interest as disclosed in Note 31 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company nor its subsidiary companies is a party with the objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

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

a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
b) to ensure that any current assets which were unlikely to realise their value in the ordinary course of business as shown in the accounting records had been written down to an amount which they might be expected so to realise.

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

a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

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

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

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

b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year other than those arising in the ordinary course of business.

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

In the opinion of the Directors:

a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction, or event of a material and unusual nature; and

b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events that occurred during and after the financial year are disclosed in Note 36 to the financial statements.

MATERIAL LITIGATION

Details of material litigation are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, ECOVIS AHL (formerly known as AHL), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 July 2013.

SONG KOK CHEONG
Director

NG CHONG YOU
Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **SONG KOK CHEONG** and **NG CHONG YOU**, being two of the Directors of **TOYO INK GROUP BERHAD**, do hereby state that, in opinion of the Directors, the financial statements set out on pages 36 to 89 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 40 to the financial statements have been prepared in all material respects, in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 July 2013.

SONG KOK CHEONG
Director

NG CHONG YOU
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **SONG KOK CHEONG**, being the Director primarily responsible for the financial management of **TOYO INK GROUP BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 36 to 89, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)

SONG KOK CHEONG)

at Kuala Lumpur in the Federal Territory)

on 29 July 2013)

SONG KOK CHEONG
Director

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements

We have audited the financial statements of TOYO INK GROUP BERHAD, which comprise the statements of financial position as at 31 March 2013 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 89.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 10 to the financial statements which disclose the current status of the Song Hau 2 Thermal Power Plant Project ("the Project").

The Project has commenced since the financial year 2008. Incidental costs made for the project has been accumulated to RM86,228,925 as at 31 March 2013.

On 1 October 2012, the Company had submitted feasibility study report and general layout of the Project, with output capacity of 2 X 1,000 megawatt at an estimated investment of USD3.5 billion, to Ministry of Industry and Trade, Vietnam ("MOIT") and other relevant Vietnamese Ministries.

The Company also appointed Institute of Energy of Vietnam as its consultant to provide appraisal work for feasibility study report of the Project.

On a letter dated 22 March 2013 issued by the Government Office of the Socialist Republic of Vietnam and as announced by the Company on 27 March 2013, the Group had been approved as the project investor of the Project under Build-Operate-Transfer ("BOT") basis.

The Board of Directors is currently expecting the signing of a Memorandum of Understanding with the MOIT for the construction of the Project under a BOT basis and set out the timeline of the development, financing and completion of the Project.

The ultimate outcome of the Project is dependent on the issuance of the Investment Certificate to incorporate a Vietnam registered company and signing of the BOT agreement, Coal Supply agreement, Land Lease Agreement, Power Purchase Agreement and other relevant agreements with the authorities and government agencies of Vietnam.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

While recognising the risks involved, the Board of Directors is confident of the successful outcome of the Project. The Directors of the Company are also of the opinion that no impairment is required as the Project will enhance the future profitability and improve the financial position of the Group.

Report on Other Legal and Regulatory Requirements
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' reports of all the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) Other than those subsidiaries with emphasis of matter paragraphs in the auditors' reports as disclosed in Note 7 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities
The supplementary information set out in Note 40 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ECOVIS AHL (formerly known as AHL)
Firm Number: AF 001825
Chartered Accountants

CHUA KAH CHUN
Approval Number: 2696/09/13 (J)
Chartered Accountant

Kuala Lumpur
29 July 2013

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION as at 31 MARCH 2013

Group	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
ASSETS				
Non Current Assets				
Property, plant and equipment	5	27,881,764	28,090,481	34,373,096
Investment property	6	1,640,000	1,656,000	1,672,000
Investment in associated company	8	482,934	484,809	486,380
Goodwill on consolidation	9	17,496,312	17,496,312	17,496,312
Development expenditure	10	86,228,925	2,425,684	-
		133,729,935	50,153,286	54,027,788
Current Assets				
Inventories	11	14,205,687	13,594,608	15,989,436
Trade receivables	12	19,973,079	20,442,755	26,500,544
Other receivables, deposits and prepayments	13	9,310,422	71,968,997	60,754,587
Tax recoverable		300,886	367,449	-
Fixed deposits with licensed banks	15	17,843	17,334	16,897
Cash and bank balances		3,644,826	3,205,332	3,640,992
Assets classified as held for sale	16	-	5,035,671	-
		47,452,743	114,632,146	106,902,456
TOTAL ASSETS		181,182,678	164,785,432	160,930,244
EQUITY AND LIABILITIES				
Equity				
Share capital	17	42,800,000	42,800,000	42,800,000
Reserves	18	23,554,864	21,725,537	20,515,271
Equity attributable to owners of the parent		66,354,864	64,525,537	63,315,271
Non-controlling interest	19	3,931,576	4,488,623	4,878,140
TOTAL EQUITY		70,286,440	69,014,160	68,193,411
Non Current Liabilities				
Hire purchase payables	20	823,846	251,074	30,467
Bank borrowings	21	366,502	541,343	699,832
Deferred tax liabilities	22	2,729,467	2,632,056	2,318,463
		3,919,815	3,424,473	3,048,762
Current Liabilities				
Trade payables	23	12,240,740	10,470,588	11,753,460
Other payables and accruals	24	58,565,148	48,226,066	36,331,628
Amount owing to Directors	25	6,255,000	6,087,500	9,140,000
Hire purchase payables	20	921,739	295,383	337,932
Bank borrowings	21	28,993,796	27,108,691	32,108,926
Taxation		-	-	16,125
Liabilities classified as held for sale	16	-	158,571	-
		106,976,423	92,346,799	89,688,071
TOTAL LIABILITIES		110,896,238	95,771,272	92,736,833
TOTAL EQUITY AND LIABILITIES		181,182,678	164,785,432	160,930,244

The annexed notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

COMPANY	**Note**	**31.3.2013 RM**	**31.3.2012 RM**	**1.4.2011 RM**
ASSETS				
Non Current Assets				
Investment in subsidiary companies	7	31,611,684	31,611,684	31,611,684
Current Assets				
Other receivables, deposits and prepayments	13	315,507	86,250	86,250
Amount owing by a subsidiary company	14	25,081,258	25,226,737	25,586,737
Tax recoverable		41,248	127,609	52,454
Cash and bank balances		940,412	345,130	70,006
		26,378,425	25,785,726	25,795,447
TOTAL ASSETS		57,990,109	57,397,410	57,407,131
EQUITY AND LIABILITIES				
Equity				
Share capital	17	42,800,000	42,800,000	42,800,000
Reserves	18	14,868,534	14,224,670	14,312,766
TOTAL EQUITY		57,668,534	57,024,670	57,112,766
Current Liabilities				
Other payables and accruals	24	146,575	135,240	144,365
Amount owing to Directors	25	175,000	237,500	150,000
		321,575	372,740	294,365
TOTAL LIABILITIES		321,575	372,740	294,365
TOTAL EQUITY AND LIABILITIES		57,990,109	57,397,410	57,407,131

The annexed notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME for the financial year ended 31 MARCH 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Continuing operations					
Revenue	26	85,897,638	92,830,124	1,359,615	240,000
Cost of sales		(69,216,510)	(74,650,535)	-	-
Gross Profit		16,681,128	18,179,589	1,359,615	240,000
Other income		562,604	526,940	-	-
Selling and distribution costs		(6,675,623)	(6,989,703)	-	-
Administration expenses		(7,033,509)	(7,072,831)	(413,953)	(299,159)
Finance costs		(1,974,294)	(2,225,948)	-	-
Share of results in associate		(1,875)	(3,795)	-	-
Profit/(Loss) Before Taxation	27	1,558,431	2,414,252	945,662	(59,159)
Income Tax Expense	28	(991,652)	(1,095,482)	(301,798)	(28,937)
Profit/(Loss) From Continuing Operations		566,779	1,318,770	643,864	(88,096)
Discontinued operation					
Gain/(Loss) from discontinued operation, net of tax	29	414,410	(444,578)	-	-
Profit/(Loss) for the financial year		981,189	874,192	643,864	(88,096)
Other comprehensive income, net of tax					
Foreign currency translation		647,828	36,557	-	-
Total comprehensive income/(expense) for the financial year		1,629,017	910,749	643,864	(88,096)
Profit/(Loss) attributable to:					-
Owners of the parent		1,181,499	1,110,765	643,864	(88,096)
Non-controlling interest		(200,310)	(236,573)	-	-
Profit/(Loss) for the financial year		981,189	874,192	643,864	(88,096)
Total comprehensive income/(expense) attributable to:					
Owners of the parent		1,829,327	1,210,266	643,864	(88,096)
Non-controlling interest		(200,310)	(299,517)	-	-
Total comprehensive income/(expense) for the financial year		1,629,017	910,749	643,864	(88,096)
Basic earnings per ordinary share (sen)	30				
from continuing operations		2.18	3.22		
from discontinued operations		0.58	(0.62)		
		2.76	2.60		

The annexed notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2013

	Attributable to owners of the parent						
	Non distributable			Distributable			
	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group							
Balance At 1 April 2011	42,800,000	4,320,938	(551,481)	16,745,814	63,315,271	4,878,140	68,193,411
Comprehensive income:							
- Net profit for the financial year	-	-	-	1,110,765	1,110,765	(236,573)	874,192
- Other comprehensive income/(expense)	-	-	99,501	-	99,501	(62,944)	36,557
Total comprehensive income/(expense) for the financial year	-	-	99,501	1,110,765	1,210,266	(299,517)	910,749
Dividend to non-controlling interests	-	-	-	-	-	(90,000)	(90,000)
At 31 March 2012/1 April 2012	42,800,000	4,320,938	(451,980)	17,856,579	64,525,537	4,488,623	69,014,160
Comprehensive income:							
- Net profit/(loss) for the financial year	-	-	-	1,181,499	1,181,499	(200,310)	981,189
- Other comprehensive income	-	-	647,828	-	647,828	-	647,828
Total comprehensive income/(expense) for the financial year	-	-	647,828	1,181,499	1,829,327	(200,310)	1,629,017
Investment in a subsidiary company	-	-	-	-	-	1,646,088	1,646,088
Disposal of a discontinued operation	-	-	-	-	-	(2,002,825)	(2,002,825)
At 31 March 2013	42,800,000	4,320,938	195,848	19,038,078	66,354,864	3,931,576	70,286,440

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2013

	Attributable to owners of the parent			
	Non distributable		Distributable	
	Share Capital RM	Share Premium RM	Retained Profits RM	Total Equity RM
Company				
Balance at 1 April 2011	42,800,000	4,320,938	9,991,828	57,112,766
Total comprehensive expense for the financial year	-	-	(88,096)	(88,096)
Balance at 31 March 2012/1 April 2012	42,800,000	4,320,938	9,903,732	57,024,670
Total comprehensive income for the financial year	-	-	643,864	643,864
Balance at 31 March 2013	42,800,000	4,320,938	10,547,596	57,668,534

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2013

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation				
-Continuing operations	1,558,431	2,414,252	945,662	(59,159)
-Discontinued operation	414,410	(444,578)	-	-
	1,972,841	1,969,674	945,662	(59,159)
Adjustments for:				
Allowance for impairment of trade receivables	71,019	235,549	-	-
Bad debts written off	5,635	30,174	-	-
Depreciation of property, plant and equipment	2,348,229	2,435,666	-	-
Depreciation of invertment property	16,000	16,000	-	-
Dividend income	-	-	(1,119,615)	
Gain from disposal of discontinued operation	(414,410)	-	-	-
Gain on disposal of property, plant and equipment	(21,545)	(39,671)	-	-
Interest expense	1,894,356	2,142,799	-	-
Interest income	(6,010)	(437)	-	-
Property, plant and equipment written off	763	2,848	-	-
Reversal of allowance for impairment of trade receivables	(229,889)	(150,307)	-	-
Share of results in associate	1,875	3,795	-	-
Unrealised gain on foregin exchange	(4,646)	(6,755)	-	-
Operating profit/(loss) before working capital changes	5,634,218	6,639,335	(173,953)	(59,159)
Changes in working capital:				
Inventories	(611,079)	2,394,828	-	-
Receivables	(6,677,748)	(5,041,205)	(83,778)	360,000
Payables	12,286,696	7,565,821	(51,165)	78,375
Net cash from operating activities assets held for sale (Note 29)	-	(306,523)	-	-
Cash generated from/ (used in) operations	10,632,087	11,252,256	(308,896)	379,216
Interest paid	(1,894,356)	(2,142,799)	-	-
Interest received	6,010	437	-	-
Tax paid	(1,595,210)	(1,423,381)	(318,904)	(104,092)
Tax refunded	227,226	257,917	103,467	-
Translation reserve	403,198	25,753	-	-
Net cash from/(used in) operating activities	7,778,955	7,970,183	(524,333)	275,124
CASH FLOWS FROM INVESTING ACTIVITIES				
*Acquisition of property, plant and equipment	(728,790)	(406,938)	-	-
Non-controlling interests investment in subsidiary	1,646,088	-	-	-
Addition in development expenditure	(14,145,162)	(2,425,684)	-	-
Disposal of discontinued operation, net of cash (Note 7)	4,369,460	-	-	-
Dividend received	-	-	1,119,615	-
Proceeds from disposal of property, plant and equipment	78,060	201,882	-	-
Net cash (used in)/from investing activities	(8,780,344)	(2,630,740)	1,119,615	-

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2013

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) from banker acceptances, trust receipts and bills payable	231,000	(6,727,412)	-	-
Dividend paid to non-controlling interests	-	(90,000)	-	-
Repayment of hire purchase payables, net	(268,872)	(525,942)	-	-
Repayment of term loans	(163,779)	(153,484)	-	-
Net cash used in financing activities	(201,651)	(7,496,838)	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,203,040)	(2,157,395)	595,282	275,124
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(6,824,204)	(4,666,809)	345,130	70,006
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(8,027,244)	(6,824,204)	940,412	345,130
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	3,644,826	3,205,332	940,412	345,130
Fixed deposits with licensed banks	17,843	17,334	-	-
Bank overdrafts	(11,689,913)	(10,046,870)	-	-
	(8,027,244)	(6,824,204)	940,412	345,130

***Acquisition of property, plant and equipment during the financial year are financed by:**

Mode of payments:	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash	728,790	406,938	-	-
Hire purchase	1,468,000	704,000	-	-
	2,196,790	1,110,938	-	-

The annexed notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

1. GENERAL INFORMATION

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

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

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

Principal place of business :

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

Registered office:

Lot 4.100, Tingkat 4,
Wisma Central,
Jalan Ampang,
50450 Kuala Lumpur

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 29 July 2013.

2. BASIS OF PREPARATION

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

These are the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. The transition from FRS to MFRS has no significant impact on the financial position, financial performance and cash flows of the Company.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in Note 3 to the financial statements.

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

The following are accounting standards, amendments and interpretations of the MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Company:

Effective for financial periods beginning on or after 1 July 2012
- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013
- MFRS 3, Business Combinations
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (revised)
- MFRS 127, Consolidated and Separate Financial Statements (revised)
- MFRS 128, Investments in Associates and Joint Ventures (revised)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

- Amendments to MFRS 1, First-time Adoption of MFRS – Government Loans
- Amendments to MFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11, Joint Arrangements: Transition Guidance
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance
- Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

Effective for financial periods beginning on or after 1 January 2014
- Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015
- Amendments to MFRS 9, Mandatory Effective Date of MFRS 9 and Transition Disclosures

Material impacts of initial application of a standard, an amendment or an interpretation are discussed below:

MFRS 9, *Financial Instruments*
MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

MFRS 10, *Consolidated Financial Statements*
MFRS 10, *Consolidated Financial Statements* introduces a new single control model to determine which investees should be consolidated. MFRS 10 supersedes MFRS 127, Consolidated and Separate Financial Statements and IC Interpretation 112, Consolidation - Special Purpose Entities. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

MFRS 11, *Joint Arrangements*
MFRS 11, Joint Arrangements establishes the principles for classification and accounting for joint arrangements and supersedes MFRS 131, Interest in Joint Ventures. Under MFRS 11, a joint arrangement may be classified as joint venture or joint operation. Interest in joint venture will be accounted for using the equity method whilst interest in joint operation will be accounted for using the applicable MFRSs relating to the underlying assets, liabilities, income and expense items arising from the joint operations.

MFRS 13, *Fair Value Measurement*
MFRS13, *Fair Value Measurement* establishes the principles for fair value measurement and replaces the existing guidance in different MFRSs. The enhance disclosure requirements are similar to those MFRS 7 "Financial Instruments: Disclosures" but apply to all assets and liabilities measured at fair value and not only financial assets and liabilities.

MFRS 119, *Employee Benefits (2011)*
The amendments to MFRS 119, Employee Benefits change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of MFRS 119 and accelerate the recognition of past service costs.

The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. The amendments to MFRS 119 require retrospective application.

Amendments to MFRS 101, *Presentation of Items of Other Comprehensive Income*
The amendments to MFRS 101 requires entities to separate items presented in "other comprehensive income" ("OCI") in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

The Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant impact on the financial statements of the Company upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

3. SIGNIFICANT ACCOUNTING POLICIES

a. Subsidiaries and Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is held for sale. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

ii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies 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.

The financial statements of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intergroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition at the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities represents goodwill on the statement of financial position.

Any excess of the Group's interest in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the non-controlling interests' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiaries' equity since then.

b. Goodwill

Goodwill arises on business combination is initially measured at cost. Following the initial recognition, goodwill is measured at cost less any 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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Gains and losses on the disposal of any entity include the carrying amount of goodwill to the entity sold.

c. Associates

Associates are those companies in which the Group has a long term equity interest of between 20 and 50 percent of equity capital and in which the Group exercises significant influence, but not control through participation in the financial and operating policy decisions of those companies.

Investments in associates are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sales.

Investment in associates is accounted for in the consolidated income statements using the equity method less any impairment losses, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates is included in the statements of comprehensive income by using equity method of accounting based on the audited or management financial statements of the associates, and Group's interest in associates is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associates unless it is as held for sale or included in a disposal group.

When the Group's share of losses exceeds its interest in an equity associate, the carrying amount of that interest (including any long-term investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

d. 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.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

Freehold land is not depreciated as it has an infinite life. Building under construction is not depreciated until it is ready for its intended use.

Leasehold land and buildings are depreciated evenly over their remaining lease periods of 62 to 86 years and 5 to 10% per annum.

The other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets over their estimated useful lives. The annual rates used are as follows:

	Rate (%)
Freehold buildings	2
Plant, machinery and equipment	6.5 - 20
Motor vehicles	20
Office equipment	10 - 50
Furniture and fittings, renovation, signboard	10 - 20

Fully depreciated assets are retained in the financial statements until they are no longer in use.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The residual values and useful lives of assets 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 profit or loss in the financial year the asset is derecognised.

e. Investment Properties

Investment properties are properties which are owned or held under leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The investment properties are stated at cost less accumulated depreciation and impairment losses, if any. No depreciation is provided on the freehold land as it has an infinite life. Depreciation of freehold building is provided for on the straight line basis over their estimated useful lives of 50 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from uses and no future benefits are expected from their disposals. Any gains or losses on their retirements or disposals of the investment properties are recognised in profit or loss in the financial year in which they arise.

f. Development Expenditure

Development expenditures are expenditure incurred to develop thermal power plant project. Development expenditure is capitalised and deferred when the Group can demonstrates the use of such assets will generate future economic benefits, related cost can be reliably determined, the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset and the availability of resources to complete the project. The cost includes any directly attributable incidental expenses necessary to make the assets ready for use. Other development expenditures which do not meet these criteria are expensed off when incurred.

Development expenditure is stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on a straight line basis over the items estimated useful life and commences when the asset is ready for use.

g. Leases

i. The Group As Lessee

Finance lease

Leases of property, plant and equipment which transfer the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the leases at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are charged to profit or loss. Contingent rent, if any, are charged as expenses in the periods in which they are incurred.

Lease assets are depreciated over the estimated useful life of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The aggregate benefit of incentives provided by the lessor is recognised as reduction of rental expense over the lease term on a straight-line basis.

ii. The Group As Lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

h. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first in, first out or weighted average basis.

The cost of raw materials comprises the original cost of purchases plus the cost of bringing the inventories to their present conditions and locations.

The cost of finished goods comprises cost of raw materials, direct labour and overheads.

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

i. Financial Instruments

i. 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 or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

ii. Financial instrument categories and subsequent measurement

The Group and the Company determine the classification of their financial instruments at initial recognition. The Group and the Company categorise financial instruments as follows:

Financial assets

a) Financial assets at fair value through profit or loss ("FVTPL")

FVTPL category comprises financial assets that are held for trading or specifically designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other losses or other income.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets at FVTPL.

b) Loans and receivables ("LR")

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as LR. LR category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

All the financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current assets.

c) Held-to-maturity investments ("HTM")

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, HTM is measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the HTM are derecognised or impaired, and through the amortisation process.

HTM are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company does not have any financial assets classified as HTM.

d) Available-for-sale financial assets ("AFS")

AFS are financial assets that are designated as AFS or are not classified in any of the three preceding categories.

After initial recognition, AFS are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary instruments and interest calculated using the effective interest method are recognised profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profir or loss. Dividends on an AFS equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

AFS financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

The Group and the Company does not have any financial assets classified as AFS financial assets.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are 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 financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

a) **Financial liabilities at fair value through profit or loss ("FVTPL")**
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group or the Company that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

b) **Other financial liabilities**
The Group's and the Company's other financial liabilities includes trade payables, other payables and accruals, loans and borrowings.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as FVTPL.

Accounts payables are classified as current liabilities if payment due within one year or less. Otherwise they are presented as non-current liabilities.

iii. Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract become probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

iv. Regular way purchase or sale of financial assets
A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

v. 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 has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the 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 or cancelled or expires. 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 assets transferred or liabilities assumed, is recognised in the profits or loss.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

vi. Offsetting financial instruments

Financial instruments are offset and the net amount reported in the statement of financial position when the Group and the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

j. Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in the normal operation cycle of the business, they are classified as current assets. Otherwise, there are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

k. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits. Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investment which have an insignificant risk of changes in value.

l. Impairment of Assets

i. Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

ii. Non-financial assets

The carrying amounts of non-financial assets, except for inventories and deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss, unless the assets are carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same assets.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

An impairment loss in respect of assets recognised in prior periods is assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised, unless the asset is carried at the revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus.

m. Provision for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Equity Instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

o. Foreign Currencies

i. Functional and presentation currencies

The individual financial statements of each entity in the Group are measured using the currency of primary economic environment in which the equity operates (the functional currency). The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

ii. Foreign currency transactions

Transactions in foreign currencies are translated into Ringgit Malaysia at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on settlement or retranslation of monetary items are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

iii. Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position are translated at the closing rates prevailing at the reporting date.
- Income and expenses for each statement of comprehensive income are translated at the average exchange rate for the financial year, which approximates the exchange rates at the date of the transactions; and
- All resulting exchange differences are taken to the exchange fluctuation reserve within equity.

Exchange differences arising from monetary items that form part of the Group's net investment in a foreign operation and that are denominated in the functional currency of the Group or the foreign operation are recognised in the profit or loss of the Group or of the foreign operation, as appropriate. In the Group financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under exchange translation reserve. On disposal of the foreign operation, the cumulative amount recognised in the other comprehensive income and taken to equity under exchange translation reserve will be reclassified to profit or loss.

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 end of the reporting period.

p. Hire Purchase

Assets financed by hire purchase arrangements which transfer substantially all the benefits and rewards of ownership to the Group are capitalised as plant and equipment and the corresponding obligations are treated as liabilities. The plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the statements of comprehensive income to give a constant periodic rate of charge on the remaining hire purchase liabilities.

q. Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Accounts payable are classified as current liabilities if payment is due within the normal operating cycle of the business. If not, they are presented as non-current liabilities.

r. Revenue Recognition

Revenue from sale of goods and services rendered is recognised in the financial statements when the significant risks and rewards of ownerships of the goods have been transferred to the buyer or when services rendered.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised as it accrues using the effective interest method.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement unless the collectability of the rental is in doubt and suspended.

s. Employee Benefits

i. Short term benefits

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

ii. Defined contribution plans
As required by the law, the Group and the Company make contributions to statutory pension funds, the Employee Provident Fund ("EPF"). Such contribution is recognised as an expense in the statements of comprehensive income as incurred.

t. Income Taxes
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

i. Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

ii. Deferred tax
Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

u. Borrowing Costs
Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

v. Contingencies
A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised but disclosed (unless the probability of outflow of economic benefits is remote) in the financial statements of the Group and of the Company.

w. Non-Current Assets (or Disposal Group) Held for Sale and Discontinued Operations
Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

x. Earnings Per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and shares options granted to employees.

y. Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

z. Related Parties

A party is related to an entity if:

i. directly, or indirectly through one or more intermediaries, the party:
   - control, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
   - has an interest in the entity that gives it significant influence over the entity; or
   - has joint control over the entity;

ii. the party is an associated of the entity;

iii. the party is a joint venture in which the entity is a venturer;

iv. the party is a member of the key management personnel of the entity or its parent;

v. the party is a close member of the family of any individual referred to in (i) or (iv);

vi. the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vii. the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with MFRSs requires management to exercise their judgement in the process of applying the Company's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

i. Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the management are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

ii. Key sources of estimation uncertainty

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

- **Estimated useful lives of property, plant and equipment**

  The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or limits on the use of the relevant assets.

  In addition, the estimation of the useful lives of property, plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

- **Impairment of investment in subsidiaries**

  The Company carried out the impairment test based on a variety estimation including the value-in-use ("VIU") of the cash-generating units ("CGUs"). Estimating a VIU amount requires the Company to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

  The management determined the recoverable amount of the investment in subsidiaries based on the individual assets' VIU and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's VIU, and it is assumed to be the same as the worth of the asset as at reporting date. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than carrying amount.

  In view of the above, the management is in the opinion that no impairment is required for the investment in subsidiaries as at reporting date.

- **Impairment assessment of goodwill on consolidation**

  Goodwill is tested for impairment annually or more frequently when such indicators exist. This requires an estimation of the value-in-use ("VIU") of the cash-generating units ("CGUs") to which goodwill is allocated. When VIU calculations are undertaken, management must estimate the expected future cash flows from the assets/CGU and choose a suitable discount rate to calculate the present value of those cash flows. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are stated in Note 9.

- **Impairment of development expenditure**

  The Group carried out the impairment test on development expenditure based on recoverable amount of the cash generating unit ("CGU"). To determine the recoverable amount, management estimates expected future cash flows from the CGU and determines a suitable discount rate to derive on the present value of future cash flows.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Estimates the future cash flows require the Group to make assumptions on the operating results which subject to future events and circumstances. Suitable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. Changes in assumptions could significantly affect the results of the Group's test for impairment on this development expenditure.

- **Deferred tax assets**
  Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowance to the extent that it is probable that taxable profit will be available against which tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

- **Allowance for inventories**
  Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

- **Impairment losses of receivables**
  The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial liabilities of the receivable and default or significant delay in payments.

  Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If there is no similar credit risk characteristic, the difference of the expectation from the original estimate, will impact the carrying value of the receivables, an allowance for impairment losses will be based on an assessment of the recoverability of receivables.

- **Income taxes**
  Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Contingent liabilities**
  Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM	Leasehold land and buildings RM	Plant Machinery and Equipment RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings Renovation Signboard RM	Total RM
At cost							
As 1 April 2012	4,633,515	18,550,279	21,273,923	1,064,946	2,003,284	2,875,087	50,401,034
Additions	-	-	1,579,150	148,937	327,899	140,804	2,196,790
Disposals	-	-	(90,732)	(95,960)	(44,714)	-	(231,406)
At 31 March 2013	4,633,515	18,550,279	22,762,341	1,117,923	2,286,469	3,015,891	52,366,418
Accumulated depreciation							
At 1 April 2012	274,433	2,473,321	14,643,034	941,146	1,728,110	2,155,345	22,215,389
Additions	28,830	319,873	1,559,011	83,777	169,869	186,869	2,348,229
Disposals	-	-	(34,199)	(95,959)	(43,970)	-	(174,128)
At 31 March 2013	303,263	2,793,194	16,167,846	928,964	1,854,009	2,342,214	24,389,490
Accumulated impairment loss							
At 31 March 2013/1 April 2012	95,164	-	-	-	-	-	95,164
At 1 April 2011	4,633,515	24,527,574	20,514,909	1,361,277	2,159,788	2,771,190	55,968,253
Additions	-	-	841,770	78,775	84,745	105,648	1,110,938
Disposals	-	(180,000)	(62,392)	(47,904)	(33,233)	(1,751)	(325,280)
Exchange difference	-	(74,802)	(475)	(4,222)	(2,683)	-	(82,182)
Transfer to assets held for sale	-	(5,722,493)	(19,889)	(322,980)	(205,333)	-	(6,270,695)
At 31 March 2012	4,633,515	18,550,279	21,273,923	1,064,946	2,003,284	2,875,087	50,401,034
Accumulated depreciation							
At 1 April 2011	245,603	3,041,829	13,351,011	1,067,902	1,809,086	1,984,562	21,499,993
Additions	28,830	607,738	1,371,219	97,916	157,999	171,964	2,435,666
Disposals	-	(20,526)	(58,832)	(47,904)	(31,778)	(1,181)	(160,221)
Exchange difference	-	(11,221)	(475)	(1,680)	(1,864)	-	(15,240)
Transfer to assets held for sale	-	(1,144,499)	(19,889)	(175,088)	(205,333)	-	(1,544,809)
At 31 March 2012	274,433	2,473,321	14,643,034	941,146	1,728,110	2,155,345	22,215,389
Accumulated impairment loss							
At 31 March 2012/1 April 2011	95,164	-	-	-	-	-	95,164

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

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

	Group 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Carrying Amount			
Freehold land and buildings	4,235,088	4,263,918	4,292,748
Leasehold land and buildings	15,757,085	16,076,958	21,485,745
Plant, machinery and equipment	6,594,495	6,630,889	7,163,898
Motor vehicles	188,959	123,800	293,375
Office equipment	432,460	275,174	350,702
Furniture and fittings, renovation signboard	673,677	719,742	786,628
	27,881,764	28,090,481	34,373,096

a) The carrying amount of property, plant and equipment pledged to licensed banks to secure the banking facilities granted to the Group are as follows:

	Group 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Freehold land and buildings	3,639,923	3,668,754	3,697,584
Leasehold land and buildings	15,580,201	15,896,498	16,424,010
Other plant and equipment	662,520	861,675	1,064,863

b) Carrying amount of property, plant and equipment acquired under hire purchase are:

	Group 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Plant and machinery	2,354,917	1,122,742	1,091,604
Motor vehicles	188,956	94,926	97,981

6. INVESTMENT PROPERTY

	Freehold land RM	Freehold building RM	Total RM
Group			
At cost			
At 31 March 2013 / 31 March 2012 / 1 April 2011	1,000,000	800,000	1,800,000
Accumulated depreciation			
At 1 April 2011	-	128,000	128,000
Charge during the financial year	-	16,000	16,000
At 31 March 2012	-	144,000	144,000
Charge during the financial year	-	16,000	16,000
At 31 March 2013	-	160,000	160,000
Carrying amount			
31 March 2013	1,000,000	640,000	1,640,000
31 March 2012	1,000,000	656,000	1,656,000
1 April 2011	1,000,000	672,000	1,672,000

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The investment property is pledged to a licensed bank for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

The fair value of the investment property were estimated at RM3,500,000 (31.3.2012: RM2,500,000, 1.4.2011: RM2,500,000) at Directors' valuation which were made based on current prices in an active market for the properties within the same vicinity.

Rental income earned by the Group from the investment property during the financial year amounted to RM108,000 (2012: RM108,000) and direct operating expenses incurred by the Group on the investment property during the financial year amounted to RM6,181 (2012: RM6,181).

7. INVESTMENT IN SUBSIDIARY COMPANIES

		Company	
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Unquoted shares - at cost	31,611,684	31,611,684	31,611,684

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NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The details of the subsidiary companies are as follows:

Name of Subsidiary Companies	Effective Interest 31.3.2013 %	Effective Interest 31.3.2012 %	Principal Activities
Direct subsidiary:			
*Toyo Ink Sdn. Bhd. ("TISB")	100	100	Investment holding and ink manufacturer and undertake investment, implementation and operating of power plant business.
Subsidiaries of TISB			
Toyo Photo Products Sdn. Bhd.	100	100	Dealers of graphic art, films, chemicals, machineries and equipment for lithography and allied industries.
Toyo Dai-Nichi Ink Sdn. Bhd.	60	60	Manufacturers and dealers of printing ink and other printing materials.
Toyo Ink (Perak) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Penang) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Melaka) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
⌂EDM-Tools (M) Sdn. Bhd. ("ETSB")	100	100	Sales and distributions of electrical discharge machining tools.
⌂ELO Dunia Manufacturing (M) Sdn. Bhd. ("EDMSB")	100	100	Manufacturing and fabrication of metal and graphite parts.
⌂INMAC EDM-Tools (M) Sdn. Bhd.	100	100	Manufacturing of EDM cut-wire.
⌂EDM-Tools (Penang) Sdn. Bhd.	100	100	Dealer of all kinds of engineering and aviation equipment, accessories and attachments.
#Citi Ink Manufactured Joint Venture Co., Ltd. ("CITI")	-	60	Manufacturing of printing inks and renting of property.
Subsidiaries of EDMSB			
Toyo Laser Technology Sdn. Bhd.	100	100	Sales and distributions of machinery and machine parts.
^PT Elo Dunia Manufacturing Indonesia ("PT EDMI")	51	-	CNC machining of Graphite EDM Electrodes, Copper EDM Electrodes, selling graphite materials and 3D profile metal components.
Subsidiary of ETSB			
^EDM-Tools (S) Pte Ltd ("ETSPL")	100	100	Sales and distributions of electrical discharge machining tools.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

* *The auditors' report of TISB contain an emphasis of matter to draw attention to the matter as disclosed in Note 10 to the financial statements which explains the circumstances and consideration the Directors have taken into account in preparing the financial statements.*

⌂ *The shares held in these subsidiaries are pledged to AmIslamic Bank for banking facilities granted to the Group as disclosed in Note 21 and registered in the name of Amsec Nominees (Tempatan) Sdn. Bhd.*

\# *Not audited by member firms of Ecovis International.*

^ *Audited by other member firms of Ecovis International*

All the subsidiaries are incorporated in Malaysia except for CITI, PT EDMI and ETSPL which are incorporated in the Socialist Republic of Vietnam, the Republic of Indonesia and the Republic of Singapore respectively.

a) Incorporation of subsidiary companies

During the financial year, a wholly owned subsidiary of the Group, EDMSB incorporated a 51% owned equity interest subsidiary under the name of PT EDMI in the Republic of Indonesia.

EDMSB subscribed for a total of 6,120 ordinary shares of par value USD100 each, representing 51% of the issued and paid-up share capital in PT EDMI for a total cash consideration of USD612,000 (equivalent to approximately RM1,817,640).

In the previous financial year, a wholly owned subsidiary of the Group, ETSB had also incorporated a 100% owned equity interest subsidiary under the name of ETSPL in the Republic of Singapore for a total cash consideration of S$2.

b) Disposal of a subsidiary company

On 27 March 2013, Toyo Ink Sdn. Bhd., a wholly owned subsidiary of the Company had signed a Capital Assignment Agreement ("CAA") with Mr. Nguyen Thanh Hung, a Vietnam citizen, for the disposal of its entire 60% equity interest in Citi Ink Manufactured Joint Venture Co., Ltd ("CITI") for a total cash consideration of USD1,500,000 ("Purchase Price").

The Purchase Price of USD1,500,000 (approximately RM4,650,000) was agreed to be satisfied fully in cash by stages on/prior to the following dates:

Paymeny Dates	**USD**
31 March 2013	150,000
31 May 2013	150,000
31 July 2013	600,000
30 September 2013	600,000
Total Purchase Price	1,500,000

CITI was presented as a disposal group held for sale in the financial year ended 2012 and the disposal was deemed completed as at the financial year end as the Group has no control over the financial and operating policies of CITI upon signing of the agreement as agreed by both parties involved in the CAA.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The disposal had the following effects on the financial position of the Group as at the end of the financial year:

	31.3.2013 RM
Group	
Assets classified as held for sale	5,470,326
Liabilities classified as held for sale	(158,571)
	5,311,755
Non-controlling interests	(2,002,825)
Net assets disposed	3,308,930
Gain on disposal to the Group	414,410
Translation reserve	647,660
Net proceeds from disposal of discontinued operation	4,371,000
Proceeds from disposal of discontinued operation	4,650,000
Less: incidental costs incurred directly attributable to the disposal	(279,000)
	4,371,000
Cash and cash equivalents of subsidiary disposed	(1,540)
Net cash inflow on disposal	4,369,460

The effects of the disposal on the financial results of the Group during the financial year are disclosed in Note 29.

8. INVESTMENT IN ASSOCIATED COMPANY

	Group		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares - at cost	309,751	309,751	309,751
Share of post-acquisition results	(45,279)	(43,404)	(39,609)
Adjustment for exchange gain arising on year end translation of investment in foreign associated company	218,462	218,462	216,238
	482,934	484,809	486,380
Represented by:			
Share of net assets of associated company	530,428	532,303	533,874
Discount on acquisition	(47,494)	(47,494)	(47,494)
	482,934	484,809	486,380

The details of the associated company which was incorporated in Singapore are as follows:

Name of Company	Effective Group Interest 31.3.2013	Effective Group Interest 31.3.2012	Principal Activities
Toyo Color Pte. Ltd.	50%	50%	Dealers, importers and exporters of printing ink and graphic products.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The summarised financial information of the associate is as follows:

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Assets and Liabilities			
Current assets	25,514	32,251	39,677
Non-current assets	1,099,429	1,063,637	1,059,233
Total assets	1,124,943	1,095,888	1,098,900
Current liabilities	27,352	31,282	31,152
Non-current liabilities	-	-	-
Total liabilities	27,352	31,282	31,152
Results			
Revenue	-	-	-
Loss for the financial year	(3,750)	(7,590)	(7,934)

9. GOODWILL ON CONSOLIDATION

		Group	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At cost/carrying amount	17,496,312	17,496,312	17,496,312

For the purpose of impairment testing, goodwill has been allocated to the Group's cash-generating units, identified according to the business segments as follows:

		Group	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Manufacturing	10,205,616	10,205,616	10,205,616
Trading	7,290,696	7,290,696	7,290,696
	17,496,312	17,496,312	17,496,312

The carrying amount of the goodwill was assessed for impairment on an annual basis. The recoverable amount of the goodwill is determined based on the assessment of the value in use. The recoverable amount is higher than the carrying amount of the investments in the subsidiaries, and accordingly, an allowance for impairment loss is not recognised.

The recoverable amount was determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period.

The key assumptions used for each of the cash-generating unit's value-in-use calculations are as follows:

	Manufacturing Segment %	Trading Segment %
Gross margin	13-15	26
Growth rate	12-13	9-12
Discount rate	6	6

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the cash-generating units to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

10. DEVELOPMENT EXPENDITURE

		Group	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At 1 April	2,425,684	-	-
Addition	1,505,451	2,425,684	-
Transfer (Note 13)	82,297,790	-	-
At 31 March	86,228,925	2,425,684	-

The development expenditure represents expenditure and incidental costs incurred for the development of the 2 units of 1000MW Song Hau 2 Thermo Power Plant in the province of Hau Giang, Vietnam ("the Project").

The payments of the development expenditure was partly financed by the advances received from other payables of RM56,107,600 as disclosed in Note 24 and from certain Directors of the Company of RM5,580,000.

The Company had intended to venture into Vietnam's power plant project since calendar year 2007.

On 9 April 2007, an initial site was selected in Thoi Hoa Industrial Park, Binh Duong Province for building a gas fired power plant installation. However, the supply of gas to the region was not in the overall development plans of the Vietnam Government in the immediate future.

Working along with the local authorities and consulting companies from calendar year 2007 to 2009, the Company proposed to develop coal fired power plant using imported coal at various potential sites namely Binh Thuan Province, Kien Giang Province, Tra Vinh Province and Hau Giang Province in the South of Vietnam with scale of 2 x 600MW. The Details Study Reports had been submitted to all authorities of the above said provinces during the years.

On 28 December 2009, the Company was called for a meeting in Vietnam to make a presentation to the Vietnamese authorities on the proposed investment project of building a coal-fired thermo-electric plant in Duyen Hai 3, Tra Vinh Province, Vietnam. The authority of Tra Vinh Province had made proposals to the Vietnamese Ministry of Industry and Trade ("MOIT") and Office of the Government for the Company to invest in Duyen Hai 3 Thermo-electric plant.

After preliminary study and assessment of the availability on existing infrastructure, Hau Giang Province was determined to be the most suitable site and the Company decided to propose the independent power plant investment with output capacity of 2 x 1000 MW at Hau Giang Province in year 2010.

Further to the meeting between the Company and the Provincial People's Committee of Hau Giang Province, Vietnam for the presentation of the Company's proposed investment project for the Project, the Company announced that it had received notification as follows:

a. The People's Committee of Hau Giang Province, Vietnam, has agreed in principle to the Company's proposed investment project for building of the Project at Song Hau Power Complex, Hau Giang Province.

b. The People's Committee of Hau Giang Province, Vietnam, has submitted to the Prime Minister an official letter dated 20 April 2011 seeking approval of the Company's proposed investment in the Thermo Power Plant Project with the following comments:

   - The planning of Song Hau Power Complex, Hau Giang Province, has been approved by the Ministry of Industry and Trade, with the land use scale of 360 hectares, power of 5,200MW, containing 3 projects: Song Hau 1 Thermo Power Plant Project, capacity of 2 X 600MW; Song Hau 2 and 3 Thermo Power Plants Projects, capacity of 2 x 1,000MW. Petrovietnam ("PVN") has been assigned to play the role of investor of Song Hau 1 Thermo Power Plant Project and general infrastructure of Song Hau Power Complex by the Vietnamese Government.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

- The proposed investment in the project of the Company is in line with the planning of Song Hau Power Complex which has been approved by the MOIT at the Decision No. 6722/QD-BCT dated 23 December 2008 and it is suitable to present remarkable power use demand of Mekong Delta in particular and the entire country in general. In addition, the geographical location of Song Hau Power Complex is advantageous for coal transport from other area to serve the operation of the plants. In principle, the People's Committee of Hau Giang Province hereby agrees to let the Company invest and construct the Project at Song Hau Power Complex, Hau Giang Province.

On 7 December 2011, the Company had received notification from the office of Government of the Socialist Republic of Vietnam to the MOIT, People's Committee of Hau Giang Province, that the Deputy Prime Minister, Mr. Hoang Trung Hai, has agreed to let the Group to conduct research and development of the Project, with output capacity of 2 X 1000 MW at Song Hau Power Complex, Hau Giang Province.

On 11 January 2012, the Company had entered into a contract to appoint Power Engineering Consulting Joint Stock Company 2 ("PECC2") as the Consultant to provide consultancy services for the Feasibility Study Package in relation to the development of the Project at a fee of USD1,836,750.

On 1 October 2012, the Company had submitted feasibility study report that consists of geological, topographical and hydro-meteorological investigation as well as general layout of the Project, at an estimated investment of USD3.5 billion, to MOIT and other relevant Vietnamese Ministries.

The Company also appointed Institute of Energy of Vietnam as the Consultant to provide appraisal work for feasibility study report of the Project.

On 18 October 2012, the Company had made an official request to Government of Vietnam and MOIT for designation of the Project as Build-Operate-Transfer ("BOT") project and the Company had received the Vietnam Government's approval to be the project investor of the Project under BOT basis via an official letter dated 22 March 2013.

The Board of Directors is currently expecting the signing of a Memorandum of Understanding with the MOIT for the construction of the Project under a BOT basis and set out the timeline of the development, financing and completion of the Project. The construction of the Project is expected to take forty eight (48) to sixty (60) months and is estimated to commence operations by 2019/2020. At this juncture, the Company is unable to provide any financial effects on the Project as its prospect would hinge on the outcome of the negotiation of the Power Purchase Agreement ("PPA") which would include the terms of the engagement, tenure of the agreement as well as the exact funding requirements of the Project.

The ultimate outcome of the Project is dependent on the issuance of the Investment Certificate to incorporate a Vietnam registered company and signing of the BOT agreement, Coal Supply agreement, Land Lease Agreement, PPA and other relevant agreements with the authorities and government agencies of Vietnam.

While recognising the risks involved, the Board of Directors is confident of the successful outcome of the Project. The Directors of the Company are also of the opinion that no impairment is required as the Project will enhance the future profitability and improve the financial position of the Group.

11. INVENTORIES

		Group	
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Raw materials	4,905,136	5,858,761	5,736,447
Finished goods	3,501,928	1,539,205	4,065,254
Goods in transit	314,520	176,055	-
Trading merchandise	5,484,103	6,020,587	6,187,735
	14,205,687	13,594,608	15,989,436

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

12. TRADE RECEIVABLES

	Group		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Trade receivables	20,405,433	21,033,979	27,965,240
Allowance for impairment losses	(432,354)	(591,224)	(1,464,696)
	19,973,079	20,442,755	26,500,544

Trade receivables of the Group are non-interest bearing and are generally on 30 to 150 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	Group		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Neither past due nor impaired	10,153,751	12,748,288	12,491,656
Past due 1 to 30 days	3,874,736	3,664,225	5,729,470
Past due 31 to 60 days	2,756,786	1,487,029	3,386,628
Past due 61 to 90 days	1,467,133	1,527,244	1,963,586
Past due 91 to 120 days	1,527,668	504,698	1,028,543
Past due more than 121 days	625,359	1,102,495	3,365,357
	10,251,682	8,285,691	15,473,584
Impaired	(432,354)	(591,224)	(1,464,696)
Total trade receivables, net	19,973,079	20,442,755	26,500,544

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and there is no recent history of material default.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM9,819,328 (31.3.2012: RM7,694,467, 1.4.2011: RM14,008,888) that are past due at the reporting date but not impaired.

No impairment loss on these trade receivables has been made as in the opinion of the management, there are no indications that these receivables will not be able to meet their obligations.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

	Group Individually impaired 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Trade receivables			
-nominal amounts	432,354	591,224	1,464,696
Allowance for impairment	432,354	591,224	1,464,696
	-	-	-

There are no balances that are collective determined to be impaired.

Movement in allowance accounts:

	Group 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At 1 April	591,224	1,464,696	1,599,005
Charge for the financial year	71,019	235,549	39,969
Reversal during the financial year	(229,889)	(150,307)	(174,278)
Allowance written off	-	(958,714)	-
At 31 March	432,354	591,224	1,464,696

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Other receivables	5,648,759	4,354	260,917
Deposits	2,878,147	2,041,854	267,340
Prepayments	783,516	69,922,789	60,226,330
	9,310,422	71,968,997	60,754,587

	Company 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Prepayments	315,507	86,250	86,250

Except for the outstanding receivable amounted to RM4,185,000 as at the reporting date as disclosed in Note 7(b), the amount owing by other receivables of the Group are unsecured, interest free and repayable on demand.

Movement in prepayments of the Group is as follows:

	Group 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At beginning of the financial years	69,922,789	60,226,330	49,057,183
Addition	13,158,517	9,696,459	11,169,147
Transfer (Note 10)	(82,297,790)	-	-
At end of the financial year	783,516	69,922,789	60,226,330

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Included in prepayments are the following payments for the Group's Power Plant Project in Vietnam:

	31.3.2013 RM	Group 31.3.2012 RM	1.4.2011 RM
Payments	-	69,658,080	59,937,716,

During the financial year, the prepayments have been transferred to development expenditure as disclosed in Note 10 following the approval letter received from Vietnam government to approve the Company as the project investor of the power plant project in Vietnam.

14. AMOUNT OWING BY A SUBSIDIARY COMPANY

	31.3.2013 RM	Company 31.3.2012 RM	1.4.2011 RM
Toyo Ink Sdn. Bhd.			
Trade	-	-	40,000
Non-trade			
- interest free	25,081,258	25,226,737	15,209,477
- interest rate at 4% per annum	-	-	10,337,260
	25,081,258	25,226,737	25,586,737

The trade terms are as stated in Note 12.

The non-trade amount owing by subsidiary company is unsecured and repayable on demand.

15. FIXED DEPOSITS WITH A LICENSED BANK

The interest rate of the fixed deposits with a licensed bank at the reporting date is 2.90% (31.3.2012: 2.90%; 1.4.2011: 2.90%) per annum.

16. DISPOSAL GROUP HELD FOR SALE

The Group's subsidiary, Citi-Ink Manufactured Joint Venture Co., Ltd. ("CITI"), a company incorporated in Vietnam was presented as a disposal group held for sale following the commitment of the Group's management on 21 March 2012 to a proposal to divest the Group's equity interest in CITI. Efforts to sell the disposal group had commenced and the sale is materialised in the financial year 2013.

As at 31 March 2012, the assets and liabilities of CITI were as follows:

		Group 31.3.2012 RM
Assets classified as held for sale		
Property, plant and equipment	a	4,725,886
Receivables	b	308,246
Cash and bank balances		1,539
		5,035,671
Liabilities classified as held for sale		
Payables		158,571

Note

a. Property, plant and equipment held for sale comprise the following:

Cost	6,270,695
Accumulated depreciation	(1,544,809)
	4,725,886

b. Receivables are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

17. SHARE CAPITAL

	Group and Company					
	31.3.2013		31.3.2012		1.4.2011	
	No. of shares	RM	No. of shares	RM	No. of shares	RM
Ordinary shares of RM1 each:						
Authorised						
At 1 April	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Created during the year	200,000,000	200,000,000	-	-	-	-
At 31 March	250,000,000	250,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid						
At 31 March	42,800,000	42,800,000	42,800,000	42,800,000	42,800,000	42,800,000

On 3 December 2012, the Company had increased its authorised share capital from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM250,000,000 comprising 250,000,000 ordinary shares of RM1.00 each by the creation of an additional 200,000,000 ordinary shares of RM1.00 each.

There were no changes in the issued and paid-up share capital of the Company during the financial year.

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.

18. RESERVES

		Group			Company		
	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non-distributable							
Share premium	16a	4,320,938	4,320,938	4,320,938	4,320,938	4,320,938	4,320,938
Translation reserve	16b	195,848	(451,980)	(551,481)	-	-	-
		4,516,786	3,868,958	3,769,457	4,320,938	4,320,938	4,320,938
Distributable							
Retained profits	16c	19,038,078	17,856,579	16,745,814	10,547,596	9,603,732	9,991,828
		23,554,864	21,725,537	20,515,271	14,868,534	14,224,670	14,312,766

Non-distributable reserves are not distributable by way of dividends.

Movements of the reserves are shown in the statements of changes in equity.

Notes

16a Share premium represents premium from allotment of shares by the Company, net of listing expenses.

16b Translation reserve represents all foreign exchange differences arising from translation of investment in foreign subsidiary companies and associate.

16c Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes.

Under this system, all of the Company's retained profits are distributable by way of single tier dividends and the dividend distributed to shareholders from the Company's profit will be exempted from tax.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Subject to the agreement by the Inland Revenue Board, the Group has Section 108 tax credit of RM13,929,060 (31.3.2012: RM14,469,367, 1.4.2011: RM14,981,722) and tax exempt income account of RM3,301,170 (31.3.2012: RM2,870,016, 2011: RM2,044,472) to frank and distribute its distributable reserves if paid out as dividends.

19. NON-CONTROLLING INTERESTS

This consists of the non-controlling shareholders' proportion of share capital and reserves of subsidiaries, net of their shares of subsidiary's goodwill and negative goodwill on consolidation and impairment of goodwill, if any.

20. HIRE PURCHASE PAYABLES

		Group	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Minimum hire purchase payments			
- later than 1 year	989,037	318,138	347,846
- between 1 to 2 years	824,157	221,829	31,410
- between 2 to 5 years	25,152	38,703	-
	1,838,346	578,670	379,256
Less: Future interest charges	(92,761)	(32,213)	(10,857)
Present value of hire purchase liabilities	1,745,585	546,457	368,399
Repayable as follows:			
Current - not later than 1 year	921,739	295,383	337,932
Non-current			
- between 1 to 2 years	799,436	214,803	30,467
- between 2 to 5 years	24,410	36,271	-
	823,846	251,074	30,467
	1,745,585	546,457	368,399
Interest rate per annum (%)	2.80 – 3.30	2.78 – 3.50	2.77 – 3.75

21. BANK BORROWINGS

		Group	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Repayable within 12 months			
Unsecured			
Bankers' acceptances	5,712,000	4,800,000	9,463,000
Bank overdrafts	6,196,771	5,208,476	3,818,574
	11,908,771	10,008,476	13,281,574
Secured			
Bills payable	-	-	6,113,000
Bankers' acceptances	11,422,000	12,103,000	7,429,412
Bank overdrafts	5,493,142	4,838,394	4,506,124
Term loans	169,883	158,821	778,816
	17,085,025	17,100,215	18,827,352
	28,993,796	27,108,691	32,108,926
Repayable after 12 months			
Term loans – secured	366,502	541,343	699,832
Total borrowings	29,360,298	27,650,034	32,808,758

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The bank borrowings bear interest ranging from 1.25 to 1.75 (2012: 1.25 to 1.75, 2011: 1.25 to 1.75) percent per annum above base lending rates and are secured as follows:

a. Charges over the freehold and leasehold land and buildings of the subsidiary companies.
b. Negative pledge by a subsidiary company.
c. Execution of the General Security Agreement Relating to Assets.
d. Debentures over all the property, plant and equipment of a subsidiary both present and future.
e. Charge on the ordinary share of RM1 each in the share capital of certain subsidiary companies by way of Memorandum of Deposit of Shares and a Power of Attorney.
f. Corporate guarantee of the Company for the subsidiary companies.

22. DEFERRED TAX LIABILITIES

		Group	
	31.3.2013 RM	**31.3.2012 RM**	**1.4.2011 RM**
At beginning of financial year	2,632,056	2,318,463	2,075,431
Recognised in profit or loss (Note 28)	97,411	313,593	243,032
At end of financial year	2,729,467	2,632,056	2,318,463

The deferred tax liabilities at the end of the financial year are made up of the following:

		Group	
	31.3.2013 RM	**31.3.2012 RM**	**1.4.2011 RM**
Excess of capital allowance over corresponding depreciation of property, plant and equipment	2,761,957	2,632,056	2,319,945
Other deductible temporary differences	(32,490)	-	(1,482)
	2,729,467	2,632,056	2,318,463

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Group	**31.3.2013 RM**	**31.3.2012 RM**	**1.4.2011 RM**
Property, plant and equipment	(619,137)	(30,537)	-
Tax incentives	1,005,520	1,436,674	-
Unabsorbed capital allowances	419,482	49,179	34,600
Unutilised tax losses	663,830	294,714	204,900
	1,469,695	1,750,030	239,500
Unrecognised deferred tax assets at 25%	367,424	437,508	59,875

The tax incentives, unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The unabsorbed capital allowances and unutilised tax losses are subject to the agreement of the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

23. TRADE PAYABLES

Trade payables of the Group are non-interest bearing and are generally on 60 to 150 days terms.

24. OTHER PAYABLES AND ACCRUALS

	Group			Company		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Other payables	57,505,288	47,166,110	34,474,504	-	-	-
Accruals	1,041,460	1,041,956	1,839,174	146,575	135,240	144,365
Deposits	18,400	18,000	17,950	-	-	-
	58,565,148	48,226,066	36,331,628	146,575	135,240	144,365

The amount owing to other payables is unsecured, interest free and repayable on demand.

Included in other payables are the following advances received mainly from the major shareholders of the Company and persons related to them for the Group's Power Plant Project in Vietnam, as disclosed in Note 10:

	Group		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Advances received	56,107,600	46,607,600	33,997,600

25. AMOUNT OWING TO DIRECTORS

The amount owing to Directors is unsecured, interest free and repayable on demand.

26. REVENUE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Sales of goods	85,897,638	92,830,124	-	-
Management fee	-	-	240,000	240,000
Dividend income	-	-	1,119,615	-
	85,897,638	92,830,124	1,359,615	240,000

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

27. PROFIT/(LOSS) BEFORE TAX

	Group 2013	Group 2012	Company 2013	Company 2012
Profit/(Loss) before tax is arrived after charging:				
Allowance for impairment of trade receivables	71,019	235,549	-	-
Auditors' remuneration				
- statutory				
- current financial year	137,749	125,000	20,000	18,000
- under/(over) provision in prior financial year	1,000	(430)	-	-
- non-statutory	9,500	15,000	9,500	8,500
Bad debts written off	5,635	30,174	-	-
Depreciation of investment property	16,000	16,000	-	-
Depreciation of property, plant and equipment	2,348,229	2,435,666	-	-
Interest expense	1,894,356	2,142,799	-	-
- hire purchase	113,478	30,095	-	-
- bank overdraft	818,264	795,519	-	-
- bankers' acceptance	885,893	923,677	-	-
- term loan	49,187	216,249	-	-
- letter of credit	25,503	117,440	-	-
- trust receipts	-	55,914	-	-
- others	2,031	3,905	-	-
Loss on foreign exchange				
- realised, net	332,064	355,933	-	-
Plant and equipment written off	763	2,848	-	-
Rental of premises	85,147	58,389	-	-
Rental of vehicles	3,036	-	-	-
Staff and labour costs	11,216,560	11,295,735	87,500	87,500
and after crediting:				
Bad debts recovered	83,144	29,207	-	-
Dividend income	-	-	1,119,615	-
Gain on disposal of property, plant and equipment	21,545	39,671	-	-
Gain on foreign exchange				
- unrealised, net	4,646	6,755	-	-
Grant received	18,905	59,531	-	-
Insurance claim	-	128,312	-	-
Interest income	7,259	437	-	-
Management fee	-	-	240,000	240,000
Rental income	108,000	111,677	-	-
Reversal of allowance for impairment of trade receivables	229,889	150,307	-	-
Royalties income	-	25,000	-	-
Staff and labour costs comprise:				
Directors' remuneration	1,540,360	1,933,122	87,500	87,500
Salaries, wages, allowance, overtime and bonus	8,636,667	8,370,362	-	-
EPF	945,080	898,228	-	-
Socso	94,453	94,023	-	-
	11,216,560	11,295,735	87,500	87,500
Directors' remuneration				
- fees				
- current financial year	227,500	257,500	87,500	87,500
- over provision in prior financial year	(130,000)	-	-	-
- salaries and other emoluments	1,313,190	1,516,435	-	-
- EPF	127,846	157,327	-	-
- Socso	1,824	1,860	-	-
	1,540,360	1,933,122	87,500	87,500

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

At the end of the financial year, the Group and the Company have 254 employees (2012: 228) and 2 (2012: 2) employees respectively.

The monetary value of Directors' benefit-in-kind is RM62,000 (2012: RM62,000).

28. INCOME TAX EXPENSE

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Current tax expense				
- current financial year	(930,981)	(906,443)	(301,798)	(26,000)
- over/(under) provision in prior inancial year	36,740	124,554	-	(2,937)
	(894,241)	(781,889)	(301,798)	(28,937)
Deferred tax expense (Note 22)				
- current financial year	87,505	(589)	-	-
- under provision in prior financial year	(184,916)	(313,004)	-	-
	(97,411)	(313,593)	-	-
	(991,652)	(1,095,482)	(301,798)	(28,937)
Share of taxation in associated company	-	-	-	-
Tax expense for the financial year	(991,652)	(1,095,482)	(301,798)	(28,937)

The numerical reconciliation between profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Profit/(Loss) before tax excluding share of results in associate	1,974,716	1,973,469	945,662	(59,159)
Tax at statutory tax rate of 25% (2012: 25%)	(493,679)	(493,367)	(236,416)	14,790
Tax effects in respect of:				
Depreciation on non-qualifying property, plant and equipment and investment property	(179,581)	(127,135)	-	-
Non-allowable expenses	(360,327)	(624,350)	(65,382)	(40,790)
Deferred tax assets not recognised during the financial year	(38,262)	(16,487)	-	-
Effect of tax on foreign jurisdiction	1,040	-	-	-
Income not subject to income tax	78,826	96,269	-	-
Tax incentives	146,275	259,180	-	-
Utilisation of previously unrecognised tax losses	2,232	-	-	-
Others	-	(1,142)	-	-
Over/(Under) provision of current tax in prior financial years	36,740	124,554	-	(2,937)
Under provision of deferred tax in prior financial years	(184,916)	(313,004)	-	-
Tax expense for the financial year excluding share of taxation in associated company	(991,652)	(1,095,482)	(301,798)	(28,937)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

29. DISCONTINUED OPERATION

As disclosed in Note 7, the Group has disposed of its foreign subsidiary, CITI. As at the end of the last financial year, the results from the subsidiary were presented separately on the consolidated statement of comprehensive income as discontinued operation.

	Group 2013 RM	Group 2012 RM
Results of discontinued operation		
Revenue	-	-
Other income	-	31,397
Expenses	-	(475,975)
Loss before tax	-	(444,578)
Taxation	-	
	-	(444,578)
Gain on disposal of discontinued operation	414,410	-
	414,410	(444,578)
Included in profit/(loss) before tax are:		
Rental income	-	31,397
Depreciation of property, plant and equipment	-	395,416
Staff and labour cost	-	4,817
Cash flows from/(used in) discontinued operation		
Net cash from operating activity	-	(306,523)
Net cash from investing activity	4,369,460	-
Net cash flows	4,369,460	(306,523)

30. EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share is calculated by dividing the Group's profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2013 RM	Group 2012 RM
Profit attributable to ordinary shareholders		
Continuing operations	932,853	1,377,512
Discontinued operation	248,646	(266,747)
	1,181,499	1,110,765
Weighted average number of ordinary shares	42,800,000	42,800,000
Basic earnings per ordinary share (sen)		
Continuing operations	2.18	3.22
Discontinued operation	0.58	(0.62)
	2.76	2.60

The Company does not have any dilutive potential ordinary shares. Accordingly, the diluted earnings per ordinary share is not presented.

31. RELATED PARTY DISCLOSURES

In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Transactions with a related party in which certain Directors of the Company have substantial financial interest				
Toyo Ink Pte. Ltd.				
- sales	2,381	18,200	-	-

	Company	
	2013 RM	2012 RM
Transactions with subsidiary company		
Toyo Ink Sdn. Bhd.		
-management fee income	240,000	240,000
-dividend income	1,119,615	-

The Directors of the Group and of the Company are of the opinion that the above transactions have been entered into in the ordinary course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

32. CORPORATE GUARANTEE

	Group	
	2013 RM	2012 RM
Corporate guarantee for banking facilities extended to subsidiary companies .		
- unsecured	69,665,000	69,665,000

The Directors consider that the fair value of these guarantees at the date of inception was minimal and understand the repayment was on schedule and in the case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding loan principals together with the accrued interest and penalties. Therefore, no financial liabilities have been accounted for in the financial statements for the guarantees.

33. SEGMENTAL INFORMATION

Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different business segments, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) and the Board of Directors review internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing	Including the manufacturing of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, CNC machining of graphite and copper EDM electrodes, films, chemicals and equipment for lithography and allied industries.
Trading and investment holding	Including investment holding of the investments in subsidiaries 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.

Performance is measured based on segment profit before tax, finance costs and depreciation, as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluation the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The Directors of the Group are of the opinion that all inter-segment transactions have been entered into in the ordinary course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

Segment Assets
The total segment asset is measured based on all assets of a segment, as included in the internal management reports that are review by the Group Managing Director and the Board of Directors. Total segment asset is used to measure the return of assets of each segment.

Segment Liabilities
The total segment liabilities is measured based on all liabilities of a segment, as included in the internal management report that are reviewed by the Group Managing Director and the Board of Directors. Total segment liabilities are used to measure the gearing of each segment.

Segment Capital Expenditure
Segment capital expenditure is the total costs incurred during the financial year to acquire property, plant and equipment.

Major Customers
The Group has a diversified range of customers.

2013

Business Segments	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	Consolidated RM
Revenue				
External	52,927,528	32,970,110	-	85,897,638
Inter-segment	22,712,935	5,852,880	(28,565,815)	-
Total	75,640,463	38,822,990	(28,565,815)	85,897,638
Results				
Segment results	2,723,111	811,489	-	3,534,600
Finance costs	(1,342,500)	(631,794)	-	(1,974,294)
Share of results in associated company	-	(1,875)	-	(1,875)
Gain on disposal of a subsidiary	-	-	-	414,410
Taxation	-	-	-	(991,652)
Non-controlling interests	-	-	-	200,310
Profit for the financial year				1,181,499
Other information				
Segment assets	140,697,252	22,205,294	-	162,902,546
Associated company	-	-	-	482,934
Unallocated corporate assets	-	-	-	17,797,198
Consolidated segment assets				181,182,678
Segment liabilities	74,422,264	2,638,624	-	77,060,888
Unallocated corporate liabilities	-	-	-	33,835,350
Consolidated segment liabilities				110,896,238
Capital expenditure	1,846,671	350,119	-	2,196,790
Depreciation	2,120,178	244,051	-	2,364,229

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

2012

Business Segments	**Manufacturing RM**	**Trading and Investment Holding RM**	**Discontinued Operation RM**	**Elimination RM**	**Consolidated RM**
Revenue					
External	51,862,559	40,967,565	-	-	92,830,124
Inter-segment	26,629,196	2,930,217	-	(29,559,413)	-
Total	78,491,755	43,897,782	-	(29,559,413)	92,830,124
Results					
Segment results	2,960,087	1,683,908	(444,578)	-	4,199,417
Finance costs	(1,397,676)	(828,272)	-	-	(2,225,948)
Share of results in associated company	-	(3,795)	-	-	(3,795)
Taxation	-	-	-	-	(1,095,482)
Non-controlling interest	-	-	-	-	236,573
Profit for the financial year					1,110,765
Other information					
Segment assets	118,614,418	22,786,774	5,035,671	-	146,436,863
Associated company	-	-	-	-	484,809
Unallocated corporate assets	-	-	-	-	17,863,760
Consolidated segment assets					164,785,432
Segment liabilities	62,353,784	2,430,370	158,571	-	64,942,725
Unallocated corporate liabilities	-	-	-	-	30,828,547
Consolidated segment liabilities					95,771,272
Capital expenditure	958,842	152,096	-	-	1,110,938
Depreciation	1,791,025	265,225	395,416	-	2,451,666

Geographical Segments

Segment information is presented in respect of the Group's geographical segments. The geographical segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of assets. The Group's principal geographical areas for its continuing operations are located in Malaysia and Indonesia which involved in production and sale of products. The discontinued operation in Vietnam, which is disposed of during the financial year, was mainly involved in the sale of products and renting of property.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

	Revenue from external Customers by location of Customers		Segment assets by location of assets		Capital expenditure by location of assets	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM
Continuing operations						
Malaysia	85,609,669	92,830,124	159,229,567	141,886,000	2,163,456	1,110,938
Indonesia	287,970	-	4,155,913	-	33,334	-
Discontinued operation						
Vietnam	-	-	-	5,035,671	-	-
	85,897,639	92,830,124	163,385,480	146,921,671	2,196,790	1,110,938

34. FINANCIAL INSTRUMENTS

a. Classification of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

a. Loans and receivables (L&R)

b. Other liabilities (OL)

Group	L&R/(OL) 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Financial Assets			
Trade receivables	19,973,079	20,442,755	26,500,544
Other receivables and deposits	9,310,422	71,968,997	60,754,587
Fixed deposits with a licensed bank	17,843	17,334	16,897
Cash and bank balances	3,644,826	3,205,332	3,640,992
	32,946,170	95,634,418	90,913,020
Financial Liabilities			
Trade payables	(12,240,740)	(10,470,588)	(11,753,460)
Other payables and accruals	(58,565,148)	(48,226,066)	(36,331,628)
Amount owing to Directors	(6,255,000)	(6,087,500)	(9,140,000)
Hire purchase payables	(1,745,585)	(546,457)	(368,399)
Bank borrowings	(29,360,298)	(27,650,034)	(32,808,758)
	(108,166,771)	(92,980,645)	(90,402,245)

Company	L&R/(OL) 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Financial Assets			
Other receivables and deposits	315,507	86,250	86,250
Amount owing by a subsidiary company	25,081,258	25,226,737	25,586,737
Cash and bank balances	940,412	345,130	70,006
	26,337,177	25,658,117	25,742,993
Financial Liabilities			
Other payables and accruals	(146,575)	(135,240)	(144,365)
Amount owing to Directors	(175,000)	(237,500)	(150,000)
	(321,575)	(372,740)	(294,365)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

b. Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the Group's policy is not to engage in speculative transactions.

i. Market risk

a. Foreign currency risk

Foreign 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 is exposed to foreign currency risk as a result of its normal course of business where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar (SGD"), Swiss Franc ("CHF"), Japanese Yen ("JPY") and Euro ("EUR").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Group	USD RM	SGD RM	CHF RM	JPY RM	EUR RM	Total RM
31.3.2013						
Financial assets						
Trade receivables	2,011,718	299,412	-	-	336,552	2,647,682
Other receivables	4,185,000	-	-	-	-	4,185,000
Cash and bank balances	650,935	41,773	-	-	94,728	787,436
Financial Liabilities						
Trade payables	(4,132,519)	(50,367)	(360,372)	(163,369)	(208,659)	(4,915,286)
Other payables	(14,434)	-	-	(13,588)	-	(28,022)
Net exposure	2,700,700	290,818	(360,372)	(176,957)	222,621	2,676,810
31.3.2012						
Financial Assets						
Trade receivables	1,544,402	203,912	-	-	412,588	2,160,902
Cash and bank balances	509,197	67,380	-	-	11,275	587,852
Financial Liabilities						
Trade payables	(2,290,266)	(9,896)	(138,890)	(260,229)	(214,775)	(2,914,056)
Net exposure	(236,667)	261,396	(138,890)	(260,229)	209,088	(165,302)
1.4.2011						
Financial Assets						
Trade receivables	1,439,251	223,208	-	-	781,364	2,443,823
Cash and bank balances	32,770	45,081	-	-	-	77,851
Financial Liabilities						
Trade payables	(3,425,286)	(29,064)	(364,194)	(148,268)	(443,487)	(4,410,299)
Net exposure	(1,953,265)	239,225	(364,194)	(148,268)	337,877	(1,888,625)

Foreign currency risk sensitivity analysis

A 10% depreciation/appreciation of the foreign currencies against RM would result in an approximate decrease/increase in pre-tax profit by RM267,681 (2012: RM16,530) with all other variables held constant.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market rates. The Group's primarily interest rate risk relates to borrowings and deposits with licensed banks. Deposits with licensed banks with fixed rate are monitored closely to ensure they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the level and nature of borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

The Group's financial assets and liabilities at floating rate are contractually repriced at intervals between reporting date and the financial periods in which they mature, or if earlier, reprice.

The interest rate profile of the Group's significant interest bearing financial instruments, based on the carrying amounts as at the end of the reporting period was:

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Group			
Fixed rate instruments			
Financial assets:			
Fixed deposits with a licensed bank	17,843	17,334	16,897
Financial liabilities:			
Hire purchase payables	(1,745,585)	(546,457)	(368,399)
Floating rate instruments			
Financial liabilities:			
Bills payable	-	-	(6,113,000)
Bankers' acceptances	(17,134,000)	(16,903,000)	(16,892,412)
Bank overdrafts	(11,689,913)	(10,046,870)	(8,324,698)
Term loans	(536,385)	(700,164)	(1,478,648)

Interest rate risk sensitivity analysis

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect the profit or loss.

A change of 10 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) the Group's pre-tax profit by RM178,088 (2012: RM211,270). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

ii. Credit risk

Credit risk is the risk of a financial loss to the Group that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its loans and receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

a. Receivables

Management has a credit policy in place and the exposure to credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness and those with long established history. Trade receivables are monitored on an ongoing basis via regular Group's reporting procedures with the result that the Group's exposure to bad debts is not significant.

As at 31 March 2013, there is certain trade receivables of the Group have exceeded its normal trade credit terms. However, the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that will eventually be received.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts shown in the consolidated statement of financial position as disclosed in Notes 12 and 13.

Management has taken reasonable steps to ensure that receivables that are not 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 60 days, which are deemed to have higher credit risk, are monitored individually.

b. Financial Guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

c. Inter-company balances

The Company provides unsecured loans and advances to a subsidiary company. The Company monitors the results of the subsidiary regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount in the statement of financial position. There was no indication that the loans and advances to subsidiary are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiary. Nevertheless, these advances are repayable on demand.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

Group **Financial liabilities:**	**On demand or within one year** **RM**	**One to five years** **RM**	**Total** **RM**
31.3.2013			
Trade payables	12,240,740	-	12,240,740
Other payables	58,565,148	-	58,565,148
Amount owing to Directors	6,255,000	-	6,255,000
Hire purchase payables	921,739	823,846	1,745,585
Bankers' acceptances	17,134,000	-	17,134,000
Bank overdrafts	11,689,913	-	11,689,913
Bills payable	-	-	-
Term loans	169,883	366,502	536,385
	106,976,423	1,190,348	108,166,771
31.3.2012			
Trade payables	10,470,588	-	10,470,588
Other payables	48,226,066	-	48,226,066
Amount owing to Directors	6,087,500	-	6,087,500
Hire purchase payables	295,383	251,074	546,457
Bankers' acceptances	16,903,000	-	16,903,000
Bank overdrafts	10,046,870	-	10,046,870
Bills payable	-	-	-
Term loans	158,821	541,343	700,164
	92,188,228	792,417	92,980,645
1.4.2011			
Trade payable	11,753,460	-	11,753,460
Other payables	36,331,628	-	36,331,628
Amount owing to Directors	9,140,000	-	9,140,000
Hire purchase payables	337,932	30,467	368,399
Bankers' acceptances	16,892,412	-	16,892,412
Bank overdrafts	8,324,698	-	8,324,698
Bills payable	6,113,000	-	6,113,000
Term loans	778,816	699,832	1,478,648
	89,671,946	730,299	90,402,245

Company **Financial liabilities:**	**On demand or within one year** **RM**	**One to five years** **RM**	**Total** **RM**
31.3.2013			
Other payables and accruals	146,575	-	146,575
Amount owing to Directors	175,000	-	175,000
	321,575	-	321,575
31.3.2012			
Other payables and accruals	135,240	-	135,240
Amount owing to Directors	237,500	-	237,500
	372,740	-	372,740
1.4.2011			
Other payables and accruals	144,365	-	144,365
Amount owing to Directors	150,000	-	150,000
	294,365	-	294,365

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

c. Fair value

All financial assets and financial liabilities are carried at the amounts approximating their fair values on the statements of financial position of the Group and the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

The carrying amounts of cash and cash equivalents, receivables and payables and short-term borrowings approximate fair values due to the relatively short term maturity of these financial instruments. The fair values of long-term borrowings are estimated based on the current rates available for borrowings with the same maturity profiles.

d. Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2013, there were no financial instruments carried at fair values.

35. CAPITAL COMMITMENT

	Group		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Contracted but not provided for:			
Property, plant and equipment	7,177,600	7,177,600	-

36. SIGNIFICANT EVENTS

36.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a. At an Extraordinary General Meeting held on 3 December 2012, the shareholders of the Company had approved the following corporate exercises:

i. Renounceable rights issue of up to 42,800,000 new ordinary shares of RM1.00 each together with up to 42,800,000 free new detachable warrants at an issue price of RM1.20 per rights share on the basis of one (1) rights share together with one (1) warrant for every one (1) existing ordinary share of RM1.00 each ("Rights Issue with Warrants");

ii. Bonus issue of up to 21,400,000 shares to be credited as fully paid-up on the basis of one (1) new share for every two (2) rights shares subscribed by the existing shareholders and/or their renouncee(s) pursuant to the Rights Issue with Warrants ("bonus issue");

iii. Increase in the authorised share capital from RM50,000,000 comprising 50,000,000 shares to RM250,000,000 comprising 250,000,000 shares ("Increase in Authorised Share Capital"); and

iv. Amendments to the Company's Memorandum and Articles of Association as a consequence of the Rights Issue with Warrants, Bonus Issue and Increase in the Authorised Share Capital.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

On 3 December 2012, the Company had increased its authorised share capital from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM250,000,000 comprising 250,000,000 ordinary shares of RM1.00 each by the creation of an additional 200,000,000 ordinary shares of RM1.00 each and the Memorandum and Articles of Association have been amended accordingly.

Item (i) and (ii) above have not been completed as at financial year end.

b. On 27 March 2013, Toyo Ink Sdn. Bhd. ("TISB"), a wholly owned subsidiary of the Company had signed a Capital Assignment Agreement with Mr. Nguyen Thanh Hung, a Vietnam citizen, for the disposal of its entire 60% equity interest in Citi Ink Manufactured Joint Venture Co., Ltd for a total cash consideration of USD1,500,000 (approximately RM4,650,000).

36.2 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

a. As announced by the Company on 30 April 2013, the corporate transactions as mentioned in Note 36.1 (i) and (ii) were completed following the listing of and quotation for the 42,800,000 Rights Shares, 21,400,000 Bonus Shares and the 42,800,000 Warrants on Bursa Malaysia Securities Berhad. Following the completion of the corporate exercises, the Company's issued and paid-up capital now stands at 107,000,000 share of RM1.00 each and paid up capital is RM107,000,000.

b. On 11 June 2013, the Company signed a contract with Messrs Orrick, Herrington & Sutcliffe ("Orrick") and its associated Vietnam-licenced law firm, LVN & Associates to provide legal services to the Company in connection with its role as the project investor of the 2 x 1000MW Song Hau 2 Thermo Power Plant Project ("the Project") subject to the terms and conditions and scope of work contained in their letter of engagement dated 29 May 2013.

   Under the terms of engagement, the work scope of services provided by Orrick will include, amongst others, the following:

   i. preparation of initial documents such as Memorandum of Understanding with the Ministry of Industry and Trade, Project Agreements, Built-Operate-Transfer Contract, Power Purchase Agreement, Fuel Supply Agreements, Land Lease Agreement, Government Guarantee, Financing Plan, Engineering Procurement and Construction Contract

   ii. completion of negotiation, execution and signing of the Project documents; and

   iii. negotiation, completion and execution of the financing documents including the loan agreement and security agreement, satisfaction of conditions to borrowing and drawndown under the financing documents in connection with the Project.

c. On 21 June 2013, EDM-Tools (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase Agreement with Menteri Besar Negeri Sembilan (Pemerbadanan) and BSS Development Sdn Bhd. (Co. No. 689638-X) for the acquisition of one piece of industrial land in Sendayan TechValley held under HS(D) 207907, PT No. 6379, Town of Bandar Sri Sendayan, District of Seremban, State of Negeri Sembilan Darul Khusus, measuring approximately 9646 sq metres (103,829 sq feet) for a total cash consideration of RM3,634,015.

d. On 3 July 2013, the Company announced a proposed ratification of the diversification of business into electric power generation via the proposed investment in a 2 x 1000 megawatt coal-fired thermal power plant in Vietnam on a built, operate and transfer basis. The proposed ratification is subject to the approval of Bursa Securities Malaysia Berhad and the shareholders of the Company at the Extraordinary General Meeting at a date to be convened later.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

37. MATERIAL LITIGATION

On 15 January 2013, the Company was served with an ex parte interim injunction order dated 14 January 2013 from High Court of Malaya, Kuala Lumpur and an Originating Summons dated 14 January 2013, which was filed by several shareholders ("the Plaintiffs") of the Company.

The Plaintiffs are opposed to the two resolutions on the bonus issue and amendment to the Memorandum & Articles of Association tabled before the Extraordinary General Meeting ("EGM") held on 3 December 2012. They had sought a declaration that these two resolutions tabled before the EGM be declared null and void and sought an order that all the ordinary shareholders be treated equally according to their respective shareholding rights and to be issued or to receive the bonus shares proportionately to their equity holding without any conditions attached to the bonus shares.

On 22 January 2013, the High Court dismissed the Plaintiffs' interlocutory injunction application and fixed the date for case management to be held on 13 March 2013.

During the case management on 13 March 2013, the High Court has allowed the application by the Plaintiffs to amend the Originating Summons to add an additional prayer for damages and fixed the hearing of the Originating Summons on 7 May 2013.

The hearing of the Originating Summons was held on 7 May 2013 and 29 May 2013 and the High Court has reserved her decision until 19 July 2013.

The Court has on 19 July 2013 dismissed the Plaintiffs' case with cost of RM80,000.

38. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group & the Company may adjust the dividend payment, returning of capital to shareholders or issuing new shares.

There were no changes in the Group's and the Company's approach to capital management during the financial year and maintains the debt to equity ratio to an acceptable level.

		Group
	31.3.2013 RM	31.3.2012 RM
Trade and other payables	70,805,888	58,696,654
Hire purchase payables	1,745,585	546,457
Bank borrowings	29,360,298	27,650,034
Less: Cash and bank balances	(3,662,669)	(3,222,666)
Net debt	98,249,102	83,670,479
Total equity	70,286,440	69,014,160
Total net debt and equity	168,535,542	152,684,639
Debt to equity ratio	58%	55%

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2013

39. EXPLANATION OF TRANSITION TO MFRS

As stated in Note 2, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the year ended 31 March 2013, the comparative information presented in these financial statements for the year ended 31 March 2012 and in the preparation of the opening MFRS statements of financial position at 1 April 2011 (transition date from FRS to MFRSs).

The transition to MFRSs does not have financial impact to the financial statements of the Group and of the Company.

40. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT OR LOSS

The breakdown of the retained earnings of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants.

Pursuant to the directive, the amounts realised and unrealised profits included in the retained earnings of the Group and of the Company as at financial year end are as follows:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Total retained earnings				
-realised	21,749,563	20,417,641	10,547,596	9,903,732
-unrealised	(2,729,467)	(2,632,056)	-	-
	19,020,096	17,785,585	10,547,596	9,903,732
Total share of accumulated losses from associated company				
-realised	(45,279)	(43,404)	-	-
-unrealised	-	-	-	-
	18,974,817	17,742,181	10,547,596	9,903,732
Consolidation adjustments	63,261	114,398	-	-
Total group retained earnings as per consolidated financial statements	19,038,078	17,856,579	10,547,596	9,903,732

The determination of realised and unrealised profits is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

ANALYSIS OF SHAREHOLDINGS as at 6 August 2013

SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000/-
Issued and fully paid-up capital	:	RM107,000,000/-
Class of Shares	:	Ordinary Shares of RM1/- Each
Voting Rights	:	1 vote per share
No. of Shareholders	:	1328

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	309	23.27	1,091	0.00
100 to 1,000	294	22.14	149,481	0.14
1,001 to 10,000	382	28.77	1,978,475	1.85
10,001 to 100,000	265	19.95	8,970,405	8.38
100,001 and below 5% of issued shares	72	5.42	44,989,947	42.05
5% and above of issued shares	6	0.45	50,910,601	47.58
TOTAL	**1,328**	**100.00**	**107,000,000**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares Held	%
1.	Lim Guan Lee	10,990,704	10.27
2.	Cheah Yoke Han	9,972,240	9.32
3.	Eng Lian Enterprise Sdn. Bhd.	9,728,525	9.09
4.	Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98
5.	Bukit Asa Sdn. Bhd.	6,750,000	6.31
6.	Amsec Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account – Ambank (M) Berhad for Song Kok Cheong]*	6,000,000	5.61
7.	Kok Sow May	4,558,522	4.26
8.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Ng Chong You (Margin)]*	4,204,043	3.93
9.	Kwok Sow Yoong	3,889,676	3.64
10.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Song Kok Cheong (Margin)]*	3,551,000	3.32

ANALYSIS OF SHAREHOLDINGS as at 6 August 2013

No.	Name	No. Of Shares Held	%
11.	Tan Yu Yeh	3,243,800	3.03
12.	Foo Fong Lee	2,473,437	2.31
13.	Ng Chong You	2,106,000	1.97
14.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Lau Yen Bin (8070548)*]	1,596,000	1.49
15	Cimsec Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: CIMB Bank for Yap Pooi Ming*]	1,577,550	1.47
16	AllianceGroup Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Song Kok Cheong (8073295)*]	1,375,000	1.29
17	Lee Chee Beng	752,000	0.70
18.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Chan Pooi Chuen (Margin)*]	692,000	0.65
19.	Fong Yuet Peng	687,500	0.64
20.	Chew Cheong Loong	595,000	0.56
21.	HLIB Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Expo Holdings Sdn. Bhd.*]	551,300	0.52
22.	Mersec Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Thiam Seong*]	514,600	0.48
23.	Pang Sai Chun.	480,400	0.45
24.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Siyu Lian*]	478,500	0.45
25.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ooi Chong Chuan*]	459,250	0.43
26.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Tan Sun Ping*]	431,900	0.40
27.	Bon Nyon	402,250	0.38
28.	Affin Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Lee Lian Seng*]	365,000	0.34
29.	Johstar The Plastic Man (M) Sdn. Bhd.	360,000	0.34
30.	Chew Mee Am	350,000	0.33
		86,605,329	**80.94**

ANALYSIS OF SHAREHOLDINGS as at 6 August 2013

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	11,448,204	10.70	119,000	0.11
2. Song Kok Cheong	10,927,524	10.21	391,726	0.37
3. Fong Po Yin	291,726	0.27	11,027,524	10.31
4. Ng Chong You	6,310,107	5.90	90,000	0.08
5. Ling Ha Kee	90,000	0.08	6,310,107	5.90
6. Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98	-	-
7 Ng Lu Siong	-	-	16,478,525	15.40
8 Eng Lian Enterprise Sdn. Bhd.	9,728,525	9.09	6,750,000	6.31
9 Ng Eng Hiam Plantations Sdn. Bhd.	-	-	6,750,000	6.31
10 Ng Ling Li	250,000	0.23	6,750,000	6.31
11 Bukit Asa Sdn. Bhd.	6,750,000	6.31	-	-
12 Cheah Yoke Han	9,972,240	9.32	-	-
13 Lu Pat Sdn. Bhd.	-	-	16,478,525	15.40
14 The Nehsons Trust Company Berhad	-	-	16,478,525	15.40
15 Eng Sim Leong @ Ng Leong Sing	-	-	16,478,525	15.40
16 Ng Tee Chuan	-	-	16,478,525	15.40
17 Ng Lam Shen	-	-	16,478,525	15.40
18 Yvonne Po Leng Lam	-	-	16,478,525	15.40
19 Geraldine Marie Tse Chian Ng	-	-	16,478,525	15.40

ANALYSIS OF SHAREHOLDINGS as at 6 August 2013

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares of RM1/- Each			
	Direct	%	Indirect	%
1. Tuan Hj. Ir. Yusoff bin Daud	230,964	0.22	-	-
2. Song Kok Cheong	10,927,524	10.21	391,726	0.37
3. Ng Chong You	6,310,107	5.90	90,000	0.08
4. Lim Guan Lee	11,448,204	10.70	119,000	0.11
5. Tham Kut Cheong	-	-	-	-
6. You Tong Lioung @ Yew Tong Leong	-	-	-	-
7. Lim Kee Min (alternate director to Lim Guan Lee)	-	-	-	-

ANALYSIS OF WARRANT HOLDINGS as at 6 August 2013

WARRANTS 2013/2018

No. of warrants 2013/2018	:	42,800,000
No. of warrants 2013/2018 outstanding	:	42,800,000
Class of Securities	:	Warrants 2013/2018 ("Warrants")
Voting rights	:	1 vote per Warrant
No. of Warrants holders	:	299

ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrant holders	%	No. of Warrant Held	%
Less than 100	0	0	0	0.00
100 to 1,000	24	8.03	17,500	0.04
1,001 to 10,000	129	43.14	747,900	1.75
10,001 to 100,000	99	33.11	3,674,122	8.58
100,001 to less than 5% of issued warrants	40	13.38	15,918,484	37.19
5% and above of issued warrants	7	2.34	22,441,994	52.43
	299	**100.00**	**42,800,000**	**100.00**

LIST OF THIRTY LARGEST WARRANT HOLDERS

	Name	No. of Warrants Held	%
1.	Lim Guan Lee	4,396,281	10.27
2.	Cheah Yoke Han	3,988,896	9.32
3.	Eng Lian Enterprise Sdn. Bhd.	3,891,410	9.09
4.	Bukit Asa Sdn. Bhd.	2,700,000	6.31
5.	Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26
6.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged securities account - Ambank (M) Berhad for Song Kok Cheong)	2,400,000	5.61
7.	Kwok Sow Yoong	2,388,234	5.58
8.	Kok Sow May	1,823,409	4.26
9.	Tan Yu Yeh	1,756,500	4.10
10.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Song Kok Cheong (Margin)	1,420,400	3.32

ANALYSIS OF WARRANT HOLDINGS as at 6 August 2013

	Name	No. of Warrants Held	%
11.	Ng Chong You	1,404,000	3.28
12.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Chong You (Margin)	1,200,000	2.80
13.	Foo Fong Lee	989,375	2.31
14.	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Yap Pooi Ming (MY1300)	650,700	1.52
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Lau Yen Bin (8070548)	606,000	1.42
16	Alliancegroup Nominees (Tempatan) Sdn Bhd. Pledged securities account for Song Kok Cheong (8073295)	550,000	1.29
17	Lee Chee Beng	500,000	1.17
18.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Tan Sun Ping	415,400	0.97
19.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chan Pooi Chuen (margin)	276,800	0.65
20.	Fong Yuet Peng	275,000	0.64
21.	Pang Sai Chun	250,000	0.58
22.	Sim Mui Khee	250,000	0.58
23.	Chew Cheong Loong	238,000	0.56
24.	Ng Ho Fatt	210,000	0.49
25.	Foong Ai Lin	201,000	0.47
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Siyu Lian	199,400	0.47
27.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ooi Chong Chuan	183,700	0.43
28.	Bong Nyon	160,900	0.38
29.	Allan Gan Chin Yong	150,000	0.35
30.	Indar Kaur A/P Dan Singh	144,500	0.34
		36,297,078	**84.81**

LIST OF PROPERTIES as at 31 MARCH 2013

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (sq / ft)	Built-up Area (sq / ft)	Net Book Value as at 31/3/2013 (RM)	Date of Acquisition*/ Valuation**
1	Lot No.376, Section 32, Bandar Petaling Jaya, District of Petaling State of Selangor	One (1) units of Industrial building with a two (2) storey office and single storey factory annexe	30 years	87 years leasehold expiring on 23 rd May 2065	7,561	4,890	1,157,420	23 Sept 2002**
2	PT No. 3477, Mukim of Petaling, Distrcit of Petaling, State of Selangor	Industrial building with a three (3) storey office and single storey factory annexe	9 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	11,293,814	10 Sept 2002**
3	Lot No. 64200 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	18 years	Freehold	3,091	2,400	426,000	27 Aug 2002**
4	Lot No. 64199 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	18 years	Freehold	3,091	2,400	386,368	23 July 2002**
5	Lot No. 013814 (PT 9407) Mukim of Damansara, District of Petaling, State of Selangor	Industrial building with a two (2) storey office and single storey single factory annexe	33 years	Freehold	11,300	9,480	1,640,000	17 Sept 2002**
6	L.O. 7/65/Sub-Jacket/ 21/Ind Mukim of Damansara Distrct of Klang State of Selangor	Semi-detached Industrial building with a two (2) storey office and single storey single factory annexe	38 years	90 years leasehold expiring on 16 th January 2067	24,590	13,704	1,771,874	17 Sept 2002**
7	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	17 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	227,819 and 227,819	22 Aug 2002**
8	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	19 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	294,546 and 294,546	22 Aug 2002**
9	Lot No.5952, Mukim Bachang Daerah Melaka Tengah Melaka	1 1/2 storey terrace factory	16 years	99 years leasehold expiring on 18th May 2095	1,920	1,920	176,881	31 May 2005*
10	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	8 years	Freehold	22,000	15,000	2,475,164	24 Apr 2002* 5 Jan 2005**

LIST OF PROPERTIES as at 31 MARCH 2013

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (sq / ft)	Built-up Area (sq / ft)	Net Book Value as at 31/3/2013 (RM)	Date of Acquisition*/ Valuation**
11	H.S.(D) 61625 Lot No. PT 11380 , Mukim Petaling, State of Selangor	1 1/2 storey semi detached light industrial factory	12 years	Freehold	8,396	4,376	996,700	3 Sept 2001* 5 Jan 2005**
12	H.S.(M) No. 854 & H.S.(M) No. 521 Lot 3073 & PT Lot 2998, Mukim 6, Daerah Seberang Perai Tengah Negeri Pulau Pinang	1 1/2 storey terrace factory	21 years (base on OC)	Freehold	2,820	2,610	263,224	10 Oct 1999* 28 Oct 2004**

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PROXY FORM

I/We ____ , NRIC No./Company No. ____________________________
(FULL NAME IN BLOCK LETTERS)

of ____
(ADDRESS)

being a member(s) of TOYO INK GROUP BERHAD hereby appoint ____

____
(FULL NAME)

of ____
(ADDRESS)

or failing him/her, ____
(FULL NAME)

of ____
(ADDRESS)

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the ELEVENTH ANNUAL GENERAL MEETING of the Company to be held at the Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 25 September 2013, at 10.30 a.m. and at any adjournment thereof.

(strike out whichever is not desired)*

My/Our proxy is to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements and Reports		
2.	To approve Directors' fees		
3.	Re-election of Tuan Hj. Ir. Yusoff Bin Daud as Director		
4.	Re-election of Mr. Song Kok Cheong as Director		
5.	Re-appointment of Mr. You Tong Lioung @ Yew Tong Leong as Director		
6.	To re-appoint Messrs. Ecovis AHL as Auditors of the Company.		
7.	Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
8.	Ordinary Resolution 2 - Continuing in office for Mr. Tham Kut Cheong as Independent Non-Executive Director		
9.	Ordinary Resolution 3 - Continuing in office For Mr. You Tong Lioung @ Yew Tong Leong as Independent Non-Executive Director		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no instruction as to voting is given, the Proxy will vote or abstain from voting at his discretion.

Dated this __________________________day of __________________________ 2013

No. of Shares held	
CDS Account No.	
Tel No. (during office hours)	

____
Signature

Notes:

1. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend 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 Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
3. *In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.*
4. *The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.*
5. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 September 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.*

Fold this flap for sealing

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AFFIX
STAMP
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The Company Secretary
TOYO INK GROUP BERHAD (590521-D)
Lot 4.100, Tingkat 4, Wisma Central,
Jalan Ampang, 50450 Kuala Lumur

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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: toyoink@po.jaring.my

Website: http://www.toyoink.com.my