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

2014

LAPORAN TAHUNAN
ANNUAL REPORT

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth 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 Monday, 22 September 2014, 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 2014 together with the Reports of the Directors and the Auditors thereon. **(Refer Note 6)**

2. To approve the Directors' fees of RM87,500.00 (2013: RM87,500.00) in respect of the year ended 31 March 2014. **(Resolution 1)**

3. To re-elect Mr. Lim Guan Lee who retires pursuant to Article 92 of the Company's Articles of Association and, being eligible, offers himself for re-election. **(Resolution 2)**

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 3)**

5. To appoint Messrs. UHY as Auditors of the Company in place of the retiring Auditors, Messrs. Ecovis AHL, and to authorise the Directors to fix their remuneration. **(Resolution 4)**

   Notice of nomination from a shareholder pursuant to Section 172(11) of the Companies Act 1965, a copy of which is set out and marked "Annexure A", has been received by the Company for nomination of Messrs. UHY, who have given their consent to act, for appointment as Auditors and of the intention to propose the following Ordinary Resolution:-

   "That Messrs. UHY be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Ecovis AHL, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

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

   a. Ordinary Resolution 1 **(Resolution 5)**
   Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965
   "THAT subject always to the Companies Act, 1965 ("Act"), 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 Act 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 6)**
   Continuing In Office As Independent Non-Executive Director
   "THAT approval 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 7)**
   Continuing In Office As Independent Non-Executive Director
   "THAT subject to the passing of Resolution No. 3, approval 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."

NOTICE OF ANNUAL GENERAL MEETING

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

BY ORDER OF THE BOARD,

CHOW CHOOI YOONG (MAICSA 0772574)
Company Secretary

Kuala Lumpur
29 August 2014

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 15 September 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.

6. **Audited Financial Statements for the financial year ended 31 March 2014**
   The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, it will not be put forward for voting.

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

   (a) Resolution pursuant to Section 132D of the Companies Act, 1965
   Resolution No. 5 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. 5, 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. 6 and 7
   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 Listing Requirements ("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.

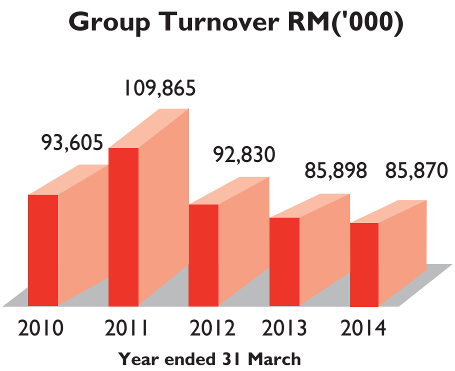
   (iv) Both of them, having been with the Company for more than nine years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.

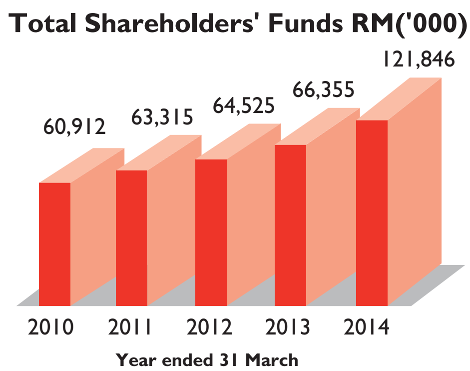
   (v) Both have exercised due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in the interest of the Company and shareholders.

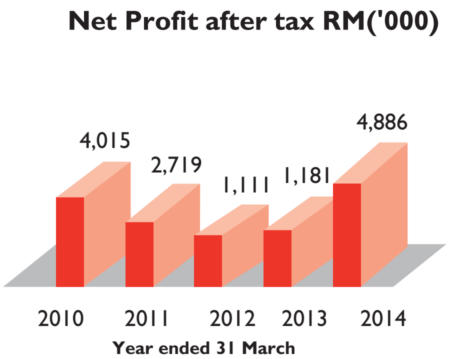
   Resolution No. 6 proposed under item 6(b), if passed, will authorise Mr. Tham Kut Cheong to continue in office as an Independent Non-Executive Director of the Company.

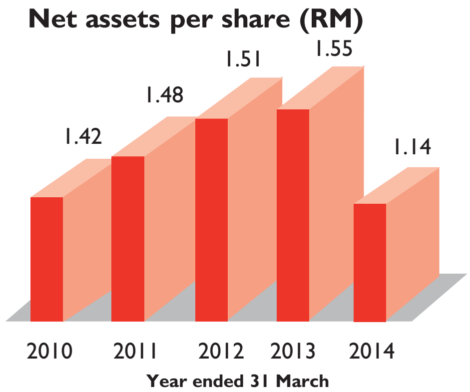
   Resolution No. 7 proposed under item 6(c), if passed, will authorise Mr. You Tong Lioung @ Yew Tong Leong to continue in office as an Independent Non-Executive Director of the Company.

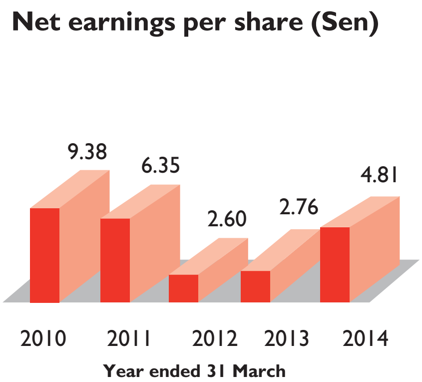
FINANCIAL HIGHLIGHTS - 31 MARCH 2010 TO 31 MARCH 2014

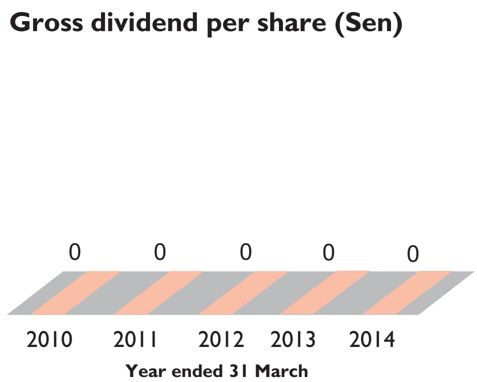












	2010	2011	2012	2013	2014
Group Turnover RM('000)	93,605	109,865	92,830	85,898	85,870
Total shareholders' funds RM('000)	60,912	63,315	64,525	66,355	121,846
Net assets per share (RM)	1.42	1.48	1.51	1.55	1.14
Net profit after tax RM('000)	4,015	2,719	1,111	1,181	4,886
Net earnings per share (sen)	9.38	6.35	2.60	2.76	4.81
Gross dividend per share (sen)	0	0	0	0	0

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff bin Daud

(Malaysian, aged 69)
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 all Board meetings held during his tenure in office in the financial year ended 31 March 2014.

He has no conflict of interest with the Company.

Mr. Song Kok Cheong

(Malaysian, aged 62)
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 38 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 2014.

He has no conflict of interest with the Company.

Mr. Tham Kut Cheong

(Malaysian, aged 69)
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 Board of Halex Holdings Berhad and several private limited companies in Malaysia.

He has attended all Board meetings held during his tenure in office in the year ended 31 March 2014.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. You Tong Lioung @ Yew Tong Leong
(Malaysian, aged 78)
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 the present.

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 2014.

He has no conflict of interest with the Company.

Mr. Lim Guan Lee
(Singaporean, aged 64))
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 2014.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Miss Song Hsiao May
(Malaysian, aged 30)
Non-Independent Non-Executive Alternate Director to Song Kok Cheong

Miss Song Hsiao May is the Non-independent Non-Executive Alternate Director to Mr. Song Kok Cheong and was appointed to the Board on 25th September 2013. Miss Song Hsiao May is a graduate with a Master in Business Administration and has a Bachelor Degree in Applied Science of Biotechnology. She has 7 years of involvement in the printing ink industry

She has not attended any Board meetings held during her tenure in office in the financial year ended 31 March 2014,

She has no conflict of interest with the Company.

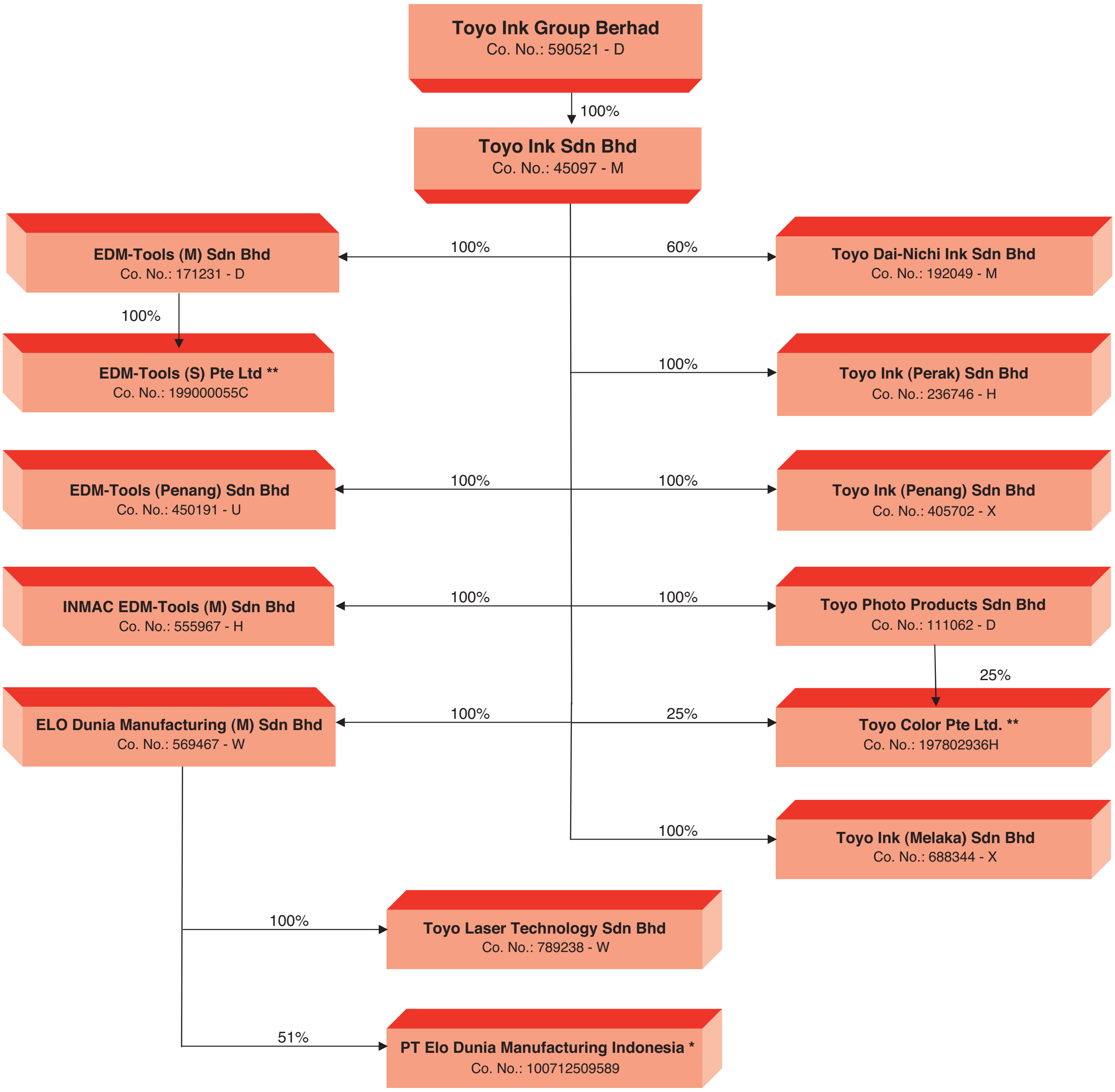
Miss Lim Soek Fun
(Singaporean aged 33)
Non-Independent Non-Executive Alternate Director to Lim Guan Lee.

Miss Lim Soek Fun is the Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee and was appointed to the Board on 25th September 2013. Miss Lim Soek Fun is a graduate with a Bachelor of Arts degree from Curtin University, Western Australia. She has 8 years of involvement in the printing ink industry and is currently serving as the Managing Director of Toyo Ink Pte. Ltd.

She has not attended any Board meetings held during her tenure in office in the financial year ended 31 March 2014,

She 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

Lim Guan Lee

Tham Kut Cheong

You Tong Lioung @ Yew Tong Leong

Song Hsiao May
(alternate director to Song Kok Cheong appointed on 25/9/2013)

Lim Soek Fun
(alternate director to Lim Guan Lee appointed on 25/9/2013)

Lim Kee Min
(alternate director to Lim Guan Lee resigned on 25/9/2013)

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
United Overseas Bank (Malaysia) Bhd.
Hong Leong Bank Berhad

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

PT ELO DUNIA MANUFACTURING INDONESIA
Jl Industri Selatan IV Block GG
No. 5A, Kawasan Industri Jababeka II, Cikarang Selatan

CHAIRMAN'S STATEMENT

Let me welcome all of you to the 12th Annual General Meeting of Toyo Ink Group Berhad. The financial year just ended 31 March 2014 had been most challenging and I am happy to report that we had registered improved overall performance as compared with the previous financial year. This had been possible with the continuous efforts of the management and close monitoring of company performance by my colleagues on the Board. It is the Board's commitment that such teamwork shall continue as we move forward to face even more challenging times ahead.

Financial Performance

Although the financial year ended 31 March 2014 registered a consolidated turnover of RM85,869,767 which was about the same level as the previous financial year's RM85,897,638, gross and net margins had seen improvements due to a regime of cost consciousness and continuous improvements to production processes and efficiencies.

Net profit after tax for the financial year ended 31 March 2014 stood at RM4,886,405 against RM1,181,499 in the previous financial year. This represented an earnings per share of 4.81 sen (on a paid-up capital of RM107,000,000) against an earnings per share of 2.76 sen (on a paid-up capital of RM42,800,000) in the previous financial year.

Review of Operations

The Managing Director and the Executive Director conduct monthly meetings with respective managements of subsidiary companies of Toyo Ink Group to review the results of operations. The Senior Independent Non-Executive Director is invited to sit in at these meetings to offer his valuable advice and guidance. Operational managers are required to furnish comprehensive explanations on the results of each of the respective company that they manage. Through these meetings weakness in execution are identified and rectified immediately.

CHAIRMAN'S STATEMENT

Adherence to approved budget plans by the Board and their achievement against budgets are examined at budget review meetings held every quarter and budget variances against actual performance are analysed to further refine execution and strategies.

In our efforts to continuously seek better returns to our shareholders and more efficient utilization of the Group's resources, we had disposed of two pieces of our surplus properties in the financial year resulting in a net profit on disposal of RM3,136,838.

The Board of Toyo Ink Group Berhad is continuously evaluating business opportunities to achieve a satisfactory level of return to our shareholders and stakeholders. In this respect we had finally succeeded in our efforts to secure a power plant project in the Socialist Republic of Vietnam. In March 2013 the Vietnamese Government approved Toyo Ink Group Berhad to be the investor for a 2 x 1000MW coal-fired power plant. This project shall be on a "build-operate-transfer" (BOT) basis for a period of 25 years and shall be located at Song Hau 2 Power Complex in Hau Giang Province in south-west Vietnam.

We are in the process of finalizing the BOT contract in consultation with our professional advisers. Going forward, various other agreements such as land lease, coal supply, engineering, procurement and construction contracts will be completed before the final power purchase agreement will be signed with the Vietnamese Government with the issue of the investment licence.

This coal-fired power plant is forecast to come onstream by 2020/2021 which will provide a very healthy income stream and enhanced profitability to Toyo Ink Group.

Corporate Social Responsibility

Toyo Ink Group Berhad is very conscious of the less fortunate in our society at large. There are many out there who are old and neglected, sick and uncared for and many more deserving cases who are in need of help in cash or in kind. To fulfill our vision of a caring society, we had made contributions to a "Final Year Dinner – Charity for Cancer" (Malam Kilauan Berjasa VIII – one live saved) organized by the Student Affairs Division of University Putra Malaysia.

Moving forward

We are confident that the next financial year will show further improvements in performance with our continued attention to production efficiency and cost control amidst a stable economic environment. The Malaysian economy has grown 5.2% in the year just ended and with the current activity especially in the construction/infrastructure sector of our economy, it is forecast that the next year will see even stronger growth which should augur well for us who are suppliers to the printing and packaging sector of the Malaysian economy.

Our progress towards finally setting up the power plant in Vietnam will greatly improve the Group's net profit position and financial position of Toyo Ink Group Berhad will strengthen tremendously.

Appreciation

I also wish to humbly take this opportunity to convey my sincere thanks to our team at Toyo Ink Group for their determination and commitment in making the financial year just ended a successful one. To my colleagues on the Board I thank them for their excellent teamwork and leadership in steering the Group through a very challenging year.

We must also not forget our loyal shareholders, financiers, customers, service providers and other stakeholders, who had, in one way or other, held our hand in good faith and given us the confidence to overcome the challenges that we had faced. To all of them the Board and Management of Toyo Ink Group Berhad extend a very sincere thank you.

Thank you.

Tuan Hj. Ir. Yusoff bin Daud
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Toyo Ink Group Berhad ("Board") is committed to maintain good corporate governance throughout the Group for sustainable long term growth of the Group's business and to safeguard, protect and enhance shareholders' value.

In this annual Corporate Governance Statement, the Board is pleased to report its state of corporate governance in the Group for the current financial year and the extent to which it has complied with the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("2012 Code").

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, during the financial year 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") during the financial year. 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 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 on 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. The members of the NC, comprising exclusively of Non-Executive Directors, a majority must be independent, are 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 one (1) meeting during the financial year ended 31 March 2014 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 is supportive of the gender diversity policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

(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

During the financial year, the NC conducted a meeting in July 2013 to carry out its annual appraisal on the effectiveness of the Board, its Committees, the contribution of each director and the independence of the Independent Directors. The annual appraisal was conducted via questionnaires.

The Board's effectiveness was assessed in the areas of composition, board strategy, board meetings, corporate and financial reporting, risk management and investors relations. The review criteria for accessing the Directors' individual performance was largely focussed on their meeting attendance, competencies, experience, knowledge and commitment, contribution to interaction, constructive expression of views and issues, quality of input and understanding of role as Directors.

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 Director)*
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 one (1) meeting during the financial year ended 31 March 2014 which was 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 2014 are as follows:-

CORPORATE GOVERNANCE STATEMENT

(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	695	39	839
Non-Executive Directors	112	126	-	238

(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	2	-

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 Director 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 balance 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.

CORPORATE GOVERNANCE STATEMENT

3.4 Composition of the Board

During the financial year, Ms. Song Hsiao May was appointed as the Alternate Director to Mr. Song Kok Cheong while Ms. Lim Soek Fun was appointed as the Alternate Director to Mr. Lim Guan Lee, replacing Mr. Lim Kee Min. Both the appointments were effective on 25 September 2013.

On 31 March 2014, Mr. Ng Chong You retired from his position as Executive Director of the Company. With his retirement, the Board presently has five (5) members comprising the Managing Director, one (1) Non-Executive Director and three (3) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Securities.

The Group practices a division of responsibility between the Executive and Non-Executive Directors. The Executive Director is 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 Non-Executive Directors are responsible to provide independent views, advice and judgment in consideration of the interests of shareholders at large.

The Board comprises a balanced mix of members bringing with them a diversity of experience and business acumen 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 2014, as reflected below:-

	Attendance At Meetings of			
	Board	**Audit Committee**	**NC**	**RC**
Tuan Hj. Ir. Yusoff bin Daud	7/*7	5/*5	1/*1	N/A
Song Kok Cheong	7/*7	5/#5	N/A	1/*1
Ng Chong You *(retired on 31/3/2014)*	7/*7	N/A	N/A	N/A
Lim Guan Lee	4/*7	N/A	N/A	N/A
Tham Kut Cheong	7/*7	5/*5	1/*1	1/*1
You Tong Lioung @ Yew Tong Leong	7/*7	5/*5	1/*1	1/*1
Lim Soek Fun *(Alternate Director to Lim Guan Lee)(Appointed wef 25/9/2013)*	0/*2	N/A	N/A	N/A
Song Hsiao May *(Alternate Director to Song Kok Cheong)(Appointed wef 25/9/2013)*	0/*2	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 inclusive of the two Alternate Directors, namely Ms. Song Hsiao May and Ms. Lim Soek Fun who were appointed during the financial year ended 31 March 2014, have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements.

During the financial year ended 31 March 2014, all the Directors have attended an in-house training programme on the topic entitled "Understanding Financial Statements & Legal Responsibility For Financial Statements Integrity". In addition, Mr. Song Kok Cheong and Mr. Tham Kut Cheong have also attended the "Nominating Committee Programme" conducted by The Iclif Leadership and Governance Centre.

CORPORATE GOVERNANCE STATEMENT

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 the Board for its approval.

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

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

CORPORATE GOVERNANCE STATEMENT

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.

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 Director to whom shareholders and investors can voice their views 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 applicable accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of 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 2014 and of their financial performance and cash flows for the year ended on that date.

- Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate system are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 March 2014, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

This statement was made in accordance with a resolution of the Board dated 23 July 2014.

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 2014, 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.

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.

AUDIT COMMITTEE MEETINGS

The Audit Committee met five times during the financial year ended 31 March 2014 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 2014

During the financial year ended 31 March 2014 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 2013

(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 for the year ended 31 March 2013;

(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 2013

(f) reviewed the External Auditors' audit plan and scope of audit for the financial year ended 31 March 2014

(g) met with the External Auditors twice during the financial year ended 31 March 2014 without the presence of any executive board members;

(h) Reviewed the internal audit plan for 2013/2014 and 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 on Risk Management and Internal Control for the year ended 31 March 2013 and recommended their adoption to the Board.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2014, 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 2014 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 2014. 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" ("the Guideline") issued by the Task Force on Internal Control with the support and endorsement of the Bursa Securities.

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 Group's activities, which encompasses all subsidiaries of the Company;
- 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.

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 oversees 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. It is 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 reviewed by the Audit Committee. The presence of the outsourced 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 key findings. Follow-up audit is carried out to ascertain status of management actions. 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 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 both ISO 9001:2008 and ISO14001:2004 quality management systems while Inmac EDM-Tools (M) Sdn. Bhd., Elo Dunia Manufacturing (M) Sdn. Bhd. and Toyo Dai-Nichi Ink Sdn. Bhd. are certified to ISO 9001:2008 quality management system.

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. Regular informal meetings and discussions held by the Executive Directors and management team members to identify, discuss, respond and manage risks as well as to ensure that businesses are under control and corporate targets and objectives are achieved;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

iv. Security controls at some designated locations and premises of the Company and its subsidiaries.

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable 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 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

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 weakness that would require separate disclosure in the Annual Report.

The Board recognises that the risk management and systems of internal control should be continuously improved in line with the evolving business environment. 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 2014. 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 is made in accordance with a resolution of the Board on 23 July 2014.

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 within the Group to operate its businesses 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;

- 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
On 30 April 2013, the Company has completed the following corporate exercise:-

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

(ii) Bonus Issue of up to 21,400,000 new ordinary shares of RM1.00 each ("Bonus Shares") in the Company to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the existing shareholders of the Company and/ or their renouncee(s) pursuant to the Rights Issue with Warrants.

The details and status of the utilisation of proceeds from the Rights Issue with Warrants are as follows:-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)
Repayment of bank borrowings	29,359	29,540
Working Capital	21,451	21,450
Expenses in relation to the Rights Issue	550	718
	51,360	51,708

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

Options, Warrants or Convertible Securities
Save as disclosed below, there were no options, warrants or convertible securities issued during the financial year:-

Pursuant to the Rights Issue with Warrants, 42,800,000 Warrants were issued on 23 April 2013. The Warrants were listed and quoted on Bursa Malaysia Securities Berhad at 9.00 a.m. on 30 April 2013.

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 2014 amounted to RM69,000/-
.

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 2014 and the unaudited results previously announced.

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

ADDITIONAL COMPLIANCE INFORMATION

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

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) year 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 presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

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.

On 20 August 2013, the Group has obtained approval from its shareholders to diversify its business into electric power generation in Vietnam.

Other than the above, there have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	4,969,000	(275,638)
Attributable to:		
Owners of the Company	4,886,405	(275,638)
Non-controlling interests	82,595	-
	4,969,000	(275,638)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM42,800,000 to RM107,000,000 by way of issuance of 64,200,000 new ordinary shares of RM1.00 each pursuant to the completion of the following corporate exercise on 30 April 2013:

(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"); and

(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 renounce(s) pursuant to the Rights Issue with Warrants.

These newly issued ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company.

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

WARRANTS 2013/2018

On 30 April 2013, 42,800,000 warrants ("Warrants") issued pursuant to the Rights Issue with Warrants on the basis of one (1) free Warrant for every one (1) Rights Shares subscribed were listed and quoted on the Main Market of Bursa Securities.

The Warrants which are issued with the Rights Shares are immediately detached upon issuance and are separately traded.

The Warrants are constituted by the deed poll dated 3 January 2013 ("Deed Poll").

Salient features of the Warrants are as follows:

(i) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share of RM1.00 each in the Company at the exercise price of RM1.50 during the 5-year period expiring on 22 April 2018 ("Exercise Period"), subject to the adjustments in accordance with the Deed Poll constituting the Warrants;

(ii) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purpose;

(iii) The new shares to be issued upon the exercise of the Warrants shall, upon issue and allotment, rank pari passu in all respects with the then existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared by the Company, which entitlement date thereof precedes the allotment date of the new shares to be issued pursuant to the exercise of the warrants;

(iv) For purpose of trading on Bursa Securities, a board lot for the Warrants shall be one hundred (100) or such other number of units as may be prescribed by Bursa Securities from time to time; and

(v) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the laws and regulations of Malaysia.

As of 23 July 2014, 42,800,000 Warrants remained unexercised.

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 as follows:

Tuan Hj. Ir. Yusoff Bin Daud	
Song Kok Cheong	
Lim Guan Lee	
Tham Kut Cheong	
You Tong Lioung @ Yew Tong Leong	
Lim Soek Fun (Lin Shufen) *(Alternate Director to Lim Guan Lee)*	(Appointed on 25 September 2013)
Song Hsiao May *(Alternate Director to Song Kok Cheong)*	(Appointed on 25 September 2013)
Lim Kee Min *(Alternate Director to Lim Guan Lee)*	(Resigned on 25 September 2013)
Ng Chong You	(Retired on 31 March 2014)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and warrants of the Company and of its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	NUMBER OF ORDINARY SHARES OF RM1 EACH				
	Balance as at 1.4.2013	Bought	Rights Issue	Sold	Balance as at 31.3.2014
Shares in the Company:					
Direct interests:					
Tuan Hj. Ir. Yusoff Bin Daud	80,964	-	150,000	-	230,964
Song Kok Cheong	4,370,425	-	6,557,100	-	10,927,525
Lim Guan Lee	4,579,281	-	6,868,923	-	11,448,204
Song Hsiao May *(Alternate Director to Song Kok Cheong)*	40,000+	-	60,000	-	100,000
Indirect interests:					
Song Kok Cheong*	156,226	-	235,500	-	391,726
Lim Guan Lee**	-	119,000	-	-	119,000

	Number of Warrants 2013/2018			
	Balance as at 1.4.2013	Allotted***	Sold	Balance as at 31.3.2014
Warrants in the Company				
Direct interests:				
Tuan Hj. Ir. Yusoff Bin Daud	-	100,000	-	100,000
Song Kok Cheong	-	4,371,400	-	4,371,400
Lim Guan Lee	-	4,579,281	-	4,579,281
Song Hsiao May *(Alternate Director to Song Kok Cheong)*	-	40,000	-	40,000
Indirect interests:				
Song Kok Cheong*	-	157,000	-	157,000

+ At date of appointment
* Via spouse/children
** Via his shareholdings in Lim Keenly Investments Pte. Ltd.
*** Free warrants allotted as a result of Rights Issue

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits 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 the Director or with a firm of which the 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 30 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.

DIRECTORS' REPORT

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.

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

a) 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 35 to the financial statements.

MATERIAL LITIGATION

Details of material litigation are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, ECOVIS AHL, do not wish to seek reappointment at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 July 2014.

SONG KOK CHEONG
Director

THAM KUT CHEONG
Director

STATEMENT BY DIRECTORS

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

We, SONG KOK CHEONG and THAM KUT CHEONG, being two of the Directors of TOYO INK GROUP BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 37 to 96 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 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 38 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 23 July 2014.

SONG KOK CHEONG
Director

THAM KUT CHEONG
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 37 to 96, 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 23 July 2014)

SONG KOK CHEONG
Director

Before me,

Annual Report **2014**

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 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 96.

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 controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 10 to the financial statements which disclosed the current status of the 2 x1000 megawatt 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 RM124,169,784 as at 31 March 2014.

During the financial year, the Company had signed the Memorandum of Understanding ("MOU") with the Ministry of Industry and Trade of the Socialist Republic of Vietnam ("MOIT") for the construction of the Project under a Build-Operate-Transfer ("BOT") basis and received approval from MOIT on the Company's Feasibility Study Report of Works Construction Investment Project of the Project.

Subsequent to the financial year end, the Company had executed a Principles of Project Agreements with MOIT which sets out the general principles for negotiation and finalisation of the project documents in relation to 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 respective 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.

Annual Report **2014**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

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 and qualification 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 38 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
Firm Number: AF 001825
Chartered Accountants

CHUA KAH CHUN
Approval Number: 2696/09/15 (J)
Chartered Accountant

Kuala Lumpur
23 July 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2014

GROUP	**Note**	**2014 RM**	**2013 RM**
ASSETS			
Non Current Assets			
Property, plant and equipment	5	29,867,869	27,881,764
Investment property	6	-	1,640,000
Investment in associated company	8	481,747	482,934
Goodwill on consolidation	9	17,496,312	17,496,312
Development expenditure	10	124,169,784	86,228,925
		172,015,712	133,729,935
Current Assets			
Inventories	11	14,874,118	14,205,687
Trade receivables	12	19,982,495	19,973,079
Other receivables, deposits and prepayments	13	2,770,521	9,310,422
Tax recoverable		349,196	300,886
Short term deposits with a licensed bank	15	18,369	17,843
Cash and bank balances		4,986,292	3,644,826
		42,980,991	47,452,743
TOTAL ASSETS		214,996,703	181,182,678
EQUITY AND LIABILITIES			
Equity			
Share capital	16	98,868,000	42,800,000
Reserves	17	22,977,592	23,554,864
Equity attributable to owners of the Company		121,845,592	66,354,864
Non-controlling interests	18	4,014,171	3,931,576
TOTAL EQUITY		125,859,763	70,286,440
Non Current Liabilities			
Finance lease liabilities	19	182,163	823,846
Bank borrowings	20	2,259,427	366,502
Deferred tax liabilities	21	1,950,041	2,729,467
		4,391,631	3,919,815
Current Liabilities			
Trade payables	22	10,151,739	12,240,740
Other payables and accruals	23	47,111,867	58,565,148
Amount owing to Directors	24	219,920	6,255,000
Finance lease liabilites	19	795,578	921,739
Bank borrowings	20	25,576,998	28,993,796
Taxation		889,207	-
		84,745,309	106,976,423
TOTAL LIABILITIES		89,136,940	110,896,238
TOTAL EQUITY AND LIABILITIES		214,996,703	181,182,678

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

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2014

COMPANY	Note	2014 RM	2013 RM
ASSETS			
Non-Current Assets			
Investment in subsidiary companies	7	31,611,684	31,611,684
Current Assets			
Other receivables, deposits and prepayments	13	95,000	315,507
Amount owing by a subsidiary company	14	76,444,655	25,081,258
Tax recoverable		20,904	41,248
Cash and bank balances		12,793	940,412
		76,573,352	26,378,425
TOTAL ASSETS		108,185,036	57,990,109
EQUITY AND LIABILITIES			
Equity			
Share capital	16	98,868,000	42,800,000
Reserves	17	9,171,972	14,868,534
TOTAL EQUITY		108,039,972	57,668,534
Current Liabilities			
Other payables and accruals	23	72,144	146,575
Amount owing to Directors	24	72,920	175,000
		145,064	321,575
TOTAL LIABILITIES		145,064	321,575
TOTAL EQUITY AND LIABILITIES		108,185,036	57,990,109

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

STATEMENTS OF COMPREHENSIVE INCOME for the financial year ended 31 MARCH 2014

		Group		Company	
	Note	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Continuing operations					
Revenue	25	85,869,767	85,897,638	240,000	1,359,615
Cost of sales		(67,682,911)	(69,216,510)	-	-
Gross Profit		18,186,856	16,681,128	240,000	1,359,615
Other income		3,922,424	562,604	95,000	-
Selling and distribution costs		(7,345,134)	(6,675,623)	-	-
Administration expenses		(7,623,828)	(7,033,509)	(620,237)	(413,953)
Finance costs		(1,702,633)	(1,974,294)	-	-
Share of results in associate		(1,188)	(1,875)	-	-
Profit/(Loss) Before Tax	26	5,436,497	1,558,431	(285,237)	945,662
Income Tax Expense	27	(467,497)	(991,652)	9,599	(301,798)
Profit/(Loss) From Continuing Operations		4,969,000	566,779	(275,638)	643,864
Discontinued operation					
Gain/(Loss) from discontinued operation, net of tax	28	-	414,410	-	-
Profit/(Loss) for the financial year		4,969,000	981,189	(275,638)	643,864
Other comprehensive income, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation		(42,753)	647,828	-	-
Total comprehensive income/(expense) for the financial year		4,926,247	1,629,017	(275,638)	643,864
Profit/(Loss) attributable to:					-
Owners of the Company		4,886,405	1,181,499	(275,638)	643,864
Non-controlling interests		82,595	(200,310)	-	-
Profit/(Loss) for the financial year		4,969,000	981,189	(275,638)	643,864
Total comprehensive income/(expense) attributable to:					
Owners of the Company		4,864,937	1,829,327	(275,638)	643,864
Non-controlling interests		61,310	(200,310)	-	-
Total comprehensive income/(expense) for the financial year		4,926,247	1,629,017	(275,638)	643,864
Basic earnings per ordinary share (sen)	29				
- from continuing operations		4.81	2.18		
- from discontinued operations		-	0.58		
		4.81	2.76		

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2014

	Attributable to Owners of the Company							
	Non distributable				Distributable			
	Share capital RM	Share premium RM	Warrant reserve RM	Translation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
Balance at 1 April 2013	42,800,000	4,320,938	-	195,848	19,038,078	66,354,864	3,931,576	70,286,440
Comprehensive income:								
- Net profit/(loss) for the financial year	-	-	-	-	4,886,405	4,886,405	82,595	4,969,000
- Other comprehensive income	-	-	-	(42,753)	-	(42,753)	-	(42,753)
Total comprehensive income/(expense) for the financial year	-	-	-	(42,753)	4,886,405	4,843,652	82,595	4,926,247
Transactions with owners:								
Right shares issued	42,800,000	8,560,000		-	-	51,360,000	-	51,360,000
Bonus shares issued	21,400,000	(12,880,938)	-	-	(8,519,062)	-	-	-
Share issuance expenses**	-	-	-	-	(712,924)	(712,924)	-	(712,924)
Allocation of value to warrant reserve	(8,132,000)	-	8,132,000	-	-	-	-	-
Total transactions with owners	56,068,000	(4,320,938)	8,132,000	-	(9,231,986)	50,647,076	-	50,647,076
Balance at 31 March 2014	98,868,000	-	8,132,000	153,095	14,692,497	121,845,592	4,014,171	125,859,763
Balance at 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
Transactions with owners:								
Investment in a subsidiary company-	-		-	-	-	-	1,646,088	1,646,088
Disposal of a discontinued operation-		-	-	-	-	-	(2,002,825)	(2,002,825)
Total transactions with owners	-	-	-	-	-	-	(356,737)	(356,737)
Balance at 21 March 2013	42,800,000	4,320,938	-	195,848	19,038,078	66,354,864	3,931,576	70,286,440

**Included an amount of non- audit fee of RM60,000 paid to the auditors of the Company.

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

STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2014

	Attributable to Owners of the Company				
	Non distributable			Distributable	
	Share Capital RM	Share Premium RM	Warrant reserve RM	Retained Profits RM	Total equity RM
Company					
Balance at 1 April 2013	42,800,000	4,320,938	-	10,547,596	57,668,534
Total comprehensive expense for the financial year	-	-	-	(275,638)	(275,638)
Transactons with owners					
Right shares issued	42,800,000	8,560,000	-	-	51,360,000
Bonus shares issued	21,400,000	(12,880,938)	-	(8,519,062)	-
Share issuance expenses	-	-	-	(712,924)	(712,924)
Allocation of value to warrant reserve	(8,132,000)	-	8,132,000	-	-
Total transactions with owners	56,068,000	(4,320,938)	8,132,000	(9,231,986)	50,647,076
Balance at 31 March 2014	98,868,000	-	8,132,000	1,039,972	108,039,972
Balance at 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 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation				
- Continuing operations	5,436,497	1,558,431	(285,237)	945,662
- Discontinued operations	-	414,410	-	-
	5,436,497	1,972,841	(285,237)	945,662
Adjustments for:				
Allowance for impairment of trade receivables	77,916	71,019	-	-
Bad debts written off	19,045	5,635	-	-
Depreciation of property, plant and equipment	2,437,495	2,348,229	-	-
Depreciation of invertment property	12,000	16,000	-	-
Dividend income	-	-	-	(1,119,615)
Gain from disposal of discontinued operation	-	(414,410)	-	-
Gain on disposal of property, plant and equipment	(1,305,732)	(21,545)	-	-
Gain on disposal of investment property	(1,872,000)	-	-	-
Interest expense	1,608,966	1,894,356	-	-
Interest income	(10,604)	(7,259)	-	-
Property, Plant and equipment written off	38,933	763	-	-
Share of results in associate	1,188	1,875	-	-
Unrealised gain on foregin exchange	(36,737)	(4,646)	-	-
Operating profit/(loss) before working capital changes	6,406,967	5,862,858	(285,237)	(173,953)
Changes in working capital:				
Inventories	(668,431)	(611,079)	-	-
Receivables	5,605,992	(6,907,637)	(51,142,890)	(83,778)
Payables	(18,773,168)	12,286,696	(176,511)	(51,165)
Cash (used in)/ generated from operations	(7,428,640)	10,630,838	(51,604,638)	(308,896)
Interest paid	(1,608,966)	(1,894,356)	-	-
Interest received	10,604	7,259	-	-
Tax paid	(1,382,808)	(1,595,210)	(26,950)	(318,904)
Tax refunded	979,550	227,226	56,893	103,467
Translation reserve	14,557	403,198	-	-
Net cash (used in)/ from operating activities	(9,415,703)	7,778,955	(51,574,695)	(524,333)
CASH FLOWS FROM INVESTING ACTIVITIES				
*Acquisition of property, plant and equipment	(5,439,501)	(728,790)	-	-
Non-controlling interests investment in subsidiary	-	1,646,088	-	-
Addition in development expenditure	(37,940,859)	(14,145,162)	-	-
Disposal of discontinued operation, net of cash (Note 7)	-	4,369,460	-	-
Dividend received	-	-	-	1,119,615
Proceeds from disposal of investment Property	3,500,000	-	-	-
Proceeds from disposal of property, plant and equipment	2,441,700	78,060	-	-
Net cash (used in)/from investing activities	(37,438,660)	(8,780,344)	-	1,119,615

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2014

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment for) /Drawdown from banker acceptances, trust receipts and bills payble	(2,650,083)	231,000	-	-
Drawdown of term loan	2,180,000	-	-	-
Proceeds from right shares issued	50,647,076	-	50,647,076	-
Repayment of finance lease liabilities, net	(926,845)	(268,872)	-	-
Repayment of term loans	(181,596)	(163,779)	-	-
Net cash generated from/ (used in) financing activities	49,068,552	(201,651)	50,647,076	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,214,189	(1,203,040)	(927,619)	595,282
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(8,027,244)	(6,824,204)	940,412	345,130
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(5,813,055)	(8,027,244)	12,793	940,412
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	4,986,292	3,644,826	12,793	940,412
Short term deposits with licensed banks	18,369	17,843	-	-
Bank overdrafts	(10,817,716)	(11,689,913)	-	-
	(5,813,055)	(8,027,244)	12,793	940,412

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

Mode of payments:	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash	5,439,501	728,790	-	-
Finance lease agreements	159,000	1,468,000	-	-
	5,598,501	2,196,790	-	-

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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.

On 20 August 2013, the Group has obtained approval from its shareholders to diversify its business into electric power generation in Vietnam.

Other than the above, 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 23 July 2014.

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.

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 Group and the Company:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

		Effective for financial periods beginning on or after
New MFRS		
MFRS 9	Financial Instruments	To be announced
MERS 14	Regulatory Deferral Accounts	1 January 2016
Amendments/Improvements to MFRSs		
MERS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MERS 2	Share-based Payment	1 July 2014
MERS 3	Business Combinations	1 July 2014
MERS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
MERS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 13	Fair Value Management	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014 1 January 2016
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosure	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014 Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014
New IC Int		
IC Int 21	Levies	1 January 2014

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application except as discussed below:

MFRS 9: *Financial Instruments*
MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139.

The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion.

The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have impact on classification and measurements of the Company's financial liabilities. The Company will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of joint arrangement itself.

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indications that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The Amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, Amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relates to the IASB's Basis for Conclusions which is not an intergral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarifies the accounting for the accumulated depreciation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

Amendments to MFRS 132 Financial Instruments: Presentation
Amendments to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of "currently has a legally enforceable right of set-off", that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of Assets
Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Subsidiaries and Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted MFRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, controls exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous year, potential voting rights are considered when assessing control when such rights are presently exercisable.

- The Group considers it has de factor power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

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. Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquire; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree either at the fair value or at the proportionate share of the acquiree's identifiable assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expenses as incurred.

iii. Acquisition of Non-controlling Interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

iv. Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at he date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

v. Non-controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the no-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

vi. Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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.

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) Investment in Associate

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

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment.

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 of has made payments on behalf of the investee.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 3 (l) (ii).

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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 61 to 85 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.

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. The impairment policy is disclosed in Note 3 (l) (ii).

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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 amortisation and impairment loss, if any. Amortisation 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.

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 2014

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.

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, other short term and highly liquid investment which have an insignificant risk of changes in value.

l) Impairment of Assets

i. Impairment of 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.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

An impairment loss in respect of unquoted equity instrument that is carried at cost 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 current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument are not reversed through profit or loss.

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. Impairment of 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.

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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.

The proceeds from the Rights Issue with Warrants is allocated to both Rights Share and Warrants using a reasonable and appropriate method of allocation.

The Warrant issued are recognised in the statements of financial position as "Warrant Reserve" at fair value as at the date of issuance and credited to "Warrant Reserve" account which is non-distributable. The "Warrant Reserve" will be transferred to "Share Capital" account upon the exercise of Warrants. The "Warrant Reserve" in relation to the unexercised Warrants will be transferred to "Share Capital" upon expiry of the exercise period of the Warrants.

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.

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:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

- Assets and liabilities for each statement of financial position are translated at the closing rates prevailing at the reporting date.
- ncome 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) 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.

q) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of goods and services rendered

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.

(ii) Dividend income

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

(iii) Interest income

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

(iv) Rental income

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.

(v) Management fee

Management fee is recognised on an accrual basis.

r) Employee Benefits

i. Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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.

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.

s) 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.

t) 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.

u) 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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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.

v) 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.

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.

w) 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 year.

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, if any.

x) 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.

y) Fair value measurement

From 1 January 2013, the Group adopted MFRS 13, Fair Value Measurement which prescribed that the fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

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);

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

- 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.

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. Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, which are descried in Note 3 to the financial statements above, the Directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for the matter discussed below:

(a) Capitalisation and amortisation of development expenditure

The Group follows the guidance of MFRS 138 Intangible Assets in determining the amount and nature of development expenditure to be capitalised and its subsequent amortisation. The assessment of the capitalisation criteria as disclosed in Note 3 (f) to the financial statements requires ongoing estimates on the future outcome of the development project. Any changes from the previous estimates will impact the initial and subsequent capitalisation of the development expenditure as well as its future amortisation changes.

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:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

- **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. Changes in assumptions could significantly affect the results of the Group's tests for impairment of investment in subsidiaries.

  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.

- **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.

  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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

- **Allowance for obsolescence in 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.

- **Valuation of warrants**
  The Company measures the value of the warrants by reference to the fair value at the date which they are granted. The proceeds from the Rights Issue with Warrants is allocated to both Rights Share and Warrants using a reasonable and appropriate method of allocation.

- **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 2014

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							
At 1 April 2013	4,633,515	18,550,279	22,762,341	1,117,923	2,286,469	3,015,891	52,366,418
Additions	3,170,583	-	1,544,382	183,500	117,754	582,282	5,598,501
Disposals	-	(1,380,000)	(40,245)	(140,353)	(121,803)	(154,032)	(1,836,433)
At 31 March 2014	7,804,098	17,170,279	24,266,478	1,161,070	2,282,420	3,444,141	56,128,486
Accumulated depreciation							
At 1 April 2013	303,263	2,793,194	16,167,846	928,964	1,854,009	2,342,214	24,389,490
Additions	28,830	319,873	1,638,388	65,492	177,796	207,116	2,437,495
Disposals	-	(244,835)	(40,243)	(140,351)	(120,403)	(115,700)	(661,532)
At 31 March 2014	332,093	2,868,232	17,765,991	854,105	1,911,402	2,433,630	26,165,453
Accumulated impairment loss							
At 1 April 2013/31 March 2014	95,164	-	-	-	-	-	95,164
At 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 1 April 2012/31 March 2013	95,164	-	-	-	-	-	95,164

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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

	Group 2014 RM	2013 RM
Carrying Amount		
Freehold land and buildings	7,376,841	4,235,088
Leasehold land and buildings	14,302,047	15,757,085
Plant, machinery and equipment	6,500,487	6,594,495
Motor vehicles	306,965	188,959
Office equipment	371,018	432,460
Furniture and fittings, renovation signboard	1,010,511	673,677
	29,867,869	27,881,764

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 2014 RM	2013 RM
Freehold land and buildings	6,781,676	3,639,923
Leasehold land and buildings	13,824,185	15,267,833
Other plant and equipment	582,106	662,520

b) Carrying amount of property, plant and equipment acquired under finance lease installment plans are:

	Group 2014 RM	2013 RM
Plant and machinery	1,125,900	1,788,367
Motor vehicles	295,618	189,755

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

6. INVESTMENT PROPERTY

	Freehold land RM	Freehold building RM	Total RM
Group			
At cost			
At 1 April 2012	1,000,000	800,000	1,800,000
Additions	-	-	-
At 31 March 2013	1,000,000	800,000	1,800,000
Disposal	(1,000,000)	(800,000)	(1,800,000)
At 31 March 2014	-	-	-
Accumulated depreciation			
At 1 April 2012	-	144,000	144,000
Charge during the financial year	-	16,000	16,000
At 31 March 2013	-	160,000	160,000
Charge during the financial year	-	12,000	12,000
Disposal	-	(172,000)	(172,000)
At 31 March 2014	-	-	-
Carrying amount			
2014	-	-	-
2013	1,000,000	640,000	1,640,000

The fair value of the investment property were estimated at RM3,500,000 as at 31 March 2013 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 RM81,658 (2013: RM108,000) and direct operating expenses incurred by the Group on the investment property during the financial year amounted to RM8,789 (2013: RM6,181).

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2014 RM	2013 RM
Unquoted shares - at cost	31,611,684	31,611,684

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

The details of the subsidiary companies are as follows:

Name of Subsidiary Companies	Effective Interest 2014 %	Effective Interest 2013 %	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. The Company has temporarily ceased business operations.
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.
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	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 2014

* *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 20 and registered in the name of Amsec Nominees (Tempatan) Sdn. Bhd..*

\# *The audited reports of this subsidiary contains qualification relating to the unrecognised estimated liabilities for employees' benefits in accordance with Labor Law No. 13/2003 in the republic of Indonesia.*

^ *Audited by other member firms of Ecovis International.*

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

Disposal of a subsidiary company

In previous financial year, 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 and was fully received during the financial year:

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

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

	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 last financial year are disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

8. INVESTMENT IN ASSOCIATED COMPANY

	Group 2014 RM	2013 RM
Unquoted shares - at cost	309,751	309,751
Share of post-acquisition results	(46,466)	(45,279)
Adjustment for exchange gain arising on year end translation of investment in foreign associated company	218,462	218,462
	481,747	482,934
Represented by:		
Share of net assets of associated company	529,241	530,428
Discount on acquisition	(47,494)	(47,494)
	481,747	482,934

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

Name of Company	Effective Group Interest 2014	2013	Principal Activities
Toyo Color Pte. Ltd.	50%	50%	Dealers, importers and exporters of printing ink and graphic products.

The summarised financial information of the associate is as follows:

	2014 RM	2013 RM
Assets and Liabilities		
Current assets	18,887	25,514
Non-current assets	1,143,166	1,099,429
Total assets	1,162,053	1,124,943
Current liabilities	28,440	27,352
Non-current liabilities	-	-
Total liabilities	28,440	27,352
Results		
Revenue	-	-
Loss for the financial year	(2,374)	(3,750)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

9. GOODWILL ON CONSOLIDATION

	Group 2014 RM	2013 RM
At cost/carrying amount	17,496,312	17,496,312

The goodwill on consolidation mainly arose from the acquisition of the following subsidiaries:

i) EDM-Tools (M) Sdn. Bhd.
ii) Elo Dunia Manufacturing (M) Sdn. Bhd.
iii) Inmac EDM-Tools (M) Sdn. Bhd.
iv) EDM-Tools (Penang) Sdn. Bhd.

The amount of goodwill initially recognised is dependent upon the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed.

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:

	2014 %	2013 %
Gross margin	7 - 30	13 - 26
Growth rate	3 - 21	9 - 13
Discount rate	6	6

Terminal value

Terminal value was imputed in the computation of the 5-years cash flow forecast. The terminal value is calculated based on the cash flows at the end of the fifth year with a growth rate of 1%.

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

Sensitivity to changes in assumption

The following provides sensitivities related to the significant estimates and assumptions as noted above:

- a 5% decrease in the gross margin would result in a RM17 million increase in the impairment charges;
- a 5% decrease in the growth rate would result in a RM1.8 million increase in the impairment charges;

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

10. DEVELOPMENT EXPENDITURE

	Group 2014 RM	2013 RM
At 1 April	86,228,925	2,425,684
Addition	37,940,859	1,505,451
Transfer (Note 13)	-	82,297,790
At 31 March	124,169,784	86,228,925

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 RM45,405,600 (2013: RM56,107,600) as disclosed in Note 23 and from certain Directors of the Company of RM NIL (2013: 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:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

- 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.

- 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.

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 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 ("MOU") 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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

On 1 August 2013, the Company signed a MOU with the MOIT for the development of the Project on a BOT basis.

Further to the MOU signed on 1 August 2013, the MOIT had given approval on 18 February 2014 to the Company's Feasibility Study Report of Works Construction Investment Project of the Project.

Subsequent to the financial year end, the Company had executed a Principles of Project Agreements with the MOIT on 5 June 2014, which sets out the general principles for negotiation and finalisation of the project documents in relation to the Project.

The management is currently in the midst of negotiations for the BOT Agreement, Power Purchase Agreement and Coal Supply Agreement as well as the other project agreements with the respective authorities and government agencies of Vietnam.

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 respective 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	
	2014 RM	2013 RM
Raw materials	4,536,916	4,905,136
Finished goods	3,804,796	3,501,928
Goods in transit	973,812	314,520
Trading merchandise	5,558,594	5,484,103
	14,874,118	14,205,687

12. TRADE RECEIVABLES

	Group	
	2014 RM	2013 RM
Trade receivables	20,320,379	20,405,433
Allowance for impairment losses	(337,884)	(432,354)
	19,982,495	19,973,079

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

Ageing analysis of trade receivables

	Group 2014 RM	2013 RM
Neither past due nor impaired	10,060,095	10,153,751
Past due 1 to 30 days	4,362,930	3,874,736
Past due 31 to 60 days	3,035,344	2,756,786
Past due 61 to 90 days	1,198,121	1,467,133
Past due 91 to 120 days	990,693	1,527,668
Past due more than 121 days	673,196	625,359
	10,260,284	10,251,682
Impaired	(337,884)	(432,354)
Total trade receivables, net	19,982,495	19,973,079

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 RM9,922,400 (2013: RM9,819,328) 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:

	Group Individually impaired 2014 RM	2013 RM
Trade receivables		
-nominal amounts	337,884	432,354
Allowance for impairment	(337,884)	(432,354)
	-	-

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

Movement in allowance accounts:

	Group 2014 RM	2013 RM
At 1 April	432,354	591,224
Charge for the financial year	77,916	71,019
Reversal during the financial year	(56,629)	(229,889)
Allowance written off	(115,757)	-
At 31 March	337,884	432,354

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2014 RM	2013 RM	Company 2014 RM	2013 RM
Other receivables	218,954	5,648,759	95,000	-
Deposits	2,109,125	2,878,147	-	-
Prepayments	442,442	783,516	-	315,507
	2,770,521	9,310,422	95,000	315,507

Other receivables
Other receivables of the Group are unsecured, interest free and repayable on demand. In previous financial year, included in other receivables is an amount of RM4,185,000 for the disposal of a subsidiary as disclosed in Note 7 to the financial statement, which has been fully received during the financial year.

Deposits
Included in deposits is an amount of RM1,795,000 (2013: RM1,795,000) paid for the acquisition of two pieces of freehold land as disclosed in Note 34 to the financial statements.

Prepayment
In previous financial year, the Group has transferred an amount of prepayment of RM82,297,790 to development expenditure as disclosed in Note 10 to the financial statements, 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

The amount owing by a subsidiary company represented non-trade transactions which are unsecured, non-interest bearing and repayable on demand.

15. SHORT TERM DEPOSITS WITH A LICENSED BANK

The interest rate of the short term deposits with a licensed bank at the reporting date is 2.90% (2013: 2.90%) per annum.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

16. SHARE CAPITAL

	Group and Company			
	2014 No. of shares	RM	2013 No. of shares	RM
Ordinary shares of RM1 each:				
Authorised				
At 1 April	250,000,000	250,000,000	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	250,000,000	250,000,000
Issued and fully paid				
At 1 April	42,800,000	42,800,000	42,800,000	42,800,000
Issued during the year :				
- Rights issue	42,800,000	42,800,000	-	-
- Bonus issue	21,400,000	21,400,000	-	-
	107,000,000	107,000,000	42,800,000	42,800,000
Allocation of value to warrant reserve (Note 17)	-	(8,132,000)	-	-
At 31 March	107,000,000	98,868,000	42,800,000	42,800,000

During the financial year, the issued and paid-up share capital of the Company was increased from RM42,800,000 to RM107,000,000 by way of issuance of 64,200,000 new ordinary shares of RM1.00 each pursuant to the completion of the following corporate exercise on 30 April 2013:

(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"); and

(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 renounce(s) pursuant to the Rights Issue with Warrants.

These newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

17. RESERVES

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Non- distributable					
Share premium	17a	-	4,320,938	-	4,320,938
Translation reserve	17b	153,095	195,848	-	-
Warrant reserve	17c	8,132,000	-	8,132,000	-
		8,285,095	4,516,786	8,132,000	4,320,938
Distributable					
Retained profits	17d	14,692,497	19,038,078	1,039,972	10,547,596
		22,977,592	23,554,864	9,171,972	14,868,534

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

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

Notes

17a Share premium represents premium from allotment of shares by the Company, net of listing expenses.

17b Translation reserve represents all foreign exchange differences arising from translation of investment in foreign subsidiary companies and associate.

17c The Warrants which are issued with the Rights Shares are immediately detached upon issuance and are separately traded.

The Warrants are constituted by the deed poll dated 3 January 2013 (“Deed Poll”).

Fair values from the issuance of Warrants are credited to warrant reserves which is non-distributable. In arriving at the related fair values, the fair values of the Rights Shares and Warrants were proportionately adjusted to the issue price of RM1.20 per Rights Shares.

When the Warrants are exercised or expired, the warrant reserve will be reversed, to the extent that such exercise of warrants is of significant quantity.

The outstanding Warrants during the financial year ended 31 March 2014 are stated as below:

	Number of Warrants				
	AT 1.4.2013	Allotted	Exercised	Expired	AT 31.3.2014
Warrants	-	42,800,000	-	-	42,800,000

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

Salient features of the Warrants are as follows:

(i) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share of RM1.00 each in the Company at the exercise price of RM1.50 during the 5-year period expiring on 22 April 2018 ("Exercise Period"), subject to the adjustments in accordance with the Deed Poll constituting the Warrants;

(ii) At the expiry of the Exercise Period, any Warrants which have not been exercised shall automatically lapse and cease to be valid for any purpose;

(iii) The new shares to be issued upon the exercise of the Warrants shall, upon issue and allotment, rank pari passu in all respects with the then existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared by the Company, which entitlement date thereof precedes the allotment date of the new shares to be issued pursuant to the exercise of the warrants;

(iv) For purpose of trading on Bursa Securities, a board lot for the Warrants shall be one hundred (100) or such other number of units as may be prescribed by Bursa Securities from time to time; and

(v) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the laws and regulations of Malaysia

As of 23 July 2014, 42,800,000 Warrants remained unexercised.

17d Under the single-tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

18. 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.

19. FINANCE LEASE LIABILITIES

	Group 2014 RM	2013 RM
Minimum lease payments		
- within 1 year	827,898	989,037
- between 1 to 2 years	104,173	824,157
- between 2 to 5 years	91,572	25,152
	1,023,643	1,838,346
Less: Future interest charges	(45,902)	(92,761)
Present value of minimum lease payments	977,741	1,745,585
Repayable as follows:		
Current - within 1 year	795,578	921,739
Non-current		
- between 1 to 2 years	97,361	799,436
- between 2 to 5 years	84,802	24,410
	182,163	823,846
	977,741	1,745,585
Interest rate per annum (%)	2.70 - 3.30	2.70 - 3.30

Interest rate is fixed at the inception of the finance lease arrangements. The finance lease liabilities are effectively secured on the rights of the asset under finance lease.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

20. BANK BORROWINGS

	Group 2014 RM	2013 RM
Repayable within 12 months		
Unsecured		
Bankers' acceptances	1,288,000	5,712,000
Bank overdrafts	5,867,638	6,196,771
	7,155,638	11,908,771
Secured		
Bills payable	5,711,920	-
Bankers' acceptances	7,484,000	11,422,000
Bank overdrafts	4,950,078	5,493,142
Term loans	275,362	169,883
	18,421,360	17,085,025
	25,576,998	28,993,796
Repayable after 12 months		
Term loans – secured	2,259,427	366,502
Total borrowings	27,836,425	29,360,298

The average effective interest rates of the borrowings range 5.00 to 8.10 (2013: 5.00 to 8.10) percent per annum and are secured as follows:

a. Charges over the freehold and leasehold land and buildings of certain subsidiary companies.
b. Negative pledge by a subsidiary company.
c. Execution of the General Security Agreement Relating to Assets.
d. 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
e. a. Corporate guarantee of the Company for certain subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

21. DEFERRED TAX LIABILITIES

	Group 2014 RM	2013 RM
At beginning of financial year	2,729,467	2,632,056
Recognised in profit or loss (Note 27)	(779,426)	97,411
At end of financial year	1,950,041	2,729,467

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

	Group 2014 RM	2013 RM
Excess of capital allowance over corresponding depreciation of property, plant and equipment	1,950,041	2,761,957
Other deductible temporary differences	-	(32,490)
	1,950,041	2,729,467

Unrecognised deferred tax assets

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

Group	2014 RM	2013 RM
Property, plant and equipment	(755,449)	(619,317)
Tax incentives	894,812	1,290,298
Unabsorbed capital allowances	679,214	419,482
Unutilised tax losses	962,128	652,066
	1,780,705	1,742,529
Unrecognised deferred tax assets at 24% (2013: 25%)	427,369	435,632

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.

22. TRADE PAYABLES

Trade payables of the Group are non-interest bearing and are generally on 60 to 150 (2013: 60 to 150) days terms.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

23. OTHER PAYABLES AND ACCRUALS

	Group		Company-	
	2014	**2013**	**2014**	**2013**
Other payables	45,836,615	57,505,288	-	-
Accruals	1,274,852	1,041,460	72,144	146,575
Deposits	400	18,400	-	-
	47,111,867	58,565,148	72,144	146,575

The amount owing to other payables is unsecured, non-interest bearing 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	
	2014	**2013**
Advances received	45,405,60	56,107,600

24. AMOUNT OWING TO DIRECTORS

The amount owing to Directors is unsecured, non-interest bearing and repayable on demand.

25. REVENUE

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Sales of goods	85,869,767	85,897,638	-	-
Management fee	-	-	240,000	240,000
Dividend income	-	-	-	1,119,615
	85,869,767	85,897,638	240,000	1,359,615

Included in sales of goods, there is an additional charge totalling RM2,180,003 to a former subsidiary of the Company, Total Young Ink Vietnam Co., Ltd. for the goods sold in year 2007 to year 2011.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

26. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2014	2013	2014	2013
Profit/(Loss) before tax is arrived after charging:	RM	RM	RM	RM
Allowance for impairment of trade receivables	77,916	71,019	-	-
Auditors' remuneration				
- statutory				
- current financial year	150,502	137,749	22,000	22,000
- under provision in prior financial year	1,000	1,000	-	-
- non-statutory	9,000	9,500	9,000	9,500
Bad debts written off	19,045	5,635	-	-
Depreciation of investment property	12,000	16,000	-	-
Depreciation of property, plant and equipment	2,437,495	2,348,229	-	-
Interest expense	1,608,966	1,894,356	-	-
- finance lease	69,954	113,478	-	-
- bank overdraft	730,213	818,264	-	-
- bankers' acceptance	748,640	885,893	-	-
- term loan	48,008	49,187	-	-
- letter of credit	12,151	25,503	-	-
- others	-	2,031	-	-
Loss on foreign exchange				
- realised, net	80,780	332,064	-	-
Plant and equipment written off	38,933	763	-	-
Rental of premises	161,290	85,147	-	-
Rental of vehicles	78,309	3,036	-	-
Staff and labour costs	12,098,320	11,216,560	145,625	140,000
and after crediting:				
Bad debts recovered	58,596	83,144	-	-
Dividend income	-	-	-	1,119,615
Gain on disposal of property, plant and equipment	1,305,732	21,545	-	-
Gain on disposal of investment property	1,872,000	-	-	-
Gain on foreign exchange				
- unrealised, net	36,737	4,646	-	-
Grant received	32,000	18,905	-	-
Interest income	10,604	7,259	-	-
- licensed bank	9,908	2,722	-	-
- short term deposit	526	509	-	-
- third party	170	4,028	-	-
Management fee	-	-	240,000	240,000
Rental income	81,658	108,000	-	-
Reversal of allowance for impairment of trade receivables	56,629	229,889	-	-
Staff and labour costs comprise:				
Directors' remuneration	1,590,667	1,592,860	145,625	140,000
Salaries, wages, allowance, overtime and bonus	9,425,651	8,636,667	-	-
EPF	989,323	945,080	-	-
Socso	92,679	94,453	-	-
	12,098,320	11,269,060	145,625	140,000
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	1,273,860	1,365,690	58,125	52,500
- EPF	51,305	127,846	-	-
- Socso	38,002	1,824	-	-
	1,590,667	1,592,860	145,625	140,000

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

At the end of the financial year, the Group and the Company have 244 employees (2013: 254) and 8 (2013: 7) employees respectively.

The monetary value of Directors' benefit-in-kind is RM62,000 (2013: RM62,000).

27. INCOME TAX EXPENSE

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current tax expense				
- current financial year	(1,153,378)	(930,981)	(1,000)	(301,798)
- over provision in prior financial year	24,455	36,740	10,599	-
- real property gain tax	(118,000)	-	-	-
	(1,246,923)	(894,241)	9,599	(301,798)
Deferred tax expense (Note 21)				
- current financial year	456,078	87,505	-	-
- over/(under) provision in prior financial year	323,348	(184,916)	-	-
	779,426	(97,411)	-	-
Tax (expense)/income for the	-	-	-	-
financial year	(467,497)	(991,652)	9,599	(301,798)

The Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated taxable profit for the financial year.

In the Budget Speech 2014, the Government announced that the domestic corporate tax rate would be reduced to 24% from the current year's rate of 25% with effect from year of assessment 2016. The computation of deferred tax as at 31 March 2014 has reflected these changes.

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 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Profit/(Loss) before tax excluding share of results in associate	5,437,685	1,974,716	(285,237)	945,662
Tax at statutory tax rate of 25% (2013: 25%)	(1,359,421)	(493,679)	71,309	(236,416)
Tax effects in respect of:				
Depreciation on non-qualifying property, plant and equipment and investment property	(84,930)	(179,581)	-	-
Non-allowable expenses	(218,473)	(360,327)	(72,309)	(65,382)
Deferred tax assets not recognised during the financial year	(117,606)	(38,262)	-	-
Effect of changes in tax rates on opening balance of deferred tax	80,847	-	-	-
Effect of tax on foreign jurisdiction	(7,778)	1,040	-	-
Income not subject to income tax	853,536	78,826	-	-
Tax incentives	158,063	146,275	-	-
Real property gain tax	(118,000)	-	-	-
Utilisation of previously unrecognised tax losses	14,965	2,232	-	-
Others	(16,503)	-	-	-
Over provision of current tax in prior financial years	24,455	36,740	10,599	-
Under provision of deferred tax in prior financial years	323,348	(184,916)	-	-
Tax expense for the financial year excluding share of taxation in associated company	(467,497)	(991,652)	9,599	(301,798)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

28. DISCONTINUED OPERATION

In previous financial year, the Group has disposed of its foreign subsidiary, Citi Ink Manufactured Joint Venture Co., Ltd.. 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
Results of discontinued operation	
Gain on disposal of discontinued operation	414,410
Cash flows from discontinued operatio	
Net cash from investing activity	4,369,460
Net cash flows	4,369,460

29. BASIC 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
	2014 RM	2013 RM
Profit attributable to ordinary shareholders of the Company		
Continuing operations	4,886,405	932,853
Discontinued operation	-	248,646
	4,886,405	1,181,499
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	42,800,000	42,800,000
Effect of bonus share issued	19,616,667	-
Effect of ordinary shares issued during the financial year	39,233,333	-
	101,650,000	42,800,000
Basic earnings per ordinary share (sen)		
Continuing operations	4.81	2.18
Discontinued operation	-	0.58
	4.81	2.76

Diluted earnings per ordinary share

The diluted earnings per ordinary share amounts is calculated by dividing profit attributable to ordinary shareholders by a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares comprising Warrants.

The Warrants are anti-dilutive for the financial year as the Warrants exercise price is higher than the average market price of the Company shares during the financial year. Accordingly, the exercise of Warrants has been ignored in the calculation of dilutive earnings per ordinary share. Therefore, the diluted earnings per ordinary shares is the same as basic earnings per ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

30. 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 on terms agreed between the parties during the financial year:

	Group		Company	
	2014 RM	2013 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	5,528	2,381	-	-

	Company	
	2014 RM	2013 RM
Transactions with subsidiary company		
Toyo Ink Sdn. Bhd.		
- management fee income	240,000	240,000
- dividend income	-	1,119,615

31. CORPORATE GUARANTEE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Corporate guarantee for banking facilities extended to subsidiary companies				
- unsecured	69,665,000	69,665,000	65,890,000	65,890,000

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.

32. 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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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.

The Directors of the Group are of the opinion that all inter-segment transactions have taken place on terms agreed between the parties during the financial year.

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.

2014

Business Segments	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	Consolidated RM
Revenue				
External	55,970,993	29,898,774	-	85,869,767
Inter-segment	19,695,328	3,704,991	(23,400,319)	-
Total	75,666,321	33,603,765	(23,400,319)	85,869,767
Results				
Segment results	(6,524,423)	13,664,741	-	7,140,318
Finance costs	(1,041,846)	(660,787)	-	(1,702,633)
Share of results in associated company	-	(1,188)	-	(1,188)
Taxation	-	-	-	(467,497)
Non-controlling interests	-	-	-	(82,595)
Profit for the financial year				4,886,405
Other information				
Segment assets	173,933,196	22,736,252	-	196,669,448
Associated company	-	-	-	481,747
Unallocated corporate assets	-	-	-	17,845,508
Consolidated segment assets	-	-	-	214,996,703
Segment liabilities	55,260,613	2,222,913	-	57,483,526
Unallocated corporate liabilities	-	-	-	31,653,414
Consolidated segment liabilities	-	-	-	89,136,940
Capital expenditure	2,152,488	3,446,013	-	5,598,501
Depreciation	2,190,782	258,713	-	2,449,495

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

2013

Business Segments	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	Consolidate 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 interest	-	-	-	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

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.

	Revenue from external Customers by location of Customers		Segment assets by location of assets		Capital expenditure by location of assets	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Continuing operations						
Malaysia	83,403,252	85,609,669	192,219,419	158,746,633	3,726,300	2,163,456
Indonesia	2,466,515	287,970	4,450,029	4,155,913	1,872,201	33,334
	85,869,767	85,897,639	196,669,448	162,902,546	5,598,501	2,196,790

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

33. FINANCIAL INSTRUMENTS

a. Classification of Financial Instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loan and receivables			
	Group		Company	
Financial assets	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Receivables and deposits	22,310,574	28,499,985	76,539,655	25,081,258
Cash and cash equivalents	5,004,661	3,662,669	12,793	940,412
	27,315,235	32,162,654	76,552,448	26,021,670

	Finance liabilities at amortised cost			
	Group		Company	
Financial liabilities	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Payables and accruals	57,483,526	77,060,888	145,064	321,575
Borrowings	28,814,166	31,105,883	-	-
	86,297,692	108,166,771	145,064	321,575

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 following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks:

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"), Indonesian Rupiah ("IDR"), 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 2014

Group	USD RM	SGD RM	IDR RM	CHF RM	JPY RM	EUR RM	Total RM
2014							
Financial assets							
Trade receivables	3,812,119	390,877	333,257	-	-	173,878	4,710,131
Other receivables	-	-	59,743	-	-	-	59,743
Cash and bank balances	2,797,412	56,411	88,891	-	-	4,571	2,947,285
Financial Liabilities							
Trade payables	(3,278,663)	(6,666)	(117,437)	(523,568)	(192,700)	(267,488)	(4,386,522)
Other payables	(302,757)	-	(135,295)	-	(7,110)	-	(445,162)
Net exposure	3,028,111	440,622	229,159	(523,568)	(199,810)	(89,039)	2,885,475
2013							
Financial Assets							
Trade receivables	2,011,529	338,145	75,987	-	-	336,552	2,762,213
Other receivables	4,185,000	-	2,240,571	-	-	-	6,425,571
Cash and bank balances	650,936	53,431	-	-	-	143,973	848,340
Financial Liabilities							
Trade payables	(4,233,568)	(50,628)	-	(360,372)	(163,369)	(208,659)	(5,016,596)
Other payables	(293,434)	-	(82,196)	-	(13,588)	-	(389,218)
Net exposure	2,320,463	340,948	2,234,362	(360,372)	(176,957)	271,866	4,630,310

A 10% depreciation/appreciation of the foreign currencies against RM would result in an approximate decrease/increase in pre-tax profit by RM288,548 (2013: RM463,031) 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 interest 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.

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

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 are disclosed in their respective notes:

	Note	2014 RM	2013 RM
Group			
Fixed rate instruments			
Financial assets:			
Short term deposits with a licensed bank	15	18,369	17,843
Financial liabilities:			
Finance lease liabilities	19	(977,741)	(1,745,585)
Floating rate instruments			
Financial liabilities:			
Bills payable	20	(5,711,920)	-
Bankers' acceptances	20	(8,362,000)	(17,134,000)
Bank overdrafts	20	(11,227,716)	(11,689,913)
Term loans	20	(2,534,789)	(536,385)

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 RM27,836 (2013: RM29,360). 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 2014, 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 2014

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 2014

Group	Carrying Amount RM	Contractual Cash Flows RM	On demand or within one year RM	One to five years RM	More than 5 years RM
Financial liabilities:					
2014					
Trade payables	10,151,739	10,151,739	10,151,739	-	-
Other payables	47,111,867	47,111,867	47,111,867	-	-
Amount owing to Directors	219,920	219,920	219,920	-	-
Borrowings					
- Finance lease liabilities	977,741	1,023,643	827,898	104,173	91,572
- Bankers' acceptances	8,362,000	8,362,000	8,362,00	-	-
- Bank overdrafts	11,227,716	11,227,716	11,227,716	-	-
- Bills payable	5,711,920	5,711,920	5,711,920	-	-
- Term loans	2,534,789	2,534,789	275,362	2,259,427	-
	86,297,692	86,343,594	83,888,422	2,363,600	91,572
2013					
Trade payables	12,240,740	12,240,740	12,240,740	-	-
Other payables	58,565,148	58,565,148	58,565,148	-	-
Amount owing to Directors	6,255,000	6,255,000	6,255,000	-	-
Borrowings					
- Finance lease liabilities	1,745,585	1,838,346	989,037	824,157	25,152
- Bankers' acceptances	17,134,000	17,134,000	17,134,000	-	-
- Bank overdrafts	11,689,913	11,689,913	11,689,913	-	-
- Term loans	536,385	536,385	169,883	366,502	-
	108,166,771	108,259,532	107,043,721	1,190,659	25,152

Company	Carrying Amount RM	Contractual Cash Flows RM	On demand or within one year RM	One to five years RM	More than 5 years RM
Financial liabilities					
2014					
Other payables	72,144	72,144	72,144	-	-
Amount owing to Directors	72,920	72,920	72,920	-	-
	145,064	145,064	145,064	-	-
2013					
Other payables-	146,575	146,575	146,575	-	-
Amount owing to Directors	175,000	175,000	175,000	-	-
	321,575	321,575	321,575	-	-

c. **Fair value**
The accounting policies applicable to the major financial assets and liabilities are as disclosed in Note 3.

i. **Financial assets**
The Group and the Company's principal financial assets are cash and bank balances, deposits with licensed banks and receivables.

ii. **Financial liabilities**
Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual agreement.

Significant financial liabilities include borrowings and payables.

The carrying amount of financial assets and liabilities of the Group and of the Company as at the reporting date approximate their fair values except for the following:

Group		2014		2013
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Finance lease liabilities	977,741	974,819	1,745,585	1,736,708

The fair values of finance lease liabilities are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As the financial assets and liabilities of the Group and the Company are not carried at fair value by any valuation method, therefore fair value hierarchy analysis is not presented.

34. CAPITAL COMMITMENT

		Group
	2014 RM	2013 RM
Contracted but not provided for:		
Property, plant and equipment	7,277,031	7,177,600

35. SIGNIFICANT EVENTS

35.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a. As announced by the Company on 30 April 2013, the corporate transactions of renounceable rights issue with free new detachable warrants and bonus issue 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. a) 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 has been approved by the shareholders of the Company at the Extraordinary General Meeting on 20 August 2013.

e. a) On 1 August 2013, the Company signed a Memorandum of Understanding ("MOU") with the Ministry of Industry and Trade of Vietnam for the development of the Song Hau 2 Thermo Power Plant Project (as disclosed in Note 10) on a Build-Operate-Transfer ("BOT") basis.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

f. On 9 January 2014, two wholly-owned subsidiaries of the Company, Toyo Ink Sdn. Bhd. and Toyo Photo Products Sdn. Bhd. had entered into Sales and Purchase Agreement with Shen & Sons Sdn. Bhd.. (Co. No. 15514-D) for the sale of the following properties for a total consideration of RM5,900,000:

   i. a piece of leasehold land held under PN4360, Lot 376 Seksyen 32, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor, measuring approximately 702.4169 square metres together with one 1 ½ storey detached factory bearing postal address of Lot 8244, Lorong 51A/222B, Section 51A, 46100 Petaling Jaya, Selangor Darul Ehsan for a consideration of RM2,400,000; and

   ii. a piece of freehold land held uner HSD 23895, PT9407, Mukim Damansara, Daerah Petaling, Negeri Selangor together with a 1 ½ storey detached storey factory bearing postal address of No. 3, Jalan SS 13/6B, Subang Jaya Industrial Estate, 47500 Shah Alam, Selangor Darul Ehsan for a consideration of RM3,500,000.

g. Further to the MOU signed on 1 August 2013, the MOIT had given approval on 18 February 2014 to the Company's Feasibility Study Report of Works Construction Investment Project of Song Hau 2 Thermo Power Plant.

35.2 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

Subsequent to the financial year end, the Company had executed a Principles of Project Agreements with the MOIT on 5 June 2014, which sets out the general principles for negotiation and finalisation of the project documents in relation to the Song Hau 2 Thermo Power Plant Project.

36 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 had reserved her decision until 19 July 2013.

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

Subsequently, the Plaintiff had served a Notice of Appeal on 16 August 2013 to the Court of Appeal. The Court of Appeal had fixed the date for the case management to be held on 12 September 2013, 16 January 2014 and 13 February 2014.

On 13 February 2014, the Court of Appeal had dismissed the appellant's case with cost of RM15,000.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2014

37. 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
	2014 RM	2013 RM
Trade and other payables	57,263,606	70,805,888
Finance lease liabilities	977,741	1,745,585
Bank borrowings	27,836,425	29,360,298
Less: Cash and bank balances	(5,004,661)	(3,662,669)
Net debt	81,073,111	98,249,102
Total equity	125,859,763	70,286,440
Total net debt and equity	206,932,874	168,535,542
Debt to equity ratio	39%	58%

38. 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 year 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 profits of the Group and of the Company as at financial year end are as follows:

		Group		Company
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings				
- realised	16,625,504	21,749,563	1,039,972	10,547,596
- unrealised	(1,950,041)	(2,729,467)	-	-
	14,675,463	19,020,096	1,039,972	10,547,596
Total share of accumulated losses from associated company				
- realised	(46,466)	(45,279)	-	-
- unrealised	-	-	-	-
	14,628,997	18,974,817	1,039,972	10,547,596
Consolidation adjustments	63,500	63,261	-	-
Total group retained earnings as per consolidated financial statements	14,692,497	19,038,078	1,039,972	10,547,596

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 2014

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	:	1334

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	310	23.24	1,033	0.00
100 to 1,000	290	21.74	142,029	0.13
1,001 to 10,000	395	29.61	2,131,760	2.00
10,001 to 100,000	261	19.56	8,457,655	7.90
100,001 and below 5% of issued shares	72	5.40	45,356,922	42.39
5% and above of issued shares	6	0.45	50,910,601	47.58
TOTAL	**1,334**	**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 2014

No.	Name	No. Of Shares Held	%
11.	Tan Yu Yeh	3,040,000	2.84
12.	Foo Fong Lee	2,473,437	2.31
13.	Ng Chong You	2,106,000	1.97
14.	Ng Tze Woei	1,628,600	1.52
15.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Lau Yen Bin (8070548)]*	1,566,700	1.46
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 Ooi Chong Chuan]*	479,250	0.45
25.	RHB Nominees (Tempatan) Sdn. Bhd. [Beneficiary: Pledged Securities Account for Ng Siyu Lian]	478,500	0.45
26.	Maybank Nominees (Tempatan) Sdn. Bhd. [Beneficiary:Yap Chiat Bine]	459,400	0.43
27.	Bon Nyon	402,250	0.38
28.	Song Kok Cheong	376,525	0.35
29.	Affin Nominees (Tempatan) Sdn. Bhd [Beneficiary: Pledged Securities Account for Lee Lian Seng].	365,000	0.34
30.	Johstar The Plastic Man (M) Sdn. Bhd.	360,000	0.34
		86,497,304	**80.84**

ANALYSIS OF SHAREHOLDINGS as at 6 AUGUST 2014

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	11,302,525	10.56	391,726	0.37
3. Fong Po Yin	291,726	0.27	11,402,525	10.66
4. Ng Chong You	6,310,043	5.90	1,718,600	1.61
5. Ling Ha Kee	90,000	0.08	7,938,643	7.42
6. Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98	-	-
7 Ng Lu Siong @ Ng Soon Huat	155,555	0.15	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 2014

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	11,302,525	10.56	391,726	0.37
3. Lim Guan Lee	11,448,204	10.70	119,000	0.11
4. Song Hsiao May (alternate director to Song Kok Cheong)	-	-	100,000	0.09
5. Tham Kut Cheong	-	-	-	-
6. You Tong Lioung @ Yew Tong Leong	-	-	-	-
7. Lim Soek Fun (Lin ShuFen) (alternate director to Lim Guan Lee)	-	-	-	-

ANALYSIS OF WARRANT HOLDINGS as at 6 August 2014

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	:	323

ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrant holders	%	No. of Warrant Held	%
Less than 100	1	0.31	25	0.00
100 to 1,000	21	6.50	15,500	0.04
1,001 to 10,000	133	41.18	854,800	2.00
10,001 to 100,000	124	38.39	4,982,822	11.64
100,001 to less than 5% of issued warrants	32	9.91	7,377,050	17.24
5% and above of issued warrants	12	3.72	29,569,803	69.09
	323	**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.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Song Kok Cheong (Margin)	1,420,400	3.32
10.	Ng Chong You	1,404,000	3.28

ANALYSIS OF WARRANT HOLDINGS as at 6 August 2014

	Name	No. of Warrants Held	%
11.	Tan Yu Yeh	1,280,000	2.99
12.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Chong You (Margin)	1,200,000	2.80
13.	Song Kok Cheong	752,900	1.76
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd. Pledged securities account for Song Kok Cheong (8073295)	550,000	1.29
15.	Foo Fong Lee	548,650	1.28
16.	Lee Chee Beng	500,000	1.17
17.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Tan Sun Ping	415,400	0.97
18.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Lau Yen Bin (8070548)	378,000	0.88
19.	Fong Yuet Pen	285,000	0.67
20.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chan Pooi Chuen (margin)	276,800	0.65
21.	Tung Pui Hiew	262,000	0.61
22.	Pang Sai Chun	250,000	0.58
23.	Sim Mui Khee	250,000	0.58
24.	Ng Ho Fatt	210,000	0.49
25.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Siyu Lian	199,400	0.47
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ooi Chong Chuan	183,700	0.43
27.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chiew Hoon Len (013)	175,500	0.41
28.	Bong Nyon	160,900	0.38
29.	TA Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chua Mee Keow	150,000	0.35
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary : Ooi Chong Chuan	145,000	0.34
		35,263,053	**82.39**

LIST OF PROPERTIES as at 31 MARCH 2014

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (sq / ft)	Built-up Area (sq / ft)	Net Book Value as at 31/3/2014	Date of Acquisition*/ Valuation**
1	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	11 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	11,058,027	10 Sept 2012**
2	Lot No. 64200 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	20 years	Freehold	3,091	2,400	421,600	27 Aug 2002**
3	Lot No. 64199 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	20 years	Freehold	3,091	2,400	382,959	23 July 2002**
4	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	40 years	90 years leasehold expiring on 16 th January 2067	24,590	13,704	1,739,062	17 Sept 2002**
5	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 buildings	19 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	224,609 and 224,609	22 Aug 2002**
6	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	21 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	288,940 and 288,940	22 Aug 2002**
7	Lot No.5952, Mukim Bachang Daerah Melaka Tengah Melaka	1 1/2 storey terrace factory	18 years	99 years leasehold expiring on 18th May 2095	1,920	1,920	173,303	31 May 2005*
8	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	10 years	Freehold	22,000	15,000	2,457,243	24 Apr 2002* 5 Jan 2005**
9	H.S.(D) 61625 Lot No. PT 11380 , Mukim Petaling, State of Selangor	1 1/2 storey semi detached light industrial factory	13 years	Freehold	8,396	4,376	987,557	3 Sept 2001* 5 jan 2005**
10	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	23 years (base on OC)	Freehold	2,820	2,610	261,457	10 Oct 1999* 28 Oct 2004**
11	H.S.(D) 207907, PT No 6379 Bandar Sri Sendayan Daerah Seremban, Negeri Sembilan	Vacant Industrial Land	N/A	Freehold	103,829	N/A	3,170,583	21 June 2013*
					Grand Total		18,508,304	

CHAI KWOK SANG
No.7, Jalan BSL 1/3
Bukit Sg. Long , Cheras
43000 Kajang
Selangor

Annexure A

Date: 5 August 2014

The Board of Directors
TOYO INK GROUP BERHAD
Lot 4.100, Tingkat 4,
Wisma Central, Jalan Ampang,
50450 Kuala Lumpur.

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate **Messrs.UHY** for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, **Messrs. Ecovis AHL**:-

"That **Messrs UHY** be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, **Messrs. Ecovis AHL**, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully,

……………………………………
CHAI KWOK SANG

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 TWELFTH 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 Monday, 22 September 2014, 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 approve Directors' fees		
2.	Re-election of Mr. Lim Guan Lee as Director		
3.	Re-appointment of Mr. You Tong Lioung @ Yew Tong Leong as Director		
4.	To appoint Messrs. UHY as Auditors of the Company in place of Messrs. Ecovis AHL		
5.	Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
6.	Ordinary Resolution 2 - Continuing in office for Mr. Tham Kut Cheong as Independent Non-Executive Director		
7.	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 ________________________ 201

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.*

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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 15 September 2014 (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

Then fold here

AFFIX
STAMP
HERE

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

First fold here

Address : PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.
Tel: 603-8942 3335 Fax: 603-8942 1161 email: toyoink@po.jaring.my

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