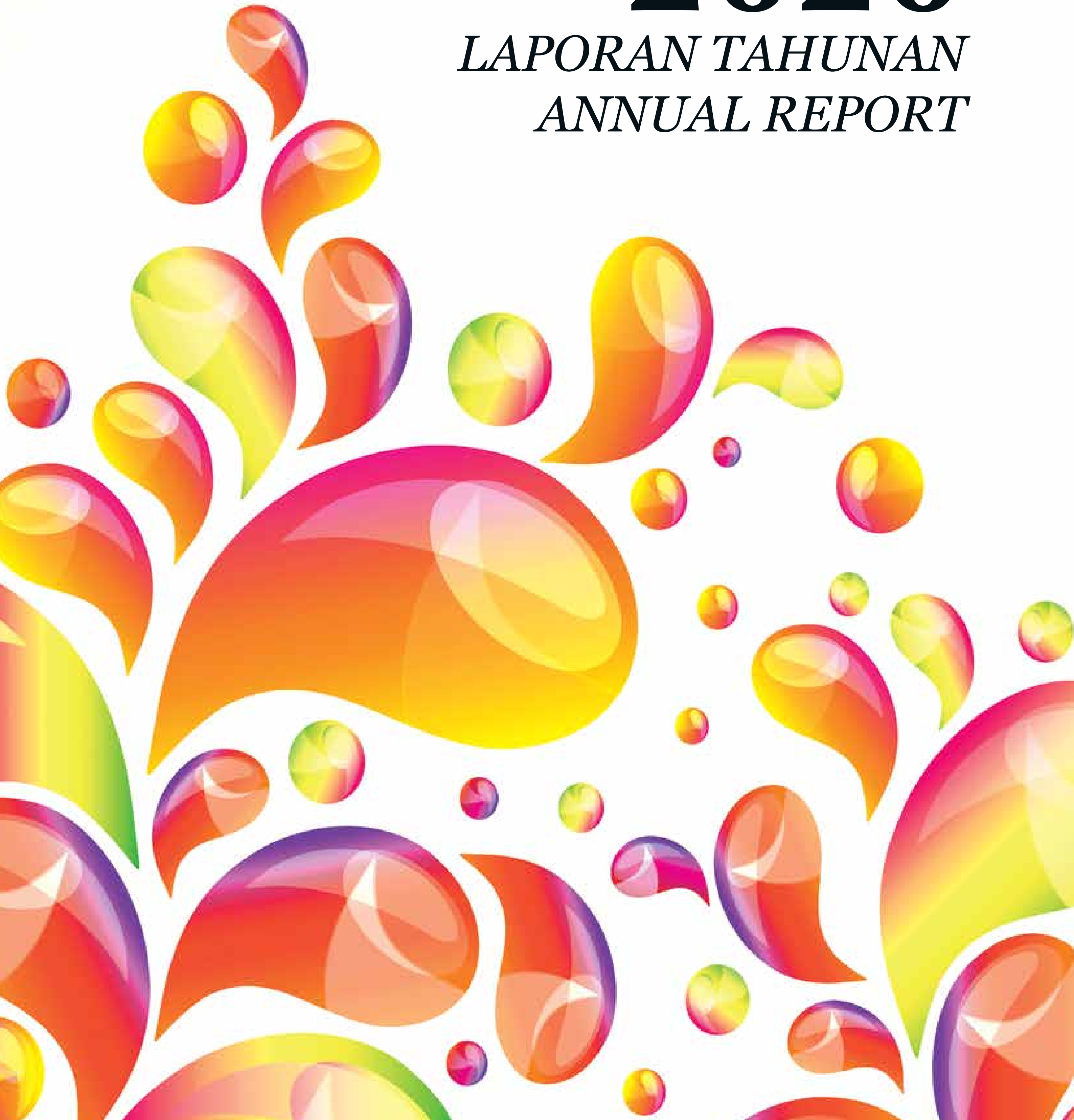
TOYO VENTURES HOLDINGS BERHAD

(Company No. 202001001322 (1357641-P))

2020

LAPORAN TAHUNAN

ANNUAL REPORT



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First ("1st") Annual General Meeting ("AGM") of Toyo Ventures Holdings Berhad ("the Company") will be held at Bukit Jalil Golf & Country Resort, 1st Floor, Langkawi Room, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 17 December 2020, at 10.30 a.m. or at any adjournment thereof for the transaction of the following businesses: -

AS ORDINARY BUSINESSES:-

1. To receive the Audited Financial Statements for the financial period ended 30 June 2020 together with the Reports of the Directors and the Auditors thereon. **(Refer Note 7)**

2. To approve the payment of Directors' fees of RM135,000.00 in respect of the financial year ending 30 June 2021. **(Resolution 1)**

3. To approve the payment of Directors' benefit up to RM50,000.00 from the date of appointment of the Non-Executive Directors of the Company until the next Annual General Meeting of the Company to be held in the year 2021. **(Resolution 2)**

4. To re-elect the following Directors, who were appointed during the year, who retire pursuant to Clause 119 of the Company's Constitution :-

   (a) Tuan Hj. Ir. Yusoff bin Daud **(Resolution 3)**
   (b) Mr. Song Kok Cheong **(Resolution 4)**
   (c) Mr. Chew Cheong Loong **(Resolution 5)**
   (d) Mr. Lim Guan Lee **(Resolution 6)**
   (e) Mr. Tham Kut Cheong **(Resolution 7)**
   (f) Mr. You Tong Lioung @ Yew Tong Leong **(Resolution 8)**

5. To re-appoint Messrs. KC Chia & Noor as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

6. **As SPECIAL BUSINESS:-**
   To consider and, if thought fit, to pass the following Ordinary Resolution :-

   Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 **(Resolution 10)**

   "THAT subject always to the Companies Act 2016,the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of any other relevant governmental/regulatory bodies where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue shares in the Company, to such persons, at any time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a General Meeting."

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

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347)
SSM PC No. 202008003125
Company Secretary

Kuala Lumpur
13 November 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

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

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

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

4. The Proxy Form must be deposited at the Company's Share Registrar at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.

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

6. **General Meeting Record of Depositors**
   For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("MMLR"), a Record of Depositors as at 11 December 2020 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

7. **Audited Financial Statements for the financial period ended 30 June 2020**
   The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this agenda is not put forward for voting by shareholders of the Company.

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

   The proposed Directors Benefits payable comprise allowances and other benefits. The total estimated amount of Director's benefit payable is calculated based on the number of scheduled Board's and Board's Committee Meeting from 18 December 2020 (being the day after the 1st AGM until the 2nd AGM). In the event, the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

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

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

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF FIRST ("1st") ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27 (2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Pursuant to Clause 119 of the Company's Constitution the following Directors are standing for re-election at the 1st AGM of the Company:-

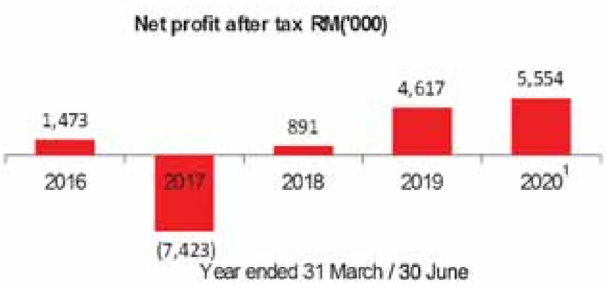
    (a) Tuan Hj. Ir. Yusoff bin Daud
    (b) Mr. Song Kok Cheong
    (c) Mr. Chew Cheong Loong
    (d) Mr. Lim Guan Lee
    (e) Mr. Tham Kut Cheong
    (f) Mr. You Tong Lioung @ Yew Tong Leong

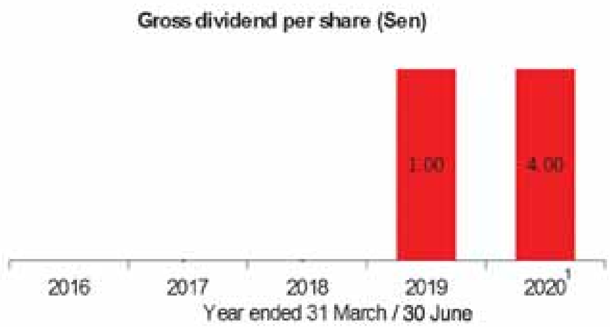
2. No individual is standing for election as a Director at the forthcoming 1st AGM of the Company other than the Directors seeking for re-election as a Director at the 1st AGM.

3. The profiles of the Directors who are standing for re-election at the 1st AGM are set out in the Company's Annual Report 2020.

4. The Company will seek shareholder's approval on the general meeting to allot and issue shares. Please refer to the proposed Ordinary Resolution 10 as stated in the Notice of the 1st AGM of the Company for further details.

FINANCIAL HIGHLIGHTS - 31 MARCH 2016 TO JUNE 2020





	2016	2017	2018	2019	2020
Group Turnover (RM"000)	81,740	79,701	86,374	91,123	98,862
Total shareholders' funds (RM'000)	123,945	116,810	117,682	121,230	122,503
Net assets per share (RM)	1.16	1.09	1.10	1.13	1.14
Net profit after tax (RM'000)	1,473	(7,423)	891	4,617	5,554
Net earnings per share (sen)	1.38	(6.94)	0.83	4.32	5.19
Gross dividend per share (sen)	-	-	-	1.00	4.00

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

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff bin Daud

(Malaysian, aged 75)

Independent Non-Executive Chairman

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

Tuan Hj. Yusoff was appointed as the Independent Non-Executive Chairman of Toyo Ink Group Berhad ("TIGB") on 4 August 2003. He is a member of Nomination Committee and Audit Committee of TIGB.

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

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

He has attended all Board meetings held during his tenure in office in the financial period ended 30 June 2020.

He has no conflict of interest with TVHB and TIGB.

Mr. Song Kok Cheong

(Malaysian, aged 68)

Group Managing Director

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

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

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

He has attended all Board meetings held during his tenure in office in the financial period ended 30 June 2020.

He has no conflict of interest with TVHB and TIGB.

Mr. Chew Cheong Loong

(Malaysian, aged 53)

Executive Director

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

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

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

He has attended all Board meetings held during his tenure in office in the financial period ended 30 June 2020.

He has no conflict of interest with TVHB and TIGB.

DIRECTORS' PROFILE

Mr. Lim Guan Lee

(Singaporean, aged 70)

Non-Independent Non-Executive Director

Mr. Lim Guan Lee is a Non-Independent Non-Executive Director of TVHB and was appointed to the Board of TVHB on 30 September 2020. Mr. Lim has more than 40 years of involvement in the printing ink industry and is currently the Chairman of Toyo Ink Pte. Ltd. He is also the Chairman and Managing Director of Lim Keenly Holdings Pte. Ltd.

He was appointed as the Non-Independent Non-Executive Director of TIGB on 4 August 2003.

He has attended all Board meetings held during his tenure in office in the financial period ended 30 June 2020.

He has no conflict of interest with TVHB and TIGB.

Mr. Tham Kut Cheong

(Malaysian, aged 75)

Independent Non-Executive Director

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

Mr. Tham was appointed as an Independent Non-Executive Director of TIGB on 4 August 2003. He is a member of the Audit, Nomination and Remuneration Committees of TIGB.

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

He has attended all Board meetings held during his tenure in office in the financial period ended 30 June 2020.

He has no conflict of interest with TVHB and TIGB.

Mr. You Tong Lioung @ Yew Tong Leong

(Malaysian, aged 84)

Independent Non-Executive Director

Mr. You Tong Lioung @ Yew Tong Leong was appointed to the Board of TVHB as an Independent Non-Executive Director on 30 September 2020. He is also a member of the Audit, Nomination and Remuneration Committees.

Mr. Yew was appointed as the Independent Non-Executive Director of TIGB on 4 August 2003. He is a member of the Audit, Nomination and Remuneration Committees of TIGB.

Upon graduation from Nanyang University in Singapore with a Bachelor of Commerce degree majoring in Banking, Mr. Yew naturally chose banking as his career by joining UMBC (the short of United Malayan Banking Corporation Berhad and is presently known as RHB Bank) on 16 December 1960. It was there he was trained intensively as a Bills Officer specializing in import and export trade financing. After one year, Mr. Yew was posted to several branches throughout the country as a Branch Manager for a period of about 23 years. After his round in the branches, Mr. Yew resigned from UMBC and joined the then Malaysian French Bank (fondly known as French Bank, and now known as Alliance Bank) in 1985 as a Branch Manager serving in several branches for a period of about 11 years. To further his career development, Mr. Yew retired from the bank in November 1996 to join a construction company as a Senior Operation Manager in Kedah. He left the construction company in July 1998 to join Kurnia Insurans (M) Bhd, a leading general insurance company in Malaysia and Asean, as a Senior Manager until February 2012.

Mr. Yew is also sitting on the Board of SKB Shutters Corporation Berhad and chairs their Internal Audit Committee. The Board of Toyo Ink Group stands to benefit significantly from Mr. Yew's vast experience and rich knowledge earned from the financial sector and other sectors over the years.

He has attended 5/6 Board meetings held during his tenure in office in the financial period ended 30 June 2020.

He has no conflict of interest with the TVHB and TIGB.

DIRECTORS' PROFILE

Ms. Song Hsiao May

(Malaysian, aged 36)

Non-Independent Non-Executive Alternate Director to Song Kok Cheong

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

She was appointed as Non-Independent Non-Executive Alternate Director to Mr. Song Kok Cheong in TIGB on 25 September 2013.

She has not attended any Board meetings held during her tenure in office in the financial period ended 30 June 2020.

She has no conflict of interest with TVHB and TIGB.

Ms. Lim Soek Fun

(Singaporean, aged 39)

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 of TVHB on 30th September 2020. Ms Lim Soek Fun is a graduate with a Bachelor of Arts degree from Curtin University, Western Australia. She has 10 years of involvement in the printing ink industry and is currently serving as the Managing Director of Toyo Ink Pte. Ltd.

She was appointed as Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee in TIGB on 25 September 2013.

She has not attended any Board meetings held during her tenure in office in the financial period ended 30 June 2020.

She has no conflict of interest with TVHB and TIGB.

Declaration of Directors:

1. None of the Directors has any family relationship with any other Director or substantial shareholders of TVHB and TIGB, save as disclosed below :-

   (a) Ms. Song Hsiao May is the daughter of Mr. Song Kok Cheong.

   (b) Mr. Lim Guan Lee and Ms. Lim Soek Fun are father and daughter.

2. None of the Directors has been convicted of any public offence during the financial period ended 30 June 2020 or had any penalty imposed by the relevant regulatory bodies within the past 5 years, other than traffic offences, if any.

3. Save as disclosed in the Directors' profile, the directors does not hold any directorship of public companies and listed issuer.

PROFILES OF SENIOR MANAGEMENT

Ms. Song Hsiao May

(Malaysian, aged 36)

General Manager, Ink Group

Refer to Directors' Profile on page 8.

Mr. Yap Kim Fatt

(Malaysian, aged 44)

General Manger (Sales & Marketing), EDM-Tools Group

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

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

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

Mr. Soo Zin Chuen

(Malaysian, aged 41)

Senior Finance & Accounting Manager

Mr Soo joined Toyo Ink Group in August 2013 as Finance and Accounting Manager and was later designated as Senior Finance and Accounting Manager. He has completed his professional qualification in ACCA and is a member of the Malaysian Institute of Accountants.

Prior to joining Toyo Ink Group, Mr. Soo had accumulated 11 years of auditing, finance and accounting related experience in the commerce and public accounting firm.

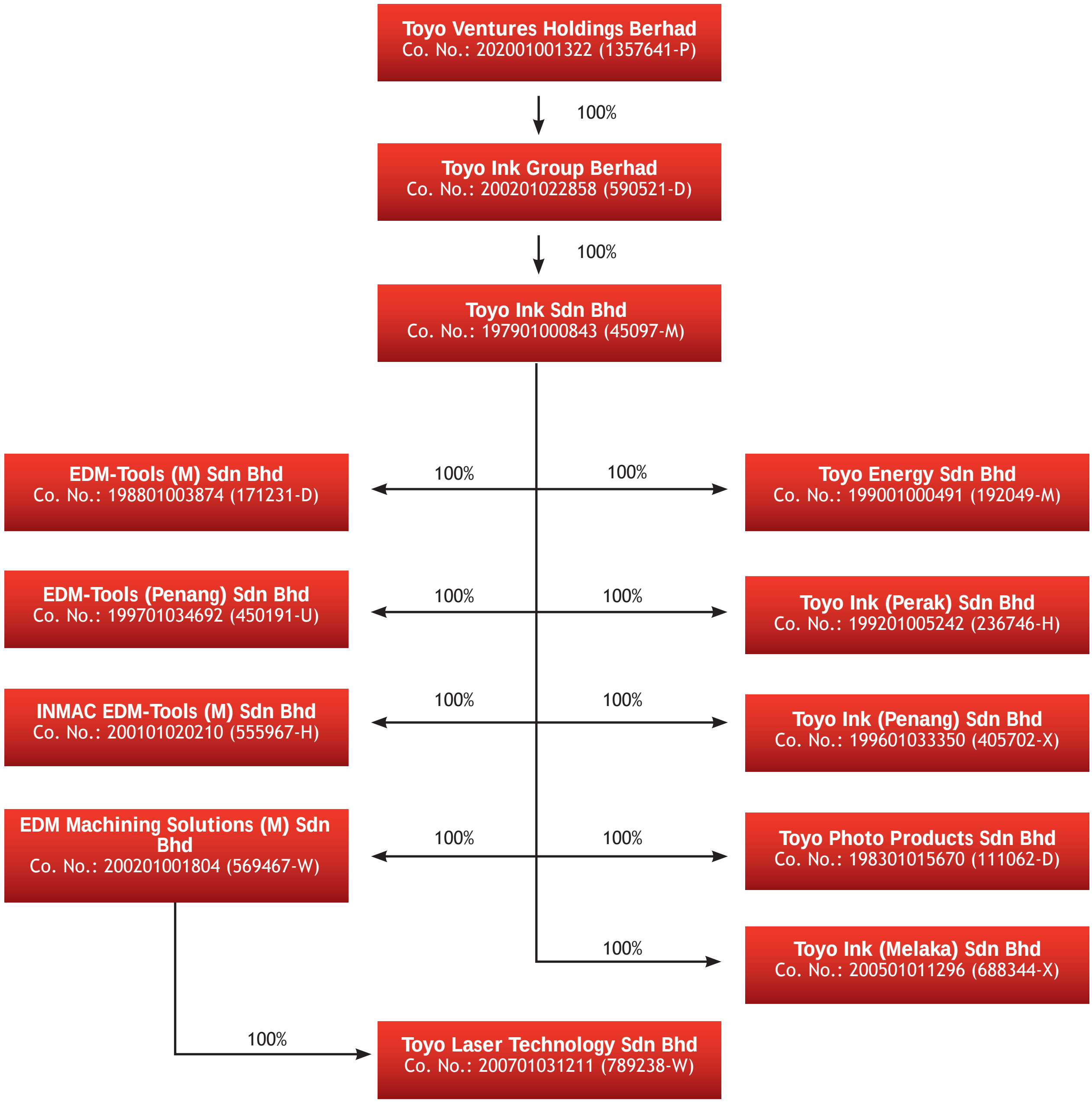
He does not hold any directorships of public companies and listed issuers.

Notes:

(a) None of the Senior Management has any conflict of interest with the Company.

(b) None of the Senior Management has been convicted for any public offence during the financial period ended 30 June 2020 or had any penalty imposed by the relevant regulatory bodies within the past 5 years, other than traffic offences, if any.

CORPORATE STRUCTURE



CORPORATE INFORMATION

Board of Directors
Tuan Hj. Ir. Yusoff bin Daud (Chairman)
Song Kok Cheong
Chew Cheong Loong
Lim Guan Lee
Tham Kut Cheong
You Tong Lioung @ Yew Tong Leong
Song Hsiao May (alternate to Song Kok Cheong)
Lim Soek Fun (alternate to Lim Guan Lee)

Audit Committee
Tham Kut Cheong (Chairman)
Tuan Hj. Ir. Yusoff bin Daud
You Tong Lioung @ Yew Tong Leong

Nomination Committee
Tham Kut Cheong (Chairman)
Tuan Hj. Ir. Yusoff bin Daud
You Tong Lioung @ Yew Tong Leong

Remuneration Committee
Tham Kut Cheong (Chairman)
You Tong Lioung @ Yew Tong Leong
Song Kok Cheong
Chew Cheong Loong

Company Secretary
Andrea Huong Jia Mei (MIA 36347)

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

Solicitors
Tan Kim Soon & Co
Tony Chiu & Partners
K.H. Tan & Associates

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

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

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

Principal Bankers
AmBank (M) Berhad
Malayan Banking Berhad
RHB Bank Berhad

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

CORPORATE INFORMATION

TOYO VENTURES HOLDINGS BHD
TOYO INK GROUP BHD
TOYO INK SDN BHD
TOYO PHOTO PRODUCTS SDN BHD
TOYO INK (MELAKA) SDN BHD
TOYO ENERGY SDN BHD
PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan,
43300 Seri Kembangan, Selangor, Malaysia.

EDM-TOOLS (M) SDN BHD
EDM MACHINING SOLUTIONS (M) SDN BHD
INMAC EDM-TOOLS (M) SDN BHD
EDM-TOOLS (PENANG) SDN BHD
TOYO LASER TECHNOLOGY SDN BHD
6 & 8 Jalan TPP 1/1A
Taman Industri Puchong 47100 Puchong
Selangor Darul Ehsan, Malaysia.

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

EDM-TOOLS (M) SDN BHD (PENANG BRANCH)
No.6, Lorong Industri Sungai Lokan 3
Taman Industri Sungai Lokan
13800, Butterworth, Penang

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

EDM-TOOLS (M) SDN BHD (JOHOR BRANCH)
No. 8, Jalan Canggih 3
Taman Perindustrian Cemerlang
81800, Ulu Tiram, Johor

TOYO INK PTE LTD
63 Joo Koon Circle
Singapore 629076

EDM-TOOLS (M) SDN BHD (MELAKA BRANCH)
No. 54, Jalan M 6
Taman Merdeka, Fasa 2
Batu Berendam, 75350, Melaka

PRODUCTS AND SERVICES

Flexographic ink

Gravure ink

Masterbatch products - colorants

Offset process ink products

Masterbatch products - colorants

Glasurit automotive paints

RODIM Automotive Paint Related Product

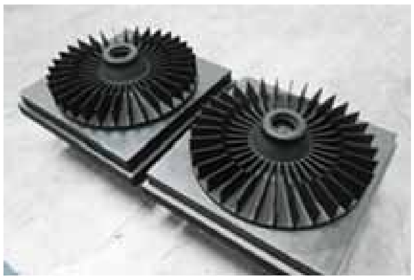
TOYO CARE - Disinfectant and Hand Sanitizer

PRODUCTS AND SERVICES

EDM CUT WIRE

POCO GRAPHITE
An Entegris Company
TOYO TANSO
Inspiration for Innovation

EDM GRAPHITE MATERIALS



GRAPHITE ELECTRODES

EROWA ROBOT AUTOMATION

ELBO CONTROLLI TOOL PRESETTER

COHERENT POLYMER
LASER WELDING MACHINE

GF MIKRON HPM MACHINE
(MIKRON MILL P900)

GF DIE SINKING EDM MACHINE
(FORM P350)

GF WIRE CUT EDM
(CUT 1000)

TOYO FIBRE LASER CUTTING
MACHINE (Table type)

TOYO LASER WELDING MACHINE
(Eco Line)

TOYO SPOT LASER WELDING

CNC GRAPHITE MACHINING CENTER

CNC EDM MACHINE

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Following the completion of the internal reorganisation of Toyo Ink Group Berhad ("TIGB") and the transfer of its listing status to Toyo Ventures Holdings Berhad ("TVHB") on 26 October 2020, TIGB is now a wholly-owned subsidiary of TVHB. This management discussion and analysis represents TIGB's financial performance, results and strategies for the financial period ended 30 June 2020, which will be adopted by TVHB for the next financial year.

For the financial period ended 30 June 2020, TIGB changed its financial year end from 31 Mar 2020 to 30 June 2020 and as a result, the Company's financial information presented below covers a 15 months period from 1 April 2019 to 30 June 2020 ("FPE 2020"). Accordingly, the financial performance for the last financial year ended 31 March 2019 ("FYE2019") is not comparable with the current financial period ended 30 June 2020.

The operations of Toyo Ink Group Berhad are organised into two (2) principal business units.

a. Ink Group
b. EDM-Tools Group

Ink Group

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

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

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

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

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

EDM-Tools Group

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

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

	FY 2020 RM'000	FY 2019 RM'000	Increase/(Decrease) RM'000	%
Revenue:				
Ink Group	48,034	40,667	7,367	18.1%
EDM-Tools Group	50,828	50,456	372	0.7%
Profit/(loss) Before Tax:				
Ink Group	1,256	(2,254)	3,510	155.7%
EDM-Tools Group	5,211	8,396	(3,185)	(37.9%)

Ink Group

The Ink Group recorded an increase in revenue to RM48.03 million in FPE 2020 as compared to RM40.67 million in FYE 2019 mainly contributed by the ink division and the trading division involved in the automotive refinish paints and consumable and equipment for Graphic Art Industry.

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

The Ink Group has recorded a profit before tax of RM1.26 million compared to loss before tax of RM2.25 mil in FYE2019 mainly due to the impairment of goodwill amount of RM5.46 million in FYE2019.

EDM-Tools Group

The EDM-Tools Group recorded revenue of RM50.83 million in FPE 2020 as compared to RM50.46 million in FYE 2019 mainly contributed from the sales in the Engineering, Consumables and CNC Machining Division. The Group operates from the two (2) manufacturing facilities in Puchong, Selangor with Sales Offices located in Prai, Penang, Melaka and Johor Bahru.

EDM-Tools Group lower than expected results is mainly due to Movement Control Order ("MCO") imposed by the Malaysian Government from 18 March 2020 has impacted the operation of the Group as all the business activities in all branches were closed. The Group only resumed their operation and business activities on 20 April 2020 after obtaining the permit from MITI. Due to this, the profit before tax for FPE 2020 has reduced to RM5.21 million as compared to RM8.40 million in FY2019.

MANAGING RISKS EXPOSURE

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

LIQUIDITY AND CAPITAL MANAGEMENT

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

The Group's long term and short term borrowings are principally denominated in Ringgit Malaysia in Malaysia and amounting to RM3.65 million as at 30 June 2020.

As at 30 June 2020, the Group has cash and cash equivalent amounting to RM 10.14 million as well as unutilised banking facilities amounting to RM10.55 million. The Group anticipates its cash and cash equivalents and available credit facilities to be sufficient to fund the working capital and capital investment for our business.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND POLICY

The Group has adopted a policy of paying an annual dividend of not more than 60 per cent of its consolidated annual net profit and this policy has been adopted since the financial year ended 31 March 2019.

The Board will evaluate the Group's profitability, long term plans and cash flows position annually before recommending any dividend payment.

- On 30 September 2019, the Group declared a final single-tier dividend of 2.00 sen per ordinary share amounting to RM2.14 million in respect of the financial year ended 31 March 2019. The dividend was paid on 30 September 2019.

- On 4 December 2020, the Group declared an interim single tier dividend of 2 sen per ordinary share amounting to RM2.14 million in respect of the financial period ended 30 June 2020. The dividend was paid on 21 January 2020.

INVESTMENT IN POWER PLANT PROJECT IN VIETNAM

At the report date, The Group has finalised the draft for all the major agreements such as the BOT Contract, Power Purchasing Agreement, Coal Supply & Tranport Agreements Land Lease Agreements, Shared Facility and Services Agreements, Goverment Guarantee and Undertakings with the Vietnamse Government and the relevent parties for the Coal-Fired Power Plant Project (2 units x 1,060 MW Gross Nominal Capacity) in Hau Giang Province in Vietnam. Currently, The Group is also in the midst of negotiating with potential investors/partners to jointly undertake the power plant project and the Directors are of the opinion that the signing of all the major agreements and finalising the investors/ partners for the power plant project will be completed within the next 12 months.

Up to 30 June 2020, the Group had invested RM387.302 million in the power plant project.

PROSPECTS

The Group are undergoing an internal reorganisation and restructuring that will streamline the business operations of the Group with clear demarcation of the roles and functions of the investment holding company and the operating companies which are the printing ink business, Electrical Discharge Machining (EDM) tools business and the Power generation business. The internal restructuring of the Group is expected to be completed in Q4 2020.

With the continue resurgence of COVID-19 cases both locally and abroad with possibilities of further lockdown which will dampen the global and local economy and due to the impact of the COVID-19 pandemic, Malaysia's economy is forecast to shrink by 6% for year 2020, but it is forecast to rebound by 6.6% in year 2021 according to the Global Economic Outlook report.

With the near term outlook of both the global and local economy is uncertain at present, the Board expect the Group's prospect to be challenging but remain confident in achieving a satisfactory results in FY 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Following the completion of the internal reorganisation of Toyo Ink Group Berhad ("TIGB") and the transfer of its listing status to Toyo Ventures Holdings Berhad ("TVHB") on 26 October 2020, TIGB is now a wholly-owned subsidiary of TVHB. This Corporate Governance Overview Statement ("CG Overview Statement") represents TIGB's corporate governance practices for the financial period from 1 April 2019 till 30 June 2020 ("the financial period"), which will continue to be adopted by TVHB in the next financial year.

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

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

This statement is prepared in compliance with Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad and it is to be read together with the CG Report 2020 ("CG Report") which is available at the corporate website at www.toyoventures.com.my

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

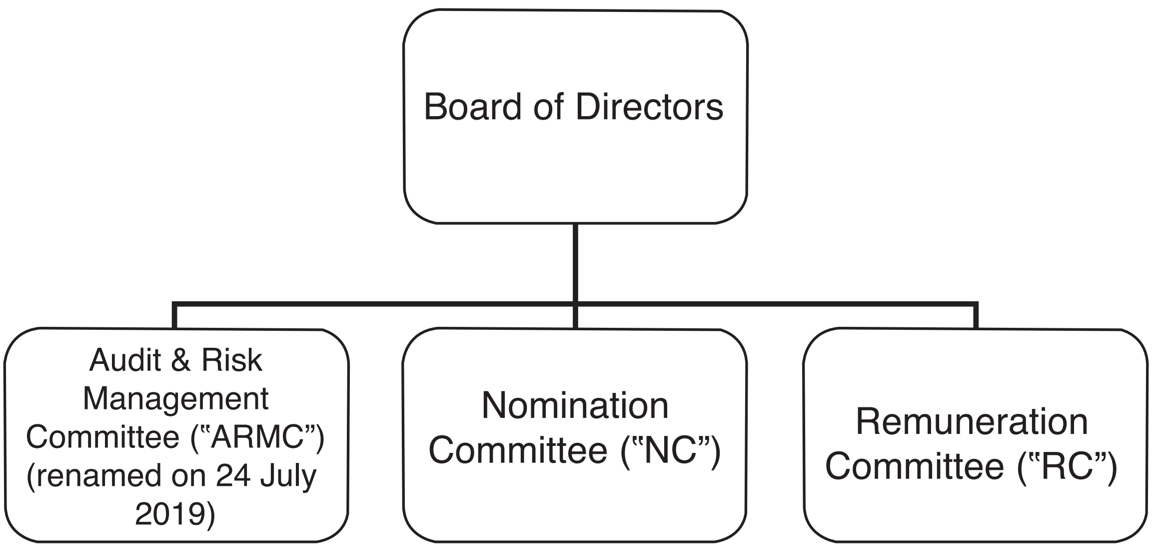
BOARD ROLES AND RESPONSIBILITIES

TIGB and its subsidiaries continues to be led and managed by an effective, active and experienced Board which ensures that the interests of the shareholders and stakeholders are protected by setting out the Group's values and standards.

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

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

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



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

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

THE CHAIRMAN

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

CHAIRMAN AND MANAGING DIRECTOR

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

QUALIFIED AND COMPETENT COMPANY SECRETARY

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

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

ACCESS TO INFORMATION AND ADVICE

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

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

BOARD CHARTER

The Board last reviewed its Board Charter on July 2018. The Board Charter sets out the composition, operation, processes, role and a list of specific functions that are reserved for the Board. It is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. Key matters reserved for the Board's approval includes managing conflict of interest issues, approval of material acquisitions and disposition of assets, corporate plans, annual budgets, new ventures, authority level, dividend policy and significant treasury policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

CODE OF ETHICS & CONDUCT

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

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

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

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

WHISTLE BLOWING POLICY

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

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

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

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

SECTION II: BOARD COMPOSITION

COMPOSITION OF THE BOARD

As at the financial period ended 30 June 2020, the Board is made up of the following composition: -

Director	Independent	Non-Independent	Executive	Non-Executive
Tuan Hj. Ir. Yusoff Bin Daud	√	X	X	√
Song Kok Cheong	X	√	√	X
Lim Guan Lee	X	√	X	√
Tham Kut Cheong	√	X	X	√
You Tong Lioung @ Yew Tong Leong	√	X	X	√
Chew Cheong Loong	X	√	√	X
Total Number	3	3	2	4

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

TENURE OF INDEPENDENT DIRECTOR

The Company has a policy that, an Independent Director may remain as Independent Director after serving a cumulative term of nine (9) years, provided that the Board recommend this upon concrete justification and after seeking its shareholders approval at a general meeting. In this respect, TIGB had sought its shareholders' approval at the 17th AGM for both Mr. Tham Kut Cheong ("Mr. Tham") and Mr. You Tong Lioung @ Yew Tong Leong ("Mr. You") to continue their service as Independent Non-Executive Director.

Mr. Tham was appointed to the Board on 4 August 2003 and has served as an Independent Non-Executive Director of the Company for a cumulative term of more than seventeen (17) years. The Board of Directors had, vide the NC has assessed the independence of Mr. Tham, and had recommended him to continue to act as an Independent Non-Executive Director of the Company.

Mr. You was also appointed to the Board on 4 August 2003 and has served as an Independent Non-Executive Director of the Company for a cumulative term of more than seventeen (17) years. The Board of Directors had, vide the NC has assessed the independence of Mr. You, and had recommended him to continue to act as an Independent Non-Executive Director of the Company.

Based on the assessment done vide the NC, Mr. Tham and Mr. You have fulfilled the criteria under the definition of Independent Director as stipulated in MMLR of Bursa Securities. Notwithstanding the recommendation of the MCCG, the Board is presently of the view that, there are significant advantage to be gained from long service Directors who possess in depth insights to the Group's business and affairs. The ability of a Director to serve effectively as an Independent Director is very much dependent on their integrity and objectivity and had no direct connection to their tenure as an Independent Director.

DIVERSE BOARD AND SENIOR MANAGEMENT TEAM

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

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

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

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.

NOMINATION COMMITTEE

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:-

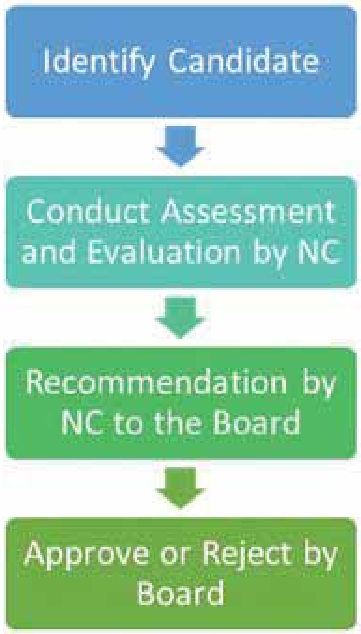
Chairman	Tham Kut Cheong	*Independent Non-Executive Director*
Members	Tuan Hj. Ir. Yusoff bin Daud	*Independent Non-Executive Chairman*
	You Tong Lioung @ Yew Tong Leong	*Independent Non-Executive Director*

The Terms of Reference of the NC was last reviewed and updated on 27 February 2018 and is available at the corporate website at www.toyoventures.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC's key responsibilities are: -

(a) Appointment of New Director
The chart below shows the procedures on appointment of new Director



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

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

(i) Size, composition, diversity (including gender diversity) and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and the Group;

(ii) The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence criteria as set out in Paragraph 1.01 of the MMLR; and

(iii) The appropriate number of Independent Non-Executive Directors to fulfil the requirements under MMLR which requires at least 2 or 1/3 of the membership, whichever is higher of the Board must be Independent Directors.

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

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

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

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

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

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

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

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

NC'S ACTIVITIES DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2020

Below is a summary of the activities undertaken by the NC for the financial period ended 30 June 2020 :-

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

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 period ended 30 June 2020, as reflected below: -

	Attendance At Meetings of			
	Board	ARMC	NC	RC
Tuan Hj. Ir. Yusoff bin Daud	6/*6	6/*6	1/*1	N/A
Song Kok Cheong	6/*6	4/#6	N/A	3/*3
Lim Guan Lee	6/*6	N/A	N/A	N/A
Tham Kut Cheong	6/*6	6/*6	1/*1	3/*3
You Tong Lioung @ Yew Tong Leong	5/*6	5/*6	0/*1	3/*3
Chew Cheong Loong	6/*6	3/#6	N/A	N/A
Lim Soek Fun (Alternate Director to Lim Guan Lee)	0/*6	N/A	N/A	N/A
Song Hsiao May (Alternate Director to Song Kok Cheong)	0/*6	N/A	N/A	N/A

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

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

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

DIRECTORS TRAINING

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Name of Directors	**Development and Training Programmes**
Song Kok Cheong	• ISO 37001:2016 Bribery Risk Assessment Training • Understanding of ISO 37001:2016 • Corporate Governance & Anti-Corruption workshop organised by Bursa Malaysia
Tuan Hj. Ir. Yusoff bin Daud	• CG Advocacy Programme-Cyber Security in the Boardroom organised by Bursa Malaysia • Understanding of ISO 37001:2016
Lim Guan Lee	• Corporate Liability Act - Defense Mechanism For Directors, Executives & Company
Tham Kut Cheong	• Corporate Liability Act - Defense Mechanism For Directors, Executives & Company • Understanding of ISO 37001:2016
You Tong Lioung @ Yew Tong Leong	• Corporate Liability Act - Defense Mechanism For Directors, Executives & Company
Chew Cheong Loong	• Corporate Liability Act - Defense Mechanism For Directors, Executives & Company • Understanding of ISO 37001:2016 • ISO 37001:2016 Bribery Risk Assessment Training • Corporate Governance & Anti-Corruption workshop organised by Bursa Malaysia

SECTION III: REMUNERATION

REMUNERATION POLICY

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

REMUNERATION COMMITTEE

The Remuneration Committee ("RC") was established on 28 August 2003. The members of the RC 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)*
Chew Cheong Loong *(Executive Director)*

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

Annually, the RC reviews the remuneration of the Executive Directors to ensure that it commensurate with the market expectation, the Directors' experience and competency and the performance of the Group. Directors do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year. The RC had held three (3) meetings during the financial period ended 30 June 2020.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DETAILS OF DIRECTOR'S REMUNERATION

The remuneration of the Directors of the Company (TIGB) for the financial period ended 30 June 2020 are as follows:

The details of the remuneration of Directors of the Company comprising the remuneration received/receivable from the Company and its subsidiaries during the financial period ended 30 June 2020 are as follows: -

Directors	# Fees (RM)	Salaries & *Other emoluments (RM)	# Benefits-in-kind (RM)	Total (RM)
The Company				
Executive Directors				
Song Kok Cheong	37,500	11,375	-	**48,875**
Chew Cheong Loong	37,500	10,500	-	**48,000**
Non-Executive Directors				
Tuan Hj. Ir. Yusoff bin Daud	37,500	67,250	-	**104,750**
Lim Guan Lee	37,500	11,375	-	**48,875**
Tham Kut Cheong	37,500	37,250	-	**74,750**
You Tong Lioung @ Yew Tong Leong	37,500	11,375	-	**48,875**
The Group				
Executive Directors				
Song Kok Cheong	66,250	890,935	-	**957,185**
Chew Cheong Loong	56,250	961,909	-	**1,018,159**
Non-Executive Directors				
Tuan Hj. Ir. Yusoff bin Daud	56,250	67,250	-	**123,500**
Lim Guan Lee	56,250	11,375	-	**67,625**
Tham Kut Cheong	56,250	237,250	-	**293,500**
You Tong Lioung @ Yew Tong Leong	37,500	11,375	-	**48,875**

* Other emoluments include bonuses, meeting allowances and the Group's contribution to the Employer Provident Fund and Social Security contributions.
# The Directors' fees and benefits are subject to the approval by the shareholders of the Company at the forthcoming Annual General Meeting ("AGM").

Note:
There is no director's remuneration under Toyo Ventures Holdings Berhad for the financial period ended 30 June 2020.

Remuneration of Top Three (3) Senior Management

The remuneration of the top three (3) Senior Management Team of the Company are as follows:-

Remuneration Bands	Senior Management
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1

Details of the remuneration of each top 3 senior management on a named basis are not disclosed in this report as the Board is of the view that the transparency and accountability aspects of the MCCG on disclosure of the remuneration of top 3 senior management are appropriately served by the above remuneration disclosures in bands as shown above.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

SECTION I: AUDIT COMMITTEE

EFFECTIVE AND INDEPENDENT AUDIT COMMITTEE

The Audit Committee ("AC") was established on 28 August 2003. It was then renamed to Audit & Risk Management Committee ("ARMC") on 24 July 2019. The ARMC comprises 3 Non- Executive Directors. The ARMC is chaired by an Independent NED, Mr. Tham Kut Cheong. The ARMC is comprised of members who are financially literate, possess the appropriate level of expertise and experience. The ARMC Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 28 to 30.

The Terms of Reference of the ARMC was last reviewed and updated on 23 August 2019 and is available at the corporate website at www.toyoventures.com.my

EXTERNAL AUDITORS

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

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

The ARMC, had on 20 October 2020 deliberated on the re-appointment of Messrs. KC Chia & Noor as its External Auditors, which included amongst others, an assessment on the engagement teams' qualification, credentials and experience, its audit approach, the audit firm's professional standing and reputation as well as audit cost. The ARMC has reviewed the independence of the External Auditors, via amongst others, an annual review of the non-audit services rendered by the External Auditors and the related amount of fees. The ARMC had also obtained assurance from the External Auditors confirming their independence throughout the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

SECTION II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is updated on the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls on a quarterly basis. Ongoing reviews are performed throughout the year on quarterly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Group's independent and sufficiently resourced internal audit function as well as the Company's management team. Please refer to the Statement on Risk Management and Internal Control on page 31 to 32 of this Annual Report for further information.

EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

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

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

Further details of the activities of the internal audit function are set out in the ARMC Report on page 30 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

SECTION I: COMMUNICATION WITH STAKEHOLDERS

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

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

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

SECTION II: CONDUCT OF GENERAL MEETING

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

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

COMPLIANCE STATEMENT

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

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

Practice 4.5 : Women Directors on Board
Practice 7.2 : Remuneration on Named basis for top 3 Senior Management
Practice 11.2: Integrated Reporting
Practice 12.3: Electronic Voting

STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

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

In preparing the audited financial statements, the Directors are satisfied that the applicable approved accounting standards in Malaysia have been complied with and reasonable and prudent judgements and estimates have been made. The audited financial statements are also prepared on a going concern basis as the Board has a reasonable expectation, after having made enquiries that the Group has adequate resources to continue its operational existence for the foreseeable future.

This CG Overview Statement was approved by the Board of Directors of TIGB on 20 October 2020 and TVHB on 30 October 2020.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Following the completion of the internal reorganisation of Toyo Ink Group Berhad ("TIGB") and the transfer of its listing status to Toyo Ventures Holdings Berhad ("TVHB") on 26 October 2020, TIGB is now a wholly-owned subsidiary of TVHB. This report outlines the activities of the Audit and Risk Management Committee ("ARMC") of TIGB for the financial period from 1 April 2019 till 30 June 2020 ("the financial period"), which will continue to be adopted by the ARMC of TVHB in the next financial year. The ARMC of TVHB comprises the same members as TIGB.

This Report has been reviewed by the ARMC and approved by the Board of Directors ('the Board") of TIGB on 20 October 2020 and TVHB on 30 October 2020.

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

ESTABLISHMENT AND COMPOSITION

The Audit Committee of TIGB was established on 28 August 2003. On 24 July 2019, the Audit Committee was renamed as Audit and Risk Management Committee. Members of the ARMC elect among themselves an Independent Director, who is not the Chairman of TIGB, as Chairman of the ARMC. The terms of the ARMC was revised and are approved by the Board on 23 August 2019 and complies with the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa").

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

The ARMC comprises the following directors: -

Chairman
Tham Kut Cheong (Independent Non-Executive Director)

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

COMMITTEE MEETINGS

The ARMC members met 6 times during the financial period from 1 April 2019 till 30 June 2020. The details of ARMC'S meetings held and attended by the ARMC members during the financial year are as follows: -

ARMC Member	No. of ARMC Meetings	
	Held	Attended
Chairman Tham Kut Cheong *(Independent Non-Executive Director)*	6	6
Member You Tong Lioung @ Yew Tong Leong *(Independent Non-Executive Director)*	6	5
Member Tuan Hj. Ir. Yusoff bin Daud *(Independent Non-Executive Chairman)*	6	6

SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL PERIOD FROM 1 APRIL 2019 TILL 30 JUNE 2020

During the financial period from 1 April 2019 till 30 June 2020, the activities of the ARMC include the following: -

FINANCIAL REPORTING

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

(b) Reviewed the audited financial statements for the financial period ended 30 June 2020; and

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(c) Reviewed the AC Report, Corporate Governance Overview Statement, Corporate Governance Report 2020 and Statement on Risk Management and Internal Control to ensure compliance with the MMLR of Bursa and recommend to the Board for inclusion in the Annual Report 2020.

EXTERNAL AUDIT

(a) During the financial period from 1 April 2019 till 30 June 2020, the ARMC reviewed and endorsed the External Auditor's, Messrs. KC Chia & Noor ("KCN") presentation which are as follows: -

(i) Audit Planning Memorandum which outlined its summary of their audit plan of the audit of the financial statements of the Company for the financial period ended 30 June 2020 and the review of the Directors' Statement on Risk Management and Internal Controls.

(ii) Audit Review Memorandum for the financial year ended 31 March 2019 which highlights the Key Audit Matters and Significant Audit Findings identified during the audit, matters for control improvements and significant outstanding matters.

(iii) Final draft of Audited Financial Statements for the financial period ended 30 June 2020.

(b) Scrutinised potential Key Audit Matters raised by the External Auditors and ensured that adequate work had been done to support the audit conclusions and overall impact on the financial statements. The Key Audit Matters vetted by the ARMC was on the Asset held for sale from the Deferred Expenditures.

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

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

(e) Met with the External Auditors once during the financial period ended 30 June 2020 without the presence of Executive Directors and management to discuss audit findings, assistance given by the management to the External Auditors or any observations noted during the audit process; and

(f) Considered the appointment of External Auditors, their audit fees and a change in the External Auditors.

INTERNAL AUDIT

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

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

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

RELATED PARTY TRANSACTIONS

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

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

(a) Review the terms and reference of the newly renamed Audit and Risk Management Committee and the revision includes inclusion of additional duties and responsibilities such as :-

(i) Overseeing the establishment and implementation of a risk management framework; and
(ii) Reviewing the effectiveness of the risk management framework

Moving forward, the ARMC of TVHB will continue to discharge these roles and responsibilities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

During the financial period from 1 April 2019 till 30 June 2020, the Group 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 period ended 30 June 2020 is RM71,125/-.

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

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

1.	Internal Audit Report on New IT System Implementation on Toyo Ink Sdn Bhd.	23.08.2019
2.	Internal Audit Report on Inventory Management in Toyo Ink Sdn. Bhd.	29.11.2019
3.	Internal Audit Report on Inventory Management in Toyo Ink (Perak) Sdn. Bhd.	25.02.2020
4.	Internal Audit Report on Production and Inventory Function of EDM Machining Solution Sdn. Bhd.	18.06.2020
5.	Internal Audit Report on Sales and Credit Control of EDM Machining Solution Sdn. Bhd.	26.08.2020

At these meetings, the ARMC also held 1 private session with the Internal Auditor without the Executive Board members and Management present.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Following the completion of the internal reorganisation of Toyo Ink Group Berhad ("TIGB") and the transfer of its listing status to Toyo Ventures Holdings Berhad ("TVHB") on 26 October 2020, TIGB is now a wholly owned subsidiary of TVHB. This Statement outlines the nature and scope of the risk management and internal control activities of the group of companies of TIGB's for the financial period ended 30 June 2020 which will be adopted by TVHB in the next financial year ending 30 June 2021.

The Board of Directors ("Board") of TVHB and TIGB is pleased to present its Statement on Risk Management and Internal Control for the financial period ended 30 June 2020. The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") and the suggested disclosures under the Malaysian Code on Corporate Governance ("MCCG").

BOARD'S RESPONSIBILITIES

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

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

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

i. Assessing the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews are done quarterly where the Internal Auditors present their internal audit report to the ARMC;
ii. Understanding the Group's performance and effectiveness of management in managing the Group's operations when reviewing management presentation of the Group's quarterly financial performance and results as well as the on-going development and status of the independent power plant venture in Vietnam; and
iii. Obtaining feedback from External Auditors on risk and control issues noted by them in the course of their statutory audit with respect to the integrity of the accounting system and results generated by the system thereof annually.

INTERNAL CONTROLS AND RISK MANAGEMENT

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

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

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

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

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

iv. Implementation of the quality management operating procedures. Third party surveillance audits are carried out by external certification body to verify the compliance with ISO requirements.

   The quality management system present in the key subsidiaries are Quality Management System: ISO 9001:2015 for Toyo Ink Sdn. Bhd, EDM Machining Solution (M) Sdn. Bhd. and EDM Tools (M) Sdn. Bhd. and Environment Management Systems: ISO14001:2015 for Toyo Ink Sdn. Bhd.

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group has also adopted and implemented its new framework on internal control and risk management systems, Anti-Bribery and Anti Corruption ("ABAC") based on the Anti Bribery Management System: ISO 37001 and the Policy is available on the Company's website. This Policy describes the principles and guidelines on prevention of bribery and corruption which shall be observed by the employees and business associates.

In addition, before the end of the financial year, the Group has proposed an internal reorganisation to streamline the business operations of the Group by establishing an investment holding company, which will solely engage in the function of holding investments in subsidiaries/associated companies separating from operating companies, which will be carrying out the existing business operations of the Group covering the existing printing ink and electrical discharge machining tools businesses as well as its electric power generation business.

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

Covid 19 Pandemic

The outbreak of Covid-19 has affected the performance of the Group negatively. In order to mitigate this risk, the Group has undertaken the following measures:

i. Complying with the government's movement control order and safety and sanitisation procedures in accordance with the health authorities to protect the safety of the employees, customers and suppliers at our work place; and

ii. Containing and reducing overhead costs when possible and deferring certain capital expenditures.

Investment in Power Plant Project in Vietnam

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

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

Despite this very effort, crystallisation of the outcome of this proposed investment is still subject to the risk of not being able to successfully fulfilling all the underlying conditions of the proposed investment on time by the Group.

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for identifying risks for the Group's businesses, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant changes in risks that could affect the Group performance.

Before producing this Statement, the Board has received assurance from the Group Managing Director that, to the best of his knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

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

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

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3) issued by MIA.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

This Statement is made in accordance with the approval by the Board.

SUSTAINABILITY STATEMENT

Following the completion of the internal reorganisation of Toyo Ink Group Berhad ("TIGB") and the transfer of its listing status to Toyo Ventures Holdings Berhad ("TVHB") on 26 October 2020, TIGB is now a wholly owned subsidiary of TVHB. This Sustainability Statement represents TIGB's initiatives and will be adopted by TVHB in the next financial year ending 30 June 2021.

Our Sustainability Statement is prepared in manner as prescribe under the new Main Market Listing Requirement issued by Bursa Malaysia Securities Berhad ("the Exchange") and based on the guidelines issued by the Global Reporting Initiative ("GRI") Sustainability Reporting Standard and is categorises into 3 aspects of sustainability which are Economic, Environmental and Social.

Economic Sustainability

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

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

Environmental Sustainability

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

Air Emissions

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

Waste Management

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

Social Sustainability

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

Employee Workforce

TIGB recognises the importance of diversity in workforce and try our best in providing the equal opportunity to our employees without discriminating their race, belief, gender and sexual orientation. As at 30 June 2020, TIGB employed 68% of male employees and 32% of female employees and our workforce is made of 85% local and 15% foreigner and our foreign workers are made of contract workers. It is always our commitment to practice local development and support the local community within our manufacturing plant and offices.

TIGB always believe that a healthy turnover rate of full-time employees should be lower than 25% and in year 2019, the turnover rate is less than 10%. We also comply with the Minimum Wage Order 2012 and its subsequent amendments as and when announced by the Government. We believe in work-life balance for our employees and do not condone to excessive workings hours and ensure the overtime hours are within the guidelines under the Employment Act.

SUSTAINABILITY STATEMENT

Employee Welfare

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

Anti-Bribery and Anti-Corruption Policy ("ABAC") adoption

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

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

Development of young talent

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

During the current financial year, we have provided internship program to young students from universities and vocational institution and also hosted educational tour visit for the undergraduate students from the Mechanical Engineering Faculty of University Technology of Malaysia.

Safety and Health

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

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

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

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

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

SUSTAINABILITY STATEMENT

Corporate Social Responsibility

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

During the current financial year, TIGB staff made visit to Persatuan Kebajikan Amal Da Ai Malaysia in Petaling Jaya, Selangor – a local orphanage for disable child.

Furthermore, TIGB has made various donations include daily necessities and cash to Chun Ling High School and Heng Ee High School, Penang and Pertubuhan Kebajikan Mental Selangor, Petaling Jaya. It is our fervent hope that every small gesture will go towards further improvements to the services that can be provided to the less fortunate in our society.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

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

Audit and Non-Audit fees

a. Under Toyo Ventures Holdings Berhad ("TVHB")

The audit and non-audit fees of TVHB as below are also disclosed in the Audited Financial Statements set out under Note 5 to the Financial Statements on page 49 of this Annual Report:-

	Company
	RM
Audit Fees	
Audit fees paid to the External Auditors for the financial year	5,000
Non-Audit Fees	
Non-audit fees paid to the External Auditors for the financial year	Nil

b. Under Toyo Ink Group Berhad ("TIGB")

The audit and non-audit fees of TIGB as below are also disclosed in the Audited Financial Statements set out under Note 7 to the Financial Statements on page 91 of this Annual Report:-

	Group	Company
	RM'000	RM'000
Audit Fees		
Audit fees paid to the External Auditors for the financial year	224	58
Non-Audit Fees		
Non-audit fees paid to the External Auditors for the financial year	30	30

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.

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DIRECTORS' REPORT

The directors hereby present their first report together with the audited financial statements of the Company for the financial period from 13 January 2020 (date of incorporation) to 30 June 2020.

Results

	Company RM
Loss for the financial period	(16,615)

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

In the opinion of the directors, the results of the operations of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

Incorporation, share capital and issue of shares

The Company was incorporated on 13 January 2020 with an issued and fully paid share capital of RM2 comprising 2 units of ordinary shares.

Directors

The names of the directors of the Company in office since the date of incorporation and to the date of this report are:

Tuan Haji Ir. Yusoff Bin Daud	(Appointed on 30 September 2020)
Song Kok Cheong	(Appointed on 30 September 2020)
Chew Cheong Loong	(Appointed on 30 September 2020)
Lim Guan Lee	(Appointed on 30 September 2020)
Tham Kut Cheong	(Appointed on 30 September 2020)
You Tong Lioung @ Yew Tong Leong	(Appointed on 30 September 2020)
Lim Soek Fun (Lin ShuFen) (Alternate Director to Lim Guan Lee)	(Appointed on 30 September 2020)
Song Hsiao May (Alternate Director to Song Kok Cheong)	(Appointed on 30 September 2020)
Cheong Poh Leng	(First director, resigned on 30 September 2020)
Soo Zin Chuen	(First director, resigned on 30 September 2020)

Directors' Benefits

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

Since the date of incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any 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.

Directors' Interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares and options over shares in the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares			
	At 13.1.2020 (date of incorporation)	Acquired	Disposed	At 30.6.2020
Direct interest in the Company				
Cheong Poh Leng (Resigned on 30 September 2020)	1	-	-	1
Soo Zin Chuen (Resigned on 30 September 2020)	1	-	-	1

Other Statutory Information

(a) As the Company has no current asset other than cash on hand, there is no information to disclose in the Directors' Report pursuant to Section 253(1) Regulation 1 (g), (h), (i) and (j)(i) of the Fifth Schedule of the Companies Act, 2016.

(b) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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

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

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

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

(e) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial period which will or may affect the ability of the Company to meet its obligations when they fall due; and

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

Indemnification of directors, officers and auditors

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

Significant events

No significant events noted during the financial period.

Subsequent event

Details of the subsequent event are disclosed in Note 11 to the financial statements.

Auditors

The auditors, KC Chia & Noor, have expressed their willingness to continue in office.

Auditors' remunerations are disclosed in Note 5 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors

SONG KOK CHEONG

CHEW CHEONG LOONG

KUALA LUMPUR
Dated: 28 October 2020

STATEMENT BY DIRECTORS

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

We, SONG KOK CHEONG and CHEW CHEONG LOONG, being two of the directors of Toyo Ventures Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 44 to 50 are drawn up in accordance With Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 June 2020 and of its financial performance and its cash flows for the period from 13 January 2020 (date of incorporation) to 30 June 2020.

Signed on behalf of the Board in accordance with a resolution of the director dated 28 October 2020.

SONG KOK CHEONG

CHEW CHEONG LOONG

KUALA LUMPUR
Dated: 28 October 2020

STATUTORY DECLARATION

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

I, SOO ZIN CHUEN (MIA membership No.: CA 36789), being the officer primarily responsible for the financial management of Toyo Ventures Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 44 to 50 are in my opinion correct, and I make this statutory declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur)
in the State of Wilayah)
Persekutuan on 28 October 2020)

SOO ZIN CHUEN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO VENTURES HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Toyo Ventures Holdings Berhad, which comprise the statements of financial position as at 30 June 2020 of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the period from 13 January 2020 (date of incorporation) to 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 50.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International independence Standards) ("IESBA Code") (Ref: Note (a)), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company 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 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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

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

Auditors' responsibilities for the audit of the financial statements (Cont'd)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

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

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

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

Other matters

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

KC CHIA & NOOR
AF 0922
Chartered Accountants

CHIA KWONG CHOW
No. 01127/01/2022 J
Chartered Accountant

Kuala Lumpur

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	30.06.2020 RM
ASSET		
Current asset		
Cash on hand		2
Total current asset		2
TOTAL ASSET		2
EQUITY AND LIABILITY		
Equity		
Share capital	3	2
Accumulated loss		(16,615)
Total equity		(16,613)
Current liability		
Other payables	4	16,615
Total current liability		16,615
TOTAL EQUITY AND LIABILITY		2

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

STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD FROM 13 JANUARY 2020 (DATE OF INCORPORATION) TO 30 JUNE 2020

	Note	13.01.2020 to 30.06.2020 RM
Revenue		-
Other operating expenses	5	(16,615)
Loss before taxation		(16,615)
Taxation	6	-
Net loss for the financial period		(16,615)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 13 JANUARY 2020 (DATA OF INCORPORATION) TO 30 JUNE 2020

	Note	Share Capital RM	Accumulated Losses RM	Total RM
At 13 January 2020 (date of incorporation)	3	2	-	2
Loss for the financial period		-	(16,615)	(16,615)
At 30 June 2020		2	(16,615)	(16,613)

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

STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD FROM 13 JANUARY 2020 (DATE OF INCORPORATION) TO 30 JUNE 2020

	13.01.2020 to 30.06.2020 RM
CASH FLOW FROM OPERATING ACTIVITY	
Loss before taxation	(16,615)
Changes in Working Capital:-	
Other payables	16,615
Net cash from operating activity	-
Net change in cash and cash equivalents	-
Cash and cash equivalents at date of incorporation*	2
Cash and cash equivalents at end of period	2

* Represents the proceeds from subscription of the subscribers' shares.

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

1. CORPORATE INFORMATION

Toyo Ventures Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office is located at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur whilst the principal place of business is located at PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.

The Company was incorporated on 13 January 2020 and remains dormant as at the end of the financial period.

The intended principal activities of the Company are investment holding and provision of management services, the Company has not commenced its operations since the date of incorporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements of the Company have been prepared on the historical cost basis except as otherwise stated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) except when otherwise indicated.

2.2 Changes in accounting policies

The revised MFRS and Amendments to MFRS which are mandatory did not give rise to any significant effect on the financial statements of the Company.

2.3 Standards and Amendments issued but not yet effective

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

Description	Effective for annual periods beginning or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to references to the Conceptual Framework In MFRS Standards	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7:	
Interest Rate Benchmark Reform	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution	
of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors of the Company expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.4 Functional and presentation currency

The financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand.

2.6 Equity instruments

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. 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.

2.7 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 are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished and the resulting gains or losses are recognised in profit and loss.

3. SHARE CAPITAL

	Unit	30.6.2020 RM
Issued and fully paid:		
Ordinary shares:		
At 13 January 2020 (date of incorporation), representing total issued and fully paid-up ordinary shares	2	2

4. OTHER PAYABLES

	30.6.2020 RM
Accruals	9,270
Sundry creditor	7,345
	16,615

5. OTHER OPERATING EXPENSES

The following item has been charged out in arriving at other operating expenses:

	13.1.2020 to 30.6.2020 RM
Preliminary expenses written off	7,435
Auditors' remuneration	5,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

6. TAXATION

There is no tax charge for the financial period as the Company has no chargeable income.

7. RELATED PARTY TRANSACTIONS

The Company did not have any transactions with its related companies and key management personnel during the financial period.

Key management personnel refer to those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial liabilities are reasonable approximation of its fair value due to its short-term nature.

9. FINANCIAL RISK MANAGEMENT POLICY

The Company has not adopted any financial risk management policy for its financial instruments as it is currently dormant.

10. CAPITAL MANAGEMENT

The Company has not adopted any capital management policy as it is currently dormant.

11. SUBSEQUENT EVENT

Proposed internal reorganisation

On 2 September 2020, the High Court approved the proposed internal reorganisation in Toyo Ink Group Berhad ("TIGB"), by way of a Members' Scheme of Arrangement under Section 366 of the Companies Act, 2016 for the following proposals:

(a) Proposed exchange of securities

(i) the exchange of 107,000,000 new ordinary shares to be issued by the Company, with 107,000,000 ordinary shares (including treasury shares) in TIGB; on the basis of 1 existing TIGB Share for every 1 new Share of the Company; and

(ii) the exchange of 53,499,995 new warrants to be issued by the Company, with 53,499,995 warrants in TIGB, on the basis of 1 existing TIGB Warrant for every 1 new Warrant of the Company.

The above securities representing the entire issued share capital of TIGB, a public limited liability company incorporated and domiciled in Malaysia, and listed on the Bursa Malaysia Securities Berhad ("Bursa Securities"), whose principal activities are investment holdings and providing management services to its subsidiaries.

(b) Proposed assumption of the listing status of TIGB

the assumption of the listing status of TIGB by the Company and the admission of the Company to and withdrawal of TIGB from the Official List of Bursa Securities, with the listing of and quotation for the Company Shares and Warrants on the Main Market of Bursa Securities.

Accordingly, the proposed internal reorganisation had been completed on 26 October 2020.

12. COMPARATIVES

There are no comparative figures as this is the first set of financial statements prepared by the Company since the date of incorporation.

13. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial period from 13 January 2020 to 30 June 2020 were authorised for issue by the Board in accordance with a resolution of the directors on 28 October 2020.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial period from 1 April 2019 to 30 June 2020.

Change of financial year end

The Company and its subsidiaries changed their financial year end from 31 March to 30 June and accordingly, the financial statements for a financial period of 15 months from 1 April 2019 to 30 June 2020 have been drawn up by the Group and the Company.

Principal activities

The Company is principally an investment holding company and provides management services to the subsidiaries within the Group.

The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

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

Results

	Group RM'000	Company RM'000
Profit for the financial period	5,554	3,552
Attributable to:		
- Owners of the Company	5,554	3,552

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid the following dividends:

	Group and Company RM'000
(a) On 30 September 2019, a final single-tier dividend of 2.00 sen per ordinary share in respect of the financial year ended 31 March 2019; and	2,140
(b) On 21 January 2020, an interim single-tier dividend of 2.00 sen per ordinary share in respect of the financial period ended 30 June 2020.	2,140
	4,280

Issue of shares and debentures

There was no issuance of shares or debentures during the financial period.

Warrant 2018/2023 (Warrant B)

During the financial period, the movement of the outstanding warrants of the Company is as follows:

		Number of warrants outstanding			
Date granted	Exercise price	At 1.4.2019	Exercised	Lapsed	At 30.6.2020
22 October 2018	RM1.50	53,499,995	-	-	53,499,995

The salient terms and features of Warrants B are disclosed in Note 28 to the financial statements.

Share options

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

Proposed corporate exercise

Proposed Internal Reorganisation

On 2 September 2020, the High Court of Malaya approved the proposed internal reorganisation ("the Proposal") of the Company by way of a Members' Scheme of Arrangement under Section 366 of the Companies Act, 2016. Further details of the Proposals are disclosed in Note 29 to the financial statements.

Directors

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

Tuan Haji Ir. Yusoff Bin Daud*
Song Kok Cheong*
Chew Cheong Loong*
Lim Guan Lee*
Tham Kut Cheong*
You Tong Lioung @ Yew Tong Leong
Lim Soek Fun (Lin Shufen) - Alternate Director to Lim Guan Lee
Song Hsiao May* - Alternate Director to Song Kok Cheong

* As director of the Company and certain subsidiaries within the Group.

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

Wong Hon Ying	- Appointed on 25 June 2019
Yong Kok Liew	- Resigned on 25 June 2019

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or

DIRECTORS' REPORT

a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

Directors' interests

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

	Number of ordinary shares			
	At 1.4.2019	Acquired	Disposed	At 30.6.2020
Interests in the Company				
-Direct Interest:				
Tuan Hj. Ir. Yusoff Bin Daud	230,964	-	-	230,964
Song Kok Cheong	11,626,000	-	-	11,626,000
Lim Guan Lee	11,939,204	-	-	11,939,204
Chew Cheong Loong	1,000,000	-	-	1,000,000
Song Hsiao May (Alternate to Song Kok Cheong)	392,000	-	-	392,000
-Indirect Interest:				
Song Kok Cheong *	392,000	-	-	392,000
Chew Cheong Loong *	1,380,000	-	-	1,380,000
Lim Guan Lee **	119,000	-	-	119,000

	Number of Warrants 2018/2023 (Warrant B)			
	At 1.4.2019	Addition	Disposal	At 30.6.2020
Interests in the Company				
-Direct Interest:				
Tuan Hj. Ir. Yusoff Bin Daud	115,482	-	(115,482)	-
Song Kok Cheong	5,813,000	-	(4,737,500)	1,075,500
Lim Guan Lee	5,910,602	-	(4,310,602)	1,600,000
Song Hsiao May (Alternate to Song Kok Cheong)	196,000	-	-	196,000
-Indirect Interest:				
Song Kok Cheong *	196,000	-	-	196,000
Lim Guan Lee **	59,500	-	(59,500)	-

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

DIRECTORS' REPORT

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

Directors' remuneration

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

	Group	Company
	RM'000	RM'000
Salaries and other emoluments	2,079	149
Defined contribution plan	101	-
Fees	329	225
	2,509	374

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

Other statutory information

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

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

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

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

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

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

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

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

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

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

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

(f) In the opinion of the Directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

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

(g) As stated in Note 46(a) to the financial statements, the management has taken steps to address the adverse impact of the Covid-19 pandemic on the Group's operations. The Board of Directors are confident that based on the strategic and funding plans, the Group will be in good stead to weather through the existing challenging environment.

DIRECTORS' REPORT

Indemnification of directors, officers and auditors

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

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 14 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or adverse comment made under Section 266(3) of the Act.

Significant events

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

Subsequent events

Subsequent events after the financial period are disclosed in Note 46 to the financial statements.

Auditors

The auditors, KC Chia & Noor, have expressed their willingness to continue in office.

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 October 2020.

Song Kok Cheong

Chew Cheong Loong

28 October 2020
Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, Song Kok Cheong and Chew Cheong Loong, being two of the directors of Toyo Ink Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out from page 63 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and their cash flows for the period from 1 April 2019 to 30 June 2020.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 October 2020.

Song Kok Cheong

Chew Cheong Loong

28 October 2020
Kuala Lumpur

STATUTORY DECLARATION

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

I, Song Kok Cheong, being the director primarily responsible for the financial management of Toyo Ink Group Berhad, do solemnly and sincerely declare that the accompanying financial statements as set out from page 63 to 130 are in my opinion correct, and I make this statutory declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed)
at Kuala Lumpur in the State of Wilayah)
Persekutuan on 28 October 2020)

Song Kok Cheong

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD

(COMPANY NO: 590521-D)
(INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Toyo Ink Group Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period from 1 April 2019 to 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the period then ended in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

We draw attention to Note 20 to the financial statements which disclosed the deferred expenditure and current status of the Proposed investment in 2 units of 1,060 megawatt Song Hau 2 Coal-Fired Thermal Power Plant Project in Hau Giang Province of Vietnam ("the Proposed Project").

The Proposed Project had commenced since the financial year 2008. As at 30 June 2020, total development and incidental costs incurred in securing the Proposed Project have since been accumulated up to RM387.3 million (31.3.2019 - RM358.9million).

On 1 August 2013, the Company entered into a Memorandum of Understanding ("MOU") with the Ministry of Industry and Trade of the Socialist Republic of Vietnam ("MOIT") for the development of a Power Plant Project under a Build-Operate-Transfer ("BOT") basis and has received approval from MOIT on the Company's Feasibility Study Report of Works Construction Investment Project.

On 5 June 2014, the Company executed a Principles of Project Agreement with MOIT which sets out the general principles for negotiation and finalisation of the project documentation in relation to the Proposed Project.

On 28 November 2016, the Company and MOIT entered into an agreement on extension of the Memorandum of Understanding ("MOU Extension") and the MOU shall take effect until the signing of the Investment Agreement.

On 14 May 2018, the Company entered into a Memorandum of Agreement with coal supplier in relation to the coal supply and transportation for the Project.

On 24 September 2018, the Company entered into a new Memorandum of Agreement ("MOA") with the Department of Natural Resources and Environment of Hau Giang Province ("Hau Giang DONRE") in relation to the Land Lease Agreement ("LLA") for the site land for the development of the Proposed Project.

On 24 September 2018, The Company entered into a new MOA with the Hau Giang DONRE in relation to the LLA for the lease of site land for the development of the Proposed Project.

On 30 August 2019, the Company entered into a new MOA with Hau Giang DONRE for the revised terms and conditions of the LLA to do the needful in order to expedite the finalisation and signing of BOT Contract and Power Purchase Agreement ("PPA"), and the revised MOA shall take effect until the signing of the BOT Contract.

The ultimate outcome of the Proposed Project is dependent upon signing and executing of all the agreements relating to the Proposed Project such as MOU, BOT Contract, PPA, Coal Supply Agreements, LLA, Shared Facility and Shared Services Agreement and Government Guarantee and Undertakings, Financial Agreements, Engineering Procurement and Construction Contracts (collectively, "the Project Agreements") concurrently with the respective authorities or government agencies of Vietnam and ultimately, the issuance of the Investment Certificate by the relevant authority for the Company to undertake the Proposed Project.

On 18 June 2020, the Vietnamese government passed the new law on Public-Private Partnership Investment ("the New Law") with Decree No. 63/2018/ND-CP, which will take effect from 1 January 2021. The Directors regarded that the new law may have implications on the investment in the Proposed Project.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD

(COMPANY NO: 590521-D)
(INCORPORATED IN MALAYSIA)

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

Emphasis of matter (Cont'd)

On 7 October 2020, the legal advisers of the Proposed Project confirmed that except for those financial agreements, all Project Agreements are ready for signing, but a substantial sum of Initial Security Deposit has to be paid shortly after signing of the BOT Contract.

At the report date, the Directors stated that the Company is in the midst of negotiating with the potential investors/ partners to jointly undertake the Proposed Project.

While evaluating the risks involved by the Directors, the financial statements for the current period were prepared based on the assumption of a successful completion and delivery of following matters for the Proposed Project and thus no impairment losses are recognised during the financial period:

(a) (i) Project Agreements are signed and duly executed before the effective date of the New Law; and

(ii) Payment of Initial Security Deposit shortly after the BOT contract is signed and duly executed;

Failing which, the Company may have to incorporate the new terms and conditions as set out under the requirements of the New Law into the agreed Project Agreements, which will have be signed and executed by the Company within the stipulated timeframe; and

(b) Continuous financial supports are provided by the non-current other payables until the signing and executing of the Project Agreements and payment of Initial Security Deposit is made shortly after the BOT contract is signed and duly executed;

Should these matters are not forthcoming, adjustments relating to the recoverability and reclassification of assets and liabilities relating to the Proposed Project may be required, inter alia, to write down the non-current assets held for sale to its realisable value and reclassify non-current assets or liabilities to current and provide for any losses which may arise.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International independence Standards) ("IESBA Code") (Ref: Note (a)), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters ("KAM")

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

KAM : Non-current assets held for sale (Refer to Note 26 to the financial statements)

At the reporting date, total deferred expenditures had since been accumulated to RM387,301,608. These expenditures are in respect of the initial and development costs incurred in securing the proposed development of the thermal power plant project in Vietnam ("the Proposed Project"). The deferred expenditures had been classified as assets held for sale as the Directors resolved to dispose of the Proposed Project within the forthcoming 12 months.

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

Key audit matters ("KAM") (Cont'd)

The Company had assessed the appropriateness of these expenditures to be capitalised, its classification and the estimated recoverable amounts of these assets. Such decision involves significant judgment on the possible successful outcome of the Proposed Project including getting all the Project Agreements signed and duly executed, the necessary financial package, execution and completion the project within the budget and time schedule and a favourable performance of its operations in the future.

The Company estimated the recoverable amounts of the carrying cost of non-current assets classified as held for sale based on the realisable fair value less costs of disposal ("FVLCD") will be higher than the accumulated costs incurred. Such estimations are highly subjective and accordingly we consider this to be an area of audit focus.

Our response

Our procedures in relation to the deferred expenditures included:

(i) We evaluated the nature of the expenditures incurred and assessed the appropriateness of capitalisation of the expenditures and its classification.

(ii) We tested on a sample basis, by verifying the development cost incurred such as legal and consultancy services and overhead costs to relevant agreements, contracts, meeting minutes and invoices.

(iii) We reviewed the project budget approved by the Company and the future expected cash inflow from the project to justify the recoverability of total project costs.

(iv) We discussed with the relevant consultants and lawyers on the progress and status of the Project Agreements, Shareholder Agreements between the Company and potential investors/partners.

(v) We perused the project meeting minutes and Directors' management meetings and evaluated management's conclusion that the assets held for sale are likely to be recovered in near future by discussing the issue with the management and obtaining an understanding of their communications with the Vietnam authorities and consultants with regard to the progress of the Proposed Project.

(vi) We perused the minutes or other records that detailed the discussion and negotiation between the Company and the potential investors/partners intend to undertake the Proposed Project.

Information other than the financial statements and auditors' report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD
(COMPANY NO: 590521-D)
(INCORPORATED IN MALAYSIA)

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD

(COMPANY NO: 590521-D)
(INCORPORATED IN MALAYSIA)

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

Other matters

The financial statements of the Group and of the Company for the year ended 31 March 2019 were audited by another firm of auditors whose report dated 24 July 2019 expressed an unmodified opinion, contained the emphasis of matter paragraph on those factors, circumstances and consideration taken into account by the Directors in preparing those financial statements.

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

KC CHIA & NOOR
AF 0922
Chartered Accountants

28 October 2020
Kuala Lumpur, Malaysia

CHIA KWONG CHOW
No. 01127/01/2022 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

		Group		Company	
		1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	98,862	91,123	5,040	2,720
Cost of sales		(77,937)	(72,906)	-	-
Gross profit		20,925	18,217	5,040	2,720
Other items of income					
Interest income		250	11	-	-
Other income	5	5,511	10,150	-	-
Other items of expenses					
Administrative expenses		(9,631)	(13,572)	(1,232)	(745)
Selling and distribution expenses		(10,137)	(8,247)	-	-
Profit from operations		6,918	6,559	3,808	1,975
Finance costs	6	(447)	(919)	-	-
Share of results of an associate		(3)	(4)	-	-
Profit before tax	7	6,468	5,636	3,808	1,975
Income tax expense	10	(914)	(1,019)	(256)	(131)
Profit net of tax representing total comprehensive income for the financial period/year		5,554	4,617	3,552	1,844
Profit net of tax attributable to:					
Owners of the Company		5,554	4,617	3,552	1,844
Total comprehensive income attributable to:					
Owners of the Company		5,554	4,617	3,552	1,844
Earnings per share attribute to owners of the Company (sen)					
Basic	11(a)	5.19	4.32		
Diluted	11(b)	N/A*	N/A*		

* denotes not applicable as it is anti dilutive in nature.

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

		Group		Company	
		30.6.2020	31.3.2019	30.6.2020	31.3.2019
Assets	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current Assets					
Property, plant and equipment	12	18,518	17,450	-	-
Right-of-use assets	13	948	-	-	-
Investment in subsidiaries	14	-	-	31,612	31,612
Investment in an associate	15	-	651	-	-
Other investment	16	690	-	-	-
Product development costs	17	-	123	-	-
Goodwill on consolidation	18	2,322	2,322	-	-
Lease receivables	19	42	-	-	-
Deferred expenditures	20	-	358,865	-	-
Total non-current assets		22,520	379,411	31,612	31,612
Current Assets					
Inventories	21	15,362	13,424	-	-
Trade receivables	22	15,904	20,816	-	-
Other receivables, deposits and prepayments	23	790	1,554	1	3
Lease receivables	19	54	-	-	-
Amount due from a subsidiary	24	-	-	229	76,430
Tax recoverable		375	427	-	76
Fixed deposit with licensed banks	25	7,149	21	-	-
Cash and bank balances	25	2,990	14,082	73	55
		42,624	50,324	303	76,564
Classified as assets held for sale					
-Property, plant and equipment	26	-	3,170	-	-
-Deferred expenditures	26	387,302	-	387,302	-
Total current assets		429,926	53,494	387,605	76,564
Total assets		452,446	432,905	419,217	108,176
Equity and liabilities					
Equity					
Equity attributable to owners of the Company:					
Share capital	27	101,115	101,115	101,115	101,115
Warrant reserves	28	5,885	5,885	5,885	5,885
Retained profits	30	15,503	14,229	244	972
Total equity		122,503	121,229	107,244	107,972
Non-current liabilities					
Deferred tax liabilities	31	818	1,064	-	-
Finance lease liabilities	32	93	160	-	-
Right-of-use lease liabilities	33	838	-	-	-
Bank borrowings	34	-	1,535	-	-
Other payables	36	-	285,046	-	-
Total non-current liabilities		1,749	287,805	-	-

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

		Group		Company	
		30.6.2020	31.3.2019	30.6.2020	31.3.2019
	Note	RM'000	RM'000	RM'000	RM'000
Current liabilities					
Trade payables	35	10,198	12,985	-	-
Other payables	36	1,980	4,915	83	73
Amount due to directors	37	124	80	-	-
Finance lease liabilities	32	191	185	-	-
Right-of-use lease liabilities	33	158	-	-	-
Bank borrowings	34	3,649	5,572	-	-
Tax payable		33	134	29	131
		16,333	23,871	112	204
Non-current other payables classified as liability held for sale	26	311,861	-	311,861	-
Total current liabilities		328,194	23,871	311,973	204
Total liabilities		329,943	311,676	311,973	204
Total equity and liabilities		452,446	432,905	419,217	108,176

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

		Attributable to Owners of the Company					
		Non-distributable		Distributable			
	Note	Share capital (Note 27) RM'000	Warrant reserves (Note 28) RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 April 2019		101,115	5,885	14,229	121,229	*	121,229
Profit for the financial period, representing total comprehensive income for the financial period		-	-	5,554	5,554	-	5,554
Transaction with owners of the Company:							
Acquisition of non-controlling interest		-	-	-	-	#	-
Dividends paid	47	-	-	(4,280)	(4,280)	-	(4,280)
At 30 June 2020		101,115	5,885	15,503	122,503	-	122,503

Note:
* Represents RM (2) only.
# Represents RM2 only.

		Attributable to Owners of the Company					
		Non-distributable		Distributable			
	Note	Share capital (Note 27) RM'000	Warrant reserves (Note 28) RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 April 2018		98,868	8,132	10,682	117,682	*	117,682
Profit for the financial year, representing total comprehensive income for the financial year		-	-	4,617	4,617	-	4,617
Transactions with owners of the Company:							
Expiry of Warrants A		8,132	(8,132)	-	-	-	-
Issuance of Warrants B		(5,885)	5,885	-	-	-	-
Dividend paid	47	-	-	(1,070)	(1,070)	-	(1,070)
Total transactions with owners, recognised directly in equity		2,247	(2,247)	(1,070)	(1,070)	-	(1,070)
At 31 March 2019		101,115	5,885	14,229	121,229	*	121,229

Note:
* Represents RM(2) only.

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

		Attributable to Owners of the Company			
		Non-distributable		Distributable	
		Share capital (Note 27)	Warrant reserves (Note 28)	Retained profits	Total Equity
	Note	RM'000	RM'000	RM'000	RM'000
Company					
At 1 April 2018		98,868	8,132	198	107,198
Profit net of tax representing total comprehensive income for the financial year		-	-	1,844	1,844
Transactions with owners of the Company:					
Expiry of Warrants A		8,132	(8,132)	-	-
Issuance of Warrants B		(5,885)	5,885	-	-
Dividend paid	47	-	-	(1,070)	(1,070)
Total transactions with owners, recognised directly in equity		2,247	(2,247)	(1,070)	(1,070)
At 31 March 2019/ 1 April 2019		101,115	5,885	972	107,972
Profit net of tax representing total comprehensive income for the financial period		-	-	3,552	3,552
Transaction with owners of the Company:					
Dividends paid	47	-	-	(4,280)	(4,280)
At 30 June 2020		101,115	5,885	244	107,244

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

		Group		Company	
		1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
	Note	RM'000	RM'000	RM'000	RM'000
Operating activities					
Profit before tax		6,468	5,636	3,808	1,975
Adjustments for:					
Lifetime expected credit loss allowance on trade receivables		230	-	-	-
Impairment loss allowance on trade receivables		98	-	-	-
Bad debts written off		44	5	-	-
Dividend income from a subsidiary		-	-	(4,140)	(2,000)
Depreciation of property, plant and equipment		1,335	1,292	-	-
Amortisation of right-of-use assets		227	-	-	-
Product development cost		123	-	-	-
Finance income		(6)	-	-	-
Gain on disposal of property, plant and equipment		(2,919)	(7,615)	-	-
Gain on disposal of assets held for sale		(1,791)	(2,311)	-	-
Gain on disposal of an associate		(42)	-	-	-
Gain on disposal of leased assets		(90)	-	-	-
Impairment loss on goodwill		-	5,461	-	-
Interest expense		447	919	-	-
Interest income		(250)	(11)	-	-
Inventories written down		-	50	-	-
Property, plant and equipment written off		54	622	-	-
Share of results of an associate		3	4	-	-
Unrealised loss/(gain) on foreign exchange		89	(74)	-	-
Operating profit/(loss) before working capital changes		4,020	3,978	(332)	(25)
Changes in working capital:					
Increase in inventories		(1,926)	(747)	-	-
Decrease/(increase) in trade receivables		4,485	(372)	-	-
Decrease/(increase) in other receivables		787	132	2	(1)
(Decrease)/increase in trade payables		(2,895)	1,434	-	-
(Decrease)/increase in other payables		(2,935)	1,246	10	(50)
Cash flows from/(used in) operations		1,536	5,671	(320)	(76)
				-	
Interest received		250	11	-	-
Interest paid		(447)	(919)	-	-
Income tax paid, net of refunds		(1,209)	(1,140)	(282)	(45)
Net cash flows from/(used in) operating activities		130	3,623	(602)	(121)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

		Group		Company	
		1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
	Note	RM'000	RM'000	RM'000	RM'000
Investing activities					
Acquisition of property, plant and equipment	12(a)	(3,754)	(964)	-	-
Acquisition of non-controlling interest		-	-	*	-
Addition to deferred expenditures	20	(28,437)	(17,453)	-	-
Transfer from a subsidiary on deferred expenditures classified as asset held for sale	26	-	-	(387,302)	-
Transfer from a subsidiary on non-current other payables classified as liability held for sale	26	-	-	311,861	-
Repayment from/(advances to) a subsidiary		-	-	76,201	(762)
Addition to research and development expenditure		-	(123)	-	-
Dividends received		-	-	4,140	2,000
Finance income received from lease receivables		6	-	-	-
Collection from lease receivables		103	-	-	-
Net proceeds from disposal of property, plant and equipment		4,293	17,538	-	-
Net proceeds from disposal of non-current assets held for sale		4,961	3,930	-	-
Net cash (used in)/flows from investing activities		(22,828)	2,928	4,900	1,238
Financing activities					
Advances from non-current other payables		26,815	16,306	-	-
Net changes in banker's acceptance		(1,508)	(1,359)	-	-
Dividends paid	47	(4,280)	(1,070)	(4,280)	(1,070)
Repayment of finance lease liabilities		(259)	(381)	-	-
Repayment of right-of-use lease liabilities		(179)	-	-	-
Repayment of term loan		(1,672)	(6,211)	-	-
Increase in pledged deposits		-	21	-	-
Net cash flows from/(used in) financing activities		18,917	7,306	(4,280)	(1,070)
Net (decrease)/increase in cash and cash equivalents		(3,781)	13,857	18	47
Cash and cash equivalents at beginning of financial period/year		13,095	(777)	55	8
Effect of foreign exchange changes on cash and cash equivalents		95	15	-	-
Cash and cash equivalents at end of financial period/year		9,409	13,095	73	55
Cash and cash equivalents at end of the financial period/year comprise:					
Cash and bank balances	25	2,990	14,082	73	55
Fixed deposits with a licensed bank	25	7,149	21	-	-
Bank overdrafts	34	(730)	(1,008)	-	-
		9,409	13,095	73	55

Note:
*Represents RM 1 only

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

Group	Non-current other payables RM'000	Bank borrowings RM'000	Finance lease liabilities RM'000	Right-of-use lease liabilities RM'000	Total RM'000
At 1 April 2018	268,740	18,598	506	-	287,844
Additional advance	16,306	-	-	-	16,306
Repayment of borrowings	-	(11,491)	-	-	(11,491)
Acquisition of new finance lease	-	-	220	-	220
Repayment of finance lease liabilities	-	-	(381)	-	(381)
At 31 March 2019 and 1 April 2019	285,046	7,107	345	-	292,498
Effort of adoption of MFRS 16	-	-	-	1,175	1,175
1 April 2019 (restated)	285,046	7,107	345	1,175	293,673
Additional advance	26,815	-	-	-	26,815
Repayment of bank borrowings	-	(3,180)	-	-	(3,180)
Repayment of bank overdraft	-	(278)	-	-	(278)
Acquisition of new finance lease	-	-	198	-	198
Repayment of finance lease liabilities	-	-	(259)	-	(259)
Repayment of right-of-use lease liabilities	-	-	-	(179)	(179)
Reclassified as non-current liabiliy held for sale	(311,861)	-	-	-	(311,861)
At 30 June 2020	-	3,649	284	996	4,929
Company					
Transfer from a subsidiary on non-current other payables	311,861	-	-	-	311,861
Reclassified as non-current liabilty held for sale	(311,861)	-	-	-	(311,861)
At 30 June 2020	-	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

1. Corporate Information

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

The registered office is located at Lot 4.22, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur whilst the principal place of business is located at PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.

The Company is principally an investment holding company and provides management services to the subsidiaries within the Group.

The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements for the financial period ended 30 June 2020 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group and the Company have adopted all the MFRS listed below, that are effective for annual financial periods beginning on or after 1 April 2019.

- IC Interpretation 23: Uncertainty over Income Tax Treatments
- MFRS 16: Leases
- Annual Improvements to MFRSs 2015 - 2017 Cycle:
  - (i) Amendments to MFRS 3: Business Combinations
  - (ii) Amendments to MFRS 11: Joint Arrangements
  - (iii) Amendments to MFRS 112: Income Taxes
  - (iv) Amendments to MFRS 123: Borrowing Costs
- Amendments to MFRS 9: Prepayment Features with Negative Compensation
- Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS I19: Employee Benefits - Plan Amendment, Curtailment or Settlement

Except for the effects arising from the adoption of MFRS 16 as described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

MFRS 16 Leases

(a) Definition of a lease

On transition to MFRS 16, the Group has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, determining whether an arrangement contains a lease were not reassessed. Therefore, the definition of a lease under MFRS I6 has been applied only to contracts entered into or changed on or after 1 April 2019.

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

2.2 Changes in accounting policies (Cont'd)

MFRS 16 Leases (Cont'd)

(b) As a lessee

Where the Group is a lessee, the Group applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 April 2019.

At 1 April 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's weighted-average incremental borrowing rate as at 1 April 2019 of 7.1%. Right-of-use assets are measured at either:

- their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at 1 April 2019; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at l April 2019;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

At 1 April 2019, all leasehold land and buildings, plant, machinery and equipment, motor vehicles, furniture and fittings, renovation and signboard that meet the definition of a lease are reclassified as right-of-use assets. For leases that were classified as finance lease under MFRS 117, the carrying amounts of the right-of-use asset and the lease liability at 1 April 2019 are determined to be the same as the carrying amount of the leased asset and lease liability under MFRS 117 immediately before that date.

The Group has applied commercial judgement to determine the lease term for those leases with renewal options and this in turn will impact on the amount of right-to-use assets and lease liabilities recognised. The Group has elected not to recognise right-of-use assets and lease liabilities for low value assets and short-term leases. The lease payments for these leases are expensed on a straight-line basis over the lease term.

(c) As a lessor

The Group leases some of its properties which were classified as operating lease. The accounting policies for the Group as a lessor remained the same as in MFRS 117. Hence, no adjustment is required for the transition to MFRS 16.

The following table provides the impact of changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 as at 1 April 2019:

	At 1 April 2019	Changes	At 1 April 2019 (Adjusted)
	RM'000	RM'000	RM'000
Non-current assets			
Right-of-use assets	-	1,175	1,175
	-		
Right-of-use lease liabilities			
- Non-current		(816)	(816)
- Current	-	(359)	(359)
Total lease liabilities	-	(1,175)	(1,175)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.3 Standards and Amendments issued but not yet effective

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

Description	Effective for annual periods beginning or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment– Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs Standards 2018 – 2020:	1 January 2022
(i) Amendments to MFRS 1	1 January 2022
(ii) Amendments to MFRS 9	1 January 2022
(iii) Amendments to MFRS 16	1 January 2022
(iv) Amendments to MFRS 141	1 January 2022
Amendments to MFRS 101: Classifications of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors are of opinion that the Standards and Amendments above would not have any material impact on the financial statements in the year of initial adoption other than as discussed below:

(a) Amendments to MFRS 101 and MFRS 108 - Definition of Material

Under MFRS 101 and MFRS 108, the amendments were made to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

(b) Revised Conceptual Framework for Financial Reporting

On 30 April 2019, MASB issued a revised Conceptual Framework for Financial Reporting. The purpose of the Conceptual Framework is, amongst others, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

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

2.3 Standards and Amendments issued but not yet effective (Cont'd)

(c) Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification in unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Group and the Company do not expect the clarifications of the above would result in any material changes when determining whether a liability is current or non-current.

2.4 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Basis of consolidation

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

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

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(b) Exposure, or rights, to variable returns from its investment with the investee; and
(c) The ability to use its power over the investee to affect its returns.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.5 Basis of consolidation (Cont'd)

(a) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(b) Potential voting rights held by the Company, other vote holders or other parties;
(c) Rights arising from other contractual arrangements; and
(d) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

Business combinations

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

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

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

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

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

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

2.6 Subsidiaries

A subsidiary is an entity over which the Company has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(b) exposure, or rights, to variable returns from its investment with the investee; and
(c) the ability to use its power over the investee to affect its returns.

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

2.7 Investment in associate

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

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

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

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

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

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

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

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

2.8 Foreign currency

(a) Functional and presentation currency

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.8 Foreign currency (Cont'd)

(b) Foreign currency transactions

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

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

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

(c) Foreign operations

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

2.9 Property, plant and equipment and depreciation

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

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

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

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

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

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

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

2.9 Property, plant and equipment and depreciation (Cont'd)

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

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

2.10 Intangible assets

(a) Goodwill

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

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

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

(b) Other intangible-assets

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

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

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

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

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

2.11 Deferred expenditures

Deferred expenditures are expenditures incurred in securing the proposed development project of the thermal power plant in Vietnam that include costs incurred in consultancy services, presentation and provision of various research and feasibility study reports to the relevant authorities. The deferred expenditures are capitalised and deferred when the project is commercially viable prospects to the Company and the management are confident of the successful outcome of the project based on progress achieved. Costs not directly attributable to the project, including general administrative overhead costs, are expensed in the financial year they occur.

When the project is deemed to no longer viable or when no future economic benefits are expected from the project, the deferred expenditures are deemed to be impaired. As a result, those expenditures, in excess of estimated recoveries, if any, shall be recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.12 Impairment of non-financial assets

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

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the earning amount of the other assets in the unit or groups of units on a pro-rata basis.

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

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

2.13 Inventories

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

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

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

2.14 Non-current assets or disposal group held for sale

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

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

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

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

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

2.14 Non-current assets or disposal group held for sale (Cont'd)

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

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

2.15 Financial instruments

(a) Initial recognition and measurement

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

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

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

(b) Financial instrument categories and subsequent measurement

Financial assets

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

(i) Amortised cost

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.15 Financial instruments (Cont'd)

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

Financial assets (Cont'd)

(ii) Fair value through profit or loss ("FVTPL") (Cont'd)

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

Financial liabilities

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

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

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

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

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

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

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

(ii) Amortised cost

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

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

(c) Derecognition

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

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

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

2.15 Financial instruments (Cont'd)

(d) Offsetting

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

2.16 Impairment of financial assets

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

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

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

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

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

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

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

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

2.17 Fair value measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.17 Fair value measurement (Cont'd)

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

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

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

2.18 Cash and bank equivalents

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

2.19 Provisions

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

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

2.20 Borrowing costs

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

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

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

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

2.21 Leases

Current financial period

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

(a) As a lessee

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

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

2.21 Leases (Cont'd)

(a) As a lessee (Cont'd)

(i) Right-of-use assets

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

Buildings premises	Over the lease period

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

(ii) Lease liabilities

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

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

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

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

(b) As a lessor

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.21 Leases (Cont'd)

Previous financial year

(a) As a lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease 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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. 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 payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As a 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.

2.22 Revenue

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

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

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

(a) Sale of goods

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

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

(b) Services rendered

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

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

2.22 Revenue (Cont'd)

(c) Other revenue

Revenue from other sources are recognised as follows:

(i) Dividend income

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

(ii) Interest income

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

2.23 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

2.23 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

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

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

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

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

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

2.24 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

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

2.25 Segment reporting

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

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

2.26 Equity instruments

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

(a) Issue expenses

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

(b) Ordinary shares

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

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

2.26 Equity instruments (Cont'd)

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

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

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

2.27 Contingencies

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

3. Significant accounting estimates and judgements

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

3.1 Critical judgements made in applying accounting policies

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

(a) Revenue from contracts with customers

Determining method to estimate variable consideration

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

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

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

(b) Deferred expenditures

Deferred expenditures are in respect of the development and other incidental costs incurred including legal, engineering and other professional fees in preparing project development proposals, project agreements and documents and feasibility study reports to the relevant authorities in relation to the investment in the thermal power plant in Vietnam.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

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

(b) Deferred expenditures (Cont'd)

The current status and carrying amount for deferred expenditures as at the reporting date is disclosed in Note 20 to the financial statements.

3.2 Key sources of estimation uncertainty

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

(a) Useful lives of property, plant and equipment

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

(b) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 21.

(c) Impairment of investments in subsidiaries

The Group assesses whether there is any indication that investment in a subsidiary may be impaired at each reporting date. In assessing whether there is any indication that its interest in a subsidiary may be impaired, the Company considers the external and internal sources of information. The Company estimated the recoverable amount of the interest in a subsidiary is based on estimated future cash flows and discounting them at an appropriate rate. The carrying amount of the Company's investments in subsidiaries is disclosed in Note 14.

(d) Impairment of goodwill

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

When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 18.

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

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 22.

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

3.2 Key sources of estimation uncertainty (Cont'd)

(f) Income taxes

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

4. Revenue

Revenue comprised the following:

	Group		Company	
	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
- Sales of goods and services rendered	98,862	91,123	-	-
Revenue from subsidiaries				
- Management fees	-	-	900	720
- Dividend income	-	-	4,140	2,000
	-	-	5,040	2,720
Total revenue	98,862	91,123	5,040	2,720
Timing of revenue recognition				
At a point in time	98,862	91,123	4,140	2,000
Over time	-	-	900	720
	98,862	91,123	5,040	2,720

Significant terms of sales are as follows:

(i) Sale of goods - Credit term of 30 to 120 (2019: 30 to 120) days from the invoicing date.

(ii) Rendering of services - Credit term of 30 to 120 (2019: 30 to 120) days from the invoicing date.

5. Other income

	Group	
	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
	RM'000	RM'000
Gain on disposal of property, plant and equipment	2,919	7,615
Gain on disposal of assets held for sale	1,791	2,311
Gain on disposal of investment in an associate	42	-
Gain on disposal of leased assets	90	-
Wages subsidies from government	210	-
Others	459	224
	5,511	10,150

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

6. Finance costs

	Group	
	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000
Interest expense on:		
Term loans	61	608
Bank overdrafts	25	40
Bankers' acceptance	235	234
Finance lease liabilities	26	13
Right-of-use lease liabilities	97	-
Others	3	24
	447	919

7. Profit before tax

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

	Group		Company	
	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000
Auditors' remuneration				
- current financial period's provision	217	160	51	40
- underprovision in prior financial year	7	-	7	-
- non-statutory audit	30	5	30	5
Amortisation of right-of-use assets	227	-	-	-
Bad debts written off	44	5	-	-
Depreciation of property, plant and equipment	1,335	1,292	-	-
Impairment loss allowance on trade receivables	98	-	-	-
Impairment loss on goodwill	-	5,461	-	-
Inventories written down	-	50	-	-
Lifetime expected credit loss on trade receivables	230	-	-	-
Loss/(gain) on foreign exchange				
- realised	119	69	-	-
- unrealised	89	(74)	-	-
Product development costs	123	-	-	-
Property, plant and equipment written off	54	622	-	-
Rental of premises	-	293	-	-
Short term lease expenses	96	-	-	-

8. Employee benefit expense

	Group		Company	
	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000
Salaries, allowances and bonuses	11,560	11,176	-	90,625
Contributions to a defined contribution plan	1,205	1,012	-	-
Contributions to social security plans	114	192	-	-
	12,879	12,380	-	90,625

9. Directors' remuneration

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

	Group		Company	
	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000
Directors:				
Executive				
Fees	123	55	75	30
Salaries and other emoluments	1,752	757	22	6
Defined contribution and social security plans	101	27	-	-
Total short-term employee benefits	1,976	839	97	36
Non-Executive				
Fees	206	165	150	120
Salaries and other emoluments	327	353	127	79
Total short-term employee benefits	533	518	277	199
Total remuneration of the directors	2,509	1,357	374	235

Other emoluments comprised salaries, allowances, bonuses, defined contribution plan, social security plans, gratuity and benefits-in-kind.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

10. Income tax expense

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

	Group		Company	
	1.4.2019 to 30.6.2020 RM'000	**1.4.2018 to 31.3.2019 RM'000**	**1.4.2019 to 30.6.2020 RM'000**	**1.4.2018 to 31.3.2019 RM'000**
Statements of profit or loss and other comprehensive income:				
Current income tax:				
- Malaysian income tax	1,166	1,013	197	107
- (Over)/under provision in respect of previous years	(6)	19	59	24
	1,160	1,032	256	131
Deferred income tax (Note 31):				
- Origination and reversal of temporary differences	(120)	(101)	-	-
- (Over)/under provision in respect of previous years	(126)	88	-	-
	(246)	(13)	-	-
Income tax expense recognised in profit or loss	914	1,019	256	131

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

	Group	
	1.4.2019 to 30.6.2020 RM'000	**1.4.2018 to 31.3.2019 RM'000**
Profit before tax	6,468	5,636
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	1,552	1,353
Adjustments:		
Non-deductible expense	1,824	1,927
Income not subject to tax	(2,230)	(2,347)
Utilisation of previously unrecognised deferred tax assets	(100)	(21)
(Over)/under provision in respect of previous years:-		
- income tax	(6)	19
- deferred tax	(126)	88
Income tax expense	914	1,019

10. Income tax expense (Cont'd)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows: (Cont'd)

	Company	
	1.4.2019 to 30.6.2020	**1.4.2018 to 31.3.2019**
	RM'000	**RM'000**
Profit before tax	3,808	1,975
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	914	474
Adjustments:		
Non-deductible expenses	277	59
Income not subject to tax	(994)	(421)
(Over)/under provision in respect of previous years:-		
- income tax	-	(5)
- deferred tax	59	24
Income tax expense	256	131

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

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

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

	Group	
	30.6.2020	**31.3.2019**
	RM'000	**RM'000**
Unutilised tax losses	2,057	2,480
Unabsorbed capital allowances	97	81
	2,154	2,561

(c) Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses can only be carried forward until the following years of assessment:

	Group	
	30.6.2020	**31.3.2019**
	RM'000	**RM'000**
Unutilised tax losses to be carried forward until:		
- Year of assessment 2025	2,051	2,474
- Year of assessment 2026	6	6
	2,057	2,480

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

11. Earnings per share

(a) Basic earnings per share

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

	Group	
	1.4.2019 to 30.6.2020 RM'000	1.4.2018 to 31.3.2019 RM'000
Profit net of tax attributable to owners of the Company (RM'000)	5,554	4,617
Weighted average number of ordinary shares in issue ('000)	107,000	107,000
Basic earnings per share (sen)	5.19	4.32
Diluted earnings per share (sen) [Note 11(b)]	N/A	N/A

(b) Diluted earnings per share

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

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

12. Property, Plant and Equipment

Group	Freehold land RM'000	Freehold buildings RM'000	Leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings, renovation and signboard RM'000	Total RM'000
Cost								
At 1 April 2018	15,869	1,537	14,865	15,375	1,199	1,993	2,541	53,379
Additions	-	-	-	690	82	87	325	1,184
Disposals	(9,602)	-	-	(562)	(60)	-	-	(10,224)
Reclassified to assets held for sale	(3,170)	-	-	-	-	-	-	(3,170)
Reclassification	-	-	-	12	-	(12)	-	-
Written off	-	-	-	(1,906)	-	(85)	(422)	(2,413)
At 31 March and 1 April 2019	3,097	1,537	14,865	13,609	1,221	1,983	2,444	38,756
Additions	1,920	1,185	-	428	67	114	238	3,952
Disposals	(853)	(641)	-	(404)	(54)	(2)	(89)	(2,043)
Reclassification	-	-	-	(294)	-	-	-	(294)
Written off	-	-	-	(113)	-	(24)	(2)	(139)
At 30 June 2020	4,164	2,081	14,865	13,226	1,234	2,071	2,591	40,232
Accumulated depreciation								
At 1 April 2018	-	453	3,520	13,447	975	1,641	2,070	22,106
Depreciation charged for the financial year	-	31	261	694	85	133	88	1,292
Disposals	-	-	-	(274)	(27)	-	-	(301)
Written off	-	-	-	(1,405)	-	(75)	(311)	(1,791)
At 31 March and 1 April 2019	-	484	3,781	12,462	1,033	1,699	1,847	21,306
Depreciation charged for the financial period	-	27	321	672	74	121	120	1,335
Disposals	-	(214)	-	(389)	(54)	(1)	(11)	(669)
Reclassification	-	-	-	(173)	-	-	-	(173)
Written off	-	-	-	(60)	-	(24)	(1)	(85)
At 30 June 2020	-	297	4,102	12,512	1,053	1,795	1,955	21,714
Net carrying amount								
At 31 March 2019	3,097	1,053	11,084	1,147	188	284	597	17,450
At 30 June 2020	4,164	1,784	10,763	714	181	276	636	18,518

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

12. Property, Plant and Equipment (Cont'd)

(a) Reconciliation to the statement of cash flow:

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

	Group	
	1.4.2019 to 30.6.2020 RM'000	**1.4.2018 to 31.3.2019 RM'000**
Additions for the financial period/year	3,952	1,185
Less: Finance lease arrangements	(198)	(221)
Total cash payments during the financial period/year	3,754	964

(b) Assets charged

The carrying amount of property, plant and equipment of the Group charged to banks for banking facilities extended to certain subsidiaries as disclosed in Note 34 as follows:

	Group	
	30.6.2020 RM'000	**31.3.2019 RM'000**
Freehold land	4,164	3,097
Freehold buildings	1,784	1,053
Leasehold land	3,222	3,282
Leasehold buildings	7,541	7,802
	16,711	15,234

(c) Assets acquired under finance lease arrangements

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

	Group	
	30.6.2020 RM'000	**31.3.2019 RM'000**
Plant and machinery	249	280
Motor vehicles	59	107
Furniture and fittings, renovation and signboard	142	-
	450	387

13. **Right-of-use assets**

	Building Premises
	RM'000
Group	
At 1 April 2019	-
Effect of adoption of MFRS I6 (Note 2.2)	1,175
At 1 April 2019 (restated)	1,175
Amortisation charged for the financial period	(227)
At 30 June 2020	948

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

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

14. Investments in subsidiaries

	Company	
	30.6.2020 RM'000	31.3.2019 RM'000
Unquoted shares, at cost	31,612	31,612

Details of the subsidiaries, all of which incorporated and domiciled in Malaysia, are as follows:

Name of subsidiary	Principal activities	Proportion of ownership interest	
		30.6.2020 %	31.3.2019 %
Direct subsidiary of the Company:			
Toyo Ink Sdn. Bhd. ("TISB")	Investment holding and ink manufacturer and undertake investment, implementation and operating of power plant business.	100	100
Direct subsidiaries of TISB:			
Toyo Photo Products Sdn. Bhd.	Dealers of graphic art, films, chemicals, machineries and equipment for litography and allied industries.	100	100
Toyo Energy Sdn. Bhd.	Undertaking the operation of electric power transimission system, investment holding and general trade and manufacture of agriculture products.	100	99.99
Toyo Ink (Perak) Sdn. Bhd.	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	100	100
Toyo Ink (Penang) Sdn. Bhd.	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	100	100
Toyo Ink (Melaka) Sdn. Bhd.	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	100	100
EDM-Tools (M) Sdn. Bhd.	Sales and distributions of electrical discharge machining tools.	100	100
EDM Machining Solutions (M) Sdn. Bhd. ("EDMSB")	Manufacturing and fabrication of metal and graphite parts.	100	100
INMAC EDM-Tools (M) Sdn. Bhd.	Manufacturing of EDM cut-wires.	100	100
EDM-Tools (Penang) Sdn. Bhd.	Dealers of all kinds of engineering and aviation equipment, accessories and attachments.	100	100
Direct subsidiary of EDMSB:			
Toyo Laser Technology Sdn. Bhd.	Sales and distributions of machinery and machine parts.	100	100

Acquisition of remaining equity interest in a subsidiary

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

15. **Investment in an associate**

	Group	
	30.6.2020 RM'000	**31.3.2019 RM'000**
Unquoted shares, at cost	310	310
Share of post-acquisition results	120	123
Adjustment for exchange gain arising on year end translation of investment in foreign associate	218	218
	648	651
Disposal of investment in an associate	(648)	-
	-	651
Represented by:		
Share of net assets of an associate	-	699
Discount on acquisition	-	(48)
	-	651

(a) Details of the associate, which was incorporated in Singapore, are as follows:

Name of associate	Principal activities	Proportion of ownership interest	
		30.6.2020 %	**31.3.2019 %**
Toyo Color Pte. Ltd. ^	Dealers, importers and exporters of printing ink and graphic products.	-	50

^ *Not audited by KC Chia & Noor.*

Disposal of an associate

On 26 June 2020, the Group has disposed of its entire 50% equity interest comprising 200,000 ordinary shares in Toyo Color Pte Ltd. in exchange of 151,784 ordinary shares representing 7.16% of the equity interest in the capital of Toyo Ink Pte Ltd as disclosed in Note 16.

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

	Group	
	30.6.2020 RM'000	**31.3.2019 RM'000**
At 30 June/31 March		
Non-current assets	1,396	1,396
Current assets	7	7
Current liabilities	(12)	(6)
Net assets	1,391	1,397

	Group	
	30.6.2020 RM'000	**31.3.2019 RM'000**
Financial period/year ended 30 June/31 March		
Loss for the financial period/year, representing total comprehensive loss for the financial period/year	(6)	(8)

16. Other investment

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At cost:		
At 1 April 2019/2018	-	-
Unquoted shares outside Malaysia, at cost	690	-
At 30 June/31 March	690	-

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

17. Product development costs

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At 1 April 2019/2018	123	-
Additions	-	123
Written off	(123)	-
At 30 June/31 March	-	123

Description of intangible asset

These expenditures are the development costs of a new product known as Robotic Automation Integration System and CNC Milling Machining Centre. The expenditures being capitalised include the cost of materials, direct labour and overhead cost that are directly attributable to preparing and developing the new product for the local and oversea market.

Development expenditure written off

During the financial period, the development costs have been expensed off as the development activities of the new product are completed and the new product are ready for sale.

Accordingly, the development cost of RM123,044 are recognised as expenditure in the statement of profit or loss and other comprehensive income.

18. Goodwill on consolidation

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At cost	17,496	17,496
Less: Accumulated impairment losses	(15,174)	(15,174)
	2,322	2,322

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

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At 1 April 2019/2018	15,174	9,713
Impairment loss recognised	-	5,461
At 30 June/31 March	15,174	15,174

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

18. Goodwill on consolidation (Cont'd)

The carrying amount of goodwill allocated to each subsidiary is as follows:

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Toyo Ink (Perak) Sdn. Bhd.	43	43
EDM-Tools (M) Sdn. Bhd.	1,651	1,651
EDM Machining Solutions (M) Sdn. Bhd.	628	628
	2,322	2,322

The carrying amount of goodwill allocated to each subsidiary company is as follows:

Key assumptions used in value-in-use calculations are as follows:

The recoverable amounts of the CGU are determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a three-year period. The assumptions used for value-in-use calculations are:

	Group	
	30.6.2020 %	31.3.2019 %
Gross margin	14 - 28	14 - 18
Growth rate	4 - 9	4 - 26
Discount rate	7.5	6

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(a) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budgeted year and increased for expected efficiency improvements.

(b) Discount rates

The discount rates used are pre-tax and reflect specific risks relating to the segment.

The Group opines that any reasonable possible change in the above key assumptions applied is unlikely to materially cause the recoverable amounts to be lower than their carrying amounts.

19. Lease receivables

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Minimum lease collections:		
Within 1 year	57	-
After 1 year and within 2 years	35	-
After 2 years and within 5 years	7	-
	99	-
Less: Future finance income	(3)	-
Total finance lease receivables	96	-
Present value of minimum lease collections:		
Within 1 year	54	-
After 1 year and within 2 years	35	-
After 2 years and within 5 years	7	-
	96	-
Analysed as:		
Repayable within 12 months	54	-
Repayable after 12 months	42	-
	96	-

The finance lease receivables charge interest at rate of 3.85% (31.3.2019: Nil) per annum.

20. Deferred expenditure

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At cost:		
At 1 April 2019/2018	358,865	341,412
Addition	28,437	17,453
	387,302	358,865
Reclassified as assets held for sale (Note 26)	(387,302)	-
At 30 June/31 March	-	358,865

The deferred expenditures are in respect of development and incidental expenditures incurred for the development of the 2 units with scale capacity of 1060MW Song Hau 2 Thermal-electric Power Plant in the Province of Hau Giang, Vietnam ("the Project") with an estimated investment amount of USD3.5 billion.

Out of the total amount of deferred expenditures, RM309,848,600 (31.3.2019: RM285,046,166) were financed by the non-current other payables as disclosed in Note 36.

In the financial year 2018, the Company ventured into Vietnam's power plant project.

On 9 April 2007, the Company had identified an initial site in Thai Hoa Industrial Park, Binh Duong Province for construction of gas fired power plant. However, the supply of gas to the region was not incorporated into the overall development plans of the Vietnamese Government in the near future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

20. Deferred expenditure (Cont'd)

From 2017 to 2019, the Company had been working along with the local relevant authorities and consulting firms and proposed to develop coal fired power plant by importing coal at various potential sites such as 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 Detailed Study Reports had also been submitted to all relevant authorities during the period.

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

After preliminary study and assessment of the availability of existing site, Hau Giang Province was determined to be the most suitable for the Company's proposed investment in power plant investment with scale capacity of 2 x 1000 MW at Hau Giang Province ("the Project") in the year 2010.

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

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

(b) The People's Committee of Hau Giang Province, Vietnam by an official letter dated 20 April 2011 had submitted to the Prime Minister seeking his approval on the Company's proposed investment in the Thermal-electric Power Plant Project with the following comments:

- The planning of Song Hau Power Complex, Hau Giang Province, has been approved by the Ministry of Industry and Trade, with the land use scale of 360 hectares, power of 5, 200MW, containing 3 projects: Song Hau 1 Thermal Power Plant Project, scale capacity of 2 x 600MW; Song Hau 2 and 3 Thermal Power Plants Projects, scale 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 by 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 regions 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 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. Huang Trung Hai, has agreed to let the Group conduct research and development of the Project, with scale capacity of 2 x 1000 MW at Song Hau Power Complex, Hau Giang Province.

On 11 January 2012, the Company 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 an agreed fee of USD1,836,750.

On 1 October 2012, the Company 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 amount 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 made an official request to Government of Vietnam and MOIT for designation of the Project as a Build-Operate-Transfer ("BOT") project.

On 22 March 2013, the Company had received the Vietnam Government's approval to be the project investor of the Project under BOT basis.

On 11 June 2013, the Company entered a contract with Messrs Orrick, Herrington & Sutcliffe ("Orrick") and its associate Vietnam-licensed 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.

20. Deferred expenditure (Cont'd)

Under the terms of engagement, the work scope of services provided by Orrick, inter alia, comprises the following:

(i) Preparation of initial documents such as Memorandum of Understanding ("MOU") with MOIT, Project Agreements, BOT Agreement, Power Purchase Agreement, Fuel Supply Agreements, Land Lease Agreement, Government Guarantee, Financing Plan, Engineering Procurement and Construction Contract (collectively, the "Project Agreements").

All the Project Agreements will have to be signed concurrently as they are inter-conditional;

(ii) Completion of negotiation, execution and signing of the Project Documents; and

(iii) Negotiation, execution and completion of the financing documents including the loan agreement and security agreement, satisfaction of conditions to borrowing and drawdown under the financing documents in connection with the Project (collectively, the "Financing Agreements").

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

On 18 February 2014, the Company obtained MOIT's approval on the Feasibility Study Report of Works Construction Investment Project in relation to the Project.

On 25 July 2015, the Company entered into a contract to with Phu My Vinh ("PMV") as the Consultants to provide consultancy services in relation to the development of the Project at agreed fee of USD35 million.

On 28 November 2016, the Company entered into an agreement with MOIT on extension of the Memorandum of Understanding ("MOU Extension") which shall continue in effect until the signing of the Investment Agreement.

On 16 January 2017, the Company entered into a Memorandum of Agreement ("MOA") with the Department of Natural Resources and Environment of Hau Giang Province ("Hau Giang DONRE") to confirm their agreed terms and conditions of the Land Lease Agreement ("LLA") on the lease of the project site land for the Project.

On 29 May 2017, the Company obtained MOIT's approval to for adjusting the scale capacity of the Project from 2x1000 MW to 2x1060 MW.

On 14 May 2018, the Company signed a Memorandum of Agreement with various coal suppliers in relation to the coal supply and transportation for the Project.

On 24 September 2018, The Company entered into a new MOA with the Hau Giang DONRE in relation to the LLA for the lease of project site land for the development of the Project.

On 30 August 2019, the Company had entered into a new MOA with Hau Giang DONRE for the revised terms and conditions of the LLA to do the needful in order to expedite the finalisation and signing of BOT Contract and Power Purchase Agreement ("PPA"), and the revised MOA shall take effect until the signing of the BOT Contract.

The ultimate outcome of the Proposed Project is dependent upon signing and executing of all the agreements relating to the Proposed Project such as MOU, BOT Contract, PPA, Coal Supply Agreements, LLA, Shared Facility and Shared Services Agreement and Government Guarantee and Undertakings, Financial Agreements, Engineering Procurement and Construction Contracts (collectively, "the Project Agreements") concurrently with the respective authorities or governments agencies of Vietnam and ultimately, the issuance of the Investment Certificate by the relevant authority for the Company to undertake the Proposed Project.

On 18 June 2020, the Vietnamese Government passed the new law on Public-Private Partnership Investment ("the New Law") with Decree No. 63/2018/ND-CP, which will take effect from 1 January 2021. The Directors regarded that the new law may have implications on the Proposed Project.

On 7 October 2020, the legal advisers of the Proposed Project confirmed that except for those Financial Funding Agreements, all Project Agreements are ready for signing, but a substantial sum of Initial Security Deposit needs to be paid shortly after signing of the BOT Contract.

At the report date, the Directors stated that the Company is in the midst of negotiating with the potential investors/ partners to jointly undertake the Proposed Project. The Company is also finalising various options for investments and funding with potential investors/partners for the kick-off of the Proposed Project. The Directors also opined that the signing of all the Project Agreements except those of financial funding, will be signed and duly executed at end of the year 2020 and the Financial funding package is expected to be signed and duly executed within the next 15 months after Project Agreements have been signed and executed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

20. Deferred expenditure (Cont'd)

The construction of the Project is expected to take forty-eight (48) to sixty (60) months and is estimated to commence commercial operations latest by 2027/2028. At this juncture, the Company is unable to determine any potential financial effects on the Proposed Project as its prospects will hinge on the outcome of the signing of the Project Agrements, payment of Initial Security Deposit after signing of the BOT Contract, signing of the Shareholders Agreement with the potential investors/partners, required funding is obtained, completion of construction and commissioning of the Proposed Project by the Engineerng and Procurement Contractor ("EPC") and a favourable performance of the power plant operations after the completion of construction and commissioning of the Proposed Project.

As at the report date, the Directors are also of the opinion hat no impairment is recognised during the current financial period as the Company is in the midst negotiating with few potential investors/ partners to jointly undertake the Proposed Project and a succesful outcome of the disposal will be reached within the next 12 months and the proceeds of the disposal will be higher than the costs of the deferred expenditure incurred.

Accordingly, the deferred expenditures have been reclassified as non-current assets held for sales as disclosed in Note 26.

21. Inventories

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At cost		
Raw materials	2,905	3,708
Finished goods	12,039	6,542
Goods-in-transit	100	1,209
Tools and consumables	-	1,235
Trading merchandise	218	630
	15,262	13,324
At net realisable value		
Finished goods	100	100
	15,362	13,424

(a) During the financial period, the amount of inventories recognised as an expense in cost of sales of the Group was RM77,936,546 (31.3.2019: RM65,228,003).

(b) Raw materials, amongst others, consist of papers, ink, plates, films, die-cutters, metal and graphite parts and other consumables.

22. Trade Receivables

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Third parties	16,232	20,816
Less: Expected credit loss allowance	(328)	-
	15,904	20,816

22. Trade Receivables (Cont'd)

The movement in the expected credit loss allowance in respect of trade receivables during the financial period is shown below:

	Trade receivables		
Group	Lifetime ECL RM'000	Credit Impaired RM'000	Total RM'000
At 1 April 2019	-	-	-
Impairment loss recognised (Note 7)	230	98	328
At 30 June 2020	230	98	328

(i) The Group's average credit period ranges from 30 to 120 days (31.3.2019: 30 to 120 days).

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Current (not past due)	6,785	10,495
Past due not impaired:		
Less than 30 days	1,275	3,751
31 to 60 days	2,614	2,346
61 to 90 days	2,141	1,426
More than 90 days past due	3,417	2,798
	16,232	20,816
Amount impaired	(328)	-
	15,904	20,816

Information about the credit exposures are disclosed in Note 42(a).

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(ii) The Group writes off a trade receivable amounting to RM43,670 (31.3.2019 : RM5,314) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off were subject to enforcement activities.

(iii) As at 30 June 2020, trade receivables of RM9,119,034 (31.3.2019: RM10,321,303) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

23. Other receivables, deposits and prepayments

	Group		Company	
	30.6.2020 RM'000	31.3.2019 RM'000	30.6.2020 RM'000	31.3.2019 RM'000
Other receivables	95	54	-	-
Deposits	448	533	1	1
Prepayments	247	967	-	2
	790	1,554	1	3

24. Amount due from a subsidiary

The amount due from a subsidiary of the Company are unsecured, non-interest bearing and are repayable upon demand and such amounts are to be settled by cash.

25. Cash and bank balances

	Group		Company	
	30.6.2020 RM'000	31.3.2019 RM'000	30.6.2020 RM'000	31.3.2019 RM'000
Cash in hand and at banks	2,990	14,082	73	55
Short-term deposits with licensed banks	7,149	21	-	-
Total cash and bank balances	10,139	14,103	73	55

Short-term deposits are made for the maturity period of 30 days (31.3.2019: 30 days) depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at the reporting date for the Group were ranging from 1.30% to 3.55% (31.3.2019:2.95%)

26. Non-current asset and liability classified as held for sale

(i) During the financial period, the Directors resolved to dispose of the Group's investment in power plant activities in Vietnam (with an option to retain certain portion of the equity interest). Negotiations with several interested parties have subsequently taken place. The non-current assets and liabilities attributable to the investment in the said power plant, which are expected to be sold within 12 months, have been classified as a disposal group/ assets held for sale and are presented separately in the statement of financial position. The investment in the power plant activities is included in the Group's energy activity for segment reporting purposes (Note 44).

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these disposal group/assets as held for sale.

26. Non-current asset and liability classified as held for sale (Cont'd)

(ii) The major classes of assets and liabilities comprising the disposal group/assets classified as held for sale are as follows:

	Group		Company	
	30.6.2020 RM'000	31.3.2019 RM'000	30.6.2020 RM'000	31.3.2019 RM'000
Reclassified as assets held for sale				
Deferred expenditures	387,302	-	387,302	-
Property, plant and equipment [Note (iii) below]	-	3,170	-	-
	387,302	3,170	387,302	-
Reclassified as liability held for sale				
Non-current other payables	(311,861)	-	(311,861)	-
Net assets classified as held for sale	75,441	3,170	75,441	-

(iii) Property, plant and equipment that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At carrying amount:		
At 1 April 2019/2018	3,170	1,619
Reclassified from property, plant and equipment	-	3,170
Disposal	(3,170)	(1,619)
At 30 June/31 March	-	3,170

27. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	30.6.2020 Units'000	31.3.2019 Units'000	30.6.2020 RM'000	31.3.2019 RM'000
Issued and fully paid shares classified as equity instruments				
At 1 April 2019 / 2018	107,000	107,000	101,115	98,868
Reversal from Warrant reserve upon expiry of Warrants 2013/2018 (Warrants A)	-	-	-	8,132
Transfer to Warrant reserve for issuance of Warrants 2018/2023 (Warrants B)	-	-	-	(5,885)
At 30 June/31 March	107,000	107,000	101,115	101,115

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

28. Warrant reserves

	Group and Company	
	30.6.2020 RM'000	31.3.2019 RM'000
At 1 April 2019 / 2018	5,885	8,132
Expiry of Warrants A	-	(8,132)
Issuance of Warrants B	-	5,885
At 30 June/31 March	5,885	5,885

Warrant reserve represents reserve allocated to free detachable warrants issued with the issuance of Company's shares.

(a) Warrants 2018/2023 (Warrants B)

On 7 November 2018, the Company issued 53,499,995 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares in the Company and the Warrants are quoted and listed on the Main Board of Bursa Securities on 9 November 2018. The Warrants are constituted by the deed poll dated 22 October 2018 ("Deed Poll").

Fair values from the issuance of Warrants are credited to warrant reserve which is non-distributable. In arriving at the related fair values, the fair values of the Warrants are determined using the available market data for the Warrants on the date the Warrants are issued.

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

Salient features of the Warrants B are as follows:

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 6 November 2023 ("Exercise Period"), subject to the adjustments in accordance with the Deed Poll constituting the Warrants.

At the expiry of the Exercise Period, any Warrant which has not been exercised shall automatically lapse and cease to be valid for any purpose:

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

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

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

28. Warrant reserves (Cont'd)

(a) Warrants 2018/2023 (Warrants B) (Cont'd)

As at 30 June 2020, the outstanding 53,499,995 units of Warrant B were unexercised and the details of the outstanding warrants are as follows:

	Group and Company			
	Number of warrants		Warrant Reserve	
	30.6.2020 Units	31.3.2019 Units	30.6.2020 RM'000	31.3.2019 RM'000
At 1 April 2019/2018				
and at 30 June/31 March	53,499,995	53,499,995	5,885	5,885

(b) Warrant 2013/2019 (Warrant A)

In prior financial year and at the expiry date of 20 April 2018, the 42,800,000 outstanding warrants had not been exercised were automatically lapsed and became invalid. As a result, the Warrant reserve of RM8,132,000 was reversed against the share capital account.

29. Proposed Corporate Exercise

Proposed internal reorganisation

On 2 September 2020, the High Court approved the proposed internal reorganisation of the Company ("TIGB") by way of a Members' Scheme of Arrangement under Section 366 of the Companies Act, 2016 for the following proposals ("the Proposals"):

(a) Proposed exchange of securities

(i) the exchange of 107,000,000 new ordinary shares to be issued by the Toyo Ventures Holdings Berhad ("TVHB"), with 107,000,000 ordinary shares (including treasury shares) in TIGB; on the basis of 1 existing TIGB Share for every 1 new Share of the TVHB; and

(ii) the exchange of 53,499,995 new warrants to be issued by TVHB, with 53,499,995 warrants in TIGB, on the basis of 1 existing TIGB Warrant for every 1 new Warrant of TVHB.

The above securities will exchange for the new securities to be issued by TVHB, a public limited liability company incorporated and domiciled in Malaysia and its intended principal activities are investment holdings and providing management services to its subsidiaries.

(b) Proposed assumption of the listing status of TIGB

The assumption of the listing status of TIGB by TVHB and the admission of TVHB to and withdrawal of TIGB from the Official List of Bursa Securities with the listing of and quotation for TVHB's shares and warrants on the Main Market of Bursa Securities.

(c) Accordingly, the Proposals had been completed on 26 October 2020.

30. Retained profits

The policy of the Group and of the Company is to treat all gains and losses that pass through the statement of comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders.

The retained profits of the Group and of the Company are available for distributions by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

31. Deferred tax liabilities

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At 1 April 2019/2018	1,064	1,077
Recognised in statements of profit or loss and other comprehensive income (net) (Note 10)	(246)	(13)
At 30 June/31 March	818	1,064

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Deferred tax assets	262	-
Deferred tax liabilities	(1,080)	(1,064)
	(818)	(1,064)

The components and movements in deferred tax assets and liabilities of the Group during the financial period prior to offsetting are as follows:

	Property, plant and equipment RM'000	Other temporary differences RM'000	Total RM'000
Deferred tax assets			
At 1 April 2018	-	(68,700)	(68,700)
Recognised in statements of profit or loss and other comprehensive income	-	68,700	68,700
At 31 March and 1 April 2019	-	-	-
Recognised in statements of profit or loss and other comprehensive income	-	262	262
At 30 June 2020	-	262	262
Deferred tax liabilities			
At 1 April 2018	(1,146)	-	(1,146)
Recognised in statements of profit or loss and other comprehensive income	82	-	82
At 31 March and 1 April 2019	(1,064)	-	(1,064)
Recognised in statement of profit or loss and other comprehensive income	212	(228)	(16)
At 30 June 2020	(852)	(228)	(1,080)

32. Finance lease liabilities

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Minimum lease payments:		
Within 1 year	203	201
After 1 year and within 2 years	83	159
After 2 years and within 5 years	15	7
	301	367
Less: Future finance costs	(17)	(22)
Total finance lease liabilities	284	345
Present value of minimum lease payments:		
Within 1 year	191	185
After 1 year and within 2 years	79	154
After 2 years and within 5 years	14	6
	284	345
Analysed as:		
Repayable within 12 months	191	185
Repayable after 12 months	93	160
	284	345

The finance lease liabilities bear interest at rates ranging from 3.50% to 3.85% (31.3.2019: 2.81% to 3.51%).

33. Right-of-use lease liabilities

The movement of lease liabilities during the financial period/year is as follows:

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
At 1 April 2019	-	-
Effect of adoption of MFRS 16 (Note 2.2)	1,175	-
At 1 April 2019 (Restated)	1,175	-
Accretion of interest charged	97	-
Payment of:		
- Principal	(179)	-
- Interest	(97)	-
At 30 June 2020	996	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

33. Right-of-use lease liabilities (Cont'd)

	Group	
	30.6.2020	31.3.2019
	RM'000	RM'000
Analysed as:		
Current	158	-
Non-current	838	-
	996	-

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	Group
	30.6.2020
	RM'000
Amortisation of right-of-use assets	227
Interest expense on lease liabilities	97

The Group had total cash outflows for leases amounted to RM276,050 during the current financial period.

There were no leases with residual value guarantee or leases not yet commenced to which the Group is committed.

34. Bank borrowings

	Group	
	30.6.2020	31.3.2019
Secured	RM'000	RM'000
Current		
Banker's acceptance	2,919	4,427
Bank overdraft	730	1,008
Term loans	-	137
	3,649	5,572
Non-current		
Term loans	-	1,535
Total bank borrowings	3,649	7,107
The remaining maturities of the bank borrowings are as follows:		
Within 1 year	3,649	5,572
Between 1 to 2 years	-	147
Between 2 to 5 years	-	157
After 5 years	-	1,231
	3,649	7,107

(a) The above bank borrowings obtained from licensed banks are secured by following:

(i) Legal charges over the freehold and leasehold land and buildings of certain subsidiaries as disclosed in Note 12 and Note 14.
(ii) Negative pledge by a subsidiary company.
(iii) Corporate guaranteed by the Company and a subsidiary within the Group.

34. Bank borrowings (Cont'd)

(b) The interest rates of the bank borrowings of the Group are as follows:

	Group	
	30.6.2020	31.3.2019
	%	%
Banker's acceptance	3.22 - 4.83	4.46 - 4.87
Bank overdraft	6.95	5.10
Term loans	-	5.86 - 6.36

35. Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 60 to 120 days (31.3.2019: 60 to 120 days).

36. Other payables

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Current				
Other payables	1,131	1,910	-	-
Deposits and prepayments received	175	557	-	-
Accrued expenses	674	2,448	83	73
	1,980	4,915	83	73
Non-current				
Other payables [Notes (a) and (b) below]	-	285,046	-	-
	1,980	289,961	83	73

(a) The movement of the non-current other payables during the financial period/year is as follows:

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
At 1April 2019/2018	285,046	268,740	-	-
Addition	26,815	16,306	-	-
	311,861	285,046	-	-
Reclassified as liability held for sale	(311,861)	-	-	-
At 30 June/ 31 March	-	285,046	-	-

(b) Non-current other payables

These represents amounts due to the companies in which certain major shareholders of the Company have substantial financial interest. These advances are used for the funding of the development of the Proposed Power Plant Project in Vietnam as disclosed in Note 20. These amounts are unsecured, interest free and have no fixed terms of repayment. At the end of financial period, these amounts have been reclassified as liabilities classified as held for sale as disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

37. Amount due to directors

The amount due to directors are unsecured, non-interest bearing and are repayable upon demand, and such amounts are to be settled by cash.

38. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

(a) Investment income and rendering of services

	Company	
	30.6.2020 RM'000	31.3.2019 RM'000
Transactions with subsidiaries		
Dividend income received	4,140	2,000
Management fee received	900	720

Information regarding outstanding balance arising from related party transactions as at 30 June 2020 and 31 March 2019 is disclosed in Notes 24 and 37.

The compensation of key management personnel is same as the Directors' remuneration as disclosed in Note 9.

39. Contingent liabilities

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Corporate guarantees		
Granted to licensed banks for banking facilities extended to subsidiaries	13,480	41,220

40. Financial instruments

Categories of financial instruments

The table below provides an analysis of financial instruments as at 30 June 2020 and 31 March 2019 categorised as follows:

	Amortised cost	
	30.6.2020 RM'000	31.3.2019 RM'000
Group		
Financial assets		
Trade receivables	15,904	20,816
Other receivables and deposits	543	587
Lease receivables	96	-
Fixed deposits with a licensed bank	7,149	21
Cash and bank balances	2,990	14,082
	26,682	35,506
Financial liabilities		
Trade payables	10,198	12,985
Other payables and accrued expenses	1,980	289,961
Amount due to directors	124	80
Bank borrowings	3,649	7,107
Finance lease liabilities	284	345
Right-of-use lease liabilities	996	-
	17,231	310,478
Company		
Financial assets		
Other receivables	1	3
Amount due from a subsidiary	229	76,430
Cash and bank balances	73	55
	303	76,488
Financial liabilities		
Other payables	83	73

41. Fair value measurements

(a) Determination of fair value and the fair value hierarchy

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes on Bloomberg and Reuters. Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

41. Fair value measurements (Cont'd)

The Group and the Company generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

MFRS 13 Fair Value Measurement requires each class of assets and liabilities measured at fair value in the statements of financial position after initial recognition to be categorised according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of those financial instruments and non-financial assets:

- Level 1 Quoted market prices: quoted prices (unadjusted) in active market for identical instruments;
- Level 2 Fair values based on observable inputs: inputs other than quoted prices include within Level 1 that are observable for the instrument, whether directly (i.e. prices) or (i.e. derived from prices), are used; and
- Level 3 Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

The following tables provide an analysis of financial instruments not carried at fair values at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
30 June 2020					
Financial assets					
Lease receivables	-	96	-	96	96
Financial liabilities					
Finance lease liabilities	-	284	-	284	284
Right-of-use lease liabilities	-	996	-	996	996
31 March 2019					
Financial liability					
Finance lease liabilities	-	345	-	345	345

42. Financial risk management objectives and policies

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The Group's overall risk management strategy seeks to minimise potential adverse effects on the financial performance of the Group. The key financial risks include credit risk, liquidity risk and market risk.

Financial risk management policies are reviewed and approved by the Board of Directors and executed by the management of the respective operating units. The Group Risk Committee provides independent oversight on the effectiveness of the risk management process.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

42. Financial risk management objectives and policies (Cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. At the reporting date, the Group's exposure to credit risk arises primarily from trade and other receivables. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries and an associate.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiaries. The Company's maximum exposure in this respect is RM3,648,980 (31.3.2019: RM7,106,700) representing the outstanding banking facilities of the subsidiaries as at the end of reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over the approved limits.

At each reporting date, the Group assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

(i) Trade receivables

- **Exposure to credit risk, credit quality and collateral**

  At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

  Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

  Information regarding financial assets that are either past due or impaired and ageing analysis is disclosed below. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

- **Recognition and measurement of impairment loss**

  In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is as follows:

  (i) Above 120 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and

  (ii) Above 180 days past due, the Group will commence a legal proceeding against the customer.

  The Group uses an allowance matrix to measure ECLs of trade receivables for all except for government agencies. Consistent with the debt recovery process, balances which are past 90 days will be considered as credit impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

42. Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

- **Recognition and measurement of impairment loss (Cont'd)**

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 120 days past due. Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

For some trade receivables the Group has obtained security in the form of bank guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

For long-term sale contracts, as there are only a few customers, the Group assesses the risk of loss of each customer individually based on their financial information, pass trend of payments and external ratings, where applicable. All of these customers have low risk of default.

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by withholding the transfer of registered ownership of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchaser's end-financier.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2020 and 31 March 2019, which are grouped together as they are of similar risk nature.

	Gross carrying amount	Loss Allowance	Net balance
Group	**RM'000**	**RM'000**	**RM'000**
30 June 2020			
Current (not past due)	6,785	-	6,785
1 to 30 days past due	1,275	(23)	1,252
31 to 60 days past due	2,614	(52)	2,562
61 to 90 days past due	2,141	(43)	2,098
More than 90 days past due	3,417	(112)	3,305
	16,232	(230)	16,002
Individually impaired	-	(98)	(98)
	16,232	(328)	15,904
31 March 2019			
Current (not past due)	10,495	-	10,495
1 to 30 days past due	3,751	-	3,751
31 to 60 days past due	2,346	-	2,346
61 to 90 days past due	1,426	-	1,426
More than 90 days past due	2,798	-	2,798
	20,816	-	20,816

42. Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

- **Recognition and measurement of impairment loss (Cont'd)**

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are customers that have been transacting with the Group for over 5 years, and these customers are considered unlikely to have default in payments.

The movement in the allowance for impairment is disclosed in Note 22.

(ii) Financial guarantees

- **Risk management objectives, policies and process for managing the risk**

The Group provides secured bank guarantee in favour of third parties for business purposes. The maximum exposure of credit risk amounted to RM55,000 (31.3.2019: RM55,000). There was no indication that the guarantee will be called upon.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for loans to its subsidiaries where risks of default have been assessed to be low.

- **Exposure to credit risk, credit quality and collateral**

The maximum exposure to credit risk relates to unsecured corporate guarantees given to banks for banking facilities granted to the Company and its subsidiaries as disclosed in Note 39.

As at the end of the reporting period, there was no indication that there would be an event of default on repayment in relation to those extended to the subsidiaries.

(iii) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(iv) Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and equipment rented. These deposits will be received at the end of each lease terms.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. As at the end of the reporting period, the Group and the Company did not recognised any loss allowance.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company adopt a prudent approach to manage their liquidity risk. The Group and the Company always maintain sufficient cash and cash equivalents, and have available funding through a diverse source of committed and uncommitted credit facilities from various banks. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

42. Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Cash Flows				
	Carrying amount RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group					
At 30 June 2020					
Financial liabilities:					
Trade payables	10,198	10,198	-	-	10,198
Other payables and accrued expenses	1,980	1,980	-	-	1,980
Amount due to directors	124	124	-	-	124
Bank borrowings	3,649	3,649	-	-	3,649
Finance lease liabilities	284	203	98	-	301
Right-of-use lease liabilities	996	158	838	-	996
	17,231	16,312	936	-	17,248
At 31 March 2019					
Financial liabilities:					
Trade payables	12,985	2,985	-	-	12,985
Other payables and accrued expenses	289,961	4,915	285,046	-	289,961
Amount due to directors	80	80	-	-	80
Bank borrowings	7,107	5,572	304	1,484	7,360
Finance lease liabilities	345	201	166	-	367
	310,478	23,753	285,516	1,484	310,753

42. Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Cash Flows				
	Carrying amount RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Company					
At 30 June 2020					
Financial liability:					
Accrued expenses	83	83	-	-	83
At 31 March 2019					
Financial liability:					
Accrued expenses	73	73	-	-	73

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from purchases and imports that are denominated in a currency other than the functional currencies of the Group.

The Group also has exposure to foreign exchange risk as a result of providing unsecured advances to associates.

- **Risk management objectives, policies and process for managing the risk**

  It is the Group's policy to hedge this risk where the exposures are certain and cost-efficient. The Group and the Company do not apply hedge accounting and do not issue derivative financial instruments for trading purposes.

- **Exposure to foreign currency risk**

  The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Swiss Franc ("CHF"), Japanese Yen ("JPY") and Euro ("EURO"), and a small percentage in other foreign currencies. Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the exposure is at an acceptable level.

  Foreign exchange exposures in transactional currencies other than functional currency of the Company and all of its subsidiaries are kept to an acceptable level. As at 30 June 2020 and 31 March 2019, the Group and the Company have not entered into any forward foreign currency contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

42. Financial risk management objectives and policies (Cont'd)

(c) Market risk (Cont'd)

(i) Currency risk (Cont'd)

	Group	
	30.6.2020	**31.3.2019**
	RM'000	**RM'000**
Net unhedged financial assets/(liabilities)		
United States Dollar ("USD")	(451)	(6,577)
Singapore Dollar ("SGD")	(1)	42
Swiss Franc ("CHF")	(17)	(369)
Japanese Yen ("JPY")	(15)	(76)
European Euro ("EURO")	(10)	(286)

The following table demonstrates the sensitivity of the Group's loss after tax to a reasonably possible change in the USD, SGD, CHF, JPY and EURO exchange rates against the respective functional currencies of the Group component entities, with all other variables held constant at the reporting date.

		Group	
	Change in exchange rate	**30.6.2020 Effect on profit before tax RM'000**	**31.3.2019 Effect on profit before tax RM'000**
USD/RM	- strengthened by 10%	(45)	(658)
	- weakened by 10%	45	658
SGD/RM	- strengthened by 10%	*	(4)
	- weakened by 10%	*	4
CHF/RM	- strengthened by 10%	(2)	(37)
	- weakened by 10%	2	37
JPY/RM	- strengthened by 10%	(2)	(8)
	- weakened by 10%	2	8
EURO/RM	- strengthened by 10%	(1)	(29)
	- weakened by 10%	1	29

* Less than RM 1,000

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

- **Risk management objectives, policies and process for managing the risk.**

  Interest rate exposure arising from the Group's and the Company's borrowings is managed through the use of fixed and floating rate debts. The Group will consider entering into derivative financial instruments where necessary to achieve an appropriate mix of fixed and floating rate exposure.

42. Financial risk management objectives and policies (Cont'd)

(c) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

- **Exposure to interest rate risk**

As the Group and the Company have no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits and money market funds. The Group's borrowings at floating rates are contractually re-priced at intervals of less than 6 months (31.3.2019: 6 months).

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

	Group	
	30.6.2020	31.3.2019
Fixed rate instruments	RM'000	RM'000
Financial assets		
- Deposits with licensed banks	7,149	21
Financial liabilities		
- Finance lease liabilities	(284)	(345)
- Right-of-use lease liabilities	(996)	-
	(1,280)	(345)
	5,869	(324)
Floating rate instruments		
Financial liabilities		
- Banker's acceptance	(2,919)	(4,427)
- Bank overdraft	(730)	(1,008)
- Term loans	-	(1,672)
	(3,649)	(7,107)

- **Interest rate risk sensitivity analysis**

At the reporting date, it is estimated that a hundred (100) basis points increase in interest rate, with all other variables held constant, would decrease the Group's profit after tax by approximately RM36,489 (31.3.2019: RM71,067), arising mainly as a result of higher interest expense on net floating borrowing position. A decrease in interest rate would have had the equal but opposite effect on the aforesaid amount, on the basis that all other variables remain constant.

43. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its businesses and maximise shareholder value. No changes were made in the objectives, policies and processes during the financial period/year ended 30 June 2020 and 31 March 2019.

The Group reviews its capital structure and make adjustments to reflect economic conditions, business strategies and future commitments on a continuous basis.

The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements. The debt-to-equity ratio is calculated as net debts divided by equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

43. Capital management (Cont'd)

	Group	
	30.6.2020 RM'000	31.3.2019 RM'000
Finance lease liabilities (Note 32)	284	345
Right-of-use lease liabilities (Note 33)	996	-
Bank borrowings (Note 34)	3,649	7,107
	4,929	7,452
Less: Fixed deposits with a licensed bank (Note 25)	(7,149)	(21)
Less: Cash and bank balances (Note 25)	(2,990)	(14,082)
Net debts	(5,210)	(6,651)
Equity attributable to the owners of the Company	122,503	121,229
Debts-to-equity ratio (times)	N/A*	N/A*

* N/A denotes not applicable as the net debts are in negative position.

The Group is not required to comply with any externally imposed capital requirements during the financial period/ year ended 30 June 2020 and 31 March 2019.

44. Segment information

(a) Segmental information is prepared on the basis of the "management approach", which requires presentation of the segments on the basis of internal reports about the components of the entity.

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Manufacturing — Manufacturing of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, CNC machining of graphite and copper EDM electrodes, files, chemicals, and equipment for lithography and allied industries.

(ii) Trading and investment holding — Investment holding of the investments in 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.

(iii) Energy — Propose investment in thermo-electric power plant project in Vietnam. (subject to signing and executing of the Project Agreements and payment of the Initial Security Deposit for the Proposed Project with details as disclosed in Note 26)

For each of the operating segments, the Group Managing Director as the Chief Operation Officer reviews the internal management reports on a monthly basis and conducts performance dialogues with the divisions on a regular basis. The Group assesses the performance of the operating segments based on measure of revenue and profit before tax.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities, income and expenses.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These transfers are eliminated on consolidation.

44. Segment Information (Cont'd)

30 June 2020	Manufacturing RM '000	Trading and Investment Holding RM '000	Energy RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
Revenue						
External customers	66,063	32,799	-	-		98,862
Inter-segment sales	5,665	5,040	-	(10,705)	A	-
Total revenue	71,728	37,839	-	(10,705)		98,862
Results						
Finance costs	(332)	(115)	-	-		(447)
Lifetime expected credit loss on trade receivables	(209)	(21)	-	-		(230)
Impairment loss allowance on trade receivables	-	(98)	-	-		(98)
Capital expenditure	(693)	(3,646)	-	-		(4,339)
Depreciation and amortisation expenses	(1,033)	(160)	-	(142)		(1,335)
Other non-cash items expenses	1,484	(119)	-	-	B	1,365
Share of results of associate company	-	(3)	-	-		(3)
Segment profit before tax	8,530	6,564	-	(8,626)		6,468
Segment assets	83,335	58,447	387,302	(76,638)		452,446
Segment liabilities	42,459	278	311,861	(24,655)		329,943

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

44. Segment Information (Cont'd)

31 March 2019	Manufacturing RM '000	Trading and Investment Holding RM '000	Energy RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
Revenue						
External customers	80,184	26,725	-	-		106,909
Inter-segment sales	2,859	28	-	(18,673)	A	(15,786)
Total revenue	83,043	26,753	-	(18,673)		91,123
Results						
Interest income	1	10	-	-		11
Finance costs	(754)	(165)	-	-		(919)
Depreciation and amortisation	(1,214)	(145)	-	67		(1,292)
Other non-cash expenses	1,705	3	-	(5,461)	B	(3,753)
Share of results of an associate	-	(4)	-	-		(4)
Segment profit/(loss) before tax	12,160	2,893	-	(9,417)		5,363
Segment assets	84,937	133,732	358,865	(144,629)		432,905
Segment liabilities	111,663	8,099	285,046	(93,132)		311,676

44. Segment information (Cont'd)

Notes	Nature of adjustments and eliminations to arrive at amounts reported in the Consolidated financial statements
A	Inter-segment revenues are eliminated on consolidation.
B	Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	30.6.2020 RM'000	31.3.2019 RM'000
Bad debts written off	(44)	(5)
Gain on disposal of assets held for sale	1,791	2,311
Inventories written down	-	(50)
Impairment loss on goodwill	-	(5,461)
Lifetime expected credit loss on trade receivables	(230)	-
Impairment loss allowance on trade receivables	(98)	-
Property, plant and equipment written off	(54)	(622)
Unrealised gain on foreign exchange	-	74
	1,365	(3,753)

		30.6.2020 RM'000	31.3.2019 RM'000
C	Unallocated corporate expenses	364	-

D Additions to non-current assets consist of:

	30.6.2020 RM'000	31.3.2019 RM'000
Property, plant and equipment	18,518	17,450

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the Group's statement of financial position:

	30.6.2020 RM'000	31.3.2019 RM'000
Investment in an associate	(648)	(4)
Inter-segment assets	(76,638)	(144,629)
	(77,286)	(144,633)

(b) Geographical segments

Segmental information is presented in respect of the Group's geographical segments based on the Group's management and internal reporting structure.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on location of the assets. The non-current assets do not include financial instruments, investment in associate and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

44. Segment information (Cont'd)

(b) Geographical segments (Cont'd)

Geographical information

	External revenue RM'000	Non-current assets RM'000
Group		
30 June 2020		
Malaysia	98,862	65,144
Vietnam	-	387,302
	98,862	452,446
31 March 2019		
Malaysia	91,123	74,040
Vietnam	-	358,865
	91,123	432,905

(c) Major customers

The Group has a diversified range of customers. Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

45. Significant events

(a) Disposal of a light industrial factory

On 2 July 2019, the Company announced that Inmac EDM-Tools (M) Sdn. Bhd., a wholly-owned subsidiary of the Company's wholly-owned subsidiary, Toyo Ink Sdn. Bhd. entered into a Sale and Purchase Agreement ("SPA") for the disposal of a light industrial factory for a total sale consideration of RM3,780,000 resulting in a net gain of RM1,790,655.

(b) Passing of new law on Public-Private Partnership Investment in Vietnam

On 18 June 2020, the Vietnamese government passed the new law on Public-Private Partnership Investment ("the New Law") was recognised in Decree No. 63/2018/ND-CP, which will take effect on 1 January 2021.

The Directors regarded that the new law may have implications on the Company's proposed investment in the power plant project in Vietnam from the effective date of the new law.

(c) Disposal of an associate

On 29 June 2020, the Company announced that its wholly-owned subsidiary, Toyo Ink Sdn. Bhd. disposed of 50% equity interest comprising 200,000 units of ordinary shares in Toyo Color Pte. Ltd. for a total consideration to be satisfied by an exchange of 7.16% equity interest comprising 151,784 units of ordinary shares in Toyo Ink Pte. Ltd. with a purchase consideration of RM675,447 based on their net asset value of SGD3,130,870 (approximately RM9,433,624) as stated in their audited financial statements as at 31 March 2019. Both these companies are incorporated and domiciled in Singapore.

46. Subsequent events

(a) Outbreak of Covid-19 virus ("Covid-19")

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak as a global health pandemic. To curb the spread of Covid-19 in Malaysia, the Malaysian Government has issued the Movement Control Order effective from 18 March 2020 to 31 December 2020. Many other countries have also imposed various similar forms of restrictive measures such as travel restriction, lockdown and other precautionary measures imposed on business operations. These restrictive measures will cause economic uncertainties and have disruptive impact on the business environment in which the Group operates.

For the Group's financial statements for the financial period ended 30 June 2020, the Group considers the Covid-19 outbreak and its related impacts as non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities as at 30 June 2020.

46. Subsequent events (Cont'd)

(a) Outbreak of Covid-19 virus ("Covid-19") (Cont'd)

The Group is unable to reasonably estimate the financial impacts of Covid-19 for the financial year ending 30 June 2021 to be disclosed in the financial statements as the situation is still evolving and the uncertainties of the outcome of such events. However, it is certain that the local and regional restrictive measures taken against the spread of Covid-19 will have adverse impacts on the Group's revenue, operations and supply chain. Given the dynamic nature of these circumstances, the Group will continue to monitor the developments of Covid-19 situation closely, assess and react positively to its adverse impacts. The Group will also be taking timely and necessary measures to minimise the impact of the Covid-19 on the Group's operations.

(b) Proposed Corporate Exercise

(i) On 8 July 2020, the Company announced that subject to the sanction of the High Court of Malaya, the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") and approval of all other relevant authorities (if any) to be obtained, the Company has obtained the conditional approvals from its members and warrant holders in the Court Convened Meetings for the proposed internal reorganisation ("the Proposals").

The details of the Proposals are disclosed in Note 29 to the financial statements.

(ii) On 2 September 2020, the Company announced that it has obtained the sanction of the High Court of Malaya on the Proposals.

(iii) On 26 October 2020, the Company announced that the Proposals have been completed.

47. Dividends

	Group and Company	
	30.6.2020	**31.3.2019**
	RM'000	**RM'000**
Dividends recognised as distribution to ordinary shareholders of the Company:		
In respect of financial period ended 30 June 2020		
- An interim single-tier dividend of 2.00 sen per ordinary shares	2,140	-
In respect of financial year ended 31 March 2019		
- An interim single-tier dividend of 1.00 sen per ordinary shares	-	1,070
- A final single-tier dividend of 2.00 sen per ordinary shares	2,140	-
	4,180	1,070

48. Comparative information

The Company and its subsidiaries changed their financial year end from 31 March to 30 June, thus the current financial period covers 15 months from 1 April 2019 to 30 June 2020.

The comparable figures presented in the current financial statements are not entirely comparable as they cover a shorter period of 12 months from 1 April 2018 to 31 March 2019.

The comparative figures were audited by another firm of chartered accountants other than KC Chia & Noor.

49. Authorisation of financial statements for issue

The financial statements for the financial period ended 30 June 2020 were authorised for issue by the Board in accordance with a resolution of the directors on 28 October 2020.

ANALYSIS OF SHAREHOLDINGS AS AT 28 OCTOBER 2020

SHARE CAPITAL

Issued shares	:	107,000,002
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	1154

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	297	25.74	1,224	0.00
100 to 1,000	315	27.30	137,980	0.13
1,001 to 10,000	298	25.82	1,456,360	1.36
10,001 to 100,000	170	14.73	5,977,077	5.59
100,001 and below 5%	67	5.81	37,983,417	35.50
5% and above	7	0.61	61,443,944	57.42
TOTAL	**1,154**	**100.00**	**107,000,002**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares Held	%
1.	Pembinaan Maju Wangi Sdn. Bhd.	12,158,740	11.36
2.	Lim Guan Lee	11,829,204	11.06
3.	Eng Lian Enterprise Sdn. Bhd.	9,728,525	9.09
4.	Ng Tze Woei	7,508,343	7.02
5.	Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98
6.	Bukit Asa Sdn. Bhd.	6,750,000	6.31
7.	Amsec Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account – Ambank (M) Berhad for Song Kok Cheong]*	6,000,000	5.61
8.	Kok Sow May	4,558,522	4.26
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
11.	Tseng, Sheng-Lung	1,757,000	1.64
12.	Ooi Chin Hock	1,537,100	1.44
13.	Foo Fong Lee	1,380,000	1.29
14.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Song Kok Cheong (8073295)]*	1,375,000	1.29
15.	Maybank Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Yap Chiat Bine]*	1,249,100	1.17
16.	Liao, Shu-Hui	1,230,000	1.15
17.	Liao Shu Hui	1,104,500	1.03
18.	Chew Cheong Loong	1,000,000	0.93
19.	Lee Chee Beng	754,000	0.70
20.	Song Kok Cheong	700,000	0.65
21.	Mercsec Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Ng Thiam Seong]*	514,600	0.48
22.	Maybank Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Ooi Chong Chuan]*	500,050	0.47
23.	Ng Loo Soon	500,000	0.47
24.	Tee Teh Sdn. Berhad	500,000	0.47
25.	Fong Yuet Peng	485,500	0.45

ANALYSIS OF SHAREHOLDINGS AS AT 28 OCTOBER 2020

No.	Name	No. Of Shares Held	%
26.	Kow Kuwi Wing @ Kow Sai Sum	447,500	0.42
27.	Tan Pow Choo @ Wong Seng Eng	429,200	0.40
28.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Lee Lian Seng (6000082)]*	412,800	0.39
29.	Ling Ha Kee	409,750	0.38
30.	Song Hsiao May	392,000	0.37
		90,121,242	**84.23**

SUBSTANTIAL SHAREHOLDERS *(As shown in the Register of Substantial Shareholders)*

Name of Substantial Shareholders		No. Of Shares Held Direct	%	No. Of Shares Held Indirect	%
1.	Lim Guan Lee	11,939,204	11.16	119,000	0.11
2.	Song Kok Cheong	11,626,000	10.86	392,000	0.37
3.	Ng Tze Woei	7,508,343	7.02	-	-
4.	Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98	-	-
5.	Ng Lu Siong @ Ng Soon Huat	155,555	0.14	16,478,525	15.40
6.	Eng Lian Enterprise Sdn. Bhd.	9,728,525	9.09	6,750,000	6.31
7.	Ng Eng Hiam Plantations Sdn. Bhd.	-	-	6,750,000	6.31
8.	Ng Ling Li	250,000	0.23	6,750,000	6.31
9.	Bukit Asa Sdn. Bhd.	6,750,000	6.31	-	-
10.	Pembinaan Maju Wangi Sdn. Bhd.	12,158,740	11.36	-	-
11.	Lam Peng Kee	185,500	0.17	12,158,740	11.36
12.	Fong Siew Ching	-	-	12,344,240	11.54
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	-	-	9,728,525	9.09
16.	Ng Tee Chuan	-	-	16,478,525	15.40
17.	Ng Lam Shen	-	-	6,750,000	6.31
18.	Yvonne Po Leng Lam	150,000	0.14	16,478,525	15.40
19.	Geraldine Marie Tse Chian Ng	-	-	16,478,525	15.40

ANALYSIS OF SHAREHOLDINGS AS AT 28 OCTOBER 2020

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Name of Directors		No. Of Shares Held Direct	%	No. Of Shares Held Indirect	%
1.	Tuan Hj. Ir. Yusoff bin Daud	230,964	0.22	-	-
2.	Song Kok Cheong	11,626,000	10.86	392,000	0.37
3.	Lim Guan Lee	11,939,204	11.16	119,000	0.11
4.	Chew Cheong Loong	1,000,000	0.93	1,380,000	1.29
5.	Song Hsiao May *(alternate director to Song Kok Cheong)*	392,000	0.37	-	-
6.	Tham Kut Cheong	-	-	-	-
7.	You Tong Lioung @ Yew Tong Leong	-	-	-	-
8.	Lim Soek Fun (Lin ShuFen) *(alternate director to Lim Guan Lee)*	-	-	-	-

ANALYSIS OF WARRANTHOLDINGS AS AT 28 OCTOBER 2020

WARRANTS 2018/2023

No. of warrants 2018/2023	:	53,499,995
No. of warrants 2018/2023 outstanding	:	53,499,995
Class of Securities	:	Warrants 2018/2023 ("Warrants")
No. of Warrants holders	:	1252

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Warrantholdings	No. of warrant holders	%	No. of Warrant held	%
Less than 100	484	38.66	10,077	0.02
100 to 1,000	201	16.05	121,541	0.23
1,001 to 10,000	276	22.04	1,310,050	2.45
10,001 to 100,000	213	17.01	8,498,540	15.89
100,001 and below 5%	73	5.83	24,406,525	45.62
5% and above	5	0.40	19,153,262	35.80
TOTAL	**1,252**	**100.00**	**53,499,995**	**100.00**

LIST OF THIRTY LARGEST WARRANTHOLDERS

No.	Name	No. Of Warrant Held	%
1.	Ooi Chin Hock	5,000,00	9.35
2.	Eng Lian Enterprise Sdn. Bhd.	4,864,262	9.09
3.	Bukit Asa Sdn. Bhd.	3,375,000	6.31
4.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged securities account for Ooi Chin Hock (8058312)	3,000,000	5.61
5.	Liao Shu Hui	2,914,000	5.45
6.	Tseng, Sheng-Lung	2,214,300	4.14
7.	Lim Guan Lee	1,600,000	2.99
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged securities account for Song Kok Cheong	1,075,500	2.01
9.	Sim Mui Khee	1,000,000	1.87
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Beneficiary: Pledged securities account for Kwong Ming Kwei (08KW032ZQ-008)*	829,400	1.55
11.	Liao, Shu-Hui	756,900	1.41
12.	Aw Siong Seng	640,000	1.20
13.	Kow Kuwi Wing @ Kow Sai Sum	594,350	1.11
14.	Public Nominees (Tempatan) Sdn. Bhd. *Beneficiary: Pledged Securities account for Mea Gaik Fen (E-BMM/KBS)*	550,000	1.03
15.	Public Invest Nominees (Asing) Sdn. Bhd. *Beneficiary : Exempt An for Phillip Securities Pte Ltd (Clients)*	523,500	0.98
16.	Jeffrey Joseph Sim Mong Kiat	510,000	0.95
17.	HLIB Nominees (Tempatan) Sdn. Bhd. *Beneficiary : Hong Leong Bank Bhd for Tang Chai Beng*	507,700	0.95
18.	Ang Hui Chan	500,000	0.93

ANALYSIS OF WARRANTHOLDINGS AS AT 28 OCTOBER 2020

No.	Name	No. Of Warrant Held	%
19.	Chin Joon Hui	500,000	0.93
20.	Tan Teong Heng	482,000	0.90
21.	Gan Chee Yap	400,000	0.75
22.	RHB Nominees (Tempatan) Sdn. Bhd. *Beneficiary : Pledged securities account for Goh Jia Yi*	400,000	0.75
23.	Lee Chee Beng	377,000	0.70
24.	Lee Youn Kooi	345,000	0.64
25.	Aw Giok Eng	324,200	0.61
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Beneficiary: Chan Eng Chin*	302,300	0.57
27.	Aw Siong Seng	300,000	0.56
28.	Colin Ong Tai Lee	300,000	0.56
29.	Lim Beng Kim	300,000	0.56
30.	Ling Ping Ching	300,000	0.56
		34,785,412	**65.02**

STATEMENT OF DIRECTORS' WARRANTHOLDINGS

Name of Directors		No. Of Warrant Held Direct	%	No. Of Warrant Held Indirect	%
1.	Tuan Hj. Ir. Yusoff bin Daud	-	-	-	-
2.	Song Kok Cheong	1,075,500	2.01	196,000	0.37
3.	Lim Guan Lee	1,600,000	2.99	-	-
4.	Song Hsiao May *(alternate director to Song Kok Cheong)*	196,000	0.37	-	-
5.	Chew Cheong Loong	-	-	-	-
6.	Tham Kut Cheong	-	-	-	-
7.	You Tong Lioung @ Yew Tong Leong	-	-	-	-
8.	Lim Soek Fun (Lin ShuFen) *(alternate director to Lim Guan Lee)*	-	-	-	-

LIST OF PROPERTIES HELD UNDER TOYO INK GROUP BERHAD

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (Sq / ft)	Built-up Area (Sq / ft)	Net Book Value as at 31/3/2018	Date of Acquisition*/ Valuation**
1	PT No. 3477, Mukim of Petaling, District of Petaling, State of Selangor	Industrial building with a three (3) storey office and single storey factory annexe	17 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	9,584,375	10 Sept 2012**
2	GRN 369740, Lot No.111298 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	26 years	Freehold	3,091	2,400	361,651	27 Aug 2002**
3	GRN 369744, Lot No.111299 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	26 years	Freehold	3,091	2,400	394,100	23 July 2002**
4	Lot No. 212808 & 212809, Mukim of Hulu Kinta District of Kinta State of Perak	Two (2) adjoining units of 1 1/2 storey semi-detached industrial building	25 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	205,189 and 205,189	22 Aug 2002**
5	Lot No. 2788 and 2789, Bandar Butterworth Seksyen 3, District of Perai Utara, State of Pulau Pinang	Two (2) adjoining units of 1 1/2 storey terrace industrial buildings	27 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	256,225 and 256,225	22 Aug 2002**
6	Lot PT 22 & PT 23 Mukim Dan Daerah Petaling , No.6 & 8 Jln TPP 1/1A, Taman Industrial Puchong Selangor Darul Ehsan	1 1/2 storey freehold semi-detached light industrial building	16 years	Freehold	22,000	15,000	2,345,235	24 Apr 2002* 5 Jan 2005**
7	GRN 169419, PT No. 6379, Lot 10146, District of Lot 10146, District of State of Pulau Pinang	1 1/2 storey freehold semi-detached light industrial building	1 year	Freehold	9,085	4,168	3,102,716	22 Feb 2019*
			Grand Total				16,710,903	

Note:
Toyo Ventures Holdings Berhad does not hold any properties under its name.

PROXY FORM

I/We ____
(FULL NAME AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

Company No.________________/ NRIC No. (new)______________________ (old)____________________

____
(FULL ADDRESS)

being a member(s) of TOYO VENTURES HOLDINGS BERHAD hereby appoint:

______________________________NRIC No. (new)______________________ (old)________________

or failing him/her, ____________ _____NRIC No. (new)______________________ (old)________________

of____
(FULL ADDRESS)

*or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the First ("1st") Annual General Meeting ("AGM") of the Company to be held at Bukit Jalil Golf & Country Resort, 1st Floor, Langkawi Room, Jalan Jalil Perkasa 3, Bukit Jalil 57000 Kuala Lumpur on Thursday, 17 December 2020, at 10.30 a.m. and at any adjournment thereof.*

*(*Strike out whichever is not desired)*

The proportions of my/our holdings to be represented by my/our proxy(ies) are as-follows :-
Proxy 1 %
Proxy 2 ________ %
100 %

(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' Fees		
2.	To approve the payment of Directors' Benefit		
3.	Re-election of Tuan Hj. Ir. Yusoff Bin Daud as Director		
4.	Re-election of Mr. Song Kok Cheong as Director		
5.	Re-election of Mr. Chew Cheong Loong as Director		
6.	Re-election of Mr. Lim Guan Lee as Director		
7.	Re-election of Mr. Tham Kut Cheong as Director		
8.	Re-election of Mr. You Tong Lioung @ Yew Tong Leong as Director		
9.	To re-appoint Messrs. KC Chia & Noor as Auditors of the Company and to authorise the Directors to fix their remuneration		
10.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Signed this ____________ day of ________________2020

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

____
Signature/Common Seal of Member(s)

Notes:

1. **A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend, speak and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.**
2. **Where a member of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.**
3. **In the case of a corporate body, the proxy appointed must be in accordance with the Constitution, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of the officer or attorney duly authorised.**
4. **The Proxy Form must be deposited at the Company's Share Registrar at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.**
5. **Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the Resolutions set out in this Notice will be put to vote by poll.**
6. **General Meeting Record of Depositors**
   For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("MMLR"), a Record of Depositors as at 11 December 2020 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

Fold this flap for sealing

Then fold here

AFFIX
STAMP
HERE

The Share Registrar
Insurban Corporate Services Sdn. Bhd. (76260-W)
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur

First Fold here

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

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