



**TOYO VENTURES HOLDINGS BERHAD**

(Company No. 202001001322 (1357641-P))

# 2022 ANNUAL REPORT LAPORAN TAHUNAN



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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third (“3rd”) Annual General Meeting (“AGM”) of Toyo Ventures Holdings Berhad (“the Company”) will be conducted on a virtual basis through live streaming and Remote Participation and Voting Facilities from online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd (Domain Registration Numbers with D6A471702) on Monday, 13 March 2023, 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 year ended 30 September 2022 together with the Reports of the Directors and the Auditors thereon. *(Refer Explanatory Note 1)*
2. To approve the additional payment of Directors’ benefits amounting to RM73,500 which was in excess of the earlier approved amount at the 2nd AGM. **(Resolution 1)**  
*(Refer Explanatory Note 2)*
3. To approve the payment of Directors’ fees of RM174,000 in respect of the financial year ending 30 September 2023. **(Resolution 2)**  
*(Refer Explanatory Note 3)*
4. To approve the payment of Directors’ benefit up to RM300,000 for the period commencing from the conclusion of the 3rd AGM until the conclusion of the next AGM of the Company. **(Resolution 3)**
5. To re-elect the following Directors who are retiring pursuant to Clause 119 of the Company’s Constitution, and being eligible, have offered themselves for re-election :-  
(a) Ms. Low Mei Kheng **(Resolution 4)**  
(b) Mr. Lim Guan Lee **(Resolution 5)**  
(c) Ms. Tan Poh Lee **(Resolution 6)**
6. To re-elect Mr. Chew Cheong Loong who is retiring pursuant to Clause 114 of the Company’s Constitution and being eligible, has offered himself for re-election. **(Resolution 7)**
7. To re-appoint Messrs. TGS TW PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to determine their remuneration. **(Resolution 8)**
8. To declare a final single tier dividend of 1.5 sen per ordinary shares in respect of the financial year ended 30 September 2022. **(Resolution 9)**
9. **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)**  
*(Refer Explanatory Note 4)*  
“THAT subject always to the Companies Act 2016 (“the Act”), 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 pursuant to Section 85 of the Act to read together with Clause 16 of the Constitution of the Company, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act.  
  
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.”
10. 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  
30 January 2023

## NOTICE OF ANNUAL GENERAL MEETING

### NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 3rd AGM, a final single tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 September 2022 will be payable on 28 March 2023 to depositors registered in the Record of Depositors on 2 March 2023.

A Depositor shall qualify for entitlement only in respect of:

- (a) Share transferred to the Depositor's Securities Account before 4.30 p.m. on 2 March 2023 in respect of transfer; and
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD,

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

Kuala Lumpur  
30 January 2023

**Notes:-**

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend, speak and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
2. Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares standing to the credit of the said Securities Account.
3. Where a member of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
4. In the case of a corporate body, the proxy appointed must be in accordance with the Constitution and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of the officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the Resolutions set out in this Notice will be put to vote by poll.
7. For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities ("MMLR"), a Record of Depositors as at 7 March 2023 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.

## NOTICE OF ANNUAL GENERAL MEETING

### Explanatory Notes:-

**1. Audited Financial Statements for the financial year ended 30 September 2022**

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

**2. Resolution 1: Additional Payment of Directors' Benefits**

At the 2nd AGM of the Company held on 10 March 2022, the shareholders had approved up to RM200,000 of Directors' Benefits for the period commencing from the conclusion of the 2nd AGM until the conclusion of the next AGM of the Company.

Due to additional Director appointed during the year and the increase of Meeting Allowances, the Company wish to seek approval from the shareholders on the shortfall of RM73,500.

**3. Resolution 3 - Payment of Directors' Benefit**

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

The proposed Directors Benefits payable comprise allowances and other benefits. The total estimated amount of Director's benefit payable is calculated based on the number of scheduled Board's and Board's Committee Meeting from 14 March 2023 (being the day after the 3rd AGM) until the 4th 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.

**4. Resolution 10 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Company wishes to renew the mandate on the authority to issue shares of not more than ten per centum (10%) of the total issued shares capital for the time being pursuant to the Act at the 3rd AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the 2nd AGM of the Company held on 10 March 2022 (hereinafter referred to as the "Previous Mandate").

As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

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

Pursuant to Section 85 of the Act read together with Clause 16 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

Should the existing shareholders of the Company approve the proposed Ordinary Resolution 10, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

### STATEMENT ACCOMPANYING NOTICE OF THIRD(3RD) ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Pursuant to the Company's Constitution the following Directors are standing for re-election at the 3rd AGM of the Company:-
 

(a) Mr. Chew Cheong Loong	(Clause 114)
(b) Ms. Low Mei Kheng	(Clause 119)
(c) Mr. Lim Guan Lee	(Clause 119)
(d) Ms. Tan Poh Lee	(Clause 119)
2. No individual is standing for election as a Director at the forthcoming 3rd AGM of the Company other than the Directors seeking for re-election as a Director at the 3rd AGM.
3. The profiles of the Directors who are standing for re-election at the 3rd AGM are set out in the Company's Annual Report 2022.
4. The Company will seek shareholder's approval on the AGM to allot and issue shares. Please refer to the proposed Resolution 10 as stated in the Notice of the 3rd AGM of the Company for further details.

## FINANCIAL HIGHLIGHTS - 31 MARCH 2018 TO 30 SEPTEMBER 2022



	31 Mar 2018	31 Mar 2019	30 Jun 2020	30 Sep 2021	30 Sep 2022
	12 months	12 months	15 months	15 months	12 months
Group Turnover (RM'000)	86,374	91,123	98,862	99,639	101,170
Total shareholders' funds (RM'000)	117,682	121,230	121,190	136,599	140,994
Net assets per share (RM)	1.10	1.13	1.14	1.16	1.20
Net profit/(loss) after tax (RM'000)	891	4,617	5,554	(9,710)	(844)
Net earnings/(loss) per share (sen)	0.83	4.32	5.19	(8.74)	(0.72)
Gross dividend per share (sen)	-	2.00	3.00	1.00	-

**Notes**

- The previous financial year end of the Group has been changed from:
  - 31 March to 30 June and cover a period of fifteen (15) months from 1 April 2019 to 30 June 2020
  - 30 June to 30 September and cover a period of fifteen (15) months from 1 July 2020 to 30 September 2021
- The current financial year end of the Group remained as 30 September and cover a period of twelve (12) months from 1 October 2021 to 30 September 2022

## CHAIRMAN'S STATEMENT



### Tuan Haji Ir. Yusoff bin Daud

(Malaysian, aged 77)

*Non-Independent Non-Executive Chairman*

We expect a smooth recovery year from 2022 as we continue to endure the aftermath of the pandemic and witnessed the unfortunate Russian Ukraine conflict. While all these incidents do affect our business operations, I am glad to report that we had achieved a positive result in the subsidiary level. Our operations team had taken on challenges out of the norm and performed beyond expectations. On behalf of the shareholders, I would like to express our heartfelt gratitude for your efforts.

I would like to update our power plant project in Vietnam, the Song Hau 2 Thermal Power Plant, that is on everyone's mind for the past 3 years. The project did hit a few bumps along the way, but we are definitely progressing on track.

President Xi of China announced in September 2022 that funding for overseas coal fired power plant be halted did affected agreements signed to be put on hold. The project management team is working hard and their best to secure several sources of funding and project partners to remedy the situation.

A brief recap and update of the project milestone starting from 31/12/2020, our group had signed all the major agreements with the relevant parties in Vietnam and subsequently leading to the signing of Interim EPC Agreement with Sunway-PECC2 Consortium on 28/12/2022. The execution of the Interim EPC Agreement with Sunway Construction Sdn Bhd as the consortium leader and Vietnam's Power Engineering Consulting Joint Stock Company 2, signifies the commitment of the group to make the power plant project a success.

Our group is gearing up in full momentum to materialise the power plant project with the environment friendly, ultra-super critical technology application. Please bear with us to witness our performance in the coming financial year.



## GROUP MANAGING DIRECTOR'S STATEMENT



### Mr. Chew Cheong Loong

(Malaysian, aged 55)

*Group Managing Director*

Year 2020 and 2021 is a period of changes and improvements as we come out of the Covid-19 pandemic era. As we endured the disease prevention restrictions, Toyo Ventures Holdings Berhad had much time to closely examine our operations and tighten controls on areas we have neglected.

On the financial front, for current financial year ended 30 September 2022, our local subsidiaries recorded profit improvement compared to 15-month financial period ended 30 September 2021. Ink Group made RM3.9 million profit before tax in year 2022 (12 months) as compared to 2021 (15 months) with a loss of RM1.7 million before tax. The profit in 2022 was mainly attributed to gain on disposal of subsidiaries amounting to RM2.8 million while loss in year 2021 was due to impairment loss on investment in subsidiaries amounting to RM3.6 million.

EDM Group achieved RM2.8 million profit before tax in year 2022 (12 months) with same amount of profit in 2021 but in shorter duration of 12 months instead of 15 months in 2021.

The Vietnam Power Generation Division recorded a RM6.8 million loss before tax in year 2022 (12 months) mainly due to no revenue and incurring expenses of professional fee, legal fee and unrealized loss on foreign exchange. The RM6.8 million was narrowed down from RM9.5 million loss before tax suffered in year 2021 (15 months).

On the operations, we had revamped and tightened the daily purchasing, sales and inventory procedures. This resulted in non-moving stocks being reduced, improvement of sales strategy and obsolete items written off to reflect a more accurate stock value. Approval for purchases and return policies were tightened.

Managers of subsidiaries are empowered to carry out improvements in daily operations by streamlining processes and removing unnecessary redundancies. To expand the capability, capacity and leadership of managerial staff, several senior managers enrolled in master's degree courses to enhance their knowledge for continuous improvement.

As a measure to address the issue of machinist shortage in the Malaysian market, our group had started a collaboration program with Vocational Tunku Abdul Rahman (VTAR) to produce more capable young machinist in the industry. The training program is our group's contribution to support the growth of Malaysia's manufacturing industry. As more incoming FDI flows into Asia, we try our best to ensure Malaysia rise as a competitive manufacturing hub in the region.

Environmental sustainability and well-being of the planet are matters close to our hearts in Toyo Ventures Holdings Berhad. Our subsidiary company had taken step to manage cost by utilizing solar power in our Puchong manufacturing plant since July 2022. We intend to expand this green energy initiative to all of our manufacturing plants in the coming years.

We foresee a tough year ahead in 2023 with the global financial market heading towards a recession period. However, I have utmost faith and confidence in our staff and organization having the will, capability and vision to thrive through any tough situation.

We MAKE THINGS HAPPEN!





## DIRECTORS' PROFILE



### Tuan Haji Ir. Yusoff bin Daud

(Malaysian, aged 77, Male)

*Non-Independent Non-Executive Chairman*

Tuan Haji Ir. Yusoff bin Daud is currently the Non-Independent Non-Executive Chairman of the Board of Directors of Toyo Ventures Holdings Berhad ("TVHB"). He was appointed to the Board on 30 September 2020 as Independent Non-Executive Chairman and on 29 March 2022 he was redesignated as Non-Independent Non-Executive Chairman.

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 11/12 Board meetings held during his tenure in office in the financial year ended 30 September 2022.

He has no conflict of interest with the Company.



### Mr. Chew Cheong Loong

(Malaysian, aged 55, Male)

*Group Managing Director*

Mr. Chew Cheong Loong is currently the Group Managing Director of TVHB. He was appointed to the Board of THVB on 30 September 2020 and on 1 April 2022 he was appointed as Group Managing Director. He is a member of the Remuneration Committee.

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

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

He has attended all Board meetings held during his tenure in office in the financial year ended 30 September 2022.

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

He has no conflict of interest with the Company.

## DIRECTORS' PROFILE



**Mr. Tham Kut Cheong**

(Malaysian, aged 77, Male)

*Executive Director*

Mr. Tham Kut Cheong is currently a Executive Director of TVHB and was appointed to the Board on 30 September 2020. On 9 September 2022, Mr. Tham was redesignated to Executive Director of TVHB.

He graduated from University of Malaya in 1970 with a Bachelor of Economics degree and completed his training in accountancy under Deloitte & Co., United Kingdom. He was 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 11/12 Board meetings held during his tenure in office in the financial year ended 30 September 2022.

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

He has no conflict of interest with the Company.



**Mr. Lim Guan Lee**

(Singaporean, aged 72, Male)

*Non-Independent Non-Executive Director*

Mr. Lim Guan Lee is appointed as Non-Independent Non-Executive Director on 8 August 2022, following the resignation of Ms. Lim Soek Fun on 8 August 2022. Mr. Lim has more than 41 years of involvement in the printing ink industry and is currently the Chairman of Toyo Ink Pte. Ltd. He is also the Chairman of Lim Keenly Holdings Pte. Ltd.

He has attended 4/4 Board meetings held during his tenure in office in the financial year ended 30 September 2022.

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

He has no conflict of interest with the Company.

## DIRECTORS' PROFILE



**Ms. Chan Kee Eng**

(Malaysian, aged 65, Female)

*Independent Non-Executive Director*

Ms. Chan Kee Eng was appointed to the Board of TVHB as an Independent Non-Executive Director on 1 March 2021. She is the Chairwoman of the Audit & Risk Management, Nomination and Remuneration Committees. She is a graduate with a Bachelor of Business Degree from Royal Melbourne Institute of Technology (RMIT), Australia.

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

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

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

She has attended all Board meetings held during her tenure in office in the financial year ended 30 September 2022.

She has no conflict of interest with the Company.



**Ms. Low Mei Kheng**

(Malaysian, aged 42, Female)

*Independent Non-Executive Director*

Ms. Low Mei Kheng was appointed to the Board of TVHB as an Independent Non-Executive Director on 29 March 2022. She is also a member of the Audit & Risk Management, Nomination and Remuneration Committees.

Ms. Low is a Chartered Accountant by profession and is a fellow member of The Association of Chartered Certified Accountants (“ACCA”). She has over 18 years of working experience in accounting and finance and assurance services (audit). She joined Fraser & Neave Holdings Bhd as Group Accountant in 2013 and in February 2022, she was promoted to Financial Controller, Corporate Reporting.

She started her career in audit with EY (formerly Ernst & Young), Kuala Lumpur in 2002 and was seconded to EY, London office from 2007 to 2009. In 2013, she left her position as Senior Manager in EY.

She has attended 9/10 Board meetings held during her tenure in office in the financial year ended 30 September 2022.

She does not hold any other directorships in public companies and listed issuers.

She has no conflict of interest with the Company.

## DIRECTORS' PROFILE



**Mr. Lim Kee Min**

(Singaporean, aged 43, Male)

*Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee*

Mr. Lim Kee Min is the Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee and was appointed to the Board of TVHB on 8 August 2022. Mr. Lim Kee Min is a graduate with a Bachelor of Arts degree in Sociology and Information & Communications Management from the National University of Singapore. He had 17 years of involvement printing ink industry and is currently the Director of Toyo Ink Pte. Ltd.

He has attended 1/1 Board meeting held during his tenure in office in the financial year ended 30 September 2022.

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

He has no conflict of interest with the Company.



**Ms. Tan Poh Lee**

(Malaysian, aged 65, Female)

*Independent Non-Executive Director*

Ms. Tan Poh Lee was appointed to the Board of TVHB as an Independent Non-Executive Director on 1 December 2022. She is also a member of the Audit & Risk Management, Nomination and Remuneration Committees.

Ms. Tan has over 30 years of diversified experience in Audit, Accounting, Financial Management and Financial Planning in the Public Accounting Firms and Private Commercial Enterprises in Malaysia throughout her entire career.

She began her accounting career in 1978 with Peat Marwick Mitchell & Co and later with SGV-KC Taxation Services Sdn Bhd during which she was involved in audit, taxation and company secretarial services.

In 1985, she ventured into private commercial firms at senior management level in various capacities. She was working with Hijjas Kasturi Associates Sdn Bhd (Architect firm) as Financial Controller and later Setegap Berhad Group also as Financial Controller in the road construction industry. Subsequently, she worked for Alquip Sdn Bhd (Heavy Equipment & Machinery firm) and L&M Corporation Berhad (a geotechnical firm) and was involved in Internal Audit.

In 2002, she co-founded DF Wealth Systems Sdn Bhd, a company in the Financial Planning services and continued thereon until her retirement in 2014.

She has attended 1/1 Board meeting held during the financial year ended 30 September 2022, as she was appointed on 1 December 2022.

She does not hold any other directorships in public companies and listed issuers.

She has no conflict of interest with the Company.

**Notes:**

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

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

- (a) Mr. Lim Guan Lee and Mr. Lim Kee Min are father and son.

## PROFILES OF SENIOR MANAGEMENT



**Ms. Lim Sew Yang, Clare**

(Malaysian, aged 52, Female)

*Group Financial Controller*

Ms. Lim Sew Yang joined the Group in January 2022 as the Group Financial Controller. She is a qualified Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA). Previously she was a fellow member of the Association of Chartered Certified Accountants, U.K. (ACCA).

She had auditing experience in real estate development, education, manufacturing, legal, trading and service industry. She had experience working in property development, project and property management companies. Her various experiences include liaising with bankers for bridging loan, end financing, overseeing the compliance to the Housing Development Act (HDA) and related authorities besides handling administrative and human resource work.

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



**Ms. Cheong Poh Leng**

(Malaysian, aged 62, Female)

*Group Admin and HR Manager*

Ms. Cheong Poh Leng had been working with the Group for 24 years and currently she is the Group Admin and HR Manager.

Prior to joining the Group she had more than 19 years of working experience in various types of industries like architectural firms, educational institutions, property developers, software system integrator and clearing house for Malaysia Commodity Exchange (formerly known as Malaysian Futures Clearing Corporation) holding position as Administrator, Senior Executive and reporting to top management.

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



**Mr. Yap Kim Fatt**

(Malaysian, aged 45, Male)

*General Manager & Director of EDM-Tools (M) Sdn Bhd, EDM-Tools Group*

Mr. Yap Kim Fatt is the General Manager of EDM-Tools (M) Sdn Bhd under EDM-Tools Group and is responsible to advise and assist the Managing Director on all matters within the subsidiary group. He was appointed as a director for EDM-Tools (M) Sdn Bhd in April 2022.

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 February 2010 he was promoted to Deputy General Manager of EDM-Tools (M) Sdn Bhd and subsequently promoted to his current position as General Manager in April 2017.

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

## PROFILES OF SENIOR MANAGEMENT



**Ms. Teoh Chin Yee, Jane**

(Malaysian, aged 38, Female)

*General Manager & Director of EDM Machining Solutions (M) Sdn Bhd, EDM-Tools Group*

Ms. Teoh Chin Yee the General Manager of EDM Machining Solutions (M) Sdn Bhd under EDM-Tools Group responsible for the sales and operation activities of the subsidiary. She was appointed as a Director for EDM Machining Solutions (M) Sdn Bhd in April 2022.

Prior to her promotion in December 2022, she is in charge of the operation in Penang branch of EDM-Tools Group. She joined EDM-Tools Group in November 2007 and has 14 years of experience in laser products, wire-cut consumables, Precision Mold and Die related business. Ms. Teoh Chin Yee obtained a higher Diploma in Business Administration from Tunku Abdul Rahman College in 2004. She is currently taking a part time MBA course in Inti International University and College.

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



**Ms. Song Hsiao May, Sylvia**

(Malaysian, aged 37, Female)

*General Sales Manager, (Ink) Toyo Ink Group*

Ms. Song Hsiao May had been working with the Group for 15 years and currently she is the General Sales Manager for Ink Division. She has a Master in Business Administration and a Bachelor's Degree in Applied Science of Biotechnology.

In October 2007, she joined the Group as a Sales Executive and was promoted to Deputy Marketing Manager in 2014, then to Marketing Manager in 2017. In 2019, she was promoted to General Manager.

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



**Mr. Heng Lai Kouli**

(Malaysian, aged 56, Male)

*General Sales Manager, (Automotive Refinish Product) Toyo Ink Group*

In September 2022, Mr. Heng Lai Kouli was promoted to General Sales Manager for Automotive Refinishes Product.

He had been working with the Group for more than 10 years from Product Manager in charge of sale of machineries and printing consumables to Senior Manager in charge of Glasurit Car Paints and Pre-press Division.

Prior to joining Toyo Ink Group he was working in DIC since 1995, as Service Engineer for prepress solution and subsequently in 1997 he was transferred to sales department.

He does not hold any directorship of public companies and listed issuers. He has no family relationship with any Directors and/or major shareholders of the Company.

## PROFILES OF SENIOR MANAGEMENT



### Mr. Tan Ling Huai, Kenji

(Malaysian, aged 39, Male)

*Senior Manager Johor Branch, EDM-Tools Group*

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

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



### Ms. Fiona Mah Lay Hong

(Malaysian, aged 48, Female)

*Senior Manager, (Masterbatch & Ink) Toyo Ink Group*

Ms. Fiona Mah Lay Hong is currently the Senior Manager for Masterbatch and Ink Division. She is responsible to develop and increase the market share for Masterbatch besides increasing the overall performance of Ink in Johor.

She has been working with the Group for more than 18 years from a Senior Sales Executive to Deputy Sales Manager until her present position. She had more than 8 years of prior working experience in sales for various companies like Antah Pharma, Bayer Pharmaceuticals and BASF (Malaysia) Sdn Bhd. She is currently pursuing a part-time MBA course.

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



### Mr. Chiew Siang Yoong

(Malaysian, aged 50, Male)

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

Mr. Chiew Siang Yoong is a Senior Manager of EDM-Tools Group responsible for the Graphite & Machining Division, a core product for EDM-Tools Group. He joined EDM-Tools Group in 2001 and responsible for everything relating to graphite materials and machining.

He has more than twenty years experiences in Precision Mold & Die related business.

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



### Mr. Chin Chee Wah

(Malaysian, aged 45, Male)

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

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

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

## PROFILES OF SENIOR MANAGEMENT



**Mr. Lim Kong Lon**

(Malaysian, aged 57, Male)

*Finance & Operations Manager, Toyo Ink Group*

Mr. Lim Kong Lon joined the Group in April 2022 as the Finance & Operations Manager. He holds a professional qualification in CIMA. He is an Associate Member of the Institute of Chartered Management Accountant in United Kingdom. Prior to joining the Group, he was the Chief Accountant of Lion Group's steel division for more than 10 years.

He does not hold any directorship of public companies and listed issuers. He has no family relationship with any Directors and/or major shareholders of the Company.



**Mr. Cheah Yew Loong**

(Malaysian, aged 45, Male)

*Factory Manager, (Ink) Toyo Ink Group*

Mr. Cheah Yew Loong is currently the Factory Manager of Toyo Ink Group. He is in charge of our Company's Research & Development Department, Production Department, QC Department, Purchasing and Store Department.

He joined the Group in year 2000 as a Chemist and in year 2005 he was promoted to Manager. He was re-designated as the Sales & Technical Manager and was promoted to his current position in May 2022. He has a Bachelor's Degree in Petroleum Chemistry from University Putra Malaysia and he is currently pursuing a part-time MBA course.

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



**Ms. Koay Bee Ean, Esther**

(Malaysian, aged 52, Female)

*Branch Manager, (Penang) Toyo Ink Group*

Ms. Koay Bee Ean is currently the Branch Manager of Toyo Ink Group. She is in charge of the overall operations of Penang Branch besides increasing the sales and market share of the Company's products in the northern region.

She joined the Group in 1999 as Product Manager and had been working with the Group for more than 23 years. She was promoted to Deputy Sales Manager in 2010 and in 2021, she was promoted to her present position.

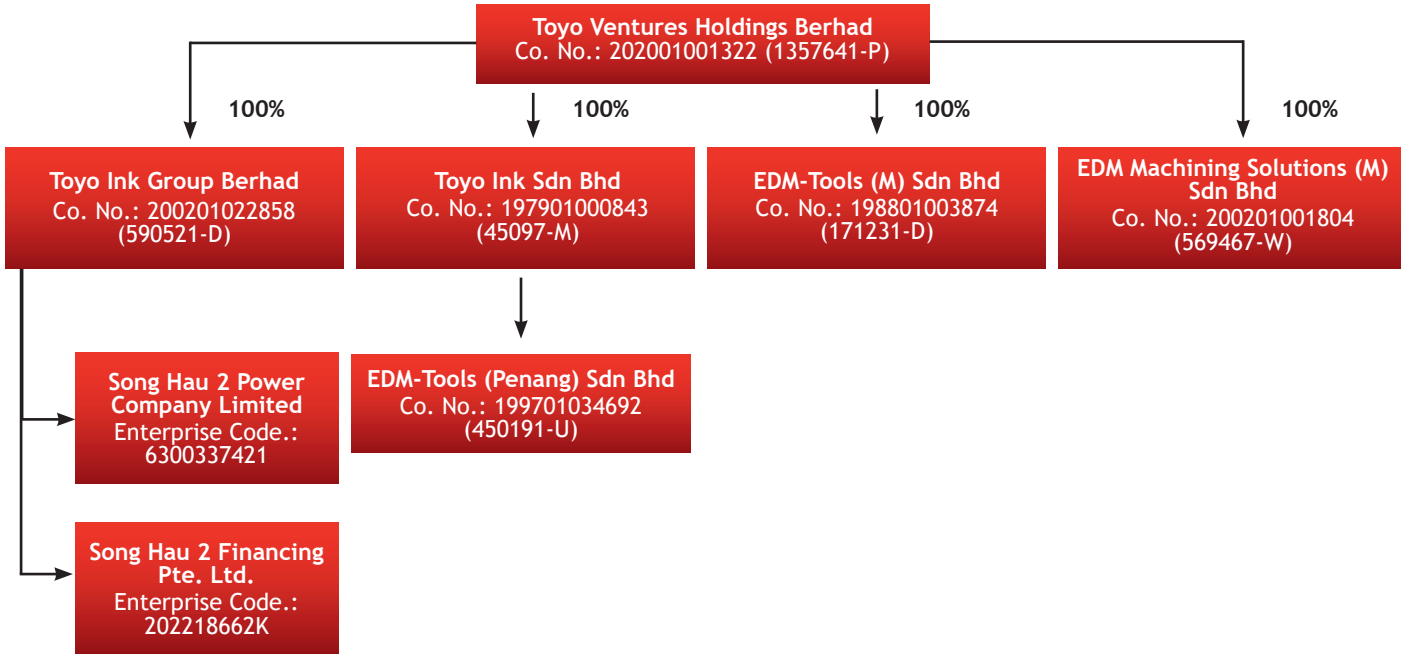
She does not hold any directorship of public companies and listed issuers. She has no family relationship with any Directors and/or major shareholders of the Company.

**Notes:**

- (a) None of the Senior Management has any conflict of interest with the Company.
- (b) None of the Senior Management has been convicted for offences other than traffic offence within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 30 September 2022.



## CORPORATE STRUCTURE AS AT 30 SEPTEMBER 2022



## CORPORATE INFORMATION

### Board of Directors

Tuan Hj. Ir. Yusoff bin Daud (Chairman)  
Chew Cheong Loong  
Lim Guan Lee / Lim Kee Min  
Tham Kut Cheong  
Chan Kee Eng  
Low Mei Kheng  
Tan Poh Lee

### Audit & Risk Management Committee

Chan Kee Eng (Chairman)  
Low Mei Kheng  
Tan Poh Lee

### Nomination Committee

Chan Kee Eng (Chairman)  
Low Mei Kheng  
Tan Poh Lee

### Remuneration Committee

Chan Kee Eng (Chairman)  
Chew Cheong Loong  
Low Mei Kheng  
Tan Poh Lee

### Company Secretary

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

### Registered Office

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

### Solicitors

Mah-Kamariyah & Philip Koh  
Tony Chiu & Partners

### 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

TGS TW PLT (AF 002345)  
E-5-4, Megan Avenue 1  
189, Jln Tun Razak  
50400 Kuala Lumpur

### Principal Bankers

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

### Stock Exchange Listing

Bursa Malaysia Securities Berhad  
Main Market - Stock Code 7173

## CORPORATE INFORMATION



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

PT 3477, Jalan 6/1  
Kawasan Perusahaan Seri Kembangan  
43300 Seri Kembangan, Selangor, Malaysia  
Tel:603-8942 3335



**EDM-TOOLS (M) SDN BHD**

6 & 8, Jalan TPP 1/1A  
Taman Industri Puchong  
47100 Puchong, Selangor, Malaysia  
Tel:603-8062 5918



**EDM MACHINING SOLUTIONS (M) SDN BHD**

10, Jalan TPP 1/1A  
Taman Industri Puchong  
47100 Puchong, Selangor, Malaysia  
Tel:603-8060 2503



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

17 & 19, Dataran Kledang 4  
Taman Perindustrian Chandran Raya  
31450 Menglembu, Perak, Malaysia  
Tel:605-282 9198



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

46 & 48, Lorong Mak Mandin 5/1  
Kawasan Perindustrian Mak Mandin  
13400 Butterworth, Penang, Malaysia  
Tel:604-324 4848

## CORPORATE INFORMATION



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

6, Lorong Industri Sungai Lokan 3  
Taman Industri Sungai Lokan  
13800, Butterworth, Penang, Malaysia  
Tel:604-358 1833



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

No. 54, Jalan M 6  
Taman Merdeka, Fasa 2, Batu Berendam  
75350 Melaka, Malaysia  
Tel:606-317 8828



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

6 & 8, Jalan Bayu 2/5  
Taman Perindustrian Tampoi Jaya  
81200 Johor Bahru, Johor, Malaysia  
Tel:607-235 0903



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

36, Jalan Puncak  
Taman Perindustrian Puncak  
81800 Ulu Tiram, Johor, Malaysia  
Tel:607-863 0963



**SONG HAU 2 POWER COMPANY LIMITED**

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

## INK GROUP PRODUCTS AND SERVICES

### INK



**FLEXOGRAPHIC INK**  
 Water Based and Solvent Based



**GRAVURE INK**  
 Surface and Reverse Printing

### MASTERBATCH



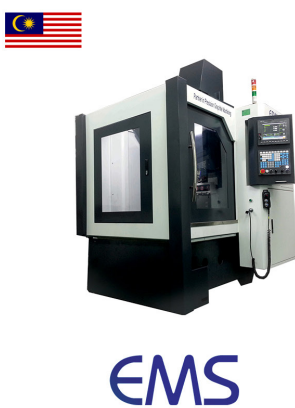
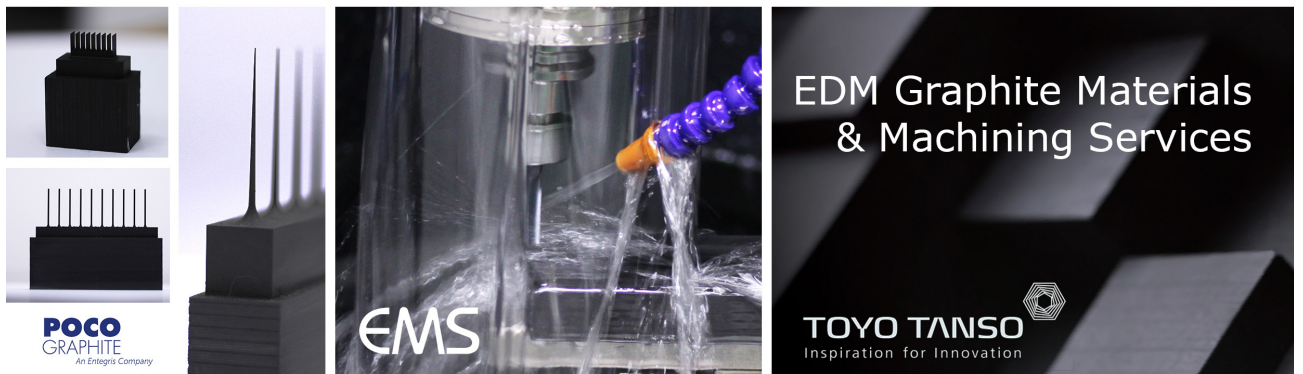
A brand of  
 BASF - We create chemistry



A brand of  
 BASF - We create chemistry



## EDM-TOOLS GROUP PRODUCTS AND SERVICES



## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) provides an analysis of the financial performance and review of the business of Toyo Ventures Holdings Berhad (“TVHB” or “the Company”) and its subsidiaries for the financial year ended 30 September 2022 (“FYE 2022”).

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

### OVERVIEW

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

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

#### Ink Group

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

- i. Ink Division
- ii. Masterbatch Division
- iii. Automotive Refinish Product Division

#### Ink Division

With over 40 years of experience in the manufacturing of gravure and flexographic inks in Malaysia, Toyo Ink marks the brand as a reputable market leader. Ink manufactured is commonly found on the packaging of big-name consumer goods, industrial products and printing industries. Having a modern and well-equipped R&D center allow us to improve continuously and stay ahead consistently. Our dedicated team tirelessly work to meet customers’ expectations with the best quality possible. Ink produced is compliant to RoHS, REACH, and FDA. The ink manufacturing process is ISO 9001:2015 compliant.



#### Masterbatch Division

This division is involved in manufacturing high-quality colour masterbatches for Polyolefin application in film-blowing, injection moulding, blow moulding and extrusion moulding industries. With a strong technical support, we pride ourselves in providing customized colour options & solutions to meet the stringent industries requirements. All products manufactured are of high quality standard & environmental friendly.



#### Automotive Refinish Product Division

A rising division focusing on the trading of Automotive Refinish Products, which primarily include car paint of various layers for luxury automobile. We currently hold the world’s top brand in car paint and recently expanded the coverage into quality paints for middle range vehicles. As the application of automotive refinish products require specific skills and tools, this division provide application training and certifications, support customers in application and high colour matching services.



## MANAGEMENT DISCUSSION AND ANALYSIS

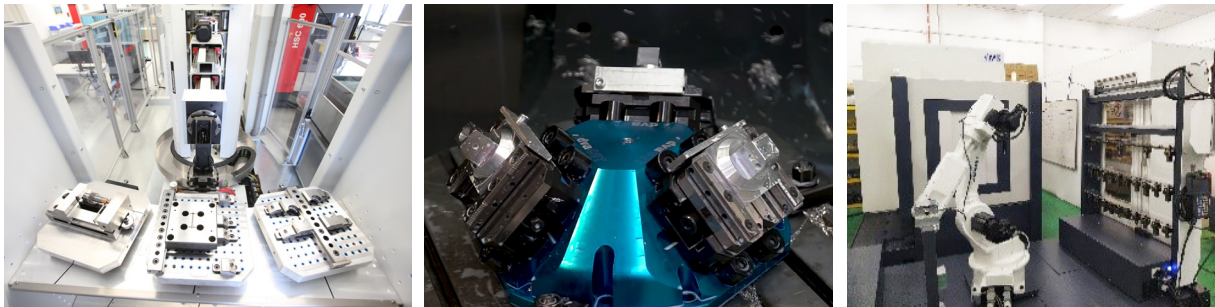
### EDM-Tools Group

EDM-Tools Group comprises of 2 of the Toyo Ventures Holdings Berhad's subsidiaries, EDM-Tools (M) Sdn Bhd ("ETSB") and EDM Machining Solutions (M) Sdn Bhd ("EMSSB"). EDM-Tools Group primarily serves the precision mould, tool and die industry which is the backbone of Malaysia's bio-medical, semiconductor and electrical and electronics sector. The group has been in the industry for more than 30 years and a well-known name among front-end manufacturers.

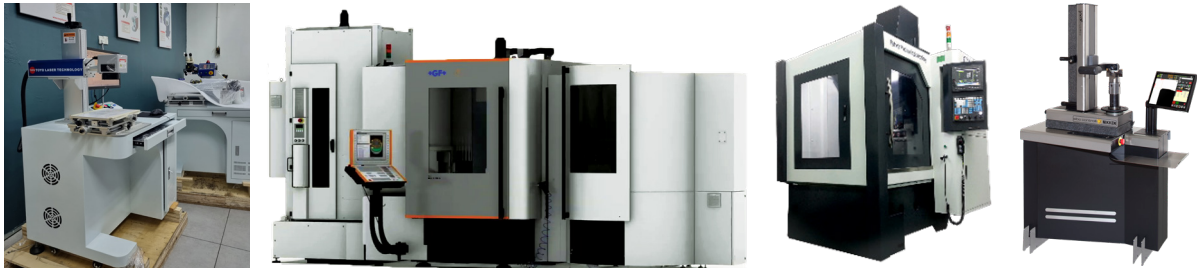
EDM-Tools group major income stream is based on the following divisions:

- i. Engineering Division
- ii. Service, Maintenance and Assembly Division
- iii. EDM Wire Manufacturing Division
- iv. EDM Graphite Material and Machining Service Division
- v. Consumables Division

### Engineering Division



Both companies under EDM-Tools Group hold multiple world class brand of engineering automation, machinery, tooling and software. EDM-Tools Group also developed and marketed automation, machineries and laser product under our own brands, namely EDM, EMS and Toyo Laser. By mixing and matching products, this division to provide a customized turnkey solution for each front-end manufacturers in the precision mould, tool and die industry.



### Service, Maintenance and Assembly Division



As a responsible engineering solutions provider, EDM-Tools Group has dedicated teams to ensure solutions and products sold perform as intended. This division also provide technical and application support to the Engineering Division to provide the best solution for customers. The assembly, modification and testing of machinery is also carried out by this division. The EMSSB automation solution and EMSSB Graphite CNC Milling machines is the result of this division's ideas and effort.



## MANAGEMENT DISCUSSION AND ANALYSIS

### EDM Wire Manufacturing Division



This division is the core manufacturing business of ETSB since 2002. The main product of this division is EDM wire, a consumable used in precision machining processes. ETSB is the only EDM wire manufacturer in Malaysia. This division have a monthly manufacturing capacity of 80 tonnes. More than half the output of this division caters to the international market in Japan, Korea, USA, Indonesia and more; while the remaining output caters to the Malaysian market. This division is ISO 9001:2015 certified.

### EDM Graphite Material and Machining Division



EDM graphite is the core product of this division within EMSSB. EDM graphite is a material used in precision machining to remove materials, this material boasts a highly efficient manufacturing process. As the biggest stockist of this material in Malaysia, EMSSB holds brands from the world's best and biggest manufacturer. As an effort to market the material, EMSSB designed and assembled the CNC Graphite Milling machine to optimally work with EDM graphite materials. This division also provide graphite electrode machining services to prove the effectiveness of EDM graphite material. The fabrication process of electrodes is ISO 9001:2015 certified.

### Consumables Division



This is the oldest and longest running division of EDM-Tools Group, where we provide the customers with the necessities to keep their Wirecut Electrical Discharge Machining (WEDM) production running. EDM-Tools Group began operations by purely selling consumables for the precision mould, tool and die industry. Today, EDM-Tools Group is still the reputable supplier for quality WEDM consumables in the market.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Power Generation

The Power Generation Song Hau 2 Power Company Limited (the “BOT Company”), a wholly owned subsidiary of Toyo Ink Group Berhad (“TIGB”) was incorporated in December 2020 in Vietnam to undertake the development of 2 x 1,060 MW Coal Fired Thermal Power Plant Project in Song Hau Power Complex, Hau Giang Province, Vietnam. The Power Plant will be using Ultra-Super Critical Technology which will greatly reduce emission of carbon. In December 2020, TIGB and the BOT Company have executed the Project Agreements for the investment and development of “Song Hau 2 Thermal Power Plant Project” in Vietnam.

In January 2021, TIGB has signed the Investment and Development Agreement (“IDA”), with China Energy Engineering Investment Corporation Limited (“CEEIC”) with the aim of providing a framework for the conditions precedent to investment and finalisation of the detailed terms and arrangements for the proposed divestment of TVHB’s equity interest in TIGB to CEEIC. However, in September 2021 during COP26, President Xi of the Republic of China made a speech to halt future investments in overseas coal fired thermal power plant. This resulted in definitive agreements with CEEIC put on hold.

In October 2022, TIGB and its wholly-owned subsidiary, Song Hau 2 Power Company Limited (“SH2P”) signed the Term Sheet for Key Commercial Terms in relation to the Engineering, Procurement and Construction, Commissioning and Start-Up of Song Hau 2 Thermal Power Plant Project with Power Engineering Consulting Joint Stock Company 2 (“PECC2”), a public listed company in the Socialist Republic of Vietnam. The Term Sheet set out all the negotiated terms and mutual agreement of the responsibilities of the respective parties and the conditions precedent, contract price, terms of payment and other terms of agreements. The signing of the Term Sheet demonstrates the commitment of TIGB to fulfil the requirements of the BOT Contract and sourcing project financing for the Power Plant Project so that the ground works at the project site can commence without further delay.

In November 2022, TIGB received a Letter of Interest from Export-Import Bank of Malaysia Berhad (“EXIM”) offering their services as Mandated Lead Arranger and Bookrunner (“MLAB”) and Coordinating Arranger (“CA”) for the Syndicated Financing Facilities of up to USD2.42 billion for the Power Plant Project (“Proposed Financing”). EXIM shall in consultation with TIGB manage all aspects of the syndication process in relation to the Proposed Financing, including timing, the selection of potential financiers, the acceptance and allocation of commitments and the amount of distribution of fees to potential financiers.

In December 2022, TIGB and SH2P, collectively known as (“the Owner”) signed an Interim Engineering, Procurement, Construction and Commissioning Agreement (“Interim EPCC”) with Sunway Construction Sdn Bhd (“SW”/“Leader of Consortium”) and PECC2, collectively known as Sunway-PECC Consortium (“the Contractor”/“SWP2 Consortium”). The Interim EPCC set out all the negotiated terms and of the responsibilities of the respective parties and the conditions precedent, scope of work, procurement, site operations, contract price, terms of payment and other terms of agreements. This event signifies the commitment of the Owner to commence construction of the Power Plant in the shortest time possible, thus increase the certainty of the project materialising.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Investment Holding

TVHB is the investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad and wholly owned directly all the active operating subsidiaries.

### FINANCIAL PERFORMANCE

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

	FY 2022 (12 months) RM'000	FP 2021 (15 months) RM'000
<b>Revenue:</b>		
Ink Group	45,375	49,417
EDM-Tools Group	55,795	50,222
	101,170	99,639
<b>Profit/(Loss) Before Tax:</b>		
Ink Group	3,899	(1,721)
EDM-Tools Group	2,761	2,764
Power Generation	(6,796)	(9,536)
	(136)	(8,493)

The results for the FY 2022 are for 12 months from 1 October 2021 to 30 September 2022, compared to FP 2021 duration of 15 months from 1 July 2020 to 30 September 2021, due to change in financial year from 30 June to 30 September in year 2021.

### Ink Group

The Ink Group posted revenue of RM45.38 million for the 12 months in FY 2022 compared to RM49.41 million recorded for 15 months in FP 2021. Revenue in FP 2021 annualized to 12 months of RM39.53 million compared to revenue of RM45.38 million in FY 2022 showed an increase by RM5.85 million or 14.8%. The increase was contributed mainly by the Ink Division when the exercise of selling price increase was implemented towards the end of June 2022.

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

The Ink Group recorded a profit before tax of RM3.9 million, a turnaround from loss before tax of RM1.72 mil in FP 2021 mainly due to gain on disposal of subsidiaries totalling RM2.8 million. In FP 2021 the loss before tax was mainly attributed to impairment loss on investment in subsidiary companies of RM3.6 million arising from Group restructuring with Member's Voluntary Winding-Up proceedings of several inactive subsidiaries.

### EDM-Tools Group

The EDM-Tools Group posted revenue of RM55.8 million for the 12 months in FY 2022 compared to RM50.22 million recorded for 15 months in FP 2021. Revenue in FP 2021 annualized to 12 months of RM40.18 million compared to revenue of RM55.8 million in FY 2022 showed an increase by RM15.6 million or 38.83%. The increase was contributed by the Engineering Division and Consumables Division combined of RM10.8 million and EDM Graphite Material and Machining Service Division of RM4.8 million. The significant increase in revenue in this group were due to higher local and overseas revenue of EDM Cut Wires in the EDM Wire Manufacturing Division, higher local sales in the Consumables Division and increased local sales of machines in the Engineering Division.

The Group operates from the two (2) manufacturing facilities in Puchong, Selangor with Sales Offices located in Penang, Melaka and Johor Bahru.

The Group has performed well to achieve good results by diversifying the product range and secured more orders from the Group's customers in the Precision Mould and Die Industries. As the market recovers and industry players working at full capacity, demand for precision engineering machinery and consumables also increased compared to previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Power Generation

The Power Generation Division narrowed its loss before tax from RM9.5 million in FP 2021 to RM6.8 million during the current financial year ended 30 September 2022. The higher loss before tax in the previous financial period was due to certain expenditures in relation to the power plant project being expensed off. However, some of these expenditures expensed off in FP 2021 amounting to approximately RM3 million were capitalized and restated in the comparative figures for FY 2022.

The Power Generation Division has no revenue and the loss before tax in FY 2022 of RM6.8 million were mainly due to professional and legal fees of RM3.05 million and unrealized loss on foreign exchange of RM2.6 million.

### 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 RM8.47 million as at 30 September 2022.

As at 30 September 2022, the Group has cash and cash equivalent amounting to RM19.09 million as well as unutilised banking facilities amounting to RM12.85 million. The Group anticipates its cash and cash equivalents and available credit facilities to be sufficient to fund the working capital and capital expenditure for its business.

### Private Placement of shares

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

### Utilisation of proceeds

The details and status of the utilisation of Proceeds from Private Placements are as follows:

Purpose	Proposed Utilization	Actual Utilization	Intended Time Frame
	RM'000	RM'000	
Investment in Power Plant Project	24,500	24,605	Completed in 2Q 2022
Estimated expenses in relation to the Private Placements	650	545	Completed in 4Q 2021
	<u>25,150</u>	<u>25,150</u>	

### DIVIDEND POLICY

The Group has a dividend policy of distributing a percentage of the total Group's profit after tax to shareholders annually, subject to confirmation of the Board and to any applicable law, license and contractual obligations and provided that such distribution would not be detrimental to its cash needs or to any plans approved by its Board.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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### PROSPECTS

In view of the lifting of the Covid-19 movement restriction and anticipated improvement of the market conditions, the Board of Directors expect the Group's business to grow, except for the Energy segment, and remain confident of achieving encouraging performance for the financial year ending 30 September 2023.

As of the date of publishing this report, the global market is plagued by recession worries and spending power reduction in the mass consumer as the world recover from the aftermath of Covid-19 pandemic. The external factors affect subsidiaries of TVHB differently as each subsidiary and/or division within the group serve a different market sector.

#### Ink Group

Ink division of the group primarily serves the ink printing and packaging industry. While facing market challenges, the business of this division is expected to remain robust. Ink remains a core consumable in printing services be it printing services, product packaging or food packaging.

Product innovation for a more environment friendly ink such as non-toluene ink, low VOC ink, alcohol base ink, water base ink and various strategies are adopted to secure new customers and to improve market share. The development efforts continued to yield encouraging results against a backdrop of rising environmental awareness. The new line of product is expected to be marketed in 2023.

The Masterbatch division serving the injection moulding sector, is also expected to remain robust for 2023. While the economy may stifle new product launch, the existing mould of current models is still available for mass production. As long as the market is still mass-producing plastic products, the demand for masterbatch would maintain.

The market situation affected the automotive refinish division differently as Toyo Ink Sdn Bhd carries the world's top brand of automotive paint solution. As a B2B business, both the principal and customers are invested to ensure supplies availability in the Malaysia automotive industry. To address the issue of skilled technicians shortage faced by many of our customers, we are cooperating with the local automotive big brands to devise a comprehensive training programme. We hope to alleviate the staffing issues and increase the population of skilled technicians capable of handling our products in the market. We have also successfully implemented water borne paint system in most of the 4S centers in Malaysia and we are looking forward to convert the independent workshops to a more environmentally-friendly paint system.

#### EDM-Tools Group

EDM-Tools Group being focused in providing engineering solutions to the precision mould, tool and die industry, is expected to have a tough financial year ahead, due to the direct impact from the market towards our key customers. However, all hope is not lost as such period is the golden opportunity for the industry to reorganize and upgrade.

A common issue faced by many customers in the precision, mould, tool and die industry is the lack of new blood within the industry, which makes a great opportunity for automation solutions. Our group occupies a uniquely advantageous position in the market by having knowledge and products to make automation solutions a success and accessible.

In general, the machinery sales will be affected in the short term, due to the weakened demand for semiconductor, automotive and electrical and electronics products, delaying the product launch for newer models. The consumables sales, graphite material sales and machining sales will also be affected, to a lesser extent, with the reduced operations.

To face the market situation head on, our group is expanding our product portfolio and our machining capability to meet the market requirements. Priorities will be re-aligned to products and services that bring a better return to the Company.

#### Power Generation

Summarising from an overview of the power plant project described above, the sequence of events unfolded towards greater certainty of the power plant project site work commencing by the second quarter of year 2023. The direction and progress of the power plant project is clearer now with the concerted effort of the relevant parties involved.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (“CG Overview Statement”) represents Toyo Ventures Holdings Berhad (“TVHB”) corporate governance practices for the Financial Year Ended (“FYE 2022”) and/or up to the date of this CG Statement (where applicable) (“Applicable Period”).

The Board of Directors (“the Board”) acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”). In line with this, the 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.

This CG Overview Statement is prepared in compliance with Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Corporate Governance Report 2022 (“CG Report”) which is available at the corporate website at [www.toyoventures.com.my](http://www.toyoventures.com.my)

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

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

### **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

#### **STRATEGIC AIMS, VALUES AND STANDARDS**

The Board plays an active role in the development of Toyo Ventures Holdings Berhad (“the Company”) and its subsidiaries (“the Group”) overall corporate strategy, marketing and financial plan.

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

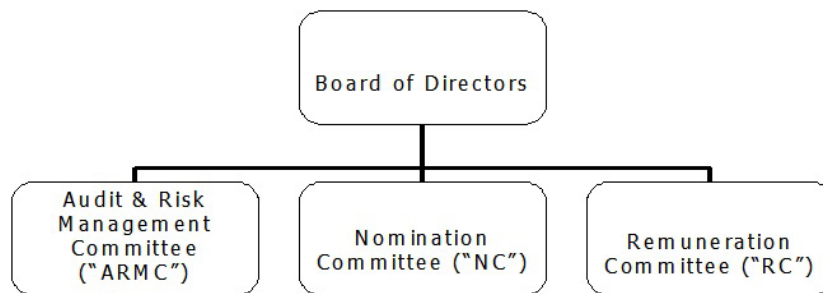
### **SECTION I: BOARD ROLES AND RESPONSIBILITIES**

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

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

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

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



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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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### THE CHAIRMAN

Tuan Hj. Ir. Yusoff bin Daud was re-designated as the Non-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 Non-Independent Non-Executive Chairman, Tuan Hj. Ir. Yusoff bin Daud and the Managing Director (“MD”), Mr. Chew Cheong Loong 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.

For the FYE 2022, the Board is satisfied with the performance and support rendered by the Company Secretary in discharging its function.

### ACCESS TO INFORMATION AND ADVICE

The notices of scheduled Board meetings are served to all Directors at least 7 days prior to the Board Meeting. Unless there is an exceptional case for convening of a special meeting of the Board to address any emergency issues, shorter notice is allowed with the consent of all Directors.

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

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

### BOARD CHARTER

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

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

The Board Charter is available at the corporate website at [www.toyoventures.com.my](http://www.toyoventures.com.my).

### CODE OF ETHICS & CONDUCT

The Group has established a Code of Ethics and Conduct (“Code”) which applies to all Directors, Management, employees and stakeholders during the conduct of businesses of the Group.

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](http://www.toyoventures.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### WHISTLE BLOWING POLICY

The Group has in place Whistleblowing Policy (“WBP”) to uphold the Group’s effort and commitment in doing business with ethics of honesty and integrity, henceforth, providing a transparent and confidential process in handling the whistleblowing reports.

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](http://www.toyoventures.com.my).

### ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

The Anti-Bribery and Anti-Corruption Policy is available at the corporate website at [www.toyoventures.com.my](http://www.toyoventures.com.my).

### DIRECTORS’ FIT AND PROPER POLICY

The Board has in place a Directors’ Fit and Proper Policy which was adopted on 24 May 2022, which sets out the fitness and propriety for the appointment and re-election of Directors and to ensure that each of the Director has the character, integrity, experience, competence and time commitment to effectively discharge their role as a Director of the Group in tandem with good corporate governance practices.

The Directors’ Fit and Proper Policy is available at the corporate website at [www.toyoventures.com.my](http://www.toyoventures.com.my).

### GOVERNANCE OF SUSTAINABILITY

The Board and Key Senior Management are mindful of the importance of building sustainable business and are determined to embed sustainability into the Group’s business operation to achieve the objectives of the Group by minimising the environmental impact arising from the operations as well as improving social and economic conditions for all stakeholders.

As addressing material sustainability risk and opportunities is the responsibilities of the Board and Key Senior Management, the performance evaluation of the Board includes the consideration of Environmental, Social and Governance (“ESG”) issues or sustainability.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### SECTION II: BOARD COMPOSITION

#### COMPOSITION OF THE BOARD

As at the financial year ended 30 September 2022, the Board is made up of the following composition: -

Director	Independent	Non-Independent	Executive	Non-Executive
Tuan Hj. Ir. Yusoff Bin Daud	X	/	X	/
Lim Guan Lee	X	/	X	/
Chew Cheong Loong	X	/	/	X
Tham Kut Cheong	X	/	/	X
Chan Kee Eng	/	X	X	/
Low Mei Kheng	/	X	X	/
Tan Poh Lee	/	X	X	/
Lim Kee Min (alternate director to Lim Guan Lee)	X	/	X	/
<b>Total Number</b>	<b>3</b>	<b>4(1*)</b>	<b>2</b>	<b>5 (1*)</b>

\*Alternate Director

The Board presently has 7 Board members, comprising 1 Managing Director, 1 Executive Director, 2 Non-Independent Non-Executive Directors and 3 Independent Non-Executive Directors.

The above composition of 3/7 of Independent Non-Executive Director currently fulfills and complies with the MMLR of Bursa Securities which requires listed issuer to have at least two (2) Directors or 1/3 of the Board of Director of a listed issuer, whichever is higher must be Independent Director.

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

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

#### TENURE OF INDEPENDENT DIRECTOR

The Company does not have a policy which limits the tenure of the Independent Non-Executive Directors to 9 years. However, upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the directors' re-designation as a Non-Independent Director. For the Board to justify and seek shareholders' approval for retaining a person who has served in that capacity for more than nine (9) years, as an Independent Director, the NC and Board must conduct a rigorous review to determine whether the Director is independent in character and judgment, taking into account the need for progressive refreshing of the Board.

However, as recommended by the MCCG, upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting, normally the AGM of the Company.

If the Board continues to retain the Independent Director after the ninth (9th) year, the Board will seek annual shareholders' approval through a two-tier voting process.

#### 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 8 to 11 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 pages 12 to 15 of this Annual Report.

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

Age Group	31-40	41-50	51-60	61 & above
Number of Directors	-	1	1	5

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Number of Directors	Race/Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreign
	1	6	0	0	6	1

### 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.

Currently, our Board members comprise of three (3) female directors which represents 42.86% of the Composition of the Board.

### BOARD MEETINGS

The Board held 12 meetings during the financial year ended 30 September 2022. The details of Directors' attendances are set out below:

Name of Directors	No. of Meetings Attended
<b>Executive Directors</b>	
Chew Cheong Loong	12/12
Tham Kut Cheong	11/12
<b>Non-Executive Directors</b>	
Lim Guan Lee / his alternate Lim Kee Min ( <i>Appointed on 8 August 2022</i> )	4/4
Tuan Hj. Ir. Yusoff bin Daud	11/12
Chan Kee Eng	12/12
Low Mei Kheng ( <i>Appointed on 29 March 2022</i> )	9/10
Tan Poh Lee ( <i>Appointed on 1 December 2022</i> )	1/1
Lim Soek Fun (Lin Shufen) / her alternate Lim Guan Lee ( <i>Resigned on 8 August 2022</i> )	6/8

# Mr. Song Kok Cheong / his alternate Song Hsiao May was not re-elected at the 2nd AGM held on 10 March 2022

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

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

In the intervals between the Board Meetings, Board approvals are obtained via circular resolutions for exceptional matters requiring Board's decisions which is supported by the relevant information in order to form an informed decision.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### NOMINATION COMMITTEE

The NC was established comprising exclusively of Non-Executive Directors, all of whom are independent.

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

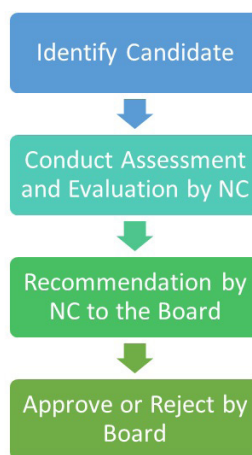
<b>Chairman</b>	Chan Kee Eng	<i>(Independent Non-Executive Director)</i>
<b>Members</b>	Low Mei Kheng	<i>(Independent Non-Executive Director)</i>
	Tan Poh Lee	<i>(Independent Non-Executive Director)</i>

The Terms of Reference of the NC is available at the corporate website at [www.toyoventures.com.my](http://www.toyoventures.com.my).

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 two (2) or 1/3 of the membership of the Board must be Independent Directors.

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

For the FYE 2022, 3 new members were appointed to the Board, namely Mr. Lim Guan Lee, Ms. Low Mei Kheng and Ms. Tan Poh Lee. Prior to the appointment, the NC has assessed and reviewed their profiles and considered the following criteria :-

- (a) Character, skills, knowledge, competencies, expertise and experience;
- (b) Professionalism, integrity and industry standing; and
- (c) Time commitment and ability to discharge their responsibilities/functions as Board member of the Company

The NC then made their recommendations to the Board for its approval and subsequently, Mr. Lim Guan Lee, Ms. Low Mei Kheng and Ms. Tan Poh Lee were appointed as the Directors of the Company.

Although the NC and the Board did not utilise independent sources with regards to the appointments, the Board decisions were still made objectively in the best interests of the Company taking into account the diverse skill, expertise, experience and perspectives of the current Board members.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### (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 provides that all Directors shall retire by rotation once in every 3 years or at least 1/3 of the Directors shall retire from office and be eligible to offer themselves for re-election at the AGM.

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

### NC'S ACTIVITIES DURING THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

Below is a summary of the activities undertaken by the NC for the FYE 30 September 2022:-

- (a) Reviewed and assessed the mix of skills, experience, competency and size of the Board;
- (b) Reviewed and assessed the performance, and made recommendations to the Board for its approval, regarding the Directors who are seeking for election at the upcoming AGM;
- (c) Assessed the overall Board and the Board Committees' performance and effectiveness as a whole;
- (d) Reviewed and assessed the independence of Independent Directors and their tenure of service;
- (e) Assessed Directors' training needs to ensure all Directors receive appropriate continuous training programmes;
- (f) Reviewed and assessed the term of office and performance of the AC and each of its members;
- (g) Recommended to the Board the re-election of Mr Chew Cheong Loong who retired pursuant to Clause 114 of the Company's Constitution at the forthcoming AGM;
- (h) Reviewed and recommended to the Board the appointment of Mr. Lim Guan Lee as Non-Independent Non-Executive Director;
- (i) Reviewed and recommended to the Board the appointment of Ms. Low Mei Kheng as Independent Non-Executive Director
- (j) Reviewed and recommended to the Board the appointment of Ms. Tan Poh Lee as Independent Non-Executive Director

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

### DIRECTORS TRAINING

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

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

Name of Directors	Development and Training Programmes
Chew Cheong Loong	• ESG Awareness Briefing & Workshop on 27 July 2022
Tham Kut Cheong	• ESG Awareness Briefing & Workshop on 27 July 2022
Chan Kee Eng	• ESG Awareness Briefing & Workshop on 27 July 2022
Lim Guan Lee	• ESG Awareness Briefing & Workshop on 27 July 2022
Low Mei Kheng	• Mandatory Accreditation Programme on 21-23 June 2022
Lim Kee Min (Alternate Director to Mr. Lim Guan Lee)	• ESG Awareness Briefing & Workshop on 27 July 2022

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### SECTION III: REMUNERATION

#### REMUNERATION POLICY

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

#### REMUNERATION COMMITTEE

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

<b>Chairman</b>	Chan Kee Eng	<i>(Independent Non-Executive Director)</i>
<b>Members</b>	Low Mei Kheng	<i>(Independent Non-Executive Director)</i>
	Chew Cheong Loong	<i>(Managing Director)</i>
	Tan Poh Lee	<i>(Independent Non-Executive Director)</i>

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

Annually, the RC reviews the remuneration of the Executive Directors to ensure that it commensurate with the market expectation, the Directors' experience and competency and the performance of the Group. Directors do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year. The RC had held two (2) meetings during the financial year ended 30 September 2022.

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

#### DETAILS OF DIRECTOR'S REMUNERATION

The remuneration of the Directors of the Company for the financial year ended 30 September 2022 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 year ended 30 September 2022 are as follows: -

Directors	Fees (RM)	Salaries & *Other Emoluments (RM)	Benefits-in-kind (RM)	Total (RM)
<b>The Company</b>				
<b>Executive Directors</b>				
Chew Cheong Loong	33,000	10,500	-	43,500
Tham Kut Cheong	33,000	37,000	-	70,000
Song Kok Cheong ^	13,750	6,000	-	19,750
<b>Non-Executive Directors</b>				
Tuan Hj. Ir. Yusoff bin Daud	33,000	62,000	-	95,000
Lim Guan Lee ^^	6,000	2,000	-	8,000
Lim Kee Min (Alrernate Director)^^	-	-	-	-
Chan Kee Eng	33,000	41,500	-	74,500
Low Mei Kheng ^^^	18,000	32,000	-	50,000
Lim Soek Fun (Lin Shufen)^^^^	27,000	10,500	-	37,500

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### DETAILS OF DIRECTOR'S REMUNERATION (Cont'd)

Directors	Fees (RM)	Salaries & *Other Emoluments (RM)	Benefits-in-kind (RM)	Total (RM)
<b>The Group</b>				
<b>Executive Directors</b>				
Chew Cheong Loong	117,250	696,244	-	813,494
Song Kok Cheong <sup>^</sup>	46,875	519,826	-	566,701
Tham Kut Cheong	84,000	83,862	-	167,862
<b>Non-Executive Directors</b>				
Tuan Hj. Ir. Yusoff bin Daud	48,000	62,000	-	110,000
Lim Guan Lee <sup>^^</sup>	8,500	2,000	-	10,500
Lim Kee Min (Alternate Director) <sup>^^</sup>	-	-	-	-
Chan Kee Eng	33,000	41,500	-	74,500
Low Mei Kheng <sup>^^^</sup>	18,000	32,000	-	50,000
Lim Soek Fun (Lin Shufen) <sup>^^^^</sup>	39,500	10,500	-	50,000

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

<sup>^</sup> Not re-elected at the 2nd AGM held on 10 March 2022

<sup>^^</sup> Appointed w.e.f 08.08.2022

<sup>^^^</sup> Appointed w.e.f 29.03.2022

<sup>^^^^</sup> Resigned w.e.f 08.08.2022

### Remuneration of the top Thirteen (13) Senior Management

The aggregate remuneration paid to the top thirteen (13) Senior Management of the Group during the financial year ended 30 September 2022 analysed into bands of RM100,000 are as follows:

Remuneration Bands	Number of Senior Management
RM100,001-RM200,000	7
RM200,001-RM300,000	6

Details of the remuneration of the top thirteen (13) senior management on a named basis are not disclosed in this report as the Board is of the view that the transparency and accountability aspects of the MCCG on disclosure of the remuneration of senior management are appropriately served by the above remuneration disclosures in bands as shown above.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### SECTION I: AUDIT COMMITTEE EFFECTIVE AND INDEPENDENT AUDIT COMMITTEE

The Audit & Risk Management Committee ("ARMC") comprises 3 Independent Non-Executive Directors. The ARMC is chaired by an Independent Non-Executive Director, Ms. Chan Kee Eng and the members are namely Ms. Low Mei Kheng and Ms. Tan Poh Lee. The ARMC is comprised of members who are financially literate, possess the appropriate level of expertise and experience.

None of the ARMC members was a former partner of the external audit firm of the Company. In line with the MCCG, the Board had adopted the Terms of Reference of the ARMC that no former partner of the External Audit Firm of the Company could be appointed as a member of the ARMC before observing cooling off period of at least 3 years.

The ARMC Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 40 to 41 of this annual report.

The Terms of Reference of the ARMC is available at the corporate website at [www.toyoventures.com.my](http://www.toyoventures.com.my)

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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### 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 14 April 2022 deliberated on the appointed Messrs TGS TW PLT in place of external auditor, Messrs KC Chia & Noor, 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 pages 42 to 43 of this Annual Report for further information.

### EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

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

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

Further details of the activities of the internal audit function are set out in the ARMC Report on page 41 of this Annual Report.

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

#### SECTION I: COMMUNICATION WITH STAKEHOLDERS

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

The Board has also designated Ms. Tan Poh Lee as the Independent Director to whom shareholders and investors can voice their view and concerns by email to [marina.tan@toyoventures.com.my](mailto:marina.tan@toyoventures.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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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### 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 year except for the following where the explanation for departure is stated in the CG Report:-

Practice 8.2 : Remuneration on Named basis for top five (5) Senior Management

The departure of the above practices will be addressed in the CG Report.

### **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 TVHB on 9 January 2023.



## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

This report outlines the activities of the Audit and Risk Management Committee (“ARMC”) of Toyo Ventures Holdings Berhad (“TVHB”) for the financial year ended 30 September 2022 (“FYE 2022”) and/or up to the date of this ARMC Statement (where applicable) (“Applicable Period”).

This Report has been reviewed by the ARMC and approved by the Board of Directors (“the Board”) of TVHB on 9 January 2023.

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

### ESTABLISHMENT AND COMPOSITION

The Composition of the ARMC meets the requirements of Paragraph 15.09(1)(c) of the Main Market Listing Requirement (“MMLR”) One of the ARMC is a member of the Malaysian Institute of Accountant, which is in compliance with Paragraph 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: -

<b>Chairman</b>	Chan Kee Eng <i>(Resignation as Chairman of ARMC on 9 September 2022)</i>	(Independent Non-Executive Director)
	Tham Kut Cheong <i>(Resigned as member of ARMC on 9 September 2022)</i>	(Executive Director)
<b>Members</b>	Low Mei Kheng <i>(Appointed on 29 March 2022)</i>	(Independent Non-Executive Director)
	Tuan Hj. Ir. Yusoff bin Daud <i>(Resigned as member of ARMC on 29 March 2022)</i>	(Non-Independent Non-Executive Director)
	Tan Poh Lee <i>(Appointed on 1 December 2022)</i>	(Independent Non-Executive Director)

### COMMITTEE MEETINGS

The ARMC members met seven (7) times during the FYE 2022. The details of ARMC’S meetings held and attended by the ARMC members during the financial year are as follows: -

ARMC Member	No. of ARMC Meetings Attended/ Held
Tham Kut Cheong <i>(Resigned on 9 September 2022)</i>	4/4
Tuan Hj. Ir. Yusoff bin Daud <i>(Resigned on 29 March 2022)</i>	2/2
Chan Kee Eng	7/7
Low Mei Kheng	5/5
Tan Poh Lee	2/2

### SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

During the FYE 2022, the activities of the ARMC includes the following: -

#### FINANCIAL REPORTING

- Reviewed the unaudited quarterly financial results before recommending to the Board of Directors (“Board”) for approval to release to Bursa Malaysia Securities Berhad (“Bursa Securities”) accordingly;
- Reviewed the Audited Financial Statements for the FYE 2022;
- Reviewed the Sustainability Statement for inclusion in the Annual Report 2022; and
- Reviewed the ARMC Report, Corporate Governance Overview Statement, Corporate Governance Report 2022 and Statement on Risk Management and Internal Control to ensure compliance with the MMLR of Bursa Securities and recommend to the Board for inclusion in the Annual Report 2022.

#### EXTERNAL AUDIT

- During the FYE 2022, the ARMC reviewed and received the External Auditor’s, Messrs. TGS TW PLT (“TGS”) presentation which are as follows: -
  - Audit Planning Memorandum which outlined its summary of their audit plan of the audit of the financial statements of the Company for the FYE 2022 and the review of the Directors’ Statement on Risk Management and Internal Controls.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (ii) Audit Review Memorandum for the FYE 2022 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 FYE 2022.
- (b) Scrutinised potential Key Audit Matters raised by the External Auditors and ensured that adequate work had been done to support the audit conclusions and overall impact on the financial statements;
- (c) The ARMC had undertaken an annual assessment of the suitability and independence of the External Auditor and based on the results of the assessment, the ARMC was satisfied with the suitability of TGS 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 FYE 2022 without the presence of Executive Directors and management to discuss audit findings, assistance given by the management to the External Auditors or any observations noted during the audit process; and
- (f) Considered the appointment of External Auditors and their audit fees.

### INTERNAL AUDIT

- (a) Reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit outsourced and that it has the necessary independence and authority to carry out its work;
- (b) Reviewed the Internal Audit Reports and ensures remedial actions was taken by the Management on any lapses in control identified by the Internal Auditors; and
- (c) Reviewed the performance of the Internal Auditors.

### RELATED PARTY TRANSACTIONS

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

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

The terms of reference of the ARMC was last reviewed on 29 November 2021 which laid down the ARMC's duties and responsibilities and are accessible via the Company's website at [www.toyoventures.com.my](http://www.toyoventures.com.my)

### INTERNAL AUDIT FUNCTION

During the FYE 2022, the Group outsourced its internal audit function to IA Essential Sdn Bhd, an independent internal audit service company and the selected team is independent of the activities audited by them. The cost incurred for the internal audit function in respect of the FYE 2022 is RM57,000.

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

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

a. Internal Audit on Production of Toyo Ink Sdn. Bhd.	(22 February 2022)
b. Internal Audit Report on Purchasing and Logistic for EDM-Tools (M) Sdn. Bhd. and EDM Machining Solutions (M) Sdn. Bhd.	(24 May 2022)
c. Internal Audit Report on Review of Anti-Corruption and Bribery Preventive Procedures	(23 August 2022)
d. Internal Audit Report on Purchasing and Logistic for Toyo Ink Sdn. Bhd.	(24 November 2022)

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) of Toyo Ventures Holdings Berhad (“TVHB”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 September 2022. 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

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 Group 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”) to oversee 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 the Group’s quarterly financial performance and results and the ongoing development and status of the independent power plant venture in Vietnam presented by the management; and
- iii. Obtaining feedback from External Auditors on risk and control issues noted by them during their statutory audit concerning the integrity of the accounting system and results generated by the system thereof annually.

### INTERNAL CONTROLS AND RISK MANAGEMENT

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

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

- i. Defined authority and responsibilities of the Board and management and the establishment of various Board Committees and the presence of independent directors to oversee the financial, compliance, and operational performance of the management;
- ii. Organisational structure outlining the lines of responsibilities and hierarchical structure for the sales, marketing, production, administration and human resources, and accounts and finance functions;
- iii. Periodic heads of department, credit and progress meetings are headed by Group Managing Director to discuss, review and monitor the business and financial progress, challenges faced and action plans with his management team based on the financial data generated from the Group’s management information systems;
- iv. Implementation of the quality management operating procedures. Third-party surveillance audits are carried out by external certification bodies to verify compliance with ISO requirements. The quality management system in the key subsidiaries is Quality Management System: ISO 9001:2015 for Toyo Ink Sdn. Bhd., EDM Machining Solutions (M) Sdn. Bhd. and EDM-Tools (M) Sdn. Bhd. and Environment Management Systems: ISO 14001:2015 for Toyo Ink Sdn. Bhd. .
- v. The quarterly sales budget is established and monitored closely, serving as a target, KPI and alert to management;
- vi. The ARMC also discusses with the External Auditors on key audit concerns and findings at the audit planning, interim and final audit stages, as well as internal control deficiencies, if any;
- vii. The Internal Audit Function assists the ARMC and the Board to carry out independent assessment on the internal control systems. The internal audit reports highlight the significant findings and deficiencies requiring management’s attention and improvement. Follow-up audits are conducted to ensure that appropriate corrective action plans are implemented by management;
- viii. Risk Management Team is established to review the operational matters and identify potential risks in financial and operational performance, sales and market environment, personnel and administration and the action plans designed and implemented to address these operational risks;
- ix. The Anti-Bribery and Anti-Corruption (“ABAC”) Policy to guide staff members, employees, and business associates in taking appropriate measures and steps to prevent bribery activities;
- x. Insurance policies to minimise the Group’s financial exposures and losses resulting from the risk of fire, perils, consequential fire loss, machine and equipment, burglary, money, public liability, fidelity, and group personal accident; and
- xi. Security controls at the premises of the Company and its subsidiaries.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During the financial year, the Internal Auditors conducted an anti-corruption review per the provision of para 15.29(1) (b) of the Bursa's Listing Requirements for reviewing and assessing the adequacy of the anti-corruption and bribery preventive measures at least once every three years. In this review, the Internal Auditors the Company's anti-corruption and bribery preventive policies and procedures were measured against the Guidelines of Adequate Procedures on anti-bribery and corruption. The proposed actions identified in this review were taken and adopted by the management accordingly.

### Investment in Power Plant Project in Vietnam

The Company has established a Power Plant Project Working Group ("PPWG") Committee. This Committee comprises Group Managing Director, Executive Director, Financial Controller, and Consultant. The main objective of this Committee is to monitor the progress and funding of the Power Plant Project.

The PPWG Committee is committed to ensuring the finalisation of the various project agreements on time and endeavors to meet the financial obligations. All financing options proposed by potential investors and partners are subject to the review of the PPWG Committee.

### MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for:

- Identifying risks relevant to the Group's business objectives and ensuring the achievement of its objectives;
- Designing, implementing, monitoring the risk management actions and achieving the Group's objectives within its risk appetite;
- Assuring the effectiveness and adequacy of the risk management and internal control systems; and
- Reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objectives.

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 risk management and internal control systems.

### REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Main Market Listing Requirement of Bursa Securities and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysia Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial year ended 30 September 2022.

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

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 9 January 2023.

## SUSTAINABILITY STATEMENT

Our Sustainability Statement for the financial year from 1 October 2021 to 30 September 2022 is prepared in manner as prescribe under the new Main Market Listing Requirement issued by Bursa Malaysia Securities Berhad (“the Exchange”) and based on the guidelines issued by the Global Reporting Initiative (“GRI”) Sustainability Reporting Standard.

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

### Governance Structure

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

The Group’s Governance structure for Sustainability as below:



Stakeholder Group	Stakeholders’ Expectations	Management Response to Stakeholders’ Expectations	Engagement Approaches
Customers	<ul style="list-style-type: none"> <li>Product and services quality</li> <li>Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Stringent Quality control and audit</li> <li>Maintain regular communication</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Face to face meetings</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Suppliers’ selection and evaluation</li> <li>Quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>Assessment and review form</li> <li>Regular suppliers’ meeting and audit</li> </ul>	<ul style="list-style-type: none"> <li>Selection evaluation form</li> <li>Performance evaluation form</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>Company’s performance</li> <li>Timely disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>Ensure all material information are made available on timely basis</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Information on Bursa website</li> </ul>

### Material Sustainability Matters

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

#### Rework Rejected Inks

Getting just the right colour requested by the customer could be tricky, even if tested in smaller quantity, there is no guarantee the formulation would work 100% as intended. As a result, TISB may have tonnes of rejected ink kept in store, if left unchecked, the stored ink will solidify and required to be disposed of via scheduled waste management.

TISB had begun looking closely to clear the rejected ink in store, to date, we are able to rework about 43% rejected ink in store.

## SUSTAINABILITY STATEMENT

### VTAR Training Programme

The Malaysian manufacturing industry has long been facing a staff shortage issue. To address this issue affecting the industry and develop more proficient Malaysian machinist for the industry, EDM Machining Solutions (M) Sdn Bhd (EMSSB) a subsidiary of the group, had begun a training programme in association with Vocational Tunku Abdul Rahman (VTAR) and industrial partners. The training programme kickstarted in September 2022.



The 6-months training programme is a fully sponsored by EMSSB and training partners. For the entire training period, the trainees are provided with accommodation and an allowance of RM 1,000 each month. The trainees are trained practically in actual working environment with short theory classes slotted in daily. Trainees are required to first go through the standard trainings, and they will then be specialized in departments that suit their talent best. Upon completion, the trainees will be taken in as permanent staff of the training partners.



Despite being a lucrative industry closely linked to Malaysia's semiconductor industry, bio-medical, electrical and electronics manufacturing, the precision mould, tool and die industry is not well known to the current generation. Coupled with the lack of talent development in tertiary education and vocational training, the industry is severely dependent on foreign workers.



This training programme is an attempt by our group to bring the industry back into the spotlight while developing talents to sustain the industry. The training programme is expected to produce 72 trainees each year with a budget of RM300,000.



## SUSTAINABILITY STATEMENT

### Power Saving Measures

TVHB had begun adopting solar energy in the ETSB and EMSSB headquarters in Puchong. The solar panels began generating power in July 2022. As of the writing of this report, the solar panels has generated 73.34MWh equivalent to 29.32 tonnes of standard coal saved, 34.82 tonnes of CO2 avoided, or 48 trees planted.

Financially, the installation of solar panel cost RM354,500, with RM85,080 claimable under capital allowance and another RM85,080 claimable under government grant Green Investment Tax Allowance (GITA). As of November 2022, we have saved RM28,695 on the plant's electricity bill, which roughly translate into 30% of our power consumption. The panels are expected to pay for itself within 5 years. Moving forward, TVHB plans to expand the solar panel installations to more of its subsidiary's locations.

### R&D On Water Soluble Ink

To move forward towards a more sustainable future economically and environmentally, TISB had been putting in R&D efforts in the manufacturing of water-based ink for surface and reverse printing. Water based ink is an environmentally friendly alternative to the currently conventional high VOC products in the market. The water based flexo printing ink is currently ready to be tested by the customer before we mass produce the ink, while we are still working on perfecting the white colour water-based gravure printing ink. We are looking forward to market our water-based ink in the coming year.

### ETSB Spools Recycling



The EDM Cut Wire sold by ETSB, comes with high quality plastic spools. In order to maximise the operational life of such spools, ETSB re-collect the empty spools from customers, clean them and reuses them with fresh new wires. Each brand-new spool could be recycled 2 times before the plastic material become too brittle to pass our quality control measures. Each time the spools is recycled, a marking is made to ensure customers still get the best value from their purchases while being a little greener to the environment.

### EMS Oil Curtain Design

The EMS Graphite CNC Milling Machine is the culmination of EMSSB's R&D efforts to create a machine that optimally works with EDM graphite materials. A major feature of the machine is the oil curtain design that traps graphite dust emissions when machining the material. A veil of EDM oil will wash all graphite dust down during the machining process.



## SUSTAINABILITY STATEMENT

### Staff Development

TVHB recognizes the need to upskill our staff to keep up with the times and sustain the company’s growth. Management of the group’s subsidiary is encouraged to take up courses relevant to their duties, fully sponsored by the company. To date, the following senior managers are furthering their studies part-time:

Staff	Company	Course	Date Enrolled
Teoh Chin Yee, Jane	EMSSB	Master of Business Administration	May 2021
Yap Kim Fatt	ETSB	Bachelor of Business (Honours) in Management	January 2022
Cheah Yew Loong	TISB	Master of Business Administration	August 2022
Fiona Mah Lay Hong	TISB	Master of Business Administration	August 2022
Kong Mei Ling, Chloes	TISB	Workplace English Programme	September 2022
Management Staff	TISB, ETSB & EMSSB	ESG Awareness Briefing	July 2022

### Staff Welfare

To foster a healthy lifestyle and better working relationship, subsidiaries of TVHB organizes recreational activities for the staff members. The recreational activity and frequency is decided among the staff members themselves, with the expenses covered by the Company.



### Anti-Bribery and Anti-Corruption Policy adoption

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

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

### Operational Audits

As an extension to our group carrying out internal audit for execution of ABAC policy, our subsidiaries have begun inter-departmental audits monthly to strengthen and improve our operational processes. Both executive and managerial staff would take turns to audit and be audit to work closely and close the understanding gap between departments for a smoother operation. A tighter control has been enforced to the purchasing, sales and store processes, resulting in a looser cash flow and lesser stock inventory.

### Waste Management

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



## ADDITIONAL COMPLIANCE INFORMATION

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### Private Placement Proceeds

On 9 April 2021, the Company completed the issuance of the first tranche of the private placement comprised of 6,450,000 new ordinary shares at an issue price of RM2.35 per share.

On 16 April 2021, the Company completed the issuance of the second and final tranche of the private placement comprised of 4,250,000 new ordinary shares at an issue price of RM2.35 per share.

The total gross proceeds raised from the above private placement amounted to RM25.15 million.

### Utilisation of proceeds

The details and status of the utilisation of Proceeds from Private Placements are as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation
Investment in Power Plant Project	24,500	24,605	Completed in 2Q 2022
Estimated expenses in relation to the Private Placements	650	545	Completed in 4Q 2021
	<u>25,150</u>	<u>25,150</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Announcement of the Company dated 5 February 2021.

### Audit and Non-Audit fees

The total amount of audit fees and non-audit fees paid to the External Auditors of the Group and its subsidiaries for the financial period ended 30 September 2022 amounted to to RM225,000/- and Nil respectively.

### Material Contracts Involving Directors and Major Shareholders

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

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## DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2022.

### Principal Activities

The principal activity of the Company is engaged in investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

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

### Financial Results

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year	(844)	4,452
Attributable to:		
- Owners of the Company	(844)	4,452

### Reserves and Provisions

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

### Dividends

There were no dividend proposed, declared or paid by the Company since the end of the previous financial period.

### Issue of Shares and Debentures

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

### Warrants 2020/2023 ("Warrants C")

The salient terms of Warrants C are disclosed in Note 16 (c) to the financial statements. During the financial year, the movement of the outstanding warrants is as follows:-

Date of issue	Exercise price	Number of Warrants C outstanding			At 30.9.2022
		At 1.10.2021	Exercised	Lapsed	
23 October 2020	RM1.50	53,497,495	-	-	53,497,495

### Options Granted Over Unissued Shares

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

### Directors

The Directors in office during the financial year until the date of this report are:

Tuan Haji Ir. Yusoff Bin Daud*	
Chew Cheong Loong*	
Tham Kut Cheong*	
Chan Kee Eng	
Low Mei Kheng	(Appointed on 29 March 2022)
Lim Guan Lee*	(Resigned as Alternate Director to Lim Soek Fun and Appointed as Director on 8 August 2022)
Lim Kee Min	(Appointed as Alternate Director to Lim Guan Lee on 8 August 2022 )
Tan Poh Lee	(Appointed on 1 December 2022)
Lim Soek Fun	(Resigned on 8 August 2022)
Song Kok Cheong*	(Resigned on 10 March 2022)
Song Hsiao May*	(Resigned as Alternate Director to Song Kok Cheong on 10 March 2022)

\* These Directors are also Directors of certain subsidiaries.

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

## DIRECTORS' REPORT

### Directors' Interests in Shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.10.2021	Acquired	Sold	At 30.9.2022
<b>Interests in the Company</b>				
<b>Direct Interest</b>				
Tuan Haji Ir. Yusoff Bin Daud	230,964	50,000	100	280,864
Chew Cheong Loong	1,000,000	-	-	1,000,000
Lim Guan Lee**	11,897,204	-	500,000	11,397,204
Chan Kee Eng	1,000	-	-	1,000
<b>Indirect Interest</b>				
Chew Cheong Loong*	1,380,000	-	-	1,380,000

\* Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.

\*\* Deemed interest by virtue of his shareholding in Lim Keenly Investment Pte. Ltd., a company incorporated in Singapore.

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

### Directors' Benefits

Since the end of previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration for the financial year ended 30 September 2022 are set at below:

	Group	Company
	RM'000	RM'000
Salaries and other emoluments	1,535	201
Social security contributions	4	-
Defined contribution plan	101	-
Fees	438	197
	<u>2,078</u>	<u>398</u>

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Group and of the Company during the financial year.

## DIRECTORS' REPORT

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### Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that 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 the adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets 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 amounts 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 current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### Subsidiaries

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

### Subsequent Events

The subsequent events are disclosed in Note 40 to the financial statements.

## DIRECTORS' REPORT

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### Auditors

The Auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company as set out in Note 28 to the financial statements are RM225,000 and RM67,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 9 January 2023.

.....  
CHEW CHEONG LOONG  
KUALA LUMPUR

.....  
THAM KUT CHEONG

## STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 58 to 117 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 9 January 2023.

\_\_\_\_\_  
CHEW CHEONG LOONG

KUALA LUMPUR

\_\_\_\_\_  
THAM KUT CHEONG

## STATUTORY DECLARATION

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

I, Chew Cheong Loong, being the Director primarily responsible for the financial management of Toyo Ventures Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 58 to 117 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by )  
the abovenamed at Kuala Lumpur in the )  
Federal Territory on 9 January 2023 )

\_\_\_\_\_  
CHEW CHEONG LOONG

Before me,

\_\_\_\_\_  
Commissioner for Oaths  
SHI' ARATUL AKMAR BINTI SAHARI (No.W788)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO VENTURES HOLDINGS BERHAD**  
 [REGISTRATION NO.: 202001001322 (1357641-P)]  
 (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 September 2022 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 117.

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 September 2022, and of their financial performance and of their cash flows for the financial year 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 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**Emphasis of Matter**

We draw attention in Note 5 to the financial statements which disclose the current status of the Group's Power Plant Development Project in Hau Giang Province, Vietnam. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Key Audit Matters</u>	<u>How we addressed the key audit matters</u>
<p><u>Power Plant Development Project - impairment assessment</u></p> <p>The carrying value of the power plant development project ("the Project") as at 30 September 2022 stands at RM312 million. The Group has engaged an independent professional consultant to carry out the impairment assessment on the carrying value of the Project. Based on the Financial model prepared by the independent professional consultant and the Investment appraisal carried out by the management, it was concluded that there is no indication of impairment on the Project by comparing the potential recoverable amount of the Project to its total cost of investment.</p> <p>The Group evaluated the viability of the Project by using the discount-cash-flow method of valuation which involves discounting to its present value the estimated future free cash inflows that will be derived from the Project against the total cost of investment computed at an appropriate rate.</p>	<p>Our audit procedures included, among others:</p> <p>(a) Assessed the objectivity, independence and expertise of the independent professional consultant and the management that is involved in the evaluation process;</p> <p>(b) Performed enquiry and obtained explanations from the management to corroborate the audit evidence obtained;</p> <p>(c) Evaluated and assessed the following in relation to the viability of the Project:-</p> <ul style="list-style-type: none"> <li>(i) Key assumptions used in the computation of the net present value ("NPV");</li> <li>(ii) Discount rate used in the computation of the NPV; and</li> <li>(iii) Sensitivity analysis of the key assumptions used.</li> </ul>

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.



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

[REGISTRATION NO.: 202001001322 (1357641-P)]

(INCORPORATED IN MALAYSIA)

**Report on the Audit of the Financial Statements (Cont'd)****Information Other than the Financial Statements and Auditors' Report Thereon**

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

Our opinion on the financial statements of the Group and of the Company do 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 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 the 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 the 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 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 and 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 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 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 Group's and 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 and 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 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.

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

[REGISTRATION NO.: 202001001322 (1357641-P)]  
(INCORPORATED IN MALAYSIA)

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

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

#### Report on the Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

#### Other Matters

1. The financial statements of the Group and of the Company as at 30 September 2021, were audited by another firm of Chartered Accountant who expressed a qualified opinion on the financial statements dated 28 January 2022.
2. 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.

TGS TW PLT  
202106000004 (LLP0026851-LCA) & AF002345  
Chartered Accountants

OOI POH LIM  
03087/10/2023 J  
Chartered Accountant  
KUALA LUMPUR  
9 January 2023

## STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	Group			Company		
		30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4	19,765	18,420	18,267	-	2	-
Power plant development project	5	311,977	298,091	-	-	-	-
Investment in subsidiaries	6	-	-	-	149,075	147,075	-
Other investment	7	690	690	690	-	-	-
Goodwill on consolidation	8	-	-	2,322	-	-	-
		<u>332,432</u>	<u>317,201</u>	<u>21,279</u>	<u>149,075</u>	<u>147,077</u>	<u>-</u>
<b>Current assets</b>							
Inventories	9	20,968	15,490	15,362	-	-	-
Trade receivables	10	17,819	16,761	15,904	-	-	-
Other receivables	11	110,932	82,856	886	71	57	-
Amount due from subsidiaries	12	-	-	-	144	108	-
Tax recoverable		1,061	814	375	-	-	-
Fixed deposit with licensed banks	13	900	19,423	7,149	-	12,051	-
Cash and bank balances	14	18,191	9,210	2,990	441	440	*
		<u>169,871</u>	<u>144,554</u>	<u>42,666</u>	<u>656</u>	<u>12,656</u>	<u>*</u>
Power plant development project classified as assets held for sales	15	-	-	387,302	-	-	-
<b>Total current assets</b>		<u>169,871</u>	<u>144,554</u>	<u>429,968</u>	<u>656</u>	<u>12,656</u>	<u>*</u>
<b>Total assets</b>		<u>502,303</u>	<u>461,755</u>	<u>451,247</u>	<u>149,731</u>	<u>159,733</u>	<u>*</u>

## STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	Group			Company		
		30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Share capital	16	131,605	131,605	*	131,605	131,605	*
Invested equity	17	-	-	107,000	-	-	-
Other reserve	18	6,830	1,591	-	-	-	-
Retained earnings/ (Accumulated losses)		2,559	3,403	14,290	4,605	153	(17)
<b>Total equity</b>		<b>140,994</b>	<b>136,599</b>	<b>121,290</b>	<b>136,210</b>	<b>131,758</b>	<b>(17)</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Lease liabilities	19	571	908	931	-	-	-
Loan and borrowings	20	3,088	-	-	-	-	-
Other payables	21	329,045	303,702	-	-	-	-
Deferred tax liabilities	22	935	830	832	-	-	-
		<b>333,639</b>	<b>305,440</b>	<b>1,763</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>							
Lease liabilities	19	371	427	349	-	-	-
Loan and borrowings	20	5,382	2,800	3,649	-	-	-
Trade payables	23	16,912	13,072	10,198	-	-	-
Other payables	21	3,428	2,541	1,775	289	80	17
Amount due to subsidiaries	12	-	-	-	13,232	27,836	-
Amount due to Directors	24	-	109	124	-	-	-
Contract liabilities	25	1,563	663	205	-	-	-
Tax payable		14	104	33	-	59	-
		<b>27,670</b>	<b>19,716</b>	<b>16,333</b>	<b>13,521</b>	<b>27,975</b>	<b>17</b>
Other payables classified as liabilities held of sale	15	-	-	311,861	-	-	-
<b>Total current liabilities</b>		<b>27,670</b>	<b>19,716</b>	<b>328,194</b>	<b>13,521</b>	<b>27,975</b>	<b>17</b>
<b>Total liabilities</b>		<b>361,309</b>	<b>325,156</b>	<b>329,957</b>	<b>13,521</b>	<b>27,975</b>	<b>17</b>
<b>Total equity and liabilities</b>		<b>502,303</b>	<b>461,755</b>	<b>451,247</b>	<b>149,731</b>	<b>159,733</b>	<b>*</b>

\*Amount below RM1,000

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Group		Company	
		1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
Revenue	26	101,170	99,639	5,964	2,642
Cost of sales		(83,465)	(78,736)	-	-
Gross profit		17,705	20,903	5,964	2,642
Other income		6,752	1,117	-	-
Administrative expenses		(11,456)	(17,036)	(1,538)	(1,302)
Selling and distribution expenses		(9,282)	(9,907)	-	-
Other expenses		(3,483)	(3,696)	-	-
Net (loss)/gain on impairment of financial assets		(9)	182	-	-
<b>Profit/(Loss) from operations</b>		<b>227</b>	<b>(8,437)</b>	<b>4,426</b>	<b>1,340</b>
Finance income	27	111	325	26	66
Finance costs	27	(474)	(381)	-	-
<b>(Loss)/Profit before tax</b>	28	<b>(136)</b>	<b>(8,493)</b>	<b>4,452</b>	<b>1,406</b>
Taxation	29	(708)	(1,217)	-	(59)
<b>(Loss)/Profit for the financial year/period</b>		<b>(844)</b>	<b>(9,710)</b>	<b>4,452</b>	<b>1,347</b>
<b>Other comprehensive income</b>					
<u>Item that may be reclassified subsequently to profit or loss</u>					
Exchange differences on translation of foreign operations		5,239	1,591	-	-
<b>Total comprehensive income/(loss) for the financial year/period, net of tax</b>		<b>4,395</b>	<b>(8,119)</b>	<b>4,452</b>	<b>1,347</b>
<b>(Loss)/Profit after tax attributable to:</b>					
Owners of the Company		(844)	(9,710)	4,452	1,347
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		4,395	(8,119)	4,452	1,347
<b>Losses per share ("LPS") attributable to owners of the Company (sen)</b>					
Basic earnings per share (sen):	31(a)	(0.72)	(8.74)		
Diluted earning per share (sen):	31(b)	N/A	N/A		

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

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

**Attributable to owners of the Company**

Group	Note	Non distributable				Distributable		Total equity RM'000
		Share capital RM'000	Warrant reserve RM'000	Invested equity RM'000	Other reserve RM'000	Retained earnings RM'000		
<b>At 1 July 2020, as previously reported</b>		*	5,885	101,115	-	15,503	122,503	
Prior year adjustments	41	-	(5,885)	5,885	-	(1,213)	(1,213)	
<b>At 1 July 2020, as restated</b>		*	-	107,000	-	14,290	121,290	
Loss for the financial period		-	-	-	-	(9,710)	(9,710)	
Exchange differences on translation of foreign operations		-	-	-	1,591	-	1,591	
<b>Total comprehensive income/(loss) for the financial period</b>		*	-	-	1,591	(9,710)	(8,119)	
<b>Transactions with owners:</b>								
Acquisition of Toyo Ink Group Berhad ("TIGB") pursuant to internal reorganisation	16	107,000	-	(107,000)	-	-	-	
Issuance of ordinary shares pursuant to:								
- Private placement	16	25,145	-	-	-	-	25,145	
- Exercise of warrants	16	4	-	-	-	-	4	
Share issue expenses	16	(544)	-	-	-	-	(544)	
Dividend paid	30	-	-	-	-	(1,177)	(1,177)	
<b>Total transactions with owners</b>		131,605	-	(107,000)	-	(1,177)	23,428	
<b>At 30 September 2021</b>		131,605	-	-	1,591	3,403	136,599	
<b>At 1 October 2021, as previously reported</b>		125,720	5,885	-	2,761	417	134,783	
Prior year adjustments		5,885	(5,885)	-	(1,170)	2,986	1,816	
<b>At 1 October 2021, as restated</b>		131,605	-	-	1,591	3,403	136,599	
Loss for the financial year		-	-	-	-	(844)	(844)	
Exchange differences on translation of foreign operations		-	-	-	5,239	-	5,239	
<b>Total comprehensive income/(loss) for the financial year</b>		-	-	-	5,239	(844)	4,395	
<b>At 30 September 2022</b>		131,605	-	-	6,830	2,559	140,994	

\* Amount below RM1,000

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

Company	Note	Non Distributable		Distributable	Total equity RM'000
		Share capital RM'000	Warrant reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	
At 1 July 2020		*	-	(17)	(17)
Profit for the financial period, representing total comprehensive income for the financial period		-	-	1,347	1,347
<b>Transactions with owners:</b>					
Acquisition of TIGB pursuant to internal reorganisation	16	107,000	-	-	107,000
Issuance of ordinary shares pursuant to:					
- Private placement	16	25,145	-	-	25,145
- Exercise of warrants	16	4	-	-	4
Share issue expenses	16	(544)	-	-	(544)
Dividend to owners to the Company	30	-	-	(1,177)	(1,177)
<b>Total transaction with owners</b>		<b>131,605</b>	<b>-</b>	<b>(1,177)</b>	<b>130,428</b>
<b>At 30 September 2021</b>		<b>131,605</b>	<b>-</b>	<b>153</b>	<b>131,758</b>
<b>At 1 October 2021, as previously stated</b>		<b>125,720</b>	<b>5,885</b>	<b>153</b>	<b>131,758</b>
Prior year adjustments	39	5,885	(5,885)	-	-
<b>At 1 October 2021, as restated</b>		<b>131,605</b>	<b>-</b>	<b>153</b>	<b>131,758</b>
Profit for the financial year, representing total comprehensive income for the financial year		-	-	4,452	4,452
<b>At 30 September 2022</b>		<b>131,605</b>	<b>-</b>	<b>4,605</b>	<b>136,210</b>

\* Amount below RM1,000

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

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax	(136)	(8,493)	4,452	1,406
Adjustments for:				
Bad debts written off	17	99	-	-
Dividend income	-	-	(5,100)	(1,850)
Depreciation of property, plant and equipment	1,387	1,539	*	1
Gain on disposal of property, plant and equipment	(10)	(131)	-	-
Gain on termination of lease contract	(7)	(4)	-	-
Interest expense	474	381	-	-
Interest income	(111)	(325)	(26)	(66)
Inventories written down	681	-	-	-
Inventories written off	146	-	-	-
Loss on winding up of subsidiaries	181	-	-	-
Impairment losses on goodwill on consolidation	-	2,322	-	-
Allowance for expected credit losses on trade receivables	9	-	-	-
Reversal for expected credit losses on trade receivables	-	(182)	-	-
Property, plant and equipment written off	158	70	-	-
Unrealised gain on foreign exchange	(3,000)	(213)	-	-
Rent concession related to COVID-19	-	(1)	-	-
Operating loss before working capital changes	(211)	(4,938)	(674)	(509)
Changes in working capital:				
Inventories	(6,305)	(108)	-	-
Receivables	(23,559)	(82,739)	(14)	(57)
Payables	29,786	116,816	209	63
Contract liabilities	900	458	-	-
Subsidiaries	-	-	(36)	(108)
	822	34,427	159	(102)
Cash generated from/(used in) operations	611	29,489	(515)	(611)
Tax paid	(1,263)	(1,590)	(59)	-
Tax refunded	229	3	-	-
Net cash (used in)/ from operating activities	(423)	27,902	(574)	(611)



## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Group		Company	
		1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	A	(2,867)	(1,290)	-	(3)
Acquisition of power plant development project		(11,921)	(32,111)	-	-
Dividend received		-	-	3,300	1,350
Interest received		111	325	26	66
Investment in subsidiaries		-	-	(2,000)	-
Net cash outflow from winding up of subsidiaries		(103)	-	-	-
Proceeds from disposal of property, plant and equipment		12	226	-	-
Net cash (used in)/from investing activities		(14,768)	(32,850)	1,326	1,413
<b>Cash flows from financing activities</b>					
Dividend paid		-	(1,177)	-	(1,177)
Drawdown of bankers' acceptances		12,889	8,247	-	-
Drawdown of term loan		4,296	-	-	-
Interest paid		(474)	(381)	-	-
Placement of fixed deposits with licensed banks		(900)	-	-	-
Proceeds from issuance of ordinary shares:					
- private placement, net of shares issuance expenses		-	24,601	-	24,601
- exercise of warrants		-	4	-	4
Repayment of banker's acceptance		(11,077)	(8,366)	-	-
Repayment from Directors		(109)	(15)	-	-
Repayment of lease liabilities	B	(411)	(527)	-	-
Repayment of term loan		(438)	-	-	-
Repayment to subsidiaries	C	-	-	(12,802)	(11,739)
Net cash from/(used in) financing activities		3,776	22,386	(12,802)	11,689
Net (decrease)/increase in cash and cash equivalents		(11,415)	17,438	(12,050)	12,491
Effects of foreign exchange translation		973	1,786	-	-
Cash and cash equivalents at the beginning of the financial period/year		28,633	9,409	12,491	*
Cash and cash equivalents at the end of the financial year/period		18,191	28,633	441	12,491
<b>Cash and cash equivalents at the end of the financial year/period comprises:</b>					
Cash and bank balances		18,191	9,210	441	440
Fixed deposits with licensed banks		900	19,423	-	12,051
		19,091	28,633	441	12,491
Less: Fixed deposits pledged with licensed banks		(900)	-	-	-
		18,191	28,633	441	12,491

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>NOTES TO THE STATEMENTS OF CASH FLOWS</b>				
<b>A. Acquisition of property, plant and equipment</b>				
Total addition	2,958	1,883	-	3
Aquisition through lease arrangements	(91)	(593)	-	-
Total cash payment	<u>2,867</u>	<u>1,290</u>	-	<u>3</u>
<b>B. Cash outflows for leases as a lessee</b>				
Included in net cash used in operating activities:				
Payment relating to short-term leases	28 59	685	-	-
Included in net cash from financing activities:				
Payment of lease liabilities	411	527	-	-
Payment on interest of lease liabilities	77	122	-	-
	<u>488</u>	<u>649</u>	-	-
	<u>547</u>	<u>1,334</u>	-	-
<b>C. Repayment to subsidiaries</b>				
Total (repayment to)/advance from subsidiaries	-	-	(14,604)	27,836
Controlled transferred to a subsidiary	-	-	2	-
Internal reorganisation	-	-	-	(40,075)
Dividend receivable	-	-	1,800	500
Total repayment to subsidiaries	-	-	<u>(12,802)</u>	<u>(11,739)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS****30 SEPTEMBER 2022****1. Corporate Information**

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

The registered office of the Company is located at Lot 4.10, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur.

The principal place of business of the Company is located at PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal activity of the Company is engaged in investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

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

**2. Basis of Preparation****(a) Statement of compliance**

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

**Adoption of new and amended standards**

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendment to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

The adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

**Standard issued but not yet effective**

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial year beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	Amendments to MFRS 1 Amendments to MFRS 9 Amendments to illustrative Examples accompanying MFRS 16 Amendments to MFRS 141	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 2. Basis of Preparation (Cont'd)

##### (a) Statement of compliance (Cont'd)

###### Standard issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

##### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to nearest thousand, unless otherwise stated.

##### (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s and of 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.

###### Judgements

The following are the accounting policies that have the most significant effect on the amounts recognised in the financial statements:

###### Determining the lease term of contracts with renewal and termination options Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

The Group has several lease contracts that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

###### Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

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#### 2. Basis of Preparation (Cont'd)

##### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

###### Key sources of estimation uncertainty

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

###### Useful lives of property, plant and equipment

The Group and the Company regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment are disclosed in Note 4 to the financial statements.

###### Impairment of power plant development project

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceed its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash generating units and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

As at reporting date, there is no impairment loss recognised on the power plant development project as the Directors are confident to secure further extension period from Ministry of Industry and Trade of the Socialist Republic of Vietnam ("MOIT") as disclosed in Note 5 to the financial statements. In the event MOIT does not grant further extension period to the Group for completion of the preconditions of the Project, the whole development expenditure would potentially be impaired.

###### Deferred tax assets

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

###### 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 selling 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 their inventories. Details of inventories are disclosed in Note 9 to the financial statements.

###### Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no significant financing as the period between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

###### Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's and Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 2. Basis of Preparation (Cont'd)

##### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

###### Key sources of estimation uncertainty (Cont'd)

###### Provision for expected credit loss of financial assets at amortised cost (Cont'd)

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. 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 expected credit loss is a significant estimate. The carrying amounts at the reporting date for receivables are disclosed in Notes 10, 11 and 12 to the financial statements.

###### Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

###### Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### 3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

##### (a) Basis of consolidation

###### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations under common control are accounted for using the merger method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous reporting periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

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#### 3. Significant Accounting Policies (Cont'd)

##### (a) Basis of consolidation (Cont'd)

###### (i) Subsidiaries (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions within the Group are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

###### (ii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

##### (b) Foreign currency translation

###### (i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

###### (ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date and income and expenses, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

### 3. Significant Accounting Policies (Cont'd)

#### (b) Foreign currency translation (Cont'd)

##### (ii) Foreign operations (Cont'd)

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.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related that foreign operation reclassified to profit or loss a part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### (c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements on impairment of non-financial assets.

##### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

##### (iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	2%
Leasehold land and buildings	Over the remaining lease period
Plant, machinery and equipment	10% - 25%
Motor vehicles	20%
Office equipment	10% - 25%
Furniture and fittings, renovation and signboard	10% - 25%
Hostel	Over the lease term
Office	Over the lease term

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.



## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

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#### 3. Significant Accounting Policies (Cont'd)

##### (d) Leases

###### As lessee

The Group recognises a right-of-use (“ROU”) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	Over the remaining lease period
Motor vehicle	20%
Hostel	Over the lease term
Office	Over the lease term

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group’s incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether they will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

##### (e) Power plant development project (“Development costs”)

Development costs are stated at cost less accumulated amortisation and impairment loss, if any. Development costs are amortised from the commencement of the income recognition. Development costs are expenditure incurred for development of Thermal Power Plant Project. Development costs are capitalised when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Other development costs which do not meet these criteria are expensed when incurred.

##### (f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw material, consumables, good in transit comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis. Cost of work-in-progress and finished goods consists of direct material, direct labour and an appropriate proportion of production overheads stated on a weighted average or standard cost basis.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

### 3. Significant Accounting Policies (Cont'd)

#### (g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

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

The Group and the Company determine the classification of their financial assets at initial recognition, and are not reclassified subsequent to their initial recognition unless the Group and the Company change their 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 in the business model.

#### (i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### (ii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income ("FVTOCI"), are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

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#### 3. Significant Accounting Policies (Cont'd)

##### (h) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

##### (i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### (j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, bank overdraft and fixed deposits with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

##### (k) Impairment of assets

###### (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and non-current assets held for sales) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the 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 or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

###### (ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

### 3. Significant Accounting Policies (Cont'd)

#### (l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Invested equities represent the paid-up capital of the combined entities held by the common control shareholders before the legal parent-subsidary relationships were established.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

#### (m) Provisions

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

Provisions are reviewed at the end of each reporting period 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.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

#### (n) Employee benefits

##### (i) Short-term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

##### (ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

#### (o) Revenue recognition

##### (i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

##### (a) Sales of goods

The Group produce and sells its goods in markets. Revenue from sales of goods is recognised when control of the products has transferred, being the products are delivered to the customers.

Following delivery of the goods to the customers' location, the customers have full discretion over the manner of distribution and price to sell the goods, and bear the risk of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

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#### 3. Significant Accounting Policies (Cont'd)

##### (o) Revenue recognition (Cont'd)

###### (i) Revenue from contracts with customers (Cont'd)

###### (a) Sales of goods (Cont'd)

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of cash term to 90 days, which is consistent with market practice.

###### (b) Management fee

Management fee is recognised over time when the service is rendered.

###### (ii) Dividend income

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

###### (iii) Interest income

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

##### (p) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

##### (q) 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 asset or the obligation is disclosed as a contingent asset 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.

##### (r) Non-current assets or liabilities held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such noncurrent assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 3. Significant Accounting Policies (Cont'd)

##### (r) Non-current assets or liabilities held for sale (Cont'd)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

##### (s) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtors fails to make payment when due.

Financial guarantee contract are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

##### (t) Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group.
- (ii) The entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) The entity is a joint venture of a third entity and the other entity is an associate of the same third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group.
- (viii) The entity, or any member of a company of which it is a party, provides key management personnel services to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2022

## 4. 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	Hostel RM'000	Office RM'000	Total RM'000
At 1 July 2020	3,891	2,331	12,816	14,897	1,229	2,045	2,190	-	1,175	40,574
Additions	-	-	-	1,043	132	468	240	-	-	1,883
Disposals	-	-	-	(151)	(65)	-	-	-	-	(216)
Reclassification to inventories	-	-	-	(91)	-	-	-	-	-	(91)
Termination of contract	-	-	-	-	-	-	-	-	(17)	(17)
Written off	-	-	-	(335)	-	(179)	(142)	-	-	(656)
At 30 September 2021	3,891	2,331	12,816	15,363	1,296	2,334	2,288	-	1,158	41,477
Additions	-	-	-	1,639	213	423	592	91	-	2,958
Disposals	-	-	-	-	(69)	(6)	-	-	-	(75)
Termination of contract	-	-	-	-	-	-	-	-	(170)	(170)
Written off	-	-	-	(2,088)	(131)	(388)	(381)	-	-	(2,988)
At 30 September 2022	3,891	2,331	12,816	14,914	1,309	2,363	2,499	91	988	41,202

SNOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 2022

4. Property, Plant and Equipment (Cont'd)

Group (Cont'd)	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	Hostel RM'000	Office RM'000	Total RM'000
Accumulated depreciation										
At 1 July 2020	-	411	3,967	13,297	1,048	1,825	1,532	-	227	22,307
Charge for the financial period	-	62	314	504	98	222	117	-	222	1,539
Disposals	-	-	-	(56)	(65)	-	-	-	-	(121)
Reclassification to inventories	-	-	-	(71)	-	-	-	-	-	(71)
Termination of contract	-	-	-	-	-	-	-	-	(11)	(11)
Written off	-	-	-	(269)	-	(178)	(139)	-	-	(586)
At 30 September 2021	-	473	4,281	13,405	1,081	1,869	1,510	-	438	23,057
Charge for the financial year	-	43	273	456	99	222	134	14	146	1,387
Disposals	-	-	-	-	(69)	(4)	-	-	-	(73)
Termination of contract	-	-	-	-	-	-	-	-	(104)	(104)
Written off	-	-	-	(2,057)	(128)	(388)	(257)	-	-	(2,830)
At 30 September 2022	-	516	4,554	11,804	983	1,699	1,387	14	480	21,437
Carrying amount										
At 30 September 2022	3,891	1,815	8,262	3,110	326	664	1,112	77	508	19,765
At 30 September 2021	3,891	1,858	8,535	1,958	215	465	778	-	720	18,420
At 1 July 2020	3,891	1,920	8,849	1,600	181	220	658	-	948	18,267



## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 4. Property, Plant and Equipment (Cont'd)

Company	Office equipment RM'000	Total RM'000
<b>Cost</b>		
At 1 July 2020	-	-
Additions	3	3
At 30 September 2021	3	3
Transferred to a subsidiary	(3)	(3)
At 30 September 2022	-	-
<b>Accumulated depreciation</b>		
At 1 July 2020	-	-
Charge for the financial period	1	1
At 30 September 2021	1	1
Charge for the financial year	*	*
Transferred to a subsidiary	(1)	(1)
At 30 September 2022	-	-
<b>Carrying amount</b>		
At 30 September 2022	-	-
At 30 September 2021	2	2
At 1 July 2020	-	-

\* Below RM1,000

(a) Including in net carrying amount of plant and equipment are right-of-use assets as follows:

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Leasehold land and buildings	8,262	8,535	8,849
Plant, machinery and equipment	204	253	69
Motor vehicles	84	106	-
Office equipment	149	204	-
Furniture and fittings, renovation and signboard	110	123	142
Hostel	77	-	-
Office	508	720	948
	9,394	9,941	10,008

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 4. Property, Plant and Equipment (Cont'd)

(b) Depreciation charge of right-of-use assets are as follows:

	Group	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
Leasehold land and buildings	273	314
Plant, machinery and equipment	49	74
Motor vehicles	22	26
Office equipment	55	64
Furniture and fittings, renovation and signboard	13	19
Hostel	14	-
Office	146	222
	<u>572</u>	<u>719</u>

(c) Additions of property, plant and equipment under lease arrangement are as follows:

	Group	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
Motor vehicles	-	118
Office equipment	-	242
Plant, machinery and equipment	-	233
Hostel	91	-
	<u>91</u>	<u>593</u>

(d) Property, plant and equipment pledged to licensed bank as security for the related term loans are as follows:

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Freehold land	500	500	500
Freehold buildings	238	246	256
Leasehold land and buildings	8,262	8,535	8,849
	<u>9,000</u>	<u>9,281</u>	<u>9,605</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 5. Power Plant Development Project

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
At beginning of the financial period/year	298,091	-	358,865
Addition	11,921	32,111	28,437
Reversal from assets held for sale	-	387,302	-
Absorbed by the other payables	-	(121,322)	-
Reclassified to assets held for sale	-	-	(387,302)
Foreign currency translation	1,965	-	-
At end of the financial year/period	311,977	298,091	-

The power plant development project represents expenditure and incidental costs incurred for the development of the 2 units of 1,060 MW Thermal Power Plant Project at Song Hau Power Complex in Hau Giang Province, Vietnam ("the Project"). The construction of the 2 units of the 1,060 MW Thermal Power Plant Project is expected to take 5 years from the commencement of contract with investment capital of approximately USD3.2 billion.

On 9 May 2008, TIGB had entered into a Memorandum of Understanding ("MOU") with Power Engineering Consulting Joint Stock Company 2 ("PECC2") to develop and expand a framework of cooperation with each other in the interest of fulfilling strategic plans on the Projects in the South of Vietnam.

On 7 December 2011, TIGB had received letter issued from the office of the Government of the Socialist Republic of Vietnam to the Ministry of Industry and Trade, People's Committee of Hau Giang Province, that the Deputy Prime Minister, has agreed:-

- (i) to let TIGB have research and development of the Project, capacity of 2 X 1000 MW at Song Hau Power Center, Hau Giang Province; and that
- (ii) the Ministry of Industry and Trade will preside, co-operate with People's Committee of Hau Giang Province in providing guidance to TIGB in the setting up of the investment project and implementation of next steps of the Project, organisation of assessment and submission for approval as required by laws.

On 12 January 2012, TIGB had entered into a contract to appoint PECC2 as the Consultant to provide consultancy services for the Feasibility Study Package in relation to the development of the Project.

On 1 August 2013, a MOU was signed between the Ministry of Industry and Trade of the Socialist Republic of Vietnam ("MOIT") and TIGB for the construction of the project on a "Build, Operate and Transfer" ("BOT") basis.

On 23 September 2015, TIGB had entered into a Consultancy Services Agreement ("CSA") with Phu My Vinh Consulting Investment & Trading Service Company Limited ("PMV") to advise the TIGB on research and support the negotiation on the BOT, Power Purchase Agreement ("PPA") and Land Leases Agreement ("LLA") pertaining to the Power Plant with the relevant authorities in Vietnam.

On 28 November 2016, TIGB had signed the agreement on extension of the Memorandum of Understanding ("MOU Extension") with MOIT. Both parties had agreed that the amendments made to the MOU are effective from the dates of the MOU Extension.

On 16 January 2017, TIGB had entered into a Memorandum of Agreement ("MOA") with the Department of Natural Resources and Environment of Hau Giang Province ("Hau Giang DONRE") whereby, both parties had confirmed their agreement to the terms and conditions of the Land Lease Agreement ("LLA") on the lease of the project site land for the development

On 27 October 2017, 24 September 2018, 30 August 2019, TIGB had entered into a new MOA with Hau Giang DONRE with revised terms and conditions of the LLA.

On 31 August 2020, the relevant authorities and Government agencies in Vietnam entered into various Memorandum of Agreements ("MOA") with TIGB to confirm the terms and conditions of the documents as follows:

- (i) MOA with MOIT, in relation to the BOT Contract, where the parties confirmed their agreement on all terms of the BOT Contract.
- (ii) MOA with Electricity of Vietnam ("EVN"), in relation to the Power Purchase Agreement ("PPA") where the parties confirmed their agreement to the terms and conditions to the PPA subject to the finalisation of the BOT Contract, including without limitation the tariff stated therein.
- (iii) MOA with Coal Orbis Trading GmbH in relation to the Coal Supply and Transportation Agreement ("CSTA") whereby the parties confirmed their agreement to the terms and conditions to the CSTA, including without limitation the coal price as stated therein.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 5. Power Plant Development Project (Cont'd)

On 31 August 2020, the relevant authorities and Government agencies in Vietnam entered into various Memorandum of Agreements (“MOA”) with TIGB to confirm the terms and conditions of the documents as follows: (Cont'd)

(iv) MOA with the Hau Giang People’s Committee, in relation to the Land Lease Agreement (“LLA”) whereby the parties confirmed their agreement to the terms and conditions for the lease of the project site land.

On 29 December 2020, TIGB and its wholly owned subsidiary, Song Hau 2 Power Company Limited (“SH2P”), entered into BOT Contract with MOIT of the Socialist Republic of Vietnam to undertake the investment and development of the Project on the BOT basis for a concession period of 25 years.

On 31 December 2020, SH2P entered into PPA with EVN.

On 31 December 2020, SH2P entered into LLA with Department of Natural Resources and Environment of Hai Duong People’s Committee.

On 14 April 2022, the SH2P entered into CSTA with Coal Orbis Trading GmbH.

According to the BOT contract, for the purpose of achieving the Financial Close (“FC”) , the preconditions are:

(i) The payment of the initial drawdown proceeds under the financing documents into the direct investment capital foreign currency account has occurred.

(ii) The following project agreements have been entered into by SH2P and other relevant parties and approved and/or notarised and/or registered, if required in accordance with the laws of Vietnam or the express terms of this BOT contract, and all conditions for effectiveness have been satisfied or waived, except any condition for the effectiveness of this BOT contract:

- (a) PPA;
- (b) CSTA;
- (c) LLA; and
- (d) financing documents including security agreements, to the extent required to achieve initial drawdown of funds under the financing documents.

(iii) The following documents have been issued, executed and remain valid and in full force and effect:

- (a) the government guarantee; and
- (b) the legal opinion issued by the Vietnam Ministry of Justice.

(iv) All material government authorisations and approvals from the applicable Vietnam State Bodies necessary under the laws of Vietnam for SH2P to be able to achieve the financial closing date and for the implementation of the financing documents have been obtained.

On 24 June 2022, TIGB was in the midst to prepare relevant documents to meet FC which was extended to 24 June 2022 by MOIT, however on 29 June 2022, SH2P received notification from MOIT and Electricity and Renewable Energy Authority of the Socialist Republic of Vietnam (“EREA”) on the progress of the FC. The FC was delayed due to the delay in opening bank account in Singapore for the Special Purpose Vehicle subsidiary incorporated in Singapore due to Environmental, Social and Governance issue. The bank account was successfully open in Malaysia on 4 July 2022 and the Project’s lawyers informed MOIT accordingly.

On 14 July 2022, the Project’s lawyer had on behalf of SH2P submitted a letter justifying Force Majeure Event (“FME”) to the MOIT and the EREA.

On 22 July 2022, EREA gives opinion that MOIT does not recognise the FC of the Project. The Project’s lawyer is making arrangements to meet the relevant Vietnamese Officials to determine the mitigating measures to recognise the FC.

On 25 October 2022, TIGB had entered into a Term Sheet for Key Commercial Terms with Power Engineering Consulting JS Company 2 (“the Contractor”) in relation to the Engineering, Procurement and Construction, Commissioning and Start Up of the Project. The Term Sheet set out all the negotiated terms and mutual agreement of the responsibilities of the respective parties and the condition precedents, contract price, terms of payment and other terms of agreements.

On 7 December 2022, SH2P received an English translation of MOIT letter in Vietnamese version dated 2 December 2022. The said MOIT letter served a notice that SH2P has not complied with one of the material provisions of the BOT contract, which is the FC date has not been reached before or on the required FC date (ie., 24 June 2022) to able to fulfil its payment obligations under the project contracts. SH2P is entitled up to 180 days to remedy the default of the BOT contract.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 5. Power Plant Development Project (Cont'd)

On 28 December 2022, TIGB and SH2PC had entered into an Interim Engineering Procurement Construction (“EPC”) Agreement (“Interim EPC Agreement”) with Sunway-PECC2 Consortium, an unincorporated consortium comprising Sunway Construction Sdn. Bhd., a wholly-owned subsidiary of Sunway Construction Group Berhad and PECC2 to serve as a framework for negotiations to established the details terms and conditions pending the finalisation and execution of the Interim EPC Agreement.

The previous term sheet with PECC2 will not be executed as it has been replaced with the execution of the Interim EPC Agreement.

The Directors of the Group are of the opinion that no impairment is required in view of the positive progress of the Project and that the Project will enhance the future profitability and improve the financial position of the Group.

#### 6. Investment in Subsidiaries

	Company		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
In Malaysia			
At cost			
Unquoted shares	149,075	147,075	-

Details of the subsidiaries are as follows:

Name of company	Place of business / Country of incorporation	Effective interest (%)			Principal activities
		30.9.2022	30.9.2021	1.7.2020	
Toyo Ink Group Berhad (“TIGB”)	Malaysia	100	100	-	Investment holding and undertake the investment and development of the power plant project.
Toyo Ink Sdn Bhd (“TISB”)	Malaysia	100	100	-	Investment holding and ink manufacturer.
EDM-Tools (M) Sdn. Bhd. (“ETSB”)	Malaysia	100	100	-	Sales and distribution of electrical discharge machining tools
EDM Machining Solutions (M) Sdn. Bhd. (“EMSSB”)	Malaysia	100	100	-	Manufacturing and fabrication of metal and graphite parts.
<b>Held through TIGB:</b>					
Song Hau 2 Power Company Limited* (“SH2P”)	Vietnam	100	100	-	Investment and development of the power plant project in Vietnam.
Song Hau 2 Financing Pte. Ltd.^ (“SH2F”)	Singapore	100	-	-	Other financial service activities, except insurance and pension funding activities not elsewhere classified

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2022**

**6. Investment in Subsidiaries (Cont'd)**

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

Name of company	Place of business / Country of incorporation	Effective interest (%)			Principal activities
		30.9.2022	30.9.2021	1.7.2020	
<b>Held through TISB:</b>					
Toyo Ink (Perak) Sdn. Bhd.# ("TIPK")	Malaysia	-	100	100	Dormant
Toyo Ink (Penang) Sdn. Bhd.# ("TIPG")	Malaysia	-	100	100	Dormant
EDM-Tools (Penang) Sdn. Bhd. ("ETPG")	Malaysia	100	100	100	Dealer of all kind of engineering and aviation equipment, accessories and attachments.
Toyo Photo Products Sdn. Bhd.# ("TPPSB")	Malaysia	-	100	100	Dormant
Toyo Energy Sdn. Bhd.# ("TESB")	Malaysia	-	100	100	Dormant
INMAC EDM-Tools (M) Sdn Bhd.# ("INMAC")	Malaysia	-	100	100	Dormant
<b>Held through EMSSB:</b>					
Toyo Laser Technology Sdn. Bhd.# ("TLTSB")	Malaysia	-	100	100	Dormant

\* Subsidiaries not audited by TGS TW PLT

^ Not required to be audited under the laws of the country of incorporation as at 30 September 2021 because it is newly incorporated and insignificant to the Group.

# Subsidiaries under Members' Voluntary Winding-up

On 19 January 2022, the Company further subscribed 2,000,000 shares in a 100% owned subsidiary, ETSB, with cash consideration of RM2,000,000.

On 30 May 2022, its subsidiary, TIGB, incorporated a 100% owned subsidiary, Song Hau 2 Financing Pte. Ltd. in Singapore, with cash consideration of RM434.

During the financial year, the Company had wound up six of its subsidiaries in TIPK, TIPG, TPPSB, TESB, INMAC and TLTSB.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 6. Investment in Subsidiaries (Cont'd)

The effects of the winding up subsidiaries on the statements of financial position of the Group as at the date of winding up are as follows:

	TIPK RM'000	TIPG RM'000	TPPSB RM'000	TESB RM'000	INMAC RM'000	TLTSB RM'000	Total RM'000
<b>Group</b>							
<b>30.9.2022</b>							
Other receivables	2	-	-	-	7	-	9
Tax recoverable	80	14	-	-	-	-	94
Cash and bank balances	15	13	11	51	12	1	103
Other payables	(5)	(5)	-	(11)	(2)	(2)	(25)
Total net assets/(liabilities) on winding up	92	22	11	40	17	(1)	181
Loss on winding up	(92)	(22)	(11)	(40)	(17)	1	(181)
	-	-	-	-	-	-	-
Less: Cash and cash equivalents	(15)	(13)	(11)	(51)	(12)	(1)	(103)
Net cash outflow on winding up	(15)	(13)	(11)	(51)	(12)	(1)	(103)

#### 7. Other Investment

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Unquoted share outside Malaysia at FVTPL	690	690	690

#### 8. Goodwill on Consolidation

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
<b>Cost</b>			
At beginning/end of the financial period/year	17,358	17,358	17,358
Written off during the financial year/period	(6,506)	-	-
At the end of the financial year/period	10,852	17,358	17,358
<b>Accumulated impairment losses</b>			
At beginning of the financial period/year	(17,358)	(15,036)	(15,036)
Impairment losses during the financial year/period	-	(2,322)	-
Written off during the financial year/period	6,506	-	-
At end of the financial year/period	(10,852)	(17,358)	(15,036)
<b>Carrying amount</b>	-	-	2,322

Goodwill has been allocated to the Group's cash generating unit ("CGU"), ETSB, EMSSB, ETPG, TIPK, TIPG and INMAC. The Group undertakes an amount for impairment evaluation. Full impairment losses was required for the goodwill on consolidation as their carrying value was in excess of its recoverable value.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 9. Inventories

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Raw materials	6,818	4,104	2,905
Consumables	91	-	218
Work-in-progress	13	-	-
Finished goods	12,517	10,917	12,139
Good-in-transit	1,529	469	100
	<u>20,968</u>	<u>15,490</u>	<u>15,362</u>

	1.10.2021 to 30.9.2022 RM'000	1.7.2020 to 30.9.2021 RM'000
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	74,687	70,988
Inventories written down	681	-
Inventories written off	<u>146</u>	<u>-</u>

The inventories written down is made when the related inventories were obsolete.

#### 10. Trade Receivables

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Trade receivables	17,974	16,907	16,232
Less: Allowance for expected credit losses ("ECLs")	(155)	(146)	(328)
	<u>17,819</u>	<u>16,761</u>	<u>15,904</u>

Trade receivables are non-interest bearing and are generally on cash term to 90 days (30.9.2021: 30 days to 150 days and 1.7.2020: 30 days to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for ECLs are as follows:

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
At beginning of the financial period/year	146	328	-
Addition/(Reversal) of allowance for ECLs	9	(182)	328
At end of the financial year/period	<u>155</u>	<u>146</u>	<u>328</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 10. Trade Receivables (Cont'd)

The foreign currency profile of trade receivables are as follows:

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
United States Dollar ("USD")	1,829	1,030	503
Singapore Dollor ("SGD")	106	31	16

The following table provide information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross carrying amount RM'000	ECLs RM'000	Carrying amount RM'000
<b>Group</b>			
<b>30.9.2022</b>			
Not past due	9,111	(28)	9,083
Past due:			
Less than 30 days	4,028	(26)	4,002
31 to 60 days	2,616	(14)	2,602
61 to 90 days	1,202	(15)	1,187
More than 90 days	1,017	(72)	945
	8,863	(127)	8,736
	17,974	(155)	17,819
<b>30.9.2021, Restated</b>			
Not past due	7,164	(35)	7,129
Past due:			
Less than 30 days	3,981	(42)	3,939
31 to 60 days	2,291	(25)	2,266
61 to 90 days	1,468	(16)	1,452
More than 90 days	2,003	(28)	1,975
	9,743	(111)	9,632
	16,907	(146)	16,761
<b>1.7.2020, Restated</b>			
Not past due	6,785	-	6,785
Past due:			
Less than 30 days	1,275	(23)	1,252
31 to 60 days	2,614	(52)	2,562
61 to 90 days	2,141	(43)	2,098
More than 90 days	3,319	(112)	3,207
	9,349	(230)	9,119
Individually impaired	98	(98)	-
	16,232	(328)	15,904

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 11. Other Receivables

	Group			Company		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Non-trade receivables	78	282	106	-	-	-
Deposits	249	325	289	71	57	-
Prepayment	1,737	472	491	-	-	-
Prepayment for land lease payments and its related costs for Power Plant Development Project	108,868	81,777	-	-	-	-
	<u>110,932</u>	<u>82,856</u>	<u>886</u>	<u>71</u>	<u>57</u>	<u>-</u>

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

The commitment related to the land lease payment for Power Plant Development Project is approximately RM70,907,000 (VND365.5 billion)(30.9.2021: RM66,944,000 (VND365.5 billion) and 1.7.2020: RMNil).

The foreign currency profile of other receivables are as follows:

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
USD			
Euro Dollar ("EUR")	5	73	-
Vietnamese Dong ("VND")	-	84	-

#### 12. Amount due from/(to) Subsidiaries

	Company		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Trade	144	108	-
Non-trade	(13,232)	(27,836)	-

Amount due from/(to) subsidiaries are unsecured, non-interest bearing and repayable on demand.

#### 13. Fixed Deposit with Licensed Banks

Fixed deposits with licensed banks of the Group amounting to RM900,000 (30.9.2021: RMNil and 1.7.2020: RMNil) are pledged as security for bank borrowings granted to the subsidiaries.

The interest rates of the fixed deposit with licensed banks of the Group and of the Company are at 1.85% and respectively Nil (30.9.2021: ranging from 1.80% to 2.90% and 1.65% to 1.80% and 1.7.2020: 3.50% to 3.83% and Nil) per annum and the maturity of fixed deposits is 365 days and Nil (30.9.2021: ranging from 30 days to 184 days and 30 days to 40 days and 1.7.2020: ranging from 30 days to 60 days and Nil) respectively.

#### 14. Cash and Bank Balances

The foreign currency profile of cash and bank balances are as follows:

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
USD	776	3,458	217
EUR	4	-	-
SGD	472	142	25
Chinese Renminbi ("CNY")	12	6	1
VND	-	1	1

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 15. Power Plant Development/Other Payables Classified as Held for Sale

The major classes of assets and liabilities comprising the disposal assets classified as held for sale are as follow:

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>Power plant development project</b>			
At beginning of the financial period/year	-	387,302	-
Transfer from power plant development project	-	-	387,302
Reversal to power plant development project	-	(387,302)	-
At end of the financial year/period	-	-	387,302
<b>Other payables</b>			
At beginning of the financial period/year	-	311,861	-
Transfer from non-current other payables	-	-	311,861
Reversal to non-current payables	-	(311,861)	-
At end of the financial year/period	-	-	311,861

#### 16. Share Capital

	Group and Company					
	Number of ordinary shares			Amount		
	30.9.2022 Units'000	30.9.2021 Units'000	1.7.2020 Units'000	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>Issued and fully paid</b>						
<b>Ordinary shares</b>						
At beginning of the financial period/year	117,703	*	*	131,605	*	*
Issuance of shares						
- securities exchange	-	107,000	-	-	107,000	-
- private placement	-	10,700	-	-	25,145	-
- exercise of warrants	-	3	-	-	4	-
Share issuance expenses	-	-	-	-	(544)	-
At end of the financial year/period	117,703	117,703	*	131,605	131,605	*

\* Represents 2 units and RM2 respectively.

- (a) In the previous financial period, the Company increased its issued and paid up share capital from RM2 to RM131,605,212 by way of :
- Issuance of 107,000,000 new ordinary shares in exchange for 107,000,000 ordinary shares in TIGB on one-for-one basis pursuant to the internal reorganisation scheme as detailed in Note 16(b) to the financial statements;
  - Issuance of 10,700,000 new ordinary shares pursuant to a private placement to independent parties at the issue price of RM2.35 per share for a cash consideration of RM25,145,000; and
  - Issuance of 2,500 new ordinary shares pursuant to exercise of warrants at the exercise price of RM1.50 per share for a cash consideration of RM3,750.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 16. Share Capital (Cont'd)

##### (b) Internal reorganisation

On 23 October 2020, the Company had completed the securities exchange with TIGB pursuant to the internal reorganisation by way of Members' Scheme of Arrangement under Section 366 of the Companies Act 2016 in Malaysia, which involved:

- (i) 107,000,000 ordinary shares in TIGB in exchange of 107,000,000 new ordinary shares in the Company on one-for-one basis; and
- (ii) 53,499,995 Warrant 2019/2023 ("Warrants B") in TIGB in exchange of 53,499,995 Warrants 2021/2023 ("Warrants C") in the Company on one-for-one basis.

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

##### (c) The terms of warrants are as follows:

Terms	Details
Form	The Warrants were issued in registered form and constituted by the Deed Poll.
Board lot	For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 or such other number of units as may be prescribed by Bursa Securities from time to time.
Listing	Approval has been obtained from Bursa Securities on 26 October 2020 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the new shares arising from the exercise of the Warrants.
Expiry date	Five (5) years period expiring on 6 November 2023 ("Exercise Period").
Exercise period	The period of three (3) years commencing on, an inclusive of, the Issue Date on the Expiry Date, provided that if such day falls on a day which is not a Market Day, then it will be the Market Day immediately preceding the said non-Market Day.
Exercise price	RM1.50 payables in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer or further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's Shares or unless otherwise resolved by Company in a general meeting.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing Company's shares, save and except that the new Company's shares 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.
Governing law	Laws and regulations of Malaysia.

##### (d) The movements of the warrants during the financial year are as follows:

	1.10.2021 Units'000	Exchange Units'000	Number of units exercised Units'000	30.9.2022 Units'000
Warrants C	53,497	-	-	53,497
<hr/>				
	1.7.2020 Units'000	Exchange Units'000	Number of units exercised Units'000	30.9.2021 Units'000
Warrants C	-	53,500	(3)	53,497

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2022****16. Share Capital (Cont'd)**

(e) The holders of ordinary shares are entitled to receive dividend 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.

**17. Invested Equity**

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
At beginning of the financial period/year	-	107,000	107,000
Less: Purchase consideration to acquire of TIGB	-	(107,000)	-
At end of the financial year/period	-	-	107,000

As disclosed in Note 16(b), the Company had accounted for the acquisition of TIGB Group as a continuation of the acquired entity. Therefore, the share capital of TIGB is reflected as a invested equity as at 30 June 2020.

As detailed in Note 16(b), the Company completed the internal reorganisation on 23 October 2020.

**18. Other Reserve**Translation reserve

Translation reserve of the Group represents foreign exchange differences arising from the translation of the financial statements of foreign subsidiary whose functional currencies are different from that of the Group's functional currency.

**19. Lease Liabilities**

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Non-current	571	908	931
Current	371	427	349
	942	1,335	1,280

The maturity analysis of lease liabilities at the end of the reporting period:

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Within 1 year	422	506	482
Between 2 - 5 years	627	1,000	854
More than 5 years	-	14	185
	1,049	1,520	1,521
Less: Future finance charges	(107)	(185)	(241)
Present value of lease liabilities	942	1,335	1,280

The Group leases various properties, motor vehicle, plant and machinery, furniture and fittings, renovation and signboard, office equipment and tools and equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 20. Loan and Borrowings

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>Secured</b>			
Term loans	3,858	-	-
Bankers' acceptances	4,612	2,800	2,919
Bank overdrafts	-	-	730
	8,470	2,800	3,649
<b>Non-current</b>			
Term loans	3,088	-	-
<b>Current</b>			
Term loans	770	-	-
Bankers' acceptances	4,612	2,800	2,919
Bank overdrafts	-	-	730
	5,382	2,800	3,649
	8,470	2,800	3,649

The loan and borrowings are secured by the followings:

- (a) legal charges over freehold land and buildings, and leasehold land and buildings of the Group as disclosed in Note 4 to the financial statements;
- (b) corporate guarantee by the Company;
- (c) jointly and severally guaranteed by certain Directors of the Company;
- (d) fixed deposits with licensed banks of the Group as disclosed in Note 13 to the financial statements;
- (e) corporate guarantee (non-bank) unlisted issued by a related company; and
- (f) facility/loan agreement.

The repayment term and interest rates range per annum are as follows:

Term loans bears interest at rates ranged at 7.50% (30.9.2021: Nil and 1.7.2020: Nil) per annum. The term loans are repayable at 60 days (30.9.2021: Nil and 1.7.2020: Nil) monthly instalments.

Bankers' acceptances facilities are repayable within 120 days (30.9.2021: Nil and 1.7.2020: Nil) and bears interest at effective interest rates of 2.84% to 4.43% (30.9.2021: 2.84% to 3.00% and 1.7.2020: 3.22% to 4.83%) per annum.

Bank overdraft facilities are repayable on demand and bears interest at effective interest rates of Nil (30.9.2021: Nil and 1.7.2020: 6.95%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 21. Other Payables

	Group			Company		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
<b>Non-current</b>						
Non-trade payables (Note (a))	329,045	303,702	-	-	-	-
<b>Current</b>						
Non-trade payables	1,658	1,061	987	141	-	-
Accruals	1,743	543	175	148	80	17
Deposits	27	937	613	-	-	-
	3,428	2,541	1,775	289	80	17
	332,473	306,243	1,775	289	80	17

(a) Non-current payables are in respect of the amounts due to parties related to a substantial shareholder of the Company. These advances are used for the funding of the investment and development of the power plant project in Vietnam as disclosed in Note 5 to the financial statements. These amounts are unsecured, non interest bearing and have no fixed terms of repayment.

(b) The Company proposed to settle RM354,000,000 ("Settlement Sum") related to a substantial shareholder through the issuance of RM354,000,000 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") as disclosed in Note 40 to the financial statements.

(c) The foreign currency profile of other payables are as follows:

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
USD	673	1,112	65
Japanese Yen ("JPY")	-	-	33

#### 22. Deferred Tax Liabilities

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
At beginning of the financial period/year	830	832	1,064
Recognised in profit or loss	100	(2)	(232)
Under provision in prior financial year/period	5	-	-
At end of the financial year/period	935	830	832

The components and movement of deferred tax liabilities and assets are made up of temporary differences arising from:

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Property, plant and equipment	972	865	911
Provision	(37)	(35)	(79)
	935	830	832

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 23. Trade Payables

The normal trade credit terms granted to the Group ranged from cash term to 90 days (30.9.2021: cash term to 90 days and 1.7.2020: cash term to 90 days) depending on the term of the contracts.

The foreign currency profile of trade payables are as follows:

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
USD	14,513	7,017	3,638
EUR	1,543	554	185
SGD	39	22	28
CNY	11	5	-
JPY	85	133	98
Swiss Franc ("CHF")	228	256	173

#### 24. Amount due to Directors

Amount due to Directors are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

#### 25. Contract Liabilities

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
At beginning of the financial period/year	663	205	518
Addition	2,923	1,982	3,170
Recognised as revenue	(2,023)	(1,524)	(3,483)
At end of the financial year/period	1,563	663	205

The contract liabilities refer to advances received from customers which will be set off against future revenue made with the Group.

#### 26. Revenue

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Revenue from contracts with customers:</b>				
- Sales of goods	101,170	99,639	-	-
- Management fees	-	-	864	792
	101,170	99,639	864	792
<b>Revenue from other source:</b>				
- Dividend income	-	-	5,100	1,850
	101,170	99,639	5,964	2,642
<b>Timing of revenue recognition:</b>				
- At a point of time	101,170	99,639	-	-
- Over time	-	-	864	792
	101,170	99,639	864	792



## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 27. Finance Income and Finance Costs

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Interest income on:</b>				
- fixed deposits	111	325	26	66
<b>Interest expenses on:</b>				
- lease liabilities	77	122	-	-
- term loans	237	-	-	-
- bank overdrafts	1	103	-	-
- bankers' acceptance	153	141	-	-
- letter of credit	6	15	-	-
	474	381	-	-

#### 28. (Loss)/Profit before Tax

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Auditors' remuneration:</b>				
- statutory audit				
- current financial year	225	267	67	72
- (over)/under provision in prior financial period/year	(8)	5	(6)	-
- non-statutory audit	5	-	5	-
Bad debt written off	17	99	-	-
Bad debt recovered	-	(32)	-	-
Depreciation of plant and equipment	1,387	1,539	*	1
Gain on early termination of lease contract	(7)	(4)	-	-
Impairment losses on goodwill on consolidation	-	2,322	-	-
Inventories written down	681	-	-	-
Inventories written off	146	-	-	-
Gain on disposal of property, plant and equipment	(10)	(131)	-	-
<b>Loss/(Gain) on foreign exchange</b>				
- realised	147	(395)	-	-
- unrealised	(3,000)	(213)	-	-
Loss on winding up of subsidiaries	181	-	-	-
Property, plant and equipment written off	158	70	-	-
Allowance for/(Reversal of) expected credit losses on receivables	9	(182)	-	-
Rent concession related to COVID-19	-	(1)	-	-
Short-term leases (a)	59	685	-	-
Wages subsidy (b)	-	(357)	-	-

\* Amount below RM1,000

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 28. (Loss)/Profit before Tax (Cont'd)

- (a) The Group leased a number of properties and machineries with contract terms of not more than one year. These leases are short term-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.
- (b) The Group is entitled to a wages subsidy programme introduced by the government of Malaysia in response to the COVID-19 pandemic during the financial year/period.

#### 29. Taxation

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Tax expenses recognised in profit or loss</b>				
<b>Current tax</b>				
- Current financial year/period	653	1,262	-	59
- Over provision in prior financial period/ year	(50)	(43)	-	-
	603	1,219	-	59
<b>Deferred tax</b>				
- Origination and reversal of temporary differences	100	(2)	-	-
- Under provision in prior financial period/ year	5	-	-	-
	105	(2)	-	-
	708	1,217	-	59

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
(Loss)/Profit before tax	(136)	(8,493)	4,452	1,406
At Malaysian statutory tax rate of 24% (30.9.2021: 24%)	(33)	(2,038)	1,068	337
Expenses not deductible for tax purposes	2,164	3,892	162	-
Income not subject to tax	(1,378)	(595)	(1,230)	(278)
Movement of deferred tax assets not recognised	-	1	-	-
Over provision of tax expense in prior financial period/year	(50)	(43)	-	-
Under provision of deferred tax in prior financial period/year	5	-	-	-
	708	1,217	-	59

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 29. Taxation (Cont'd)

##### Unrecognised deferred tax assets

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

	Group		
	30.9.2022 RM'000	Restated 30.9.2021 RM'000	Restated 1.7.2020 RM'000
Unutilised business losses	-	6	-

In accordance with the provision of Financial Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised tax losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in the subsidiaries that have a recent history of losses.

#### 30. Dividend

Group	
1.10.2021 to 30.9.2022 RM'000	1.7.2020 to 30.9.2021 RM'000
	-
	1,177

Dividend recognised as distribution to owners of the Company:

First interim single-tier dividend for RM0.010 per ordinary share in respect of the financial period ended 30 September 2021 on 30 July 2021

#### 31. Loss per Share

##### (a) Basic loss per share

The basic loss per share are calculated based on the consolidated profit or loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	1.10.2021 to 30.9.2022 RM'000	1.7.2020 to 30.9.2021 RM'000
Loss attributable to owners of the Company	(844)	(9,710)
Weighted average number of ordinary shares in issue (units)	117,703	111,057
Basic loss per ordinary shares (in sen)	(0.72)	(8.74)

##### (b) Diluted loss per share

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 32. Staff Costs

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
Salaries and other emoluments	12,516	14,407	821	627
Social security contributions	127	149	2	1
Defined contribution plans	1,229	1,436	35	29
Other benefit	292	249	-	-
	14,164	16,241	858	657

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Company and of the subsidiaries during the financial year/period as below:

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
<b>Executive Directors</b>				
Salaries and other emoluments	1,190	1,510	53	30
Social security contributions	3	4	-	-
Defined contribution plans	82	106	-	-
Fee	273	136	80	60
	1,548	1,756	133	90
<b>Non-Executive Directors</b>				
Salaries and other emoluments	148	216	148	119
Fee	147	167	117	118
	295	383	265	237
<b>Subsidiaries' Directors</b>				
Salaries and other emoluments	197	-	-	-
Social security contributions	1	-	-	-
Defined contribution plans	19	-	-	-
Fee	18	-	-	-
	235	-	-	-

#### 33. Corporate Guarantee

	Company		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Guarantee given to financial institutions for banking facilities granted to subsidiaries	8,470	2,800	3,649

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 34. Reconciliation of Liabilities Arising From Financing Activities

The table below show the detailed changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Group					
	At 1.10.2021 RM'000	Drawdown RM'000	Repayment RM'000	Early termination RM'000	Rent concession RM'000	At 30.9.2022 RM'000
Lease liabilities	1,335	91	(411)	(73)	-	942
Term loans	-	4,296	(438)	-	-	3,858
Bankers' acceptances	2,800	12,889	(11,077)	-	-	4,612

	Group					
	At 1.7.2020 RM'000	Drawdown RM'000	Repayment RM'000	Early termination RM'000	Rent concession RM'000	At 30.9.2021 RM'000
Lease liabilities	1,280	593	(527)	(10)	(1)	1,335
Bankers' acceptances	2,919	8,247	(8,366)	-	-	2,800

#### 35. Related Party Disclosures

##### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

##### (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
Controlled transferred of property, plant and equipment to a subsidiary	(2)	-
Dividend received and receivable from subsidiaries	(5,100)	(1,850)
Management fee received and receivable from subsidiaries	(864)	(792)

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 35. Related Party Disclosures (Cont'd)

##### (c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000	1.10.2021 to 30.9.2022 RM'000	Restated 1.7.2020 to 30.9.2021 RM'000
Salaries and other emoluments	2,801	3,265	624	449
Social security contributions	11	14	2	1
Defined contribution plans	241	285	35	29
Fee	479	303	197	178
	<u>3,532</u>	<u>3,867</u>	<u>858</u>	<u>657</u>

#### 36. Segment Information

Segmental information is prepared on the basis of the “management approach”, which requires presentation of the segments on the basis of internal reports about the components of the entity.

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) **Manufacturing** Manufacturing of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, CNC machining of graphite and copper EDM electrodes, files, chemicals, and equipment for lithography and allied industries.
- (ii) **Trading and investment holding** Investment holding of the investments in subsidiary companies and property investment, supplies, distributions and dealing of printing ink, colour pigment, colourants for plastic and other printing materials, electrical discharge machining tools, graphite materials and 3D profile metal components.
- (iii) **Energy** Investment and development of the thermal-electric power plant project in Vietnam.

For each of the operating segments, the Group Managing Director as the Chief Operation Officer reviews the internal management reports on a monthly basis and conducts performance dialogues with the divisions on a regular basis. The Group assesses the performance of the operating segments based on measure of revenue and profit before tax.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities, income and expenses.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These transfers are eliminated on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 36. Segment Information (Cont'd)

Group	Manufacturing RM'000	Trading and investment holding RM'000	Energy RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
<b>30.9.2022</b>						
<u>Revenue</u>						
External customers	104,672	-	-	(3,502)		101,170
Inter-segment sales	528	5,964	-	(6,492)	A	-
Total revenue	105,200	5,964	-	(9,994)		101,170
<b>Results:</b>						
Interest expense	(439)	(217)	(134)	316		(474)
Interest income	267	154	-	(310)		111
Depreciation	(1,370)	(13)	(3)	(1)		(1,387)
Other non-cash item expenses	(788)	4,705	2,780	(4,872)	B	1,825
Segment profit / (loss) before tax	6,212	1,274	(6,651)	(608)	C	227
Additions to property, plant and equipment	2,735	223	-	-		2,958
Segment assets	98,721	604,610	159,097	(361,186)	D	501,242
Segment liabilities	(45,358)	(354,310)	(68,121)	107,536	E	(360,361)

NOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 2022

36. Segment Information (Cont'd)

	Manufacturing RM'000	Trading and investment holding RM'000	Energy RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
<b>Group (Cont'd)</b>						
<b>30.9.2021</b>						
<u>Revenue</u>						
External customers	98,208	1,431	-	-		99,639
Inter-segment sales	16,277	3,089	-	(19,366)	A	-
Total revenue	114,485	4,520	-	(19,366)		99,639
<b>Results:</b>						
Interest expense	(385)	-	-	4		(381)
Interest income	262	67	-	(4)		325
Depreciation	(1,544)	(9)	(1)	15		(1,539)
Other non-cash item expenses	100	1,849	10	(3,920)	B	(1,961)
Segment profit/(loss) before tax	16,102	3,297	(10,762)	(17,074)	C	(8,437)
Additions to property, plant and equipment	1,870	13	-	-		1,883
Segment assets	86,437	585,100	111,574	(322,170)	D	460,941
Segment liabilities	(35,132)	(332,484)	(40,897)	84,291	E	(324,222)
<b>1.7.2020</b>						
Segment assets	83,335	58,447	387,302	(78,212)	D	450,872
Segment liabilities	(42,459)	(278)	(311,861)	24,641	E	(329,957)



## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 36. 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:

	Group	
	30.9.2022 RM'000	30.9.2021 RM'000
Bad debts written off	(17)	(99)
Gain on disposal of property, plant and equipment	10	131
Gain on termination of lease contract	7	4
Impairment loss on goodwill on consolidation	-	(2,322)
Inventories written down	(681)	-
Inventories written off	(146)	-
Loss on winding up of subsidiaries	(181)	-
Property, plant and equipment written off	(158)	(70)
Unrealised gain on foreign exchange	3,000	213
(Reversal of)/Allowance for expected credit loss on trade receivables	(9)	182
Rent concession related to Covid-19	-	1
	<u>1,825</u>	<u>(1,960)</u>

**C** The following items are added to/(deducted from) segment profit to arrive at profit before tax reported in the consolidated statements of profit or loss and other comprehensive income.

	Group	
	30.9.2022 RM'000	30.9.2021 RM'000
Segment profit/(loss)	227	(8,437)
Interest income	111	325
Interest expense	(474)	(381)
Loss before tax	<u>(136)</u>	<u>(8,493)</u>

**D** The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position.

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Segment assets	501,242	460,941	450,872
Tax recoverable	1,061	814	375
Total assets	<u>502,303</u>	<u>461,755</u>	<u>451,247</u>

**E** The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
Segment liabilities	360,360	324,222	329,092
Deferred tax liabilities	935	830	832
Tax payable	14	104	33
Total assets	<u>361,309</u>	<u>325,156</u>	<u>329,957</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 36. Segment Information (Cont'd)

##### 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.

	Group	
	External revenue RM'000	Non-current assets RM'000
<b>30.9.2022</b>		
Malaysia	101,170	291,792
Vietnam	-	40,640
	<u>101,170</u>	<u>332,432</u>
<b>30.9.2021</b>		
Malaysia	99,639	287,294
Vietnam	-	29,907
	<u>99,639</u>	<u>317,201</u>

##### Major customer

There was no single customer that contributed 10% or more of the Group's revenue for the financial year/period ended 30 September 2022 and 30 September 2021.

#### 37. Financial Instruments

##### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

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

	Group			Company		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>At amortised cost</b>						
<b>Financial assets</b>						
Trade receivables	17,819	16,761	15,904	-	-	-
Other receivables	327	607	395	71	57	-
Amount due from subsidiaries	-	-	-	144	108	-
Fixed deposits with licensed banks	900	19,423	7,149	-	12,051	-
Cash and bank balances	18,191	9,210	2,990	441	440	*
	<u>37,237</u>	<u>46,001</u>	<u>26,438</u>	<u>656</u>	<u>12,656</u>	<u>*</u>
<b>At FVTPL</b>						
<b>Financial assets</b>						
Other investment	690	690	690	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (a) Classification of financial instruments (Cont'd)

	Group			Company		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>Financial liabilities</b>						
Loans and borrowings	8,470	2,800	3,649	-	-	-
Trade payables	16,912	13,072	10,198	-	-	-
Other payables	332,473	306,243	1,775	289	80	17
Amount due to subsidiaries	-	-	-	13,232	27,836	-
Amount due to Directors	-	109	124	-	-	-
	<u>357,855</u>	<u>322,224</u>	<u>15,746</u>	<u>13,521</u>	<u>27,916</u>	<u>17</u>

##### (b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

##### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from trade and other receivables, fixed deposits with licensed banks and cash and bank balances. The Company's exposure to credit risk arises principally from trade and other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances. There are no significant changes as compared to previous financial period.

The Group and the Company have 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 deposit 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 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 result of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group and 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. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for banking facilities.

There are no significant changes as compared to previous financial period.

As at the end of the financial year, the Group has 5 (30.9.2021: 4 and 1.7.2020: 4) major customers and accounted for approximately 58% (30.9.2021: 54% and 1.7.2020: 15%) of the trade receivables outstanding respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (b) Financial risk management objectives and policies (Cont'd)

##### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. 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's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
<b>Group</b>					
<b>30.9.2022</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities	422	627	-	1,049	942
Term loans	1,033	3,510	-	4,543	3,858
Bankers' acceptances	4,612	-	-	4,612	4,612
Trade payables	16,912	-	-	16,912	16,912
Other payables	3,428	-	329,045	332,473	332,473
	<b>26,407</b>	<b>4,137</b>	<b>329,045</b>	<b>359,589</b>	<b>358,797</b>
<b>30.9.2021</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities	506	1,000	14	1,520	1,335
Bankers' acceptances	2,800	-	-	2,800	2,800
Trade payables	13,072	-	-	13,072	13,072
Other payables	2,541	-	303,702	306,243	306,243
Amount due to Directors	109	-	-	109	109
	<b>19,028</b>	<b>1,000</b>	<b>303,716</b>	<b>323,744</b>	<b>323,559</b>
<b>1.7.2020</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities	482	854	185	1,521	1,280
Bankers' acceptances	2,919	-	-	2,919	2,919
Bank overdrafts	730	-	-	730	730
Trade payables	10,198	-	-	10,198	10,198
Other payables	1,775	-	-	1,775	1,775
Amount due to Directors	124	-	-	124	124
	<b>16,228</b>	<b>854</b>	<b>185</b>	<b>17,267</b>	<b>17,026</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (b) Financial risk management objectives and policies (Cont'd)

##### (ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
<b>Company</b>					
<b>30.9.2022</b>					
<u>Non-derivative</u> <u>financial liabilities</u>					
Other payables	289	-	-	289	289
Amount due to subsidiaries	13,232	-	-	13,232	13,232
	<u>13,521</u>	<u>-</u>	<u>-</u>	<u>13,521</u>	<u>13,521</u>
Financial guarantee	8,470	-	-	8,470	8,470
	<u>8,470</u>	<u>-</u>	<u>-</u>	<u>8,470</u>	<u>8,470</u>
<b>30.9.2021</b>					
<u>Non-derivative</u> <u>financial liabilities</u>					
Other payables	80	-	-	80	80
Amount due to subsidiaries	27,836	-	-	27,836	27,836
	<u>27,916</u>	<u>-</u>	<u>-</u>	<u>27,916</u>	<u>27,916</u>
Financial guarantee	2,800	-	-	2,800	2,800
	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>2,800</u>	<u>2,800</u>
<b>1.7.2020</b>					
<u>Non-derivative</u> <u>financial liabilities</u>					
Other payables	17	-	-	17	17
Financial guarantee	3,649	-	-	3,649	3,649
	<u>3,649</u>	<u>-</u>	<u>-</u>	<u>3,649</u>	<u>3,649</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk

##### (a) Foreign currency risk

##### Foreign currency sensitivity analysis

The currencies gives rise to this risk are primarily USD, EUR, SGD, CNY, CHF, JPY and VND. Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the exposure is at an acceptable level.

The Group has not entered into any derivate instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets at the end of the reporting period are as follows:

	Denominated						
	USD RM'000	EUR RM'000	SGD RM'000	CNY RM'000	CHF RM'000	JPY RM'000	VND RM'000
<b>Group</b>							
<b>30.9.2022</b>							
<u>Financial assets</u>							
Trade receivables	1,829	-	106	-	-	-	-
Other receivables	5	-	-	-	-	-	36
Cash and bank balances	776	4	472	12	-	-	-
	<u>2,610</u>	<u>4</u>	<u>578</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>36</u>
<u>Financial liabilities</u>							
Trade payables	(14,513)	(1,543)	(39)	(11)	(228)	(85)	-
Other payables	(673)	-	-	-	-	-	-
	<u>(15,186)</u>	<u>(1,543)</u>	<u>(39)</u>	<u>(11)</u>	<u>(228)</u>	<u>(85)</u>	<u>-</u>
Total	<u>(12,576)</u>	<u>(1,539)</u>	<u>539</u>	<u>1</u>	<u>(228)</u>	<u>(85)</u>	<u>36</u>
<b>Group</b>							
<b>30.9.2021</b>							
<u>Financial assets</u>							
Trade receivables	1,030	-	31	-	-	-	-
Other receivables	73	84	-	-	-	-	-
Cash and bank balances	3,458	-	142	6	-	-	1
	<u>4,561</u>	<u>84</u>	<u>173</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>Financial liabilities</u>							
Trade payables	(7,017)	(554)	(22)	(5)	(256)	(133)	-
Other payables	(1,112)	-	-	-	-	-	-
	<u>(8,129)</u>	<u>(554)</u>	<u>(22)</u>	<u>(5)</u>	<u>(256)</u>	<u>(133)</u>	<u>-</u>
Total	<u>(3,568)</u>	<u>(470)</u>	<u>151</u>	<u>1</u>	<u>(256)</u>	<u>(133)</u>	<u>1</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk (Cont'd)

##### (a) Foreign currency risk (Cont'd)

##### Foreign currency sensitivity analysis (Cont'd)

	Denominated						
	USD RM'000	EUR RM'000	SGD RM'000	CNY RM'000	CHF RM'000	JPY RM'000	VND RM'000
<b>Group</b>							
<b>1.7.2020</b>							
<u>Financial assets</u>							
Trade receivables	503	-	16	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Cash and bank balances	217	-	25	1	-	-	1
	<u>720</u>	<u>-</u>	<u>41</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>Financial liabilities</u>							
Trade payables	(3,638)	(185)	(28)	-	(173)	(98)	-
Other payables	(65)	-	-	-	-	(33)	-
	<u>(3,703)</u>	<u>(185)</u>	<u>(28)</u>	<u>-</u>	<u>(173)</u>	<u>(131)</u>	<u>-</u>
<b>Total</b>	<u>(2,983)</u>	<u>(185)</u>	<u>13</u>	<u>1</u>	<u>(173)</u>	<u>(131)</u>	<u>1</u>

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in the USD, EUR, SGD, CNY, CHF, JPY and VND against RM with all other variables held constant.

	Change in currency rate	Effect on profit before tax		
		30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
USD	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	(126)	(36)	(30)
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	126	36	30
EUR	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	(15)	(5)	(2)
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	15	5	2
SGD	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	5	2	*
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	(5)	(2)	*
CNY	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	*	*	*
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	*	*	*
CHF	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	(2)	(3)	(2)
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	2	3	2
JPY	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	(1)	(1)	(1)
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	1	1	1
VND	Strengthened 1% (30.9.2021: 1% and 1.7.2020: 1%)	*	*	*
	Weakened 1% (30.9.2021: 1% and 1.7.2020: 1%)	*	*	*

\*Amount below RM1,000

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk (Cont'd)

##### (b) Interest rate risk

The Group's and the Company's deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	Group		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>Fixed rate instruments</b>			
<u>Financial assets</u>			
Deposits with licensed banks	900	19,423	7,149
<u>Financial liabilities</u>			
Lease liabilities	(279)	(542)	(282)
Bankers' acceptances	(4,612)	(2,800)	(2,919)
Net financial assets	(3,991)	16,081	3,948
<b>Floating rate instruments</b>			
<u>Financial liabilities</u>			
Bank overdrafts	-	-	(730)
Term loans	(3,858)	-	-
	(3,858)	-	(730)
	Company		
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000
<b>Fixed rate instruments</b>			
<u>Financial assets</u>			
Deposits with licensed banks	-	12,051	-



## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 37. Financial Instruments (Cont'd)

##### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk (Cont'd)

##### (b) Interest rate risk (Cont'd)

##### Interest rate risk sensitivity analysis

##### Fair value sensitivity analysis for fixed rate instruments

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

##### Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/decreased the Group's profit/(loss) before tax by RM38,580 and (30.9.2021: RMNil and 1.7.2020: RM7,300), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

##### (c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and bank balances and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

##### (i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current financial year and previous financial period.

##### (ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

##### (iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices).

##### Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting year.

##### (iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

The following table summarises the methods used in determining the fair value of financial assets on a recurring basis at 30 September 2022, 30 September 2021 and 1 July 2020:

Non-financial assets	Fair value as at			Fair value hierarchy	Valuation techniques and key inputs
	30.9.2022 RM'000	30.9.2021 RM'000	1.7.2020 RM'000		

Other investment	690	690	690	Level 2	<u>Other Investment</u> The fair value is estimated is using input other than quoted process included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
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## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 38. Capital Management

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

#### 39. Litigation

**Kuala Lumpur Sessions Court Writ Summons No. WA-B52NCVC-347-08/2022: K.S. LEE ENERGY LLP ("KSLE") V TOYO INK GROUP BERHAD ("TIGB")**

On 25 August 2022, TIGB had been served with a Writ of Summons No. WA-B52NCVC-347-08/2022 ("Writ") filed by K.S. LEE ENERGY LLP ("KSLE"), for the following orders:

- (a) a total sum of USD168,000 (equivalent to RM754,782) to be fully paid to KSLE;
- (b) interest calculated at the rate of 5% per annum on the total sum of USD168,000 (equivalent to RM754,782) from the date of judgment till the date of full settlement;
- (c) costs; and
- (d) any further or other relief that the court may deem fit, just and reasonable.

The Writ and the Counter Claim are not expected to have any material impact on the earnings, net assets or gearing of the Group for the financial year ended 30 September 2022.

On 30 October 2022, KSLE has filled an application for a summary judgement against TIGB. The parties are currently at the stage of exchanging affidavits. The decision for this application is scheduled to be given on 18 January 2023.

#### 40. Subsequent Event

On 27 December 2022, the Company proposes to settle RM354,000,000 ("Settlement Sum") out of the total outstanding debts as at 22 December 2022 of RM355,154,481 owing to non-current other payables related to a substantial shareholder through the issuance of RM354,000,000 nominal value of five (5)-year, zero coupon Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at 100% of its nominal value. ("Proposed Settlement") The exercise is yet to complete up to the date of this financial statements.

#### 41. Comparative Information

- (i) The Group and the Company change their financial year end from 30 June to 30 September during the previous financial period. As such, the comparative information is for the financial period from 1 July 2020 to 30 September 2021, while the current financial year from 1 October 2021 to 30 September 2022. Consequently, the comparative figures in the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and related notes are not comparable.
- (ii) During the financial year, the Group and the Company made prior financial year's adjustment in relation to the correction of prior financial period's error and to conform with current financial year's presentation.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 41. Comparative Information (Cont'd)

- (ii) During the financial year, the Group and the Company made prior financial year's adjustment in relation to the correction of prior financial period's error and to conform with current financial year's presentation. (Cont'd)

##### 41.1 Reconciliation of statements of financial position.

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
<b>Group</b>				
<b>30.9.2021</b>				
<b>Non-current assets</b>				
Property, plant and equipment	18,842	(1,142)	720	18,420
Right-of-use asset	720	-	(720)	-
Power plant development project	268,191	1,949	27,951	298,091
Development expenditure	27,951	-	(27,951)	-
Other investment	690	-	-	690
Lease receivables	4	-	(4)	-
<b>Current assets</b>				
Trade receivables	16,803	-	(42)	16,761
Others receivables	82,786	-	70	82,856
Lease receivable	24	-	(24)	-
Tax recoverable	826	(12)	-	814
<b>Equity</b>				
Other reserve	(2,761)	1,170	-	(1,591)
Retained earnings	(417)	(2,986)	-	(3,403)
<b>Non-current liabilities</b>				
Deferred tax liabilities	(1,851)	1,021	-	(830)
<b>Current liabilities</b>				
Trade payables	(13,207)	-	135	(13,072)
Other payables	(3,069)	-	(135)	(3,204)

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 41. Comparative Information (Cont'd)

(ii) During the financial year, the Group and the Company made prior financial year's adjustment in relation to the correction of prior financial period's error and to conform with current financial year's presentation. (Cont'd)

##### 41.1 Reconciliation of statements of financial position (Cont'd)

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
<b>Group (Cont'd)</b>				
<b>1.7.2020</b>				
<b>Non-current assets</b>				
Property, plant and equipment	18,518	(1,199)	948	18,267
Right-of-use asset	948	-	(948)	-
Lease receivables	42	-	(42)	-
<b>Current assets</b>				
Others receivables	790	-	96	886
Lease receivable	54	-	(54)	-
<b>Equity</b>				
Warrant reserve	(5,885)	-	5,885	-
Invested equity	-	-	(107,000)	(107,000)
Merger reserve	(101,115)	-	101,115	-
Retained earnings	(15,503)	1,213	-	(14,290)
<b>Non-current liabilities</b>				
Deferred tax liabilities	(818)	(14)	-	(832)
Finance lease liabilities	(93)	-	93	-
Lease liabilities	(838)	-	(93)	(931)
<b>Current liabilities</b>				
Other payables	(1,980)	-	205	(1,775)
Contract liabilities	-	-	(205)	(205)
Finance lease liabilities	(191)	-	191	-
Lease liabilities	(158)	-	(191)	(349)

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 41. Comparative Information (Cont'd)

- (ii) During the financial year, the Group and the Company made prior financial year's adjustment in relation to the correction of prior financial period's error and to conform with current financial year's presentation. (Cont'd)

#### 41.2 Reconciliation of statements of profit or loss and other comprehensive income

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
<b>Group</b>				
<b>30.9.2021</b>				
Cost of sales	(78,842)	106	-	(78,736)
Interest income	325	-	(325)	-
Other income	911	-	206	1,117
Administrative expenses	(23,410)	2,045	4,329	(17,036)
Selling and distribution expenses	(9,908)	-	1	(9,907)
Other expenses	-	-	(3,696)	(3,696)
Net gain on impairment of financial assests	-	-	182	182
Finance income	-	-	325	325
Finance costs	(383)	-	2	(381)
Taxation	(2,241)	-	1,024	(1,217)
Exchange differences on translation of foreign operations	2,761	(1,170)	-	1,591

#### 41.3 Reconciliation of statements of cash flows

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
<b>Group</b>				
<b>30.9.2021</b>				
<b>Cash flows from operating activities</b>				
Loss before tax	(11,668)	2,151	1,024	(8,493)
Adjustments for:				
Depreciation of property, plant and equipment	1,292	25	222	1,539
Amortisation of right-of-use assets	222	-	(222)	-
Finance income	(3)	-	3	-
Gain on termination of lease contract	-	-	(4)	(4)
Interest expenses	383	-	(2)	381
Property, plant and equipment written off	69	-	1	70
Return of property, plant and equipment	20	-	(20)	-
<b>Changes in working capital:</b>				
Receivables	(82,809)	-	70	(82,739)
Contract liabilities	-	-	458	458
Payables	4,113	-	(8,621)	(4,508)

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2022

#### 41. Comparative Information (Cont'd)

- (ii) During the financial year, the Group and the Company made prior financial year's adjustment in relation to the correction of prior financial period's error and to conform with current financial year's presentation. (Cont'd)

#### 41.3 Reconciliation of statements of cash flows (Cont'd)

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
<b>Net cash used in operating activities:</b>				
Interest received	325	-	(325)	-
Interest paid	(383)	-	383	-
Tax paid	(1,588)	-	(2)	(1,590)
Tax refunded	-	-	3	3
<b>Net cash used in investing activities:</b>				
Acquisition of property, plant and equipment	(1,208)	(82)	20	(1,270)
Additional of deferred expenditures	91,160	(924)	(1,024)	89,212
Termination of right-of-use assets	6	-	(6)	-
Collection from lease receivables	68	-	(68)	-
Interest received	-	-	325	325
Finance income	3	-	(3)	-
<b>Net cash used in financing activities:</b>				
Interest paid	-	-	(381)	(381)
Advances from non-current payables	(8,159)	-	8,159	-
Net changes in bankers acceptance	(119)	-	119	-
Repayment of finance lease liabilities	(334)	-	334	-
Drawdown of bankers acceptance	-	-	8,247	8,247
Repayment of bankers acceptance	-	-	(8,366)	(8,366)
Repayment of lease liabilities	(196)	-	(331)	(527)
Termination of lease liabilities	(7)	-	7	-
Effect of exchange translation differences	1,628	(1,170)	-	458

#### 42. Date of Authorisation of Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 9 January 2023.

## ANALYSIS OF SHAREHOLDINGS AS AT 30 DECEMBER 2022

### SHARE CAPITAL

Issued shares	:	117,702,502
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	1,959

### ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	293	14.96	1,429	0.00
100 to 1,000	488	24.91	259,461	0.22
1,001 to 10,000	745	38.03	3,480,900	2.96
10,001 to 100,000	351	17.92	11,548,851	9.81
100,001 and below 5% of issued shares	76	3.88	47,650,417	40.48
5% and above of issued shares	6	0.31	54,761,444	46.53
	1,959	100.00	117,702,502	100.00

### LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares Held	%
1.	PEMBINAAN MAJU WANGI SDN.BHD.	12,158,740	10.33
2.	LIM GUAN LEE	11,425,204	9.71
3.	ENG LIAN (L) INC	9,728,525	8.27
4.	THAM WENG SENG	7,469,132	6.35
5.	NG TZE WOEI	7,229,843	6.14
6.	BUKIT ASA SDN BHD	6,750,000	5.73
7.	THAM YIN MING	4,323,522	3.67
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: CIMB FOR CALIBRE WEALTH MANAGEMENT SDN. BHD. (PB)]	4,250,000	3.61
9	THAM YIK SENG	3,941,676	3.35
10.	TSENG, SHENG-LUNG	2,078,000	1.77
11.	TEOH CHENG HUA	1,900,000	1.61
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: YAP CHIAT BINE]	1,640,000	1.39
13.	LIAO SHU HUI	1,410,000	1.20
14.	FOO FONG LEE	1,380,000	1.17
15.	CHEW CHEONG LOONG	1,200,000	1.02
16.	LIAO, SHU-HUI	1,171,000	0.99
17.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: LEE JIA ZHANG]	1,151,000	0.98
18.	LEONG HOY KUM	1,150,000	0.98
19.	LEE CHEE BENG	1,080,000	0.92
20.	NG LU SIONG @ NG SOON HUAT	1,055,555	0.90
21.	KONG PAK LIM	1,050,000	0.89
22.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR ONG SWEE TAU (1011119)]	975,000	0.83
23.	CHEAH FOOK LING	942,600	0.80
24.	OOI CHIN HOCK	914,700	0.78

## ANALYSIS OF SHAREHOLDINGS AS AT 30 DECEMBER 2022

### LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. Of Shares Held	%
25.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT (7000875)]	900,000	0.76
26.	CHEN TSU PEH @ CHIN FUI	860,700	0.73
27.	RHB NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: PLEDGED SECURITES ACCOUNT FOR YONG LOY HUAT]	770,000	0.65
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR OOI CHIN HOCK (8058312)]	670,000	0.57
29.	KOW KUWI WING @ KOW SAI SUM	634,200	0.54
30.	SET BUSINESS ADVISORY AND CONSULTING SDN BHD	565,600	0.48
		<b>90,774,997</b>	<b>77.12</b>

### SUBSTANTIAL SHAREHOLDERS (As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares of RM1/- Each			
	Direct	%	Indirect	%
1. PEMBINAAN MAJU WANGI SDN.BHD.	12,158,740	10.33	-	-
2. LIM GUAN LEE	11,425,204	9.71	-	-
3. ENG LIAN (L) INC	9,728,525	8.27	-	-
4. THAM WENG SENG	7,469,132	6.35	-	-
5. NG TZE WOEI	7,229,843	6.14	-	-
6. BUKIT ASA SDN BHD	6,750,000	5.73	-	-
7. NG LU SIONG @ NG SOON HUAT	1,055,555	0.90	16,478,525	14.00
8. NG LING LI	250,000	0.21	16,478,525	14.00
9. LAM PENG KEE	185,500	0.16	12,158,740	10.33
10. YVONNE PO LENG LAM	150,000	0.13	16,478,525	14.00
11. ENG LIAN ENTERPRISE SDN BHD	-	-	16,478,525	14.00
12. LU PAT SDN BHD	-	-	16,478,525	14.00
13. THE NELSONS TRUST COMPANY BERHAD	-	-	16,478,525	14.00
14. NG TEE CHUAN	-	-	16,478,525	14.00
15. GERALDINE MARIE TSE CHIAN NG	-	-	16,478,525	14.00
16. NG EARN CHIN	-	-	16,478,525	14.00
17. FONG SIEW CHING	-	-	12,344,240	10.49
18. THAM KUT CHEONG	-	-	15,734,330	13.37

### STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares of RM1/- Each			
	Direct	%	Indirect	%
1. Tuan Hj. Ir. Yusoff bin Daud	280,864	0.24	-	-
2. Chew Cheong Loong	1,200,000	1.02	1,380,000	1.17
3. Tham Kut Cheong	-	-	15,734,330	13.37
4. Lim Guan Lee	11,425,204	9.71	-	-
5. Chan Kee Eng	-	-	-	-
6. Low Mei Kheng	-	-	-	-
7. Tan Poh Lee	-	-	-	-
8. Lim Kee Min (alternate director to Lim Guan Lee)	-	-	-	-



## ANALYSIS OF WARRANTHOLDINGS AS AT 30 DECEMBER 2022

### WARRANTS 2018/2023

No. of warrants 2018/2023	:	53,499,995
No. of warrants 2018/2023 outstanding	:	53,497,495
Class of Securities	:	Warrants 2018/2023 (“Warrants”)
No. of Warrants holders	:	1,390

### ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrant holders	%	No. of Warrants Held	%
Less than 100	483	34.75	10,315	0.02
100 to 1,000	191	13.74	114,600	0.21
1,001 to 10,000	398	28.63	2,098,740	3.92
10,001 to 100,000	270	19.42	8,726,678	16.31
100,001 and below 5% of issued warrants	44	3.17	19,853,900	37.11
5% and above of issued warrants	4	0.29	22,693,262	42.42
	1,390	100.00	53,497,495	100.00

### LIST OF THIRTY LARGEST WARRANTHOLDERS

No.	Name	No. Of Warrants Held	%
1.	LAW MEE HENG	7,622,100	14.25
2.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR OOI CHIN HOCK (8058312)]	6,831,900	12.77
3.	ENG LIAN ENTERPRISE SDN BHD	4,864,262	9.09
4.	BUKIT ASA SDN BHD	3,375,000	6.31
5.	LIAO SHU HUI	2,366,900	4.42
6.	OOI CHIN HOCK	1,966,700	3.68
7.	TSENG, SHENG-LUNG	1,889,900	3.53
8.	WONG WAI SAM	1,360,500	2.54
9.	CHU CHEE CHOON	1,147,600	2.15
10.	MOHD RODZI BIN IBRAHIM	1,000,000	1.87
11.	AZAHARI BIN MD. NOR	901,400	1.68
12.	LIM GUAN LEE	865,000	1.62
13.	TEOH CHENG HUA	800,000	1.50
14.	SIM MUI KHEE	700,000	1.31
15.	MOHD ISA BIN MOHD SALLEH	585,000	1.09
16.	KONG PAK LIM	494,000	0.92
17.	LIAO, SHU-HUI	400,000	0.75
18.	YAP LAY POH	325,000	0.61
19.	TAN TEONG HENG	309,400	0.58
20.	CHEN TSU PEH @ CHIN FUI	285,900	0.53
21.	COLIN ONG TAI LEE	267,000	0.50
22.	CHIN CHING LOONG	251,900	0.47
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: WAI MUN FOO]	250,000	0.47
24.	TEE TEH SDN. BERHAD	250,000	0.47
25.	NG SENG CHOE	207,500	0.39
26.	ROHAZIFAH BINTI SAMSUDIN	200,000	0.37
27.	TAI CHENG FOO	193,000	0.36

## ANALYSIS OF WARRANTHOLDINGS AS AT 30 DECEMBER 2022

### LIST OF THIRTY LARGEST WARRANTHOLDERS (CONT'D)

No.	Name	No. Of Warrants Held	%
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: TEH CHEONG SOON]	189,500	0.35
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD [BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR LEE LIAN SENG (6000082)]	180,400	0.34
30.	ONG SAW PHENG	180,000	0.34
		<b>40,259,862</b>	<b>75.26</b>

### STATEMENT OF DIRECTORS' WARRANTHOLDINGS

Name of Directors		No. of Warrants Held Direct	%	No. of Warrants Held Indirect	%
1.	Tuan Hj. Ir. Yusoff bin Daud	-	-	-	-
2.	Chew Cheong Loong	-	-	-	-
3.	Tham Kut Cheong	-	-	-	-
4.	Lim Guan Lee	865,000	1.62	-	-
5.	Chan Kee Eng	-	-	-	-
6.	Low Mei Kheng	-	-	-	-
7.	Tan Poh Lee	-	-	-	-
8.	Lim Kee Min (alternate director to Lim Guan Lee)	-	-	-	-

## LIST OF PROPERTIES AS AT 30 SEPTEMBER 2022

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (Sq / ft)	Built-up Area (Sq / ft)	Net Book Value as at 30/9/2022	Date of Acquisition*/ Valuation**
1	PT No. 3477, Mukim of Petaling, District of Petaling, State of Selangor	Industrial building with a three (3) storey office and single storey factory annexe	18 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	7,392,957	10 Sept 2012**
2	GRN 369740, Lot No.111298, Mukim of Tebrau, District of Johor Bahru, State of Johor	1 1/2 storey terrace industrial building	27 years	Freehold	3,091	2,400	353,981	27 Aug 2002**
3	GRN 369744, Lot No.111299, Mukim of Tebrau, District of Johor Bahru, State of Johor	1 1/2 storey terrace industrial building	27 years	Freehold	3,091	2,400	384,200	23 July 2002**
4	Lot No. 212808 & 212809, Mukim of Hulu Kinta, District of Kinta, State of Perak	Two (2) adjoining units of 1 1/2 storey semi-detached industrial building	26 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	201,230 and 201,230	22 Aug 2002**
5	Lot No. 2788 and 2789, Bandar Butterworth Seksyen 3, District of Perai Utara, State of Pulau Pinang	Two (2) adjoining units of 1 1/2 storey terrace industrial buildings	28 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	233,416 and 233,417	22 Aug 2002**
6	Lot PT 22 & PT 23, Mukim Dan Daerah Petaling , No.6 & 8, Jln TPP 1/1A, Taman Industrial Puchong, State of Selangor	1 1/2 storey freehold semi-detached light industrial building	17 years	Freehold	22,000	15,000	1,918,432	24 Apr 2002* 5 Jan 2005**
7	GRN 169419, PT No. 6379, Lot 10146, District of Seberang Perai Utara, State of Pulau Pinang	1 1/2 storey semi freehold semi- detached light industrial factory	2 years	Freehold	9,085	4,168	3,049,405	22 Feb 2019*
					Grand Total		13,968,268	

## PROXY FORM

I/We.....  
(FULL NAME AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

Company No...../NRIC No. (new) .....(old) .....

of.....  
(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 Third (“3<sup>rd</sup>”) Annual General Meeting (“AGM”) of the Company will be conducted on a virtual basis through live streaming and Remote Participation and Voting Facilities from online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd (Domain Registration Numbers with D6A471702) on Monday, 13 March 2023, at 10.30 a.m. or at any adjournment thereof.

(\*Strike out whichever is not desired)

The proportions of my/our holdings to be represented by my/our proxy(ies) are as-follows :-

Proxy 1 \_\_\_\_\_%

Proxy 2 \_\_\_\_\_%

\_\_\_\_\_100\_\_\_\_\_%

(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate an “X” in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the additional payment of Directors’ benefits amounting to RM73,500 which was in excess of the earlier approved amount at the 2 <sup>nd</sup> AGM		
2.	To approve the payment of Directors’ Fees		
3.	To approve the payment of Directors’ Benefit		
4.	To re-elect Ms. Low Mei Kheng as Director		
5.	To re-elect Mr. Lim Guan Lee as Director		
6.	To re-elect Ms. Tan Poh Lee as Director		
7.	To re-elect Mr. Chew Cheong Loong as Director		
8.	To re-appoint Messrs. TGS TW PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration		
9.	Declaration of final single tier dividend		
10.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Signed this.....day of .....2023

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

\_\_\_\_\_  
Signature/Common Seal of Member(s)

### Notes:-

- 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.
- Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares standing to the credit of the said Securities Account.
- 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.
- 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.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 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.
- 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 7 March 2023 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

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AFFIX  
STAMP  
HERE

The Share Registrar  
**Insurban Corporate Services Sdn. Bhd.**(198101010136 (76260 W))  
149, Jalan Aminuddin Baki  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
W.P. Kuala Lumpur

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Address: PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia  
Tel: 603-8942 3335 Fax: 603-8942 1161 Email: [toyo\\_ir@toyoventures.com.my](mailto:toyo_ir@toyoventures.com.my)

Website: [www.toyoventures.com.my](http://www.toyoventures.com.my)