



TOYO INK GROUP BERHAD

(Company No. 590521-D)



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at the Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 September 2011, at 10.30 a.m. for the transaction of the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2011 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**
2. To approve the Directors' fees of RM87,500.00 (2010: RM87,500.00) in respect of the year ended 31 March 2011. **(Resolution 2)**
3. To re-elect the following Directors who retire pursuant to Article 92 of the Company's Articles of Association and, being eligible, offer themselves for re-election:-
 - (a) Mr. Ng Chong You **(Resolution 3)**
 - (b) Mr. Song Kok Cheong **(Resolution 4)**
4. To consider and, if thought fit, pass the following ordinary resolution in accordance with Section 129(6) of the Companies Act 1965 ("Act"):-

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

5. To appoint Messrs. AHL (formerly known as A.H.Lim & Partners) as Auditors of the Company in place of the retiring Auditors, Messrs. Sha, Tan & Co., and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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

"That Messrs. AHL (formerly known as A.H.Lim & Partners) be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Sha, Tan & Co., and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

6. **As Special Business:-**

To consider and, if thought fit, to pass the following ordinary resolution:-

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the Companies Act 1965, Articles of Association of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act 1965 to allot and issue shares in the Company at any time until the conclusion of the next annual general meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital for the time being of the Company and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

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

BY ORDER OF THE BOARD,

CHOW CHOOI YOONG (MAICSA 0772574)

HAZLINA BT HARUN (LS 03078)

Company Secretaries

Kuala Lumpur

5 September 2011

Notes:-

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
3. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.

5. Explanatory Notes on Special Business

Resolution pursuant to Section 132D of the Companies Act 1965

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

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

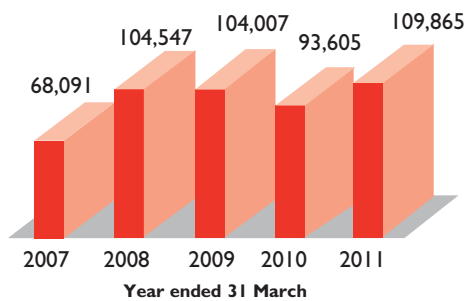
The proposed Resolution No. 7, if passed, will give the Directors of the Company from the date of the above AGM, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This would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

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

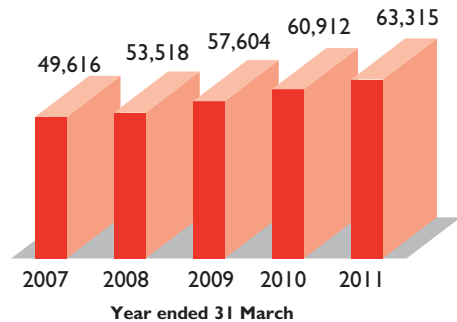


FINANCIAL HIGHLIGHTS - 31 MARCH 2007 TO 31 MARCH 2011

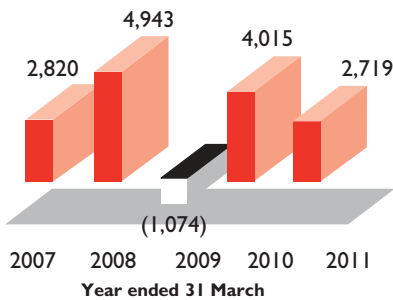
Group Turnover RM('000)



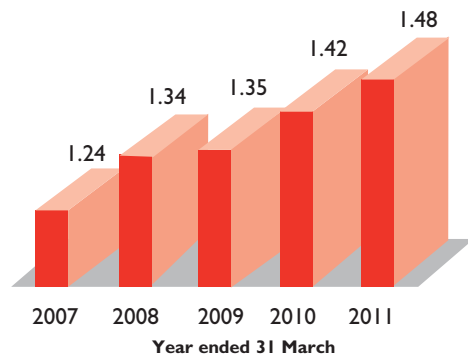
Total Shareholders' Funds RM('000)



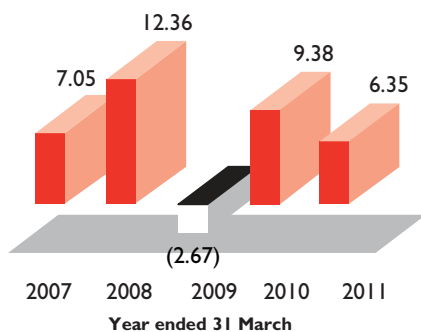
Net Profit after Tax RM('000)



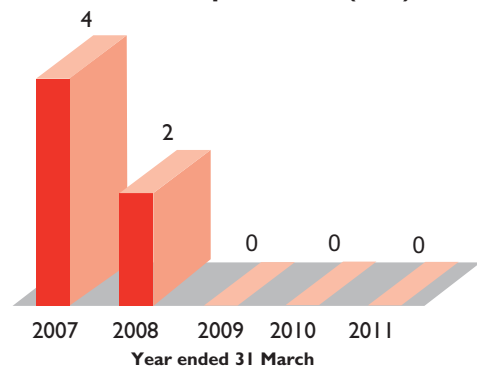
Net Assets per Share (RM)



Net Earnings per Share (Sen)



Gross dividend per Share (Sen)



	2007	2008	2009	2010	2011
Group Turnover (RM'000)	68,091	104,547	104,007	93,605	109,865
Total shareholders' funds (RM'000)	49,616	53,518	57,604	60,912	63,315
Net assets per share (RM)	1.24	1.34	1.35	1.42	1.48
Net profit after tax (RM'000)	2,820	4,943	(1,074)	4,015	2,719
Net earnings per share (sen)	7.05	12.36	(2.67)	9.38	6.35
Gross dividend per share (sen)	4	2	0	0	0

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff Bin Daud

(Malaysian, aged 66)

Non-Independent Non-Executive Chairman

Tuan Hj. Ir. Yusoff bin Daud is the Non-Independent Non-Executive Chairman of the Board of Directors of Toyo Ink Group Berhad. He was appointed to the Board on 4 August 2003. He is a member of the Nomination Committee and Audit Committee.

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

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

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2011.

He has no conflict of interest with the Company.

Mr. Song Kok Cheong

(Malaysian, aged 59)

Managing Director

Mr. Song Kok Cheong is the Managing Director of Toyo Ink Group Berhad and was appointed to the Board on 4 August 2003. Mr. Song has more than 35 years experience in the printing ink and printing related businesses. Mr. Song is a member of the Remuneration Committee.

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

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

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2011.

He has no conflict of interest with the Company.

Mr. Tham Kut Cheong

(Malaysian, aged 66)

Independent Non-Executive Director

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

He graduated from University of Malaya in 1970 with a Bachelor of Economics degree and completed his training in accountancy under Deloitte & Co., United Kingdom. He is a fellow of the Institute of Chartered Accountants in Ireland and was admitted to the Malaysian Institute of Accountants in 1980 as a Public Accountant.

Upon completing his training he started his own practice, K.C. Tham & Co. in 1980.

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

He has attended all Board meetings held during his tenure in office in the year ended 31 March 2011.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. You Tong Lioung @ Yew Tong Leong

(Malaysian, aged 75)

Independent Non-Executive Director

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

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

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

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

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

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

In addition to that, he is also a Financial Advisor to LumiGLASS Sdn Berhad, a subsidiary company of LTKM Berhad. LTKM Berhad is listed in Bursa Malaysia.

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

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2011.

He has no conflict of interest with the Company.

Mr. Ng Chong You

(Malaysian, aged 61)

Executive Director

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

With more than 35 years experience in the manufacture of the various types of printing inks, he is further responsible for technical customer support, research and development of new varieties of inks and the sourcing for raw materials for the production processes.

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2011.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. Lim Guan Lee

(Singaporean, aged 61)

Non-Independent Non-Executive Director

Mr. Lim Guan Lee is a Non-Independent Non-Executive Director appointed to the Board on 4 August 2003. Mr. Lim has more than 40 years of involvement in the printing industry and is currently the Chairman of Toyo Ink Pte. Ltd. He is also the Chairman and Managing Director of Lim Keenly Holdings Pte. Ltd.

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2011.

He has no conflict of interest with the Company.

Mr. Lim Kee Min

(Singaporean, aged 33)

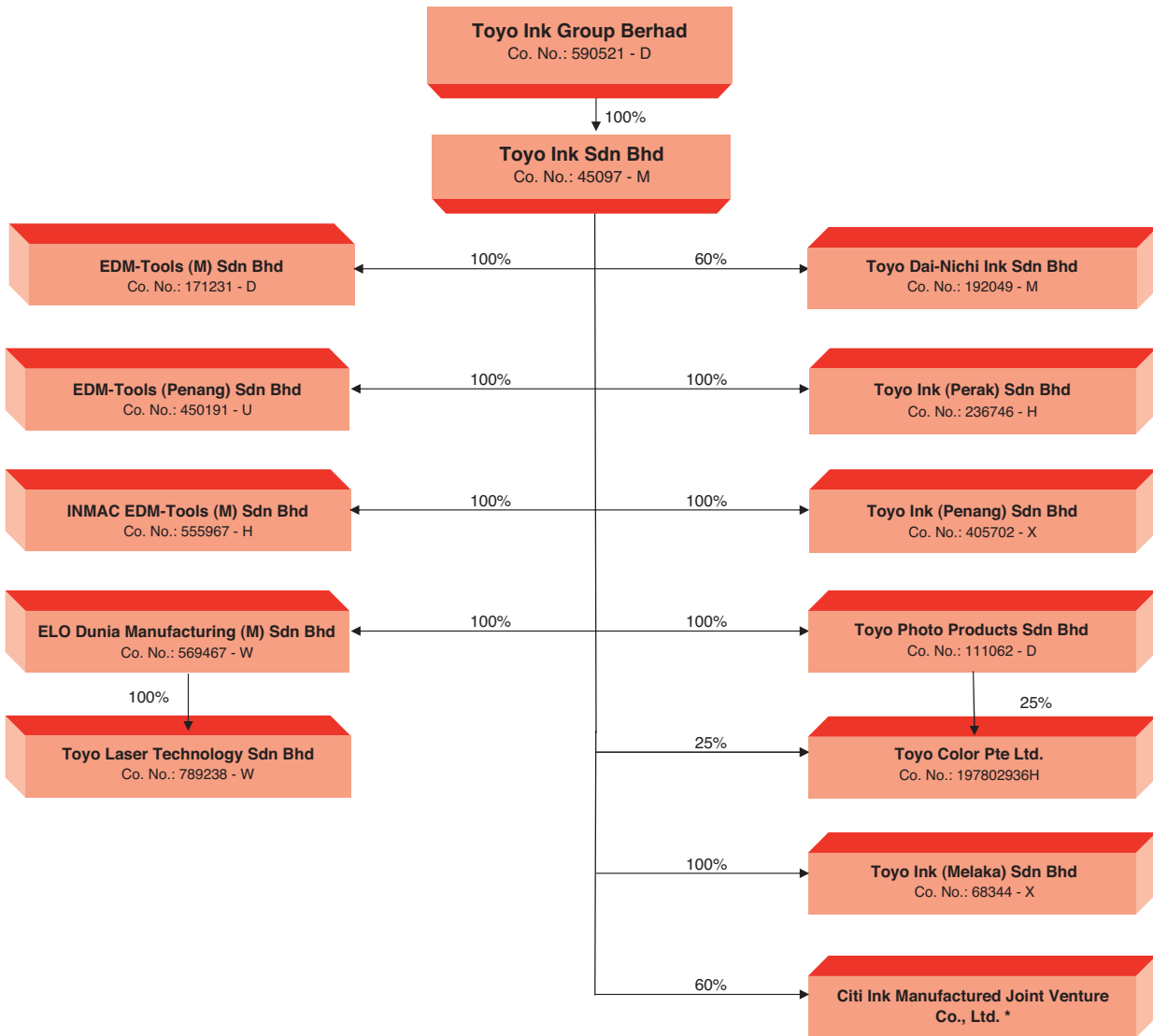
Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee

Mr. Lim Kee Min is the Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee and was appointed to the Board on 29 November 2004. Mr. Lim Kee Min is a graduate with a Bachelor of Arts degree in Sociology and Information & Communications Management from the National University of Singapore. He has 8 years of involvement in the printing ink industry and is currently serving as the Managing Director of Toyo Ink Pte. Ltd.

He has not attended any Board meetings held during his tenure in office in the financial year ended 31 March 2011.

He has no conflict of interest with the Company.

CORPORATE STRUCTURE



* Incorporated in Vietnam

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tuan Hj. Ir. Yusoff Bin Daud
(Chairman)

Song Kok Cheong

Ng Chong You

Lim Guan Lee

Tham Kut Cheong

You Tong Lioung @ Yew Tong Leong

Lim Kee Min
(alternate director to Lim Guan Lee)

AUDIT COMMITTEE

Tham Kut Cheong
(Chairman)

Tuan Hj. Ir. Yusoff Bin Daud

You Tong Lioung @ Yew Tong Leong

NOMINATION COMMITTEE

Tham Kut Cheong
(Chairman)

Tuan Hj. Ir. Yusoff Bin Daud

You Tong Lioung @ Yew Tong Leong

REMUNERATION COMMITTEE

Tham Kut Cheong
(Chairman)

You Tong Lioung @ Yew Tong Leong

Song Kok Cheong

COMPANY SECRETARIES

Chow Chooi Yoong MAICSA 0772574
Hazlina Bt. Harun LS 03078

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

SHARE REGISTRAR

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

AUDITORS

Sha, Tan & Co. (AF: 0185)
Chartered Accountants
Box #289, Lots 4.122 – 4.125
Tingkat 4, Wisma Central
Jalan Ampang, 50450 Kuala Lumpur

PRINCIPAL BANKERS

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

SOLICITORS

Tan Kim Soon & Co.
Ee & Associates

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market - Stock Code 7173

CORPORATE INFORMATION



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



CITI INK MANUFACTURED JOINT VENTURE CO, LTD
Lot A-2C-CN My Phuoc Industrial Zone Ben Cat
Binh Duong Province
VIETNAM



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



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



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



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



TOYO INK PTE LTD
TOYO COLOR PTE LTD
63 Joo Koon Circle
Singapore 629076



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



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

CHAIRMAN'S STATEMENT



Let me extend a very warm welcome to our Shareholders, Business Associates and well wishers to our 9th Annual General Meeting. It is time again for us to reflect upon our previous year's journey and endeavors and thereby strengthen our resolve to forge ahead to create better value for all our loyal shareholders and business associates. The financial year ended 31 March 2011 had been a most challenging one, but I am happy to say that our Toyo Ink Group had ended the year in a positive note.

Overall business environment

The financial year ended 31 March 2011 had generally been good for business. Market demand for the Group's goods and services was encouraging and the overall Malaysian Economy and consumer demand was on an uptrend. The only worrying factor had been the persistent rise in the cost of raw materials caused by strong demand coming from the fast expanding economies in Asia, especially China. Arising from this scenario, Management had put much more efforts into improvements in efficiencies and productivity. We foresee that this continuous effort at 'internal improvements' will be the challenge of the future as business is done more and more in a borderless world where only the fittest shall survive.

The Management Team led by our Managing Director had done well in the year under review and we had achieved favorable results. We shall continue to develop good business relationships with our suppliers, principals and customers as we believe the support from these external third parties is vital to our continued success in the future.

Operating results

I am happy to report that your Group had registered a turnover of RM109.865 million in the financial year under review. This was 17.37% higher than the RM93.605 recorded in the previous year. While we recorded a healthy increase in Group turnover in the financial year under review, net earnings were affected by the ever increasing costs of raw materials and other operating overheads. Supply shortages of raw materials, and hence rising raw material costs, was a global phenomenon due to the rapid rise in China's demand for these resources to feed its booming economy.



CHAIRMAN'S STATEMENT

I am happy to report that for the financial year under review your Group achieved net earnings after tax of RM2.719 million.

Into the future

Your Board foresees the next financial year to be extremely challenging. While raw material costs will continue to impact upon our manufacturing operations, we are confident that our stringent internal processes and procedures, coupled with proper guidance and advice from our Managing Director, will enable the Group to meet these challenges successfully.

On the status of our proposed independent power plant project in Vietnam I am pleased to say we are awaiting final approval from the Vietnamese Government. Relevant announcements had been to Bursa Securities.

Appreciation

On behalf of all my colleagues on the Board I would like to take this opportunity to say thanks to our business partners and associates, and our loyal customers, suppliers and service providers who had extended their support and shown us much patience to enable us to end the past year on a very positive note.

To all our loyal and dedicated staff, without whom we will not be where we are today, a very heartfelt thank you.

Tuan Hj. Ir. Yusoff Bin Daud
Chairman

MANAGING DIRECTOR'S STATEMENT



Let me, on behalf of my colleagues on the Board, extend a warm welcome to all our shareholders to the 9th Annual General Meeting of Toyo Ink Group Berhad. We had completed the financial year ended 31 March 2011 on a positive note. Although the year was full of challenges, with financial gloom in the Euro zone and uncertain economic recovery in the US, we ended the financial year in a positive note. Needless to say, your Board is confident that with the continuous Management attention to productivity and efficiency, we will continue to register reasonable growth in the years ahead.

Financial Performance

Consumer demand was positive in the financial year ended 31 March 2011 and Toyo Ink Group Berhad registered a consolidated turnover of RM109.865 million. This was RM16.260 million higher than the RM93.605 million achieved in the previous financial year – an improvement of 17.37%.

It was heartening to note that the strong sales performance, coupled with efficiency improvements had resulted in higher trading and net margins all round.

The financial year under review registered a net profit after tax of RM2.719 million translating into earnings of 6.35 sen per share. In the previous financial year the group achieved a corresponding net profit after tax of RM4.015 representing earnings of 9.38 sen per share.

MANAGING DIRECTOR'S STATEMENT

Review of Operations

The financial year to 31 March 2011 was much smoother compared to the previous financial year to 31 March 2010. Although we were faced with persistent increases in the costs of raw materials the market was able to absorb these increases to some extent and increases in costs were off-set by strong consumer demand translated into increased volume of production. The Management is wary of the Group's return on investment and monthly reviews of operating results were conducted to monitor efficiency in the areas of debt collection, inventory control and cash management.

Monthly review of operations had always been a regular practice so that problems are tackled and solved and imminent problems are anticipated and averted for smoother running of operations. These review meetings are attended by all Executive Directors on a monthly basis so that Management have the benefit of advice and guidance from the highest levels of the Group.

As indicated to shareholders last year, our trading arm (subsidiary) called Total Young Ink in Vietnam may have to be sold to comply with legislation. We wish to report that our 60% stake in this subsidiary had been sold to our Vietnamese business partner in August 2010.

Corporate Social Responsibility

It is your Board's commitment to maintain responsible corporate presence in the community that we do business in. In the course of the financial year a shelter home for children (Shelter) which needed our support was identified. Shelter is a registered voluntary welfare organization for children and teenagers who have been abandoned, neglected, orphaned or abused.

We also had the opportunity to lend our support to Yayasan Kasih. This is a foundation established to provide professional nursing care and emotional support for home patients free of charge.

Your Board is happy to note that our small gestures had gone a long way towards alleviating the needs of the less fortunate. These gestures had been very satisfying experiences for our staff and we are committed to continue such activities in the current year.

Moving forward

Your Board is fully committed to moving the Group forward thereby creating value for our stakeholders by enhancing the Group's earnings. The combination of Board and Management inputs in tackling the problems and challenges in the past year have resulted in a stronger management team that is pro-active, efficient and effective. Your Board is confident that we are well equipped to face new challenges in the year ahead.

On the status of progress of our power plant project in Vietnam, we are pleased to report that the final report compiled by our Vietnamese consultant is awaiting the final approval of the Prime Minister of Vietnam.

Appreciation

On behalf of my Board, I say thank you for your attendance.

To our business partners, financiers, suppliers and services providers we convey our utmost appreciation for their unwavering support as we labored to achieve our dreams.

To our loyal staff throughout the Toyo Ink Group of companies I extend my sincere appreciation of your endeavors. We are where we are today because of your commitment.

To my Chairman and colleagues on the Board I express sincere thanks for their invaluable guidance, advice and counsel to help me steer the Group towards a brighter and more prosperous future.

Last but not least, to our loyal shareholders and other stakeholders, your patience and support are acknowledged with thanks.

Thank you.

Song Kok Cheong
Managing Director

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Toyo Ink Group Berhad (“Board”) acknowledges the importance of maintaining good corporate governance in the Group and is committed to ensure that the principles and best practices of corporate governance as set out in the Malaysian Code on Corporate Governance (“the Code”) are being observed.

Set out below is a statement of how the Group has applied the principles laid down in the Code and the extent of the Group’s compliance with the best practices of the Code throughout the financial year ended 31 March 2011. The Board considers that it has generally applied the principles and best practices of the Code as disclosed below:-

A. BOARD OF DIRECTORS

Principal Responsibilities

The Group continues to be led and managed by an effective Board which has the overall responsibilities for corporate governance, strategic direction, corporate and operational issues, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financial matters.

Composition of the Board

With the resignation of the Executive Director, Mr. Yap Yee Kiean, on 2 July 2010, the composition of the Board has been reduced to six (6) Directors of whom two are Executive Directors, two are Non-Executive Directors and two are Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Board Balance

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

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

The presence of the Non-Executive Directors and Independent Non-Executive Directors fulfil a pivotal role in corporate governance accountability as they provide an element of objectivity, independent judgment and balance of the Board. In addition, Mr. Tham Kut Cheong continues to act as the Senior Independent Non-Executive Director serving as an alternative for shareholders to convey their concerns and seek clarification from the Board.

Supply of Information

The Directors have full access to the advice and services of the senior management and the Company Secretaries.

In addition, the Directors, under appropriate circumstances, may seek independent professional advice at the Company’s expense to assist them in making well-informed decisions whether as a full Board or in their individual capacity.

CORPORATE GOVERNANCE STATEMENT

Appointments to the Board

With the establishment of the Nomination Committee on 28 August 2003, a formal and transparent procedure is in place for the appointment of new directors to the Board.

The members of the Nomination Committee comprised wholly of Non-Executive Directors with majority being Independent Non-Executive Directors. The composition of the Nomination Committee is as follows:-

Chairman

Tham Kut Cheong

(Independent Non-Executive Director)

Members

Tuan Hj. Ir. Yusoff Bin Daud

(Non-Independent Non-Executive Chairman)

You Tong Lioung @ Yew Tong Leong

(Independent Non-Executive Director)

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

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

The Nomination Committee had held one (1) meeting during the financial year ended 31 March 2011.

Re-election of Directors

Directors' re-election provides an opportunity for shareholders to renew their mandate conferred to the Directors. In this respect, the Articles of Association ("Articles") of the Company provide that an election of Directors shall take place each year and all Directors shall retire from office at least once in every three years but shall be eligible for re-election at the Annual General Meeting ("AGM").

Any Director appointed during the year is required under the Company's Articles to retire and seek re-election by shareholders at the following AGM immediately after his appointment. In addition, Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965.

Directors' Training

The Board recognises the need to attend programmes and seminars to keep abreast with developments on a continuous basis and to enhance their knowledge to effectively discharge their duties and obligations. During the financial year under review, all the Directors have attended a professional training on "Implement Blue Ocean Strategies For Success".

CORPORATE GOVERNANCE STATEMENT

Board Structures and Procedures

The Board meets at least four (4) times a year, with additional meetings convened as and when necessary. During the financial year ended 31 March 2011, five (5) meetings were held. The number of meetings attended by members of the Board is set out below:-

Directors	Number of Board Meetings	
	Held	Attended
Tuan Hj. Ir. Yusoff Bin Daud	5	5
Song Kok Cheong	5	5
Ng Chong You	5	5
Lim Guan Lee	5	5
Tham Kut Cheong	5	5
You Tong Lioung @ Yew Tong Leong	5	5
Lim Kee Min (Alternate Director to Lim Guan Lee)	5	0
Yap Yee Kiean (resigned wef 2 July 2010)	*1	1

Note: * represents the number of meetings held during his tenure of office.

The Board members are supplied with the relevant documents and information in advance of each meeting so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision.

Senior management and advisers are invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board meetings. All proceedings from the Board meetings are minuted and signed by the Chairman of the meeting.

Board Committees

The Board maintains specific Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee to allow greater attention and objectivity to be provided by the relevant Committee members to the specific Board agenda. However, in order to ensure that the control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The ultimate responsibility and decision on all matters however rests with the Board.

B. DIRECTORS' REMUNERATION

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

Chairman

Tham Kut Cheong (Independent Non-Executive Director)

Members

You Tong Lioung @ Yew Tong Leong (Independent Non-Executive Director)
Song Kok Cheong (Managing Director)

The Remuneration Committee'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 Remuneration Committee 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. The Remuneration Committee had held one (1) meeting during the financial year ended 31 March 2011.

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

CORPORATE GOVERNANCE STATEMENT

The details of the Directors' remuneration for the financial year ended 31 March 2011 are as follows:-

(a) Analysis of aggregate remuneration of Directors categorised into appropriate components:-

	Fees RM'000	Salaries & other Emoluments RM'000	Benefits in Kind RM'000	Total RM'000
Executive Directors	125	1,196	65	1,386
Non-Executive Directors	122	117	-	239

(b) Analysis of Directors' remuneration categorised in successive bands of RM50,000:-

Range of remuneration (per annum)	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	1	1
RM600,001 to RM650,000	2	-

C. SHAREHOLDERS

Relationship With Shareholders And Investors

The Board recognises the importance of shareholders and investors communications and as a matter of policy, reports on a timely basis all material information in relation to the Company. Whilst the Company endeavours to provide as much information as possible to its shareholders, it is also fully aware of the legal regulatory framework governing the release of material and price sensitive information. In this respect, the Company strictly adheres to the disclosure requirements of Bursa Securities.

The Board communicates information on the operations, activities and performance of the Company to the shareholders and the public through the following:-

- the Annual Report, which contains the financial and operational review of the Company's business, corporate information, financial statements and information on Audit Committee and Board of Directors;
- various disclosures and announcements made to Bursa Securities, which includes announcements on quarterly results; and
- Toyo Ink Group Berhad's website at <http://www.toyoink.com.my>.

The Annual General Meeting

The Board regards the AGM as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue. At each AGM, the Board is prepared to answer questions to be raised by shareholders. Suggestions and comments by shareholders are also welcome by the Board for continuous improvement.

Notice of the AGM and Annual Report are sent to shareholders 21 days prior to the meeting. The Board has ensured that an explanatory statement will accompany each item of special business included in the notice of meeting on the effects of the proposed resolution.

CORPORATE GOVERNANCE STATEMENT

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible to present a balanced and understandable assessment of the Group's financial position and prospects to the stakeholders and general public. In presenting the annual financial statements and quarterly announcements of its results, the Board assures that the Company applies appropriate accounting policies consistently and estimates are supported by reasonable and prudent judgments.

Directors' Responsibility Statement

The Board is responsible for ensuring that:-

- (i) the annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year, and
- (ii) Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 March 2011, the Board has adopted appropriate accounting policies and has applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Board is also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

Internal Control

The Board also acknowledges the internal audit function as an integral part of an effective system of corporate governance. The Statement on Internal Control set out on page 20 of this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Relationship with External Auditors

The Board, via the Audit Committee, maintains a formal and transparent relationship with the Company's external auditors. Through the Audit Committee, the external auditors are invited to discuss the annual financial statements, audit findings and other special matters that require the Board's attention. During the financial year, the Audit Committee conducted three (3) meetings with the external auditors out of which two were without the presence of executive board members.

The external auditors have continued to report to members of the Company on their findings, which are included in the auditors' report with regard to each year's audit on the statutory financial statements.

This statement was made in accordance with a resolution of the Board dated 25 July 2011.

STATEMENT ON INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements, the Board of Directors of Toyo Ink Group Berhad is pleased to provide the following statement on the state of internal control of the Company and its subsidiaries (“the Group”). This Statement is made in accordance with the “Statement on Internal Control - Guidance for Directors of Public Listed Companies” issued by the Institute of Internal Auditors Malaysia and endorsed by the Bursa Securities.

BOARD RESPONSIBILITIES

The Board of Directors acknowledges the importance of the systems of internal control and recognizes that it is their responsibility to maintain a sound system of internal control to safeguard the Group’s interests. The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the incurrence of risk and the ultimate objective is to balance risk and potential reward to the shareholders.

RISK MANAGEMENT

Risk management is regarded by the Board as part of the business operations in the Group. The Board collectively oversees and reviews the conduct of the Group’s business while the Managing Director and the management execute measures and controls to ensure that risks are effectively managed. The principal operational risks of the Group are reasonably contained within the present management supervision and monitoring functions. It is the Board’s priority to ensure that uncertainty and risks of investment in new business venture are monitored in order to safeguard the interest of the shareholders.

THE REVIEW MECHANISM

Heads of management and credit control meetings are held monthly. These meetings provide a channel of communication and information to enable the management to share, monitor and decide on the business development, changes and actions to ensure businesses are under control. In order to be kept informed of matters affecting the operation of the Group, the Audit Committee Chairman is also invited to attend this meeting as part of his continuous engagement with the management of the Group.

The systems of internal control are monitored by the management and reviewed by the Audit Committee. The fundamental control procedures such as board and management authorisation and approval limits, management reporting and documented operational procedures are in place. The presence of the internal audit function supports this review by reviewing and reporting the status of management control procedures to the Audit Committee. Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by the management. In this case, the Audit Committee in consultation with the management and the External Auditors deliberates the integrity of the financial results, annual report and audited financial statements before recommending to the Board for presenting to the shareholders and public investors.

The quality management systems namely the ISO 9001:2008 and ISO 14001:2004 are adopted in two key subsidiaries of the Group. These quality management systems form the guiding principles for the operation procedures. Annual third party surveillance audits are conducted by external certification body to ensure these operational procedures are in compliance with the ISO requirements. During the financial period, Toyo Ink Sdn Bhd and Inmac EDM-Tools (M) Sdn Bhd continue to be certified under the ISO 9001:2008 and ISO 14001:2004 and ISO 9001:2008 respectively.

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

This Statement is made in accordance with a resolution of the Board of Director dated 25 July 2011.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee of Toyo Ink Group Berhad was established on 28 August 2003. For the financial year ended 31 March 2011, the Audit Committee comprises the following directors:-

Chairman

Tham Kut Cheong

(Independent Non-Executive Director)

Members

You Tong Lioung @ Yew Tong Leong

(Independent Non-Executive Director)

Tuan Hj. Ir. Yusoff Bin Daud

(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

1) POLICY

The policy of the Audit Committee is to ensure that internal and external audit functions are properly conducted and that audit recommendations are being carried out effectively by the TOYO INK GROUP BERHAD group of companies.

2) OBJECTIVES

The objectives of this policy are:-

- 2.1) to assure the shareholders of the Company that the Directors of the Company have complied with Malaysian financial standards and required disclosure policies developed and administered by Bursa Securities ;
- 2.2) to ensure consistency with Bursa Securities' commitment to encourage high standards of corporate disclosure and to adopt best practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to all the Company's shareholders; and
- 2.3) to relieve the full Board of Directors from detailed involvement in the review of the results of internal and external audit activities and yet ensure that audit findings are brought to the highest level for consideration.

3) MEMBERSHIP

- 3.1) The Committee shall be appointed by the Board from amongst the directors of the Company and shall be composed exclusively of Non-Executive Directors of no fewer than three members, of whom the majority shall be independent.
- 3.2) The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least 3 years' working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or alternatively a person who has fulfilled such other requirements as prescribed or approved by Bursa Securities.
- 3.3) No alternate director shall be appointed as a member of the Committee.
- 3.4) The members of the Committee shall elect from among their number a chairman who is non-executive and independent, as defined above.
- 3.5) If one or more members of the Committee resign, die or for any other reason cease to be a member with the result that the Listing Requirements of the Bursa Securities are breached, the Board shall, within three months of the event, appoint such number of new members as may be required to correct the breach.
- 3.6) The Board shall review the term of office of Committee members no less than once every three years.

AUDIT COMMITTEE REPORT

4) AUTHORITY

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

- (a) investigate any activity within the Committee's terms of reference;
- (b) have resources which are reasonably required to enable it to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company or its subsidiaries;
- (d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- (e) obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- (f) convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

5) FUNCTIONS

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

- (a) with the External Auditors, the scope of the audit and the audit plan;
- (b) with the External Auditors, their evaluation of the system of internal controls;
- (c) with the External Auditors, their management letter and the management's response;
- (d) with the External Auditors, their audit report;
- (e) the assistance given by the employees to the External Auditors;
- (f) the nomination or re-appointment of the External Auditors and their audit fees as well as matters pertaining to resignation or change of the External Auditors;
- (g) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (h) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (i) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - (i) any changes in or implementation of major accounting policy changes;
 - (ii) significant adjustments arising from the audit;
 - (iii) significant and unusual events;
 - (iv) the going concern assumption; and
 - (v) compliance with accounting standards and other legal requirements;
- (j) any related party transaction and conflict of interest situation that may arise within the Company or the group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- (k) any other matters as directed by the Board.

AUDIT COMMITTEE REPORT

6) OVERSEEING THE INTERNAL AUDIT FUNCTION

- 6.1) The Committee shall establish an internal audit function which is independent of the activities it audits.
- 6.2) The Committee shall oversee the internal audit function and is authorised to commission investigations to be conducted by internal audit as it deems fit.
- 6.3) The Internal Auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.
- 6.4) All proposals by management regarding the appointment, transfer or dismissal of the Internal Auditor shall require the prior approval of the Committee.

7) QUORUM FOR MEETINGS

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

8) ATTENDANCE AT MEETINGS

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

9) FREQUENCY OF MEETINGS

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

10) PROCEEDINGS OF MEETINGS

- 10.1) A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the Audit Committee by giving the members not less than seven days notice thereof unless such requirement is waived.
- 10.2) In the absence of the Chairman, the Committee shall appoint one of its members present to chair that meeting.
- 10.3) A resolution put to vote shall be decided by a majority of votes of the members present, each member having one vote.

11) REPORTING PROCEDURES

- 11.1) The Company Secretary shall be the Secretary of the Committee. He shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Committee. All minutes of meetings shall be circulated to every member of the Board.
- 11.2) The Committee shall prepare an annual report to the Board that provides a summary of the activities of the Committee and the internal audit function or activity for inclusion in the Company's annual report.
- 11.3) The Committee shall assist the Board in preparing the following for publication in the Company's annual report:
 - (a) Statement on the Company's application of the principles set out in Part I of the Malaysian Code on Corporate Governance;
 - (b) Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
 - (c) Statement on the Board's responsibility for preparing the annual audited accounts; and
 - (d) Statement about the state of internal control of the Group.
- 11.4) The Committee may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Securities

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE MEETINGS

The Audit Committee met five times during the financial year ended 31 March 2011. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:-

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2011

During the financial year ended 31 March 2011, the activities of the Audit Committee included the following:-

- reviewed the unaudited quarterly financial results and announcements of the company and the Group prior to submission to the Board of Directors for consideration and approval;
- reviewed the audited financial statements for the year ended 31 March 2010;
- reviewed the External Auditors' report to the Committee in relation to the audit and accounting issues arising from the audit of the Group's financial statements;
- considered the audit fee payable and the nomination of the External Auditors for recommendation to the Board for re-appointment;
- reviewed the assistance and cooperation given by the employees to the External Auditors in respect of the audit for the financial year ended 31 March 2010;
- reviewed the External Auditors' audit plan and scope of audit for the financial year ended 31 March 2011;
- met with the External Auditors three times during the financial year ended 31 March 2011 out of which twice were without the presence of any executive board members;
- reviewed internal audit reports prepared by the Internal Auditor on the Company and its subsidiaries, management implementation of audit recommendations and recurrent related party transactions; and
- reviewed the disclosure statements on Corporate Governance, Audit Committee Report and the Statement of Internal Control for the year ended 31 March 2010 and recommended their adoption to the Board.

INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2011, the Group has outsourced its internal audit function to an independent internal audit service company and the selected team is independent of the activities audited by them. The cost incurred for the internal audit function in respect of the financial year ended 31 March 2011 is RM64,000/-.

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

During the financial year under review, the internal auditor has conducted audit on all operating subsidiaries with recommended improvements to the existing system of controls and submitted his findings to the Audit Committee. These internal audit reports together with responses by management were circulated to all members of the Audit Committee. All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings and recommendations were duly acted upon by the management.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

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

Share Buy-backs

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

Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year.

Depository Receipt Programme

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

Sanctions and/or Penalties

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

Non-Audit fees

Non-audit fees paid to the external auditors of the Group for the financial year ended 31 March 2011 amounted to RM10,500

Profit Guarantee

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

Variation in Results

There were no material variance between the Company's audited Financial Statements for the financial year ended 31 March 2011 and the unaudited results previously announced.

Revaluation Policy

The Group has no revaluation policy on landed properties.

Family Relationship of Directors

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

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

Conflict of Interest with the Company

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

List of Conviction of Offences

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

Material Contracts Involving Directors and Major Shareholders

There are no material contracts (not being 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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Financial Statement

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- 34** Statements of Financial Position
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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 31 March 2011.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies and associate are disclosed in Notes 8 and 9 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>2,779,936</u>	<u>10,269,899</u>
Attributable to:		
Owners of the parent	2,718,631	10,269,899
Minority interests	61,305	-
	<u>2,779,936</u>	<u>10,269,899</u>

DIVIDENDS

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

RESERVES AND PROVISIONS

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

SHARES AND OPTIONS

No shares or debentures were issued, and no options to take up unissued shares were granted during the financial year, and at the end of the financial year, no options over unissued shares of the Company were outstanding.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and the date of this report are:

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

In accordance with Article 92 of the Company's Articles of Association, Mr. Song Kok Cheong and Mr. Ng Chong You retire by rotation and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Mr. You Tong Lioung @ Yew Tong Leong retires pursuant to Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting and offers himself for re-appointment in accordance with Section 129(6) of the Companies Act 1965.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest other than transactions in the ordinary course of business between the company and a company in which certain Directors of the Company have substantial financial interests as disclosed in Note 30 to the financial statements.

DIRECTORS' INTEREST IN SHARES

The shareholdings in the Company and in the subsidiary companies of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company and the subsidiary companies are as follows:

	NUMBER OF ORDINARY SHARES OF RMI EACH			At 31.3.11
	At 1.4.10	Acquired	Disposed	
The Company:				
Tuan Hj. Ir.Yusoff Bin Daud	90,964	-	-	90,964
Song Kok Cheong				
- direct	3,449,525	-	341,100	3,108,425
- indirect*	782,826	-	185,000	597,826
Ng Chong You				
- direct	3,838,743	-	130,000	3,708,743
- indirect*	46,000	-	-	46,000
Lim Guan Lee	4,579,281	-	-	4,579,281

*Via spouse/children

No other Directors in office at the end of the financial year held any interest in shares or debentures of the Company or the subsidiary companies.

SIGNIFICANT EVENTS

The significant events during and after the financial year are disclosed in Note 33 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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



DIRECTORS' REPORT

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

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

- a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year other than those arising in the ordinary course of business.

OTHER STATUTORY INFORMATION

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

In the opinion of the Directors:

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

AUDITORS

The auditors, Sha, Tan & Co, retire and do not seek for re-appointment.

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

SONG KOK CHEONG

Director

NG CHONG YOU

Director

Kuala Lumpur
Dated: 25 July 2011

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act 1965

We, **SONG KOK CHEONG** and **NG CHONG YOU**, being two of the directors of **TOYO INK GROUP BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 34 to 86 are properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2011 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

SONG KOK CHEONG

Director

NG CHONG YOU

Director

Kuala Lumpur

Date: 25 July 2011

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act 1965

I, **LAW KEEN HENG**, being the officer primarily responsible for the financial management of **TOYO INK GROUP BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 34 to 86 are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)

LAW KEEN HENG)

at Kuala Lumpur in the Federal Territory)

on 25 July 2011)

LAW KEEN HENG

Before me,



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements

We have audited the financial statements of TOYO INK GROUP BERHAD, which comprise the statements of financial position as at 31 March 2011, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 73.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2011 and of their financial performance and cash flows for the financial year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 12 to the financial statements. The Group's Power Plant Project has commenced since the financial year 2008. Refundable payments has been made for tendering the project, and has been accumulated to RM59,937,716 as at 31 March 2011. Based on the feedback from the Consultant appointed in Vietnam, the Board of Directors is fully cognizant of the risks involved but is confident of the successful outcome of the project. The Group had made announcements regularly to Bursa Malaysia Securities Berhad on the development progress of the project, which is now awaiting approval from the Vietnamese Government. The ultimate outcome of the project cannot presently be determined and, accordingly, neither income nor expense has been recognised in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act except as disclosed in Note 8 to the financial statements.

Other Reporting Responsibilities

The supplementary information set out in Note 37 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants "(MIA Guidance)" and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

SHA, TAN & CO
[AF: 0185]
Chartered Accountants

TAN CHIL KIN
[2026/07/12(J)]
Chartered Accountant

Kuala Lumpur
Dated: 25 July 2011

STATEMENTS OF FINANCIAL POSITION as at 31 MARCH 2011

		Group			Company	
	Note	2011	Restated	Restated	2011	2010
		RM	2010	1.4.2009	RM	RM
			RM	RM		
NON CURRENT ASSETS						
Property, plant and equipment	5	34,373,096	37,332,436	40,767,217	-	-
Investment property	7	1,672,000	1,688,000	1,704,000	-	-
Investment in subsidiary companies	8	-	-	-	31,611,684	31,611,684
Investment in associate	9	486,380	481,383	451,194	-	-
Goodwill on consolidation	10	17,496,312	17,496,312	17,496,312	-	-
		54,027,788	56,998,131	60,418,723	31,611,684	31,611,684
CURRENT ASSETS						
Inventories	11	15,989,436	16,244,081	18,918,578	-	-
Trade and other receivables	12	87,255,131	75,512,008	65,092,867	86,250	-
Amount owing by a subsidiary company	13	-	-	-	25,586,737	15,307,942
Tax recoverable		358,371	722,453	1,996,386	52,454	99,165
Fixed deposits with licensed banks		16,897	16,493	116,263	-	-
Cash and bank balances		3,640,992	3,626,423	2,635,178	70,006	29,605
Assets classified as held for sale	14	-	4,541,407	-	-	-
		107,260,827	100,662,865	88,759,272	25,795,447	15,436,712
TOTAL ASSETS		161,288,615	157,660,996	149,177,995	57,407,131	47,048,396
EQUITY AND LIABILITIES EQUITY						
Share capital	15	42,800,000	42,800,000	42,800,000	42,800,000	42,800,000
Reserves	16	20,515,271	18,112,348	14,803,852	14,312,766	4,042,867
Total equity attributable to owners of the parent		63,315,271	60,912,348	57,603,852	57,112,766	46,842,867
Minority interests	17	4,878,140	6,535,686	6,965,449	-	-
TOTAL EQUITY		68,193,411	67,448,034	64,569,301	57,112,766	46,842,867
NON CURRENT LIABILITIES						
Hire purchase payables	18	30,467	1,184,284	819,192	-	-
Bank borrowings	19	699,832	1,473,608	4,127,485	-	-
Deferred tax liabilities	20	2,318,463	2,075,431	1,724,280	-	-
		3,048,762	4,733,323	6,670,957	-	-
CURRENT LIABILITIES						
Trade and other payables	21	48,085,088	48,274,877	44,884,468	144,365	205,529
Amount owing to Directors	22	9,140,000	3,720,000	2,850,000	150,000	-
Hire purchase payables	18	337,932	981,196	516,777	-	-
Bank borrowings	19	32,108,926	32,240,263	29,540,908	-	-
Taxation		374,496	227,175	145,584	-	-
Liabilities classified as held for sale	14	-	36,128	-	-	-
		90,046,442	85,479,639	77,937,737	294,365	205,529
TOTAL LIABILITIES		93,095,204	90,212,962	84,608,694	294,365	205,529
TOTAL EQUITY AND LIABILITIES		161,288,615	157,660,996	149,177,995	57,407,131	47,048,396

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

STATEMENTS OF COMPREHENSIVE INCOME for the financial year ended 31 MARCH 2011

	Note	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Continuing operations					
Revenue	23	109,865,017	93,604,589	13,675,380	240,000
Cost of sales		(87,978,853)	(76,262,933)	-	-
Gross Profit		21,886,164	17,341,656	13,675,380	240,000
Other income		1,071,306	6,458,446	337,260	150
Selling and distribution costs		(7,529,241)	(7,770,940)	-	-
Administration expenses		(7,270,084)	(7,733,563)	(282,185)	(348,978)
Finance costs		(2,494,775)	(1,934,829)	-	-
Share of results in associate		(3,967)	(3,658)	-	-
Profit/(Loss) Before Taxation	24	5,659,403	6,357,112	13,730,455	(108,828)
Taxation	25	(2,735,731)	(2,582,113)	(3,460,556)	(28,145)
Profit/(Loss) From Continuing Operations		2,923,672	3,774,999	10,269,899	(136,973)
Discontinued operation					
Loss from discontinued operation, net of tax	26	(143,736)	(275,370)	-	-
Profit/(Loss) For The Financial Year		2,779,936	3,499,629	10,269,899	(136,973)
Other Comprehensive Income, net of tax					
Other Comprehensive Expense For The Financial Year, net of tax					
Foreign currency translation		(429,959)	(1,072,700)	-	-
Total Comprehensive Income/(Expense) For The Financial Year		2,349,977	2,426,929	10,269,899	(136,973)
Profit Attributable To:					
Owners of the parent		2,718,631	4,014,970	10,269,899	(136,973)
Minority interests		61,305	(515,341)	-	-
Profit/(Loss) For The Financial Year		2,779,936	3,499,629	10,269,899	(136,973)
Total Comprehensive Income/(Expense) Attributable to:					
Owners of the parent		2,402,923	3,308,496	10,269,899	(136,973)
Minority interests		(52,946)	(881,567)	-	-
Total Comprehensive Income/(Expense) For The Financial Year		2,349,977	2,426,929	10,269,899	(136,973)
Basic earnings per ordinary share (sen)					
from continuing operations	27	6.64	9.77		
from discontinued operation		(0.29)	(0.39)		
		6.35	9.38		

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

STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2011

	-----Attributable to owners of the parent -----					Total Equity RM
	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Earnings/ (Accumulated loss) RM	Minority Interests RM	
Group						
As at 1.4.2009	42,800,000	4,320,938	470,701	10,012,213	6,965,449	64,569,301
Additional investment in subsidiary					451,804	451,804
Total comprehensive (expense)/ income for the financial year			(706,474)	4,014,970	(881,567)	2,426,929
Balance at 31.3.2010/1.4.2010	42,800,000	4,320,938	(235,773)	14,027,183	6,535,686	67,448,034
Disposal of discontinued operation					(1,604,600)	(1,604,600)
Dividend to minority interests					(90,000)	(90,000)
Total comprehensive (expense)/ income for the financial year			(315,708)	2,718,631	37,054	2,439,977
Balance at 31.3.2011	42,800,000	4,320,938	(551,481)	16,745,814	4,878,140	68,193,411
Company						
As at 1.4.2009	42,800,000	4,320,938	-	(141,098)	-	46,979,840
Total comprehensive expense for the financial year				(136,973)		(136,973)
Balance at 31.3.2010/1.4.2010	42,800,000	4,320,938	-	(278,071)	-	46,842,867
Total comprehensive income for the financial year				10,269,899		10,269,899
Balance at 31.3.2011	42,800,000	4,320,938	-	9,991,828	-	57,112,766

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

STATEMENT OF CASH FLOWS for the financial year ended 31 MARCH 2011

	Note	Group		Company	
		2011 RM	Restated 2010 RM	2011 RM	2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation					
-Continuing operations		5,659,403	6,357,112	13,704,205	(108,828)
-Discontinued operation	26	(143,736)	(275,370)	-	-
		5,515,667	6,081,742	13,704,205	(108,828)
Adjustments for:					
Allowance for impairment of trade receivables		39,969	209,121	-	-
Reversal of allowance for impairment of trade receivables		(174,278)	(1,043,791)	-	-
Bad debts written off		232,609	182,505	-	-
Depreciation of investment property		16,000	16,000	-	-
Depreciation and amortisation of property, plant and equipment		2,534,805	3,202,650	-	-
Loss/(Gain) on disposal of property, plant and equipment		10,515	(816)	-	-
Loss on disposal of discontinued operation		90,864	-	-	-
Plant and equipment written off		25,496	29,838	-	-
Share of results in associate		3,967	3,658	-	-
Interest expense		2,030,685	1,798,286	-	-
Dividend income		-	-	(13,435,380)	-
Interest income		(646,047)	(1,513)	(337,260)	-
Operating Profit/(Loss) Before Working Capital Changes		9,680,252	10,477,680	(68,435)	(108,828)
Decrease in inventories		254,645	2,674,497	-	-
(Increase)/Decrease in receivables		(11,841,423)	(9,766,976)	(10,001,535)	2,214,439
Increase/(Decrease) in payables		5,230,211	4,260,409	88,836	(26,198)
Net cash from operating activities assets held for sale		-	87,680	-	-
Cash Generated From/(Used In) Operations		3,323,685	7,733,290	(9,981,134)	2,079,413
Dividend received		-	-	10,076,535	-
Tax refunded		47,456	1,267,964	-	-
Tax paid		(2,028,752)	(2,104,087)	(55,000)	(94,098)
Interest received		646,047	1,513	-	-
Interest paid		(2,030,685)	(1,798,286)	-	-
Translation reserve		38,188	(321,617)	-	-
Net Cash (Used In)/From Operating Activities		(4,061)	4,778,777	40,401	1,985,315
CASH FLOWS FROM INVESTING ACTIVITIES					
Additional investment in a subsidiary company by minority interest		-	451,804	-	-
Proceeds from disposal of property, plant and equipment		227,994	2,324	-	-
Purchase of property, plant and equipment	28	(348,947)	(522,407)	-	-
Net of cash, disposal of discontinued operation	8	2,923,457	-	-	-
Net cash used in investing activities assets held for sale		-	(3,203,714)	-	-
Net Cash From/(Used In) Investing Activities		2,802,504	(3,271,993)	-	-

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2011

Note	2011 RM	Group Restated 2010 RM	2011 RM	Company 2010 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bankers acceptances, trust receipts and bills payable	3,224,908	4,612,850	-	-
Repayment of hire purchase creditors	(1,878,357)	(660,787)	-	-
Repayment of term loans	(2,646,931)	(4,641,341)	-	(2,000,000)
Net Cash Used In Financing Activities	(1,300,380)	(689,278)	-	(2,000,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(6,164,872)	(6,982,378)	29,605	44,290
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(4,666,809)	(6,164,872)	70,006	29,605
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	3,640,992	3,626,423	70,006	29,605
Fixed deposits with licensed banks	16,897	16,493	-	-
Bank overdrafts	(8,324,698)	(9,807,788)	-	-
	(4,666,809)	(6,164,872)	70,006	29,605

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

I. GENERAL

The financial statements of the Group and of the Company are stated in Ringgit Malaysia (RM).

The Company was incorporated in Malaysia as a public limited liability company and listed on the Main Market of Bursa Malaysia Securities Berhad. It is domiciled in Malaysia with its registered office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur and principal place of business at PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.

At the end of the financial year, the Group and the Company have 220 employees (2010: 263) and 2 employees (2010: 3) respectively.

2. DATE OF AUTHORISATION OF ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 25 July 2011.

3. PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies and associate are disclosed in Notes 8 and 9.

4. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs) and the Companies Act 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 4(b).

As stated in Note 8, the financial statements of certain subsidiary companies have been prepared on the going concern basis. The ability of these subsidiary companies to continue on going concern basis is dependent on the continuing financial support of the Company and their achievement of future profitable operations.

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

b. Changes in Accounting Policies

The accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial year except as follows:

On 1 April 2010, the Group and the Company adopted the following new and Amendments to FRSs and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Reporting Statements: Cost of investment in a subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investment in Associates

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instrument: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of the above FRSs and Amendments to FRSs did not have material impact on the financial performance or position of the Group and of the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the financial year ended 31 March 2011.

FRS 8 Operating Segments

FRS 8 which replaces FRS 114, Segment Reporting, specifies how an entity should report information about its operating segments. The FRSs requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segments and assess their performances. The FRSs also requires the disclosures, based on available information, about the revenues derived by the entity from its products and services, the countries in which it earns revenues and holds assets and about the entity's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 32 to the financial statements.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of the financial statements. The revised Standard separates owner and non-owner changes in equity. The statements of changes in equity include only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit and loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosure to enable users of the financial statements to evaluate the Group's and the Company's objectives, policies and processes for managing capital. The new disclosure is made in Note 35 to the financial statements.

The Company has adopted the revised FRS 101 retrospectively. The comparative financial information on the statements of comprehensive income has been re-presented as summarised below so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	Group		
	Income Statement (As previously stated) RM	Effect of adopting FRS 101 RM	Statement of comprehensive income (As restated) RM
Profit for the financial year	3,499,629	-	3,499,629
Other comprehensive income	-	(1,072,700)	(1,072,700)
Total comprehensive income for the financial year	<u>3,499,629</u>	<u>(1,072,700)</u>	<u>2,426,929</u>

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. The adoption of this Standard has resulted in several changes in accounting policies relating to recognition and measurement of financial instruments.

The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

i. Impairment of loan and receivables

Prior to 1 April 2010, an allowance for doubtful debts was made when a debt was considered to be doubtful of collection. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. The adoption of FRS 139 does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

ii. Financial guarantee contracts

Prior to the adoption of FRS 139, financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries were not recognised in the statement of financial position unless it becomes probable that the guarantee may be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Company are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as at 1 April 2010. There is no effect on the financial performance or position of the Group and of the Company.

iii. Inter-company loans

During the current and prior financial years, the Company granted interest-free or low-interest loans and advances to its subsidiary. Prior to 1 April 2010, the loans and advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS 139, the interest-free or low-interest loans or advances are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method.

Amendment to FRS 117 Leases

Upon the adoption of the Amendment to FRS 117, the Group has reassessed the classification of land as finance or operating lease and determined that all leasehold land of the Group which are in substance is finance leases and has reclassified the leasehold land from prepaid lease payments to property, plant and equipment. The adoption of the amendment has resulted in a change in accounting policy which applied retrospectively in accordance with the transitional provisions of the amendment and certain comparatives have been restated. The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Group	As Previously Stated RM	Effect of Adopting Amendment to FRS 117 RM	As restated RM
Statement of financial position			
31 March 2010			
Property, plant and equipment	30,833,598	6,498,838	37,332,436
Prepaid lease payments	6,498,838	(6,498,838)	-
1 April 2009			
Property, plant and equipment	33,077,128	7,690,089	40,767,217
Prepaid lease payments	7,690,089	(7,690,089)	-

c. Standards Issued but Not Yet Effective

At the date of authorisation of this financial statements, Malaysian Accounting Standards Board (MASB) has issued the following new and revised FRSs, Amendment to FRSs and IC Interpretations but not yet effective and have not been early adopted by the Group and the Company in preparing the financial statements.

Description		Effective for annual periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC	Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132	Classification of Rights Issues	1 March 2010
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 3	Business Combinations [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 7	Financial Instruments - Disclosures [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 101	Presentation of Financial Statements [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 132	Financial Instruments: Presentation [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 134	Interim Financial Reporting [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 139	Financial Instruments: Recognition and Measurement [Improvements to FRSs (2010)]	1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124	Related Party Disclosures (revised)	1 January 2012

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the Amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the Amendments to FRS 127 are described below.

FRS 3: Business Combination (Revised 2010) and FRS 127: Consolidated and Separate Financial Statements (Revised)

FRS 3 (Revised 2010) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combination achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (Revised) requires that a change in the ownerships interest of a subsidiary company (without loss of control) is accounted for as a transaction with owner in his capacity as owner and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to be a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary company as well as loss of control of a subsidiary company.

The changes by FRS 3 (Revised) and FRS 127 (Revised) will be applied prospectively and only affect future acquisitions or losses of control of subsidiary companies and transactions with non-controlling interests.

d. Financial Instruments

Arising from the adoption of FRS 139, Financial Instruments: Recognition and Measurement, with effect from 1 April 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 April 2010, different accounting policies were applied.

i. Initial recognition and measurement

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

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company becomes a party to the contractual provisions of the instrument.

ii. Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

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.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a. Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

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

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

b. Loan and receivables

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

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

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

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

c. Held-to-maturity investments

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

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

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

The Group and the Company does not have any financial assets classified as held-to-maturity investments.

d. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

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

The Group and the Company does not have any financial assets classified as available-for-sale financial assets.

Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities.

e. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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

f. Other financial liabilities

The Group's and Company's other financial liabilities includes trade payables and other payables and loans and borrowings.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

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

iii. Regular way purchase or sale of financial assets

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

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

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

iv. Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profits or loss.

v. **Offsetting financial instruments**

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

e. **Subsidiaries and Basis of Consolidation**

i. **Subsidiaries**

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

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

ii. **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

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

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

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

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

Minority interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

f. **Goodwill**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

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

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

g. Associates

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

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

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

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

h. Property, Plant and Equipment, and Depreciation and Amortisation

Property, plant and equipment are stated at cost and at valuation/deemed cost less accumulated depreciation and amortisation, and accumulated impairment losses, if any.

Freehold land is stated at cost less impairment losses, if any. No amortisation is provided on the freehold land.

Building under construction is stated at cost less impairment losses, if any. No depreciation is provided on building under construction until it is ready for its intended use.

Long term leasehold land and buildings, are amortised evenly over their remaining lease periods of 62 to 86 years and 5 to 10% per annum.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

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

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

i. Leases

i. As lessee

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

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

In the previous financial years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided, except for leasehold land classified as investment property.

The Group had previously classified lease of land as finance lease and has recognised the amount of prepaid lease payments as property within property, plant and equipment. On adoption of FRS 117, Leases, as from the financial year 2007, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments in accordance with the transitional provision in FRS 117.67A.

The Group has previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision of FRS 117.67A. Such prepaid lease payments is amortised over the lease term.

Following the adoption of Amendment to FRS 117 on 1 April 2010, the Group has reclassified its long term leasehold land from prepaid lease payments to property, plant and equipment as disclosure in Note 4(b).

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

ii. As lessor

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

j. Inventories

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

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

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

k. Investment Properties

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

The investment properties are stated at valuation/deemed cost less accumulated depreciation and impairment losses if any.

Depreciation of investment properties is provided for on the straight line basis over their estimated useful lives of 50 years.

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

l. Receivable

Prior to 1 April 2010, receivables were initially recognised at their costs and subsequently stated at cost less allowance for doubtful debts.

Following the adoption of FRSs 139, trade and other receivables are categorised and measured as loans and receivables in accordance with note 4(d).

m. Cash and Cash Equivalents

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

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with note 4(d).

n. Impairment of Assets

i. Financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

ii. Non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

o. Provision for Liabilities

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

p. Equity Instruments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

q. Foreign currencies

i. Functional and presentation currencies

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

ii. Foreign currency transactions

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

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

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

iii. Foreign operations

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

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

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

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

r. Revenue Recognition

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

s. Employee Benefits

i. Short term benefits

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

ii. Defined contribution plans

As required by the law, the Group and the Company makes contribution to the state pension scheme, the Employee Provident Fund (EPF). Such contribution is recognised as an expense in the statements of comprehensive income as incurred.

t. Income Tax

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

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

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

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

u. Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

v. Hire Purchase

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

w. **Borrowing Costs**

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

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

x. **Non-Current Assets (or disposal group) held for sale and discontinued operations**

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

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

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

y. **Earnings per ordinary share**

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

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

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

z. **Segment Reporting**

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Following the adoption of FRS 8, Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

aa. **Critical Accounting Judgement and Key Sources of Estimation Uncertainty**

The preparation of the Group's financial statements requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities in future although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

i. **Significant Judgements in applying the Group's Accounting Policies**

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

ii. **Key sources of estimation uncertainty**

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

- **Useful lives of property, plant and equipment**

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

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

- **Impairment of goodwill on consolidation**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use ("VIU") of the cash-generating units ("CGU") to which goodwill is allocated. When VIU calculations are undertaken, management must estimate the expected future cash flows from the assets/CGU and choose a suitable discount rate to calculate the present value of those cash flows. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are stated in Note 10.

- **Impairment losses of Receivables**

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

- **Income taxes**

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expenses are disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

5. PROPERTY, PLANT AND EQUIPMENT

	-----Freehold-----		--Long Term Leasehold--		Furniture and fittings	Renovation, Signboard	Total
	Land and Buildings		Land and Buildings				
	At Cost	At Valuation/ Deemed Cost 2004 & 2005	At Cost	Valuation/ Deemed Cost (2004)	Plant and Machinery	Motor Vehicles	Office Equipment
	RM	RM	RM	RM	RM	RM	RM
Group - 2011							
At cost unless otherwise stated:							
RM							
At 1 April 2010							
- As previously stated	1,286,405	3,347,110	15,577,934	2,470,000	21,586,190	1,456,500	2,298,121
- Effect of adopting Amendment to FRS 117	-	-	1,041,561	6,130,000	-	-	-
- As restated	1,286,405	3,347,110	16,619,495	8,600,000	21,586,190	1,456,500	2,298,121
Additions	-	-	-	-	339,767	42,851	31,090
Disposals/Write off	-	-	(130,892)	-	(1,298,763)	(106,127)	(149,292)
Exchange difference	-	-	(561,029)	-	(112,285)	(31,947)	(20,131)
At 31 March 2011	1,286,405	3,347,110	15,927,574	8,600,000	20,514,909	1,361,277	2,159,788
Accumulated amortisation and depreciation:							
At 1 April 2010							
- As previously stated	29,826	186,947	1,567,716	268,735	13,113,156	1,073,467	1,838,181
- Effect of adopting Amendment to FRS 117	-	-	101,489	571,234	-	-	-
- As restated	29,826	186,947	1,669,205	839,969	13,113,156	1,073,467	1,838,181
Additions	1,767	27,063	501,798	120,169	1,506,236	87,767	75,877
Disposals/Write off	-	-	(23,858)	-	(1,218,103)	(83,959)	(95,438)
Exchange difference	-	-	(65,454)	-	(50,278)	(9,373)	(9,534)
At 31 March 2011	31,593	214,010	2,081,691	960,138	13,351,011	1,067,902	1,809,086
Accumulated impairment loss:							
At 1 April 2010/31 March 2011	95,164	-	-	-	-	-	-
Net carrying amount as at 31 March 2011	1,159,648	3,133,100	13,845,883	7,639,862	7,163,898	293,375	350,702
							786,628
							34,373,096

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	-----Freehold-----		--Long Term Leasehold--		Furniture and fittings, Renovation, Signboard	Total	
	Land and Buildings		Land and Buildings				
	At Valuation/ Deemed Cost 2004 & 2005	At Cost	Valuation/ Deemed Cost (2004)	Plant and Machinery	Motor Vehicles	Office Equipment	
	RM	RM	RM	RM	RM	RM	RM
Group - 2010							
At cost unless otherwise stated:							
RM							
At 1 April 2009							
- As previously stated	1,286,405	3,347,110	16,446,045	2,470,000	19,922,176	2,367,277	2,718,951
- Effect of adopting Amendment to FRS 117	-	-	2,508,245	6,130,000	-	-	-
- As restated	1,286,405	3,347,110	18,954,290	8,600,000	19,922,176	2,367,277	2,718,951
Additions	-	-	-	-	1,927,961	-	39,908
Disposals/Write off	-	-	-	-	(3,782)	-	(2,809)
Exchange difference	-	-	(704,848)	-	(124,166)	(103,203)	-
Transfer to assets held for sale	-	-	(1,629,947)	-	(135,999)	(807,574)	-
At 31 March 2010	1,286,405	3,347,110	16,619,495	8,600,000	21,586,190	1,456,500	2,756,050
							57,949,871
Accumulated amortisation and depreciation:							
At 1 April 2009							
- As previously stated	28,059	159,884	1,233,975	230,240	11,540,967	1,255,104	1,629,068
- Effect of adopting Amendment to FRS 117	-	-	458,597	489,559	-	-	-
- As restated	28,059	159,884	1,692,572	719,799	11,540,967	1,255,104	1,629,068
Additions	1,767	27,063	692,100	120,170	1,765,958	230,033	145,261
Disposals/Write off	-	-	-	-	(2,807)	-	(2,809)
Exchange difference	-	-	(77,071)	-	(54,963)	(31,605)	-
Transfer to assets held for sale	-	-	(638,396)	-	(135,999)	(380,065)	-
At 31 March 2010	29,826	186,947	1,669,205	839,969	13,113,156	1,073,467	1,771,520
							20,522,271
Accumulated impairment loss:							
At 1 April 2009/31 March 2010	95,164	-	-	-	-	-	-
Net carrying amount as at 31 March 2010	1,161,415	3,160,163	14,950,290	7,760,031	8,473,034	383,033	984,530
							37,332,436

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Net carrying amount of property, plant and equipment charged to banks for banking facilities granted to the Group are:

	2011 RM	Group Restated 2010 RM
Freehold land and buildings		
- At cost	814,484	816,251
- At valuation/deemed cost (2004 & 2005)	2,883,100	2,910,163
Long term leasehold land and buildings		
- At cost	8,734,148	9,040,189
- At valuation/deemed cost (2004)	7,478,809	7,596,609

Net carrying amount of property, plant and equipment acquired under hire purchase are:

	2011 RM	Group 2010 RM
Plant and machinery	1,091,604	2,846,422
Motor vehicles	97,981	112,089

During the financial years 2004 and 2005, the following assets of the Group were revalued upwards by the Directors of the Group based on the open market value as appraised by independent firm of professional valuers.

Had those assets revalued during the financial year 2004 been stated at cost less accumulated depreciation and amortisation, the net carrying amount would had been as follows:

Group - 2011	At 1.4.10 RM	Effect of adopting Amendment to FRS 117 (Note 6) RM	Additions RM	Disposals RM	At 31.3.11 RM
At cost					
Freehold land	200,000	-	-	-	200,000
Long term leasehold land and buildings	2,442,015	3,379,130	-	-	5,821,145
	<u>2,642,015</u>	<u>3,379,130</u>	<u>-</u>	<u>-</u>	<u>6,021,145</u>
Accumulated depreciation/ amortisation:					
Freehold land	-	-	-	-	-
Long term leasehold land and buildings	538,982	606,381	75,479	-	1,220,842
	<u>538,982</u>	<u>606,381</u>	<u>75,479</u>	<u>-</u>	<u>1,220,842</u>

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	Net carrying amount		Depreciation/ Amortisation
	2011	2010	2010
	RM	Restated RM	Restated RM
Freehold land	200,000	200,000	-
Long term leasehold land and buildings	4,600,303	4,675,782	75,479
	<u>4,800,303</u>	<u>4,875,782</u>	<u>75,479</u>

Group 2010 - Restated

	At 1.4.09 RM	Effect of adopting Amendment to FRS 117 (Note 6) RM	Additions RM	Disposals RM	At 31.3.10 RM
At cost					
Freehold land	200,000	-	-	-	200,000
Long term leasehold land and buildings	2,442,015	3,379,130	-	-	5,821,145
	<u>2,642,015</u>	<u>3,379,130</u>	<u>-</u>	<u>-</u>	<u>6,021,145</u>
Accumulated depreciation/ amortisation:					
Freehold land	-	-	-	-	-
Long term leasehold land and buildings	504,479	565,405	75,479	-	1,145,363
	<u>504,479</u>	<u>565,405</u>	<u>75,479</u>	<u>-</u>	<u>1,145,363</u>

	Net carrying amount		Depreciation/ Amortisation
	Restated 2010 RM	Restated 2009 RM	Restated 2009 RM
Freehold land	200,000	200,000	-
Long term leasehold land and buildings	4,675,782	4,751,261	75,880
	<u>4,875,782</u>	<u>4,951,261</u>	<u>75,880</u>

Due to absence of historical records, the net carrying amount of those assets revalued during the financial year 2005, had these assets been stated at costs are not disclosed. The revaluation was done by a subsidiary which was acquired by the Group during the financial year 2008.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011
6. PREPAID LEASE PAYMENTS
Group

	At 1.4.10 RM	Effect of adopting Amendment to FRS 117 (Note 5) RM	Additions RM	Disposals RM	At 31.3.11 RM
At cost unless otherwise stated:					
Long term leasehold land					
- at cost	1,041,561	(1,041,561)	-	-	-
- at valuation/deemed cost (2004)	6,130,000	(6,130,000)	-	-	-
	<u>7,171,561</u>	<u>(7,171,561)</u>	-	-	-
Accumulated amortisation:					
Long term leasehold land					
- at cost	101,489	(101,489)	-	-	-
- at valuation/deemed cost (2004)	571,234	(571,234)	-	-	-
	<u>672,723</u>	<u>(672,723)</u>	-	-	-
Net carrying amount	<u>6,498,838</u>				<u>-</u>

The long term leasehold land at deemed cost of RM6,130,000 was revalued by the Directors of the Group based on the open market value as appraised by independent firm of professional valuers in the financial year 2004. This asset is charged to the banks for banking facilities granted to the Group.

Had this revalued asset been stated at cost less accumulated amortisation, the net carrying amount would had been as follows:

	At 1.4.10 RM	Effect of adopting Amendment to FRS 117 (Note 5) RM	Additions RM	Disposals RM	At 31.3.11 RM
Group					
Long term leasehold land					
- at cost	3,379,130	(3,379,130)	-	-	-
- Accumulated amortisation	606,381	(606,381)	-	-	-
Net carrying amount	<u>2,772,749</u>				<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

7. INVESTMENT PROPERTY

Group	Freehold land RM	Freehold building RM	Total RM
At valuation/deemed cost:			
At 1 April 2009	1,000,000	800,000	1,800,000
Addition/disposal	-	-	-
At 31 March 2010/2011	1,000,000	800,000	1,800,000
Accumulated depreciation:			
At 1 April 2009	-	96,000	96,000
Depreciation for the financial year	-	16,000	16,000
At 31 March 2010/1 April 2010	-	112,000	112,000
Depreciation for the financial year	-	16,000	16,000
At 31 March 2011	-	128,000	128,000
Net carrying amount:			
At 1 April 2009	1,000,000	704,000	1,704,000
At 31 March 2010	1,000,000	688,000	1,688,000
At 31 March 2011	1,000,000	672,000	1,672,000

The freehold land and building were revalued by the Directors of the Group based on the open market value as appraised by independent firm of professional valuers in the financial year 2004. These assets are charged to the bank for banking facilities granted to the Group.

Had these revalued assets been stated at cost less accumulated depreciation, the net carrying amount would had been as follows:

Group	At 1.4.10 RM	Additions RM	Disposals RM	At 31.3.11 RM
At cost:				
Freehold land	1,157,558	-	-	1,157,558
Freehold building	590,000	-	-	590,000
	1,747,558	-	-	1,747,558
Accumulated depreciation:				
Freehold land	-	-	-	-
Freehold building	165,200	11,800	-	177,000
	165,200	11,800	-	177,000

	Net carrying amount		Depreciation/ Amortisation
	2011 RM	2010 RM	2010 RM
Freehold land	1,157,228	1,157,558	-
Freehold building	413,000	424,800	11,800
	1,570,558	1,582,358	11,800

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

8. INVESTMENT IN SUBSIDIARY COMPANIES

	2011 RM	Company 2010 RM
Unquoted shares - at cost	31,611,684	31,611,684

The details of the subsidiary companies are as follows:-

Name of Companies	Effective Group Interest		Principal Activities
	2011 %	2010 %	
Direct subsidiary: Toyo Ink Sdn. Bhd.	100	100	Investment holding and as ink manufacturer.
Subsidiaries of Toyo Ink Sdn. Bhd.: Toyo Photo Products Sdn. Bhd.	100	100	Dealers of graphic art, films, chemicals, machineries and equipment for lithography and allied industries.
Toyo Dai-Nichi Ink Sdn. Bhd.	60	60	Manufacturers and dealers of printing ink and other printing materials.
Toyo Ink (Perak) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Penang) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
[^] Toyo Ink (Melaka) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
EDM-Tools (M) Sdn. Bhd.	100	100	Sales and distributions of electrical discharge machining tools.
ELO Dunia Manufacturing (M) Sdn. Bhd..	100	100	Manufacturing and fabrication of metal and graphite parts
INMAC EDM-Tools (M) Sdn. Bhd.	100	100	Manufacturing of EDM cut-wire.
EDM-Tools (Penang) Sdn. Bhd.	100	100	Dealer of all kinds of engineering and aviation equipment, accessories and attachments.
Toyo Laser Technology Sdn. Bhd.	100	100	Sales and distributions of machinery and machine parts.
Total Young Ink Vietnam Co., Ltd.	-	60	Trading in printing ink and printing consumables.
^{#^} Citi Ink Manufactured Joint Venture Co., Ltd.	60	60	Manufacturer of printing inks.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

All the subsidiaries are incorporated in Malaysia except for Total Young Ink Vietnam Co., Ltd. and Citi Ink Manufactured Joint Venture Co., Ltd. are incorporated in Vietnam.

Audited by other auditor.

^ Companies' financial statements have been prepared by applying the going concern assumption.

a. Toyo Ink Sdn. Bhd.

The Audit reports of Toyo Ink Sdn. Bhd. carried an "emphasis of matter" without qualifying the opinion, drawing attention to the followings:

The Group's Power Plant Project has commenced since the financial year 2008. Refundable payments has been made for tendering the project, and has been accumulated to RM59,937,716 as at 31 March 2011. Based on the feedback from the Consultant appointed in Vietnam, the Board of Directors is fully cognizant of the risks involved but is confident of the successful outcome of the project. The holding company, Toyo Ink Group Berhad had made announcements regularly to Bursa Malaysia Securities Berhad on the development progress of the project, which is now awaiting approval from the Vietnamese Government. The ultimate outcome of the project cannot presently be determined and, accordingly, neither income nor expense has been recognised in the financial statements.

b. Citi Ink Manufactured Joint Venture Co., Ltd. ("CITI")

The opinion of the Auditors is qualified by the following matters:

- i. They did not observe the counting of cash on hand, the physical inventories and fixed assets as of 31 March 2011 because at that time, they had not yet been appointed as CITI's Auditors. With CITI's present dossiers, they could not check the accuracy and the existence of cash on hand, inventories and fixed assets at that time and also do other replace auditing procedures, with the amount of RM292,049 (VND1,936,003,730); RM14,800 (VND98,108,656); RM1,966,190 (VND13,033,807,771) in respectively.
- ii. For the factory construction, CITI hired contractors to design, execute and supervise the construction. About the materials, CITI purchased themselves without budgeted statement. Therefore, they did not have enough related documents to check the material expenses whether they matched with the budgeted statement or not.

In their opinion, except for the matter mentioned above, the financial statements of CITI, in all material respects, give a true and fair view of the financial position of CITI as of 31 March 2011, the results of its operations and its cash flows for the fiscal year then ended in accordance with Vietnamese Accounting Standards and system and comply with relevant statutory requirements.

Without qualify their opinion, they draw attention to the matter as follows:

- i. On 13 November 2009, Toyo Ink Sdn. Bhd. ("TISB") transferred to CITI's account with the amount RM269,529 (USD99,973) (equivalent: VND1,786,717,456), the accountant recorded this amount as payables to Mrs. Diep Thi Hai. On 31 March 2010, CITI paid this amount to Mrs. Diep Thi Hai. However, up to the date of this report issued, they have not received any documents which involve in the record of the above transaction.
- ii. As mentioned in the notes to the financial statements of CITI, CITI's accumulated loss was up to RM2,458,479 (VND16,297,338,462) as at 31 March 2011. That accumulated loss includes losses from exchange rate of RM1,593,555 (VND10,563,727,341). It's because CITI received the amount of RM8,923,025 (USD3,675,000) (equivalent to VND59,151,022,659) from TISB in 2007. In 20 April 2010, CITI paid the amount of RM10,516,580 (USD3,675,000) (equivalent to VND69,714,750,000) to Phu My Vinh Consulting Investment & Trading Service Co., Ltd in accordance with agreement dated in 14 April 2010.
- iii. As a reason, CITI's accumulated loss was up to RM2,458,479 (VND16,297,338,462) as at 31 March 2011. Thus CITI's ability to continue as a going concern depends on the results of its operation in following years.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

- iv. CITI has disposed off nearly all of its property and equipment for the purpose of operating business in the period. At this time, they have not received any orders or plans for restoring the operation. However, the financial statements as of 31 March 2011 have been prepared assuming that CITI will continue as a going concern.

The management of the Group and of the Company has reviewed the financial statements of CITI. Where necessary, adjustments are made to the financial statements of CITI to ensure consistency of accounting principles and policies with those adopted by the Group and also gathered the information and explanations required for the purpose of preparation of consolidated financial statements. The management does not envisage any further significant adjustments that may adversely affect the financial results as presented.

c. Total Young Ink Vietnam Co., Ltd.

The unaudited management financial statements of Total Young Ink Vietnam Co., Ltd. ("TYI") have been used for preparation of consolidated financial statements in the financial year 2010 with the relevant information and explanations furnished by the management. TYI was presented as a disposal group held for sale in the financial year 2010 and was disposed of on 30 August 2010.

- i. The effects of the disposal on the financial results of the Group during the financial year are disclosed in Note 26.
- ii. The effects of the disposal on the financial position of the Group are as follows:

	Group 2011 RM
Assets classified as held for sale	4,541,407,
Liabilities classified as held for sale	<u>(36,128),</u>
Net assets disposed	4,505,279,
Translation reserve	236,999,
Loss on disposal of investment in subsidiary company	(90,864),
Cash and cash equivalents of subsidiary company	<u>(1,727,957),</u>
Net of cash, disposal of investment in subsidiary company	<u>2,923,457,</u>

9. INVESTMENT IN ASSOCIATE

	2011 RM	Group 2010 RM
Unquoted shares - at cost	309,751	309,751
Share of post acquisition results	(39,609)	(35,642)
Adjustment for exchange gain arising on year end translation of investment in foreign associate	216,238	207,274
	<u>486,380</u>	<u>481,383</u>
Represented by:		
Share of net assets of associate	533,874	528,877
Discount on acquisition	(47,494)	(47,494)
	<u>486,380</u>	<u>481,383</u>

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

The details of the associate which was incorporated in Singapore are as follows:-

Name of Companies	Effective Group Interest		Principal Activities
	2011 %	2010 %	
Toyo Color Pte. Ltd.	50%	50%	Dealers, importers and exporters of printing ink and graphic products.

The summarised financial information of the associate is as follows:

	2011 RM	2010 RM
Assets and Liabilities:		
Current assets	39,677	46,912
Non current assets	1,059,223	1,041,569
Total assets	1,098,900	1,088,481
Current liabilities	31,152	30,727
Non current liabilities	-	-
Total liabilities	31,152	30,727
Results:		
Revenue	-	-
Loss for the financial year	(7,934)	(7,316)

10. GOODWILL ON CONSOLIDATION

	2011 RM	Group 2010 RM
At cost/carrying amount	17,496,312	17,496,312

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

	2011 RM	Group 2010 RM
Manufacturing	10,205,616	10,205,616
Trading	7,290,696	7,290,696
	17,496,312	17,496,312

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

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

- i. **Gross margin**
The projected gross margin reflects the average historical gross margin, adjusted for projected market and economic conditions and internal resource efficiency.
- ii. **Growth rate**
Growth rate are determined based on the industry trends and past performances of the segments.
- iii. **Discount rate**
The discount rate used is 6% which approximates the cash-generating units' average cost of funds.

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

11. INVENTORIES

	2011 RM	Group 2010 RM
At cost:		
Raw materials	5,736,447	4,627,646
Finished goods	4,065,254	3,740,203
Goods in transit	-	100,158
Trading merchandise	6,187,735	7,776,074
	<u>15,989,436</u>	<u>16,244,081</u>

12. TRADE AND OTHER RECEIVABLES

	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Trade-				
Trade receivables	27,861,810	27,311,022	-	-
Allowance for impairment	(1,361,266)	(1,495,575)	-	-
	<u>26,500,544</u>	<u>25,815,447</u>	-	-
Non-trade-				
Other receivables	260,917	413,155	-	-
Prepayments	60,226,330	49,057,183	86,250	-
Deposits	267,340	226,223	-	-
	<u>60,754,587</u>	<u>49,696,561</u>	<u>86,250</u>	<u>-</u>
	<u>87,255,131</u>	<u>75,512,008</u>	<u>86,250</u>	<u>-</u>

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

The amount owing by other receivables of the Group are unsecured, interest free and repayable on demand.

Aging analysis of trade and other receivables

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	2011 RM	Group 2010 RM
Trade receivables		
Neither past due nor impaired	12,491,656	11,957,446
1 to 30 days past due not impaired	5,729,470	5,439,284
31 to 60 days past due not impaired	3,386,628	4,208,231
61 to 90 days past due not impaired	1,963,586	1,471,501
91 to 120 days past due not impaired	1,028,543	373,881
More than 121 days past due not impaired	1,900,661	2,365,104
	14,008,888	13,858,001
Impaired	1,361,266	1,495,575
Total trade receivable, gross	27,861,810	27,311,022
Other receivables		
Neither past due nor impaired	260,917	413,155

Receivables that are neither past due nor impaired

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

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

All other receivables do not contain impaired assets and are not past due. Based on the credit history of these other receivables, it is expected that these amounts will be received when due.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM14,008,888 (2010: RM13,858,001) that are past due at the reporting date but not impaired.

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

Receivables that are impaired

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

	2011 RM	Group Individually impaired 2010 RM
Trade receivables		
- nominal amounts	1,361,266	1,495,575
Allowance for impairment	1,361,266	1,495,575
	-	-

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Movement in allowance accounts:

	2011 RM	Group 2010 RM
At 1 April	1,495,575	2,330,245
Charge for the financial year	39,969	209,121
Reversal during the financial year	(174,278)	(1,043,791)
At 31 March	<u>1,361,266</u>	<u>1,495,575</u>

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

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

	2011 RM	Group 2010 RM
Payments	<u>59,937,716</u>	<u>48,689,504</u>

The Group's Power Plant Project has commenced since the financial year 2008, the refundable payments has been made for tendering the project, and the payments made has been accumulated to RM59,937,716 as of 31 March 2011. The payments was partly financed by the advances received from other payables of RM33,997,600 (see Note 21) and from certain Directors of the Company of RM8,730,000.

The Group's risk assessment and evaluation of this project are periodically reviewed by the Board of Directors at its quarterly meetings. The Board of Directors' estimates are based primarily on the Consultant appointed in Vietnam. Different assumptions will impact the measurement of the prepayments which may have an effect on the financial statements.

The progress of the project is as follows:

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

Working along with the local authorities, the Company subsequently selected various other locations in the South of Vietnam for developing an electric power plant using imported coal.

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

The Company is working with Power Engineering Consulting Joint Stock Company 2 to identify suitable land in Duyen Hai 3, Tra Vinh Province, Vietnam for the proposed power plant with capacity of 2 x 1,000MW.

On 19 January 2010, the Company entered into an agreement with CTTE Consultancy & Training Co., Ltd. ("CTTE") to appoint CTTE as the consultant to provide services pertaining to the preparation of preliminary investment report for the 2000MW Duyen Hai 3 Coal-Fired Power Project.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Further to the meeting between the Company and the Provincial People's Committee of Hau Giang Province, Vietnam, for the presentation of the Company's proposed investment project for Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province, with output capacity of 2 X 1,000 MW at an estimated investment of USD2.6 billion, the Company announced that it had received notification as follows:

- a. The People's Committee of Hau Giang Province, Vietnam, has agreed in principle to the Company's proposed investment project for building of the Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province.
- b. The People's Committee of Hau Giang Province, Vietnam, has submitted to the Prime Minister an official letter dated 20 April 2011 seeking approval of the Company's proposed investment in the Thermo Power Plant Project with the following comments:
 - i. The Planning of Song Hau Power Center, Hau Giang Province, has been approved by the Ministry of Industry and Trade, with the land use scale of 360 hectares, power of 5,200MW, containing 3 projects: Song Hau 1 Thermo Power Plant Project, capacity of 2 X 600MW; Song Hau 2 and 3 Thermo Power Plants Projects, capacity of 2 x 2 x 1,000MW. Petrovietnam ("PVN") has been assigned to play the role of investor of Song Hau 1 Thermo Power Plant Project and general infrastructure of Song Hau Power Center by the Prime Minister. Song Hau Power Center is a huge project while capital arrangement capability of PVN is limited. At present, there are no investors of Song Hau 2 and 3 Thermo Power Plants.
 - ii. The proposed investment in the project of the Company is suitable to the planning of Song Hau Power Center which has been approved by the Ministry of Industry and Trade at the Decision No. 6722/QD-BCT dated 23 December 2008 and it is suitable to present remarkable power use demand of Mekong Delta in particular and the entire country in general. In addition, the geographical location of Song Hau Power Center is advantageous for coal transport from other area to serve the operation of the plants. In principle, the People's Committee of Hau Giang Province hereby agrees to let the Company invest and construct the Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province.

The Board of Directors fully realises that a complex project of this nature, with countless meetings and presentations to various provincial authorities and offices of relevant ministries of the Vietnam Government will be extremely time-consuming. The Board of Directors is fully cognizant of the risks involved but is confident of successful outcome of this project. All payment and advance to the consultants are refundable if the Company is not successful in securing this project. Accordingly no impairment on the prepayment had been recognised in these financial statements.

The Company is now awaiting approval from the Vietnamese Government.

13. AMOUNT OWING BY A SUBSIDIARY COMPANY

	2011 RM	Company 2010 RM
Toyo Ink Sdn. Bhd.		
Trade	40,000	210,000
Non trade		
- interest free	15,209,477	15,097,942
- interest rate at 4% (2010: n/a) per annum	10,337,260	-
	<u>25,586,737</u>	<u>15,307,942</u>

The trade terms are as stated in Note 12.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

14. DISPOSAL GROUP HELD FOR SALE

The Group's 60% owned subsidiary, Total Young Ink Vietnam Co., Ltd., ("TYI"), a company incorporated in Vietnam, is presented as a disposal group held for sale in the financial year 2010 and the disposal is materialised in current financial year. As at 31 March 2010, the assets and liabilities of the disposal group are as follows:

	Note	Group 2010 RM
Assets classified as held for sale		
Property, plant and equipment	14a	653,899
Prepaid lease payments	14b	771,474
Inventories	14c	1,055,646
Receivables	14d	332,431
Cash and bank balances		1,727,957
		<u>4,541,407</u>
Liabilities classified as held for sale		
Taxation		36,128
Note		
14a. Property, plant and equipment held for sale comprise the followings:		
Cost		1,459,792
Accumulated depreciation/amortisation		805,893
		<u>653,899</u>
14b. Prepaid lease payments held for sale comprise the followings:		
Cost		1,268,177
Accumulated amortisation		496,703
		<u>771,474</u>

14c. The inventories held for sale comprise finished goods and are stated at cost.

14d. Receivables are stated at cost.

15. SHARE CAPITAL

Ordinary shares of RM1 each:

	No. of share	2011 RM	No. of shares	2010 RM
Authorised	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid	42,800,000	42,800,000	42,800,000	42,800,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

16. RESERVES

	Note	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Non-distributable:					
Share premium	16a	4,320,938	4,320,938	4,320,938	4,320,938
Translation reserve	16b	(551,481)	(235,773)	-	-
		<u>3,769,457</u>	<u>4,085,165</u>	<u>4,320,938</u>	<u>4,320,938</u>
Distributable:					
Retained earnings/ (Accumulated loss)		16,745,814	14,027,183	9,991,828	(278,071)
		<u>20,515,271</u>	<u>18,112,348</u>	<u>14,312,766</u>	<u>4,042,867</u>

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Non distributable reserves are not distributable by way of dividends.

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

Note

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

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

17. MINORITY INTERESTS

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

18. HIRE PURCHASE PAYABLES

	2011 RM	Group 2010 RM
Minimum hire purchase payments:		
Not later than 1 financial year	347,846	1,079,159
Later than 1 financial year and not later than 5 financial years	31,410	1,233,128
	379,256	2,312,287
Less: Future interest charges	10,857	146,807
Present value of hire purchase liabilities	368,399	2,165,480
Repayable as follows:		
Current - not later than 1 financial year	337,932	981,196
Non-current - later than 1 financial year and not later than 5 financial years	30,467	1,184,284
	368,399	2,165,480
Interest rate per annum (%)	2.77 - 3.75	2.77 - 3.75

19. BANK BORROWINGS

	Maturity	2011 RM	Group 2010 RM
Repayable within 12 months:			
Unsecured			
Bankers' acceptances	2012	9,463,000	12,347,000
Bank overdrafts	On demand	3,818,574	3,700,382
		13,281,574	16,047,382
Secured -			
Bills payable	2012	6,113,000	4,938,000
Bankers' acceptances	2012	7,429,412	2,495,504
Bank overdrafts	On demand	4,506,124	6,107,406
Term loans	2012	778,816	2,651,971
		18,827,352	16,192,881
		32,108,926	32,240,263
Repayable after 12 months:			
Term loans – secured	2016	699,832	1,473,608
Total Borrowings		32,808,758	33,713,871

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

The bank borrowings bear interest ranging from 1.25 to 1.75 (2010: 1.25 to 1.75) percent per annum above base lending rates and are secured as follows:

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

20. DEFERRED TAX LIABILITIES

	2011 RM	Group 2010 RM
At 1 April	2,075,431	1,724,280
Transfer from statement of comprehensive income	256,460	364,579
Deferred tax relating to revaluation of property	(13,428)	(13,428)
At 31 March	<u>2,318,463</u>	<u>2,075,431</u>

The components of deferred tax liabilities at the end of the financial year comprise tax effect of:

	2011 RM	Group 2010 RM
Excess of capital allowance over corresponding depreciation	1,471,545	1,219,304
Revaluation reserve	852,502	865,930
Unabsorbed capital allowances	(8,445)	(4,682)
Unabsorbed tax losses	(21,537)	-
Other deductible temporary differences	(1,482)	(11,301)
Deferred tax assets not recognised	25,880	6,180
	<u>2,318,463</u>	<u>2,075,431</u>

21. TRADE AND OTHER PAYABLES

	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Trade-				
Trade payables	11,753,460	11,892,361	-	-
Non-trade-				
Other payables	34,474,504	34,517,386	-	-
Accruals	1,839,174	1,845,780	144,365	205,529
Deposits	17,950	19,350	-	-
	<u>36,331,628</u>	<u>36,382,516</u>	<u>144,365</u>	<u>205,529</u>
	<u>48,085,088</u>	<u>48,274,877</u>	<u>144,365</u>	<u>205,529</u>

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

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

Included in other payables are the following advances received for the Group's Power Plant Project in Vietnam, as disclosed in Note 12:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	2011 RM	Group 2010 RM
Advances received	33,997,600	34,197,600

22. AMOUNT OWING TO DIRECTORS

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

23. REVENUE

	Note	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Continuing operations					
Sales of goods		109,865,017	93,604,589	-	-
- Management fee		-	-	240,000	240,000
Dividend income		-	-	13,435,380	-
		109,865,017	93,604,589	13,675,380	240,000
Discontinued operation					
Sales of goods	26	266,283	1,258,023	-	-
		110,131,300	94,862,612	13,675,380	240,000

24. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at:

	2011 RM	Group Restated 2010 RM	2011 RM	Company 2010 RM
After charging:				
Auditors' remuneration				
- statutory				
- current financial year	127,000	116,500	18,000	16,000
- overstated in prior financial year	(6,280)	(1,500)	-	-
- non statutory				
- current financial year	10,500	4,900	4,000	3,500
Rental of premises	202,147	275,603	-	-
Depreciation of investment property	16,000	16,000	-	-
Depreciation and amortisation of property, plant and equipment	2,534,805	3,202,650	-	-
Hire of machinery	-	37,711	-	-
Interest expense	2,030,685	1,798,286	-	-
Loss on disposal of property, plant and equipment	10,515	-	-	-
Allowance for impairment of trade receivables	39,969	209,121	-	-
Loss on foreign exchange – realised	99,976	17,335	-	-
Management fee	226,385	441,763	-	-
Plant and equipment written off	25,496	29,838	-	-
Bad debt written off	232,609	182,505	-	-
Hire of motor vehicles	3,801	-	-	-
Staff and labour costs	11,217,355	11,616,482	87,500	87,500

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	Group		Company	
	2011	Restated	2011	2010
	RM	2010	RM	RM
		RM		
And crediting:				
Bad debts recovered	51,800	20,911	-	-
Reversal of allowance for impairment of trade receivables	174,278	1,043,791	-	-
Gain on foreign exchange – realised	232,510	359,604	-	-
Gain on disposal of property, plant and equipment	-	816	-	-
Grant received	44,036	249,507	-	-
Interest income	646,047	1,513	337,260	-
Rental income	400,440	304,480	-	-
Royalties income	25,000	20,000	-	-
Insurance claim	15,446	-	-	-
Profit guarantee from vendors of subsidiaries	-	3,575,588	-	-
Staff and labour costs comprise:				
Directors' remuneration	1,948,721	2,064,834	87,500	87,500
Salaries, wages, allowance, overtime and bonus	8,199,285	8,410,920	-	-
Social security costs	91,401	117,895	-	-
Pension cost (defined contribution plan)	977,948	1,022,833	-	-
	11,217,355	11,616,482	87,500	87,500
Included in staff and labour costs is:				
Directors' remuneration				
- fees	277,050	313,500	87,500	87,500
- salaries and other emoluments	1,671,671	1,751,334	-	-
- social security costs	531	1,860	-	-
- pension costs (defined contribution plan)	147,236	227,488	-	-

25. TAXATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Provision for taxation for the financial year				
- Malaysia	(2,500,877)	(2,353,200)	(3,460,000)	(18,000)
Over/(Under) provision of Malaysian income tax in prior financial years	8,178	122,238	(556)	(10,145)
Deferred tax expense relating to origination and reversal of temporary differences	(256,460)	(364,579)	-	-
Crystallisation of deferred tax resulting from revaluation of property	13,428	13,428	-	-
	(2,735,731)	(2,582,113)	(3,460,556)	(28,145)
Share of taxation in associated company	-	-	-	-
Tax expense for the financial year	(2,735,731)	(2,582,113)	(3,460,556)	(28,145)

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Profit/(Loss) before taxation excluding share of results in associate	5,519,634	6,085,400	13,730,455	(108,828)
Taxation at Malaysian statutory tax rate	(1,379,908)	(1,521,350)	(3,432,614)	27,207
Tax effects in respect of:				
Depreciation and amortisation on non-qualifying property, plant and equipment, and investment property	(26,509)	(355,040)	-	-
Non allowable expenses	(1,191,608)	(960,830)	(33,526)	(43,777)
Over/(Under) provision of Malaysian income tax in prior financial years	8,178	122,238	(556)	(10,145)
Deferred tax assets not recognised	(44,927)	129,764	-	-
Under provision of deferred tax in prior financial years	(109,128)	(26,395)	-	-
Crystallisation of deferred tax resulting from revaluation of property	13,428	13,428	-	-
Effect of tax on foreign jurisdiction	(49,490)	(143,444)	-	-
Income not subject to income tax	58,203	239,841	-	-
Others	(13,970)	(80,325)	6,140	(1,430)
Tax expense for the financial year excluding share of taxation in associated company	(2,735,731)	(2,582,113)	(3,460,556)	(28,145)

The income tax rate in Malaysia for the financial year under review is 25% (2010: 25%) of taxable income.

26. DISCONTINUED OPERATION

As stated in Note 14, the Group has decided to dispose of its foreign subsidiary Total Young Ink Vietnam Co., Ltd. during the financial year 2010 and the disposal is materialised in current financial year. The results from this subsidiary are presented separately on the consolidated statement of comprehensive income as discontinued operation.

	Note	2011 RM	Group 2010 RM
Results of discontinued operation			
Revenue	23	266,283	1,258,023
Expenses		(319,155)	(1,533,393)
Loss before taxation		(52,872)	(275,370)
Taxation		-	-
Loss for the financial year		((52,872)	(275,370)
Loss on disposal of discontinued operation		(90,864)	-
		(143,736)	(275,370)
Included in loss before taxation are:			
Amortisation of prepaid lease payments		-	128,683
Depreciation/Amortisation of property, plant and equipment		-	130,063
Staff and labour cost		-	407,457
Cash flows from/(used in) discontinued operation			
Net cash from operating activities		-	87,680
Net cash from/(used in) investing activities		2,923,457	(3,203,714)
Net cash from financing activities		-	-
Net cash flows		2,923,457	(3,116,034)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

27. EARNINGS/(LOSS) PER ORDINARY SHARE

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

	2011 RM	Group 2010 RM
Profit/(loss) attributable to ordinary shareholders		
Continuing operations	2,841,218	4,180,192
Discontinued operation	(122,587)	(165,222)
	2,718,631	4,014,970
Weighted average number of ordinary share		
Weighted average number of ordinary share	42,800,000	42,800,000
Basic earnings/(loss) per ordinary share		
Continuing operations	6.64	9.77
Discontinued operation	(0.29)	(0.39)
	6.35	9.38

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

28. NOTE TO STATEMENTS OF CASH FLOWS

	2011 RM	Group 2010 RM
Purchase of Property, Plant and Equipment		
Mode of payments:		
Hire purchase	81,276	1,490,298
Cash	348,947	522,407
	430,223	2,012,705

29. SECTION 108 TAX CREDIT AND TAX EXEMPT INCOME ACCOUNT

Subject to agreement by the Inland Revenue Board, the Group has Section 108 tax credit and tax exempt income account to frank and distribute its distributable reserves at 31 March 2011 if paid out as dividends.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the remaining Section 108 tax credit as at 31 March 2011 will be available to the Group and to the Company until such time the credit is fully utilised or upon expiry of the six year transitional period on 31 December 2013 whichever is earlier.

30. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Identity of Related Parties

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group neither directly nor indirectly. The key management personnel include all the Directors of the Group and certain members of the senior management of the Group.

The Group has related party relationships with the following parties:

Subsidiaries (refer Note 8)

Associate (refer Note 9)

In the normal course of business, the Group undertakes transactions with certain of its related parties listed above. Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Transactions with a related party in which certain Directors of the Company have substantial financial interests:				
Toyo Ink Pte. Ltd.				
Sales	2,822	6,480	-	-
Transactions with a related party who is Director of Total Young Ink Vietnam Co., Ltd.				
Ms. Diep Thi Hai., director of subsidiary companies				
Proceed from disposal of discontinued operation	2,046,000	-	-	-
Transactions with subsidiary company				
Toyo Ink Sdn. Bhd.				
Management fees income	-	-	240,000	240,000
Interest income	-	-	337,260	-
Dividend income	-	-	13,435,380	-

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

31. CONTINGENT LIABILITIES

	2011 RM	Company 2010 RM
Corporate guarantee for banking facilities extended to subsidiary companies - unsecured	69,665,000	73,915,000

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



NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

32. SEGMENTAL INFORMATION

Operating Segments

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

Manufacturing	Including the manufacturing of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, films, chemicals and equipment for lithography and allied industries
Trading and investment holding	Including investment holding of the investments in subsidiaries and property investment, supplies, distributions and dealing of printing ink, colour pigment, colourants for plastic and other printing materials and electrical discharge machining tools

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

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

Segment assets

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

Segment liabilities

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

Segment capital expenditure

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

Major customers

The Group has a diversified range of customers.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

2011

Business Segments	Manufacturing RM	Trading and investment holding RM	Discontinued operation RM	Elimination RM	Consolidated RM
Revenue					
External	68,705,154	41,159,863	266,283	-	110,131,300
Inter-segment	25,554,373	3,107,434	237,474	(28,899,281)	-
Total segment revenue	<u>94,259,527</u>	<u>44,267,297</u>	<u>503,757</u>	<u>(28,899,281)</u>	<u>110,131,300</u>
Results					
Segment results	4,793,290	3,364,855	(143,736)	-	8,014,409
Finance costs	1,560,237	934,538	-	-	(2,494,775)
Share of results in associate		(3,967)	-	-	(3,967)
Taxation					(2,735,731)
Minority interests					(61,305)
Profit for the financial year					<u>2,718,631</u>
Other Information					
Segment assets	115,286,593	26,984,459	-	-	142,947,552
Associate					486,380
Unallocated corporate assets					17,854,683
Consolidated segment assets					<u>161,288,615</u>
Segment liabilities	53,894,976	3,330,112	-	-	57,225,088
Unallocated corporate liabilities					35,870,116
Consolidated segment liabilities					<u>93,095,204</u>
Capital expenditure	390,326	39,879	-	-	430,223
Depreciation/amortisation	2,266,885	283,920	-	-	2,550,805

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011
2010

Business Segments	Trading and investment holding		Discontinued operation	Elimination	Consolidated
	Manufacturing	RM			
Revenue					
External	57,094,230	36,510,359	1,258,023	-	94,862,612
Inter-segment	25,435,045	4,133,788	1,167,439	(30,736,272)	-
Total segment revenue	82,529,275	40,644,147	2,425,462	(30,736,272)	94,862,612
Results					
Segment results	3,743,988	4,660,439	(275,355)	(108,828)	8,020,244
Finance costs	(2,091,040)	(545,156)	(15)	701,367	(1,934,844)
Share of results in associate	-	(3,658)	-	-	(3,658)
Taxation					(2,582,113)
Minority interests					515,341
Profit for the financial year					4,014,970
Other Information					
Segment assets	102,123,984	32,295,457	4,541,407	-	138,960,848
Associate					481,383
Unallocated corporate assets					18,218,765
Consolidated segment assets					157,660,996
Segment liabilities	49,770,666	2,224,211	-	-	51,994,877
Unallocated corporate liabilities					38,218,085
Consolidated segment liabilities					90,212,962
Capital expenditure	1,975,133	34,941	2,631	-	2,012,705
Depreciation/amortisation	2,631,392	332,816	258,746	(4,304)	3,218,650

Geographical Segments

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

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The Group operates in two principal geographical areas, Malaysia and Vietnam. In Malaysia, the Group's areas of operation are mainly production and sale of products. In Vietnam, the Group's area of operation is mainly sale of products.

	Revenue from external Customers by location of Customers		Segment assets by location of assets		Capital expenditure by location of assets	
	2011	2010	2011	2010	2011	2010
	RM	RM	RM	RM	RM	RM
Continuing operations:						
Malaysia	109,865,017	93,604,589	137,647,856	127,504,819	430,223	2,008,343
Vietnam	-	-	5,786,076	7,396,005	-	1,731
Discontinued operation:						
Vietnam	266,283	1,258,023	-	4,541,407	-	2,631
	110,131,300	94,862,612	143,433,932	139,442,231	430,223	2,012,705

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

33. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

- a. Further to the status of the Group's Vietnam Power Plant Project as disclosed under Note 12, the Company has further announced the followings:
- i. The People's Committee of Hau Giang Province, Vietnam, has agreed in principle to the Company's proposed investment project for building of the Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province.
 - ii. The People's Committee of Hau Giang Province, Vietnam, has submitted to the Prime Minister an official letter dated 20 April 2011 seeking approval of the Company's proposed investment in the Thermo Power Plant Project with the following comments:
 - a. The Planning of Song Hau Power Center, Hau Giang Province, has been approved by the Ministry of Industry and Trade, with the land use scale of 360 hectares, power of 5,200MW, containing 3 projects: Song Hau 1 Thermo Power Plant Project, capacity of 2 X 600MW; Song Hau 2 and 3 Thermo Power Plants Projects, capacity of 2 X 2 X 1,000MW. Petrovietnam ("PVN") has been assigned to play the role of investor of Song Hau 1 Thermo Power Plant Project and general infrastructure of Song Hau Power Center by the Prime Minister. Song Hau Power Center is a huge project while capital arrangement capability of PVN is limited. At present, there are no investors of Song Hau 2 and 3 Thermo Power Plants.
 - b. The proposed investment in the project of the Company suitable to the planning of Song Hau Power Center which has been approved by the Ministry of Industry and Trade at the Decision No. 6722/QD-BCT dated 23 December 2008 and it is suitable to present remarkable power use demand of Mekong Delta in particular and the entire country in general. In addition, the geographical location of Song Hau Power Center is advantageous for coal transport from other area to serve the operation of the plants. In principle, the People's Committee of Hau Giang Province hereby agrees to let the Company invest and construct the Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province.
- b. On 30 August 2010, Toyo Ink Sdn. Bhd. ("TISB") a wholly owned subsidiary of the Company had signed an agreement with Ms. Diep Thi Hai, a related party, for the disposal of its entire equity interest comprising 60% chartered capital in Total Young Ink Vietnam Co., Ltd. to Ms. Diep Thi Hai for a total cash consideration of USD620,000 (RM2,046,000 @ exchange rate of 1USD:RM3.30).
- c. On 10 June 2011, TISB's wholly-owned subsidiaries namely Elo Dunia Manufacturing (M) Sdn. Bhd. ("EDMSB") and Inmac EDM-Tools (M) Sdn. Bhd. ("IETSB") had entered into separate Sale and Purchase Agreements with NPO Land Sdn. Bhd. for the acquisition of the following lands for a total cash consideration of RM8,972,000:

Description of the Properties	Purchasers	Consideration RM
a. One parcel of industrial freehold land measuring approximately 108,029 square feet and identified as Lot No. LI-6, Seri Alam Industrial Park.	EDMSB	4,105,000
b. One parcel of industrial freehold land measuring approximately 128,066 square feet and identified as Lot No. LI-5A, Seri Alam Industrial Park.	IETSB	4,867,000
	Total	<u>8,972,000</u>

34. FINANCIAL INSTRUMENTS

Certain comparative figures have not been presented for 31 March 2011 by virtue of the exemption given in paragraph 44AA of FRS 7.

a. Categories of Financial Instruments

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

- a. Loans and receivables (L&R)
- b. Other liabilities (OL)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

2011	Group		Company	
	Carrying amount RM	L&R/(OL) RM	Carrying amount RM	L&R/(OL) RM
Financial Assets				
Trade and other receivables	87,255,131	87,255,131	86,250	86,250
Amount owing by subsidiary	-	-	25,586,737	25,586,737
Cash and cash equivalents	3,657,889	3,657,889	70,006	70,006
	<u>90,913,020</u>	<u>90,913,020</u>	<u>25,742,993</u>	<u>25,742,993</u>
Financial Liabilities				
Trade and other payables	(48,085,088)	(48,085,088)	(144,365)	(144,365)
Amount owing to Directors	(9,140,000)	(9,140,000)	(150,000)	(150,000)
Hire purchase payables	(368,399)	(368,399)	-	-
Bank borrowings	(32,808,758)	(32,808,758)	-	-
	<u>(90,402,245)</u>	<u>(90,402,245)</u>	<u>(294,365)</u>	<u>(294,365)</u>

b. Financial Risk Management Objectives And Policies

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

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

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

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

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

i. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices which will affect the Group's financial position or cash flows.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk as a result of its normal ordinary course of business where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily US Dollar ("USD"), Singapore Dollar ("SGD"), Swiss Franc ("CHF"), Japanese Yen ("JPY") and Euro ("EUR").

The Group has overseas subsidiary which operate in Vietnam, and revenues and expenses therewith are denominated exclusively in US Dollar ("USD").

The Group minimises the exposure of the overseas operating subsidiary to transaction risk by matching local currency revenue against local currency costs.

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

Group	USD RM	SGD RM	CHF RM	JPY RM	EUR RM	Total RM
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NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

2011

Financial assets

Trade receivables	1,439,251	223,208	-	-	781,364	2,443,823
Cash and bank balances	32,770	45,081	-	-	-	77,851

Financial liabilities

Trade payables	(3,425,286)	(29,064)	(364,194)	(148,268)	(443,487)	(4,410,299)
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Net exposure

	(1,953,265)	239,225	(364,194)	(148,268)	337,877	(1,888,625)
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Foreign currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a USD functional currency (or arises from receivables or payables in USD). The exposure to currency risk of Group entities which do not have a USD functional currency is not material and hence, sensitivity analysis is not presented.

A 10 percent strengthening of the USD against Ringgit Malaysia at the end of the reporting period would have increase/decreased the Group's profit or loss by RM195,327. The analysis assumes that all variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchases.

A 10 percent weakening of the USD against Ringgit Malaysia at the end of the reporting period would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market rates. The Group's primarily interest rate risk relates to borrowings and deposits with licensed banks. Deposits with licensed banks with fixed rate are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

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

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

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

	2011 RM	2010 RM
Group		
Fixed rate instruments		
Financial assets:		
Fixed deposits with licensed banks	16,897	16,493
Financial liabilities:		
Hire purchase payables	(368,399)	(2,165,480)
	<u>(351,502)</u>	<u>(2,148,987)</u>
Floating rate instruments		
Financial liabilities:		
Bills payable	(6,113,000)	(4,938,000)
Bankers' acceptances	(16,892,412)	(14,842,504)
Bank overdrafts	(8,324,698)	(9,807,788)
Term loans	(1,478,648)	(4,125,579)
	<u>(32,808,758)</u>	<u>(33,713,871)</u>

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

Interest rate risk sensitivity analysis

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

A change of 10 basis points (bp) in interest rates at the end of the reporting period would have increased/ (decreased) the Group's profit or loss by RM203,068. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

iv. Credit risk

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

a. Receivables

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

Investments are acquired after assessing the quality of the relevant investments. Cash and cash equivalent is placed with reliable financial institution.

As at 31 March 2011, there is certain trade receivables of the Group have exceeded its normal trade credit terms. However, the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that will eventually be received.

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

Management has taken reasonable steps to ensure that receivables that are not impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

b. Financial guarantees

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

c. Inter company balances

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

v. Liquidity risk

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

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

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM	One to five years RM	Total RM
Financial liabilities:			
2011			
Trade and other payables	48,085,088	-	48,085,088
Hire purchase payables	337,932	30,467	368,399
Bankers' acceptances	16,892,412	-	16,892,412
Bank overdrafts	8,324,698	-	8,324,698
Bills payable	6,113,000	-	6,113,000
Term loans	778,816	699,832	1,478,648
	<u>80,531,946</u>	<u>730,299</u>	<u>81,262,245</u>

c. Fair value

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

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

35. CAPITAL MANAGEMENT

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2011

	2011 RM	Group 2010 RM
Trade and other payables	48,085,088	48,274,877
Hire purchases	368,399	2,165,480
Bank borrowings	32,808,758	33,713,871
Less : Cash and bank balances	(3,657,889)	(3,642,916)
Net debt	77,604,356	80,511,312
Total equity	68,193,411	67,448,034
Total net debt and equity	145,797,767	147,959,346
Debt to equity ratio	53%	54%

36. COMPARATIVE FIGURES

Arising from the adoption of the new and revised FRSs and Amendment to FRSs, certain comparative financial information have been re-presented as disclosed in Note 4(b).

37. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

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

Pursuant to the directive, the amounts of realised and unrealised profits included in the retained earnings of the Group and of the Company as at 31 March 2011 are as follows:

	Group RM	Company RM
Total retained earnings of the Company and its subsidiaries		
- Realised	18,977,532	9,991,828
- Unrealised	(2,318,463)	-
	16,659,069	9,991,828
Total share of retained earnings/(accumulated losses) from associated company		
- Realised	(39,609)	-
- Unrealised	-	-
	16,619,460	9,991,828
Consolidation adjustments	126,354	-
Total group retained earnings as per consolidated financial statements	16,745,814	9,991,828

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

ANALYSIS OF SHAREHOLDINGS as at 8 August 2011

SHARE CAPITAL

Authorised Share Capital	:	RM50,000,000/-
Issued and fully paid-up capital	:	RM42,800,000/-
Class of Shares	:	Ordinary Shares of RM1/- Each
Voting Rights	:	1 vote per share
No. of Shareholders	:	984

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	10	1.02	315	0.00
100 to 1,000	329	33.43	182,452	0.43
1,001 to 10,000	416	42.28	2,083,763	4.87
10,001 to 100,000	179	18.19	5,663,412	13.23
100,001 and below 5% of issued shares	45	4.57	18,632,367	43.53
5% and above of issued shares	5	0.51	16,237,691	37.94
TOTAL	984	100.00	42,800,000	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares Held	%
1.	Lim Guan Lee	4,396,281	10.27
2.	Eng Lian Enterprise Sdn. Bhd.	3,891,410	9.09
3.	Amsec Nominees (Tempatan) Sdn. Bhd. [Beneficiary: Pledged Securities Account – Ambank (M) Berhad for Song Kok Cheong]	3,000,000	7.01
4.	Bukit Asa Sdn. Bhd.	2,700,000	6.31
5.	Kenanga Nominees (Tempatan) Sdn. Bhd. [Beneficiary: Kenanga Capital Sdn. Bhd. for Ng Chong You]	2,250,000	5.26
6.	Kok Sow May	1,823,409	4.26
7.	Kenanga Nominees (Tempatan) Sdn Bhd. [Beneficiary: Kenanga Capital Sdn. Bhd. for Kok Sau Lan @ Kwok Sow Lan]	1,500,000	3.50
8.	Kenanga Nominees (Tempatan) Sdn Bhd. [Beneficiary: Kenanga Capital Sdn. Bhd. for Kwok Hon Wun]	1,500,000	3.50
9.	Foo Fong Lee	1,182,700	2.76
10.	Kok Sau Lan @ Kwok Sow Lan	1,177,173	2.75

ANALYSIS OF SHAREHOLDINGS as at 8 August 2011

No.	Name	No. Of Shares Held	%
11.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Lau Yen Bin (8070548)]	1,148,800	2.68
12.	Kwok Sow Yoong	1,050,429	2.45
13.	Kwok Hon Wun	750,257	1.75
14.	Cheah Chee Meng @ Cheah Seak Tong	680,656	1.59
15.	HLG Nominee (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Expo Holdings Sdn. Bhd.]	637,300	1.49
16.	MERSEC Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Ng Thiam Seong]	574,000	1.34
17.	Ng Chong You	542,043	1.27
18.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Song Kok Cheong]	400,000	0.93
19.	Yap Pooi Ming	385,500	0.90
20.	Tan Yu Peng	320,000	0.75
21.	TA Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Tan Yu Wei]	280,000	0.65
22.	Yap Pooi Ming	279,100	0.65
23.	Chan Pooi Chuen	276,800	0.65
24.	Ting Buoi Ho	238,500	0.56
25.	Chew Cheong Loong	238,000	0.56
26.	Fong Yuet Peng	225,000	0.53
27.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Ng Loo Soon (RFI-MARGIN)]	223,000	0.52
28.	Mayban Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Ng Siyu Lian]	216,400	0.51
29.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. [Beneficiary: pledged securities account for Ismail @ Mustapha bin Ibrahim (Rem 167)]	200,000	0.47
30.	Wong Wai Lum	199,900	0.47
		32,286,658	75.44

ANALYSIS OF SHAREHOLDINGS as at 8 August 2011

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares of RMI/- Each			
	Direct	%	Indirect	%
1. Lim Guan Lee	4,579,281	10.70	-	-
2. Song Kok Cheong	3,400,025	7.94	156,226	0.37
3. Fong Po Yin	116,226	0.27	3,440,025	8.04
4. Ng Chong You	2,862,043	6.69	36,000	0.08
5. Ling Ha Kee	36,000	0.08	2,862,043	6.69
6. Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	-	-
7. Kwok Sow Yoong	2,550,429	5.96	-	-
8. Eng Lian Enterprise Sdn. Bhd.	3,891,410	9.09	2,700,000	6.31
9. Ng Eng Hiam Plantations Sdn. Bhd.	-	-	2,700,000	6.31
10. Ng Ling Li	100,000	0.23	2,700,000	6.31
11. Bukit Asa Sdn. Bhd.	2,700,000	6.31	-	-
12. Lu Pat Sdn. Bhd.	-	-	6,591,410	15.40
13. The Nehsons Trust Company Berhad	-	-	6,591,410	15.40

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares of RMI/- Each			
	Direct	%	Indirect	%
1. Tuan Hj. Ir. Yusoff bin Daud	80,964	0.19	-	-
2. Song Kok Cheong	3,400,025	7.94	156,226	0.37
3. Ng Chong You	2,862,043	6.69	36,000	0.08
4. Lim Guan Lee	4,579,281	10.70	-	-
5. Tham Kut Cheong	-	-	-	-
6. You Tong Lioung @ Yew Tong Leong	-	-	-	-
7. Lim Kee Min (alternate director to Lim Guan Lee)	-	-	-	-

LIST OF PROPERTIES as at 31 MARCH 2011

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (Sq / ft)	Built-up Area (Sq / ft)	Net Book Value as at 31/3/11 (RM)	Date of Acquisition*/ Valuation**
Lot No. 376, Section 32, Bandar Petaling Jaya, District of Petaling, State of Selangor	One (1) unit of Industrial building with a two (2) storey office and single storey factory annexe	28 years	87 years leasehold expiring on 23 rd May 2065	7,561	4,890	1,201,935	23 Sept 2002**
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	7 years	99 years leasehold interests expiring on 10th January 2089	119,113	78,792	12,765,380	10 Sept 2002**
Lot No. 64200 Mukim of Tebrau District of Johor Bahru, State of Johor	1 1/2 storey terrace industrial building	16 years	Freehold	3,091	2,400	434,800	27 Aug 2002**
Lot No. 64199 Mukim of Tebrau District of Johor Bahru, State of Johor	1 1/2 storey terrace industrial building	16 years	Freehold	3,091	2,400	393,186	23 July 2003*
Lot No. 57765, Mukim of Hulu Kinta, District of Kinta, State of Perak	Two (2) storey terrace shophouse	31 years	99 years leasehold interests expiring on 9th January 2079	1,680	3,000	161,052	22 Aug 2002**
Lot No. 013814 (PT 9407) Mukim of Damansara, District of Petaling, State of Selangor	Industrial building with a two (2) storey office and single storey single factory annexe	31 years	Freehold	11,300	9,480	1,672,000	17 Sept 2002**
L.O. 7/65/Sub-Jacket/ 21/Ind Mukim of Damansara, District of Klang, State of Selangor	Semi-detached Industrial building with a two (2) storey office and single storey single factory annexe	36 years	90 years leasehold interests expiring on 16 th January 2067	24,590	13,704	1,837,499	17 Sept 2002**
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	15 years	90 years leasehold interests expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	234,320 and 234,320	22 Aug 2002**
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	17 years	99 years leasehold interests expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	305,758 and 305,758	22 Aug 2002**
Lot No. 5952 Mukim Bachang, Daerah Melaka Tengah, Melaka	1 1/2 storey terrace factory	14 years	99 years leasehold interests expiring on 18 th Nov 2095	1,920	1,920	184,032	31 May 2005*
Lot A-2C-CN My Phuoc 3 Industrial Zone, Ben Cat District Binh Duong Province	Industrial building with a two (2) storey office, single storey factory and warehouse	3 years	50 years leasehold interests expiring on 14th Jan 2055	97,413	48,278	4,927,701	4 May 2006*

LIST OF PROPERTIES as at 31 MARCH 2011

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (Sq / ft)	Built-up Area (Sq / ft)	Net Book Value as at 31/3/11 (RM)	Date of Acquisition*/ Valuation**
Lot PT22 & PT 23 Mukim Dan Daerah Petaling, No. 6 & 8 Jln TPP 1/1A, Tmn Industri Puchong, Selangor Darul Ehsan	1 1/2 storey freehold semi-detached light industrial building	6 years	Freehold	22,000	15,000	2,511,005	24 Apr 2002* 5 Jan 2005**
H.S.(D) 61625 lot No. PT 11380, Mukim Petaling, State of Selangor	1 1/2 storey semi detached light industrial factory	10 years	Freehold	8,396	4,376	1,014,984	3 Sept 2001* 5 Jan 2005**
H.S.(M) No. 854 & H.S.(D) No. 521 Lot 3073 & PT Lot 2998, Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	1 1/2 storey terrace factory	19 years (base on OC)	Freehold	2,820	2,610	266,758	18 Oct 1999* 28 Oct 2004**

ANNEXURE A
NOTICE OF NOMINATION OF AUDITORS

Wong See Foo
63, Jalan 24/38A,
Taman Sri Sinar,
51200 Kuala Lumpur.

23 August 2011

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

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate Messrs.AHL (formerly known as A.H.Lim & Partners) for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, Messrs. Sha, Tan & Co:-

"That Messrs AHL (formerly known as A.H.Lim & Partners) be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Sha, Tan & Co., and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully,

.....
Wong See Foo

PROXY FORM

I/We _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

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

_____ (FULL NAME)

of _____ (ADDRESS)

or failing him/her, _____ (FULL NAME)

of _____ (ADDRESS)

_____ (ADDRESS)

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the NINTH ANNUAL GENERAL MEETING of the Company to be held at the Dewan Tan Sri Hamzah, Royal Selangor Club, Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 September 2011, at 10.30 a.m. and at any adjournment thereof.

(* strike out whichever is not desired)

My/Our proxy is to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements and Reports		
2.	To approve Directors' fees		
3.	Re-election of Mr. Ng Chong You as Director		
4.	Re-election of Mr. Song Kok Cheong as Director		
5.	Re-appointment of Mr. You Tong Lioung @ Yew Tong Leong as Director		
6.	To appoint Messrs.AHL (formerly known as A.H.Lim & Partners) as Auditors of the Company in place of retiring Auditors, Messrs. Sha, Tan & Co.		
7.	Ordinary Resolution - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		

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

Dated this _____ day of _____ 2011

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

Signature

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his/her shareholdings to be represented by each proxy.
3. In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorised.
4. The Form of Proxy must be deposited at the Company's Registered Office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

AFFIX
STAMP
HERE

The Company Secretary
TOYO INK GROUP BERHAD (590521-D)
Lot 4.100, Tingkat 4, Wisma Central,
Jalan Ampang, 50450 Kuala 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: toyoink@po.jaring.my

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