TOYO INK GROUP BERHAD

(Company No. 590521-D)

2012

LAPORAN TAHUNAN

ANNUAL REPORT

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth 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, 25 September 2012, 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 2012 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To approve the Directors' fees of RM87,500.00 (2011: RM87,500.00) in respect of the year ended 31 March 2012. **(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. Lim Guan Lee **(Resolution 3)**
   (b) Mr. Tham Kut Cheong **(Resolution 4)**

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

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

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

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

   a. **Special Resolution** **(Resolution 7)**
   Proposed Amendments To The Company's Articles Of Association ("Proposed Amendments")

   "THAT the proposed amendments to the Company's Articles of Association as set out in Appendix I on page 5 of the Annual Report be and are hereby approved and adopted;

   AND THAT the Directors and/or Secretary be and are hereby authorised to take all such steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments."

   b. **Ordinary Resolution 1** **(Resolution 8)**
   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 do 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."

NOTICE OF ANNUAL GENERAL MEETING

c. **Ordinary Resolution 2** **(Resolution 9)**
Continuing In Office As Independent Non-Executive Director

"THAT subject to the passing of Resolution No. 4, authority be and is hereby given to Mr. Tham Kut Cheong who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

d. **Ordinary Resolution 3** **(Resolution 10)**
Continuing In Office As Independent Non-Executive Director

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

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

BY ORDER OF THE BOARD,

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

Kuala Lumpur
3 September 2012

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. **General Meeting Record of Depositors**
For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 47(C) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 19 September 2012 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

6. **Explanatory Notes on Special Business:-**
(a) **Resolution pursuant to Proposed Amendments to the Company's Articles of Association**
Resolution No. 7 proposed as a Special Resolution under item 6(a), if passed, will streamline the Company's Articles of Association to be aligned with the recent amendments made to Chapter 7 of the Main Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

(b) **Resolution pursuant to Section 132D of the Companies Act, 1965**
Resolution No. 8 proposed under item 6(b) 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. 8, 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.

NOTICE OF ANNUAL GENERAL MEETING

(c) **Resolution Nos. 9 and 10**

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

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

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

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

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

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

Resolution No. 9 proposed under item 6(c), if passed, will authorise Mr. Tham Kut Cheong to continue in office as an Independent Non-Executive Director of the Company.

Resolution No. 10 proposed under item 6(d), if passed, will authorise Mr. You Tong Lioung @ Yew Tong Leong to continue in office as an Independent Non-Executive Director of the Company.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Proposed Amendments are to comply with the amendments made to Chapter 7 of the Listing Requirements ("LR") in relation to the following:-

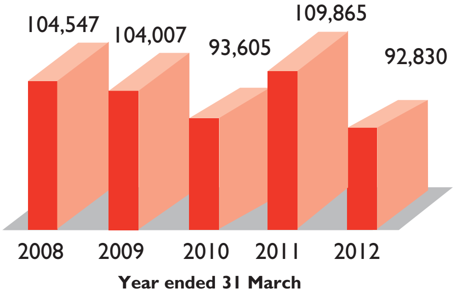
(a) Appointment of multiple proxies by an exempt authorised nominee; and
(b) Qualification of proxy.

The details of the Proposed Amendments are set out below:-
The existing Articles of the Company are amended by the alterations, modifications, deletions and/or additions, wherever necessary whereby the affected existing Articles are reproduced hereunder alongside with the amended Articles of the Company:-

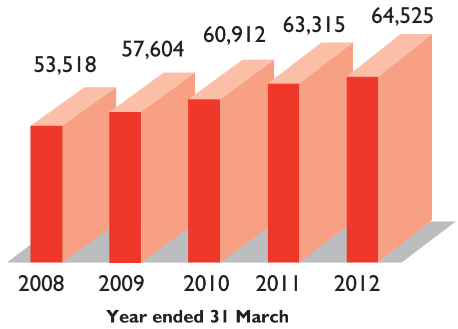
EXISTING ARTICLES	PROPOSED AMENDMENTS TO THE ARTICLES		RATIONALE
Article 2 Interpretation	**Article 2 Interpretation**		
Words & Expressions **Meanings**	**Words & Expressions**	**Meanings**	
No provision	**Exempt authorised nominee**	**An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.**	Pursuant to Paragraph 7.21(2) of the LR
Article 68 (A) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. A proxy may, but need not, be a member of the Company. A member may appoint up to two persons to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.	**Article 68 (A)** The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. **A member of a Company entitled to attend and vote at a meeting of a Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.** A member may appoint up to two persons to be his proxy. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. **A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak at the meeting.**		Pursuant to Paragraph 7.21(A) of the LR
Article 68 (B) Any member of the Company that is an authorised nominee as defined under the Central Depositories Act may appoint at least one (1) proxy in respect of each securities account held by it with ordinary shares of the Company standing to the credit of the said securities account.	**Article 68(B)** **Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.**		Pursuant to Paragraph 7.21(1) of the LR

FINANCIAL HIGHLIGHTS - 31 MARCH 2008 TO 31 MARCH 2012

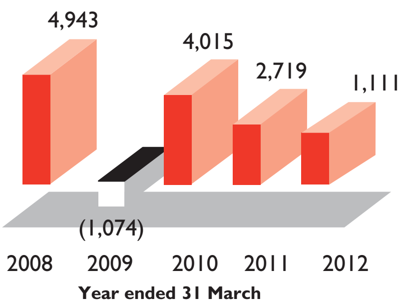
Group Turnover RM('000)



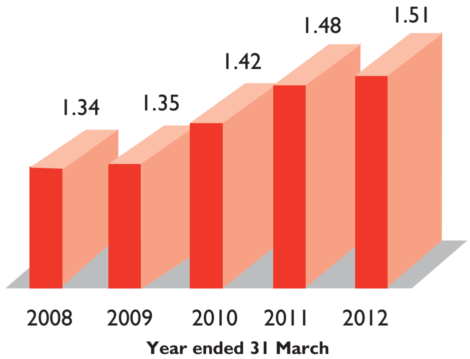
Total Shareholders' Funds RM('000)



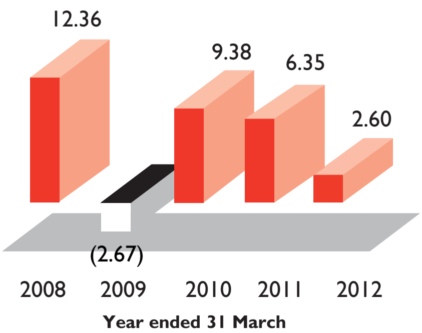
Net Profit after tax RM('000)



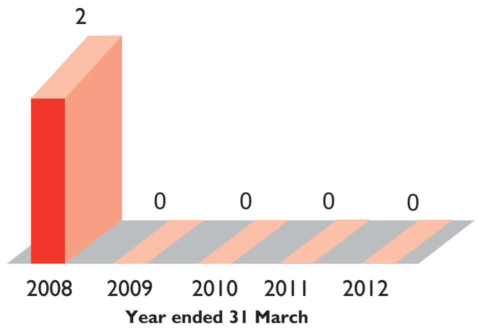
Net assets per share (RM)



Net earnings per share (Sen)



Gross dividend per share (Sen)



	2008	2009	2010	2011	2012
Group Turnover (RM'000)	104,547	104,007	93,605	109,865	92,830
Total shareholders' funds (RM'000)	53,518	57,604	60,912	63,315	64,525
Net assets per share (RM)	1.34	1.35	1.42	1.48	1.51
Net profit after tax (RM'000)	4,943	(1,074)	4,015	2,719	1,111
Net earnings per share (sen)	12.36	(2.67)	9.38	6.35	2.60
Gross dividend per share (sen)	2	0	0	0	0

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff bin Daud
(Malaysian, aged 67)
Independent Non-Executive Chairman

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

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

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

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2012.

He has no conflict of interest with the Company.

Mr. Song Kok Cheong
(Malaysian, aged 60)
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 36 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 2012.

He has no conflict of interest with the Company.

Mr. Tham Kut Cheong
(Malaysian, aged 67)
Independent Non-Executive Director

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

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

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

Mr. Tham sits on the Boards of 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 2012.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. You Tong Lioung @ Yew Tong Leong

(Malaysian, aged 76)
Independent Non-Executive Director

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

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

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

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

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

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

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

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2012.

He has no conflict of interest with the Company.

Mr. Ng Chong You

(Malaysian, aged 62)
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 36 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 2012.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. Lim Guan Lee
(Singaporean, aged 62)
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 2012.

He has no conflict of interest with the Company.

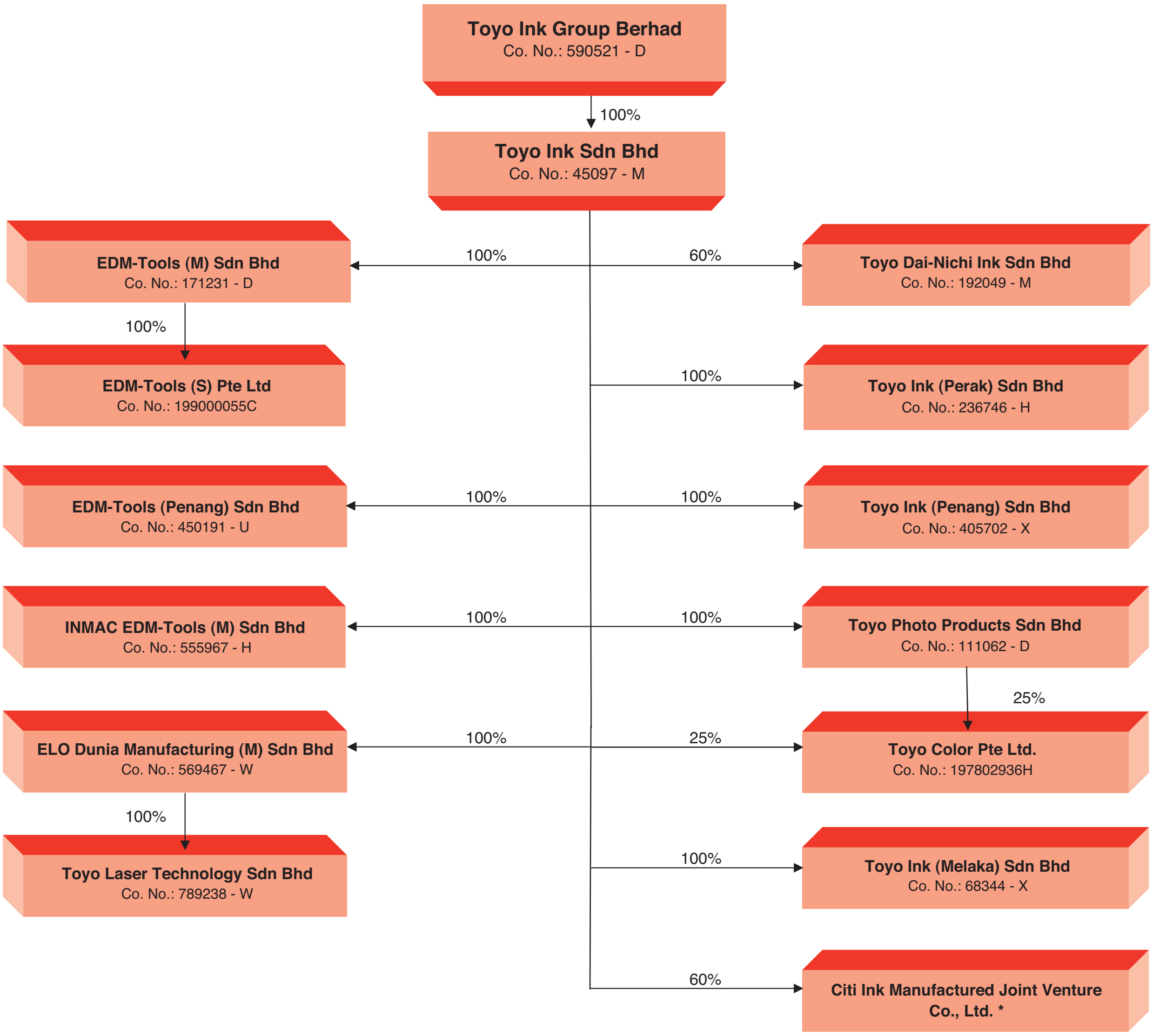
Mr. Lim Kee Min
(Singaporean, aged 34)
Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee

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 9 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 2012.

He has no conflict of interest with the Company.

CORPORATE STRUCTURE



* Incorporated in Vietnam

CORPORATE INFOMATION

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
Tel No.: 03-8942 3335
Fax No.: 03-8942 1161

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

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

PRINCIPAL BANKERS
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) Bhd.

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 Darul Ehsan.

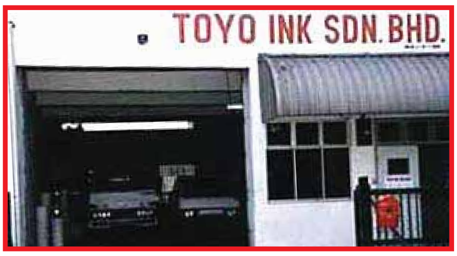
TOYO DAI-NICHI INK SDN BHD
Lot 21, Jalan Pahat 16/8A
40000 Shah Alam
Selangor, MALAYSIA.

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 COLOR PTE LTD
63 Joo Koon Circle
Singapore 629076

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



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

PRODUCTS AND SERVICES

Gravure ink

Gravure ink

Flexographic ink

Flexographic ink

Masterbatch products - colorants

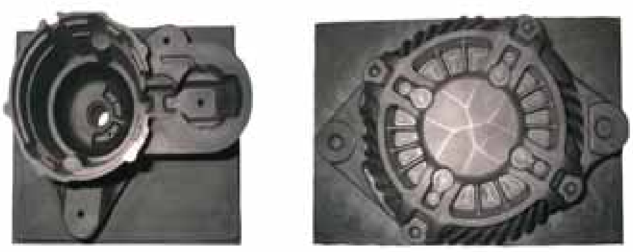
Offset process ink products

Masterbatch products - colorants

Glasurit automotive paints

PRODUCTS AND SERVICES

EDM Cut Wire



Graphite material and Electrode Machining

ELBO CONTROLLI
Tools Presetter

OR Laser
Welding Machine

EROWA
Automation system

TOYO LASER
Marking/Engraving
Machine

Canon Image Press C7010VP

Primera Technology, Inc. CX1200 Color Label Press

DU PONT
The miracles of science™

Dupont Flexographic plates

Primera Technology, Inc. FX1200 Digital Finishing System

CHAIRMAN'S STATEMENT

A very good morning to all our Shareholders and well wishers and a warm welcome to all of you present for the 10th Annual General Meeting of Toyo Ink Group Berhad. It is now 10 years since the listing of our Group in the Main Market of Bursa Malaysia. We have had our ups and downs and weathered many storms and also enjoyed successful years always searching for ways to increase earnings and enhance the value of Toyo Ink Group to our Shareholders and business partners.

The financial year ended 31 March 2012 was no exception. I am happy to note that in spite of sluggish economic growth in the world economy, financial crisis in the European countries and declining growth in China and most other countries in the world, the Toyo Ink Group of companies had ended the year in positive territory albeit with a much reduced turnover.

Overall business environment

The financial year to 31 March 2012 was not an easy one. While the world economy was gradually recovering from the financial meltdown of 2008, through the combined efforts of affected governments, the World Bank and the International Monetary Fund, a financial crisis had developed in the Euro Zone with a few governments facing severe financial constraints. The immediate result of this was business uncertainty and fluctuating costs of raw materials.

The Management Team had monitored this fluid situation very closely and exercised much business prudence under the careful guidance of the Board through the Managing Director. Our good long term relationship with our various business partners had helped us stabilize our various businesses and we had achieved positive returns for the various stakeholders of the Toyo Ink Group.

CHAIRMAN'S STATEMENT

Operating results

I note that, in spite of so much business uncertainty in the year to 31 March 2012, we had recorded a consolidated turnover of RM92.830 million. This was, however, RM17.035 million lower than the RM109.865 million achieved in the previous financial year, representing a drop of 15.50%.

The lower Group turnover had resulted in a net profit after tax of RM1.111 million. While it can be observed that our Group had achieved positive returns on shareholders' funds, the net earnings per share had declined from 6.35 sen per share in the previous financial year to 2.60 sen per share in the current year under review.

The Board of Directors is continuously reviewing and monitoring the results of operations to ensure that a reasonable return is obtained by shareholders and stakeholders of the Group.

Into the future

As highlighted to our shareholders last year the Independent Power Plant Project in Vietnam is progressing smoothly. The necessary feasibility study report had been completed and will be submitted to the Vietnamese Government. We shall be negotiating with the Vietnamese Government on the Power Purchase Agreement once all other legal documentations such as the Land Lease Agreement and the Coal Supply Agreements have been finalised.

The existing businesses of the Toyo Ink Group are progressing satisfactorily and your Board is confident that these will continue to perform well and achieve positive returns to shareholders given the undivided attention of Board members to the results of daily operations.

Appreciation

On behalf of all my colleagues on the Board I would like to convey a most hearty thank you to our business partners and associates, our financiers, suppliers and loyal customers and all others who have given us their valuable support during the financial year ended 31 March 2012.

Last but not least to all our loyal and committed staff in Toyo Ink Group let me express a very heartfelt thank you. You have made us what we are today.

Tuan Hj. Ir. Yusoff bin Daud
Chairman

MANAGING DIRECTOR'S STATEMENT

Good morning and a very warm welcome to the 10th Annual General Meeting of Toyo Ink Group Berhad. The financial year just ended 31 March 2012 had been a year full of challenges and unforeseen developments. While the businesses of Toyo Ink Group are mainly local we are greatly affected by unfavorable external factors. The unstable economic situation in Europe and the sluggish US economic recovery had put strains on the supply/delivery chain on most businesses thereby affecting the cost of doing business.

Nevertheless, in spite of all these negative factors we had remained resilient and turned in positive results for the past financial year ended 31 March 2012. Constant advice and counsel from my fellow board members had been most valuable to see us through a very difficult and challenging year. The Management is fully aware of the ever changing economic scenario and is working very closely with our Board members to continue to deliver value to our stakeholders in the years ahead.

Financial Performance

The Group registered a consolidated turnover of RM92.830 million for the financial year ended 31 March 2012. This was against the previous corresponding financial year achievement of RM109.865 million thereby representing a drop of 15.50%. The drop in consolidated group turnover was a direct result of the uncertain economic condition in the U S and European countries thereby dampening overall demand for goods and services from our local customers.

As a result of lower demand in the market place, attention was fully focused on efficiency and cost savings and we

MANAGING DIRECTOR'S STATEMENT

managed to end the year with a net profit after tax of RM1.111 million. This was, however, RM1.608 million or 59.14% lower than the RM2.719 million recorded in the previous financial year.

Earnings per share for the financial year ended 31 March 2012 stood at 2.60 sen.

Review of Operations

Board members of Toyo Ink Group follow very closely the operational performance of the group on a monthly basis. This is achieved through the participation of the Independent Non-executive Director together with all Executive Directors in performance appraisal meetings so that advice and guidance can be sought every month during review meetings on the monthly performance of each operating subsidiary.

The financial year ended 31 March 2012 was challenging. With some European countries in the midst of impending financial crisis, many developing countries including Malaysia faced declines in export performance. This had translated into reduced demand for locally manufactured goods and services. Sources for raw materials for production also faced uncertainty and this resulted in increases in the costs of raw materials. All these had its impact on business volume and final net margins.

The unfavorable market conditions in the U S economy had resulted in the termination of our "Kodak" franchise. This was the main reason for the larger than normal drop in our group turnover in the year under review. Nevertheless, we are actively pursuing and have been successful in seeking out other lines of business representation for some overseas manufacturers of printing equipment and supplies. This has been largely due to our reputation and past performance in the Malaysian market.

The Board of Toyo Ink Group Berhad is fully aware of the need to deliver reasonable returns to all our loyal stakeholders and will continuously strive to achieve this objective.

Corporate Social Responsibility

Your Board is committed to ensure that the Toyo Ink Group of Companies continue to do our small part to improve the lives of those less fortunate amongst us. We shall continue to look out for worthy causes and in this respect we had made a contribution to Persatuan Orang-Orang Cacat Anggota Malaysia (Society of the Orthopaedically Handicapped, Malaysia). We sincerely believe in the adage "It is in the giving that we, too, receive".

In our never-ending pursuance of excellence, I am happy to note that Toyo Ink Group Berhad was selected to receive "The 7th Asia Pacific Super Excellent Brand 2011 – Elite Award" on 9th January 2012 from Asia Entrepreneur Alliance. This was awarded based on criteria of quality, customers' satisfaction, brand management, good product track record and high performance value in the market place. We are indeed proud that past efforts and diligence had been recognized.

Moving forward

The need to earn a reasonable return on investment is always the foremost consideration for any investor. Your Board recognizes this criteria fully and is currently in discussions with Investment Bankers and advisors on various corporate exercises to improve the gearing of the Toyo Ink Group, reduce bank borrowings and thereby interest costs and also to have available reasonable cash resources for working capital purposes. These corporate exercises will be announced to Bursa Malaysia as and when such decisions are made by your Board.

Your Board is also happy to convey to you the decision of the Government of Vietnam that the Independent Power Plant Project in Vietnam has been earmarked for Toyo Ink Group Berhad. The necessary feasibility study had been completed and will be submitted to the Vietnamese Government whereupon a Power Purchasing Agreement will be signed and the final Investment License will be issued to Toyo Ink Group Berhad. We expect construction work at site to begin upon receipt of the Investment License from the Vietnamese Government and the completion of all necessary financial arrangements.

On the local front we expect the business to be challenging but we are confident that the Management is addressing the issues well and we expect to achieve better results in the next financial year.

Appreciation

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

To all our business partners, vendors and financiers, we convey our appreciation for their support to bring us to where we are today.

To our loyal staff throughout the Toyo Ink Group of Companies I extend my sincere appreciation of your endeavors. I am sure your continuous efforts and commitment will bring added value to the Group in the years to come.

To our Chairman and colleagues on the Board, a sincere thank you for your invaluable guidance, advice and counsel to help me steer the Group towards a brighter and more prosperous future.

And, 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") is committed to ensure that the principles and best practices of corporate governance as set out in the Malaysian Code of Corporate Governance ("Code") are observed throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders value.

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 2012. 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 Board is responsible for the corporate governance and the overall performance of the Group, including its strategic directions, corporate and operational issues, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financial matters.

Composition of the Board

The Board has six (6) members comprising two Executive Directors and four (4) Non-Executive Directors of which two (2) are Independent Non-Executive Directors during the financial year ended 31 March 2012. On 24 July 2012, Tuan Hj. Ir. Yusoff bin Daud was re-designated from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman, thereby increasing the number of Independent Non-Executive Directors in the Company from two (2) to three (3). 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 7 to 9 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 Board is provided with appropriate and timely information to enable it to discharge its duties effectively. Every Director has unhindered 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.

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 for the financial year ended 31 March 2012. With the re-designation of Tuan Hj. Ir. Yusoff bin Daud from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman on 24 July 2012, the composition of the Nomination Committee is now comprised wholly of Independent Non-Executive Directors as follows:-

CORPORATE GOVERNANCE STATEMENT

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

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

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

The Nomination Committee had held one (1) meeting during the financial year ended 31 March 2012.

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 with the exception of Mr. Lim Guan Lee have attended a professional training entitled "Business Sustainability - Making a Difference in Performance". Mr. Lim Guan Lee has, however, given his undertaking to attend training in the current financial year ending 31 March 2013.

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 2012, 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

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 2012.

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

The details of the Directors' remuneration from the Group for the financial year ended 31 March 2012 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	1,116	62	1,303
Non-Executive Directors	122	107	-	229

CORPORATE GOVERNANCE STATEMENT

(b) Analysis of Directors' remuneration categorised in successive band 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
RM600,001 to RM650,000	1	-
RM650,001 to RM700,000	1	-

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.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible to present a balance 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 uses 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 Financial Reporting Standards, 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

CORPORATE GOVERNANCE STATEMENT

(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 2012, 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 in integral part of an effective system of corporate governance. The Statement on Internal Control set out on page 24 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 two (2) meetings with the external auditors 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 24 July 2012.

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 every business decision comes with risk. Therefore, it is the Board's objective to balance risk and potential reward for the shareholders.

RISK MANAGEMENT

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

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

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 24 July 2012.

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 2012, the Audit Committee comprises the following directors:-

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

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

SUMMARY OF THE TERMS OF REFERENCE

1) MEMBERSHIP

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

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

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

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

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

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

2) AUTHORITY

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

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

3) FUNCTIONS AND RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

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

(ii) significant adjustments arising from the audit;

(iii) significant and unusual events;

(iv) the going concern assumption; and

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

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

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

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

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

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

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

4) QUORUM, ATTENDANCE AND FREQUENCY OF MEETINGS

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

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

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

5) REPORTING PROCEDURES

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

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

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

AUDIT COMMITTEE MEETINGS

The Audit Committee met five times during the financial year ended 31 March 2012. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:-

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2012

During the financial year ended 31 March 2012, the activities of the Audit Committee included the following:-

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

(b) reviewed the audited financial statements for the year ended 31 March 2011;

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

AUDIT COMMITTEE REPORT

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

(e) reviewed the assistance and cooperation given by the employees to the External Auditors in respect of the audit for the financial year ended 31 March 2011;

(f) reviewed the External Auditors' audit plan and scope of audit for the financial year ended 31 March 2012;

(g) met with the External Auditors twice during the financial year ended 31 March 2012 without the presence of any executive board members;

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

(i) reviewed the disclosure statements on Corporate Governance, Audit Committee Report and the Statement of Internal Control for the year ended 31 March 2011 and recommended their adoption to the Board.

INTERNAL AUDIT FUNCTION

For the financial year ended 31 March 2012, 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 2012 is RM71,000/-.

The principal responsibility of the internal audit function is to undertake regular and systematic review of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The internal 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 2012 amounted to RM15000/-.

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 2012 and the unaudited results previously announced.

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

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

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

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

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

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

This page is intentionally left blank

Financial Statement

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	874,192	(88,096)
Attributable to:		
Owners of the parent	1,110,765	(88,096)
Non-controlling interests	(236,573)	-
	874,192	(88,096)

DIVIDENDS

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

RESERVES AND PROVISIONS

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

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 Directors in office since the date of the last report are:

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

DIRECTORS' REPORT

DIRECTORS' INTEREST IN SHARES

The interests in the ordinary shares of the Company and of its related corporations of those who were Directors at the end of the financial year end, as recorded in the Register of Directors' Shareholdings kept by the Company and the subsidiary companies are as follows:

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	At 1 April 2011	Bought	Sold	At 31 March 2012
Tuan Hj. Ir. Yusoff bin Daud	90,964	-	(10,000)	80,964
Song Kok Cheong				
- direct	3,108,425	400,000	(108,400)	3,400,025
- indirect*	597,826	-	(441,600)	156,226
Ng Chong You				
- direct	3,708,743	-	(1,304,700)	2,404,043
- indirect*	46,000		(10,000)	36,000
Lim Guan Lee	4,579,281	-	-	4,579,281

*Via spouse/children

None of the other Directors in office at 31 March 2012 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

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 the Director is a member, or with a company in which the Director has a substantial financial interest, other than transactions in the ordinary course of business between companies in the Group and a company in which certain Directors of the Company have substantial financial interests as disclosed in Note 29 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:

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

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

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

DIRECTORS' REPORT

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

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

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

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

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

In the opinion of the Directors:

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

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

SIGNIFICANT EVENTS

The significant events during and after the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, AHL (formerly known as A.H.Lim & Partners), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors dated 24 July 2012.

SONG KOK CHEONG Director	**NG CHONG YOU** Director

STATEMENT BY DIRECTORS

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

We, **SONG KOK CHEONG** and **NG CHONG YOU**, being two of the Directors of **TOYO INK GROUP BERHAD**, do hereby state that, in opinion of the Directors, the financial statements set out on pages 38 to 88 are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 36 to 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 Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors
in accordance with a resolution of the directors dated 24 July 2012.

SONG KOK CHEONG
Director

NG CHONG YOU
Director

STATUTORY DECLARATION

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

I, **TAN CHOON HONG**, 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 38 to 88 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)

TAN CHOON HONG)

at Kuala Lumpur in the Federal Territory)

on 24 July 2012)

TAN CHOON HONG

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 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 88.

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 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 2012 and of their financial performance and cash flows for the year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 12 to the financial statements which disclose the current status of the Vietnam Power Plant Project.

The Group's Power Plant Project has commenced since the financial year 2008. Payments have been made in securing the project, and have been accumulated to RM69,658,080 as at 31 March 2012.

On 7 December 2011, the Company received notification from the office of Government of the Socialist Republic of Vietnam to the Minister of Industry and Trade, People's Committee of Hau Giang Province, that the Deputy Prime Minister has agreed to let the Group to carry research and development of Song Hau 2 Thermo Power Plant Project of 2 x 1000 MW at Hau Giang Province.

On 11 January 2012, the Group had entered into a contract with Power Engineering Consulting Joint Stock Company 2 as the Consultant to provide consultancy services for the feasibility study.

The ultimate outcome of the project is dependent on the negotiation and signing of the Build Operate Transfer Contract, Land Lease Agreement, Coal Supply Agreement, Power Purchase Agreement, Investment License and other project agreements with the relevant authorities and Government agencies in Vietnam.

The Board of Directors is fully cognizant of the risks involved but is confident of the successful outcome of the project. The Directors of the Company are also of the opinion that the project will enhance the future profitability and improve the financial position of the Group.

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 all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

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

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

Other Reporting Responsibilities
The supplementary information set out in Note 36 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants "(MIA Guidance)" and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

The consolidated financial statements as at 31 March 2011 and for the two year period then ended were audited by other auditors.

AHL
[AF: 001825]
Chartered Accountants

CHUA KAH CHUN
[2696/09/13(J)]
Partner

Kuala Lumpur
Dated: 24 July 2012

STATEMENTS OF FINANCIAL POSITION as at 31 MARCH 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
ASSETS					
Non Current Assets					
Property, plant and equipment	5	28,090,481	34,373,096	-	-
Investment property	6	1,656,000	1,672,000	-	-
Investment in subsidiary companies	7	-	-	31,611,684	31,611,684
Investment in associate	8	484,809	486,380	-	-
Goodwill on consolidation	9	17,496,312	17,496,312	-	-
Development expenditure	10	2,425,684	-	-	-
		50,153,286	54,027,788	31,611,684	31,611,684
Current Assets					
Inventories	11	13,594,608	15,989,436	-	-
Trade and other receivables	12	92,411,752	87,255,131	86,250	86,250
Amount owing by a subsidiary company	13	-	-	25,226,737	25,586,737
Tax recoverable		367,449	358,371	127,609	52,454
Fixed deposits with licensed banks		17,334	16,897	-	-
Cash and bank balances		3,205,332	3,640,992	345,130	70,006
Assets classified as held for sale	14	5,035,671	-	-	-
		114,632,146	107,260,827	25,785,726	25,795,447
TOTAL ASSETS		164,785,432	161,288,615	57,397,410	57,407,131
EQUITY AND LIABILITIES					
Equity					
Share capital	15	42,800,000	42,800,000	42,800,000	42,800,000
Reserves	16	21,725,537	20,515,271	14,224,670	14,312,766
Equity attributable to owners of the parent		64,525,537	63,315,271	57,024,670	57,112,766
Non-controlling interest	17	4,488,623	4,878,140	-	-
TOTAL EQUITY		69,014,160	68,193,411	57,024,670	57,112,766
NON CURRENT LIABILITIES					
Hire purchase payables	18	251,074	30,467	-	-
Bank borrowings	19	541,343	699,832	-	-
Deferred tax liabilities	20	2,632,056	2,318,463	-	-
		3,424,473	3,048,762	-	-
Current Liabilities					
Trade and other payables	21	58,696,654	48,085,088	135,240	144,365
Amount owing to Directors	22	6,087,500	9,140,000	237,500	150,000
Hire purchase payables	18	295,383	337,932	-	-
Bank borrowings	19	27,108,691	32,108,926	-	-
Taxation		-	374,496	-	-
Liabilities classified as held for sale	14	158,571	-	-	-
		92,346,799	90,046,442	372,740	294,365
TOTAL LIABILITIES		95,771,272	93,095,204	372,740	294,365
TOTAL EQUITY AND LIABILITIES		164,785,432	161,288,615	57,397,410	57,407,131

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

STATEMENTS OF COMPREHENSIVE INCOME for the financial year ended 31 MARCH 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Continuing operations					
Revenue	23	92,830,124	109,865,017	240,000	13,675,380
Cost of sales		(74,650,535)	(87,978,853)	-	-
Gross Profit		18,179,589	21,886,164	240,000	13,675,380
Other income		526,940	1,071,306	-	337,260
Selling and distribution costs		(6,989,703)	(7,529,241)	-	-
Administration expenses		(7,072,831)	(7,270,084)	(299,159)	(282,185)
Finance costs		(2,225,948)	(2,494,775)	-	-
Share of results in associate		(3,795)	(3,967)	-	-
Profit/(Loss) Before Taxation	24	2,414,252	5,659,403	(59,159)	13,730,455
Taxation	25	(1,095,482)	(2,735,731)	(28,937)	(3,460,556)
Profit/(Loss) From Continuing Operations		1,318,770	2,923,672	(88,096)	10,269,899
Discontinued operation					
Loss from discontinued operation, net of tax	26	(444,578)	(143,736)	-	-
Profit/(Loss) for the financial year		874,192	2,779,936	(88,096)	10,269,899
Other comprehensive income/(expense) net of tax					
Foreign currency translation		36,557	(339,959)	-	-
Total comprehensive income/(expense) for the financial year		910,749	2,439,977	(88,096)	10,269,899
Profit/(Loss) attributable to:					-
Owners of the parent		1,110,765	2,718,631	(88,096)	10,269,899
Non-controlling interest		(236,573)	61,305	-	-
Profit/(Loss) for the financial year		874,192	2,779,936	(88,096)	10,269,899
Total Comprehensive Income/(Expense) Attributable to:					
Owners of the parent		1,210,266	2,402,923	(88,096)	10,269,899
Non-controlling interest		(299,517)	37,054	-	-
Total comprehensive income/(expense) for the financial year		910,749	2,439,977	(88,096)	10,269,899
Basic earnings per ordinary share (sen)	27				
from continuing operations		3,22	6,64		
from discontinued operations		(0,62)	(0,29)		
		2,60	6,35		

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

STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2012

	|--------- Attributable to owners of the parent			----------|			
	|----------Non distributable		-----------|	Distributable			
	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Earnings/ (Accumulated loss) RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group							
As 1 April 2010	42,800,000	4,320,938	(235,773)	14,027,183	60,912,348	6,535,686	67,448,034
Disposal of discontinued operation	-	-	-	-	-	(1,604,600)	(1,604,600)
Dividend to non-controlling interest	-	-	-		-	(90,000)	(90,000)
Total comprehensive (expense)/ income for the financial year	-	-	(315,708)	2,718,631	2,402,923	37,054	2,439,977
At 31 March 2011	42,800,000	4,320,938	(551,481)	16,745,814	63,315,271	4,878,140	68,193,411
Dividend to non-controlling interest	-	-	-	-	-	(90,000)	(90,000)
Total comprehensive income/ (expense) for the financial year	-	-	99,501	1,110,765	1,210,266	(299,517)	(910,749)
At 31 March 2012	42,800,000	4,320,938	(451,980)	17,856,579	64,525,537	4,488,623	69,014,160
Company							
At 1 April 2010	42,800,000	4,320,938	-	(278,071)	46,842,867	-	46,842,867
Total comprehensive income for the financial year	-	-	-	10,269,899	10,269,899	-	10,269,899
At 31 March 2011	42,800,000	4,320,938	-	9,991,828	57,112,766	-	57,112,766
Total comprehensive expense for the financial year	-	-	-	(88,096)	(88,096)		(88,096)
At 31 March 2012	42,800,000	4,320,938	-	9,903,732	57,024,670	-	57,024,670

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

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2012

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation				
-Continuing operations	2,414,252	5,659,403	(59,159)	13,730,455
-Discontinued operation	(444,578)	(143,736)	-	-
	1,969,674	5,515,667	(59,159)	13,730,455
Adjustments for:				
Allowance for impairment of trade receivables	235,549	39,969	-	-
Bad debts written off	30,174	232,609	-	-
Depreciation and amortisation of property, plant and equipment	2,435,666	2,534,805	-	-
Depreciation of invertment property	16,000	16,000	-	-
Dividend income	-	-	-	(13,435,380)
Gain on disposal of property, plant and equipment	(39,671)	-	-	-
Interest expense	2,143,440	2,030,685	-	-
Interest income	(437)	(6,934)	-	(337,260)
Loss on disposal of discontinued operation	-	90,864	-	-
Loss on disposal of property, plant and equipment	-	10,515	-	-
Property, plant and equipment wriien off	2,848	25,496	-	-
Reversal of allowance for impairment of trade receivables	(150,307)	(174,278)	-	-
Share of results in associate	3,795	3,967	-	-
Unrealised gain on foregin exchange	(6,755)	-	-	-
Operating profit/(loss) before working capital changes	6,639,976	10,319,365	(59,159)	(42,185)
Changes in working capital:				
Inventories	2,394,828	254,645	-	-
Receivables	(5,041,205)	(11,841,423)	360,000	(10,027,785)
Payables	7,565,821	5,230,211	78,375	88,836
Net cash from operating activities assets held for sale (Note 26)	(306,523)	-	-	-
Cash generated from/ (used in) operations	11,252,897	3,962,798	379,216	(9,981,134)
Dividend received	-	-	-	10,076,535
Interest paid	(2,143,440)	(2,030,685)	-	-
Interest received	437	6,934	-	-
Tax paid	(1,423,381)	(2,028,752)	(104,092)	(55,000)
Tax refunded	257,917	47,456	-	-
Translation reserve	25,753	38,188	-	-
Net cash from/(used in) operating activities	7,970,183	(4,061)	275,124	40,401
CASH FLOWS FROM INVESTING ACTIVITIES				
*Acquisition of property, plant and equipment	(406,938)	(348,947)	-	-
Additional in development expenditure	(2,425,684)	-	-	-
Disposal of discontinued operation, net of cash (Note 26)	-	2,923,457	-	-
Proceeds from disposal of property, plant and equipment	201,882	227,994	-	-
Net cash (used in)/from investing activities	(2,630,740)	2,802,504	-	-

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2012

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment)/Proceeds from banker acceptances, trust receipts and bills payable	(6,727,412)	3,224,908	-	-
Dividend paid to minority shareholders	(90,000)	-	-	-
Repayment of hire purchase payables	(525,942)	(1,878,357)	-	-
Repayment of term loans	(153,484)	(2,646,931)	-	-
Net cash used in financing activities	(7,496,838)	(1,300,380)	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,157,395)	1,498,063	275,124	40,401
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(4,666,809)	(6,164,872)	70,006	29,605
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(6,824,204)	(4,666,809)	345,130	70,006
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	3,205,332	3,640,992	345,130	70,006
Fixed deposits with licensed banks	17,334	16,897	-	-
Bank overdrafts	(10,046,870)	(8,324,698)	-	-
	(6,824,204)	(4,666,809)	345,130	70,006

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

Mode of payments:	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash	406,938	348,947	-	-
Hire purchase	704,000	81,276	-	-
	1,110,938	430,223	-	-

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

1. GENERAL INFORMATION

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

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

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

The address of the registered office of the Company is as follows:

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

The address of the principal place of business of the Company is as follows:

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

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 24 July 2012.

2. 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 provisions of the Companies Act 1965 in Malaysia.

As stated in Note 7, the financial statement of a subsidiary company has been prepared on the going concern basis. The ability of this subsidiary company to continue as 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 under the historical cost convention unless otherwise stated.

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

2.1 Changes in Accounting Policies

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial year except for the following FRSs, Amendments to FRSs and IC Interpretations which are mandatory for the current financial year:

FRS, Amendments to FRS and Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 132	Classification of Right Issues	1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
Amendments to FRS 2	Share-based Payment	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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions 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 Effect of Changes in Foreign Exchange Rates [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 128	Investments in Associates [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 131	Interest in Joint Ventures [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
Amendments to IC Interpretation 13	Customers Loyalty Programmes [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

Adoption of the above FRSs, Amendments to FRSs and Interpretations, and "Improvements to FRSs issued in 2010" did not have any effect on the financial performance, position or presentation of financials of the Group and of the Company, other than those discussed below:

FRS 3: Business Combination (Revised)
FRS 3 (Revised) 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.

Amendments to FRS 127: Consolidated and Separate Financial Statements
Amendment to FRS 127 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 Amendments to FRS 127 will be applied prospectively and only affect future acquisitions or losses of control of subsidiary companies and transactions with non-controlling interests.

Amendments to FRS 7: Improving Disclosure about Financial Instruments
Amendments to FRS 7 require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy was introduced. Each class of financial instrument is to be classified in accordance to this hierarchy which reflects the inputs used in making the fair value measurement. It also reinforces the existing principles for disclosure on liquidity and credit risks. The new requirement on the three-level fair value hierarchy has been applied prospectively in accordance with the transitional provisions of the FRS 7 Amendments. The adoption of this amendment did not have any financial impact to the Group and the Company.

2.2 FRS and IC Interpretations Issued but Not Yet Effective

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

At the date of authorisation of these financial statements, the following new or revised FRS, amendments to FRS and IC Interpretations have been issued but are not yet effective and have not been adopted by the Group and the Company:

FRS, Amendments to FRS and Interpretations		**Effective for financial periods beginning on or after**
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124	Related Party Transactions (Revised)	1 January 2012
Amendments to FRS 1	Severe Hyperinflation an Removal of Fixed Assets for First Time Adopters	1 January 2012
Amendments to FRS 7	Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax : Recovery of Underlying Assets	1 January 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9 [IFRS 9 - 2009]	Financial Instruments	1 January 2013
FRS 9 [IFRS 9 - 2010]	Financial Instruments	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interest in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127 [2011]	Separate Financial Statements	1 January 2013
FRS128 [2011]	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

As disclosed in Note 2.3, the Group's and the Company's next set of financial statements for annual period beginning on 1 April 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and Amendments that are effective for annual periods beginning on or after 1 April 2012.

2.3 Malaysian Financial Reporting Standards ("MFRS")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is a fully International Financial Reporting Standards ("IFRS")-compliant framework and is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer. As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 January 2012 as disclosed in Note 2.2 to the financial statements.

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2013. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the financial position as at 1 April 2012 to amounts reflecting the application of MFRS Framework.

The Group and the Company have started a preliminary assessment of the differences between FRS and accounting standards under the MFRS Framework and are in the process of assessing the financial effects of the differences. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Group and the Company expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

3. SIGNIFICANT ACCOUNTING POLICIES

a. Subsidiaries and Basis of Consolidation

i. Subsidiaries

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

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

ii. Basis of Consolidation

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

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

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

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

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

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

b. Goodwill

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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

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

c. Associates

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

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

Investment in associates is accounted for in the consolidated 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 equity method of accounting based on the audited or management financial statements of the associates, and Group's interest in associates is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associates unless it is as held for sale or included in a disposal group.

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

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

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

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

Freehold land is not amortised as it has an infinite life. Building under construction is not amortised 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, machinery and 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.

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

The residual values and useful lives of assets are reviewed at each financial year end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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

e. Investment Properties

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

Investment properties comprise freehold land and building and are stated at deemed cost less accumulated depreciation and impairment losses, if any. Depreciation of freehold building is provided for on the straight line basis over their estimated useful lives of 50 years. Freehold land is not depreciated as it has an infinite life.

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

f. Development Expenditure

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

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

g. Leases

i. The Group As Lessee

Finance lease

Leases of property, plant and equipment which transfer 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 rents, if any, are charged as expenses in the periods in which they are incurred.

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

Operating lease

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

ii. The Group As Lessor

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

h. Inventories

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

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

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

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

i. Financial Instruments

i. Initial recognition and measurement

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

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

ii. Financial instrument categories and subsequent measurement

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

Financial assets

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

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

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

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

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

b) Loans and receivables ("LR")

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

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

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

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

c) **Held-to-maturity investments ("HTM")**
Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

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

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

d) **Available-for-sale financial assets ("AFS")**
AFS are financial assets that are designated as AFS or are not classified in any of the three preceding categories.

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

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

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

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

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

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

Financial liabilities, within the scope of 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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

b) Other financial liabilities
The Group's and the Company's other financial liabilities includes trade payables 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 FVTPL.

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

j. Trade Receivables

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

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

k. Cash and Cash Equivalents

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

l. Impairment of Assets

i. Financial assets

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

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

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

ii. Non-financial assets

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

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

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

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

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 asset is carried at the revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus.

m. Provision for Liabilities

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

n. Equity Instruments

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

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

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

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

o. Foreign Currencies

i. Functional and presentation currencies

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

ii. Foreign currency transactions

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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

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

p. Hire Purchase

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

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

q. Trade Payables

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

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

r. Revenue Recognition

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

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

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

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

s. Employee Benefits

i. Short term benefits

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

ii. Defined contribution plans

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

t. Income Taxes

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

i. **Current tax**

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

ii. **Deferred tax**

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

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

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

u. **Borrowing Costs**

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

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

v. **Contingencies**

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

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

w. **Non-Current Assets (or Disposal Group) Held for Sale and Discontinued Operations**

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

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

x. Earnings Per Ordinary Share
The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

5. PROPERTY, PLANT AND EQUIPMENT

Group At 31 March 2012 At cost unless otherwise stated:	Freehold Land and Buildings At Cost RM	Freehold Land and Buildings At Deemed Cost (2004 & 2005) RM	Long Term Leasehold Land and Buildings At Cost RM	Long Term Leasehold Land and Buildings At Deemed Cost (2004) RM	Plant Machinery and Equipment RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings Renovation, Signboard RM	Total RM
At 1 April 2011	1,286,405	3,347,110	15,927,574	8,600,000	20,514,909	1,361,277	2,159,788	2,771,190	55,968,253
Additions	-	-	-	-	841,770	78,775	84,745	105,648	1,110,938
Disposals	-	-	-	(180,000)	(62,392)	(47,904)	(33,233)	(1,751)	(325,280)
Exchange difference	-	-	(74,802)	-	(475)	(4,222)	(2,683)	-	(82,182)
Transfer to assets held for sale (Note 14)	-	-	(5,722,493)	-	(19,889)	(322,980)	(205,333)	-	(6,270,695)
At 31 March 2012	1,286,405	3,347,110	10,130,279	8,420,000	21,273,923	1,064,946	2,003,284	2,875,087	50,401,034
Accumulated depreciation and amortisation									
At 1 April 2011	31,593	214,010	2,081,691	960,138	13,351,011	1,067,902	1,809,086	1,984,562	21,499,993
Additions	1,767	27,063	488,196	119,542	1,371,219	97,916	157,999	171,964	2,435,666
Disposals	-	-	-	(20,526)	(58,832)	(47,904)	(31,778)	(1,181)	(160,221)
Exchange difference	-	-	(11,221)	-	(475)	(1,680)	(1,864)	-	(15,240)
Transfer to assets held for sale (Note 14)	-	-	(1,144,499)	-	(19,889)	(175,088)	(205,333)	-	(1,544,809)
At 31 March 2012	33,360	241,073	1,414,167	1,059,154	14,643,034	941,146	1,728,110	2,155,345	22,215,389
Accumulated impairment loss:									
At 31 March 2012/1 April 2011	95,164	-	-	-	-	-	-	-	95,164
Net carrying amount									
At 31 March 2012	1,157,881	3,106,037	8,716,112	7,360,846	6,630,889	123,800	275,174	719,742	28,090,481

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

5. PROPERTY, PLANT AND EQUIPMENT

Group At 31 March 2011 At cost unless otherwise stated:	|-------Freehold-------| Land and Buildings At Cos RM	 At Deemed Cost (2004 & 2005) RM	|-Long Term Leasehold-| Land and Buildings At Cost RM	 At Deemed Cost (2004) RM	Plant Machinery and Equipment RM	Motor Vehicles RM	Office Equipment RM	Furniture and Fittings Renovation, Signboard RM	Total 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	2,756,050	50,778,310
- Effect of adopting Amendment to FRS 117	-	-	1,041,561	6,130,000	-	-	-	-	7,171,561
- As restated	1,286,405	3,347,110	16,619,495	8,600,000	21,586,190	1,456,500	2,298,121	2,756,050	57,949,871
Additions	-	-	-	-	339,767	42,851	31,090	16,515	430,223
Disposals/Write offs	-	-	(130,892)	-	(1,298,763)	(106,127)	(149,292)	(1,375)	(1,686,449)
Exchange difference -	-	-	(561,029)	-	(112,285)	(31,947)	(20,131)	-	(725,392)
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	2,771,190	55,968,253
Accumulated depreciation and amortisation									
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	1,771,520	19,849,548
- Effect of adopting Amendment to FRS 117	-	-	101,489	571,234	-	-	-	-	672,723
-As restated	29,826	186,947	1,669,205	839,969	13,113,156	1,073,467	1,838,181	1,771,520	20,522,271
Additions	1,767	27,063	501,798	120,169	1,506,236	87,767	75,877	214,128	2,534,805
Disposals/Write offs	-	-	(23,858)	-	(1,218,103)	(83,959)	(95,438)	(1,086)	(1,422,444)
Exchange difference	-	-	(65,454)	-	(50,278)	(9,373)	(9,534)	-	(134,639)
At 31 March 2011	31,593	214,010	2,081,691	960,138	13,351,011	1,067,902	1,809,086	1,984,562	21,499,993
Accumulated impairment loss:									
At 31 March 2011/1 April 2010	95,164	-	-	-	-	-	-	-	95,164
Net carrying amount									
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 2012

5. PROPERTY, PLANT AND EQUIPMENT

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

	Group	
	2012 RM	2011 RM
Freehold land and buildings		
- At cost	812,717	814,484
- At deemed cost (revalued 2004 & 2005)	2,856,037	2,883,100
Long term leasehold land and buildings		
- At cost	8,535,652	8,734,148
- At deemed cost (revalued 2004)	7,360,846	7,478,809

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

	Group	
	2012 RM	2011 RM
Plant and machinery	1,122,742	1,091,604
Motor vehicles	94,926	97,981

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	
	2012 RM	2011 RM
At cost		
Freehold land	200,000	200,000
Long term leasehold land and buildings	5,821,145	5,821,145
	6,021,145	6,021,145
Accumulated depreciation/amortisation		
Freehold land	-	-
Long term leasehold land and buildings	1,296,321	1,220,842
	1,296,321	1,220,842
Net carrying amount		
Freehold land	200,000	200,000
Long term leasehold land and buildings	4,524,824	4,600,303
	4,724,824	4,800,303

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 2012

6. INVESTMENT PROPERTY

Group	**Freehold land**	**Freehold building**	**Total**
At deemed cost	**RM**	**RM**	**RM**
At 31 March 2012 / 2011	1,000,000	800,000	1,800,000
Accumulated depreciation			
At 1 April 2010	-	112,000	112,000
Depreciation for the financial year	-	16,000	16,000
At 31 March 2011	-	128,000	128,000
Depreciation for the financial year	-	16,000	16,000
At 31 March 2012	-	144,000	144,000
Carrying amount			
31 March 2012	1,000,000	656,000	1,656,000
31 March 2011 -	1,000,000	672,000	1,672,000

The investment property is pledged to a licensed bank for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

The fair value of the investment property were estimated at RM2,500,000 (2011: RM2,500,000) at Directors' valuation which were made based on information available through internal research and the Directors' best estimation.

Rental income earned by the Group from the investment property during the financial year amounted to RM108,000 (2011: RM108,000) and direct operating expenses incurred by the Group on the investment property during the financial year amounted to RM6,181 (2011: RM6,181).

7. INVESTMENT IN SUBSIDIARY COMPANY

	Company	
	2012	**2011**
	RM	**RM**
Unquoted shares - at cost	31,611,684	31,611,684

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

The details of the subsidiary companies are as follows:

Name of Companies	Effective Interest 2012 %	2011 %	Principal Activities
Direct subsidiary:			
*Toyo Ink Sdn. Bhd. ("TISB")	100	100	Investment holding, ink manufacturer and undertake investment, implementation and operating of power plant business.
Subsidiaries of TISB			
Toyo Photo Products Sdn. Bhd.	100	100	Dealers of graphic art, films, chemicals, machineries and equipment for lithography and allied industries.
Toyo Dai-Nichi Ink Sdn. Bhd.	60	60	Manufacturers and dealers of printing ink and other printing materials.
Toyo Ink (Perak) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Penang) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Melaka) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
⌂EDM-Tools (M) Sdn. Bhd. ("ETSB")	100	100	Sales and distributions of electrical discharge machining tools.
⌂ELO Dunia Manufacturing (M) Sdn. Bhd. ("ELO")	100	100	Manufacturing and fabrication of metal and metal and graphite parts.
⌂INMAC EDM-Tools (M) Sdn. Bhd.	100	100	Manufacturing of EDM cut-wire.
⌂EDM-Tools (Penang) Sdn. Bhd.	100	100	Dealer of all kinds of engineering and aviation equipment, accessories and attachments.
#^Citi Ink Manufactured Joint Venture Co., Ltd. ("CITI")	60	60	Manufacturer of printing inks.
Subsidiary of ELO			
Toyo Laser Technology Sdn. Bhd.	100	100	Sales and distributions of machinery and machine parts.
Subsidiary of ETSB			
#EDM-Tools (S) Pte. Ltd. ("ETSPL")	100	-	Sales and distributions of electrical discharge machining tools.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

Companies not audited by AHL (formerly known as A.H.Lim & Partners)

* *The auditors' report of TISB contain an emphasis of matter to draw attention to the matter as disclosed in Note 12 to the financial statements which explains the circumstances and consideration the Directors have taken into account in preparing the financial statements.*

^ *The auditors' report of CITI contains an emphasis of matter relating to the appropriateness of the going concern basis of accounting used in the preparation of its financial statements.*

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.

CITI is presented as a disposal group held for sale following the commitment of the Group's management on 21 March 2012 to a proposal to divest the Group's equity interest in CITI. Efforts to sell the disposal group have commenced and the sale is expected to materialise in the financial year 2013.

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

All the subsidiaries are incorporated in Malaysia except for Citi Ink Manufactured Joint Venture Co., Ltd. and EDM-Tools (S) Pte Ltd which are incorporated in Vietnam and Singapore respectively.

On 6 September 2011, EDM Tools (M) Sdn. Bhd., an indirect wholly owned subsidiary company of the Company, acquired 2 ordinary shares of S$1 each, being the entire issued share capital of ETSPL, a company incorporated in Singapore for a cash consideration of RM5.

The effects of the acquisition on the financial results of the Group during the financial year are as follows:

	2012 RM
Revenue	13,547
Cost of sales	(10,812)
Gross profit	2,735
Selling and distribution costs	(17,297)
Administration expenses	(14,474)
Net loss for the financial year	(29,036)

The acquisition had the following effects on the Group's assets on acquisition date:

	Acquiree's carrying amount	Fair value recognised upon acquisition
Cash in hand	5	5
Total net assets	5	5

Purchase consideration discharged by cash:	5
Less: Cash and cash equivalents of the subsidiaries	(5)
Cash outflow on acquisition, net of cash and cash equivalents acquired	-

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

8. INVESTMENT IN ASSOCIATE

	Group 2012 RM	2011 RM
Unquoted shares - at cost	309,751	309,751
Share of post acquisition results	(43,404)	(39,609)
Adjustment for exchange gain arising on year end translation of investment in foreign associate	218,462	216,238
	484,809	486,380
Represented by:		
Share of net assets of associate	532,303	533,874
Discount on acquisition	(47,494)	(47,494)
	484,809	486,380

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

Name of Companies	Effective Group Interest 2012 %	2011 %	Principal Activities
Toyo Color Pte. Ltd.	50%	50%	Dealers, importers and exporters of printing ink and graphic products.

The summarised financial information of the associate is as follows:

	2012 RM	2011 RM
Assets and Liabilities		
Current assets	32,251	39,677
Non-current assets	1,063,637	1,059,233
Total assets	1,095,888	1,098,900
Current liabilities	31,282	31,152
Non-current liabilities	-	-
Total liabilities	31,282	31,152
Results		
Revenue	-	-
Loss for the financial year	(7,590)	(7,934)

9. GOODWILL ON CONSOLIDATION

	Group 2012 RM	2011 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:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

	Group 2012 RM	2011 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 higher of 'fair value less costs to sell" and 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.

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

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

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.

10. DEVELOPMENT EXPENDITURE

	Group 2012 RM	2011 RM
At 1 April	-	-
Addition	2,425,684	-
At 31 March	2,425,684	-

The development expenditure represents expenditure and incidental costs incurred for the development of the 2 units of 1000MW Song Hau 2 Thermo Power Plant in the province of Hau Giang, Vietnam. The development of the project is disclosed in Note 12 to the financial statements.

11. INVENTORIES

	Group 2012 RM	2011 RM
At cost		
Raw materials	5,858,761	5,736,447
Finished goods	1,539,205	4,065,254
Goods in transit	176,055	-
Trading merchandise	6,020,587	6,187,735
	13,594,608	15,989,436

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

12. TRADE AND OTHER RECEIVABLES

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Trade				
Trade receivables	20,930,549	27,861,810	-	-
Allowance for impairment	(487,794)	(1,361,266)	-	
	20,442,755	26,500,544	-	-
Non-trade				
Other receivables	4,354	260,917	-	-
Prepayments	69,922,789	60,226,330	86,250	86,250
Deposits	2,041,854	267,340	-	-
	71,968,997	60,754,587	86,250	86,250
	92,411,752	87,255,131	86,250	86,250

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

	Group 2012 RM	Group 2011 RM
Trade receivables		
Neither past due nor impaired	12,748,288	12,491,656
1 to 30 days past due not impaired	3,664,225	5,729,470
31 to 60 days past due not impaired	1,487,029	3,386,628
61 to 90 days past due not impaired	1,527,244	1,963,586
91 to 120 days past due not impaired	504,698	1,028,543
More than 121 days past due not impaired	511,271	1,900,661
	7,694,467	14,008,888
Impaired	487,794	1,361,266
Total trade receivables, gross	20,930,549	27,861,810
Other receivables		
Neither past due nor impaired	4,354	260,917

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 RM7,694,467 (2011: RM14,008,888) that are past due at the reporting date but not impaired.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

Receivables that are impaired

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

	Group	
	Individually impaired	
	2012	**2011**
	RM	**RM**
Trade receivables		
Nominal amounts	487,794	1,361,266
Allowance for impairment	487,794	1,361,266
	-	-

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

Movement in allowance accounts:

	Group	
	2012	**2011**
	RM	**RM**
At 1 April	1,361,266	1,495,575
Charge for the financial year	235,549	39,969
Reversal during the financial year	(150,307)	(174,278)
Allowance written off	(958,714)	-
At 31 March	487,794	1,361,266

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:

	Group	
	2012	**2011**
	RM	**RM**
Payments	69,658,080	59,937,716

The Group's Power Plant Project has commenced since the financial year 2008, the refundable payments have been made for obtaining the project, and the payments made have been accumulated to RM69,658,080 as of 31 March 2012. The payments were partly financed by the advances received from other payables of RM46,607,600 and from certain Directors of the Company of RM5,380,000.

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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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.

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 USD2.5 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 for 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.

On 7 December 2011, the Company had received notification from the office of Government of the Socialist Republic of Vietnam to the Minister of Industry and Trade, People's Committee of Hau Giang Province, that the Deputy Prime Minister, Mr. Hoang Trung Hai , has agreed:-

a. to let the Group has research and development of Song Hau 2 Thermo Power Plant Project, capacity of 2 X 1000 MW at Song Hau Power Center, Hau Giang Province; and

b. the Minister of Industry and Trade will preside, co-operate with People's Committee of Hau Giang Province in providing guidance to the Group in the setting up of the investment project and implementation of next steps of the project, organisation of assessment and submission for approval as required by laws in Vietnam.

On 9 December 2011, the Company had furnished the following additional information for public release:-

a. **Financial Effects Of The Project On The Group**
As the proposed investment project involves massive capital outlay that was estimated at about USD2.5 billion, the Group will consider raising certain portion of the project capital via corporate exercise and then funding the balance through borrowings and also seeking equity partnerships to incorporate a joint venture company in Vietnam. It may involve changes in the Company's existing corporate structure, capital management, financial risk management and other exposures that cannot be accurately quantified at this initial stage.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

In addition, the Power Purchase Agreement, Implementation Agreement and the developing and expanding cooperation framework with Power Engineering Consulting Joint Stock Company 2 in the interest of fulfilling strategic plan on thermal power project has yet to be finalised.

Further to the notification from Vietnamese Government, the Company may spend time with the Ministry Of Industry and Trade as well as People's Committee of Hau Giang Province to set up the investment project, organization of assessment and submission for approval as required by local Vietnamese laws. The Board of Directors was unable to determine any financial effect of the project at this preliminary stage.

b. Major Shareholders and/or Directors' Interest In The Project

At this juncture, the Group had yet to finalise the financing options that might had substantial impact on the existing corporate structure and thus unable to determine whether any director and/or major shareholder and/or persons connected with a director or major shareholder would have any interest in this Power Plant Project.

c. Risks In Relation To The Project

i. Operation Consideration

Operating a power plant may subject to risks of the malfunction of equipment whether due to wear and tear or misuse problem, catastrophic events or natural disaster such as flood, landslide, pollution environmental issue that may have certain significant impact on the performance of the Company. The Company will maintain adequate insurance to cover such risks in order to mitigate and limit its exposure to the operation loss.

ii. Economic Consideration

Currently, Vietnam is in the period of integrating into the world's economy and also as part of globalisation. Vietnam has been rising as one of the lead agricultural exporter and an attractive investment destination in South Asia.

However, the economic issues such as changes in interest rate or company tax rate, inflation rate and foreign currency exchange control need to be taken into consideration due to its material impact on financial risk management.

iii. Regulatory Consideration

Any change in law or regulations relating to the coal-fired power supply may adversely affect Company operation and thus financial results. On the other hand, the Company will enjoy incentive policy to investment that is in compliance with applicable provisions of the State.

The Company's operation in Vietnam must adhere to the rules and regulations of local authorities including the Ministry of Industry and Trade as well as People's Committee of Hau Giang Province.

iv. Power Purchasing Agreement (PPA)

All reasonably ascertained risks factors shall be appropriately addressed and embodied in the PPA which will be negotiated and finalized with the Vietnamese Government in due course.

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

Under the contract, the scope of services provided by PECC2 will include, amongst others, investigation works, preparation of feasibility study, assistance services, port feasibility study as well as to assist and guide the Group to fulfill some of its obligations in the development and implementation of the Power Plant Project.

The appointment of PECC2 as the Consultant is for a duration of 3 years from the signing of the contract or such extended period as the Company shall decide.

After the appointment, PECC2 has started the Investigation Technical Solution Study that consists of geological, topographical and hydro-meteorological investigation as well as completing the general layout of Song Hau 2 Power Plant Project.

PECC2 has submitted the Feasibility Study report comprising the progress of the Investigation Technical Solution Study on weekly or periodical basis.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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 extremity time consuming.

The Board is currently in the process of negotiation with the Vietnamese authority on the Build Operate Transfer Contract, Coal Supply Agreement, Land Lease Agreement and Power Purchase Agreement. The Investment License from the Vietnamese authority shall be given upon completion of the above agreements.

The Board of Directors is fully cognizant of the risks involved but is confident of successful outcome of this project. All payments and advances to the Consultant 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.

13. AMOUNT OWING BY A SUBSIDIARY COMPANY

		Company
	2012	2011
	RM	RM
Toyo Ink Sdn. Bhd.		
Trade	-	40,000
Non trade		
- interest free	25,226,737	15,209,477
- interest rate at 4% (2011: 4%) per annum	-	10,337,260
	25,226,737	25,586,737

The trade terms are as stated in Note 12.

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

14. DISPOSAL GROUP HELD FOR SALE

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

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

		Group
		2012
Assets classified as held for sale		RM
Property, plant and equipment	a	4,725,886
Receivables	b	308,246
Cash and bank balances		1,539
		5,035,671
Liabilities classified as held for sale		
Payables		158,571

Note

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

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

b. Receivables are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

15. SHARE CAPITAL

Ordinary shares of RM1 each

	Group and Company			
		2012		2011
	No. of shares	RM	No. of shares	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	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-distributable:					
Share premium	16a	4,320,938	4,320,938	4,320,938	4,320,938
Translation reserve	16b	(451,980)	(551,481)	-	-
		3,868,958	3,769,457	4,320,938	4,320,938
Distributable:					
Retained earnings		17,856,579	16,745,814	9,903,732	9,991,828
		21,725,537	20,515,271	14,224,670	14,312,766

Non distributable reserves are not distributable by way of dividends.

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

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. NON-CONTROLLING 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 non-controlling shareholders.

18. HIRE PURCHASE PAYABLES

	Group 2012 RM	Group 2011 RM
Minimum hire purchase payments:		
Not later than 1 financial year	318,138	347,846
Later than 1 financial year and not later than 5 financial years	260,532	31,410
	578,670	379,256
Less: Future interest charges	32,213	10,857
Present value of hire purchase liabilities	546,457	368,399
Repayable as follows:		
Current - not later than 1 financial year	295,383	337,932
Non-current - later than 1 financial year and not later than 5 financial years	251,074	30,467
	546,457	368,399
Interest rate per annum (%)	2.78 - 3.50	2.77 - 3.75

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

19. BANK BORROWINGS

	Maturity	Group 2012 RM	2011 RM
Repayable within 12 months:			
Unsecured			
Bankers' acceptances	2012	4,800,000	9,463,000
Bank overdrafts	On demand	5,208,476	3,818,574
		10,008,476	13,281,574
Secured			
Bills payable	2012	-	6,113,000
Bankers' acceptances	2012	12,103,000	7,429,412
Bank overdrafts	On demand	4,838,394	4,506,124
Term loans	2012	158,821	778,816
		17,100,215	18,827,352
		27,108,691	32,108,926
Repayable after 12 months:			
Term loans – secured	2016	541,343	699,832
Total borrowings		27,650,034	32,808,758

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

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

20. DEFERRED TAX LIABILITIES

	Group 2012 RM	2011 RM
At 1 April	2,318,463	2,075,431
Transfer from statement of comprehensive income	338,637	256,460
Deferred tax relating to revaluation of property	(25,044)	(13,428)
At 31 March	2,632,056	2,318,463

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

	Group 2012 RM	2011 RM
Excess of capital allowance over corresponding depreciation	1,804,598	1,467,443
Revaluation reserve	827,458	852,502
Other deductible temporary differences	-	(1,482)
	2,632,056	2,318,463

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

The deferred tax assets of approximately of RM76,300 (2011: RM59,800) are not recognised as at the end of the financial year as their future recovery is uncertain or not currently anticipated.

As at 31 March 2012, the Group has unabsorbed loss and capital allowance for approximately RM259,500 (2011: RM204,900) and RM45,900 (2011: RM34,600) respectively to be utilised to set off against future taxable profits, subject to the approval of tax authorities.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade				
Trade payables	10,470,588	11,753,460	-	-
Non-trade				
Other payables	47,166,110	34,474,504	-	-
Accruals	1,041,956	1,839,174	135,240	144,365
Deposits	18,000	17,950	-	-
	48,226,066	36,331,628	135,240	144,365
	58,696,654	48,085,088	135,240	144,365

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 10 and Note 12:

	Group	
	2012 RM	2011 RM
Advances received	46,607,600	33,997,600

22. AMOUNT OWING TO DIRECTORS

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

23. REVENUE

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
Continuing operations					
Sales of goods		92,830,124	109,865,017	-	-
- Management fee		-	-	240,000	240,000
Dividend income		-	-	-	13,435,380
		92,830,124	109,865,017	240,000	13,675,380
Discontinued operation					
Sales of goods	26	-	266,283	-	-
		92,830,124	110,131,300	240,000	13,675,380

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

24. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at:

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
After charging				
Allowance for impairment of trade receivables	235,549	39,969	-	-
Auditors' remuneration				
- statutory				
- current financial year	125,000	127,000	18,000	18,000
- over stated in prior financial year	(430)	(6,280)	-	-
- non statutory				
- current financial year	15,000	10,500	8,500	4,000
Bad debts written off	30,174	232,609	-	-
Depreciation of investment property	16,000	16,000	-	-
Depreciation and amortisation of property, plant and equipment	2,435,666	2,534,805	-	-
Hire of motor vehicles	-	3,801	-	-
Interest expense	2,143,440	2,030,685	-	-
Loss on disposal of property, plant and equipment	-	10,515	-	-
Loss on foreign exchange –				
Realized, net	355,933	-	-	-
Plant and equipment written off	2,848	25,496	-	-
Rental of premises	58,389	57,853	-	-
Staff and labour costs	11,295,735	11,217,3555	87,500	87,500
And crediting				
Bad debts recovered	29,207	51,800	-	-
Gain on disposal of property, plant and equipment	39,671	-	-	-
Gain on foreign exchange –				
-realised, net	-	132,534	-	-
-unrealised	6,755	-	-	-
Grant received	59,531	44,036	-	-
Insurance claim	128,312	15,446	-	-
Interest income	437	6,934	-	337,260
Management fee	-	-	240,000	240,000
Rental income	111,677	110,520	-	-
Reversal of allowance for impairment of trade receivables	150,307	174,278	-	-
Royalties income	25,000	25,000	-	-
Staff and labour costs comprise:				
Directors' remuneration	1,933,122	2,096,488	87,500	87,500
Salaries, wages, allowance, overtime and bonus	8,370,362	8,199,285	-	-
EPF	898,228	830,712	-	-
Socso	94,023	90,870	-	-
	11,295,735	11,217,355	87,500	87,500
Directors' remuneration				
- fees	371,500	277,050	87,500	87,500
- salaries and other emoluments	1,402,435	1,671,671	-	-
- EPF	157,327	147,236	-	-
Socso	1,860	531	-	-
	1,933,122	2,096,488	87,500	87,500

At the end of the financial year, the Group and the Company have 228 employees (2011: 220) and 2 (2011: 2) employees respectively.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

25. TAXATION

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current tax expense				
-current financial year	(906,443)	(2,500,877)	(26,000)	(3,460,000)
-over/(under) provision in prior financial year	124,554	8,178	(2,937)	(556)
	(781,889)	(2,492,699)	(28,937)	(3,460,556)
Deferred tax expense				
-origination and reversal of temporary differences	(589)	(133,904)	-	-
-under provision of deferred tax in prior financial year	(313,004)	(109,128)	-	-
	(1,095,482)	(2,735,731)	(28,937)	(3,460,556)
Share of taxation in associated company	-	-	-	-
Tax expense for the financial year	(1,095,482)	(2,735,731)	(28,937)	(3,460,556)

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 is as follows:

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Profit/(Loss) before taxation excluding share of results in associate	1,973,469	5,519,634	(59,159)	13,730,455
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	(493,367)	(1,379,908)	14,790	(3,432,614)
Tax effects in respect of:				
Depreciation and amortisation on non-qualifying property, plant and equipment and investment property	(152,179)	(26,509)	-	-
Non allowable expenses	(624,350)	(1,191,608)	(40,790)	(33,526)
Deferred tax assets not recognised during the financial year	(16,487)	(44,927)	-	-
Crystallisation of deferred tax resulting from revaluation of property	25,044	13,428	-	-
Effect of tax on foreign jurisdiction	-	(49,490)	-	-
Income not subject to income tax	96,269	58,203	-	-
Tax incentives	259,180	-	-	-
Others	(1,142)	(13,970)	-	6,140
Over/(Under)provision of Malaysian income tax in prior financial years	124,554	8,178	(2,937)	(556)
(Under)/Overprovision of deferred tax in prior financial years	(313,004)	(109,128)	-	-
Tax expense for the financial year excluding share of taxation in associated company	(1,095,482)	(2,735,731)	(28,937)	3,460,556

26. DISCONTINUED OPERATION

As disclosed in Note 14, the Group has decided to dispose of its foreign subsidiary Citi-Ink Manufactured Joint Venture Co., Ltd. ("CITI"). As at the end of the financial year, the results from the subsidiary are presented separately on the consolidated statement of comprehensive income as discontinued operation.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

	Note	Group 2012 RM
Results of discontinued operation		
Revenue	23	-
Other income		31,397
Expenses		(475,975)
Loss before taxation		(444,578)
Taxation		-
Loss for the financial year		(444,578)
Included in loss before taxation are:		
Rental income		31,397
Depreciation/Amortisation of property, plant and equipment		395,416
Staff and labour cost		4,817
Cash flows used in discontinued operation		
Net cash from operating activities		(306,523)
Net cash used in investing activities		-
Net cash from financing activities		-
Net cash flows		(306,523)

In last financial year, the Group has disposed its foreign subsidiary, Total Young Ink Vietnam Co., Ltd.. The effects of the disposal on the financial results of the Group were disclosed as follow:

	Note	Group 2011 RM
Results of discontinued operation		
Revenue	23	266,283
Other income		-
Expenses		(319,155)
Loss before taxation		(52,872)
Taxation		-
Loss for the financial year		(52,872)
Loss on disposal of discontinued operation		(90,864)
		(143,736)
Cash flows from discontinued operation		
Net cash from operating activities		-
Net cash from investing activities		2,923,457
Net cash from financing activities		-
Net cash flows		2,923,457

The effects of the disposal on the financial position of the Group were disclosed as follow:l

	Group 2011 RM
Assets classified as held for sale	4,541,407
Liabilities classified as held for sale	(36,128)
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	(1,727,957
Net of cash, disposal of investment in subsidiary company	2,923,457

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

27. EARNINGS PER ORDINARY SHARE

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

	Group 2012 RM	Group 2011 RM
Profit attributable to ordinary shareholders		
Continuing operations	1,377,512	2,841,218
Discontinued operation	(266,747)	(122,587)
	1,110,765	2,718,631
Weighted average number of ordinary shares	42,800,000	42,800,000
	Sen	**Sen**
Basic earnings per ordinary share		
Continuing operations	3.32	6.64
Discontinued operations	(0.62)	(0.29)
	2.60	6.35

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

28. SECTION 108 TAX CREDIT AND TAX EXEMPT INCOME ACCOUNT

Subject to the agreement by the Inland Revenue Board, the Group has Section 108 tax credit RM14,484,722 (2011: RM14,981,722) and tax exempt income account RM2,854,245 (2011: RM2,044,472) to frank and distribute its distributable reserves at 31 March 2012 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 Section 108 tax credit as at 31 March 2012 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.

29. 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.

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 7)   Associate (refer Note 8)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Transactions with a related party in which certain Directors of the Company have substantial financial interest				
Toyo Ink Pte. Ltd.				
-Sales	18,200	2,822	-	-
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.

30. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Corporate guarantee for banking facilities extended to subsidiary companies				
-unsecured	69,665,000	69,665,000	36,700,000	36,700,000

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 2012

31. 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 2012

2012

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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	94,259,527	44,267,297	503,757	(28,899,281)	110,131,300
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)
Non-controlling interest					(61,305)
Profit for the financial year					2,718,631
Other Information					
Segment assets	115,286,593	27,660,959	-	-	142,947,552
Associate					486,380
Unallocated corporate assets					17,854,683
Consolidated segment assets					161,288,615
Segment liabilities	53,894,976	3,330,112	-	-	57,225,088
Unallocated corporate liabilities					35,870,116
Consolidated segment liabilities					93,095,204
Capital expenditure	390,344	39,879	-	-	430,223
Depreciation/amortisation	2,266,885	283,920	-	-	2,550,805

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

Geographical Segments

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

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of assets. The Group 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	
	2012	2011	2012	2011	2012	2011
	RM	RM	RM	RM	RM	RM
Continuing operations						
Malaysia	92,830,124	109,865,017	141,886,001	137,647,856	1,110,938	430,223
Vietnam	-	-	-	5,786,076	-	-
Discontinued operation						
Vietnam	-	266,283	5,035,671	-	-	-
	92,830,124	110,131,300	146,921,672	143,433,932	1,110,938	430,223

32. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

i. On 10 June 2011, TISB's wholly owned subsidiaries, Elo Dunia Manufacturing (M) Sdn. Bhd. ("ELO") and INMAC EDM-Tools (M) Sdn. Bhd. ("INMAC") had entered into separate Sale and Purchase Agreements with NPO Land Sdn. Bhd. for the acquisition of the following land for a total 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. L1-6, Seri Alam Industrial Park.	ELO	4,105,000
b. One parcel of industrial freehold land measuring approximately 128,066 square feet and identified as Lot No. L1-5A, Seri Alam Industrial Park.	INMAC	4,867,000
	Total	8,972,000

ii. In accordance with the Vietnamese Government Office Letter No.8545/VPCP-KTN dated 30 November 2011 received on 7 December 2011, to direct the Company to conduct the research and development of Song Hau 2 Thermo Power Plant Project, the Company and its appointed consultant, Power Engineering Consulting Joint Stock Company 2 ("PECC2"), have completed the entire Feasibility Study Report by middle of July 2012. The Company will submit the Feasibility Study Report to the Minister Of Industry and Trade ("MOIT") and the other relevant Vietnamese Ministries before end of August 2012 for final approval from MOIT to proceed towards signing of:

a. Build Operate Transfer Contract
b. Land Lease Agreement
c. Coal Supply Agreement
d. Power Purchase Agreement

After completion of the above, MOIT will issue the Investment License to the Group. Commencement of tenders and subsequent construction work will proceed therafter.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

33. FINANCIAL INSTRUMENTS

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)

2012	Group Carrying amount RM	Group L&R/(OL) RM	Company Carrying amount RM	Company L&R/(OL) RM
Financial Assets				
Trade and other receivables	92,411,752	92,411,752	86,250	86,250
Amount owing by subsidiary	-	-	25,226,737	25,226,737
Cash and cash equivalents	3,222,666	3,222,666	345,130	345,130
	95,634,418	95,634,418	25,658,117	25,658,117
Financial Liabilities				
Trade and other payables	(58,696,654)	(58,696,654)	(135,240)	(135,240)
Amount owing to Directors	(6,087,500)	(6,087,500)	(237,500)	(237,500)
Hire purchase payables	(546,457)	(546,457)	-	-
Bank borrowings	(27,650,034)	(27,650,034)	-	-
	(92,980,645)	(92,980,645)	(372,740)	(372,740)

2011	Group Carrying amount RM	Group L&R/(OL) RM	Company Carrying amount RM	Company 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
	90,913,020	90,913,020	25,742,993	25,742,993
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)	-	-
	(90,402,245)	(90,402,245)	(294,365)	(294,365)

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 the Company's exposure to the above mentioned financial risks and the Group's policy is not to engage in speculative transactions.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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 Company'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 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 subsidiaries 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
2012						
Financial assets						
Trade receivables	1,544,402	203,912	-	-	412,588	2,160,902
Cash and bank balances	509,197	67,380	-	-	11,275	587,852
Financial liabilities						
Trade payables	(2,290,266)	(9,896)	(138,890)	(260,229)	(214,775)	(2,914,056)
Net exposure	(236,667)	261,396	(138,890)	(260,229)	209,088	(165,302)
2011						
Financial assets						
Trade receivables	1,439,251	223,208	-	-	718,364	2,443,823
Cash and bank balances	32,770	45,081	-	-	-	77,851
Financial liabilities						
Trade payables	(3,425,286)	(29,064)	(364,194)	(148,268)	(443,487)	(4,410,299)
Net exposure	(1,953,265)	239,225	(364,194)	(148,268)	337,877	(1,888,625)

Foreign currency risk sensitivity analysis

The exposure to currency risk of Group entities for the current financial year is not material and hence, sensitivity analysis is not presented.

In 2011, a 10% strengthening of the USD against Ringgit Malaysia at the end of the reporting period would have increase/decrease 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% 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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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 rate are contractually repriced at intervals between reporting date and the financial periods in which they mature, or if earlier, reprice.

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

	2012 RM	2011 RM
Group		
Fixed rate instruments		
Financial assets:		
Fixed deposits with licensed banks	17,334	16,897
Financial liabilities:		
Hire purchase payables	(546,457)	(368,399)
Floating rate instruments		
Financial liabilities:		
Bills payable	-	(6,113,000)
Bankers' acceptances	(16,903,000)	(16,892,412)
Bank overdrafts	(10,046,870)	(8,324,698)
Term loans	(700,164)	(1,478,648)

Interest rate risk sensitivity analysis

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

A change of 10 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) the Group's profit or loss by RM210,934 (2011: 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.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

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 2012, 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 are repayable on demand.

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:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2012

	On demand or within one year RM	One to five years RM	Total RM
Financial liabilities:			
2012			
Trade and other payables	58,696,654	-	58,696,654
Hire purchase payables	295,383	251,074	546,457
Bankers' acceptances	16,903,000	-	16,903,000
Bank overdrafts	10,046,870	-	10,046.870
Bills payable	-	-	-
Term loans	158,821	541,343	700,164
	86,100,728	792,417	86,893,145
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
	80,531,946	730,299	81,262,245

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.

34. CAPITAL COMMITMENT

	Group 2012 RM	2011 RM
Approved and contracted but not provided for:		
Property, plant and equipment	7,177,600	-

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 its business and maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group 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 2012

	Group 2012 RM	2011 RM
Trade and other payables	58,696,654	48,085,088
Hire purchase payables	546,457	368,399
Bank borrowings	27,650,034	32,808,758
Less: Cash and bank balances	(3,222,666)	(3,657,889)
Net debt	83,670,479	77,604,356
Total equity	69,014,160	68,193,411
Total net debt and equity	152,684,639	145,797,767
Debt to equity ratio	55%	53%

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

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

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

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Total retained earnings				
-realised	20,417,641	18,977,532	9,903,732	9,991,828
-unrealised	(2,632,056)	(2,318,463)	-	-
	17,785,585	16,659,069	9,903,732	9,991,828
Total share of accumulated losses from associate				
-realised	(43,404)	(39,609)	-	-
-unrealised	-	-	-	-
	17,742,181	16,619,460	9,903,732	9,991,828
Consolidation adjustments	114,398	126,354	-	-
Total group retained earnings as per consolidated financial statements	17,856,579	16,745,814	9,903,732	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.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

ANALYSIS OF SHAREHOLDINGS as at 31 July 2012

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	:	981

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	11	1.12	315	0.00
100 to 1,000	319	32.52	173,861	0.41
1,001 to 10,000	423	43.12	2,129,700	4.98
10,001 to 100,000	181	18.45	5,817,912	13.59
100,001 and below 5% of issued shares	40	4.08	12,352,619	28.86
5% and above of issued shares	7	0.71	22,325,593	52.16
TOTAL	**981**	**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.	Kwok Hon Wun	3,300,686	7.71
4.	Amsec Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account – Ambank (M) Berhad for Song Kok Cheong]*	3,000,000	7.01
5.	Bukit Asa Sdn. Bhd.	2,700,000	6.31
6.	Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26
7.	Ng Chong You	2,360,043	5.51
8.	Kok Sow May	1,823,409	4.26
9.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *[Beneficiary:Pledged Securities Account for Lau Yen Bin]*	1,185,000	2.77
10.	Foo Fong Lee	1,182,700	2.76

ANALYSIS OF SHAREHOLDINGS as at 31 July 2012

No.	Name	No. Of Shares Held	%
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: CIMB Bank for Yap Pooi Ming (MY1300)*]	712,300	1.66
12.	Cheah Yoke Han	688,210	1.61
13.	HLG Nominee (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Expo Holdings Sdn. Bhd.*]	601,300	1.40
14.	MERSEC Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Thiam Seong*]	564,000	1.32
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Song Kok Cheong (8073295)*]	400,000	0.93
16	Tan Yu Peng	320,000	0.75
17	TA Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Tan Yu Wei*]	280,000	0.65
18.	Yap Pooi Ming	279,100	0.65
19.	Chan Pooi Chuen	276,800	0.65
20.	Fong Yuet Peng	275,000	0.64
21.	Chew Cheong Loong	238,000	0.56
22.	Ting Buoi Ho	218,500	0.51
23.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Siyu Lian*]	199,400	0.47
24.	Affin Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Lee Lian Seng*]	195,000	0.46
25.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ismail @ Mustapha Bin Ibrahim (REM 167)*]	190,000	0.44
26.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ooi Chong Chuan*]	183,700	0.43
27.	Bon Nyon	169,300	0.40
28.	ECML Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Loo Soon (002)*]	164,000	0.38
29.	Johstar The Plastic Man (M) Sdn. Bhd.	144,000	0.34
30.	Amsec Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Lau Shu Chiang*]	141,000	0.33
		32,756,312	**76.53**

ANALYSIS OF SHAREHOLDINGS as at 31 July 2012

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares of RM1/- Each			
	Direct	%	Indirect	%
1. Lim Guan Lee	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	2,404,043	5.62	36,000	0.08
5. Ling Ha Kee	36,000	0.08	2,404,043	5.62
6. Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	-	-
7 Kwok Hon Wun	3,300,686	7.71	-	-
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 RM1/- 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	2,404,043	5.62	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 2012

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (sq / ft)	Built-up Area (sq / ft)	Net Book Value as at 31/3/2012 (RM)	Date of Acquisition*/ Valuation**
1	Lot No.376, Section 32, Bandar Petaling Jaya, District of Petaling State of Selangor	One (1) units of Industrial building with a two (2) storey office and single storey factory annexe	29 years	87 years leasehold expiring on 23 rd May 2065	7,561	4,890	1,179,680	23 Sept 2002**
2	PT No. 3477, Mukim of Petaling, Distrcit of Petaling, State of Selangor	Industrial building with a three (3) storey office and single storey factory annexe	8 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	11,529,596	10 Sept 2002**
3	Lot No. 64200 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	17 years	Freehold	3,091	2,400	430,400	27 Aug 2002**
4	Lot No. 64199 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	17 years	Freehold	3,091	2,400	389,777	23 July 2003**
5	Lot No. 013814 (PT 9407) Mukim of Damansara, District of Petaling, State of Selangor	Industrial building with a two (2) storey office and single storey single factory annexe	32 years	Freehold	11,300	9,480	1,656,000	17 Sept 2002**
6	L.O. 7/65/Sub-Jacket/ 21/Ind Mukim of Damansara Distrct of Klang State of Selangor	Semi-detached Industrial building with a two (2) storey office and single storey single factory annexe	37 years	90 years leasehold expiring on 16 th January 2067	24,590	13,704	1,804,687	17 Sept 2002**
7	Lot No. 212808 & 212809, Mukim of Hulu Kinta District of kinta State of Perak	Two (2) adjoining units of 1 1/2 storey semi-detached industrial building	16 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	231,029 and 231,029	22 Aug 2002**
8	Lot No. 2788 and 2789, Bandar Butterworth Seksyen 3, District of Perai Utara, State of Pulau Pinang	Two (2) adjoining units of 1 1/2 storey terrace industrial buildings	18 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	300,152 and 300,152	22 Aug 2002**
9	Lot No.5952, Mukim Bachang Daerah Melaka Tengah Melaka	1 1/2 storey terrace factory	15 years	99 years leasehold expiring on 18th May 2095	1,920	1,920	180,456	31 May 2005*
10	Lot A-2C-CN My Phuoc 3 Industrial Zone, Ben Cat District Binti Duong Province Republic of Vietnam	Industrial buidling with a two (2) storey office, single storey factory and warehouse	4 years	50 years leasehold expiring on 14th Jan 2055	97,413	48,278	4,577,994	4 May 2006**
11	Lot PT 22 & Pt 23 Mukim Dan Daerah Petaling , No.6 & 8 Jln TPP 1/1A, Taman Industrial Puchong Selangor Darul Ehsan	1 1/2 storey freehold semi-detached light industrial building	7 years	Freehold	22,000	15,000	2,493,085	24 Apr 2002* 5 Jan 2005**

LIST OF PROPERTIES as at 31 MARCH 2012

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (sq / ft)	Built-up Area (sq / ft)	Net Book Value as at 31/3/2012 (RM)	Date of Acquisition*/ Valuation**
12	H.S.(D) 61625 Lot No. PT 11380 , Mukim Petaling, State of Selangor	1 1/2 storey semi detched light industrial factory	11 years	Freehold	8,396	4,376	1,005,842	3 Sept 2001* 5 Jan 2005**
13	H.S.(M) No. 854 & H.S.(M) No. 521 Lot 3073 & PT Lot 2998, Mukim 6, Daerah Seberang Perai Tengah Negeri Pulau Pinang	1 1/2 storey terrace factory	20 years (base on OC)	Freehold	2,820	2,610	264,991	18 Oct 1999* 28 Oct 2004**

This page is intentionally left blank

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)

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 TENTH 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, 25 September 2012, 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. Lim Guan Lee as Director		
4.	Re-election of Mr. Tham Kut Cheong as Director		
5.	Re-appointment of Mr. You Tong Lioung @ Yew Tong Leong as Director		
6.	To re-appoint Messrs. Ecovis AHL (formerly known as AHL) as Auditors of the Company.		
7.	Special Resolution – Proposed Amendments to the Company's Articles of Association		
8.	Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
9.	Ordinary Resolution 2 - Continuing in office for Mr. Tham Kut Cheong as Independent Non-Executive Director		
10.	Ordinary Resolution 2 - Continuing in office For Mr. You Tong Lioung @ Yew Tong Leong as Independent Non-Executive Director		

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

Dated this ______________________ day of ______________________ 2012

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

____
Signature

Notes:

1. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint 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. **General Meeting Record of Depositors**
   For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 47(C) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 19 September 2012 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

Fold this flap for sealing

Then fold here

AFFIX
STAMP
HERE

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

First fold here

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

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