TOYO INK GROUP BERHAD

(Company No. 590521-D)

2015 LAPORAN TAHUNAN ANNUAL REPORT

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth 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, 22 September 2015, 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 2015 together with the Reports of the Directors and the Auditors thereon. **(Refer Note 6)**

2. To approve the Directors' fees of RM72,920.00 (2014: RM87,500.00) in respect of the year ended 31 March 2015. **(Resolution 1)**

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

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

   "THAT Mr. You Tong Lioung @ Yew Tong Leong, retiring pursuant to Section 129(2) of the Act, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **(Resolution 3)**

5. To consider and, if thought fit, to pass the following ordinary resolution in accordance with Section 129(6) of the Act:- **(Resolution 4)**

   "THAT Tuan Hj. Ir. Yusoff Bin Daud, 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."

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

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

   a. **Ordinary Resolution 1** **(Resolution 6)**
   Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965
   "THAT subject always to the Companies Act, 1965 ("Act"), Articles of Association of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Act to allot and issue shares in the Company at any time until the conclusion of the next annual general meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital for the time being of the Company and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

   b. **Ordinary Resolution 2** **(Resolution 7)**
   Continuing In Office As Independent Non-Executive Director
   "THAT, subject to the passing of Resolution No. 2, approval be and is hereby given to Mr. Tham Kut Cheong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

   c. **Ordinary Resolution 3** **(Resolution 8)**
   Continuing In Office As Independent Non-Executive Director
   "THAT subject to the passing of Resolution No. 3, approval be and is hereby given to Mr. You Tong Lioung @ Yew Tong Leong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

NOTICE OF ANNUAL GENERAL MEETING

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

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347)
Company Secretary

Kuala Lumpur
28 August 2015

Notes:-

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

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

3. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.

4. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.

5. In respect of deposited securities, only members whose names appear on the Record of Depositors on 14 September 2015 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.

6. **Audited Financial Statements for the financial year ended 31 March 2015**
   The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, it will not be put forward for voting.

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

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

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

   The proposed Resolution No. 6, if passed, will give the Directors of the Company from the date of the above AGM, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM.

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

   (b) Resolution Nos. 7 and 8
   In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Board of Directors has assessed the independence of Mr. Tham Kut Cheong and Mr. You Tong Lioung @ Yew Tong Leong, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

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

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

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

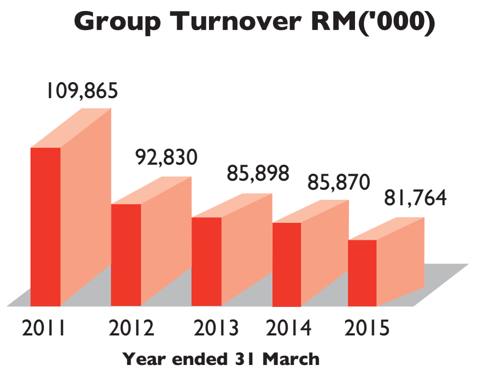
   (iv) Both of them, having been with the Company for more than nine years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.

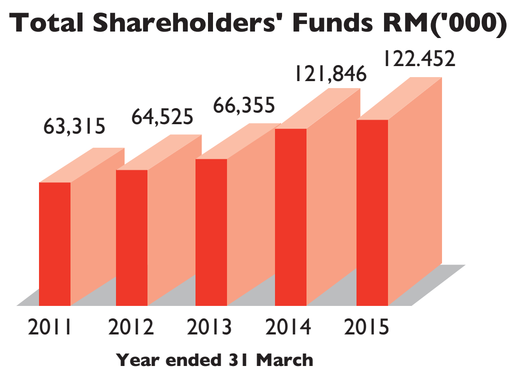
   (v) Both have exercised due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in the interest of the Company and shareholders.

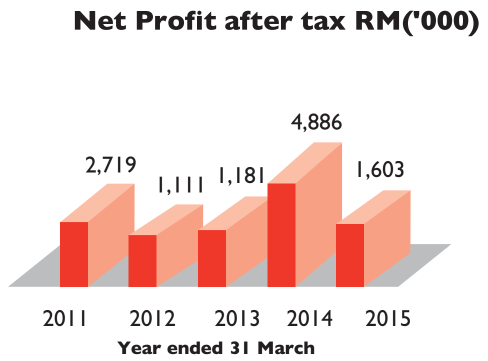
   Resolution No. 7 proposed under item 7(b), if passed, will authorise Mr. Tham Kut Cheong to continue in office as an Independent Non-Executive Director of the Company.

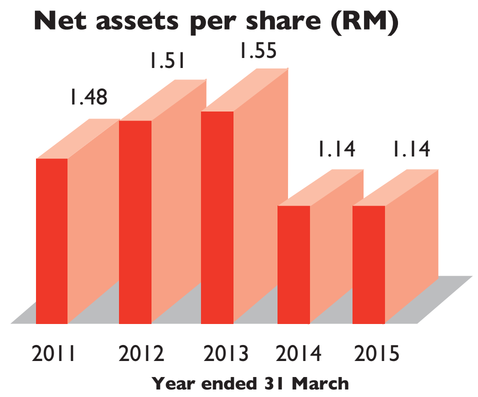
   Resolution No. 8 proposed under item 7(c), if passed, will authorise Mr. You Tong Lioung @ Yew Tong Leong to continue in office as an Independent Non-Executive Director of the Company.

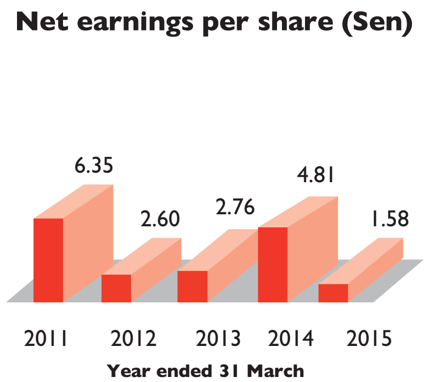
FINANCIAL HIGHLIGHTS - 31 MARCH 2011 TO 31 MARCH 2015

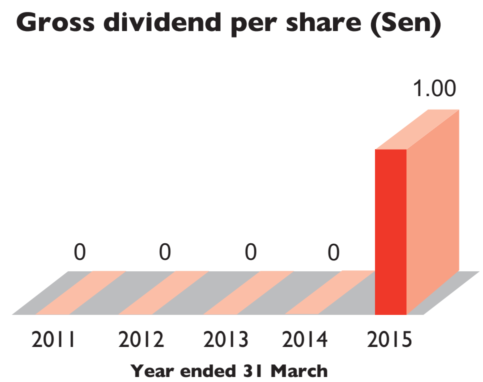












	2011	2012	2013	2014	2015
Group Turnover RM('000)	109,865	92.830	85,898	85,870	81,764
Total shareholders' funds RM('000)	63,315	64,525	66,355	121,846	122,452
Net assets per share (RM)	1.48	1.51	1.55	1.14	1.14
Net profit after tax RM('000)	2,719	1,111	1,181	4,886	1,693
Net earnings per share (sen)	6.35	2.60	2.76	4.81	1.58
Gross dividend per share (sen)	0	0	0	0	1.00

DIRECTORS' PROFILE

Tuan Hj. Ir. Yusoff bin Daud

(Malaysian, aged 70)
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 2015.

He has no conflict of interest with the Company.

Mr. Song Kok Cheong

(Malaysian, aged 63)
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 39 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.

He has attended all Board meetings held during his tenure in office in the financial year ended 31 March 2015.

He has no conflict of interest with the Company.

Mr. Tham Kut Cheong

(Malaysian, aged 70)
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.

He has attended all Board meetings held during his tenure in office in the year ended 31 March 2015.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Mr. You Tong Lioung @ Yew Tong Leong
(Malaysian, aged 79)
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 2015.

He has no conflict of interest with the Company.

Mr. Lim Guan Lee
(Singaporean, aged 65)
Non-Independent Non-Executive Director

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

He has attended 4 Board meetings held during his tenure in office in the financial year ended 31 March 2015.

He has no conflict of interest with the Company.

DIRECTORS' PROFILE

Miss Song Hsiao May
(Malaysian, aged 31)
Non-Independent Non-Executive Alternate Director to Song Kok Cheong

Miss Song Hsiao May is the Non-independent Non-Executive Alternate Director to Mr. Song Kok Cheong and was appointed to the Board on 25th September 2013. Miss Song Hsiao May is a graduate with a Master in Business Administration and has a Bachelor Degree in Applied Science of Biotechnology. She has 8 years of involvement in the printing ink industry

She has not attended any Board meetings held during her tenure in office in the financial year ended 31 March 2015.

She has no conflict of interest with the Company.

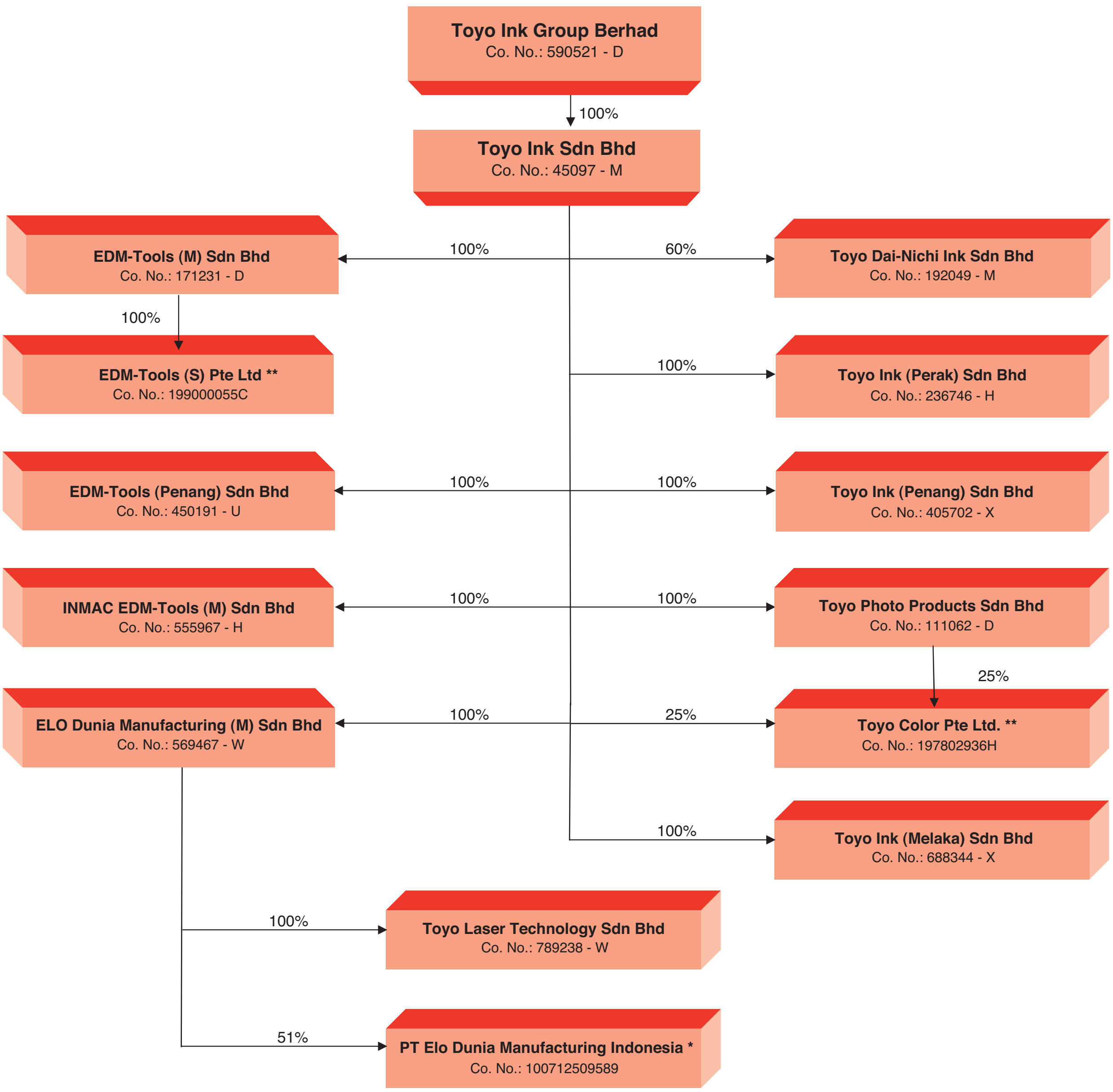
Miss Lim Soek Fun
(Singaporean aged 34)
Non-Independent Non-Executive Alternate Director to Lim Guan Lee.

Miss Lim Soek Fun is the Non-Independent Non-Executive Alternate Director to Mr. Lim Guan Lee and was appointed to the Board on 25th September 2013. Miss Lim Soek Fun is a graduate with a Bachelor of Arts degree from Curtin University, Western Australia. She has 9 years of involvement in the printing ink industry and is currently serving as the Managing Director of Toyo Ink Pte. Ltd.

She has not attended any Board meetings held during her tenure in office in the financial year ended 31 March 2015.

She has no conflict of interest with the Company.

CORPORATE STRUCTURE



* Incorporated in Indonesia
** Incorporated in Singapore

CORPORATE INFORMATION

BOARD OF DIRECTORS
Tuan Hj. Ir. Yusoff bin Daud
(Chairman)

Song Kok Cheong

Lim Guan Lee

Tham Kut Cheong

You Tong Lioung @ Yew Tong Leong

Song Hsiao May
(alternate director to Song Kok Cheong)

Lim Soek Fun
(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 SECRETARY
Andrea Huong Jia Mei (MIA 36347)

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

SOLICITORS
Tan Kim Soon & Co
Ee & Associates

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

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

AUDITORS
UHY (AF 1141)
Suite 11.05 Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

PRINCIPAL BANKERS
AmIslamic Bank Berhad
AmBank (M) Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd.

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Market - Stock Code 7173

CORPORATE INFORMATION

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

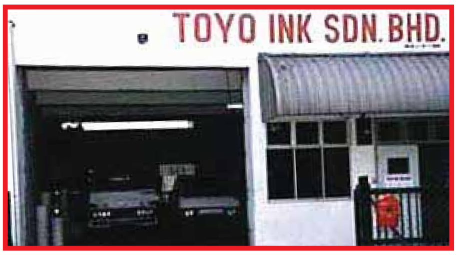
TOYO DAI-NICHI INK SDN BHD
Lot 21, Jalan Pahat 16/8A
40000 Shah Alam
Selangor, MALAYSIA.

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

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

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

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



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

TOYO COLOR PTE LTD
63 Joo Koon Circle
Singapore 629076

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

CHAIRMAN'S STATEMENT

Good morning and a very warm welcome to all of you to the 13th Annual General Meeting of Toyo Ink Group Berhad.

We had just completed a most challenging and difficult year. The financial year ended 31 March 2015 had been most eventful and I am happy to report that we had registered positive results in spite of the globally uncertain economic circumstances.

The financial turmoil which affected some countries in the Eurozone, in particular the situation in Greece, had created a lot of business uncertainty. Caution was the order of the day and the Management of your Group had treaded carefully in avoiding and minimizing all potential risks in our daily business decision making. This called for very detailed performance reviews on a weekly and monthly basis on operational results of companies of the Toyo Ink Group.

Towards the later part of the financial year the world was hit with the unprecedented fall in the price of crude oil of almost 50% which resulted in continuous weakening of the Ringgit and inflationary impact for importers of raw materials for their manufacturing processes. This had resulted in erosions in our margins to some extent.

I am proud to reflect that in spite of these challenges my colleagues on the Board together with the Management of Toyo Ink Group had remained loyal and committed in the discharge of their responsibilities. This had enabled us to develop an even stronger team as we look forward to face the challenges in the years ahead.

CHAIRMAN'S STATEMENT

Financial Performance

For the financial year ended 31 March 2015 Toyo Ink Group Berhad registered a consolidated group turnover of RM81.764 million. This was RM4.106 million (4.78%) lower than the previous year's RM85.870 million. Net profit after tax attributable to owners of the Group stood at RM1.693 million. In the previous financial year the Group recorded a corresponding profit after tax of RM4.886 million.

This represented an earnings per share of 1.58 sen against an earnings per share of 4.81 sen in the previous financial year.

Review of Operations

A review of operational results is conducted on a monthly basis. The Managing Director together with senior management meet with the respective managers in charge of operating subsidiaries to critically evaluate the performance of each subsidiary company within the Toyo Ink Group. The Senior Independent Non-Executive Director is invited to sit in at these meetings to offer his advice and guidance wherever necessary.

This review of operations is extremely useful as the various businesses of the Group go through the very trying economic conditions as we had experienced through the course of the financial year. These regular meetings form an important bridge between Management and Board as important policy decisions at Board level are conveyed by the Managing Director to the day to day operational managers within the Group. Adherence to approved budget plans and their achievement against budgets are examined through budget review meetings held every quarter and operational managers are required to furnish comprehensive explanations on the results against budgets and business plans. Through these regular deliberations weaknesses are rectified and corrective actions are taken promptly.

The Board of Toyo Ink Group Berhad is continuously evaluating business opportunities to achieve a satisfactory level of return to our shareholders and stakeholders.

In this respect we had announced the Vietnamese Government's approval for Toyo Ink Group Berhad to invest in a 2 x 1000 MW coal-fired thermal power plant on a "build-operate-transfer" (BOT) basis for a period of 25 years commencing 2020/21 and shall be located at Song Hau 2 Power Complex in Hau Giang Province in south-west Vietnam.

We are now in the process of finalizing various agreements such as land lease , coal supply, engineering, procurement and construction. Upon the completion of these agreements the Power Purchase Agreement (PPA) will be inked with the Vietnamese Government. Financial close for this project is forecast to be achieved before end 2016.

Corporate Social Responsibility

While we are always in the midst of chasing our corporate dreams I have always reminded our staff of our wider responsibility of nurturing a caring culture within the Toyo Ink Group of companies, both as individuals and as a corporate entity. There are many out there who are old and neglected, sick and uncared for and many more deserving cases who are in need of help in one form or another. To fulfill this vision we had made a couple of contributions to the Pemegang Amanah Yayasan Kebajikan SSL Haemodialysis Berdaftar in the financial year just ended.

Moving forward

While the business environment is expected to be challenging in the year ahead, your Board is confident that we are well placed to enjoy the expected growth in the local economy. The Malaysian economy is forecast to grow by 5.0% in 2015/16 and with economic uncertainties in the Eurozone being gradually resolved and oil prices stabilized at current levels we can expect a more stable business environment for further growth in the printing ink, printing equipment consumables, electrical discharge machining (EDM) tools and packaging sector of the Malaysian economy.

Our progress towards the final setting up of the power plant in Vietnam will greatly improve the Group's net profit and financial position and provide a much steadier income stream to our loyal shareholders and other stakeholders of the Group.

Appreciation

To my colleagues on the Board I thank them for their excellent teamwork and leadership in steering the Group through a very challenging year.

May I also take this opportunity to convey my sincere appreciation to our team at Toyo Ink Group for their undivided loyalty, determination and commitment in making the financial year just ended a successful one.

We would also like to take this opportunity to offer a word of thanks to our loyal shareholders, our bankers and financiers, our customers and other stakeholders, who had, in one way or other, held our hands in good faith and given us the confidence to overcome the challenges that we had faced.

Thank you.

Tuan Hj. Ir. Yusoff bin Daud
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Toyo Ink Group Berhad ("Board") is committed to ensure that the principles and best practices of the corporate governance as set out in the Malaysian Code of Corporate Governance ("2012 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 2012 Code and the extent of the Group's compliance with the best practices of the 2012 Code throughout the financial year ended 31 March 2015. The Board considers that it has generally applied the principles and best practices of the 2012 Code as disclosed below:-

1. Establish clear roles and responsibilities

1.1 Clear Functions of the Board and Management

The Group continues to be led and managed by an effective Board. The Board is responsible for the corporate governance and the overall performance of the Group.

To ensure the effective discharge of its function and responsibilities, the Board maintains specific Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberation of specific board agenda. However, in order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The Chairman of the respective Board Committee would report to the Board during the Board Meetings on significant matters deliberated in the Committees.

In addition, the Board has approved its Board Charter which sets out a list of specific functions that are reserved for the Board. Key matters reserved for the Board's approval includes financial results, related party transactions, new ventures and investments, material acquisitions and disposal of assets not in the ordinary course of business and authority levels.

1.2 Clear Roles and Responsibilities

The Board assumes the primary responsibilities prescribed under the 2012 Code. These include, amongst others, the review of the Group's overall strategic plans, overseeing and evaluating the business operations of the Group, reviewing adequacy of the internal control, identifying principal risks and ensuring that the risks are properly managed, establishing a succession plan and developing an investor relations program.

1.3 Formalised Ethical Standards through Code of Ethics

In line with good governance practices, the Group has established a Whistle Blowing Policy and a Code of Ethics and Conducts ("Code"). The Whistleblowing Policy provides a framework for direction and procedure to deal with fraud and related matters and defines the rights of the informants and the protection accorded to them while the Code sets out the principles and standards of business ethics and conduct of the Group.

1.4 Strategies Promoting Sustainability

The Group is committed to sustainability development. A detailed statement on sustainability activities, demonstrating the Company's commitment to its environmental, social and governance is clearly outlined on page 26 in this Annual Report.

1.5 Access to Information and Advice

The Directors have full access to all information, management and the advice and services of the Company Secretary. The Directors are supplied with the relevant documents and information in advance of each meeting so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. In addition, the Directors are also empowered to seek independent professional advice at the Company's expense, should they consider it necessary in their course of duties.

1.6 Company Secretary

The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company. The Company Secretary attends all board meetings and ensures that accurate and adequate records of the proceedings of board meetings and decisions made are properly kept.

CORPORATE GOVERNANCE STATEMENT

1.7 Board Charter

The Company's Board Charter sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

The Board will periodically review and update its charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

2. Strengthen Composition

2.1 Nomination Committee ("NC")

The NC was established on 28 August 2003. The members of the NC, comprising exclusively of Non-Executive Directors, a majority must be independent, are as follows:-

Chairman

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

Members

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

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

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

The NC had held one (1) meeting during the financial year ended 31 March 2015 which were attended by all members.

2.2 Develop, Maintain And Review Criteria For Recruitment And Annual Assessment Of Directors

(a) Recruitment or New Appointment of Directors

The Board appoints its members through a formal and transparent selection process which involves (1) identification of candidates for directorships, (2) evaluation and deliberation of suitability of candidates by the NC and (3) recommendation to the Board.

In making these, due consideration is given to the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment, gender diversity and other qualities that the proposed directors should bring to the Board and to the respective Board Committees.

(b) Gender Diversity Policy

The Board is supportive of the gender diversity policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

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

The Articles of Association of the Company provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire from office and be eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

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

CORPORATE GOVERNANCE STATEMENT

Information of each Director standing for re-election covering their personal profile, meeting attendance, directorships in other public companies and shareholdings in the Group is furnished in the Annual Report.

(d) Annual Assessment

During the financial year, the NC conducted a meeting in July 2014 to carry out its annual appraisal on the effectiveness of the Board, its Committees, the contribution of each director and the independence of the Independent Directors. The annual appraisal was conducted via questionnaires.

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

The NC, upon the review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.

2.3 Directors' Remuneration

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

Chairman Tham Kut Cheong	*(Independent Non-Executive Director)*
Members You Tong Lioung @ Yew Tong Leong	*(Independent Non-Executive Director)*
Song Kok Cheong	(Managing Director)

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

Annually, the RC reviews the remuneration of the Executive Directors to ensure that it commensurate with the market expectation, the Directors' experience and competency and the performance of the Group. Directors do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year. The RC had held one (1) meeting during the financial year ended 31 March 2015 which was attended by all the members.

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

The details of the Directors' remuneration from the Group for the financial year ended 31 March 2015 are as follows:-

(a) An analysis of the aggregate remuneration received by the Directors of the Company from the Group, categorised into appropriate components is set out below:-

	Fees RM'000	Salaries & other Emoluments RM'000	Benefit in Kind RM'000	Total RM'000
Executive Directors	30	425	-	455
Non-Executive Directors	103	115	-	218

CORPORATE GOVERNANCE STATEMENT

(b) Analysis of Directors' remuneration categorized in successive band of RM50,000:-

Remuneration Bands	Executive Directors	Non-Executive
RM50,000 and below	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	1
RM450,001 to RM500,000	1	-

3. Reinforce Independence

3.1 Annual Assessment of Independence

The Board will assess the independence of its Independent Directors annually in accordance with the criteria prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

During the financial year, the Board conducted the annual appraisal on the independence of the Independent Directors using the peer evaluation questionnaire for assessing the performance of the Independent Directors and the Independent Director questionnaire. Based on results of the appraisal, it was concluded that the Independent Directors continues to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Additionally, each of the Independent Non-Executive Directors has provided an annual confirmation of their independence to the Nomination Committee and the Board.

3.2 Tenure of Independent Directors

In line with the 2012 Code, the Board has agreed that upon the completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director. However, the Board must justify and seek shareholders' approval in the event it retains an Independent Director, a person who has served in that capacity for more than nine (9) years.

As at the date of this statement, two of its existing Independent Directors namely Mr. Tham Kut Cheong and Mr. You Tong Lioung @ Yew Tong Leong have served for more than nine years. The Board, through the NC, has assessed, reviewed and determined that they have both remain objective and independent. The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The Board believes that the Group benefits from long serving Directors, who possess detailed knowledge of the Group's business and have proven commitment, experience and competence for informed and balance decision making. As such, the Board would be seeking shareholders' approval at the coming AGM for them to continue in office as Independent Directors.

3.3 Separation of positions of the Chairman and Managing Director ("MD")

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

3.4 Composition of the Board

As at the financial year ended 31 March 2015, the Board is made up of one (1) Managing Director, one (1) Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors and two (2) Alternate Directors. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Securities.

The Group practices a division of responsibility between the Managing Director and Non-Executive Directors. The Managing Director is responsible for implementing the policies and decisions of the Board, to oversee operations and to coordinate the development and implementation of business and corporate strategies. The

CORPORATE GOVERNANCE STATEMENT

Non-Executive Directors are responsible to provide independent views, advice and judgment in consideration of the interests of shareholders at large.

A brief profile of each Director is presented on pages 5 to 7 of this Annual Report.

4. Foster Commitment

4.1 Time Commitment

The Directors' commitment in carrying out their duties and responsibilities is affirmed by their attendance at the Board and Board Committee Meetings held during the financial year ended 31 March 2015, as reflected below:-

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

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

4.2 Directors' Training

The Board acknowledges the importance of continuous education and training to enable the Board to effectively discharge its duties and responsibilities. The Board shall evaluate and determine the training needs of its Directors on a continuous basis pursuant to the Listing Requirements of Bursa Securities. All Board members have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements.

During the financial year ended 31 March 2015, the Directors have attended the following training:-

Director	Training
Lim Guan Lee	• Rights of Shareholders under the New Companies Act
You Tong Lioung @ Yew Tong Leong	• Understanding GST in Malaysia
Tuan Ir. Haji Yusoff Daud	• Common Offences Committed by Directors under the Companies Act 1965 – Pitfalls and Remedies • Understanding & Awareness of Goods and Service Tax (GST)
Song Kok Cheong	• GST Impact, Analysis & Implementation • Nominating Committee Programme
Tham Kut Cheong	• Nominating Committee Programme
Song Hsiao May *(Alternate Director to Song Kok Cheong)*	• GST Impact, Analysis & Implementation
Lim Soek Fun *(Alternate Director to Lim Guan Lee)*	• Rights of Shareholders under the New Companies Act

CORPORATE GOVERNANCE STATEMENT

5. Uphold Integrity In Financial Reporting

5.1 Compliance with Applicable Financial Reporting Standards

The Directors are responsible for the preparation and fair presentation of the financial statements for each financial year in accordance with applicable Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Quarterly financial results and annual financial statements are reviewed and deliberated upon by the Audit Committee to ensure the quality and adequacy of such information, prior to submission the Board for its approval.

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

5.2 Assessment of Suitability and Independence of External Auditors

To maintain a transparent and formal relationship with the Company's external auditors, the Audit Committee reviews the appointment, performance, independence and remuneration of the external auditors. The Audit Committee had met with the external auditors twice during the financial year under review without the presence of executive members of the Board. The Audit Committee Report covering its terms of reference, composition, activities and attendance of the members are reported separately on pages 20 to 23.

6. Recognise And Manage Risks

6.1 Sound Framework to Manage Risks

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. Risk management is embedded in the Group's management systems. The Board with the assistance of the outsourced internal audit function has established processes for identifying, evaluating and managing the significant risks faced by the core business of the Group. The outcome of the process is reviewed by the Board and is guided by the Statement on Risk Management & Internal Control Guidelines for Directors of Public Listed Companies issued by Bursa Securities.

6.2 Internal Audit Function

The internal audit function is outsourced to an independent internal audit service company. The Audit Committee reviews and approves the internal audit plan, which is developed based on the key risk areas and major operating units of the Group. Audit reviews were carried out on quarterly basis and audit findings were reported to the Audit Committee. Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 20 to 23 of this Annual Report.

The Statement of Risk Management and Internal Control furnished on pages 24 to 25 of this Annual Report provides an overview on the state of internal controls within the Group.

7. Ensure Timely and High Quality Disclosure

7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. In that respect, the Company is guided by Bursa Securities' disclosure framework as outlined in its Corporate Disclosure Guide.

7.2 Leverage on Information Technology For Effective Dissemination of Information

The Board endeavours to leverage on information technology for broader and effective ways to communicate with both its shareholders and stakeholders. Information is disseminated through various disclosures and announcements made to the Bursa Securities which includes the quarterly financial results, audited financial statements and Annual Reports. Shareholders and members of the public can obtain information on the Group through the Bursa Securities' website at http://www.bursamalaysia.com and the Company's website at http://www.toyoink.com.my

CORPORATE GOVERNANCE STATEMENT

8. Strengthen Relationship Between Company and Shareholders

8.1 Encourage Shareholder Participation At General Meetings

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

Notice of the AGM and Annual Report are sent to shareholders 21 days' prior to the meeting. At each AGM, the Board presents the performance and progress of the Company and provides shareholders with the opportunity to raise questions pertaining to the Company. The Chairman and the Board will respond to the questions raised by the shareholders during the AGM. The Board has ensured that an explanatory statement will accompany each item of special business included in the notice of meeting on the effects of the proposed resolution.

8.2 Encourage Poll Voting

Recommendation 8.2 of the 2012 Code recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that with the current level of shareholders' attendance at AGM, voting by way of a show of hands continues to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

8.3 Effective Communication And Proactive Engagement

Besides the key channels of communication through the Company's AGM, Annual Report, Quarterly Report and various announcements to the Bursa Securities, the Company's website at http://www.toyoink.com.my also provides corporate, financial and non-financial information. Through the website, shareholders are able to direct enquiries to the Company. Additionally, a press conference is held immediately after the AGM upon request.

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

Statement of Directors' Responsibility for Preparation of the Financial Statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have:-

- Applied appropriate and relevant accounting policies consistently;
- Complied with all applicable approved accounting standards; and
- Prepared the financial statements on a going concern basis.

The Directors are also responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate system are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a resolution of the Board dated 28 July 2015.

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 2015, 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 fulfill 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.

AUDIT COMMITTEE REPORT

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 2015. 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 2015

During the financial year ended 31 March 2015 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 2014;

(c) reviewed the External Auditors' report to the Committee in relation to the audit and accounting issues arising from the audit of the Group's financial statements for the year ended 31 March 2014;

(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 2014;

(f) reviewed the External Auditors' audit plan and scope of audit for the financial year ended 31 March 2015

(g) met with the External Auditors twice during the financial year ended 31 March 2015 without the presence of any executive board members;

(h) Reviewed the 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 2014 and recommended their adoption to the Board.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group's internal audit function is undertaken by an independent internal audit service company and the team members are independent of the activities audited by them. The cost incurred for the internal audit function in respect of the financial year ended 31 March 2015 is RM71,000.

The principal responsibility of the internal audit function is to undertake periodic review of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily in the Group. The Internal Auditors perform its reviews based on the audit plan that was reviewed and approved by the Audit Committee.

During the financial year under review, the Internal Auditors have conducted audit on selected subsidiaries and key functions and reported their findings and recommendation to the Audit Committee. These internal audit reports together with responses by management were circulated to all members of the Audit Committee. All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings and recommendations were duly agreed by the management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement of Risk Management and Internal Control is made pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") with regard to the disclosure of the Group's state of risk management and internal control. In making this Statement, the Board is guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" issued by the Task Force on Internal Control with the support and endorsement of the Bursa Securities.

BOARD RESPONSIBILITIES

Principally, the responsibilities of the Board as provided in the Guideline for risk governance and controls are:

- To embed risk management in all aspects of the Group's activities, which encompasses all subsidiaries of the Company;
- To define and approve the Board's acceptable risk appetite; and
- To review risk management framework, processes, responsibilities and assessing whether the present systems provide reasonable assurance that risk is managed within tolerable ranges.

The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the incurrence and balancing of risk and return in order to reward the shareholders

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORKS

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

The systems of internal control are reviewed by the Audit Committee. The presence of the internal audit functions supports this review by assessing and reporting the status of management control procedures to the Audit Committee. Audit Committee reviews the internal audit reports and reports to the Board on key findings. Follow-up audit is carried out to ascertain status of management actions. Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by management. With the consultation with management, the Board and Audit Committee deliberate the integrity of the financial results, annual report and audited financial statements before presenting this financial information to the shareholders and public investors.

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

The other key elements of systems of internal control and its review mechanisms are as follows:

i. Defined job description, authority and responsibility for each functional division and process and procedure for core business activities;

ii. Limit of authority and approval facilitating delegation of authority;

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for identifying risks for the business of the Group's objectives and strategies implementation, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

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

BOARD ASSURANCE AND LIMITATION

For the financial year under review, the Board is satisfied that the existing level of systems of risk management and internal control are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weakness that would require separate disclosure in the Annual Report.

The Board recognises that the risk management and systems of internal control should be continuously improved in line with the evolving business 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, these risk management and internal control systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

Review of Statement on Internal Control by External Auditors

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 March 2015. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants. Nonetheless, RPG 5 does not require the External Auditors to consider whether this statement covers all risks and controls or to form an opinion on the effectiveness of the Group's risk management and internal control system.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

This statement is made in accordance with a resolution of the Board on 28 July 2015.

STATEMENT ON CORPORATE SUSTAINABILITY

Policy Statement
The Board of Directors acknowledges the importance of Corporate Sustainability and believes this business approach will create long-term wealth by embracing opportunities and maximizing values deriving from economic, environmental and social developments.

The policy is applicable to all companies within the Group.

Objective of the Policy
The objectives of the policy are as follow:-

- Integrate management system and ensure organization value is continuously enhanced by economic, environmental and social improvement.

- Contribute values to the communities by improving quality of life of workforce and development of the industry

Scope of the Policy
The Group will address the principles of sustainability in the following variety of areas:-

- Comply with the applicable rules and regulatory as well as best practices of the industry;

- Promote a corporate culture within the Group to operate its businesses in an integrity and transparent manner and in line with code of ethics and conduct;

- Manage human resources by maintaining workforce capabilities and employee satisfaction through continuous organizational learning, on-the-job training, safety and health practices and vibrant workplace;

- Ensure fair business practices with customers, suppliers and business partners;

- Ensure product and service innovation and development by utilization of available technology and human resources in effective , efficient, economic and environmentally friendly manner; and

- Take into consideration environmental, economic and social factors in all corporate decision making.

Execution
The Group believes in leading by example and channeling the value of the Corporate Sustainability Policy to all its subsidiaries, business lines and overall operations.

Review of the Policy
The Board will review the policy regularly to ensure its effectiveness and reserves the right to amend the policy if necessary.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds
During the financial year there were no proceeds raised by the Company from any corporate proposals.

Share Buy-backs
The Company did not have a share buy-back programme in place 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
There was no non-audit fees paid to the external auditors of the Group for the financial year ended 31 March 2015.

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

Variation in Results
There was no material variance between the Company's audited financial statements for the financial year ended 31 March 2015 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) Ms. Song Hsiao May is the daughter of Mr. Song Kok Cheong and Madam Fong Po Yin.
(c) Mr. Lim Guan Lee and Ms. Lim Soek Fun are father and daughter.

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

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

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

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Financial Statement

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 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
Net Profit/(Loss) for the financial year	1,425,311	(10,336)
Attributable to:		
- Owners of the Parent	1,692,900	(10,336)
- Non-controlling interests	(267,589)	-
	1,425,311	(10,336)

DIVIDENDS

The amount of dividends paid and declared since the end of the last financial year was as follows:-

	RM
In respect of the financial year ended 31 March 2015, first and final single tier dividend of 1 sen per share, declared on 23 December 2014 and paid on 16 February 2015.	1,070,000

The Directors do not recommend the payment of any final dividend for the financial period ended 31 March 2015.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

Warrant 2013/2018

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

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

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

Salient features of the Warrants are as follows:

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

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

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

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

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

As of 28 July 2015, 42,800,000 Warrants remained unexercised.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors in office since the date of the last report are as follows:

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

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	At 1.4.2014	**Bought**	**Sold**	**At 31.3.20115**
Interest in the Company:				
Direct Interest:				
Tuan Hj. Ir. Yusoff Bin Daud	230,964	-	-	230,964
Song Kok Cheong	10,927,525	550,000	-	11,477,525
Lim Guan Lee	11,448,204	-	-	11,448,204
Song Hsiao May *(Alternate Director to Song Kok Cheong)*	100,000	-	-	100,000
Indirect Interests:				
Song Kok Cheong *	391,726	-	-	391,726
Lim Guan Lee **	119,000	-	-	119,000

	Number of Warrants 2013/2018			
	At 1.4.2014	**Bought**	**Sold**	**At 31.3.2015**
Interest in the Company:				
Direct Interest:				
Tuan Hj. Ir. Yusoff Bin Daud	100,000	-	-	100,000
Song Kok Cheong	4,371,400	751.900	-	5,123,300
Lim Guan Lee	4,579,281	-	-	4,579,281
Song Hsiao May *(Alternate Director to Song Kok Cheong)*	40,000	-	-	40,000
Indirect Interests:				
Song Kok Cheong *	157,000	-	-	157,000

* Deemed interest by virtue of shares and warrant held by spouse/children
** Deemed interest by virtue of the shareholdings in Lim Keenly Investments Pte. Ltd..

DIRECTORS' REPORT

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown 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 certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

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

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OTHER STATUTORY INFORMATION

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

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

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

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

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

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

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

(d) In the opinion of the Directors:

(i) no contingent or other liability of the Group and of the Company has become enforceable or are 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 affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

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

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

AUDITORS

The Auditors, Messrs UHY, 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 28 July 2015.

SONG KOK CHEONG	**THAM KUT CHEONG**

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 37 to 86 are drawn up in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirement 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 36 to the financial statements on page 86 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants 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 28 July 2015.

SONG KOK CHEONG **THAM KUT CHEONG**

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, SONG KOK CHEONG, being the Director primarily responsible for the financial management of **TOYO INK GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 37 to 86 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 28 July 2015)

SONG KOK CHEONG

Before me,

COMMISSIONER FOR OATHS

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 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 86.

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 Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 8 to the financial statements which disclosed the current status of the 2 x 1000 megawatt Song Hau 2 Thermal Power Plant Project ("the Project").

The Project has commenced since the financial year 2008. Incidental costs made for the project has been accumulated to RM150, 776,159 as at 31 March 2015.

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

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

The ultimate outcome of the Project is dependent on the issuances of the Investment Certificate to incorporate a Vietnam registered company and signing of the BOT agreement, Coal Supply agreement, Land Lease Agreement, Power Purchase Agreement and other relevant agreements with the respective authorities and government agencies of Vietnam.

While recognising the risk involved, the Board of Directors is confident of the successful outcome of the Project. The Directors of the Company are also of the opinion that no impairment is required as the Project will enhance the future profitability and improve the financial position of the Group.

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 followings:

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 5 to the financial statements.

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

d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities
The supplementary information set out in Note 36 on page 86 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia 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
The financial statements of the Group and of the Company as at 31 March 2014 were audited by another auditor whose report dated 23 July 2014, expressed an unqualified opinion with emphasis of matter paragraph on those statement.

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.

UHY
Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approval Number: 3068/08/16 (J)
Chartered Accountant

Kuala Lumpur
28 July 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Non Current Assets					
Property, plant and equipment	4	35,985,054	29,867,869	-	-
Investment in subsidiary companies	5	-	-	31,611,684	31,611,684
Investment in associated company	6	481,311	481,747	-	-
Goodwill on consolidation	7	17,496,312	17,496,312	-	-
Development expenditure	8	150,776,159	124,169,784	-	-
		204,738,836	172,015,712	31,611,684	31,611,684
Current Assets					
Inventories	9	12,996,057	14,874,118	-	-
Trade receivables	10	18,538,964	19,982,495	-	-
Other receivables	11	3,159,820	2,770,521	5,000	95,000
Amount owing by subsidiary companies	12	-	-	75,565,073	76,444,655
Tax recoverable		140,233	349,196	-	20,904
Short term deposits with a licensed bank	13	18,931	18,369	-	-
Cash and bank balances		2,992,535	4,986,292	23,764	12,793
		37,846,540	42,980,991	75,593,837	76,573,352
Total Assets		242,585,376	214,996,703	107,205,521	108,185,036
Equity					
Share capital	14	98,868,000	98,868,000	98,868,000	98,868,000
Reserves	15	23,584,229	22,977,592	8,091,636	9,171,972
Equity attributable to owners of the parent		122,452,229	121,845,592	106,959,636	108,039,972
Non-controlling interests		3,641,410	4,014,171	-	-
Total Equity		126,093,639	125,859,763	106,959,636	108,039,972
Non-Current Liabilities					
Finance lease liabilities	16	122,187	182,163	-	-
Bank borrowings	17	8,120,532	2,259,427	-	-
Deferred tax liabilities	18	1,594,774	1,950,041	-	-
		9,837,493	4,391,631	-	-
Current Liabilities					
Trade payables	19	12,000,997	10,151,739	-	-
Other payables	20	73,107,778	47,111,867	96,301	72,144
Amount owing to Directors	21	277,840	219,920	145,840	72,920
Finance lease liabilities	16	81,678	795,578	-	-
Bank borrowings	17	20,286,042	25,576,998	-	-
Tax payables		899,909	889,207	3,744	-
		106,654,244	84,745,309	245,885	145,064
Total Liabilities		116,491,737	89,136,940	245,885	145,064
Total Equity and Liabilities		242,585,376	214,996,703	107,205,521	108,185,036

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 MARCH 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	22	81,764,296	85,869,767	390,000	240,000
Cost of sales		(64,987,097)	(67,682,911)	-	-
Gross profit		16,777,199	18,186,856	390,000	240,000
Other income		844,662	3,922,424	-	95,000
Selling and distribution costs		(6,950,235)	(7,345,134)	-	-
Administrative expenses		(6,730,243)	(7,623,828)	(341,266)	(620,237)
Finance costs	23	(1,573,980)	(1,702,633)	-	-
Share of results in associate		(436)	(1,188)	-	-
Profit/(Loss) before taxation	24	2,366,967	5,436,497	48,734	(285,237)
Taxation	25	(941,656)	(467,497)	(59,070)	9,599
Net profit/(loss) for the year		1,425,311	4,969,000	(10,336)	(275,638)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
- Foreign exchange translation differences		(11,186)	(42,753)	-	-
Total comprehensive income/ (loss) for the financial year		1,414,125	4,926,247	(10,336)	(275,638)
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		1,692,900	4,886,405	(10,336)	(275,638)
Non-controlling interests		(267,589)	82,595	-	-
		1,425,311	4,969,000	(10,336)	(275,638)
Total compresensive income/ (loss) attributable to:					
Owners of the parent		1,687,195	4,864,937	(10,336)	(275,638)
Non-controlling interests		(273,070)	61,310	-	-
		1,414,125	4,926,247	(10,336)	(275,638)
Earnings per share attributable to owners of the parent (sen):	26				
Basic		1.58	4.81		
Diluted		NA	NA		

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2015

	Attributable to Owners of the Company							
	Non distributable				Distributable			
	Share capital RM	Share premium RM	Warrant reserve RM	Translation reserve RM	Retained Profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 April 2013	42,800,000	4,320,938	-	195,848	19,038,078	66,354,864	3,931,576	70,286,440
Net profit for the financial year	-	-	-	-	4,886,405	4,886,405	82,595	4,969,000
Other comprehensive income for the financial year:								
Foreign exchange translation reserve	-	-	-	(42,753)	-	(42,753)	-	(42,753)
Total comprehensive income for the year	-	-	-	(42,753)	4,886,405	4,843,652	82,595	4,926,247
Transactions with owners:								
Right shares issued	42,800,000	8,560,000	-	-	-	51,360,000	-	51,360,000
Bonus shares issued	21,400,000	(12,880,938)	-	-	(8,519,062)	-	-	-
Share issuance expenses**	-	-	-	-	(712,924)	(712,924)	-	(712,924)
Allocation of value to warrant reserve	(8,132,000)	-	8,132,000	-	-	-	-	-
Total transactions with owners	56,068,000	(4,320,938)	8,132,000	-	(9,231,986)	50,647,076	-	50,647,076
At 31 March 2014	98,868,000	-	8,132,000	153,095	14,692,497	121,845,592	4,014,171	125,859,763
At 1 April 2014	98,868,000	-	8,132,000	153,095	14,692,497	121,845,592	4,014,171	125,859,763
Dividend to non-controlling interest	-	-	-	-	-	-	(105,172)	(105,172)
Net profit for the financial year	-	-	-	-	1,692,900	1,692,900	(267,589)	1,425,311
Other comprehensive income for the financial year:								
Foreign exchange translation reserve	-	-	-	(16,263)	-	(16,263)	-	(16,263)
Total comprehensive income for the year	-	-	-	(16,263)	1,692,900	1,676,637	(372,761)	1,303,876
Transactions with owners								
Dividend	-	-	-	-	(1,070,000)	(1,070,000)	-	(1,070,000)
Total transactions with owners	-	-	-	-	(1,070,000)	(1,070,000)	-	(1,070,000)
At 31 March 2015	98,868,000	-	8,132,000	136,832	15,315,397	122,452,229	3,641,410	126,093,639

STATEMENTS OF CHANGES IN EQUITY for the financial year ended 31 MARCH 2015

	Attributable to Owners of the Company				
	Non distributable			Distributable	
	Share Capital RM	**Share Premium RM**	**Warrant reserve RM**	**Retained Profits RM**	**Total equity RM**
Company					
At 1 April 2013	42,800,000	4,320,938	-	10,547,596	57,668,534
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(275,638)	(275,638)
Transactons with owners:					
Right shares issued	42,800,000	8,560,000	-	-	51,360,000
Bonus shares issued	21,400,000	(12,880,938)	-	(8,519,062)	-
Share issuance expenses	-	-	-	(712,924)	(712,924)
Allocation of value to warrant reserve	(8,132,000)	-	8,132,000	-	-
Total transactions with owners	56,068,000	(4,320,938)	8,132,000	(9,231,986)	50,647,076
At 31 March 2014	98,868,000	-	8,132,000	1,039,972	108,039,972
At 1 April 2014	98,868,000	-	8,132,000	1,039,972	108,039,972
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(10,336)	(10,336)
Transaction with owners:					
Dividends to owners of the company	-	-	-	(1,070,000)	(1,070,000)
Total transactions with owners	-	-	-	(1,070,000)	(1,070,000)
At 31 March 2015	98,868,000	-	8,132,000	(40,364)	106,959,636

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2015

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	2,366,967	5,436,497	48,734	(285,237)
Adjustments for:				
Allowance for impairment of trade receivables	73,154	77,916	-	-
Bad debts written off	-	19,045	-	-
Depreciation of property, plant and equipment	3,032,212	2,437,495	-	-
Depreciation of invertment property	-	12,000	-	-
Loss/(gain) on disposal of property, plant and equipment	32,220	(1,305,732)	-	-
Gain on disposal of investment property	-	(1,872,000)	-	-
Interest expense	1,572,697	1,608,966	-	-
Interest income	-	(10,604)	-	-
Property, Plant and equipment written off	13,027	38,933	-	-
Reversal of allowance for doubtful debt	(95,163)	-	-	-
Share of results in associate	436	1,188	-	-
Unrealised gain on foregin exchange	-	(36,737)	-	-
Operating profit/(loss) before working capital changes	6,995,550	6,406,967	48,734	(285,237)
Changes in working capital:				
Inventories	1,878,060	(668,431)	-	-
Trade receivables	1,465,540	(933,909)	-	-
Other receivables	(389,303)	6,539,901	90,000	220,507
Trade payables	1,849,258	(1,284,807)	-	-
Other payables	25,995,911	(11,453,281)	24,157	(74,431)
Amount owing to Directors	57,920	(6,035,080)	72,920	(102,080)
Subsidiary company	-	-	879,582	(51,363,397)
	30,857,386	(13,835,607)	1,066,659	(51,319,401)
Cash from/(used in) operation	37,852,936	(7,428,640)	1,115,393	(51,604,638)
Interest paid	(1,572,697)	(1,608,966)	-	-
Interest received	-	10,604	-	-
Tax paid	(1,426,131)	(1,382,808)	(34,422)	(26,950)
Tax refund	348,877	979,550	-	56,893
Translation reserve	(11,185)	14,557	-	-
	(2,661,136)	(1,987,063)	(34,422)	29,943
Net cash from/(used in) operating activities	35,191,800	(9,415,703)	1,080,971	(51,574,695)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(9,529,678)	(5,439,501)	-	-
Addition in development expenditure	(26,606,375)	(37,940,859)	-	-
Proceeds from disposal of investment property	-	3,500,000	-	-
Proceeds from disposal of property, plant and equipment	430,198	2,441,700	-	-
Net cash used in investing activities	(35,705,855)	(37,438,660)	-	-

STATEMENTS OF CASH FLOWS for the financial year ended 31 MARCH 2015

	Group		Company	
	2015 **RM**	**2014** **RM**	**2015** **RM**	**2014** **RM**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(1,180,250)	-	(1,070,000)	
Repayment for banker	-	(2,650,083)	-	-
Drawdown of term loan	6,038,658	2,180,000	-	-
Proceeds from right shares issued	-	50,647,076	-	50,647,076
Repayment of finance lease liabilities, net	(869,040)	(926,845)	-	-
Repayment of term loans	(2,952,379)	(181,596)	-	-
Net cash from/(used in) financing activities	1,036,989	49,068,552	(1,070,000)	50,647,076
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	522,934	2,214,189	10,971	(927,619)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(5,813,055)	(8,027,244)	12,793	940,412
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(5,290,121)	(5,813,055)	23,764	12,793
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR COMPRISE:				
Cash and bank balances	2,992,535	4,986,292	23,764	12,793
Fixed deposits with a licensed bank	18,931	18,369	-	-
Bank overdrafts	(8,301,587)	(10,817,716)	-	-
	(5,290,121)	(5,813,055)	23,764	13,793

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

1. CORPORATE INFORMATION

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

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

The registered office of the Company is located at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statement and in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

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

Adoption of new and amended standards and IC Interpretation

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

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of above amendments to MFRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

		Effective dates for financial periods beginning on or after
Amendments to MFRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle		1 July 2014
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
Amendments to MFRS 10 MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

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

The initial application of the abovementioned MFRS are not expected to have any significant impacts on the financial statements of the Group and the Company except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)
MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement.*

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

MFRS 15 *Revenue from Contracts with Customers*
MFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Group is in the process of assessing the impact of this Standard.

b) Functional and presentation currency
The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and Company's functional currency and all values have been rounded to the nearest RM except when otherwise stated.

c) Significant accounting judgements, estimates and assumptions
There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

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

Useful lives of property, plant and equipment (Notes 4)
The Group regularly review the estimated useful lives of property, plant and equipment and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment and investment properties.

Impairment of investment in subsidiaries
The Company has recognised impairment loss in respect of its investments in subsidiary companies. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units to which the investments in subsidiary companies belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 5.

Inventories valuation
Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9.

Impairment of loans and receivables
The Group assesses at end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties 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. The carrying amounts at the reporting date for loans and receivables are disclosed in Notes 10, 11 and 12 respectively.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

Contingent liabilities
Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group, for matters in the ordinary course of business.

Fair value of financial instruments
Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Impairment of goodwill on consolidation
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

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

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 25.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of consolidation

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

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

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 Financial Instruments: Recognition and Measurement either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

ii. Goodwill on Consolidation

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

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

b) Investments in an associate

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

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

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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

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

After application of the equity method, the Group applies MFRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

c) Foreign currency translation

i. Foreign currency transactions and balances

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

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

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

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

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

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m).

i. Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

Capital work-in-progress consists of buildings and plant and machinery under construction / installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained earnings.

ii. Subsequent costs

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

iii. Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	Over the remaining lease periods
Leasehold buildings	5 - 10%
Freehold buildings	2%
Plant, machinery and equipment	6.5 – 20%
Motor vehicles	20%
Office equipment	10 – 50%
Furniture and fittings, renovation, signboard	10 – 20%

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

e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the reporting period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

When an item of inventory or property development is transferred to investment property following a change in its use, any difference between the fair value of the property at the date of transfer and its carrying amount immediately prior to the transfer is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

i. Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

ii. Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

h) Financial assets

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

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired principally for the purpose of selling it in the near term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group and the Company have the positive intention and ability to hold to maturity. They are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

After initial recognition, financial assets categorised as held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when held-to-maturity investments are derecognised or impaired, and though the amortisation process.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

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

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

i) **Financial Liabilities**

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

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

The Group and the Company classify its financial liabilities at initial recognition, into the following categories:

i. **Financial liabilities at fair value through profit or loss**

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments that are not designated as effective hedging instruments. Separated embedded derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in profit or loss.

ii. **Other financial liabilities measured at amortised cost**

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

iii. **Financial guarantee contracts**

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

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

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

j) **Offsetting of Financial Instruments**

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

k) Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material is determined on weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

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

l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

m) Impairment of Assets

i. Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

ii. Financial assets

All financial assets, other than those at fair value through profit or loss, investment in subsidiary company and investment on associate company, 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.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

Significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline of fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss is reclassified from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value of equity instrument, if any, subsequent to impairment loss is recognised other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

n) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

o) Provisions

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

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

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

p) Employee benefits

i. Short term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

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

ii. Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

q) Revenue

i. Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return if goods can be estimated reliably, and there is no continuing management involvement with the goods.

ii. Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the period.

iii. Dividend Income

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

iv. Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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

vi. Management fee
Management fee is recognised on accrual basis when services are rendered.

r) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the 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 years.

Deferred tax is recognised using the liability method for all 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 temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

u) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM	Lease hold land and buildings RM	Plant machinery and equipment RM	Motor vehicles RM	Office equipment RM	Furniture and fittings, renovation signboard RM	Capital work in progress RM	Total RM
Group								
2015								
At cost:								
At 1 April 2014	7,804,098	17,170,279	24,266,478	1,161,070	2,282,420	3,444,141	-	56,128,486
Additions	-	-	940,393	62,170	181,535	1,044,503	7,301,077	9,529,678
Disposals	-	-	(3,382,253)	(41,542)	(127,851)	(44,551)	-	(3,596,197)
At 31 March 2015	7,804,098	17,170,279	21,824,618	1,181,698	2,336,104	4,444,093	7,301,077	62,061,967
Accumulate depreciation								
At 1 April 2014	332,093	2,868,232	17,765,991	854,105	1,911,402	2,433,630	-	26,165,453
Charge for the financial year	28,831	297,616	1,440,620	99,100	229,584	936,461	-	3,032,212
Disposals	-	-	(2,915,083)	(41,542)	(124,585)	(39,542)	-	(3,120,752)
At 31 March 2015	360,924	3,165,848	16,291,528	911,663	2,016,401	3,330,549	-	26,076,913
Carrying amount								
At 31 March 2015	7,443,174	14,004,431	5,533,090	270,035	319,703	1,113,544	7,301,077	35,985,054

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Furniture and fittings RM	Office Equipment RM	Machinery and Equipment RM	Motor Vehicles RM	Renovation RM	Computers and software RM	Total RM
Group							
2014							
At cost							
At 1 April 2013	4,633,515	18,550,279	22,762,341	1,117,923	2,286,469	3,015,891	52,366,418
Additions	3,170,583	-	1,544,382	183,500	117,754	582,282	5,598,501
Disposals	-	(1,380,000)	(40,245)	(140,353)	(121,803)	(154,032)	(1,836,433)
At 31 March 2014	7,804,098	17,170,279	24,266,478	1,161,070	2,282,420	3,444,141	56,128,486
Accumulate depreciation							
At 1 April 2013	303,263	2,793,194	16,167,846	928,964	1,854,009	2,342,214	24,389,490
Charge for the financial year	28,830	319,873	1,638,388	65,492	177,796	207,116	2,437,495
Disposals	-	(244,835)	(40,243)	(140,351)	(120,403)	(115,700)	(661,532)
At 31 March 2014	332,093	2,868,232	17,765,991	854,105	1,911,402	2,433,630	26,165,453
Accumulated impairment loss							
At 1 April 2013/31 March 2014	95,164	-	-	-	-	-	95,164
Carrying amount							
At 31 March 2014	7,376,841	14,302,047	6,500,487	306,965	371,018	1,010,511	29,867,869

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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

a) The carrying amount of property, plant and equipment of the Group pledged as securities to licensed banks for credit facilities granted as disclosed in Note 18 to the financial statements are as follows:

	Group	
	2015 RM	**2014 RM**
Freehold land and buildings	16,787,002	6,781,676
Leasehold land and buildings	442,797	13,824,185
Capital in progress	7,301,076	-
Other plant and equipment	-	582,106

b) The carrying amount of property, plant and equipment of the Group acquired under finance lease are as follows:

	Group	
	2015 RM	**2014 RM**
Plant and machinery	-	1,125,900
Motor vehicles	167,901	295,618

c) The remaining lease term of the leasehold land and buildings of the Group range from 60 to 84 (2014: 61 to 85) years.

d) The aggregate additional cost for the property, plant and equipment of the Group and the Company under finance lease financing, term loans financing and cash payments are as follows:

	Group	
	2015 RM	**2014 RM**
Aggregate costs	9,529,678	5,439,501
Less: Finance lease financing	(6,348,909)	(159,000)
Cash payment	3,180,769	5,280,501

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM	**2014 RM**
Unquoted shares, at cost		
In Malaysia	31,611,684	31,611,684

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal Activities
Direct subsidiary:				
*Toyo Ink Sdn. Bhd. ("TISB")	Malaysia	100	100	Investment holding and ink manufacturer and undertake investment, implementation and operating of power plant business.
Subsidiaries of TISB				
Toyo Photo Products Sdn. Bhd.	Malaysia	100	100	Dealers of graphic art, films, chemicals, machineries and equipment for lithography and allied industries.
Toyo Dai-Nichi Ink Sdn. Bhd.	Malaysia	60	60	Manufacturers and dealers of printing ink and other printing materials.
Toyo Ink (Perak) Sdn. Bhd.	Malaysia	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Penang) Sdn. Bhd.	Malaysia	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials. The Company has temporarily ceased business operations.
Toyo Ink (Melaka) Sdn. Bhd.	Malaysia	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
⌂EDM-Tools (M) Sdn. Bhd. ("ETSB")	Malaysia	100	100	Sales and distributions of electrical discharge machining tools.
⌂ELO Dunia Manufacturing (M) Sdn. Bhd. ("EDMSB")	Malaysia	100	100	Manufacturing and fabrication of metal and graphite parts.
⌂INMAC EDM-Tools (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of EDM cut-wire.
⌂EDM-Tools (Penang) Sdn. Bhd.	Malaysia	100	100	Dealers of all kinds of engineering and aviation equipment, accessories and attachments.
Subsidiaries of EDMSB				
Toyo Laser Technology Sdn. Bhd.	Malaysia	100	100	Sales and distributions of machinery and machine parts.
^#PT Elo Dunia Manufacturing Indonesia ("PT EDMI")	Republic of Indonesia	51	51	CNC machining of Graphite EDM Electrodes, Copper EDM Electrodes, selling graphite materials and 3D profile metal components.
Subsidiary of ETSB				
^EDM-Tools (S) Pte. Ltd. ("ETSPL")	Republic of Singapore	100	100	Sales and distributions of electrical discharge machining tools.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

* *The auditors' report of TISB contain an emphasis of matter to draw attention as disclosed in Note 10 to the financial statements which explains the circumstances and consideration the Directors have taken into account in preparing the financial statements.*

⌂ *The shares held in these subsidiaries are pledged to AmIslamic Bank for banking facilities granted to the Group as disclosed in Note 20 and registered in the name of Amsec Nominees (Tempatan) Sdn. Bhd.*

^ *Subsidiaries not audited by UHY Chartered Accountants.*

6. INVESTMENT IN ASSOCIATES

	Group 2015 RM	2014 RM
In Malaysia		
Unquoted shares - at cost	309,751	309,751
Share of post-acquisition results	(46,902)	(46,466)
Adjustment for exchange gain arising on year end translation of investment in foreign associated company	218,462	218,462
	481,311	481,747
Represented by:		
Share of net assets of associated company	528,805	529,241
Discount on acquisition	(47,494)	(47,494)
	481,311	481,747

Details of the associate and shareholdings therein are as follows::

Name of Company	Country of Incorporation	Effective Equity Interests 2015 %	2014 %	Principal Activities
Toyo Color Pte. Ltd.	Republic of Singapore	50	50	Dealers, importers and exporters of printing ink and graphic products.

The summarised financial information of the associates, not adjusted for the proportion of ownership interest hold by the Group is as follows:

	2015 RM	2014 RM
Assets and Liabilities		
Current assets	12,141	18,887
Non-current assets	1,191,494	1,143,166
Total assets	1,203,634	1,162,053
Current liabilities	27,036	28,440
Total liabilities	27,036	28,440
Results		
Loss for the financial year	(871)	(2,374)

The Group's associate is not material individually to the financial position, financial performance and cash flows of the Group.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

7. GOODWILL ON CONSOLIDATION

	Group 2015 RM	2014 RM
At 1 April/31 March	17,496,312	17,496,312

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

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

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

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

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

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

	Group 2015 %	2014 %
Gross margin	7 - 30	7 - 30
Growth rate	3 - 21	3 - 21
Discount rate	6	6

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

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

Sensitivity to changes in assumption
The following provides sensitivities related to the significant estimates and assumptions as notes above:

(i) a 5% decrease in the gross margin would result in a RM3.2 million increase in the impairment charges;
(ii) a 5% decrease in the growth rate would result in a RM16.5 million increase in the impairment charges;

8. DEVELOPMENT EXPENDITURE

	Group 2015 RM	2014 RM
At 1 April	124,169,784	86,228,925
Addition	26,606,375	37,940,859
At 31 March	150,776,159	124,169,784

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

The development expenditure represents expenditure and incidental costs incurred for the development of the 2 units of 1000MW Song Hau 2 Thermo Power Plant in the province of Hau Giang, Vietnam ("the Project").

The payments of the development expenditure was partly financed by the advances received from other payables of RM72,090,600 (2014: RM45,405,600) as disclosed in Note 20.

The Company had intended to venture into Vietnam's power plant project since calendar year 2007.

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

Working along with the local authorities and consulting companies from calendar year 2007 to 2009, the Company proposed to develop coal fired power plant using imported coal at various potential sites namely Binh Thuan Province, Kien Giang Province, Tra Vinh Province and Hau Giang Province in the South of Vietnam with scale of 2 x 600MW. The Details Study Reports had been submitted to all authorities of the above said provinces during the years.

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

After preliminary study and assessment of the availability on existing infrastructure, Hau Giang Province was determined to be the most suitable site and the Company decided to propose the independent power plant investment with output capacity of 2 x 1000 MW at Hau Giang Province in year 2010.

Further to the meeting between the Company and the Provincial People's Committee of Hau Giang Province, Vietnam for the presentation of the Company's proposed investment project for the Project, the Company announced that it had received notification as follows:

a. The People's Committee of Hau Giang Province, Vietnam, has agreed in principle to the Company's proposed investment project for building of the Project at Song Hau Power Complex, Hau Giang Province.

b. The People's Committee of Hau Giang Province, Vietnam, has submitted to the Prime Minister an official letter dated 20 April 2011 seeking approval of the Company's proposed investment in the Thermo Power Plant Project with the following comments:

    - The planning of Song Hau Power Complex, Hau Giang Province, has been approved by the Ministry of Industry and Trade, with the land use scale of 360 hectares, power of 5, 200MW, containing 3 projects: Song Hau 1 Thermo Power Plant Project, capacity of 2 X 600MW; Song Hau 2 and 3 Thermo Power Plants Projects, capacity of 2 x 1,000MW. Petrovietnam ("PVN") has been assigned to play the role of investor of Song Hau 1 Thermo Power Plant Project and general infrastructure of Song Hau Power Complex by the Vietnamese Government.

    - The proposed investment in the project of the Company is in line with the planning of Song Hau Power Complex which has been approved by the MOIT at the Decision No. 6722/QD-BCT dated 23 December 2008 and it is suitable to present remarkable power use demand of Mekong Delta in particular and the entire country in general. In addition, the geographical location of Song Hau Power Complex is advantageous for coal transport from other area to serve the operation of the plants. In principle, the People's Committee of Hau Giang Province hereby agrees to let the Company invest and construct the Project at Song Hau Power Complex, Hau Giang Province.

On 7 December 2011, the Company had received notification from the office of Government of the Socialist Republic of Vietnam to the MOIT, People's Committee of Hau Giang Province, that the Deputy Prime Minister, Mr. Huang Trung Hai, has agreed to let the Group to conduct research and development of the Project, with output capacity of 2 X 1000 MW at Song Hau Power Complex, Hau Giang Province.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

On 1 January 2012, the Company had entered into a contract to appoint Power Engineering Consulting Joint Stock Company 2 ("PECC2") as the Consultant to provide consultancy services for the Feasibility Study Package in relation to the development of the Project at a fee of USD1,836,750.

On 1 October 2012, the Company had submitted feasibility study report that consists of geological, topographical and hydro-meteorological investigation as well as general layout of the Project, at an estimated investment of USD3.5 billion, to MOIT and other relevant Vietnamese Ministries.

The Company also appointed Institute of Energy of Vietnam as the Consultant to provide appraisal work for feasibility study report of the Project.

On 18 October 2012, the Company had made an official request to Government of Vietnam and MOLT for designation of the Project as Build-Operate-Transfer ("BOT") project and the Company had received the Vietnam Government's approval to be the project investor of the Project under BOT basis via an official letter dated 22 March 2013.

On 11 June 2013, the Company signed a contract with Messrs Orrick, Herrington & Sutcliffe ("Orrick") and its associated Vietnam-licensed law firm, LVN & Associates to provide legal services to the Company in connection with its role as the project investor of the Project subject to the terms and conditions and scope of work contained in their letter of engagement dated 29 May 2013. Subsequently, the Company ended the legal services contract with Messrs. Orrick Herrington & Sutcliffe and its associated Vietnam-licensed law firm, LVN & Associates. On 21 July 2015, the Company engaged Messrs Watson Farley & Williams and its associated Vietnam-registered law firm, LVN & Associates to provide legal services to the Company in connection with its role as the project investor of the IPP Project subject to the same terms and conditions and scope of work with previous firm.

Under the terms of engagement, the work scope of services provided by Orrick will include, amongst others, the following:

(i) preparation of initial documents such as Memorandum of Understanding ("MOU") with the Ministry of Industry and Trade, Project Agreements, Built-Operate-Transfer Contract, Power Purchase Agreement, Fuel Supply Agreements, Land Lease Agreement, Government Guarantee, Financing Plan, Engineering Procurement and Construction Contract;

(ii) completion of negotiation, execution and signing of the Project documents; and

(iii) negotiation, completion and execution of the financing documents including the loan agreement and security agreement, satisfaction of conditions to borrowing and drawndown under the financing documents in connection with the Project.

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

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

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

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

The construction of the Project is expected to take forty eight (48) to sixty (60) months and is estimated to commence operations by 2019/2020. At this juncture, the Company is unable to provide any financial effects on the Project as its prospect would hinge on the outcome of the negotiation of the Power Purchase Agreement ("PPA") which would include the terms of the engagement, tenure of the agreement as well as the exact funding requirements of the Project.

The ultimate outcome of the Project is dependent on the issuance of the Investment Certificate to incorporate a Vietnam registered company and signing of the BOT agreement, Coal Supply agreement, Land Lease Agreement, PPA and other relevant agreements with the respective authorities and government agencies of Vietnam

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

While recognising the risks involved, the Board of Directors is confident of the successful outcome of the Project. The Directors of the Company are also of the opinion that no impairment is required as the Project will enhance the future profitability and improve the financial position of the Group. .

9. INVENTORIES

	Group 2015 RM	2014 RM
Raw materials	4,750,483	4,536,916
Finished goods	4,346,229	3,804,796
Goods in transit	58,067	973,812
Trading merchandise	3,841,278	5,558,594
	12,996,057	14,874,118

10. TRADE RECEIVABLES

	Group 2015 RM	2014 RM
Trade receivables	18,612,117	20,320,379
Allowance for impairment losses	(73,153)	(337,884)
	18,538,964	19,982,495

The Group's normal trade credit terms range from 30 to 150 days (2014: 30 to 150 days). Other credit terms are assessed and approved on a case by case basis. Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

Movements in impairment on trade receivables during the financial year are as follows:

	Group 2015 RM	2014 RM
At 1 April	337,884	432,354
Charge for the financial year	-	77,916
Reversal during the financial year	(177,598)	(56,629)
Allowane written off	(87,133)	(115,757)
At 31 March	73,153	337,884

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Group 2015 RM	2014 RM
Neither past due nor impaired	7,151,392	10,060,095
Past due 1 to 30 days	4,124,506	4,362,930
Past due 31 to 60 days	3,273,070	3,035,344
Past due 61 to 90 days	1,894,021	1,198,121
Past due 91 to 120 days	1,566,649	990,693
Past due more than 121 days	602,479	673,196
	11,460,725	10,260,284
Impaired	(73,153)	(337,884)
Total trade receivables, net	18,538,964	19,982,495

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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

The Group has not recognised any impairment loss on certain receivables that are past due at the end of financial year, as there has not been any significant change in the credit quality of these debtors and these amounts are still considered receivable.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at 31 March 2015, trade receivables of RM11,460,725 (2014: RM10,260,284) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

11. OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	330,870	218,954	-	95,000
Deposits	1,225,014	2,109,125	-	-
Prepayments	1,603,936	442,442	5,000	-
	3,159,820	2,770,521	5,000	95,000

Included in the deposits of the Group is a deposit of RM2,769,000 (2014: RM1,795,000) paid for the acquisition of two pieces of freehold land as disclosed in Note 32.

12. AMOUNTS OWING BY A SUBSIDIARY COMPANY

These amounts represent unsecured, interest free advances and are repayable on demand.

13. FIXED DEPOSITS WITH LICENSED BANKS

The interest rates of deposits is 2.90% (2014: 2.90%) per annum and the maturities of deposits are 30 days (2014: 30 days).

14. SHARE CAPITAL

	Group and Company			
	Number of shares		Share Capital	
	2015 Units	2014 Units	2015 RM	2014 RM
Ordinary shares of RM1 each:				
Authorised				
At 1 April/31 March	250,000,000	250,000,000	250,000,000	250,000,000
Issued and fully paid				
At 1 April	98,868,000	98,868,000	98,868,000	42,800,000
Issued during the year :				
- Rights issue	-	-	-	42,800,000
- Bonus issue	-	-	-	21,400,000
	98,868,000	98,868,000	98,868,000	107,000,000
Allocation of value to warrant reserve (Note 16)	-	-	-	(8,132,000)
At 31 March	98,868,000	98,868,000	98,868,000	98,868,000

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

In previous financial year, the Company increased its issued and paid-up ordinary share capital from RM42,800,000 to RM 107,000,000 by way of issuance of 64,200,000 ordinary shares of RM1.00 each pursuant to the completion of the following corporate exercise on 30 April 2013:

(i) Renounceable right issue of up to 42,800,000 new ordinary shares of RM1.00 each together with up to RM42,800,000 free new detachable warrants at an issue price of RM1.20 per right share on the basis of one (1) rights share together with one (1) warrant for every one (1) existing ordinary share of RM1.00 each ("Right Issue with Warrants"); and

(ii) Bonus issuance of up to 21,400,000 shares to be credited as fully paid-up on the basis of one (1) new share for every two (2) rights shares subscribed by the existing shareholders and/or their renounce(s) pursuant to the Rights Issue with Warrants.

The new ordinary shares issued in previous financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

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

15. RESERVES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non- distributable				
Translation reserve	136,832	153,095	-	-
Warrant reserve	8,132,000	8,132,000	8,132,000	8,132,000
Accumulated losses	-	-	(40,364)	-
	8,268,832	8,285,095	8,091,636	8,132,000
Distributable				
Retained profits	15,315,397	14,692,497	-	1,039,972
	23,584,229	22,977,592	8,091,636	9,171,972

The nature of reserves of the Group and the Company is as follows:

a) Translation reserve

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

b) Warrant reserve

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

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

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

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

The outstanding Warrants during the financial year ended 31 March 2015 are stated as below:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

	Number of Warrants				
	AT 1.4.2014	Allotted	Exercised	Expired	AT 31.3.2015
Warrants	42,800,000	-	-	-	42,800,000

Salient features of the Warrants are as follows:

(i) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share of RM 1.00 each in the Company at the exercise price of RM1.50 during the 5-year period expiring on 22 April 2018 ("Exercise Period"), subject to the adjustments in accordance with the Deed Poll constituting the Warrants;

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

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

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

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

As of 28 July 2015, 42,800,000 Warrants remained unexercised.

c) Retained profits
The entire retained earnings of the Company is available for distribution as single-tier dividends.

16. FINANCE LEASE PAYABLES

	Group	
	2015 RM	2014 RM
Minimum lease payments		
Payable within one year	90,233	827,898
Later than one year and not later than two years	73,776	104,173
Later than two year and not later than five years	62,392	91,572
	226,401	1,023,643
Less: Future interest charges	(22,536)	(45,902)
Present value of minimum lease payments	203,865	977,741
Present value of minimum lease payments		
Payable within one year	80,694	795,578
Later than one year and not later than two years	53,626	97,361
Later than two year and not later than five years	69,545	84,802
	203,865	977,741
Analysed as:		
Repayable within twelve months	81,678	795,578
Repayable after twelve months	122,187	182,163
	203,865	977,741

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

The hire purchase liabilities interests are charged at rates ranging from 2.70% to 3.40% (2014: 2.70% to 3.30%) per annum.

17. BANK BORROWINGS

	Group 2015 RM	2014 RM
Secured		
Bills payable	-	5,711,920
Bankers' acceptances	9,760,566	7,484,000
Bank overdrafts	4,881,754	4,950,078
Term loans	8,532,280	2,534,789
	23,174,600	20,680,787
Unsecured		
Bankers' acceptances	1,816,000	1,288,000
Bank overdrafts	3,415,974	5,867,638
	5,231,974	7,155,638
	28,406,574	27,836,425
Non-current		
Term loans	8,120,532	2,259,427
Current		
Bills payable	-	5,711,920
Bankers' acceptances	11,576,566	8,772,000
Bank overdrafts	8,297,728	10,817,716
Term loans	411,748	275,362
	20,286,042	25,576,998
	28,406,574	27,836,425

The above credit facilities obtained from licensed banks are secured by the following:

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

The average effective interest rates of the borrowings range 5.00 to 8.10 (2014: 5.00 to 8.10) percent per annum.

18. DEFERRED TAX LIABILITIES

	Group 2015 RM	2014 RM
At 1 April	1,950,041	2,729,467
Recognised in profit or loss (Note 25)	(355,267)	(779,426)
At 31 March	1,594,774	1,950,041

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

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

		Group
	2015	2014
	RM	RM
Group		
Property, plant and equipment	18,603	(755,449)
Tax incentives	-	894,812
Unabsorbed capital allowances	691,169	679,214
Unutilised tax losses	1,033,965	962,128
	1,743,737	1,780,705

The unutilised tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the companies in which those items arose.

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

19. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 60 to 150 days (2014: 60 to 150 days).

20. OTHER PAYABLES

		Group		Company-
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables	72,455,823	45,836,615	14,580	-
Accruals	622,690	1,274,852	81,721	72,144
Deposits	29,265	400	-	-
	73,107,778	47,111,867	96,301	72,144

Included in other payables are the following advances received mainly from the major shareholders of the Company and persons related to them for the Group's Power Plant Project in Vietnam, as disclosed in Note 8.

21. AMOUNT OWING TO DIRECTORS

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

22. REVENUE

		Group		Company
	2015	2014	2015	2014
	RM	RM	RM	RM
Sales of goods	81,764,296	85,869,767	-	-
Management fee	-	-	240,000	240,000
Dividend income	-	-	150,000	-
	81,764,296	85,869,767	390,000	240,000

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

23. FINANCE COSTS

	Group 2015 RM	2014 RM
Interest expenses on:		
Finace lease payables	34,135	69,954
Term loans	148,004	48,008
Bank overdraft	797,265	823,880
Banker acceptance	567,086	760,791
Others	27,490	-
	1,573,980	1,702,633

24. PROFIT BEFORE TAXATION

Profit before taxation is derived after charging/(crediting):

	Group 2015 RM	2014 RM	Company 2015 RM	2014 RM
Allowance for impairment of trade receivables	73,154	77,916	-	-
Auditors' remuneration				
- statutory				
- current financial year	153,510	150,502	20,000	22,000
- under provision in prior financial year	-	1,000	-	-
- non-statutory	-	9,000	-	9,000
Bad debts written off	19,486	19,045	-	-
Depreciation of investment property	-	12,000	-	-
Depreciation of property, plant and equipment	3,032,212	2,437,495	-	-
Directors' Remuneration				
- fees	207,920	227,500	72,920	87,500
- salaries and other emoluments	862,960	1,325,165	-	58,125
- EPF	33,828	38,002	-	-
Loss on foreign exchange				
- realised, net	186,336	80,780	-	-
Loss on disposal of property, plant and equipment	32,200	-	-	-
Plant and equipment written off	13,027	38,933	-	-
Rental of premises	206,443	161,290	-	-
Rental of vehicles	78,309	78,309	-	-
Bad debts recovered	(3,707)	(58,596)	-	-
Commission income	(12,711)	-	-	-
Dividend income	(1,432,000)	-	-	-
Gains on disposal of property, plant and equipment	(50,355)	(1,305,732)	-	-
Gain on disposal of investment property	-	(1,872,000)	-	-
Gain on foreign exchange				
- unrealised, net	(30,650)	(36,737)	-	-
Grant received	(506,350)	(32,000)	-	-
Interest income	(10,583)	-	-	-
Management fee	-	-	(240,000)	(240,000)
Rental income	(30,000)	(81,658)	-	-
Reversal of allowance for impairment of trade receivables	(120,653)	(56,629)	-	-

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

25. TAXATION

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Tax expenses recognised in profit or loss:				
- Current tax provision	1,378,750	1,153,378	21,600	1,000
- (Over)/Underprovision in prior year	(110,341)	(24,455)	37,470	(10,599)
- Real property gain tax	28,514	118,000	-	-
	(1,296,923)	1,246,923	59,070	(9,599)
Deferred tax:				
Relating to origination and reversal of temporary differences	(111,736)	(456,078)	-	-
Overprovision in prior year	(243,531)	(323,348)	-	-
	(355,267)	(779,426)	-	-
	941,656	467,497	59,070	(9,599)

Income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit 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 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Profit/(Loss) before taxation	2,367,403	5,437,685	48,734	(285,237)
Tax at statutory tax rate of 25% (2014: 25%)	591,851	1,359,421	12,184	(71,309)
Expenses not deductible for tax purposes	1,036,111	303,403	46,916	72,309
Income not subject to tax	(575,480)	(853,536)	(37,500)	-
Deferred tax assets not recognised	399,494	117,606	-	-
Effect of changes in tax rates on opening balance of deferred tax	(19,267)	(80,847)	-	-
Different tax rate in foreign jurisdiction	6,805	7,778	-	-
Tax incentives	(172,500)	(158,063)	-	-
Real property gain tax	28,514	118,000	-	-
Utilisation of previously unrecognised deferred tax assets	-	(14,965)	-	-
Others	-	16,503	-	-
(Over)/Underprovision of income tax expense in prior years	(146,217)	(24,455)	37,470	(10,599)
Overprovision of deferred tax in prior years	(207,655)	(323,348)	-	-
Tax expense for the financial year	941,656	467,497	59,070	(9,599)

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

26. EARNINGS PER SHARE

a) Basic earnings per shares

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

	Group 2015 RM	2014 RM
Profit attributable to equity holders of the Company	1,692,900	4,886,405
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	107,000,000	42,800,000
Effect of bonus share issued	-	19,616,667
Effect of ordinary shares issued during the financial year	-	39,233,333
	107,000,000	101,650,000
Basic earnings per ordinary shares (in sen)	1.58	4.81

b) Fully diluted earnings per share

The Group has no dilution in their earnings per ordinary share as there are no potential dilutive ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial period and before the authorisation of these financial statements.

27. EMPLOYEE BENEFITS

	Group 2015 RM	2014 RM
Staff costs (excluding Directors)	11,273,622	10,507,653

Included in the total staff costs above are contributions made to EPF under a defined contribution plan for the Group amounting to RM1,036,315 (2014: RM989,323).

28. RELATED PARTY DISCLOSURES

a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making 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.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group has related party relationships with its subsidiary company, associates, other related parties.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

b) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

		Group
	2015 RM	**2014 RM**
Transactions with a related party in which certain Directors of the Company have substantial financial interest		
Sales	-	5,528
Technical fees	450,000	-

		Company
	2015 RM	**2014 RM**
Transactions with subsidiary company		
Management fee received	240,000	240,000
Dividens income	150,000	-
	390,000	240,000

29. CORPORATE GUARANTEE

		Group		**Company**
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Corporate guarantee for banking facilities extended to subsidiary companies				
- unsecured	69,665,000	69,665,000	65,890,000	65,890,000

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

30. SEGMENTAL INFORMATION

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business unit 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 marker) and the Board of Directors review internal management reports at least on at least a quarterly basis.

The following summary describes the main business segments and respective business activity of each segment of the Group's reportable segments:

Manufacturing:	Including the manufacturing of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, CNC machining of graphite and copper EDM electrodes, files, chemicals, and equipment for lithography and allied industries.
Trading and investment holding:	Including investment holding of the investments in subsidiaries and property investment, supplies, distributions and dealing of printing ink, colour pigment, colourants for plastic and other printing materials, electrical discharge maching tools, graphite materials and 3D profile metal components.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

Performance is measured based on segment profit before taxation, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group Managing Director, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets
The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. 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 reports that are reviews by the Group Managing Director and the Board of Directors. Total liabilities are used to measure the gearing of each segment.

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

Major Customers
The Group has a diversified range of customers.

a) Business segment

	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	Consolidated RM
2015				
Revenue				
Sales to external customers	48,530,072	33,234,224	-	81,764,296
Inter-segment sales	16,183,731	3,554,139	(19,737,870)	-
Total revenue	64,713,803	36,788,363	(19,737,870)	81,764,296
Results				
Segment results	2,771,563	1,169,819	-	3,941,383
Finance costs	(795,105)	(778,875)	-	(1,573,980)
Share of results in associated company	-	(436)	-	(436)
Taxation	-	-	-	(941,656)
Non-controlling interest	-	-	-	267,589
Profit for the financial				1,692,900
Other information				
Segment assets	201,899,324	22,568,196	-	224,467,520
Associated company	-	-	-	481,311
Unallocated corporate assets	-	-	-	17,636,545
Consolidated segment assets				242,585,376
Segment liabilities	82,182,079	3,204,536	-	85,386,615
Unallocated corporate liabilities	-	-	-	31,105,122
Consolidated segment liabilities				116,491,737
Capital expenditure	9,150,229	379,449	-	9,529,678
Depreciation	2,676,750	355,462	-	3,032,212

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	Consolidated RM
2014				
Revenue				
Sales to external customers	55,970,993	29,898,774	-	85,869,767
Inter-segment sales	19,695,328	3,704,991	(23,400,319)	-
Total revenue	75,666,321	33,603,765	(23,400,319)	85,869,767
Results				
Segment results	(6,524,423)	13,664,741	-	7,140,318
Finance costs	(1,041,846)	(660,787)	-	(1,702,633)
Share of results in associated company	-	(1,188)	-	(1,188)
Taxation	-	-	-	(467,497)
Non-controlling interest	-	-	-	82,595
Profit for the financial year				4,886,405
Other information				
Segment assets	173,933,196	22,736,252	-	196,669,448
Associated company	-	-	-	481,747
Unallocated corporate assets	-	-	-	17,845,508
Consolidated segment assets	-	-	-	214,996,703
Segment liabilities	55,260,613	2,222,913	-	57,483,526
Unallocated corporate liabilities	-	-	-	31,653,414
Consolidated segment liabilities	-	-	-	89,136,940
Capital expenditure	2,152,488	3,446,013	-	5,598,501
Depreciation	2,190,782	258,713	-	2,449,495

b) Geographical segments

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

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of assets. The group's principal geographical areas for its continuing operations are located on Malaysia and Indonesia which involved in production and sale of products.

	Revenue from external Customers by location of Customers		Segment assets by location of assets		Capital expenditure by location of assets	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Continuing						
Continuing operations						
Malaysia	78,905,387	83,403,252	220,129,241	192,219,419	9,021,856	3,726,300
Indonesia	2,858,909	2,466,515	4,338,279	4,450,029	507,822	1,872,201
	81,764,296	85,869,767	224,467,520	196,669,448	9,529,678	5,598,501

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

31. CAPITAL COMMITMENT

	Group 2015 RM	Group 2014 RM
Contracted but not provided for:		
Property, plant and equipment	7,301,076	7,277,031

32. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

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

	Loan and receivables RM	Other Finance liabilities at amortised cost RM	Total RM
Group			
2015			
Financial Assets			
Trade receivables	18,538,964	-	18,538,964
Other receivables	1,555,884	-	1,555,884
Fixed deposits with licensed banks	18,931	-	18,931
Cash and cash equivalents	2,992,535	-	2,992,535
Total financial assets	23,106,314	-	23,106,314
Financial Liabilities			
Trade payables	-	12,000,997	12,000,997
Other payables	-	73,107,778	73,107,778
Amount owing to Directors	-	277,840	277,840
Finance lease payables	-	203,865	203,865
Bank borrowings	-	28,406,574	28,406,574
Total financial liabilities	-	113,997,054	113,997,054
2014			
Financial Assets			
Trade receivables	19,982,495	-	19,982,495
Other receivables	2,328,079	-	2,328,079
Fixed deposits with licensed banks	18,369	-	18,369
Cash and cash equivalents	4,986,292	-	4,986,292
Total financial assets	27,315,235	-	27,315,235

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

	Loan and receivables RM	Other Finance liabilities at amortised cost RM	Total RM
Financial Liabilities			
Trade payables	-	10,151,739	10,151,739
Other payables	-	47,111,867	47,111,867
Amount owing to Directors	-	219,920	219,920
Finance lease payables	-	977,741	977,741
Bank borrowings	-	27,836,425	27,836,425
Company			
2015			
Financial Assets			
Amount owing by a subsidiary company	75,565,073	-	75,565,073
Cash and cash equivalents	23,764	-	23,764
Total financial assets	75,588,837	-	75,588,837
Financial Liabilities			
Other payables	-	96,301	96,301
Amount owing to Directors	-	145,840	145,840
Total financial liabilities	-	242,141	242,141
Company			
2014			
Financial Assets			
Other receivables	95,000	-	95,000
Amount owing by a subsidiary company	76,444,655	-	76,444,655
Cash and cash equivalents	12,793	-	12,793
Total financial assets	76,552,448	-	76,552,448
Financial Liabilities			
Other payables	-	72,144	72,144
Amount owing to Directors	-	72,920	72,920
Total financial liabilities	-	145,064	145,064

b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group operations whilst managing its financial risks, including credit risk, liquidity risk, foreign currency exchange risk and interest rate risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

i. Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM28,695,273 (2014: RM28,814,166), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

ii. Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

	On demand or within 1 years RM	1-2 years RM	2-5 years RM	After 5 years RM	Total Contractual Cash Flows RM	Total Carrying Amount RM
Group						
2015						
Trade payables	12,000,997	-	-	-	12,000,997	12,000,997
Other payables	73,107,778	-	-	-	73,107,778	73,107,778
Amount owing to Directors	277,840	-	-	-	277,840	277,840
Finance lease payables	90,233	73,776	62,392	-	226,401	203,865
Bank borrowings	20,286,042	305,199	3,525,097	4,290,236	28,406,574	28,406,574
	105,762,890	378,975	3,587,489	4,290,236	114,019,590	113,997,054
2014						
Trade payables	10,151,739	-	-	-	10,151,739	10,151,739
Other payables	47,111,867	-	-	-	47,111,867	47,111,867
Amount owing to Directors	219,920	-	-	-	219,920	219,920
Finance lease payables	827,898	104,173	91,572	-	1,023,643	977,741
Bank borrowings	25,576,998	274,485	344,699	1,640,243	27,836,425	27,836,425
	83,888,422	378,658	436,271	1,640,243	86,343,594	86,297,692
Company						
2015						
Other payables	96,301	-	-	-	96,301	96,301
Amount owing to Directors	145,840	-	-	-	145,840	145,840
	242,141	-	-	-	242,141	242,141
2014						
Other payables	72,144	-	-	-	72,144	72,144
Amount owing to Directors	72,920	-	-	-	72,920	72,920
	145,064	-	-	-	145,064	145,064

iii. Market risks

a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in foreign currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Indonesia Rupiah ("IDR"), Swiss Franc ("CHF"), Euro ("EUR"), and Japanese Yen ("JPY").

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

	USD RM	SGD RM	IDR RM	Dominated in CHF RM	JPY RM	EUR RM	Total RM
Group							
2015							
Financial assets							
Trade receivables	1,374,559	192,258	666,340	-	-	-	2,233,157
Cash and bank balances	1,364,822	45,778	219,583	-	-	24,169	1,654,352
Financial Liabilities							
Trade payables	(4,148,790)	8,447	(25,135)	(67,453)	(307,338)	(1,380,115)	(5,920,384)
Other payables	(39,894)	-	-	-	(15,592)	-	(55,486)
	(1,449,303)	246,483	860,788	(67,453)	(322,930)	(1,355,946)	(2,088,361)
2014							
Financial assets							
Trade receivables	3,812,119	390,877	333,257	-	-	173,878	4,710,131
Other receivables	-	-	59,743	-	-	-	59,743
Cash and bank balances	2,797,412	56,411	88,891	-	-	4,571	2,947,285
Financial Liabilities							
Trade payables	(3,278,663)	(6,666)	(117,437)	(523,568)	(192,700)	(267,488)	(4,386,522)
Other payables	(302,757)	-	(135,295)	-	(7,110)	-	(445,162)
	3,028,111	440,622	229,159	(523,568)	(199,810)	(89,039)	2,885,475

A 10% (2014: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have (decrease)/ increase profit for the financial year (after taxation) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit for the financial year 2015 RM	2014 RM
Group		
USD	(144,930)	302,811
SGD	24,648	44,062
IDR	86,079	22,916
CHF	(6,745)	(52,357)
JPY	(32,293)	(19,981)
EUR	(135,595)	(8,904)

A 10% (2014: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

	2015 RM	2014 RM
Group		
Fixed rate		
Fixed deposits with licensed bank	18,931	18,369
Financial lease payables	(203,865)	(977,741)
Floating rate		
Bills payable	-	(5,711,920)
Bankers acceptances	(11,576,566)	(8,362,000)
Bank overdrafts	(8,297,728)	(11,227,716)
Term loans	(8,532,280)	(2,534,789)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group profit before tax by RM28,407 (2014: RM27,836) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

c) Fair values of financial instruments

i. Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

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

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

ii. Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The carrying amounts of the financial liabilities of the Group at the reporting date reasonably approximate their fair values except as follows:

	Carrying amount RM	Fair value RM
Group		
2015		
Financial liabilities		
Finance lease liabilities	203,865	193,646
2014		
Financial liabilities		
Finance lease liabilities	977,741	974,819

33. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at end of the reporting period are as follows:

		Group
	2015 RM	2014 RM
Total loans and borrowings	113,719,214	86,077,772
Less: Cash and bank equivalents	(3,011,466)	(5,004,661)
Total net debts	110,707,748	81,073,111
Total equity	126,093,639	125,859,763
Gearing ratio	88%	64%

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2015

34. COMPARATIVE FIGURES

The financial statements of the Group and of the Company for the financial year ended 31 March 2014 were audited by another auditor who expressed an unmodified opinion with emphasis of matter on those statements dated 23 July 2014.

35. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 July 2015.

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

The following analysis of realised and unrealised retained earnings / (accumulated losses) of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses of the Group and of the Company as at 31 March 2015 and 31 March 2014 is analysed as follows:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total retained profits/(accumulated losses) of the Company and its subsidiaries				
- realised	16,923,947	16,625,504	(40,364)	1,039,972
- unrealised	(1,594,774)	(1,950,041)	-	-
	15,329,173	14,675,463	(40,364)	1,039,972
Total share of accumulated losses from associated company				
- realised	(155,686)	(46,466)	-	-
	15,173,487	14,628,997	(40,364)	1,039,972
Less: Consolidation adjustments	141,910	63,500	-	-
Total retained profits/(accumulated losses)	15,315,397	14,692,497	(40,364)	1,039,972

The disclosure of realised and unrealised profit or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

ANALYSIS OF SHAREHOLDINGS as at 7 AUGUST 2015

SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000/-
Issued and fully paid-up capital	:	RM107,000,000/-
Class of Shares	:	Ordinary Shares of RM1/- Each
Voting Rights	:	1 vote per share
No. of Shareholders	:	1300

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100	296	22.77	978	0.00
100 to 1,000	291	22.38	140,584	0.13
1,001 to 10,000	382	29.39	2,052,260	1.92
10,001 to 100,000	253	19.46	8,180,755	7.65
100,001 and below 5% of issued shares	72	5.54	47,714,822	44.59
5% and above of issued shares	6	0.46	48,910,601	45.71
TOTAL	**1,300**	**100.00**	**107,000,000**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares Held	%
1.	Cheah Yoke Han	9,972,240	9.32
2.	Eng Lian Enterprise Sdn. Bhd.	9,728,525	9.09
3.	Lim Guan Lee	8,990,704	8.40
4.	Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98
5.	Bukit Asa Sdn. Bhd.	6,750,000	6.31
6.	Amsec Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account – Ambank (M) Berhad for Song Kok Cheong]*	6,000,000	5.61
7.	Kok Sow May	4,558,522	4.26
8.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Ng Chong You (Margin)]*	4,204,043	3.93
9.	Kwok Sow Yoong	3,889,676	3.63
10.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *[Beneficiary: Pledged Securities Account for Song Kok Cheong (Margin)]*	3,551,000	3.32

ANALYSIS OF SHAREHOLDINGS as at 7 AUGUST 2015

No.	Name	No. Of Shares Held	%
11.	Tan Yu Yeh	2,879,500	2.69
12.	Ng Chong You	2,106,000	1.97
13.	Pembinaan Maju Wangi Sdn. Bhd.	2,086,500	1.95
14.	AllianceGroup Nominees (Asing) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Lim Guan Lee (7000042)*]	2,000,000	1.87
15.	Foo Fong Lee	1,747,137	1.63
16.	Ng Tze Woei	1,568,300	1.47
17.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Song Kok Cheong (8073295)*]	1,375,000	1.29
18.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Yap Chiat Bine*]	817,400	0.76
19.	Lee Chee Beng	752,000	0.70
20.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Chan Pooi Chuen (Margin)*]	692,000	0.65
21.	Fong Yuet Peng	687,500	0.64
22.	Chew Cheong Loong	595,000	0.56
23.	Song Kok Cheong	551,525	0.51
24.	HLIB Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Expo Holdings Sdn. Bhd.*]	551,300	0.51
25.	Mercsec Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Thiam Seong*]	514,600	0.48
26.	Tee Teh Sdn. Berhad	500,000	0.47
27.	Pang Sai Chun	480,400	0.45
28.	Maybank Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ooi Chong Chuan*]	479,250	0.45
29.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Lau Yen Bin (8070548)*]	456,700	0.43
30.	RHB Nominees (Tempatan) Sdn. Bhd. [*Beneficiary: Pledged Securities Account for Ng Siyu Lian*]	408,500	0.38
		86,362,454	**80.71**

ANALYSIS OF SHAREHOLDINGS as at 7 AUGUST 2015

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Ordinary Shares of RM1/- Each			
	Direct	%	Indirect	%
1. Lim Guan Lee	11,448,204	10.70	119,000	0.11
2. Song Kok Cheong	11,477,525	10.73	391,726	0.37
3. Fong Po Yin	291,726	0.27	11,577,525	10.82
4. Ng Chong You	6,310,043	5.90	1,642,600	1.53
5. Ling Ha Kee	90,000	0.08	7,862,643	7.35
6. Kok Sau Lan @ Kwok Sow Lan	7,469,132	6.98	-	-
7 Ng Lu Siong @ Ng Soon Huat	155,555	0.14	16,478,525	15.40
8 Eng Lian Enterprise Sdn. Bhd.	9,728,525	9.09	6,750,000	6.31
9 Ng Eng Hiam Plantations Sdn. Bhd.	-	-	6,750,000	6.31
10 Ng Ling Li	250,000	0.23	6,750,000	6.31
11 Bukit Asa Sdn. Bhd.	6,750,000	6.31	-	-
12 Cheah Yoke Han	9,972,240	9.32	-	-
13 Lu Pat Sdn. Bhd.	-	-	16,478,525	15.40
14 The Nehsons Trust Company Berhad	-	-	16,478,525	15.40
15 Eng Sim Leong @ Ng Leong Sing	-	-	16,478,525	15.40
16 Ng Tee Chuan	-	-	16,478,525	15.40
17 Ng Lam Shen	-	-	16,478,525	15.40
18 Yvonne Po Leng Lam	150,000	0.14	16,478,525	15.40
19 Geraldine Marie Tse Chian Ng	-	-	16,478,525	15.40

ANALYSIS OF SHAREHOLDINGS as at 7 AUGUST 2015

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Directors' Name	No. of Ordinary Shares of RM1/- Each			
	Direct	%	Indirect	%
1. Tuan Hj. Ir. Yusoff bin Daud	230,964	0.22	-	-
2. Song Kok Cheong	11,477,525	10.73	391,726	0.37
3. Lim Guan Lee	11,448,204	10.70	119,000	0.11
4. Song Hsiao May (alternate director to Song Kok Cheong)	100,000	0.09	-	-
5. Tham Kut Cheong	-	-	-	-
6. You Tong Lioung @ Yew Tong Leong	-	-	-	-
7. Lim Soek Fun (Lin ShuFen) (alternate director to Lim Guan Lee)	-	-	-	-

ANALYSIS OF WARRANT HOLDINGS as at 7 August 2015

WARRANTS 2013/2018

No. of warrants 2013/2018	:	42,800,000
No. of warrants 2013/2018 outstanding	:	42,800,000
Class of Securities	:	Warrants 2013/2018 ("Warrants")
Voting rights	:	1 vote per Warrant
No. of Warrants holders	:	320

ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrant holders	%	No. of Warrant Held	%
Less than 100	1	0.31	25	0.00
100 to 1,000	19	5.93	14,400	0.03
1,001 to 10,000	126	39.38	788,300	1.84
10,001 to 100,000	126	39.38	5,091,722	11.90
100,001 to less than 5% of issued warrants	41	12.81	14,463,559	33.79
5% and above of issued warrants	7	2.19	22,441,994	52.43
	320	**100.00**	**42,800,000**	**100.00**

LIST OF THIRTY LARGEST WARRANT HOLDERS

	Name	No. of Warrants Held	%
1.	Lim Guan Lee	4,396,281	10.27
2.	Cheah Yoke Han	3,988,896	9.32
3.	Eng Lian Enterprise Sdn. Bhd.	3,891,410	9.09
4.	Bukit Asa Sdn. Bhd.	2,700,000	6.31
5.	Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26
6.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged securities account - Ambank (M) Berhad for Song Kok Cheong)	2,400,000	5.61
7.	Kwok Sow Yoong	2,388,234	5.58
8.	Kok Sow May	1,823,409	4.26
9.	Ng Chong You	1,404,000	3.28
10.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities account for Ng Chong You (Margin)	1,200,000	2.80

ANALYSIS OF WARRANT HOLDINGS as at 7 August 2015

	Name	No. of Warrants Held	%
11.	Pembinaan Maju Wangi Sdn. Bhd.	1,148,900	2.68
12.	Tan Yu Yeh	1,043,500	2.44
13.	Song Kok Cheong	752,900	1.76
14.	Maybank Securities Nominees (Tempatan) Sdn Bhd. Pledged securities account for Song Kok Cheong (Margin)	649,500	1.52
15.	AllianceGroup Nominees (Tempatan) Sdn Bhd. Pledged securities account for Song Kok Cheong (8073295)	550,000	1.29
16.	Foo Fong Lee	548,650	1.28
17.	Lee Chee Beng	500,000	1.17
18.	Fong Yuet Peng	285,000	0.67
19.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chan Pooi Chuen (Margin)	276,800	0.65
20.	Tung Pui Hiew	262,000	0.61
21.	Pang Sai Chun	250,000	0.58
22.	Sim Mui Khee	250,000	0.58
23.	Ng Ho Fatt	210,000	0.49
24.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ng Siyu Lian	199,400	0.47
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Ooi Chong Chuan	183,700	0.43
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chiew Hoon Len (013)	175,500	0.41
27.	Bon Nyon	160,900	0.38
28.	TA Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Chua Mee Keow	150,000	0.35
29.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged securities account for Tan Sun Ping	145,400	0.34
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Ng Tirn Mei	145,000	0.34
		34,756,553	**81.21**

LIST OF PROPERTIES as at 31 MARCH 2015

Item	Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land Area (sq / ft)	Built-up Area (sq / ft)	Net Book Value as at 31/3/2015	Date of Acquisition*/ Valuation**
1	PT No. 3477, Mukim, of Petaling, Distrcit of Petaling, State of Selangor	Industrial building with a three (3) storey office and single storey factory annexe	12 years	99 years leasehold expiring on 10th January 2089	119,113	78,792	10,822,243	10 Sept 2012**
2	Lot No. 64200 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	21 years	Freehold	3,091	2,400	417,200	27 Aug 2002**
3	Lot No. 64199 Mukim of Tebrau District of Johor Bahru. State of Johor	1 1/2 storey terrace industrial building	21 years	Freehold	3,091	2,400	379,550	23 July 2002**
4	L.O. 7/65/Sub-Jacket/ 21/Ind Mukim of Damansara Distrct of Klang State of Selangor	Semi-detached Industrial building with a two (2) storey office and single storey single factory annexe	41 years	90 years leasehold expiring on 16 th January 2067	24,590	13,704	1,706,250	17 Sept 2002**
5	Lot No. 212808 & 212809, Mukim of Hulu Kinta District of kinta State of Perak	Two (2) adjoining units of 1 1/2 storey semi-detached industrial buildings	20 years	90 years leasehold expiring on 3rd May 2084	4,500 and 4,500	3,010 and 3,010	221,399 and 221,399	22 Aug 2002**
6	Lot No. 2788 and 2789, Bandar Butterworth Seksyen 3, District of Perai Utara, State of Pulau Pinang	Two (2) adjoining units of 1 1/2 storey terrace industrial buildings	22 years	99 years leasehold expiring on 3rd May 2069	2,250 and 2,250	2,850 and 2,850	283,334 and 283,334	22 Aug 2002**
7	Lot No.5952, Mukim Bachang Daerah Melaka Tengah Melaka	1 1/2 storey terrace factory	19 years	99 years leasehold expiring on 18th May 2095	1,920	1,920	169,726	31 May 2005*
8	Lot PT 22 & Pt 23 Mukim Dan Daerah Petaling , No.6 & 8 Jln TPP 1/1A, Taman Industrial Puchong Selangor Darul Ehsan	1 1/2 storey freehold semi-detached light industrial building	11 years	Freehold	22,000	15,000	2,439,321	24 Apr 2002* 5 Jan 2005**
9	H.S.(D) 61625 Lot No. PT 11380 , Mukim Petaling, State of Selangor	1 1/2 storey semi detached light industrial factory	14 years	Freehold	8,396	4,376	978,415	3 Sept 2001* 5 Jan 2005**
10	H.S.(M) No. 854 & H.S.(M) No. 521 Lot 3073 & PT Lot 2998, Mukim 6, Daerah Seberang Perai Tengah Negeri Pulau Pinang	1 1/2 storey terrace factory	24 years (base on OC)	Freehold	2,820	2,610	259,670	10 Oct 1999* 28 Oct 2004**
11	H.S.(D) 207907, PT No 6379 Bandar Sri Sendayan Daerah Seremban, Negeri Sembilan	Vacant Industrial Land	N/A	Freehold	103,829	N/A	3,170,583	21 June 2013*
					Grand Total		21,352,423	

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PROXY FORM

I/We ____ , NRIC No./Company No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(ADDRESS)

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

____
(FULL NAME)

of ____
(ADDRESS)

or failing him/her, ____
(FULL NAME)

of ____
(ADDRESS)

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the THIRTEENTH 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, 22 September 2015, at 10.30 a.m. and at any adjournment thereof.

(strike out whichever is not desired)*

My/Our proxy is to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve Directors' fees		
2.	Re-election of Mr. Tham Kut Cheong as Director		
3.	Re-appointment of Mr. You Tong Lioung @ Yew Tong Leong as Director		
4.	Re-appointment of Tuan Hj. Ir. Yusoff Bin Daud as Director		
5.	To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
7.	Ordinary Resolution 2 - Continuing in office for Mr. Tham Kut Cheong as Independent Non-Executive Director		
8.	Ordinary Resolution 3 - Continuing in office For Mr. You Tong Lioung @ Yew Tong Leong as Independent Non-Executive Director		

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

Dated this __________________________day of __________________________ 2015

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

____
Signature

Notes:

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

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

3. *In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.*

4. *The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.*

5. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 14 September 2015 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP
HERE

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

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

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