THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your ordinary shares in Toyo Ink Group Berhad (Company No.: 590521-D) ("TIGB" or the "Company"), you should at once hand this Abridged Prospectus ("AP") together with the Notice of Provisional Allotment ("NPA") and Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Corporate Exercises (as defined herein), which is the subject of this AP should be addressed to our Share Registrar, Insurban Corporate Services Sdn Bhd (Company No.: 76260-W), 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

A copy of this AP has been registered with the Securities Commission Malaysia ("SC"). The registration of this AP should not be taken to indicate that the SC recommends the Corporate Exercises or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the Corporate Exercises. A copy of this AP, together with the NPA and RSF has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents. Investors are advised to note that recourse for false or misleading statements or acts made in connection with this AP are directly available through Sections 248, 249 and 357 of the Capital Markets and Services Act, 2007.

Approval for the Corporate Exercises has been obtained from our shareholders at the Extraordinary General Meeting held on 3 December 2012. Approval has been obtained from Controller of Foreign Exchange on 28 August 2012 for the issuance of Warrants (as defined herein) to non-resident shareholders. Approval has also been obtained from Bursa Malaysia Securities Berhad (Company No.: 635998-W) ("Bursa Securities") vide its letter dated 31 October 2012 for the admission of the Warrants (as defined herein) to the Official List of Bursa Securities and the listing of and quotation for all the new securities arising from the Rights Issue with Warrants on Bursa Securities. The official quotation for all the new securities will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (Company No.: 165570-W) that all the Central Depository System accounts of the Entitled Shareholders (as defined herein) and/or their renouncees (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed herein. Admission to the Official List of Bursa Securities and the listing of and quotation for the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Corporate Exercises.

The Board of Directors of TIGB has seen and approved all the documentation relating to the Corporate Exercises including this AP, together with the NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This AP, together with the NPA and RSF are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 16 January 2013. This AP together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Corporate Exercises complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders (as defined herein) and their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Corporate Exercises would result in the contravention of any laws of such countries or jurisdictions. Neither TIGB nor OSK Investment Bank Berhad (Company No.: 14152-V) ("OSK") shall accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders or their renouncee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

OSK, being the Adviser for the Corporate Exercises, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Corporate Exercises.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED, SEE "RISK FACTORS" AS SET OUT IN SECTION 7 HEREIN.

TOYO

TOYO INK GROUP BERHAD

(Company No.: 590521-D)
(Incorporated in Malaysia under the Companies Act, 1965)

(I) RENOUNCEABLE RIGHTS ISSUE OF UP TO 42,800,000 NEW ORDINARY SHARES OF RM1.00 EACH IN TIGB ("RIGHTS SHARE(S)") TOGETHER WITH UP TO 42,800,000 FREE NEW DETACHABLE WARRANTS ("WARRANT(S)") AT AN ISSUE PRICE OF RM1.20 PER RIGHTS 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 HELD IN TIGB ("TIGB SHARE(S)") AT 5.00 P.M. ON 16 JANUARY 2013 PAYABLE IN FULL UPON ACCEPTANCE BASED ON A MINIMUM SUBSCRIPTION OF 20,874,558 RIGHTS SHARES ("RIGHTS ISSUE WITH WARRANTS"); AND

(II) BONUS ISSUE OF UP TO 21,400,000 TIGB SHARES TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) NEW TIGB SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED BY THE EXISTING SHAREHOLDERS OF TIGB AND/OR THEIR RENOUNCEE(S) PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS ("BONUS ISSUE")

Adviser

OSK

OSK Investment Bank Berhad (14152-V)
(A member of RHB Banking Group)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement date	:	Wednesday, 16 January 2013 at 5.00 p.m.
Commencement date and time for sale of provisional allotment of rights	:	Monday, 1 April 2013 at 9.00 a.m.
Last date and time for sale of provisional allotment of rights	:	Friday, 5 April 2013 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Wednesday, 10 April 2013 at 4.00 p.m.
Last date and time for acceptance and payment	:	Monday, 15 April 2013 at 5.00 p.m.*
Last date and time for excess application and payment	:	Monday, 15 April 2013 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 29 March 2013

THIS ABRIDGED PROSPECTUS ("AP") HAS BEEN REGISTERED WITH THE SC. THE REGISTRATION OF THIS AP SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE CORPORATE EXERCISES.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, BONUS SHARES, WARRANTS AND THE NEW TIGB SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS AND THE BONUS ISSUE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

The following definitions shall apply throughout this Abridged Prospectus unless the context requires otherwise:

"Act"	:	Companies Act, 1965
"Adviser" or "OSK"	:	OSK Investment Bank Berhad (14152-V)
"AP"	:	This Abridged Prospectus dated 29 March 2013
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of TIGB
"Bonus Issue"	:	Bonus Issue of up to 21,400,000 new TIGB Shares to be credit as fully paid-up on the basis of one (1) new TIGB Share for every two (2) Rights Shares subscribed by the existing shareholders of TIGB and/or their renouncee(s) pursuant to the Rights Issue with Warrants
"Bonus Shares"	:	New TIGB Shares to be issued pursuant to the Bonus Issue
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor to record the deposits or withdrawals of securities or for dealings in such securities by the depositor
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010
"Corporate Exercises"	:	Rights Issue with Warrants and the Bonus Issue, collectively
"Deed Poll"	:	The deed poll executed by our Company on 3 January 2013 constituting the Warrants
"E&E"	:	Electric and electronic
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"EDM"	:	Electrical discharge machining
"EDM Group"	:	EDM-Tools (M) Sdn Bhd (171231-D), Elo Dunia Manufacturing (M) Sdn Bhd (569467-W), INMAC EDM-Tools (M) Sdn Bhd (555967-H) and EDM-Tools (Penang) Sdn Bhd (450191-U), collectively
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholder(s)"	:	The shareholder(s) of TIGB whose names appear in the Record of Depositors of TIGB on the Entitlement Date for the Corporate Exercises
"Entitlement Date"	:	16 January 2013 at 5.00 p.m., being the date and time on which the Entitled Shareholders must appear on TIGB's Record of Depositors with Bursa Depository in order to be entitled to participate in the Corporate Exercises
"EPS"	:	Earnings per share
"Excess Rights Shares with Warrants"	:	Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) (if applicable) prior to excess application pursuant to the Corporate Exercises

DEFINITIONS *(cont'd)*

"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending, as the case may be
"High Court"	:	High Court of Malaya at Kuala Lumpur
"Increase in the Authorised Share Capital"	:	The increase in the authorised share capital from RM50,000,000 comprising 50,000,000 TIGB Shares to RM250,000,000 comprising 250,000,000 TIGB Shares
"Injunction"	:	An ex parte interim injunction order dated 14 January 2013 from the High Court to refrain the Company from proceeding with the Proposals (as defined in the circular to the shareholders of TIGB dated 10 November 2012)
"LAT"	:	Loss after tax
"LBT"	:	Loss before tax
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	27 February 2013, being the latest practicable date prior to the issuance of this AP
"M&A Amendments"	:	Amendments to the Company's Memorandum and Articles of Association as a consequence of the Rights Issue with Warrants, Bonus Issue and Increase in the Authorised Share Capital
"Market Days"	:	Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is open for trading of securities
"Maximum Scenario"	:	Assuming all the shareholders of TIGB subscribe for their entitlement pursuant to the Rights Issue with Warrants
"Minimum Scenario"	:	Assuming only the Undertaking Shareholders subscribe for their entitlement pursuant to the Rights Issue with Warrants
"MI"	:	Minority interest
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment dated 29 March 2013 issued by TIGB, notifying the Entitled Shareholders that his/her provisional allotment of Rights Shares has been credited into his or her CDS Account
"NTA"	:	Net tangible assets
"Originating Summons"	:	Originating Summons No. 24NCC-14-01/2013 dated 14 January 2013 filed by the Plaintiffs against the Company
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Plaintiffs"	:	Expo Holdings Sdn Bhd, Deliblossom Sdn Bhd, Ee Chong Pang, Foong Lai Yue and Yim Yoke Yee, collectively
"PMTD"	:	Precision mould, tools and die
"Provisional Allotment"	:	Rights Shares with Warrants and Bonus Shares provisionally allotted to the Entitled Shareholders and/ or their renouncee(s) (if applicable) pursuant to the Corporate Exercises

DEFINITIONS *(cont'd)*

"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"Rights Issue with Warrants"	:	Renounceable rights issue of up to 42,800,000 Rights Shares at an issue price of RM1.20 per Rights Share together with up to 42,800,000 Warrants on the basis of one (1) Rights Share together with one (1) Warrant for every one (1) existing TIGB Share held at the Entitlement Date
"Rights Share(s)"	:	New TIGB Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form issued by TIGB, which is to be used by the Entitled Shareholders, renouncee(s) and other permitted investors to subscribe or accept the Provisional Allotment
"Rules of Bursa Depository"	:	Rules of a central depository as defined in the Securities Industry (Central Depository) Act, 1991
"SC"	:	Securities Commission Malaysia
"TIGB" or the "Company"	:	Toyo Ink Group Berhad (590521-D)
"TIGB Group" or the "Group"	:	TIGB and its subsidiaries, collectively
"TIGB Share(s)" or "Share(s)"	:	Ordinary share(s) of RM1.00 each in TIGB
"Undertaking Shareholders"	:	Lim Guan Lee, Song Kok Cheong, Fong Po Yin, Ng Chong You, Ling Ha Kee, Kok Sau Lan @ Kwok Sow Lan, Eng Lian Enterprise Sdn Bhd, Ng Ling Li and Bukit Asa Sdn Bhd collectively
"WAMP"	:	Weighted average market price
"Warrant(s)"	:	Free detachable new warrant(s) to be issued pursuant to the Rights Issue with Warrants

Any reference to "our Company" and "TIGB" in this AP are to Toyo Ink Group Berhad, references to "our Group" is to our Company and our subsidiaries and references to "we", "us", "our" and "ourselves" in this AP are to our Company and, save where the context requires otherwise, our subsidiaries. All references to "you" in this AP are to our Entitled Shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any statute is a reference to that statute as for the time being amended or re-enacted.

Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Tuan Hj. Ir. Yusoff Bin Daud *(Independent Non-Executive Chairman)*	No. 34, Jalan Eksekutif U1/6, Glenmarie Court Glenmarie 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Song Kok Cheong (Managing Director)	No. 3, Jalan 7/20 Section 7 46050 Petaling Jaya Selangor Darul Ehsan	Malaysian	Managing Director
Ng Chong You (Executive Director)	No. 4, Jalan SS18/5A 47500 Subang Jaya Selangor Darul Ehsan	Malaysian	Company Director
Lim Guan Lee (Non-Independent Non-Executive Director)	No. 2, Jalan Senandong Singapore 288754	Singaporean	Company Director
Tham Kut Cheong (Independent Non-Executive Director)	2, Persiaran Basong Damansara Heights 50490 Kuala Lumpur	Malaysian	Chartered Accountant
You Tong Lioung @ Yew Tong Leong (Independent Non-Executive Director)	No. 83, Taman Wangsa Baiduri 47500 Subang Jaya Selangor Darul Ehsan	Malaysian	Company Director
Lim Kee Min (Alternate Director to Lim Guan Lee) (Non-Independent Non-Executive)	63, Joo Koon Circle Singapore 629076	Singaporean	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Tham Kut Cheong	Chairman	Independent Non-Executive Director
Tuan Hj. Ir. Yusoff Bin Daud	Member	Independent Non-Executive Chairman
You Tong Lioung @ Yew Tong Leong	Member	Independent Non-Executive Director

CORPORATE OFFICE : PT 3477, Jalan 6/1
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan

Tel: 603-8942 3335
Fax: 603-8942 1161
Website: http://www.toyoink.com.my/

CORPORATE DIRECTORY (*cont'd*)

REGISTERED OFFICE	:	Lot 4.100, Tingkat 4, Wisma Central Jalan Ampang 50450 Kuala Lumpur Tel : 603-2161 9733 Fax : 603-2162 8157
COMPANY SECRETARY	:	Chow Chooi Yoong (MAICSA 0772574) Hazlina bt. Harun (LS 03078) c/o T & S Secretarial Services Sdn Bhd Lot.4.100, Tingkat 4, Wisma Central Jalan Ampang 50450 Kuala Lumpur Tel: 603-2161 9733 Fax: 603-2162 8157
SHARE REGISTRAR	:	Insurban Corporate Services Sdn Bhd 149, Jalan Aminuddin Baki Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel : 603-7729 5529 Fax : 603-7728 5948
AUDITORS AND REPORTING ACCOUNTANTS	:	Ecovis AHL (formerly known as AHL) No.9-3, Jalan 109F Plaza Danau 2, Taman Danau Desa 58100 Kuala Lumpur Tel : 603-7981 1799 Fax : 603-7980 4796
DUE DILIGENCE SOLICITORS	:	Tan, Goh & Associates Unit 825, 8th Floor, Block A Damansara Intan No. 1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel : 603-7727 7228 Fax : 603-7731 9238
PRINCIPAL BANKERS	:	AmBank (M) Berhad Level 18 Menara Dion Jalan Sultan Ismail 50250 Kuala Lumpur AmIslamic Bank Berhad Level 45 Menara Ambank No. 8, Jalan Yap Kwan Seng 50450 Kuala Lumpur

CORPORATE DIRECTORY (*cont'd*)

		Standard Chartered Bank Malaysia Berhad Level 16 Menara Standard Chartered 30 Jalan Sultan Ismail 50250 Kuala Lumpur
ADVISER	:	OSK Investment Bank Berhad 20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel: 603-2333 8333 Fax: 603-2175 3217
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

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TOYO INK GROUP BERHAD

(Company No.: 590521-D)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

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

29 March 2013

Board of Directors:

Tuan Hj. Ir. Yusoff Bin Daud *(Independent Non-Executive Chairman)*
Song Kok Cheong *(Managing Director)*
Ng Chong You *(Executive Director)*
Lim Guan Lee *(Non-Independent Non-Executive Director)*
Tham Kut Cheong *(Independent Non-Executive Director)*
You Tong Lioung @ Yew Tong Leong *(Independent Non-Executive Director)*
Lim Kee Min (Alternate Director to Lim Guan Lee) *(Non-Independent Non-Executive Director)*

To: The Entitled Shareholders of TIGB

Dear Sir/Madam,

(I) RIGHTS ISSUE WITH WARRANTS
(II) BONUS ISSUE

(COLLECTIVELY REFERRED TO AS THE "CORPORATE EXERCISES")

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1. INTRODUCTION

Our Board is pleased to inform you that, at the EGM held on 3 December 2012, our shareholders had approved the following:

(i) Rights Issue with Warrants;

(ii) Bonus Issue;

(iii) Increase in the Authorised Share Capital; and

(iv) M&A Amendments.

A certified true extract of all the resolutions pertaining to the above which were passed at the said EGM, is set out in **Appendix I** of this AP.

On 30 August 2012, OSK on behalf of our Board, announced that the Controller of Foreign Exchange (via BNM) has via its letter dated 28 August 2012 approved the issuance of Warrants to the entitled non-resident shareholders of TIGB pursuant to the Rights Issue with Warrants.

On 1 November 2012, OSK on behalf of our Board, announced that Bursa Securities had vide its letter dated 31 October 2012, given its approval-in-principle for, amongst others, the following:

(i) the admission of the Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities;

(ii) the listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities;

(iii) the listing of and quotation for the Bonus Shares to be issued pursuant to the Bonus Issue on the Main Market of Bursa Securities; and

(iv) the listing of and quotation for the new TIGB Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities.

The approval by Bursa Securities in relation to the Corporate Exercises are subject to the following conditions:

(i) TIGB and OSK must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue and Proposed Bonus Issue;

(ii) TIGB and OSK to inform Bursa Securities upon the completion of the Proposed Rights Issue and Proposed Bonus Issue;

(iii) TIGB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue and Proposed Bonus Issue are completed;

(iv) TIGB to furnish a certified true copy of the resolution passed by the shareholders at the extraordinary general meeting for the Proposed Rights Issue and Proposed Bonus Issue; and

(v) Payment of additional listing fees pertaining to the exercise of Warrants. In this respect, TIGB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants at the end of each quarter together with a details computation of listing fees payable.

In order to accommodate the issuance of the Rights Shares and Bonus Shares and any future issuance of new TIGB Shares arising from the exercise of the Warrants, TIGB had on 6 December 2012, effected the increase in our authorised share capital from RM50,000,000 comprising 50,000,000 Shares to RM250,000,000 comprising 250,000,000 Shares by the creation of an additional 200,000,000 Shares.

Further, in order to facilitate and to reflect the consequence of the Corporate Exercises and Increase in the Authorised Share Capital, the Memorandum and Articles of Association have been amended accordingly. The Increase in Authorised Share Capital and the M&A Amendments were approved by our shareholders at the EGM held on 3 December 2012.

On 2 January 2013, OSK had on behalf of the Board announced the Entitlement Date and the important relevant dates pertaining to the Corporate Exercises.

On 15 January 2013, the Company announced that the Company was served with an Injunction and Originating Summons. As a result of the Injunction, the important relevant dates which was announced on 2 January 2013 pertaining to the Corporate Exercises is no longer applicable. However, the Entitlement Date which was announced on 2 January 2013 has been fixed on 16 January 2013 remains applicable and the TIGB Shares have been trading at ex-price since 14 January 2013. Further details pertaining to the Injunction and Originating Summons are disclosed in **Section 7.2(i)** and **Section 5** of **Appendix VIII** of this AP respectively.

On 22 January 2013, the Company announced that the High Court dismissed the Plaintiff's interlocutory injunction application with no order as to costs on the same date. The High Court also had on the same date, fixed the date for case management to be held on 13 March 2013 and the trial for the Originating Summons to be held on 7 May 2013.

On 13 March 2013, the Company announced that during the case management on the same date, the High Court has:

(i) allowed the application by the Plaintiffs to amend the Originating Summons to add an additional prayer for damages; and

(ii) fixed the hearing of the Originating Summons on 7 May 2013.

On 28 March 2013, OSK had on behalf of the Board announced the revised important relevant dates pertaining to the Corporate Exercises.

The official listing of and quotation for the Rights Shares, Warrants and Bonus Shares to be issued pursuant to the Corporate Exercises will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncees have been duly credited and notices of allotment have been despatched to them.

While our Board invites your participation in the Corporate Exercises, you are advised to refer to the Risk Factors as disclosed in **Section 7** of this AP in making your investment decision.

No person is authorised to give any information or make any representation not contained herein in connection with the Corporate Exercises and if given or made, such information or representation must not be relied upon as having been authorised by us or OSK.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Particulars of the Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 42,800,000 Rights Shares at an issue price of RM1.20 per Rights Share on a renounceable basis of one (1) Rights Share for every one (1) existing TIGB Share held together with up to 42,800,000 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for by the Entitled Shareholders and/or their renouncee(s).

The Rights Issue with Warrants will be implemented based on a minimum subscription basis. As such, TIGB will not procure any underwriting arrangement. The minimum subscription basis was determined based on amongst others, the funding requirements of the TIGB Group after taking into consideration the funding requirements of the TIGB Group that will be channelled towards the proposed utilisation as set out in **Section 6** of this AP.

The Rights Shares will be provisionally allotted to the shareholders of TIGB whose names appear in the Record of Depositors of the Company on the Entitlement Date.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. The Warrants will be issued in registered form and constituted by the Deed Poll.

The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlements. Further, the renunciation of the Rights Shares by the Entitled Shareholders will simultaneously and correspondingly entail the renunciation of the Bonus Shares to be issued pursuant to the Bonus Issue.

Any fractional entitlements of the Rights Shares and Warrants under the Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion deem expedient or to be in the best interests of our Company.

As you are an Entitled Shareholder and the TIGB Shares are prescribed securities, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares together with the Warrants and Bonus Shares which you are entitled to subscribe for in full or in part under the terms of the Corporate Exercises. You will find enclosed in this AP, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Rights Shares with Warrants and Bonus Issue provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants and Bonus Issue if you so choose to.

Any dealing in our securities will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares with Warrants and Bonus Shares will be credited directly into the respective CDS Accounts of the successful applicants. No physical Share or warrant certificates will be issued but notices will be despatched to the successful applicants.

We will allot and issue Rights Shares with Warrants and Bonus Shares, despatch notices of allotment to the allottees and make an application for the quotation of the Rights Shares, Warrants and Bonus Shares within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants and Bonus Shares or such period as may be prescribed by Bursa Securities. The Rights Shares, Warrants and Bonus Shares will then be quoted on the Main Market of Bursa Securities from two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining the issue price of the Rights Shares

The Board has fixed the issue price at RM1.20 per Rights Share. The issue price of the Rights Share at RM1.20 per Rights Share has been arrived at after taking into consideration of the following:

(i) the theoretical ex-all price based on the five (5)-day WAMP of TIGB Shares up to and including 31 July 2012, the day before the announcement of the Corporate Exercises, Increase in Authorised Share Capital and M&A Amendments; and

(ii) funding requirements of the TIGB Group as disclosed in **Section 6** of this AP.

The issue price of RM1.20 per Rights Share represents a premium of approximately RM0.217 or 22.08% from the theoretical ex-all price of RM0.983 per TIGB Share, after the Corporate Exercises, based on the five (5)-day WAMP of TIGB Shares up to and including 31 July 2012 of RM1.257. The premium is due to the issuance of up to 21,400,000 Bonus Shares at no cost which correspondingly reduced the theoretical ex-all price.

2.3 Basis of determining the exercise price of the Warrants

The Board has fixed the exercise price at RM1.50 per Warrant. The exercise price of RM1.50 has been arrived at after taking into consideration, amongst others, the following:

(i) the theoretical ex-all price based on the five (5)-day WAMP of TIGB Shares up to and including 31 July 2012; and
(ii) the prospects of the TIGB Group as set out in **Section 8** of this AP.

The exercise price of RM1.50 per Warrant represents a premium of approximately RM0.517 or 52.59% from the theoretical ex-all price of TIGB Shares of RM0.983, after the Corporate Exercises, based on the five (5)-day WAMP of TIGB Shares up to and including 31 July 2012 of RM1.257. The premium on the exercise price was arrived at after taking into consideration, amongst others, the historical share price movement of TIGB Shares.

2.4 Ranking of the Rights Shares and new Shares arising from the exercise of the Warrants

The Rights Shares to be issued shall, upon allotment and issuance, rank pari passu in all respects with the existing TIGB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

The new TIGB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank pari passu in all respects with the existing TIGB Shares, save and except that they will not be entitled to any dividends, rights, allotment and/ or any other distributions that may be declared, made or paid prior to the relevant allotment date of the said new TIGB Shares.

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2.5 Shareholders' undertaking and underwriting agreement

The Rights Issue with Warrants will be undertaken on a minimum subscription level basis and no underwriting arrangement will be made for the balance of the Rights Shares not subscribed. In the event that the minimum subscription basis is not achieved, TIGB will not proceed with the implementation of the Rights Issue with Warrants. All subscription monies received will be immediately returned without interest to the shareholders of TIGB who have subscribed for the Rights Shares. As at the LPD, TIGB does not have any other alternative plan in the event the minimum subscription basis is not achieved. Notwithstanding this, the Undertaking Shareholders have given their respective irrevocable undertakings to subscribe in full of their Right Shares entitlements pursuant to the Proposed Rights Issue with Warrants as highlighted above. As such, the minimum subscription basis will be achieved as tabulated below:

	Shareholding as at the LPD		No. of TIGB Shares entitled/ undertaken				
Undertaking Shareholder	**No. of TIGB Shares**	**%**	**No. of TIGB Shares**	**%**	**RM**	**No. of Warrants entitled**	**No. of Bonus Shares entitled**
Lim Guan Lee	4,579,281	10.70	4,579,281	10.70	5,495,137	4,579,281	2,289,640
Song Kok Cheong	4,370,425	10.21	4,370,425	10.21	5,244,510	4,370,425	2,185,212
Fong Po Yin	116,226	0.27	116,226	0.27	139,471	116,226	58,113
Ng Chong You	2,404,043	5.62	2,404,043	5.62	2,884,852	2,404,043	1,202,021
Ling Ha Kee	36,000	0.08	36,000	0.08	43,200	36,000	18,000
Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	2,677,173	6.26	3,212,608	2,677,173	1,338,586
Eng Lian Enterprise Sdn Bhd	3,891,410	9.09	3,891,410	9.09	4,669,692	3,891,410	1,945,705
Ng Ling Li	100,000	0.23	100,000	0.23	120,000	100,000	50,000
Bukit Asa Sdn Bhd	2,700,000	6.31	2,700,000	6.31	3,240,000	2,700,000	1,350,000
Total	**20,874,558**	**48.77**	**20,874,558**	**48.77**	**25,049,470**	**20,874,558**	**10,437,277**

For avoidance of doubt, the abovementioned respective undertakings based on the Minimum Scenario will not give rise to any mandatory general offer obligation pursuant to the Code.

TIGB intends to raise proceeds from the Rights Issue with Warrants to meet the funding requirements of TIGB Group that will be channelled towards the proposed utilisation as disclosed in **Section 6** of this AP.

The Undertaking Shareholders had on 10 August 2012:

(i) given their respective irrevocable undertakings to subscribe in full for their respective Rights Shares entitlements pursuant to the Rights Issue with Warrants as set out above. In addition, the Undertaking Shareholders had also respectively undertaken to subscribe for any additional Rights Shares entitlements, in the event that the Undertaking Shareholder has increased his/her/its shareholding in TIGB, based on the entitlement date to be determined later;

(ii) provided their respective confirmations that they have sufficient financial resources to take up their respective entitlements as stated above. The said confirmations have been respectively verified by OSK, the Adviser for the Rights Issue with Warrants; and

(iii) given their confirmations respectively to observe and comply at all times with the provisions of the Code.

2.6 Principal terms of the Warrants

The principal terms of the Warrants are set out as follows:

Issue Size	:	Up to 42,800,000 new Warrants to be issued in conjunction with the Rights Issue with Warrants to the Entitled Shareholders on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed
Form and denomination	:	The Warrants which are issued with the Rights Shares are immediately detached upon issuance and will be separately traded. The Warrants will be issued in registered form and constituted by the Deed Poll
Exercise Rights	:	Each Warrant entitles the registered holder, at any time during the Exercise Period, to subscribe for one (1) new TIGB Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll
Exercise Period	:	The Warrants may be exercised at any time within five (5) years commencing from and including the date of issue of the Warrants and ending at 5.00 pm on the Expiry Date
Exercise Price	:	The exercise price of the Warrants has been fixed at RM1.50, subject to further adjustments (where applicable) in accordance with the provisions of the Deed Poll
Expiry Date	:	The day falling immediately before the fifth (5^{th}) Anniversary of the date of issuance of the Warrants and if such date is not a market day, then on the preceding market day. Any of the Warrants which have not been exercised and delivered to the Company's registrars will lapse and cease thereafter to be valid for any purpose
Mode of exercise	:	The registered holder of a Warrant is required to lodge a subscription form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new TIGB Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities
Listing status	:	Approval has been obtained from Bursa Securities on 31 October 2012 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the Rights Shares, Bonus Shares, Warrants and new TIGB Shares arising from the exercise of Warrants
Ranking of new Shares	:	The new TIGB Shares to be issued pursuant to the exercise of the Warrants, shall upon allotment and issue, rank *pari passu* in all respects with the existing TIGB Shares, save and except that they will not be entitled to any dividend, right, allotment, and/ or other distributions that may be declared, made or paid, the entitlement date of which is prior to the relevant allotment and issuance date of the said new TIGB Shares

Rights of the Warrant holder(s) to participate in any distributions and/or offers of further securities	:	Warrant holders are not entitled participate in any distributions and/or offer of further securities in TIGB unless otherwise resolved by TIGB in a general meeting
Rights in the event of winding up, liquidation, compromise and/ or arrangement	:	Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the company with one or more companies, then every Warrant holder shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of this Warrants to the Company, elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by his Warrants to the extend specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new TIGB Shares to which he would have been entitled to pursuant to such exercise
Modification to the terms of the Warrants	:	Any modification may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll and only if the requirements of Condition 9 of the Third Schedule of the Deed Poll has been complied with and subject to the approval of the relevant authorities
Adjustments in the Exercise Price and/ or number of Warrants	:	The Exercise Price and/ or number of unexercised Warrants may be adjusted by the Board, in consultation with its professional advisers, in the event of alteration to the share capital of the Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll
Deed Poll	:	The Warrants will be constituted by a Deed Poll to be executed by the Company
Governing law	:	Laws and regulations of Malaysia

3. DETAILS OF THE BONUS ISSUE

The Bonus Issue entails an issuance of up to 21,400,000 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the Entitled Shareholder(s) and/ or their renouncee(s).

The Bonus Shares shall only be issued to the Entitled Shareholders who subscribe for the Rights Shares pursuant to the Rights Issue with Warrants.

Accordingly, the shareholders of TIGB who renounce their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue with Warrants will simultaneously relinquish their entitlements to the Bonus Shares.

Fractional entitlements arising from the Bonus Issue, if any, shall be dealt with by the Board in such manner at their absolute discretion as they may deem fit and expedient in the best interest of the Company.

Any dealing in the Bonus Shares will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Bonus Shares will be credited directly into the respective CDS Accounts of the Entitled Shareholders and/ or their renouncee(s) (if applicable) who successfully subscribe for the Rights Shares. No physical share certificate will be issued.

A notice of allotment will be despatched to you or your renouncee(s) within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants and the Bonus Shares. There will be no separate book closure date for the Bonus Issue as the Corporate Exercises will be implemented concurrently. The Bonus Shares will be listed and quoted on the Main Market of Bursa Securities.

The Proposed Bonus Issue will not be implemented in stages over a period of time.

3.1 Capitalisation of reserves

The Bonus Issue shall be capitalised from the share premium and retained profit accounts of the Company.

An illustration of the proposed capitalisation for the Bonus Issue based on the Company's latest audited financial statements for the FYE 31 March 2012 and unaudited quarterly report for the FPE 31 December 2012 are as set out below:-

<u>Minimum Scenario</u>

	Audited as at 31 March 2012			**Unaudited as at 31 December 2012**		
TIGB (Company level)	**Share premium**	**Retained earnings**	**Total**	**Share premium**	**Retained earnings**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance	4,321	9,904	14,225	4,321	9,430	13,751
After the Rights Issue with Warrants	8,496	9,354*	17,850	8,496	8,880*	17,376
Amount to be capitalised for the Bonus Issue	(8,496)	(1,941)	(10,437)	(8,496)	(1,941)	(10,437)
After the Bonus Issue	**-**	**7,413**	**7,413**	**-**	**6,939**	**6,939**

Maximum Scenario

TIGB (Company level)	Audited as at 31 March 2012 Share premium RM'000	Retained earnings RM'000	Total RM'000	Unaudited as at 31 December 2012 Share premium RM'000	Retained earnings RM'000	Total RM'000
Balance	4,321	9,904	14,225	4,321	9,430	13,751
After the Rights Issue with Warrants	12,881	9,354*	22,235	12,881	8,880*	21,761
Amount to be capitalised for the Bonus Issue	(12,881)	(8,519)	(21,400)	(12,881)	(8,519)	(21,400)
After the Bonus Issue	**-**	**835**	**835**	**-**	**361**	**361**

Note:

* *After taking into consideration the estimated defrayment cost of RM550,000 pursuant to the Corporate Exercises.*

Pursuant to Paragraph 6.30(1) of the Listing Requirements, a listed issuer intending to make a bonus issue of securities must ensure that the necessary reserves required for capitalisation of the bonus issue are unimpaired by losses on a consolidated basis, where applicable, based on the listed issuer's latest audited financial statements as well as its latest quarterly report.

In respect of the above, the Company's external auditors, Messrs. Ecovis AHL (formerly known as AHL), had vide its confirmation letter dated 4 March 2013 stated based on the latest audited financial statements for the financial year ended 31 March 2012 and latest unaudited quarterly report for the financial period ended 31 December 2012, respectively, the Company has adequate reserves available to be capitalised for the Bonus Issue pursuant to Paragraph 6.30(3) of the Listing Requirements.

Based on TIGB's latest audited consolidated financial statements for the FYE 31 March 2012 and latest unaudited quarterly report for the financial period ended 31 December 2012, respectively, the reserves available to be capitalised for the Bonus Issue are unimpaired by losses on a consolidated basis. Hence, the Company has complied with Paragraph 6.30(1) of the Listing Requirements.

3.2 Ranking of the Bonus Shares

All the Bonus Shares to be issued shall, upon allotment and issuance, rank *pari passu* in all respects with the existing TIGB Shares except that the Bonus Shares will not be entitled to any dividends, rights, allotment and/ or other form of distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares.

For avoidance of doubt, the Bonus Shares are not entitled to the Rights Shares.

3.3 Listing of and quotation for the Bonus Shares

Approval has been obtained from Bursa Securities on 31 October 2012 for the listing of and quotation for the Bonus Shares.

4. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION FOR THE CORPORATE EXERCISES

4.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment, which you are entitled to subscribe for in full or in part under the terms of the Corporate Exercises. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotment into your CDS Account and the RSF to enable you to subscribe for the Rights Shares with Warrants and Bonus Shares provisionally allotted to you, as well as to apply for Excess Rights Shares and Warrants if you choose to do so.

4.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depository) Act, 1991 and therefore, all dealings in the Provisional Allotment will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

4.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotment is at 5.00 p.m. on 15 April 2013, or such extended date and time as our Board may decide at their absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

4.4 Procedure for full acceptance and payment

Acceptance and payment for the Provisional Allotment must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not conform to the terms of this AP, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANTS AND BONUS SHARES AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you or your renouncee(s) (if applicable) wish to accept your entitlement, please complete Part I and III of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:

Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: (603) 7729 5529
Fax: (603) 7728 5948

so as to arrive not later than **5.00 p.m. on 15 April 2013**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board. A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by the Share Registrar for the Rights Shares with Warrants and Bonus Shares, you are advised to use one (1) reply envelope for each completed RSF.

One (1) RSF can only be used for acceptance of the Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF must be used for the acceptance of the Provisional Allotment standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants and Bonus Shares subscribed by you or your renouncee(s) (if applicable) will be credited into the respective CDS Accounts where the the Provisional Allotment is standing to the credit.

You and/or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares with Warrants and Bonus Shares will comprise of 100 Rights Shares and 100 Warrants and 100 Bonus Shares each respectively. Successful applicants of the Rights Shares will be given free attached Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share, which will be accompanied with one (1) Warrant. In addition, the Bonus Shares will also be issued to successful applicants of the Rights Shares on the basis of one (1) Bonus Share for every two (2) Rights Shares successfully subscribed for. Fractions of a Rights Shares with Warrants and Bonus Shares which may arise from the Corporate Exercises will be disregarded and shall be dealt in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance and payment for the the Provisional Allotment is not received by our Share Registrar by **5.00 p.m. on 15 April 2013**, being the last date and time for acceptance and payment, or any other extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time at their discretion, you and/or your renouncee(s) (if applicable) will be deemed to have declined the provisional allotment made to you and/or your renouncee(s) and it will be cancelled. In the event that the Rights Shares with Warrants and Bonus Shares are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants and Bonus Shares to the applicants who have applied for Excess Rights Shares with Warrants in the manner as set out in **Section 4.8** of this AP. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserves the right not to accept or to accept in part only any application without providing any reasons.

If you or your renouncee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (http://www.bursamalaysia.com), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "TIGB RIGHTS SHARES ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS SHARES WITH WARRANTS AND THE BONUS SHARES. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS AND BONUS SHARES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEE(S) (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT FOR THE CORPORATE EXERCISES.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE CORPORATE EXERCISES BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

4.5 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotment. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share which will be accompanied with one (1) Warrant.

You must complete both Part I and III of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 4.4** of this AP.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAIN THEREIN.

The portion of the Provisional Allotment that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the Provisional Allotment.

4.6 Procedure for sale/transfer of the Provisional Allotment

As the Provisional Allotment are prescribed securities, you may sell/transfer all or part of your entitlement to the Rights Shares with Warrants and Bonus Shares to one (1) or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose of all or part of your entitlement to the Provisional Allotment, you may sell such entitlement on the open market or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Allotment, you may still accept the balance of the Provisional Allotment by completing the RSF. Please refer to **Section 4.4** of this AP for the acceptance and payment.

In selling/transferring all or part of your Provisional Allotment, you and/or your renouncee(s) (if applicable) need not deliver any document including the RSF, to any stockbroker. However you and/or your renouncee(s) (if applicable) must ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this AP and the RSF from their stockbrokers or from our Share Registrar as stated above. This AP and RSF are also available on Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold or transferred only part of your entitlements to the Rights Shares with free Warrants and Bonus Shares, you may still accept the balance of your entitlements to the Rights Shares with free Warrants and Bonus Shares by completing and forwarding the RSF and the full amount payable, to our Share Registrar.

ENTITLED SHAREHOLDERS WHO SELL OR TRANSFER THEIR PROVISIONAL ALLOTMENT WILL AUTOMATICALLY BE SELLING OR TRANSFERRING THEIR ENTITLEMENTS TO THE RIGHTS SHARES, THE ATTACHED FREE WARRANTS AND THE BONUS SHARES IN THE PROPORTION OF ONE (1) RIGHTS SHARE WITH ONE (1) ATTACHED WARRANTS AND ONE (1) BONUS SHARES FOR TWO (2) RIGHTS SHARES SUBSCRIBED. THEY CANNOT RETAIN THE PROVISIONAL ALLOTMENT WHILE SELLING OR TRANSFERRING THE RIGHTS SHARES, THE ATTACHED WARRANTS, OR VICE VERSA, NOR CAN THEY SELL OR TRANSFER THEIR ENTITLEMENTS IN ANY PROPORTION OTHER THAN THAT STATED ABOVE.

4.7 Procedure for acceptance by renouncees

Renouncees who wish to accept the Provisional Allotment must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our Registered Office or from the Bursa Securities' website at http://www.bursamalaysia.com and complete the RSF and submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders are set out in **Section 4.4** of this AP also applies to renouncees who wish to accept the Provisional Allotment.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND RSF CAREFULLY.

4.8 Procedure for application of Excess Rights Shares with Warrants

As an Entitled Shareholder, you and/or your renouncee(s) (if applicable) may apply for excess Rights Shares and Warrants in addition to the Provisional Allotment by completing Part II of the RSF (in addition to Part I and III) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on 15 April 2013**, being the last time and date for acceptance and payment, or such extended time and date as may be determined by our Board.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 4.4 OF THIS AP, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "TIGB EXCESS RIGHTS SHARES ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

Our Board reserves the right to allot any Excess Rights Shares with Warrants and Bonus Shares applied for under Part II of the RSF and on a fair and equitable basis and in such manner as it deems fit or expedient in the best interest of our Company. As such, it is the intention of our Board to allot the Excess Rights Shares with Warrants and Bonus Shares in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants and Bonus Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants and Bonus Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares with Warrants and Bonus Shares applied for; and

(iv) finally, for allocation to the renouncees who have applied for the Excess Rights Shares with Warrants and Bonus Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares with Warrants and Bonus Shares applied for.

Subject always to (i), (ii), (iii) and (iv) above are achieved, our Board also reserves the right not to accept or to accept any application for Excess Rights Shares With Warrants and Bonus Shares in part only, without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS AND BONUS SHARES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

4.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares, Warrants and Bonus Shares are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares, Warrants and Bonus Shares.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificate shall be issued to you under the Corporate Exercises. Instead, the Rights Shares, Warrants and Bonus Shares will be credited directly into your CDS Account.

The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last time and date for acceptance and payment of the Rights Issue with Warrants.

Any person who intends to subscribe for the Rights Shares and Warrants as a renouncee by purchasing the provisional allotment of Rights Shares and Warrants from an Entitled Shareholder will have his Rights Shares and Warrants credited directly as prescribed securities into his CDS Account.

Subscription of Rights Shares with Warrants by Entitled Shareholders

Where the Rights Shares, Warrants and Bonus Shares are provisionally allotted to you as an Entitled Shareholder in respect of your existing TIGB Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the provisional allotment of the Rights Shares, Warrants and Bonus Shares shall mean that you consent to receive such Rights Shares, Warrants and Bonus Shares as prescribed or deposited securities credited directly into your CDS Account. Hence, the Rights Shares, Warrants and Bonus Shares will be credited directly into your CDS Account upon allotment and issuance.

Subscription of Rights Shares with Warrants by a renouncee

Any person who has purchased the provisional allotment of Rights Shares with Warrants or to whom the provisional allotment of Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his/ her CDS Account number in the space provided in the RSF. The Rights Shares, Warrants and Bonus Shares will be credited directly as prescribed or deposited securities into his/ her CDS Account upon allotment and issuance.

Application for excess Rights Shares with Warrants by an Entitled Shareholder and/or his renounce(s) (if applicable)

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with Warrants will be made on a fair and equitable basis.

4.10 Laws of foreign jurisdictions

This AP, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Corporate Exercises will not be made or offered in any foreign jurisdiction.

Foreign Entitled Shareholders or their renouncee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Corporate Exercises only to the extent that it would be lawful to do so.

OSK, other experts, our Company and our Directors and officers would not, in connection with the Corporate Exercises, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders or their renouncees (if applicable) are or may be subject to. Foreign Entitled Shareholders or their renouncees (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. OSK, other experts, our Company and our Directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders or renouncees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders or their renouncees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or the renouncees (if applicable) may collect the AP including the accompanying documents from our Share Registrar, in which event the Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The foreign Entitled Shareholders or their renouncees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders or their renounce(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against us or OSK in respect of their rights and entitlements under the Corporate Exercises. Such foreign Entitled Shareholders or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Corporate Exercises.

By signing any of the forms accompanying this AP, the NPA and the RSF, the foreign Entitled Shareholders or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) OSK, other experts, our Company and our Directors and officers that:

(i) we would not, by acting on the acceptance or renunciation in connection with the Corporate Exercises, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncees (if applicable) are or may be subject to;

(ii) they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;

(iii) they are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) they are aware that the Rights Shares, Warrants and Bonus Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) they have respectively received a copy of this AP and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and Warrants; and

(vi) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares, Warrants and Bonus Shares.

Persons receiving this AP, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of Rights Shares and Warrants from any such application by foreign Entitled Shareholders or their renouncees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares and Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

5. RATIONALE FOR THE CORPORATE EXERCISES

5.1 Rights Issue with Warrants

After due consideration of the various funding options available to the Company, the Board is of the opinion that the Rights Issue with Warrants is the most appropriate avenue of fund raising for TIGB after taking into consideration several major factors including the following:

(i) the Rights Issue with Warrants will provide the shareholders of TIGB with an opportunity to further increase their equity participation in the Company via the issuance of new TIGB Shares without diluting the existing shareholders' interest, assuming that all Entitled Shareholders fully subscribe for their respective entitlements pursuant to the Rights Issue with Warrants;

(ii) the Rights Issue with Warrants will improve liquidity and financial flexibility, as well as to optimise the TIGB Group's capital structure by strengthening the statement of financial position and reducing its current gearing level;

(iii) the Warrants to be issued pursuant to the Rights Issue with Warrants will provide the shareholders of TIGB with an incentive to subscribe for the Rights Shares. The Entitled Shareholders may also benefit from the potential capital appreciation of the Warrants. The Warrants will allow the Entitled Shareholders to increase their equity participation in the Company at a predetermined price over the tenure of the Warrants. In addition, the Company would also be able to raise further proceeds as and when any of the Warrants are exercised; and

(iv) proceeds raised from the Rights Issue with Warrants is expected to be sufficient to repay a substantial amount of the TIGB Group's outstanding bank borrowings under the Minimum Scenario and sufficient to repay all of the TIGB Group's outstanding bank borrowings and to finance the working capital of the TIGB Group under the Maximum Scenario. It is the Company's intention to gradually reduce its reliance on the bank borrowings. As illustrated in Section 6 of this AP, the repayment of bank borrowings amounting to between RM24.50 million and RM29.36 million is expected to result in interest savings of approximately RM1.61 million to RM1.86 million per annum which would gradually reduce TIGB's reliance on bank borrowings thus reducing the gearing level of the TIGB Group, interest costs and finance costs. Based on the above, the Rights Issue with Warrants is sufficient to ensure adequate financial needs for the core business of the TIGB Group's future operations.

5.2 Bonus Issue

The Bonus Issue will:

(i) provide the Entitled Shareholders with an incentive to subscribe for the Rights Shares;

(ii) increase the Company's issued and paid-up share capital to a level which would be more reflective of its current scale of operations and assets employed; and

(iii) be able to encourage the trading liquidity of TIGB Shares on Bursa Securities through greater participation by investors.

6. UTILISATION OF PROCEEDS

Based on the issue price of RM1.20 per Rights Share, the Rights Issue with Warrants is expected to raise gross proceeds of approximately at least RM25.05 million and up to RM51.36 million. The proceeds are expected to be utilised in the following manner:

	Minimum Scenario (1) (RM'000)	Maximum Scenario (2) (RM'000)	Expected timeframe for the utilisation of proceeds
Repayment of bank borrowings (3)	24,499	29,359	Within one (1) year
Working capital (4)	-	21,451	Within one (1) year
Estimated expenses in relation to the Corporate Exercises (5)	550	550	Within one (1) month
TOTAL	**25,049**	**51,360**	

Notes:

(1) *Assuming only the Undertaking Shareholders subscribe for their entitlement pursuant to the Rights Issue with Warrants.*

(2) *Assuming all the shareholders of TIGB subscribe for their entitlement pursuant to the Rights Issue with Warrants.*

(3) *The proposed repayment of bank borrowings is as follows:*

No.	***Facility***	***Bank name***	***Amount outstanding as at the LPD (RM'000)***	***Minimum Scenario Proposed repayment (RM'000)***	***Maximum Scenario Proposed repayment (RM'000)***	***Interest rate (% per annum)/ Maturity date***	***Purpose of borrowing***
1.	*Bankers' acceptance*	*Ambank (M) Berhad, Standard Chartered Malaysia Berhad, HSBC Amanah Malaysia Berhad, United Overseas Bank (M) Berhad*	*16,495*	*11,635*	*16,495*	*5.00% – 5.31%/ 90 – 120 days*	*Working capital*
2.	*Bank overdrafts*	*Ambank (M) Berhad, Standard Chartered Malaysia Berhad, AmIslamic Bank Berhad, HSBC Bank Malaysia Berhad, Hong Leong Bank Berhad, United Overseas Bank Berhad*	*8,051*	*8,051*	*8,051*	*7.85% – 8.10%*	*Working capital*
3.	*Term loans*	*Ambank (M) Berhad*	*551*	*551*	*551*	*7.85%/ October 2015 and April 2016*	*Working capital and to finance acquisition of land and building^*
4.	*Cashline-i*	*AmIslamic Bank Berhad*	*4,262*	*4,262*	*4,262*	*7.85%*	*Working capital and part finance acquisition of certain subsidiary companies#*
		TOTAL	***29,359***	***24,499***	***29,359***		

Notes:

^ *The acquisition of land involves the acquisition of Lot PT 22 & PT 23, Mukim dan Daerah Petaling, Selangor Darul Ehsan and H.S.(M) No. 854 & H.S.(D) No. 521, Lot 3073 & PT Lot 2998, Mukim 6, Daerah Seberang Prai Tengah, Negeri Pulau Pinang. Details of the acquisitions are as follows:*

Industrial building	:	*Lot PT 22 & PT 23, Mukim dan Daerah Petaling, Selangor Darul Ehsan*
Date of agreement	:	*24 April 2002*
Purchase consideration	:	*RM1,127,000 respectively, which was financed by term loan from AmBank (M) Berhad*
Purpose of the acquisition	:	*Industrial building*
Status of the transaction	:	*Completed*
Date of completion	:	*24 April 2002*
Shop-lot	:	*H.S.(M) No. 854 & H.S.(D) No. 521, Lot 3073 & PT Lot 2998, Mukim 6, Daerah Seberang Prai Tengah, Negeri Pulau Pinang*
Date of agreement	:	*18 October 1999*
Purchase consideration	:	*RM380,000 which was financed by term loan from AmBank (M) Berhad*
Purpose of the acquisition	:	*Shop-lot*
Status of the transaction	:	*Completed*
Date of completion	:	*18 October 1999*

\# *The subsidiary companies acquired were the EDM Group. Details of the acquisitions are as follows:*

Date of agreement	:	*16 February 2007*
Date of announcement	:	*16 February 2007*
Purchase consideration	:	*RM28,000,000 (collectively) which was financed by term loan from AmIslamic Bank Berhad*
Purpose of the acquisition	:	*Diversification of business into the PMTD industry*
Status of the transaction	:	*Completed*
Date of completion	:	*8 August 2007*

As at the LPD, the total amount of outstanding bank borrowings of the TIGB Group amounts to RM29.36 million. The repayment of bank borrowings amounting to between RM24.50 million and RM29.36 million is expected to result in interest savings of approximately RM1.61 million to RM1.86 million per annum (calculated based on their interest rates and facilities set out above). The interest savings is based on the assumption that the proceeds from the Rights Issue with Warrants will be utilised to repay the abovementioned bank borrowings which are outstanding as at the LPD.

(4) *The working capital is expected to be utilised in the following manner:*

	Maximum Scenario RM'000
*Purchase of raw material^*	*21,451*
TOTAL	***21,451***

Note:

^ *Comprises purchase of resin, pigment, solvent, graphite and brass for the manufacturing of printing ink and other printing materials as well as the manufacturing of metal and graphite parts and EDM.*

(5) *The expenses relating to the Corporate Exercises comprising professional fees, fees payable to relevant authorities and other related expenses are estimated at RM550,000. Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for the working capital of TIGB.*

The proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants to be exercised during the tenure of the Warrants. Such proceeds will be used for the TIGB Group's working capital requirements.

7. RISK FACTORS

You and/or your renouncee(s) (if applicable) should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue with Warrants.

7.1 Risks relating to our Group

(i) Competition

The Group faces competition from various competitors, both domestically and abroad, which include private and public listed companies. Should the Group fail to overcome the competition, it will cause lost of market share and subsequently lost of revenue. This will affect the financial position of the Group. Nevertheless, the Group has successfully established a strong relationship with its customers and is confident that it will maintain its competitive advantage by ensuring prompt deliver, price competitiveness of its products and consistent quality. The Group is constantly looking at improving its production processes and to increase production efficiency, standards and quality of its products through research and development ("**R&D**") to remain competitive. However, there can be no assurance that the Group will be able to maintain its existing market position in the future.

(ii) Business Risks

The principal business activities of the Group are in the manufacture and sale of ink and related products, dealers in printing machinery and manufacturing products that are used primarily in PMTD, semiconductor and electronic industries. The Group is therefore subject to certain risks inherent in the related industries. These risks include constraints in labour supply, changes in economic and business conditions, foreign exchange rate fluctuations, increase in the prices of the imported and local components, unfavourable changes in Government and international policies, the introduction of new and superior technology or products and services by competitors and entry by new players. Any of these may be a threat to the operations and financial performance of the Group.

Although the Group seeks to limit these risks through, *inter-alia*, increasing the efficiency of operations, diversifying the pool of suppliers, expanding the business through increasing its range of customers, products and services, for both the local and export markets, and improving its technological competence in R&D and advanced technologies, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business.

(iii) Supply and prices of raw materials for the printing ink industry

The Group sources its raw materials such as pigment, solvent, resin and additive from different suppliers. It is not dependent on any single supplier for sourcing its raw materials. The Group has built long-term relationships with its existing raw materials suppliers. Approximately 90% of the Group's raw materials are sourced through local suppliers, namely local distributors or local trading agents, while approximately 10% are imported from overseas suppliers. The Group is also exposed to the risk of fluctuations in prices of raw materials. Notwithstanding this risk, The Group may still be able to maintain reasonable profits if it can pass the increase in cost to its customers. The management of the Group does not foresee any difficulties in procuring the raw materials from local suppliers and is able to identify additional suppliers should the need arise.

In addition, the management of the Group is also well versed with the market trends of the raw material prices and availability therefore limiting the Group's exposure to the risk of price fluctuation of raw material. However, there can be no assurance that any significant change to the supply and the fluctuations in raw materials prices will not affect the future profitability of the Group. For the last three (3) years up to the LPD, the Group has not encountered any significant fluctuations of supply and prices of raw materials for the ink industry that has resulted in any material adverse impact to the financials of the Group.

(iv) Supply and prices of raw materials for the PMTD industry

TIGB's PMTD division sources its raw materials such as zinc and copper from different suppliers. It is not dependent on any single supplier for sourcing its raw materials. The Group has built long-term relationships with its existing raw materials suppliers. Approximately 40% of the Group's raw materials are sourced through local suppliers, namely local distributors or local trading agents, while approximately 60% are imported from overseas suppliers.

TIGB's PMTD division is exposed to price fluctuations of copper and zinc, which is used to make brass. The global demand and supply of copper and zinc are factors that determine the world copper and zinc prices. An increase in global copper and zinc supply and/or decrease in world consumption levels of brass may result in downward selling pressure on the brass. Besides, copper and zinc prices tend to be cyclical and subject to price fluctuations. Any fluctuations in the copper and zinc prices may affect the Group's financial performance. For the last three (3) years up to the LPD, the Group has not encountered any significant fluctuations of supply and prices of raw materials for the PMTD industry that had resulted in any material adverse impact to the financials of the Group.

(v) Political, economic and regulatory considerations

Any adverse developments in political, economic and regulatory conditions in Malaysia and the countries where the Group has business dealings may materially and adversely affect the financial prospects of the Group and the industry in which it operates. Amongst the political, economic and regulatory uncertainties are the changes in political leadership, expropriation, nationalism, renegotiation or nullification of existing sales orders and contracts, changes in interest rates and methods of taxation and currency exchange rules and contracts. Whilst the Company will continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic factors will not materially affect the Company.

(vi) Potential risk of the independent power plant project

The Group is currently venturing into an independent power plant project in Vietnam. The necessary feasibility study has been completed and has been submitted to the Minister of Industry and Trade ("**MOIT**") and other relevant Vietnamese Ministries on 1 October 2012. The management expects the review by the MOIT to be completed within six (6) months. The construction of the independent power plant project is expected to take forty eight (48) to sixty (60) months and is estimated to commence operations around 2018/2019.

The management anticipates that the operations of the independent power plant project may potentially be adversely affected by many factors such as the breakdown or failure of equipment or processes, performance below expected levels of output or due to poor efficiency, due to unexpected wear and tear, unexpected degradation of mechanical parts, increase in unplanned or forced outages, labour disputes, natural disasters, insufficient or poor quality fuel and the need to comply with the directions of the relevant government authority.

Furthermore, events such as fires, floods, acts of terrorism, war or other similar events could result in personal injury, loss of life, severe damage or destruction of the independent power plant project's assets, pollution or environmental damage or suspension of operations.

The Board endeavors at its best to mitigate the risks as and when the independent power plant project commences.

(vii) The non-existence of long term contracts with customers and suppliers

(a) Customers

The Group does not have any long-term contracts with its customers and orders from its regular customers are on a day-to-day basis. Hence there is no assurance that TIGB will not experience low sales at any point of time. It should be highlighted that it is not common practice for suppliers of ink and related products to enter into long term contracts with its customers. In order to minimise this risk, the Group provides after-sales service and is prompt in responding to any customer's complaint. These services provided by the Group are crucial aspects in retaining its customers.

(b) Suppliers

The Group enters into open-ended contracts with its suppliers, where they remain the authorised distributors for products until the contracts are terminated by either the Group or the supplier. Contracts may restrict the Group from obtaining their supplies from other suppliers should they be of better quality or lower prices.

The Group has long-term relationship with most of its suppliers, which it has built over the years, based on mutual trust and support. The relationship between the Group and its suppliers can ensure a constant and reliable supply of raw materials.

(viii) Usage of printing inks and related products in the future

The future trend in the industrial inks and related products is towards the usage of water based, low solvent inks which are environmentally friendly. The Group is also exposed to the risk of technological advancement such as the introduction of paperless technology, which could reduce the demand for printed materials and as such, the demand for printing inks.

The management believes that the impact of technological advancement to its business is minimal. Further the need for ink moves in line with population growth and consumer base as ink is required for many usage, from printing of newspaper and magazines to labels for products and billboard/banner advertisements. The TIGB Group has been producing water based and low solvent inks since 2003 and has taken cognizance of the trend towards water based ink and endeavors to improve quality and environmental friendly ink products in the future through continuous R&D efforts. However, there can be no assurance that any change in future trends will not have an adverse impact on the business and operations of the Group.

(ix) Dependence on key personnel

The Group believes that its continued success depends to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. The loss of any key members of the Board and senior management may to a certain extent affect the Groups' continued ability to maintain and improve its performance. Efforts are presently being made by the Group to groom other members of the management to assume more responsibilities to ensure a smooth transition should any further changes occur. The Group is also making efforts to attract and retain key personnel.

(x) Foreign exchange risk

Most raw materials such as solvents and pigments are sourced from local distributors hence minimising the Group's exposure to fluctuation of foreign currencies. The Group is subject to foreign exchange risk through its direct importation of raw materials and machinery for both the ink and PMTD division. Our raw materials are imported and the prices are linked to the world market prices which are in United States Dollars ("**USD**"), Euro, Swiss Franc, Singapore Dollars and Japanese Yen.

The risk of foreign currency exchange fluctuation is, to a certain extent, mitigated by the managed float mechanism adopted by the BNM on the RM versus the USD conversion rate since the de-pegging of the RM. This may prevent any extreme fluctuations of the RM vis-à-vis USD. Currently, the TIGB Group does not use forward contracts or other derivative instruments to mitigate its foreign exchange risk. Notwithstanding that, the TIGB Group may undertake hedging activities for future spending, if required, against foreign exchange fluctuations. For the past three (3) years up to the LPD, the Group has not encountered any significant foreign currency exchange fluctuation that has resulted in any material adverse impact to the financials of the Group.

(xi) Operational risks

TIGB is also exposed to risks related to its operation, which include fire and power crisis due to the nature of its business. Such incidents will damage TIGB's assets and financial condition. In this regard, TIGB conducts bi-annually fire drill with its staff and monthly inspection on its fire fighting systems i.e. fire hydrants, hose reels and fire extinguishers and the water sprinkle system installed in their buildings and factories. The Group's factory premises are adequately protected through the adoption of stringent security measures. The Group has adequate insurance coverage for all its fixed assets to cover any risk of fire break out.

The management of TIGB is of the view that any power failure or black-out would not pose critical risks or have any material impact on the Group's operations. For the past three (3) years up to the LPD, the Group has not encountered any major disruptions to its operations that has resulted in any material adverse impact to the financials of the Group.

(xii) Sensitivity to economic downturn

The Group is facing present world economic outlook which is uncertain. Any slowdown in the growth of the manufacturing and trading industry and other general world-wide economic activities could materially and adversely affect the Group's operating result and financial condition. Nevertheless, TIGB has been actively pursuing and also has successfully sought other lines of business representations to expand its market share in the ink trading business such as, amongst others, digital production presses, digital label printing system and computer-to-plates equipment serving the flexographic/letterpress/offset/silkscreen segments of the printing and packaging industries from overseas manufacturers of printing equipment and supplies due to TIGB's reputation and past performance in the Malaysian market, which acts as a mitigating factor.

7.2 Risks relating to the Corporate Exercises

(i) Outcome of the existing material litigation

As announced on 15 January 2013, the Company was served with an Injunction and Originating Summons, details of which are as set out in **Section 5** of **Appendix VIII** of this AP. On 22 January 2013, the High Court dismissed the Plaintiff's interlocutory injunction application with no order as to costs and this was announced by the Company on the same date. The High Court also had on the same date, fixed the date for case management to be held on 13 March 2013.

During the case management on 13 March 2013, the High Court has:

(i) allowed the application by the Plaintiffs to amend the Originating Summons to add an additional prayer for damages; and

(ii) fixed the hearing of the Originating Summons on 7 May 2013.

There is no assurance that the High Court will not find in favour of the Plaintiffs and declare that the resolutions pertaining to the Proposed Bonus Issue and Proposed M&A Amendment (as defined in the circular to the shareholders of TIGB dated 10 November 2012) are null and void resulting in the Company being required to reverse all of the actions the Company has undertaken for the Corporate Exercises. However, Messrs Ranjit Singh & Yeoh has vide their legal opinion letter dated 6 March 2013 in **Appendix VI** of the AP, stated that it would be highly unlikely that the High Court will order a reversal of the Corporate Exercises in the event that the High Court's final decision finds in favour of the Plaintiffs. The High Court is likely to award the Plaintiffs damages instead.

(ii) Market price of the Rights Shares, Warrants and Bonus Shares

The issue price of the Rights Shares and the exercise price of the Warrants have been determined, after taking into consideration, amongst others, the theoretical ex-all price of our Shares and the funding requirements of the TIGB Group as disclosed in **Section 6** of this AP.

The market price of our Shares is influenced by, amongst others, prevailing market sentiments, volatility of equity markets, outlook of the ink manufacturing industry and our financial performance. In view of this, there can be no assurance that the Rights Shares and Bonus Shares will trade above the Issue Price or the theoretical ex-all price of our Shares upon or subsequent to the listing of and quotation for the Rights Shares and Bonus Shares on the Main Market of Bursa Securities.

(iii) Volatility in market prices

As announced on 10 August 2012, the Board has fixed the exercise price at RM1.50 per Warrant. The exercise price of RM1.50 has been arrived at after taking into consideration, amongst others, the following:

(i) the theoretical ex-all price based on the five (5)-day WAMP of TIGB Shares up to and including 31 July 2012; and
(ii) the prospects of the TIGB Group as set out in **Section 8** of this AP.

As stated in **Section 2.2**, the theoretical ex-all price of TIGB Shares was diluted as a result of the issuance of 21,400,000 Bonus Shares at no cost. Therefore, the exercise price of RM1.50 per Warrant represents a premium of approximately RM0.517 or 52.59% from the theoretical ex-all price of TIGB Shares of RM0.983, after the Corporate Exercises, based on the five (5)-day WAMP of TIGB Shares up to and including 31 July 2012 of RM1.257.

The market price of the Warrants will be dependent on, amongst others, the market price of TIGB Shares and the remaining exercise period of the Warrants. There can be no assurance that the Warrants will be 'in-the-money' upon listing of the Warrants on the Main Market of Bursa Securities i.e. the market price of TIGB Shares trading above the exercise price of the Warrants of RM1.50. The future market price of TIGB Shares may trade either above or below the exercise price of the Warrants of RM1.50.

(iv) No prior market for Warrants

Prior to the Rights Issue with Warrants, there has been no established trading market for our Warrants. The market price of our Warrants on Bursa Securities will depend on, amongst others, the prevailing stock market sentiments, the volatility of the stock market, interest rate movements, future profitability of our Group, as well as the future prospects of the industry in which our Group operates. No assurance can be given that an active market will develop upon listing of our Warrants on Bursa Securities, or if developed, that such market will sustain. There can also be no assurance that the market price of our Warrants will be maintained at any particular level subsequent to their issue.

(v) Delay in or abortion of the Corporate Exercises

There is a risk that the Corporate Exercises may be aborted or delayed on the occurrence of any one or more of the following events:

(i) material adverse change of events/circumstances, which are beyond the control of our Company and OSK, arising during the implementation of the Corporate Exercises; and

(ii) as set out in **Section 2.5** of this AP, the Undertaking Shareholders who have provided their irrevocable undertakings to subscribe for 20,874,558 Rights Shares under the Rights Issue with Warrants may not fulfil, or be unable to fulfil their obligations pursuant to their irrevocable undertakings.

In this respect, our Company will exercise our best endeavours to ensure the successful implementation of the Corporate Exercises. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or the abortion of the Corporate Exercises. Pursuant to Section 243 of the Capital Markets Act, 2007, in the event that the Rights Issue with Warrants is aborted, our Company will repay without interest all monies received from the applicants in pursuance to the AP, and if any such monies not repaid within fourteen (14) days after it becomes liable, our officers shall be jointly and severely liable to repay such money with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period.

7.3 Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may affect the actual results, performance or achievements implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

8. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

8.1 Overview and outlook of the Malaysian Economy

Despite the challenging global economic environment, the Malaysian economy recorded a higher growth of 6.4% (3Q 12: 5.3%), supported by the continued strength in domestic demand. Total investment remained robust and was the main driver of growth during the quarter. The growth of private consumption continued to remain strong although the pace of increase moderated. The growth during the quarter also benefited from a significantly lower negative contribution from net exports. On the supply side, most economic sectors recorded improvements in growth during the quarter. For the year as a whole, the Malaysian economy expanded by 5.6%.

For the Malaysian economy, the sustained expansion in domestic activity is expected to continue to drive growth, supported by the sustained private sector expansion. The stabilisation of external conditions is also expected to lend support to our economic growth prospects.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter 2012, BNM)

The Malaysian economy registered a robust growth of 6.4% in the fourth quarter of 2012 (Q3 2012: 5.3%) led by strong performance in all sectors. The services and manufacturing sectors remained the key drivers of growth. The services sector recorded a growth of 6.3% (Q3 2012: 7.0%) spurred by the finance and insurance, wholesale and retail trade as well as communication subsectors. In line with higher Industrial Production Index (IPI), the manufacturing sector expanded 5.8% (Q3 2012: 3.3%) driven by the stronger performance of the transport equipment, petroleum and chemical products as well as electrical and electronic subsectors. The agriculture sector recorded a higher growth of 5.6% (Q3 2012: 0.5%) mainly attributed to strong growth in the oil palm, livestock and fishing subsectors. Meanwhile, growth in the mining sector rebounded strongly by 4.3% (Q3 2012: -1.2%) on account of increased production of crude oil and natural gas. For the whole year, the economy expanded 5.6%, surpassing the forecast of 4.5% - 5.0% in October 2012.

The Malaysian economy is expected to sustain its growth momentum. Growth will be supported by firm domestic demand and aided by a gradual recovery in exports. Private sector activity is expected to remain vibrant supported by sustained investment in the domestic-oriented manufacturing and services as well as oil and gas sectors. Public investment will be largely driven by transport, utilities and infrastructure projects. Private consumption is expected to remain resilient given the stable labour market conditions and increased household income amid a modest inflation outlook.

(Source: Quarterly Malaysian Economy, 4^{th} Quarter 2012, Ministry of Finance Malaysia)

8.2 Overview and prospects of the manufacturing and trading sector

On the supply side, growth in most economic sectors improved in the fourth quarter. Growth was led by the manufacturing and services sectors, supported by domestic demand and a gradual improvement in the external environment. The services sector expanded by 6.3% in the fourth quarter of 2012 (3Q 12: 7%), with both consumption and manufacturing related activities contributing to growth. Growth in the manufacturing sector was higher in the fourth quarter with the sector expanding by 5.8% (3Q 12: 3.3%). The expansion was broad based, with all clusters registering better growth in line with the continued expansion in both domestic demand and the external demand for manufactured products.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter 2012, BNM)

Value-added of the manufacturing sector recorded its strongest quarterly expansion for the year at 5.8% (Q3 2012: 3.3%). Production increased 6.1% (Q3 2012: 3.5%) supported by stronger output in almost all major subsectors while sales of manufacturing products increased 5.4% to RM156 billion (Q3 2012: 3.1%; RM155.6 billion). Meanwhile, overall capacity utilisation rate sustained at 80.9%, indicating firm manufacturing activities.

(Source: Quarterly Malaysian Economy, 4th Quarter 2012, Ministry of Finance Malaysia)

8.3 Overview and prospects of the E&E sector

Growth in the E&E cluster also benefited from the low base in the fourth quarter of 2011 when the global E&E supply chain was disrupted by floods in Thailand.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter 2012, BNM)

Output of export-oriented industries, which improved 5.2% (Q3 2012: 2.5%), was on account of further expansion in E&E (3.9%), chemicals and chemical products (7.1%), petroleum (4.2%), wood (13%) and off-estate production (11%). Growth of E&E was led by higher production of semiconductor devices (19.4%), particularly integrated circuits and printed circuit boards, to fulfill higher orders from China, Singapore, Thailand and the United States of America.

(Source: Quarterly Malaysian Economy, 4th Quarter 2012, Ministry of Finance Malaysia)

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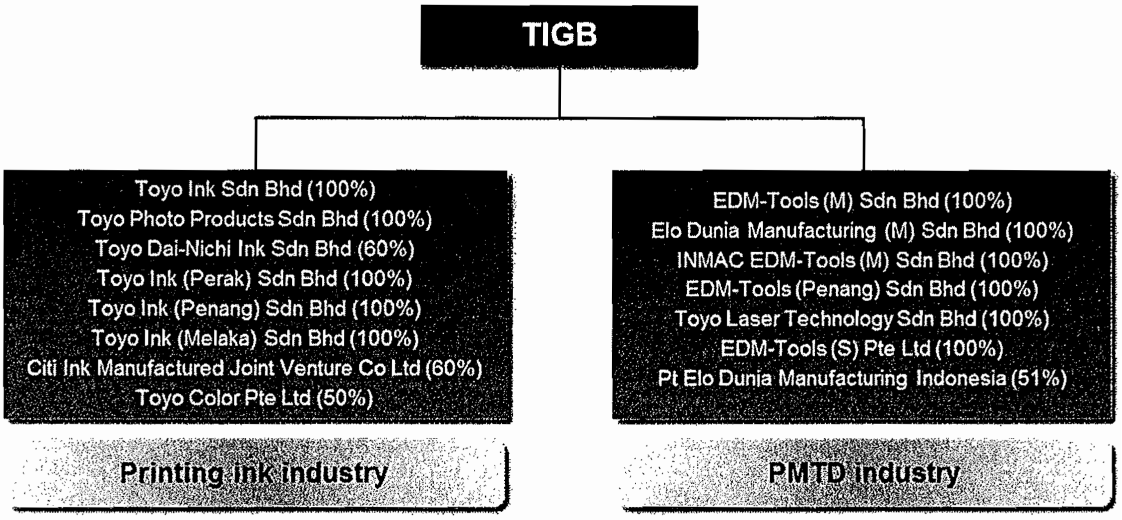
8.4 Overview and prospects of the TIGB Group

The TIGB Group operates primarily in the manufacturing and trading sectors related to the following industries:

(i) printing ink industries; and
(ii) equipments related to the PMTD industry.

The group structure of the TIGB Group are as follows:



Currently, the Company's revenue is mainly derived from the manufacturing and trading of printing ink, colour pigment, colourants for plastic, EDM cut-wire and graphic art, films, chemicals and equipment for lithography and allied industries. While the businesses of TIGB are mainly local, the Group is greatly affected by the unfavorable external factors as most of the Group's customers are reliant on overseas clients. The principal market for the TIGB Group's products is Malaysia.

The Board expects that the economic conditions for the manufacturing and trading sectors to remain challenging in view of the uncertain economic environment, stemming from the European sovereign debt crisis which would adversely impact the Group's revenue growth as most of the Group's end customers are overseas clients. Further, the Group may also experience profit margin erosion when competing to retain the Group's market shares. In addition to the external environment, certain raw materials used are exposed to foreign exchange fluctuations and may also translate to higher cost of raw materials. That said, the Company has been actively pursuing and also has successfully sought other lines of business representations to expand its market share in the ink trading business such as, amongst others, digital production presses, digital label printing system and computer-to-plates equipment serving the flexographic/letterpress/offset/silkscreen segments of the printing and packaging industries from overseas manufacturers of printing equipment and supplies due to the Company's reputation and past performance in the Malaysian market.

The future trend in the industrial ink and related products manufacturing sector is expected to emphasize on environmental friendly ink products such as water based and low solvent inks. The TIGB Group has been producing water based and low solvent inks since 2003 and has taken cognizance of the trend towards water based ink products and endeavors to improve quality and environmental friendly ink products in the future through its continuous research and development efforts.

With regard to the PMTD industry, the TIGB Group provides flexible manufacturing concept advisory services, sells EROWA brand work holding system, work piece presetting machines, robot for work handling automation, software integrations, technical support, after sales services and maintenance work to meet the requirements of customers in the PMTD industry in upgrading their manufacturing processes by improving productivity and efficiency. They also provide different solutions to different manufacturing process requirements with the support from EROWA Switzerland. Hence, TIGB endeavors to strengthen its existing market position through the introduction of the flexible manufacturing concept to the PMTD industry.

Further, from our foray into the independent power plant project in Vietnam which involves the setting up of the Song Hau 2 Thermo Power Plant Project with the capacity of 2 x 1,000 megawatts at Song Hau Power Center, Hau Giang Province, Vietnam, the necessary feasibility study has been completed and have been submitted to the MOIT and other relevant Vietnamese Ministries on 1 October 2012. The management expects the review by the MOIT to be completed within six (6) months whereby a build-operate-transfer contract is expected to be signed between the Prime Minister Office of Vietnam and TIGB in 2013. Upon finalisation of the land agreement between the Chairman of the Hau Giang Province and TIGB and the coal supply agreement between the coal suppliers and TIGB, a power purchasing agreement is anticipated to be entered into between TIGB and the Vietnamese Government and the final Investment License will then be issued by the MOIT to TIGB. The construction of the independent power plant project is expected to take forty eight (48) to sixty (60) months and is estimated to commence operations around 2018/2019. Other than the factual development above, TIGB is unable to provide any prospect on the independent power plant project in Vietnam as the prospect would hinge on, amongst others, the outcome of the negotiation of the power purchasing agreement with the Vietnamese Government which would include the terms of the engagement and the tenure of the agreement as well as the exact funding requirements of the independent power plant project.

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9. EFFECTS OF THE CORPORATE EXERCISES

For illustration purposes, the effects of the Corporate Exercises shall be based on the following two (2) scenarios:

Minimum Scenario : Assuming only the Undertaking Shareholders subscribe for their entitlement pursuant to the Rights Issue with Warrants.

Maximum Scenario : Assuming all the shareholders of TIGB subscribe for their entitlement pursuant to the Rights Issue with Warrants.

9.1 Issued and paid-up share capital

The proforma effects of the Corporate Exercises on the issued and paid-up share capital of TIGB are set out below:

	<--- Minimum Scenario --->		<--- Maximum Scenario--->	
	No. of TIGB Shares	**RM**	**No. of TIGB Shares**	**RM**
Existing issued and paid-up capital as at the LPD	42,800,000	42,800,000	42,800,000	42,800,000
To be issued pursuant to the Rights Issue with Warrants	20,874,558	20,874,558	42,800,000	42,800,000
After the Rights Issue with Warrants	63,674,558	63,674,558	85,600,000	85,600,000
To be issued pursuant to the Bonus Issue	10,437,279	10,437,279	21,400,000	21,400,000
After the Bonus Issue	74,111,837	74,111,837	107,000,000	107,000,000
To be issued upon full exercise of Warrants pursuant to the Rights Issued with Warrants	20,874,558	20,874,558	42,800,000	42,800,000
Enlarged issued and paid-up capital	**94,986,395**	**94,986,395**	**149,800,000**	**149,800,000**

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9.2 NA per share and gearing

Based on the audited consolidated financial statements of TIGB for the financial year ended 31 March 2012 and on the assumption that the Corporate Exercises had been effected on that date, the proforma effects of the Corporate Exercises on the NA per Share and gearing are set out below:

Minimum Scenario

		Proforma I	Proforma II	Proforma III
	Audited as at 31 March 2012	After the Rights Issue with Warrants	After the Bonus Issue	After the full exercise of the Warrants
	RM'000	RM'000	RM'000	RM'000
Share capital	42,800	63,675	74,112	94,986
Share premium	4,321	8,496	-	10,438
Translation reserve	(452)	(452)	(452)	(452)
Warrant reserves	-	7,903	7,903	-
Other reserves	-	(7,903)	(7,903)	-
Retained profit	17,857	17,307*	15,366	15,366
Shareholders fund/NA	**64,526**	**89,026**	**89,026**	**120,338**
Number of shares	42,800	63,675	74,112	94,986
NA per share (RM)	1.51	1.40	1.20	1.27
Total borrowings (RM)	28,196	3,697	3,697	3,697
Gearing ratio (times)	0.44	0.04	0.04	0.03

Note:

* *After taking into consideration the estimated defrayment cost of RM550,000 pursuant to the Corporate Exercises.*

Maximum Scenario

		Proforma I	Proforma II	Proforma III
	Audited as at 31 March 2012	After the Rights Issue with Warrants	After the Bonus Issue	After the full exercise of the Warrants
	RM'000	RM'000	RM'000	RM'000
Share capital	42,800	85,600	107,000	149,800
Share premium	4,321	12,881	-	21,400
Translation reserve	(452)	(452)	(452)	(452)
Warrant reserves	-	16,204	16,204	-
Other reserves	-	(16,204)	(16,204)	-
Retained profit	17,857	17,307*	8,788	8,788
Shareholders fund/NA	**64,526**	**115,336**	**115,336**	**179,536**
Number of shares	42,800	85,600	107,000	149,800
NA per share (RM)	1.51	1.35	1.08	1.20
Total borrowings (RM)	28,196	546	546	546
Gearing ratio (times)	0.44	0.005	0.005	0.003

Note:

* *After taking into consideration the estimated defrayment cost of RM550,000 pursuant to the Corporate Exercises.*

9.3 Earnings and EPS

Save for the effect of the defrayment costs incurred pursuant to the Corporate Exercises, the Corporate Exercises are not expected to have any material effect on the earnings of the TIGB Group for the financial year ending 31 March 2013.

However, the Corporate Exercises will result in a corresponding reduction in the EPS of TIGB as a result of the increase in the number of TIGB Shares in issue upon the completion of the Corporate Exercises and as and when the Warrants are exercised into new TIGB Shares.

Notwithstanding the above, the proceeds from the Rights Issue with Warrants are expected to contribute positively to the earnings of the TIGB Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised. The benefits include the interest savings as illustrated in **Section 6** of this AP and also gradually reduce the reliance on the bank borrowings thus reducing interest costs and finance costs.

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9.4 Substantial shareholders' shareholding

The proforma effects of the Corporate Exercises on the substantial shareholders' shareholding of TIGB based on the Register of Substantial Shareholders as at the LPD are set out below:

Minimum Scenario

					Proforma I			
	Shareholdings as at the LPD				After the Proposed Rights Issue with Warrants			
Substantial shareholder	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	4,579,281	10.70	-	-	9,158,562	14.38	-	-
Song Kok Cheong	4,370,425	10.21	156,226[(1)]	0.37	8,740,850	13.73	272,452[(1)]	0.43
Fong Po Yin	116,226	0.27	4,410,425[(2)]	10.30	232,452	0.37	8,780,850[(2)]	13.79
Ng Chong You	2,404,043	5.62	36,000[(3)]	0.08	4,808,086	7.55	72,000[(3)]	0.11
Ling Ha Kee	36,000	0.08	2,404,043[(4)]	5.62	72,000	0.11	4,808,086[(4)]	7.55
Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	-	-	5,354,346	8.41	-	-
Cheah Yoke Han	3,988,896	9.32	-	-	3,988,896	6.26	-	-
Eng Lian Enterprise Sdn Bhd	3,891,410	9.09	2,700,000[(5)]	6.31	7,782,820	12.22	5,400,000[(5)]	8.48
Ng Eng Hiam Plantations Sdn Bhd	-	-	2,700,000[(5)]	6.31	-	-	5,400,000[(5)]	8.48
Ng Ling Li	100,000	0.23	2,700,000[(5)]	6.31	200,000	0.31	5,400,000[(5)]	8.48
Bukit Asa Sdn Bhd	2,700,000	6.31	-	-	5,400,000	8.48	-	-
Lu Pat Sdn Bhd	-	-	6,591,410[(6)]	15.40	-	-	13,182,820[(6)]	20.70
The Nehsons Trust Company Berhad	-	-	6,591,410[(6)]	15.40	-	-	13,182,820[(6)]	20.70
Ng Lu Pat	-	-	6,591,410[(7)]	15.40	-	-	13,182,820[(7)]	20.70
Geraldine Marie Tse Chian Ng	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	20.70
Eng Sim Leong @ Ng Leong Sing	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	20.70
Ng Tee Chuan	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	20.70
Ng Lam Shen	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	20.70
Yvonne Po Leng Lam	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	20.70

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
(2) *Deemed interested by virtue of her spouse and daughter's direct interest in TIGB.*
(3) *Deemed interested by virtue of his spouse's direct interest in TIGB.*
(4) *Deemed interested by virtue of her spouse's direct interest in TIGB.*
(5) *Deemed interested by virtue of its/her interest in Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(6) *Deemed interested by virtue of its interest in Eng Lian Enterprise Sdn Bhd and Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(7) *Deemed interested by virtue of his interest in Lu Pat Sdn Bhd pursuant to Section 6A of the Act.*
(8) *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

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Substantial shareholder	<---- Proforma II ----				<---- Proforma III ----			
	<---- After the Proposed Bonus Issue ---->				<---- After the full exercise of the Warrants ---->			
	<---- Direct ---->		<---- Indirect ---->		<---- Direct ---->		<---- Indirect ---->	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	11,448,202	15.45	-	-	16,027,483	16.87	-	-
Song Kok Cheong	10,926,062	14.74	330,565[(1)]	0.45	15,296,487	16.10	446,791[(1)]	0.47
Fong Po Yin	290,565	0.39	10,966,062[(2)]	14.80	406,791	0.43	15,336,487[(2)]	16.15
Ng Chong You	6,010,107	8.11	90,000[(3)]	0.12	8,414,150	8.86	126,000[(3)]	0.13
Ling Ha Kee	90,000	0.12	6,010,107[(4)]	8.11	126,000	0.13	8,414,150[(4)]	8.86
Kok Sau Lan @ Kwok Sow Lan	6,692,932	9.03	-	-	9,370,105	9.86	-	-
Cheah Yoke Han	3,988,896	5.38	-	-	3,988,896	4.20	-	-
Eng Lian Enterprise Sdn Bhd	9,728,525	13.13	6,750,000[(5)]	9.11	13,619,935	14.34	9,450,000[(5)]	9.95
Ng Eng Hiam Plantations Sdn Bhd	-	-	6,750,000[(5)]	9.11	-	-	9,450,000[(5)]	9.95
Ng Ling Li	250,000	0.34	6,750,000[(5)]	9.11	350,000	0.37	9,450,000[(5)]	9.95
Bukit Asa Sdn Bhd	6,750,000	9.11	-	-	9,450,000	9.95	-	-
Lu Pat Sdn Bhd	-	-	16,478,525[(6)]	22.23	-	-	23,069,935[(6)]	24.29
The Nehsons Trust Company Berhad	-	-	16,478,525[(6)]	22.23	-	-	23,069,935[(6)]	24.29
Ng Lu Pat	-	-	16,478,525[(7)]	22.23	-	-	23,069,935[(7)]	24.29
Geraldine Marie Tse Chian Ng	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Eng Sim Leong @ Ng Leong Sing	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Ng Tee Chuan	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Ng Lam Shen	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Yvonne Po Leng Lam	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
(2) *Deemed interested by virtue of her spouse and daughter's direct interest in TIGB.*
(3) *Deemed interested by virtue of his spouse's direct interest in TIGB.*
(4) *Deemed interested by virtue of her spouse's direct interest in TIGB.*
(5) *Deemed interested by virtue of its/her interest in Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(6) *Deemed interested by virtue of its interest in Eng Lian Enterprise Sdn Bhd and Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(7) *Deemed interested by virtue of his interest in Lu Pat Sdn Bhd pursuant to Section 6A of the Act.*
(8) *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

Maximum Scenario

Substantial shareholder	Shareholdings as at the LPD				Proforma I: After the Proposed Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	4,579,281	10.70	-	-	9,158,562	10.70	-	-
Song Kok Cheong	4,370,425	10.21	156,226[(1)]	0.37	8,740,850	10.21	312,452[(1)]	0.37
Fong Po Yin	116,226	0.27	4,410,425[(2)]	10.30	232,452	0.27	8,820,850[(2)]	10.30
Ng Chong You	2,404,043	5.62	36,000[(3)]	0.08	4,808,086	5.62	72,000[(3)]	0.08
Ling Ha Kee	36,000	0.08	2,404,043[(4)]	5.62	72,000	0.08	4,808,086[(4)]	5.62
Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	-	-	5,354,346	6.26	-	-
Cheah Yoke Han	3,988,896	9.32	-	-	7,977,792	9.32	-	-
Eng Lian Enterprise Sdn Bhd	3,891,410	9.09	2,700,000[(5)]	6.31	7,782,820	9.09	5,400,000[(5)]	6.31
Ng Eng Hiam Plantations Sdn Bhd	-	-	2,700,000[(5)]	6.31	-	-	5,400,000[(5)]	6.31
Ng Ling Li	100,000	0.23	2,700,000[(5)]	6.31	200,000	0.23	5,400,000[(5)]	6.31
Bukit Asa Sdn Bhd	2,700,000	6.31	-	-	5,400,000	6.31	-	-
Lu Pat Sdn Bhd	-	-	6,591,410[(6)]	15.40	-	-	13,182,820[(6)]	15.40
The Nehsons Trust Company Berhad	-	-	6,591,410[(6)]	15.40	-	-	13,182,820[(6)]	15.40
Ng Lu Pat	-	-	6,591,410[(7)]	15.40	-	-	13,182,820[(7)]	15.40
Geraldine Marie Tse Chian Ng	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Eng Sim Leong @ Ng Leong Sing	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Ng Tee Chuan	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Ng Lam Shen	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Yvonne Po Leng Lam	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
(2) *Deemed interested by virtue of her spouse and daughter's direct interest in TIGB.*
(3) *Deemed interested by virtue of his spouse's direct interest in TIGB.*
(4) *Deemed interested by virtue of her spouse's direct interest in TIGB.*
(5) *Deemed interested by virtue of its/her interest in Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(6) *Deemed interested by virtue of its interest in Eng Lian Enterprise Sdn Bhd and Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(7) *Deemed interested by virtue of his interest in Lu Pat Sdn Bhd pursuant to Section 6A of the Act.*
(8) *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

Substantial shareholder	<---- Proforma II ---->				<---- Proforma III ---->			
	<---- After the Proposed Bonus Issue ---->				<---- After the full exercise of the Warrants ---->			
	<---- Direct ---->		<---- Indirect ---->		<---- Direct ---->		<---- Indirect ---->	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	11,448,202	10.70	-	-	16,027,483	10.70	-	-
Song Kok Cheong	10,926,062	10.21	390,565[(1)]	0.37	15,296,487	10.21	546,791[(1)]	0.37
Fong Po Yin	290,565	0.27	11,026,062[(2)]	10.30	406,791	0.27	15,436,487[(2)]	10.30
Ng Chong You	6,010,107	5.62	90,000[(3)]	0.08	8,414,150	5.62	126,000[(3)]	0.08
Ling Ha Kee	90,000	0.08	6,010,107[(4)]	5.62	126,000	0.08	8,414,150[(4)]	5.62
Kok Sau Lan @ Kwok Sow Lan	6,692,932	6.26	-	-	9,370,105	6.26	-	-
Cheah Yoke Han	9,972,240	9.32	-	-	13,961,136	9.32	-	-
Eng Lian Enterprise Sdn Bhd	9,728,525	9.09	6,750,000[(5)]	6.31	13,619,935	9.09	9,450,000[(5)]	6.31
Ng Eng Hiam Plantations Sdn Bhd	-	-	6,750,000[(5)]	6.31	-	-	9,450,000[(5)]	6.31
Ng Ling Li	250,000	0.23	6,750,000[(5)]	6.31	350,000	0.23	9,450,000[(5)]	6.31
Bukit Asa Sdn Bhd	6,750,000	6.31	-	-	9,450,000	6.31	-	-
Lu Pat Sdn Bhd	-	-	16,478,525[(6)]	15.40	-	-	23,069,935[(6)]	15.40
The Nehsons Trust Company Berhad	-	-	16,478,525[(6)]	15.40	-	-	23,069,935[(6)]	15.40
Ng Lu Pat	-	-	16,478,525[(7)]	15.40	-	-	23,069,935[(7)]	15.40
Geraldine Marie Tse Chian Ng	-	-	16,478,525[(8)]	15.40	-	-	23,069,935[(8)]	15.40
Eng Sim Leong @ Ng Leong Sing	-	-	16,478,525[(8)]	15.40	-	-	23,069,935[(8)]	15.40
Ng Tee Chuan	-	-	16,478,525[(8)]	15.40	-	-	23,069,935[(8)]	15.40
Ng Lam Shen	-	-	16,478,525[(8)]	15.40	-	-	23,069,935[(8)]	15.40
Yvonne Po Leng Lam	-	-	16,478,525[(8)]	15.40	-	-	23,069,935[(8)]	15.40

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
(2) *Deemed interested by virtue of her spouse and daughter's direct interest in TIGB.*
(3) *Deemed interested by virtue of his spouse's direct interest in TIGB.*
(4) *Deemed interested by virtue of her spouse's direct interest in TIGB.*
(5) *Deemed interested by virtue of its/her interest in Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(6) *Deemed interested by virtue of its interest in Eng Lian Enterprise Sdn Bhd and Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
(7) *Deemed interested by virtue of his interest in Lu Pat Sdn Bhd pursuant to Section 6A of the Act.*
(8) *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

10. DETAILS OF OTHER CORPORATE EXERCISES

As at the LPD, our Board confirms that save for the Corporate Exercises, there is no other outstanding corporate exercise intended to be taken by us which has been approved by the regulatory authorities but not yet implemented.

11. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

11.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Corporate Exercises, cash in hand and banking facilities available, our Group will have adequate working capital to meet our current core business requirements due within a period of twelve (12) months from the date of this AP.

11.2 Borrowings

As at the LPD, TIGB Group has total outstanding borrowings of approximately RM30.88 million, all of which are interest-bearing and from local financial institutions, details of which are as follow:

	Interest-bearing borrowings RM'000
Short term borrowings:	
Bank overdraft	8,051
Bankers Acceptance	16,495
Cashline-i	4,262
Term loan	183
Hire purchase payables	881
	29,872
Long term borrowings:	
Term loan	368
Hire purchase payables	640
	1,008
Total	**30,880**

As at the LPD, we do not have any non-interest bearing borrowings.

To the best knowledge and belief of our Board, after making all reasonable enquiries, there has not been any default on payments of either interests or principal sums by our Group, in respect of any borrowings during the FYE 31 March 2012 and for the subsequent financial period up to the LPD.

11.3 Material commitments and contingent liabilities

11.3.1 Material commitments

Save as disclosed below, as at the LPD, the Board, after making all reasonable enquiries, is not aware of any material commitments incurred or known to be incurred by the TIGB Group that has not been provided for, which upon become enforceable, may have a material impact on the financial results/position of the Group:

	RM'000
Amount authorised and contracted for	7,177
	7,177

The capital commitments above are in relation to the parcels of industrial lands purchased by TIGB's wholly-owned subsidiaries, INMAC EDM-Tools (M) Sdn Bhd and ELO Dunia Manufacturing (M) Sdn Bhd. These material commitments will be financed through the TIGB Group's internally generated funds/bank borrowings.

11.3.2 Contingent liabilities

As at the LPD, our Board, after making all reasonable enquiries, is not aware of any contingent liabilities incurred or known to be incurred which may, upon being enforceable, may have material impact on the financial results/ position of the TIGB Group.

12. TERMS AND CONDITIONS

The issuance of the Rights Shares, Warrants and Bonus Shares pursuant to the Corporate Exercises is governed by the terms and conditions as set out in this AP, the Deed Poll, the NPA, the RSF and the PAL enclosed therewith.

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13. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of
TOYO INK GROUP BERHAD

TUAN HJ. IR. YUSOFF BIN DAUD
Independent Non-Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 3 DECEMBER 2012

TOYO INK GROUP BERHAD (590521-D)

CERTIFIED EXTRACT OF THE RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 3RD DECEMBER 2012

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 42,800,000 NEW ORDINARY SHARES OF RM1.00 EACH IN TIGB ("RIGHTS SHARES") TOGETHER WITH UP TO 42,800,000 FREE NEW DETACHABLE WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM1.20 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM1.00 EACH HELD IN TIGB ("TIGB SHARE" OR "SHARE") AT AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT**, subject to the passing of Ordinary Resolutions 2 and 3 and Special Resolution 1, the approval of Bank Negara Malaysia, approval-in-principle granted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other relevant authorities/ parties (if applicable), approval be and is hereby given to the Directors of the Company for the following:-

(a) to provisionally allot and issue by way of a renounceable rights issue of up to 42,800,000 Rights Shares at an issue price of RM1.20, on the basis of one (1) Rights Share for every one (1) TIGB Share held together with Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on an entitlement date to be determined and announced later by the Board of Directors of TIGB ("**Board**") ("**Entitlement Date**") wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll ("**Deed Poll**") to be executed, at any time during the "Exercise Period" as defined in the Deed Poll, for one (1) new TIGB Share at an exercise price of RM1.50;

(b) to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll;

(c) to allot and issue such number of new TIGB Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants, and such new TIGB Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing TIGB Shares provided that such new TIGB Shares then issued, shall not be entitled to any dividend, right, allotment and/ or other distribution declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said new TIGB Shares;

(d) to allot and issue such further Warrants and new TIGB Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and

(e) to do all such acts and things including but not limited to the application to Bursa Securities for the listing of and quotation for the new TIGB Shares which may from time to time be allotted and issued upon exercise of the Warrants;

THAT any fractional entitlements under the Proposed Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as the Directors shall in their absolute discretion deem expedient in the interest of the Company;

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 3 DECEMBER 2012 (Cont'd)

TOYO INK GROUP BERHAD (590521-D)
CERTIFIED EXTRACT OF RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 3RD DECEMBER 2012

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 10 November 2012 ("**Circular**"), and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares and new TIGB Shares arising from exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares of the Company then, save and except that they will not be entitled to any dividend, right, allotment and/ or other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares or new TIGB Shares arising from exercise of the Warrants;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF UP TO 21,400,000 TIGB SHARES ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) NEW TIGB SHARE FOR EVERY TWO (2) RIGHTS SHARE SUBSCRIBED BY THE EXISTING SHAREHOLDERS OF TIGB AND/ OR THEIR RENOUNCEE(S) PURSUANT TO THE PROPOSED RIGHTS ISSUE WITH WARRANTS ("PROPOSED BONUS ISSUE")

"**THAT**, subject to the passing of Ordinary Resolutions 1 and 3 and Special Resolution 1, the approvals of all relevant authorities or parties, the Board be and is hereby authorised to capitalise and apply such sum of up to RM21,400,000 from the share premium and retained earnings of the Company based on the latest audited financial statements of the Company as at 31 March 2012 and as set out in the Circular to Shareholders dated 10 November 2012 and to issue at par, of up to 21,400,000 new TIGB Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the existing shareholders of TIGB and/or their renouncees pursuant to the Proposed Rights Issue with Warrants up to RM21,400,000 from the Company's share premium and retained earnings accounts for the purpose of the Proposed Bonus Issue;

THAT the Board be and is hereby authorised to apply such capitalised sums in making payment in full and at par for up to 21,400,000 new TIGB Shares to be credited as fully paid-up and such new TIGB Shares be allotted and issued to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date, on the basis of one (1) new TIGB Shares for every two (2) Rights Shares held in the Company on the Entitlement Date;

THAT any fractional entitlements shall be disregarded and dealt with by the Board in such manner at their absolute discretion as they deem fit and think expedient in the best interest of the Company;

THAT such Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing TIGB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/ or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of the allotment and issuance of the Bonus Shares;

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 3 DECEMBER 2012 (Cont'd)

TOYO INK GROUP BERHAD (590521-D)
CERTIFIED EXTRACT OF RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 3[RD] DECEMBER 2012

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

ORDINARY RESOLUTION 3

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF TIGB FROM RM50,000,000 COMPRISING 50,000,000 TIGB SHARES TO RM250,000,000 COMPRISING 250,000,000 TIGB SHARES ("PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL")

"**THAT**, subject to the passing of the Ordinary Resolutions 1 and 2 and Special Resolution 1, the authorised share capital of the Company be increased from RM50,000,000 comprising 50,000,000 TIGB Shares to RM250,000,000 comprising 250,000,000 TIGB Shares.

AND THAT the Board be and is hereby authorised to do all such acts and things and to take such step that are necessary to give full effect to the Proposed Increase in the Authorised Share Capital."

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION AS A CONSEQUENCE OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS, PROPOSED BONUS ISSUE AND PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL ("PROPOSED M&A AMENDMENT")

"**THAT**, subject to the passing of Ordinary Resolutions 1, 2 and 3 and all approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to amend the Memorandum of Association of TIGB by deleting the existing Clause 6 in its entirety and replacing it with the following new Clause 6:

Existing Clause 6 of the Memorandum of Association	Amended Clause 6 of the Memorandum of Association
"The capital of the Company is RM50,000,000/- Malaysian Currency divided into 50,000,000 shares of RM1/- each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise."	*"The capital of the Company is RM250,000,000/- divided into 250,000,000 shares of RM1/- each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise."*

The Articles of Association of the Company will be amended by deleting the existing Article 3 and Article 130 in their entirety and replacing them with the following new Article 3 and Article 130:

Existing Article 3 of the Articles of Association	Amended Article 3 of the Articles of Association
"The authorised share capital of the Company is RM50,000,000/- divided into 50,000,000 ordinary shares of RM1.00 each."	*"The authorised share capital of the Company is RM250,000,000/- divided into 250,000,000 ordinary shares of RM1/- each."*

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 3 DECEMBER 2012 (Cont'd)

TOYO INK GROUP BERHAD (590521-D)
CERTIFIED EXTRACT OF RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 3RD DECEMBER 2012

Existing Article 130 of the Articles of Association	Amended Article 130 of the Articles of Association
"The Company in general meeting may, upon the recommendation of the Directors, resolve that is desirable to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account, and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account and accordingly that the Directors be authorised and directed to appropriate such sum resolved to be capitalised to the members who would have been entitled thereto if distributed by way of dividend, and in the same proportions, and to apply such sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; PROVIDED that the only purpose to which such sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed as aforesaid. "	*"Subject to the Act and applicable laws, the Company in general meeting may, upon the recommendation of the Directors, resolve that is desirable to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account, and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account and accordingly that the Directors be authorised and directed to appropriate such sum resolved to be capitalised to (i) the members who would have been entitled thereto if distributed by way of dividend, and in the same proportions, and to apply such sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other OR (ii) to Qualifying Members only in proportion to which those Qualifying Members are entitled pursuant to a resolution of the Company to that effect and for the purposes of this Article, "Qualifying Members" refers to (a) members, who pursuant to a renounceable rights issue by the Company, have subscribed for the shares in the Company, and (b) in the case of renouncees who are non-members, those who have subscribed for shares in the Company renounced to them, and (c) underwriters, who have been allotted with the said shares PROVIDED that the only purpose to which such sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed as aforesaid. "*

THAT the Board be and is hereby authorised to give effect to the Proposed M&A Amendment and to take all such steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed M&A Amendment."

Dated this 3rd day of December , 2012

Confirmed,

....
Song Kok Cheong
Managing Director

....
Ng Chong You
Executive Director

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated under its present name on 24 August 2002 under the Act as a public limited company and was listed on the Second Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 10 November 2003.

On 8 August 2007, the Company completed the acquisition of the following companies:

(i) the entire equity interest in EDM-Tools (M) Sdn Bhd;
(ii) the entire equity interest in Elo Dunia Manufacturing (M) Sdn Bhd;
(iii) the entire equity interest in INMAC EDM-Tools (M) Sdn Bhd; and
(iv) the entire equity interest in EDM-Tools (Penang) Sdn Bhd.

With the completion of the above, our Company has diversified our business from the manufacturing and distribution of printing ink and other printing material to the trading of EDM tools, servicing EDM users, as well as marketing of EDM cut-wires, graphite jigs and fixtures, EDM electrodes and precision parts to reduce the dependency on the printing business.

At present, our Company is principally an investment holding company and provides management services to its subsidiaries. Our subsidiaries are principally involved in the following business activities:

(i) manufacturing, supplying, distributing and dealing for printing ink and other printing materials;
(ii) manufacturing, sales and distribution of electrical discharge machining tools and cut-wire; and
(iii) dealing of all kinds of engineering equipment, accessories and attachments.

Further details on the principal activities of our subsidiaries and associate company are set out in **Section 6** of this Appendix.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital is as follows:

Type	No. of Shares	Par value RM	Total RM
Authorised	250,000,000	1.00	250,000,000
Issued and fully paid-up	42,800,000	1.00	42,800,000

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3. CHANGES IN SHARE CAPITAL

3.1 Authorised share capital

Details of the changes in the authorised share capital for the past three (3) years preceding the LPD are as follows:

Date of creation	No. of TIGB Shares created	Par value	Description	Authorised share capital (cumulative)
		RM		RM
24 December 2002	50,000,000	1.00	Authorised share capital immediately prior to 3 December 2012	50,000,000
6 December 2012	200,000,000	1.00	Increase in authorised share capital	250,000,000

3.2 Issued and paid-up share capital

As at the LPD, there has been no changes in the issued and paid up share capital for the past three (3) years.

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4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Corporate Exercises on the substantial shareholders' shareholding of TIGB based on the Register of Substantial Shareholders as at the LPD are set out below based on the following scenarios:

Minimum Scenario

					Proforma I			
Substantial shareholder	Shareholdings as at the LPD				After the Proposed Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	4,579,281	10.70	-	-	9,158,562	14.38	-	-
Song Kok Cheong	4,370,425	10.21	156,226(1)	0.37	8,740,850	13.73	272,452(1)	0.43
Fong Po Yin	116,226	0.27	4,410,425(2)	10.30	232,452	0.37	8,780,850(2)	13.79
Ng Chong You	2,404,043	5.62	36,000(3)	0.08	4,808,086	7.55	72,000(3)	0.11
Ling Ha Kee	36,000	0.08	2,404,043(4)	5.62	72,000	0.11	4,808,086(4)	7.55
Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	-	-	5,354,346	8.41	-	-
Cheah Yoke Han	3,988,896	9.32	-	-	3,988,896	6.26	-	-
Eng Lian Enterprise Sdn Bhd	3,891,410	9.09	2,700,000(5)	6.31	7,782,820	12.22	5,400,000(5)	8.48
Ng Eng Hiam Plantations Sdn Bhd	-	-	2,700,000(5)	6.31	-	-	5,400,000(5)	8.48
Ng Ling Li	100,000	0.23	2,700,000(5)	6.31	200,000	0.31	5,400,000(5)	8.48
Bukit Asa Sdn Bhd	2,700,000	6.31	-	-	5,400,000	8.48	-	-
Lu Pat Sdn Bhd	-	-	6,591,410(6)	15.40	-	-	13,182,820(6)	20.70
The Nehsons Trust Company Berhad	-	-	6,591,410(6)	15.40	-	-	13,182,820(6)	20.70
Ng Lu Pat	-	-	6,591,410(7)	15.40	-	-	13,182,820(7)	20.70
Geraldine Marie Tse Chian Ng	-	-	6,591,410(8)	15.40	-	-	13,182,820(8)	20.70
Eng Sim Leong @ Ng Leong Sing	-	-	6,591,410(8)	15.40	-	-	13,182,820(8)	20.70
Ng Tee Chuan	-	-	6,591,410(8)	15.40	-	-	13,182,820(8)	20.70
Ng Lam Shen	-	-	6,591,410(8)	15.40	-	-	13,182,820(8)	20.70
Yvonne Po Leng Lam	-	-	6,591,410(8)	15.40	-	-	13,182,820(8)	20.70

INFORMATION ON OUR COMPANY (Cont'd)

Notes:

[1] *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
[2] *Deemed interested by virtue of her spouse and daughter's direct interest in TIGB.*
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[4] *Deemed interested by virtue of her spouse's direct interest in TIGB.*
[5] *Deemed interested by virtue of its/her interest in Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
[6] *Deemed interested by virtue of its interest in Eng Lian Enterprise Sdn Bhd and Bukit Asa Sdn Bhd pursuant to Section 6A of the Act.*
[7] *Deemed interested by virtue of his interest in Lu Pat Sdn Bhd pursuant to Section 6A of the Act.*
[8] *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

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INFORMATION ON OUR COMPANY (Cont'd)

Substantial shareholder	Proforma II				Proforma III			
	After the Proposed Bonus Issue				After the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	11,448,202	15.45	-	-	16,027,483	16.87	-	-
Song Kok Cheong	10,926,062	14.74	330,565[(1)]	0.45	15,296,487	16.10	446,791[(1)]	0.47
Fong Po Yin	290,565	0.39	10,966,062[(2)]	14.80	406,791	0.43	15,336,487[(2)]	16.15
Ng Chong You	6,010,107	8.11	90,000[(3)]	0.12	8,414,150	8.86	126,000[(3)]	0.13
Ling Ha Kee	90,000	0.12	6,010,107[(4)]	8.11	126,000	0.13	8,414,150[(4)]	8.86
Kok Sau Lan @ Kwok Sow Lan	6,692,932	9.03	-	-	9,370,105	9.86	-	-
Cheah Yoke Han	3,988,896	5.38	-	-	3,988,896	4.20	-	-
Eng Lian Enterprise Sdn Bhd	9,728,525	13.13	6,750,000[(5)]	9.11	13,619,935	14.34	9,450,000[(5)]	9.95
Ng Eng Hiam Plantations Sdn Bhd	-	-	6,750,000[(5)]	9.11	-	-	9,450,000[(5)]	9.95
Ng Ling Li	250,000	0.34	6,750,000[(5)]	9.11	350,000	0.37	9,450,000[(5)]	9.95
Bukit Asa Sdn Bhd	6,750,000	9.11	-	-	9,450,000	9.95	-	-
Lu Pat Sdn Bhd	-	-	16,478,525[(6)]	22.23	-	-	23,069,935[(6)]	24.29
The Nehsons Trust Company Berhad	-	-	16,478,525[(6)]	22.23	-	-	23,069,935[(6)]	24.29
Ng Lu Pat	-	-	16,478,525[(7)]	22.23	-	-	23,069,935[(7)]	24.29
Geraldine Marie Tse Chian Ng	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Eng Sim Leong @ Ng Leong Sing	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Ng Tee Chuan	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Ng Lam Shen	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29
Yvonne Po Leng Lam	-	-	16,478,525[(8)]	22.23	-	-	23,069,935[(8)]	24.29

Notes:

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(8) *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

Substantial shareholder	Shareholdings as at the LPD				Proforma I – After the Proposed Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	4,579,281	10.70	-	-	9,158,562	10.70	-	-
Song Kok Cheong	4,370,425	10.21	156,226[(1)]	0.37	8,740,850	10.21	312,452[(1)]	0.37
Fong Po Yin	116,226	0.27	4,410,425[(2)]	10.30	232,452	0.27	8,820,850[(2)]	10.30
Ng Chong You	2,404,043	5.62	36,000[(3)]	0.08	4,808,086	5.62	72,000[(3)]	0.08
Ling Ha Kee	36,000	0.08	2,404,043[(4)]	5.62	72,000	0.08	4,808,086[(4)]	5.62
Kok Sau Lan @ Kwok Sow Lan	2,677,173	6.26	-	-	5,354,346	6.26	-	-
Cheah Yoke Han	3,988,896	9.32	-	-	7,977,792	9.32	-	-
Eng Lian Enterprise Sdn Bhd	3,891,410	9.09	2,700,000[(5)]	6.31	7,782,820	9.09	5,400,000[(5)]	6.31
Ng Eng Hiam Plantations Sdn Bhd	-	-	2,700,000[(5)]	6.31	-	-	5,400,000[(5)]	6.31
Ng Ling Li	100,000	0.23	2,700,000[(5)]	6.31	200,000	0.23	5,400,000[(5)]	6.31
Bukit Asa Sdn Bhd	2,700,000	6.31	-	-	5,400,000	6.31	-	-
Lu Pat Sdn Bhd	-	-	6,591,410[(6)]	15.40	-	-	13,182,820[(6)]	15.40
The Nehsons Trust Company Berhad	-	-	6,591,410[(6)]	15.40	-	-	13,182,820[(6)]	15.40
Ng Lu Pat	-	-	6,591,410[(7)]	15.40	-	-	13,182,820[(7)]	15.40
Geraldine Marie Tse Chian Ng	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Eng Sim Leong @ Ng Leong Sing	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Ng Tee Chuan	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Ng Lam Shen	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40
Yvonne Po Leng Lam	-	-	6,591,410[(8)]	15.40	-	-	13,182,820[(8)]	15.40

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INFORMATION ON OUR COMPANY (Cont'd)

Substantial shareholder	Proforma II				Proforma III			
	After the Proposed Bonus Issue				After the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Lim Guan Lee	11,448,202	10.70	-	-	16,027,483	10.70	-	-
Song Kok Cheong	10,926,062	10.21	390,565(1)	0.37	15,296,487	10.21	546,791(1)	0.37
Fong Po Yin	290,565	0.27	11,026,062(2)	10.30	406,791	0.27	15,436,487(2)	10.30
Ng Chong You	6,010,107	5.62	90,000(3)	0.08	8,414,150	5.62	126,000(3)	0.08
Ling Ha Kee	90,000	0.08	6,010,107(4)	5.62	126,000	0.08	8,414,150(4)	5.62
Kok Sau Lan @ Kwok Sow Lan	6,692,932	6.26	-	-	9,370,105	6.26	-	-
Cheah Yoke Han	9,972,240	9.32	-	-	13,961,136	9.32	-	-
Eng Lian Enterprise Sdn Bhd	9,728,525	9.09	6,750,000(5)	6.31	13,619,935	9.09	9,450,000(5)	6.31
Ng Eng Hiam Plantations Sdn Bhd	-	-	6,750,000(5)	6.31	-	-	9,450,000(5)	6.31
Ng Ling Li	250,000	0.23	6,750,000(5)	6.31	350,000	0.23	9,450,000(5)	6.31
Bukit Asa Sdn Bhd	6,750,000	6.31	-	-	9,450,000	6.31	-	-
Lu Pat Sdn Bhd	-	-	16,478,525(6)	15.40	-	-	23,069,935(6)	15.40
The Nehsons Trust Company Berhad	-	-	16,478,525(6)	15.40	-	-	23,069,935(6)	15.40
Ng Lu Pat	-	-	16,478,525(7)	15.40	-	-	23,069,935(7)	15.40
Geraldine Marie Tse Chian Ng	-	-	16,478,525(8)	15.40	-	-	23,069,935(8)	15.40
Eng Sim Leong @ Ng Leong Sing	-	-	16,478,525(8)	15.40	-	-	23,069,935(8)	15.40
Ng Tee Chuan	-	-	16,478,525(8)	15.40	-	-	23,069,935(8)	15.40
Ng Lam Shen	-	-	16,478,525(8)	15.40	-	-	23,069,935(8)	15.40
Yvonne Po Leng Lam	-	-	16,478,525(8)	15.40	-	-	23,069,935(8)	15.40

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
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(8) *Deemed interested by virtue of his/her interest in The Nehsons Trust Company Berhad pursuant to Section 6A of the Act.*

5. BOARD OF DIRECTORS OF TIGB

5.1 Details of the Directors of TIGB

Name	Age	Nationality	Profession	Designation	Address
Tuan Hj. Ir. Yusoff bin Daud	68	Malaysian	Company Director	Independent Non-Executive Chairman	No. 34, Jalan Eksekutif U1/6, Glenmarie Court Glenmarie, 40150 Shah Alam Selangor Darul Ehsan
Song Kok Cheong	61	Malaysian	Managing Director	Managing Director	No. 3, Jalan 7/20 Section 7 46050 Petaling Jaya Selangor Darul Ehsan
Ng Chong You	63	Malaysian	Company Director	Executive Director	No. 4, Jalan SS18/5A Subang Jaya 47500 Subang Jaya Selangor Darul Ehsan
Lim Guan Lee	63	Singaporean	Company Director	Non-Independent Non-Executive Director	No. 2, Jalan Senandong Singapore 288754
Tham Kut Cheong	68	Malaysian	Chartered Accountant	Independent Non-Executive Director	2, Persiaran Basong Damansara Heights 50490 Kuala Lumpur
You Tong Lioung @ Yew Tong Leong	77	Malaysian	Company Director	Independent Non-Executive Director	No. 83, Taman Wangsa Baiduri 47500 Subang Jaya Selangor Darul Ehsan
Lim Kee Min (Alternate Director to Mr. Lim Guan Lee)	35	Singaporean	Company Director	Non-Independent Non-Executive Director	63, Joo Koon Circle Singapore 629076

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5.2 Directors' shareholdings

The proforma effects of the Corporate Exercises on the Directors' shareholding of TIGB based on the Register of Directors' Shareholdings as at the LPD are set out below based on the following scenarios:

Minimum Scenario

					Proforma I			
Director	**Shareholdings as at the LPD**				**After the Rights Issue with Warrants**			
	Direct		**Indirect**		**Direct**		**Indirect**	
	No. of TIGB Shares held	**%**	**No. of TIGB Shares held**	**%**	**No. of TIGB Shares held**	**%**	**No. of TIGB Shares held**	**%**
Tuan Hj. Ir. Yusoff bin Daud	80,964	0.19	-	-	80,964	0.13	-	-
Song Kok Cheong	4,370,425	10.21	156,226[(1)]	0.37	8,740,850	13.73	272,452[(1)]	0.43
Ng Chong You	2,404,043	5.62	36,000[(2)]	0.08	4,808,086	7.55	72,000[(2)]	0.11
Lim Guan Lee	4,579,281	10.70	-	-	9,158,562	14.38	-	-
Tham Kut Cheong	-	-	-	-	-	-	-	-
You Tong Lioung @ Yew Tong Leong	-	-	-	-	-	-	-	-
Lim Kee Min (Alternate Director to Mr. Lim Guan Lee)	-	-	-	-	-	-	-	-

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
(2) *Deemed interested by virtue of his spouse's direct interest in TIGB.*

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INFORMATION ON OUR COMPANY (Cont'd)

Director	Proforma II				Proforma III			
	After the Bonus Issue				After the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Tuan Hj. Ir. Yusoff bin Daud	80,964	0.11	-	-	80,964	0.09	-	-
Song Kok Cheong	10,926,062	14.74	330,565[(1)]	0.45	15,296,487	16.10	446,791[(1)]	0.47
Ng Chong You	6,010,107	8.11	90,000[(2)]	0.12	8,414,150	8.86	126,000[(2)]	0.13
Lim Guan Lee	11,448,202	15.45	-	-	16,027,483	16.87	-	-
Tham Kut Cheong	-	-	-	-	-	-	-	-
You Tong Lioung @ Yew Tong Leong	-	-	-	-	-	-	-	-
Lim Kee Min (Alternate Director to Mr. Lim Guan Lee)	-	-	-	-	-	-	-	-

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
(2) *Deemed interested by virtue of his spouse's direct interest in TIGB.*

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INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

Director	<------ Shareholdings as at the LPD ------>				<------ Proforma I ------>			
					<------ After the Rights Issue with Warrants ------>			
	<---- Direct ---->		<---- Indirect ---->		<---- Direct ---->		<---- Indirect ---->	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Tuan Hj. Ir. Yusoff bin Daud	80,964	0.19	-	-	161,928	0.19	-	-
Song Kok Cheong	4,370,425	10.21	156,226[(1)]	0.37	8,740,850	10.21	312,452[(1)]	0.37
Ng Chong You	2,404,043	5.62	36,000[(2)]	0.08	4,808,086	5.62	72,000[(2)]	0.08
Lim Guan Lee	4,579,281	10.70	-	-	9,158,562	10.70	-	-
Tham Kut Cheong	-	-	-	-	-	-	-	-
You Tong Lioung @ Yew Tong Leong	-	-	-	-	-	-	-	-
Lim Kee Min (Alternate Director to Mr. Lim Guan Lee)	-	-	-	-	-	-	-	-

Notes:

(1) *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
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INFORMATION ON OUR COMPANY (Cont'd)

Director	Proforma II				Proforma III			
	After the Bonus Issue				After the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%	No. of TIGB Shares held	%
Tuan Hj. Ir. Yusoff bin Daud	202,410	0.19	-	-	283,374	0.19	-	-
Song Kok Cheong	10,926,062	10.21	390,565[1]	0.37	15,296,487	10.21	546,791[1]	0.37
Ng Chong You	6,010,107	5.62	90,000[2]	0.08	8,414,150	5.62	126,000[2]	0.08
Lim Guan Lee	11,448,202	10.70	-	-	16,027,483	10.70	-	-
Tham Kut Cheong	-	-	-	-	-	-	-	-
You Tong Lioung @ Yew Tong Leong	-	-	-	-	-	-	-	-
Lim Kee Min (Alternate Director to Mr. Lim Guan Lee)	-	-	-	-	-	-	-	-

Notes:

[1] *Deemed interested by virtue of his spouse and daughter's direct interest in TIGB.*
[2] *Deemed interested by virtue of his spouse's direct interest in TIGB.*

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6. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, our subsidiary companies are set out below:

Subsidiary company	Date and Place of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest (%)
Toyo Ink Sdn Bhd	7 February 1979 Malaysia	Investment holding, ink manufacturer and undertake investment, implementation and operating of power plant business.	RM1,119,615	100
Subsidiary of Toyo Ink Sdn Bhd				
Toyo Photo Products Sdn Bhd	2 December 1983 Malaysia	Dealers of graphic art, films, chemicals, machineries and equipment for lithography and allied industries.	RM1,000,000	100
Toyo Dai-Nichi Ink Sdn Bhd	10 January 1990 Malaysia	Manufacturers and dealers of printing ink and other printing materials.	RM1,000,000	60
Toyo Ink (Perak) Sdn Bhd	20 March 1992 Malaysia	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	RM200,000	100
Toyo Ink (Penang) Sdn Bhd	11 October 1996 Malaysia	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	RM400,000	100
Toyo Ink (Melaka) Sdn Bhd	14 April 2005 Malaysia	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.	RM300,000	100
EDM-Tools (M) Sdn Bhd	16 June 1988 Malaysia	Sales and dsitributions of EDM tools	RM2,480,000	100
Elo Dunia Manufacturing (M) Sdn Bhd	22 January 2002 Malaysia	Manufacturing and fabrication of metal and graphite parts.	RM1,600,000	100
INMAC EDM-Tools (M) Sdn Bhd	11 August 2001 Malaysia	Manufacturing of EDM-cut-wire.	RM2,830,000	100

Subsidiary company	Date and Place of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest (%)
EDM-Tools (Penang) Sdn Bhd	15 October 1997 Malaysia	Dealer of all kinds of engineering equipment, accessories and attachments.	RM800,000	100
Citi Ink Manufactured Joint Venture Co., Ltd.	10 May 2006 Vietnam	Manufacturer of printing inks and rental of property.*	USD2,500,000	60
Subsidiary of ELO Dunia Manufacturing (M) Sdn Bhd				
Toyo Laser Technology Sdn Bhd	21 September 2007 Malaysia	Sales and distributions of machinery and machine parts.	RM200,000	100
PT Elo Dunia Manufacturing Indonesia	12 June 2012 Indonesia	Specialised processing metal, tool and die and moulding including (i) 3D precision parts production as well as EDM electrodes, complex 3D profiles, speakers electrodes, copper electrodes; (ii) computer numerical control (CNC) machining graphite and copper electrodes.	IDR11,484,000,000	51
Subsidiary of EDM-Tools (M) Sdn Bhd				
EDM-Tools (S) Pte Ltd	4 January 1990 Singapore	Wholesale of aircraft equipment and supplies and the general wholesale trade (including general importers and exporters).	SGD13,000	100

__*Note:*__

* *Based on the investment certificate issued on 18 January 2012 by the Binh Duong's Industrial Zone Management Board of Vietnam. Notwithstanding the above, Citi Ink Manufactured Joint Venture Co., Ltd has ceased its manufacturing of printing inks activity since February 2011 and its current principal activity is rental of property.*

As at LPD, our associated company is as set out below:

Associate company	Date and Place of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest (%)
Toyo Color Pte Ltd	15 November 1978 Singapore	Dealers, importers and exporters of printing ink and graphic products.	SGD400,002	50

7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the FYE 31 March 2010 to 31 March 2012 and the unaudited consolidated financial statements for the nine (9) months FPE 31 December 2012 are as follows:

	<---- Audited ----	---->		Unaudited nine (9) months FPE 31 December
	<---- FYE 31 March	---->		
	2010	2011	2012	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	93,605	109,865	92,830	65,681
Gross profit	17,342	21,886	18,180	12,808
Other income	6,458	1,071	527	368
Share of results in associate company	(4)	(4)	(4)	(1)
EBITDA	11,250	10,705	7,092	4,777
Less: Depreciation	2,958	2,551	2,452	1,846
Finance costs	1,935	2,495	2,226	1,466
PBT	6,357	5,659	2,414	1,465
Taxation	(2,582)	(2,736)	(1,095)	(760)
Discontinued operations	(275)	(144)	(445)	(6)
PAT	3,500	2,779	874	699
Attributable to:				
Equity holders of the Company	4,015	2,718	1,111	866
Minority Interest	(515)	61	(237)	(167)
	3,500	2,779	874	699
Gross profit margin (%)	18.53	19.92	19.58	19.50
PBT margin (%)	6.79	5.15	2.60	2.23
Weighted average number of TIGB Shares	42,800	42,800	42,800	42,800
Basic EPS (sen)	9.38	6.35	2.60	2.02
Diluted EPS (sen)	-	-	-	-
Gross dividend per TIGB Share (sen)	-	-	-	-

Commentary on the financial performances

Unaudited nine (9) months FPE 31 December 2012

For the financial period under review, the TIGB Group recorded revenue of RM65.68 million, representing a decrease of 6.55% as compared to RM70.28 million in the same corresponding period in 2011. The decline in revenue was mainly due to lower demand for trading products and services and the termination of distribution rights by one of TIGB Group's foreign principal partners for digital printing equipment.

However, for the nine (9) months FPE 31 December 2012, the TIGB Group recorded a PAT of RM0.71 million, representing an increase of 24.56% as compared to the same corresponding period in 2011 PAT of RM0.57 million mainly due to lower operating expenses and finance costs.

FYE 31 March 2012

For the financial year under review, the TIGB Group recorded a 15.51% decline in revenue from RM109.87 million in the FYE 31 March 2011 to RM92.83 million in the FYE 31 March 2012. The decline in revenue was mainly due to lower demand from customers for products and service and the termination of distribution rights from a foreign principal partner in November 2011.

In tandem with the decline in revenue, TIGB recorded a lower PAT of RM0.87 million for the FYE 31 March 2012, which represents a decrease of 68.71% as compared to the previous FYE 31 March 2011 PAT of RM2.78 million.

FYE 31 March 2011

For the financial year under review, the TIGB Group recorded a 17.38% increase in revenue from RM93.60 million in the FYE 31 March 2010 to RM109.87 million in the FYE 31 March 2011. The increase in revenue was mainly due to higher sales of machineries and equipment and related service pertaining to the printing ink industry amounting to approximately RM10.00 million.

However, the TIGB Group registered a lower PAT of RM2.78 million for the FYE 31 March 2011, which represents a decrease of 20.57% as compared to the previous FYE 31 March 2010 PAT of RM3.50 million due mainly the increase in cost of raw materials. Further, the Company recorded higher PAT in FYE 31 March 2010 due to the recognition of other income from the profit guarantee not met by the vendors of the EDM Group pursuant to the acquisition of the EDM Group amounting to RM3.58 million.

FYE 31 March 2010

For the financial year under review, the TIGB Group recorded a 10.01% decline in revenue from RM104.01 million in the FYE 31 March 2009 to RM93.60 million in the FYE 31 March 2010. The decline in revenue was due to lower demand for the Group's products and services due to the weak global economic condition.

However, the TIGB Group had recorded an increase in PAT from a loss after tax of RM2.03 million in the FYE 31 March 2009 to a PAT of RM3.50 million in the FYE 31 March 2010 due mainly to the recognition of other income from the profit guarantee not met by the vendors of the EDM Group pursuant to the acquisition of the EDM Group amounting to RM3.58 million.

In the event the other income from the profit guarantee is not taken into account, the Group would record a loss after tax and minority interest of RM0.08 million.

8. HISTORICAL PRICES

The monthly highest and lowest prices of TIGB Shares as traded on Bursa Securities for the past twelve (12) months from March 2012 to February 2013 (up to the LPD) are as follows:

	Highest RM	Lowest RM
2012		
March	1.68	1.35
April	1.67	1.34
May	1.70	1.35
June	1.48	1.34
July	1.41	1.24
August	1.43	1.22
September	1.39	1.30
October	1.35	1.22
November	1.40	1.12
December	1.30	1.05
2013		
January	1.17	0.75
February (up to the LPD)	0.90	0.72

	RM
The last transacted price of TIGB Shares on 9 August 2012, being the last Market Day immediately prior to the announcement of the Corporate Exercises	1.34
The last transacted price of TIGB Shares on 11 January 2013, being the last Market Day prior to the ex-date of the Corporate Exercises	1.07
The last transacted price of TIGB Shares on 27 February 2013, being the latest practicable Market Day immediately prior to the date of printing of this AP	0.815

(Source: Bloomberg)

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

ECOVIS AHL

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Phone: +603 7981 1799
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The Board of Directors
Toyo Ink Group Berhad
PT 3477, Jalan 6/1
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan

4 March 2013

Dear Sirs,

Toyo Ink Group Berhad ("TIGB" or "the Company") and its subsidiaries ("TIGB Group" or "the Group")
Reporting Accountants' Letter on Proforma Consolidated Statement of Financial Position as at 31 March 2012

We have reviewed the proforma consolidated statement of financial position of TIGB Group as at 31 March 2012 together with the notes thereon as set out in the accompanying attachments (which we have stamped for the purpose of identification), for which the Board of Directors of TIGB ("Board") is solely responsible and prepared for illustrative purposes only for inclusion in the abridged prospectus to shareholders of TIGB ("Abridged Prospectus") in relation to the following:

(i) Renounceable rights issue of up to 42,800,000 new ordinary shares of RM1.00 each in TIGB (**"Rights Shares"**) together with up to 42,800,000 free new detachable warrants (**"Warrants"**) at an issue price of RM1.20 per Rights Share on the basis of one (1) Rights Share together with one (1) free Warrant for every one (1) existing ordinary share of RM1.00 each held in TIGB (**"TIGB Share" or "Share"**) on 16 January 2013 (**"Entitlement Date"**) (**"Rights Issue with Warrants"**); and

(ii) Bonus issue of up to 21,400,000 TIGB Shares to be credited as fully paid-up on the basis of one (1) new TIGB Share for every two (2) Rights Shares subscribed by the existing shareholders of TIGB and/or their renouncee(s) pursuant to the Rights Issue with Warrants (**"Bonus Issue"**).

(Collectively referred to as "**the Corporate Exercises**")

For illustrative purposes, the estimated expenses for the Corporate Exercises will amount to approximately RM550,000.

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The purpose of the proforma consolidated statement of financial position is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of TIGB Group assuming that the events as listed below had occurred or the transaction had been undertaken as at 31 March 2012. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented. Further, such financial information from the proforma consolidated statement of financial position does not purport to predict TIGB Group's future financial position.

Directors Responsibilities

It is solely the responsibility of the Board to prepare the proforma consolidated statement of financial position as at 31 March 2012 in accordance with Prospectus Guidelines – Abridged Prospectus in respect of the Corporate Exercises.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines – Abridged Prospectus, as to the proper compilation of the proforma consolidated statement of financial position. In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated statement of financial position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue. We have not performed an audit or review of the financial information used in compiling the proforma consolidated statement of financial position.

Our procedures on the proforma consolidated statement of financial position have not been carried out in accordance with applicable Approved Standards on Auditing in Malaysia and accordingly, should not be relied upon as if they had been carried upon in accordance with those standards.

Basis of Opinion

We conducted our work in accordance with International Standard on Assurance Engagements 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including the adjustments to TIGB Group's accounting policies, nor of the proforma assumptions stated in the notes to the proforma consolidated statement of financial position, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the proforma adjustments and discussing the proforma consolidated statement of financial position with the Board and the responsible officers of TIGB. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated statement of financial position of TIGB as at 31 March 2012 has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of TIGB Group and materially in compliance with Financial Reporting Standards in Malaysia.

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Opinion

In our opinion,

(a) the proforma consolidated statement of financial position of TIGB as at 31 March 2012 together with the notes and assumptions thereto, which are prepared for illustration purposes only, have been properly prepared in accordance with the basis set out in the Notes to the proforma consolidated statement of financial position and prepared in accordance with Financial Reporting Standards in Malaysia;

(b) the proforma consolidated statement of financial position of TIGB as at 31 March 2012 has been prepared on such basis that is consistent with both the format of the financial statements and the accounting policies of TIGB Group as at 31 March 2012; and

(c) each adjustments made to the information used in the preparation of the proforma consolidated statement of financial position are appropriate for the purposes of preparing the proforma consolidated statement of financial position of TIGB as at 31 March 2012.

Other Matters

The proforma consolidated statement of financial position has been prepared for inclusion in the Circular in connection with the Corporate Exercises and should not be relied upon for any other purposes.

Yours faithfully

Ecovis

Ecovis AHL (AF 001825)
(formerly known as AHL)
Chartered Accountants

Kuala Lumpur

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP") PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

The proforma consolidated statement of financial position of TIGB Group as at 31 March 2012 as set out below have been prepared solely for illustrative purposes and to show the effects of the transactions referred to in the notes:

SCENARIO 1: MINIMUM SCENARIO

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(AF 001825)
Chartered Accountants
For identification purposes only

	Audited Consolidated Statement of Financial Position as at 31 March 2012	Proforma I After Rights Issue with Warrants	Proforma II After Proforma I and the Bonus Issue	Proforma III After Proforma II and Full Exercise of Warrants
	RM	RM	RM	RM
ASSETS				
Non Current Assets				
Property, plant and equipment	28,090,481	28,090,481	28,090,481	28,090,481
Investment property	1,656,000	1,656,000	1,656,000	1,656,000
Investment in associate	484,809	484,809	484,809	484,809
Goodwill on consolidation	17,496,312	17,496,312	17,496,312	17,496,312
Development expenditure	2,425,684	2,425,684	2,425,684	2,425,684
	50,153,286	50,153,286	50,153,286	50,153,286
Current Assets				
Inventories	13,594,608	13,594,608	13,594,608	13,594,608
Trade and other receivables	92,411,752	92,411,752	92,411,752	92,411,752
Tax recoverable	367,449	367,449	367,449	367,449
Fixed deposits with licensed banks	17,334	17,334	17,334	17,334
Cash and bank balances	3,205,332	3,205,332	3,205,332	34,517,169
Assets classified as held for sale	5,035,671	5,035,671	5,035,671	5,035,671
	114,632,146	114,632,146	114,632,146	145,943,983
TOTAL ASSETS	164,785,432	164,785,432	164,785,432	196,097,269
EQUITY AND LIABILITIES				
Equity				
Share capital	42,800,000	63,674,558	74,111,837	94,986,395
Share premium	4,320,938	8,495,850	-	10,437,279
Warrant reserve	-	7,903,108	7,903,108	-
Other reserve	-	(7,903,108)	(7,903,108)	-
Translation reserve	(451,980)	(451,980)	(451,980)	(451,980)
Retained earnings	17,856,579	17,306,579	15,365,150	15,365,150
Equity attributable to owners of the parent	64,525,537	89,025,007	89,025,007	120,336,844
Non-controlling interest	4,488,623	4,488,623	4,488,623	4,488,623
TOTAL EQUITY	69,014,160	93,513,630	93,513,630	124,825,467

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

SCENARIO 1: MINIMUM SCENARIO (Cont'd)

		Proforma I	Proforma II	Proforma III
	Audited Consolidated Statement of Financial Position as at 31 March 2012 RM	After Rights Issue with Warrants RM	After Proforma I and the Bonus Issue RM	After Proforma II and Full Exercise of Warrants RM
LIABILITIES				
Non Current Liabilities				
Hire purchase payables	251,074	251,074	251,074	251,074
Bank borrowings	541,343	-	-	-
Deferred tax liabilities	2,632,056	2,632,056	2,632,056	2,632,056
	3,424,473	2,883,130	2,883,130	2,883,130
Current Liabilities				
Trade and other payables	58,696,654	58,696,654	58,696,654	58,696,654
Amount owing to directors	6,087,500	6,087,500	6,087,500	6,087,500
Hire purchase payables	295,383	295,383	295,383	295,383
Bank borrowings	27,108,691	3,150,564	3,150,564	3,150,564
Liabilities classified as held for sale	158,571	158,571	158,571	158,571
	92,346,799	68,388,672	68,388,672	68,388,672
TOTAL LIABILITIES	95,771,272	71,271,802	71,271,802	71,271,802
TOTAL EQUITY AND LIABILITIES	164,785,432	164,785,432	164,785,432	196,097,269
Number of ordinary shares	42,800,000	63,674,558	74,111,837	94,986,395
Net Assets	64,525,537	89,025,007	89,025,007	120,336,844
Net Assets per ordinary share of TIGB	1.51	1.40	1.20	1.27
Total borrowings	28,196,491	3,697,021	3,697,021	3,697,021
Gearing (times)	0.44	0.04	0.04	0.03

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Chartered Accountants
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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

SCENARIO 2: MAXIMUM SCENARIO

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For identification purposes only

		Proforma I	Proforma II	Proforma III
	Audited Consolidated Statement of Financial Position as at 31 March 2012 RM	After Rights Issue with Warrants RM	After Proforma I and the Bonus Issue RM	After Proforma II and Full Exercise of Warrants RM
ASSETS				
Non Current Assets				
Property, plant and equipment	28,090,481	28,090,481	28,090,481	28,090,481
Investment property	1,656,000	1,656,000	1,656,000	1,656,000
Investment in associate	484,809	484,809	484,809	484,809
Goodwill on consolidation	17,496,312	17,496,312	17,496,312	17,496,312
Development expenditure	2,425,684	2,425,684	2,425,684	2,425,684
	50,153,286	50,153,286	50,153,286	50,153,286
Current Assets				
Inventories	13,594,608	13,594,608	13,594,608	13,594,608
Trade and other receivables	92,411,752	92,411,752	92,411,752	92,411,752
Tax recoverable	367,449	367,449	367,449	367,449
Fixed deposits with licensed banks	17,334	17,334	17,334	17,334
Cash and bank balances	3,205,332	26,365,298	26,365,298	90,565,298
Assets classified as held for sale	5,035,671	5,035,671	5,035,671	5,035,671
	114,632,146	137,792,112	137,792,112	201,992,112
TOTAL ASSETS	164,785,432	187,945,398	187,945,398	252,145,398
EQUITY AND LIABILITIES				
Equity				
Share capital	42,800,000	85,600,000	107,000,000	149,800,000
Share premium	4,320,938	12,880,938	-	21,400,000
Warrant reserve	-	16,204,080	16,204,080	-
Other reserve	-	(16,204,080)	(16,204,080)	-
Translation reserve	(451,980)	(451,980)	(451,980)	(451,980)
Retained earnings	17,856,579	17,306,579	8,787,517	8,787,517
Equity attributable to owners of the parent	64,525,537	115,335,537	115,335,537	179,535,537
Non-controlling interest	4,488,623	4,488,623	4,488,623	4,488,623
TOTAL EQUITY	69,014,160	119,824,160	119,824,160	184,024,160

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

SCENARIO 2: MAXIMUM SCENARIO (Cont'd)

		Proforma I	Proforma II	Proforma III
	Audited Consolidated Statement of Financial Position as at 31 March 2012 RM	After Rights Issue with Warrants RM	After Proforma I and the Bonus Issue RM	After Proforma II and Full Exercise of Warrants RM
LIABILITIES				
Non Current Liabilities				
Hire purchase payables	251,074	251,074	251,074	251,074
Bank borrowings	541,343	-	-	-
Deferred tax liabilities	2,632,056	2,632,056	2,632,056	2,632,056
	3,424,473	2,883,130	2,883,130	2,883,130
Current Liabilities				
Trade and other payables	58,696,654	58,696,654	58,696,654	58,696,654
Amount owing to directors	6,087,500	6,087,500	6,087,500	6,087,500
Hire purchase payables	295,383	295,383	295,383	295,383
Bank borrowings	27,108,691	-	-	-
Liabilities classified as held for sale	158,571	158,571	158,571	158,571
	92,346,799	65,238,108	65,238,108	65,238,108
TOTAL LIABILITIES	95,771,272	68,121,238	68,121,238	68,121,238
TOTAL EQUITY AND LIABILITIES	164,785,432	187,945,398	187,945,398	252,145,398
Number of ordinary shares	42,800,000	85,600,000	107,000,000	149,800,000
Net Assets	64,525,537	115,335,537	115,335,537	179,535,537
Net Assets per ordinary share of TIGB	1.51	1.35	1.08	1.20
Total borrowings	28,196,491	546,457	546,457	546,457
Gearing (times)	0.44	0.005	0.005	0.003

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

**Notes to the Proforma Consolidated Statement of Financial Position
as at 31 March 2012**

1. Basis of preparation

The proforma consolidated statement of financial position has been prepared in accordance with the basis stated below using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in manner consistent with both the format of the financial statements and the accounting policies of TIGB Group as disclosed in its audited financial statements for the financial year ended 31 March 2012, except for the following new policy:

Warrants reserve

The allocated fair values of free warrants are credited to a warrant reserve which is non-distributable. Warrant reserve shall be set off against 'other reserve' upon full exercise of the Warrants.

TIGB will apply the new additional accounting policy prospectively and therefore there will not have any financial impact on the audited consolidated statement of financial position as at 31 March 2012.

The proforma consolidated statement of financial position does not include the effects of the adoption of Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board which are effective to TIGB Group for the annual period beginning on 1 April 2012.

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

Notes to the Proforma Consolidated Statement of Financial Position as at 31 March 2012

1. Basis of preparation (continued)

The proforma consolidated statement of financial position has been prepared solely for illustrative purposes, to show the effects of the following:

SCENARIO I: MINIMUM SCENARIO

Assuming only Lim Guan Lee, Song Kok Cheong, Fong Po Yin, Ng Chong You, Ling Ha Kee, Kok Sau Lan @ Kwok Sow Lan, Eng Lian Enterprise Sdn Bhd, Ng Ling Li and Bukit Asa Sdn Bhd, who has provided their respective irrevocable undertaking to subscribe in full for their entitlement pursuant to the Rights Issue with Warrants based on their shareholding as at 27 February 2013, the last practicable date (**"LPD"**).

Proforma I – After the adjustment for the Rights Issue with Warrants

The proforma consolidated statement of financial position is stated after the effects of the following:

- the Rights Issue with Warrants subscribed by Lim Guan Lee, Song Kok Cheong, Fong Po Yin, Ng Chong You, Ling Ha Kee, Kok Sau Lan @ Kwok Sow Lan, Eng Lian Enterprise Sdn Bhd, Ng Ling Li and Bukit Asa Sdn Bhd, who has provided their respective irrevocable undertaking to subscribe in full of their shareholdings amounting to 20,874,558 TIGB Shares.
- the Directors estimate that expenses to be incurred for the Corporate Exercises will be approximately RM550,000 and these expenses will be set off against the retained earnings.
- based on the issue price of RM1.20 per Rights Share, the Rights Issue with Warrants is expected to raise cash proceeds of RM25,049,470, which will be used firstly to repay the estimated expenses incurred for the Corporate Exercises amounting to RM550,000 and to repay the bank borrowings amounting to RM24,499,470.
- the Warrants are assumed to have a fair value of RM0.3786 each, is determined using the Black-Scholes pricing model based on the input date as of 27 February 2013 by reference to the following assumptions:

  Theoretical ex-all price: RM0.810
  Exercise price: RM1.50
  Expiry date: 26 February 2018 (5 years)
  Historical volatility: 70.11%
  Risk free interest rate: 3.314% per annum

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Upon completion of the Rights Issue with Warrants, the issued and paid-up share capital of TIGB will be increased to RM63,674,558 and the share premium will be increased to RM8,495,850. Correspondingly, there will be a creation of a warrant reserve of RM7,903,108.

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

Notes to the Proforma Consolidated Statement of Financial Position
as at 31 March 2012

1. **Basis of preparation (continued)**

SCENARIO I: MINIMUM SCENARIO (continued)

Proforma II – After Proforma I and the Bonus Issue

The proforma consolidated statement of financial position is stated after proforma I and incorporating the effect from the issuance of 10,437,279 of the bonus share issued in TIGB of RM1.00 each to be credited as fully paid-up, on the basis of one (1) bonus share for every two (2) Rights Shares subscribed by Lim Guan Lee, Song Kok Cheong, Fong Po Yin, Ng Chong You, Ling Ha Kee, Kok Sau Lan @ Kwok Sow Lan, Eng Lian Enterprise Sdn Bhd, Ng Ling Li and Bukit Asa Sdn Bhd on 16 January 2013 (**"Bonus Issue"**) via the capitalisation of RM8,495,850 and RM1,941,429 from the share premium reserve and retained earnings respectively.

Proforma III – After Proforma II and full exercise of warrants

The proforma consolidated statement of financial position is stated after proforma II and incorporating the effects of the full exercise of 20,874,558 Warrants at an exercise price of RM1.50 per Warrant.

Upon the completion of the full exercise of the Warrants, the exercise will generate total gross cash proceeds of RM31,311,837 for working capital purposes. Pursuant to the exercise of the 20,874,558 Warrants, 20,874,558 new TIGB shares will be issued and this will increase the issued and paid-up share capital and share premium account by RM20,874,558 and RM10,437,279 respectively with no additional expenses incurred. Correspondingly, the warrant reserve will be reversed in full.

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

Notes to the Proforma Consolidated Statement of Financial Position as at 31 March 2012

1. Basis of preparation (continued)

SCENARIO II: MAXIMUM SCENARIO

Assuming that all the shareholders of TIGB subscribe in full for their entitlement pursuant to the Rights Issue with Warrants **("Entitled Shareholders")**.

Proforma I – After the adjustment for the Rights Issue with Warrants

The proforma consolidated statement of financial position is stated after the effects of the following:

- the Rights Issue with Warrants subscribed by all the shareholders of TIGB amounted to 42,800,000 TIGB Shares.
- the Directors estimate that expenses to be incurred for the Corporate Exercises will be approximately RM550,000 and these expenses will be set off against the retained earnings.
- based on the issue price of RM1.20 per Rights Share, the Rights Issue with Warrants is expected to raise cash proceeds of RM51,360,000, which partially will be used to repay the estimated expenses incurred for the Corporate Exercises of RM550,000, repayment of bank borrowings of RM27,650,034 and the remaining for working capital purposes.
- the Warrants are assumed to have a fair value of RM0.3786 each, is determined using the Black-Scholes pricing model based on the input date as of 27 February 2013 by reference to the following assumptions:

  Theoretical ex-all price: RM0.810
  Exercise price: RM1.50
  Expiry date: 26 February 2018 (5 years)
  Historical volatility: 70.11%
  Risk free interest rate: 3.314% per annum

ECOVIS AHL
(AF 001825)
Chartered Accountants
For identification purposes only

Upon completion of the Rights Issue with Warrants, the issued and paid-up share capital of TIGB will be increased to RM85,600,000 and the share premium will be increased to RM12,880,938. Correspondingly, there will be a creation of a warrant reserve of RM16,204,080.

Proforma II – After Proforma I and the Bonus Issue

The proforma consolidated statement of financial position is stated after proforma I and incorporating the effect from the issuance of 21,400,000 of the bonus share issued in TIGB of RM1.00 each to be credited as fully paid-up, on the basis of one (1) bonus share for every two (2) Rights Shares subscribed by the Entitled Shareholders and/or their renounce(s) on 16 January 2013 via the capitalisation of RM12,880,938 and RM8,519,062 from the share premium reserve and retained earnings respectively.

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

Notes to the Proforma Consolidated Statement of Financial Position as at 31 March 2012

1. Basis of preparation (continued)

SCENARIO II: MAXIMUM SCENARIO (continued)

Proforma III – After Proforma II and full exercise of warrants

The proforma consolidated statement of financial position is stated after proforma II and incorporating the effects of the full exercise of 42,800,000 Warrants at an exercise price of RM1.50 per Warrant.

Upon the completion of the full exercise of the Warrants, the exercise will generate total gross cash proceeds of RM64,200,000 for working capital purposes. Pursuant to the exercise of the 42,800,000 Warrants, 42,800,000 new TIGB shares will be issued and this will increase the issued and paid-up share capital and share premium account by approximately RM42,800,000 and RM21,400,000 respectively with no additional expenses incurred. Correspondingly, the warrant reserve will be reversed in full.

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ECOVIS AHL
(AF 001825)
Chartered Accountants
For identification purposes only

OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

Notes to the Proforma Consolidated Statement of Financial Position as at 31 March 2012

2. Effects on the proforma consolidated statement of financial position

2.1 Scenario I: Minimum scenario

a) Movement in cash and cash equivalents

	RM
Balance at 31 March 2012	3,205,332
Effects of Proforma I	
- proceeds from issuance of Rights Shares with Warrants	25,049,470
- payment of estimated expenses incurred for the Corporate Exercises	(550,000)
- repayment of bank borrowings	(24,499,470)
Proforma I and II	3,205,332
Effects of Proforma III	
- proceeds from full exercise of Warrants	31,311,837
Proforma III	34,517,169

b) Movement in share capital

	RM
Balance at 31 March 2012	42,800 000
Effect of Proforma I	
- issuance of Rights Shares with Warrants	20,874,558
Proforma I	63,674,558
Effect of Proforma II	
- capitalisation of bonus shares from share premium and retained earnings	10,437,279
Proforma II	74,111,837
Effect of Proforma III	
- full exercise of Warrants	20,874,558
Proforma III	94,986,395

c) Movement in share premium

	RM
Balance at 31 March 2012	4,320,938
Effect of Proforma I	
- issuance of Rights Shares with Warrants	4,174,912
Proforma I	8,495,850
Effect of Proforma II	
- capitalisation of bonus shares to share capital	(8,495,850)
Proforma II	-
Effect of Proforma III	
- full exercise of Warrants	10,437,279
Proforma III	10,437,279

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

Notes to the Proforma Consolidated Statement of Financial Position as at 31 March 2012

2. Effects on the proforma consolidated statement of financial position (continued)

2.1 Scenario I: Minimum scenario (continued)

d) Movement in warrant reserve

	RM
Balance at 31 March 2012	-
Effect of Proforma I	
- issuance of Rights Shares with Warrants	7,903,108
Proforma I and II	7,903,108
Effect of Proforma III	
- full exercise of Warrants	(7,903,108)
Proforma III	-

e) Movement in retained earnings

	RM
Balance at 31 March 2012	17,856,579
Effect of Proforma I	
- estimated expenses incurred for the Corporate Exercises	(550,000)
Proforma I	17,306,579
Effect of Proforma II	
- capitalisation of bonus shares to share capital	(1,941,429)
Proforma II and III	15,365,150

f) Movement in bank borrowings

	RM
Balance at 31 March 2012 - current	27,108,691
- non current	541,343
	27,650,034
Effect of Proforma I	
- proceeds from issuance of Rights Shares with Warrants to repay bank borrowings	(24,499,470)
Proforma I, II and III	3,150,564

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

Notes to the Proforma Consolidated Statement of Financial Position as at 31 March 2012

2. Effects on the proforma consolidated statement of financial position (continued)

2.2 Scenario II: Maximum scenario

a) Movement in cash and cash equivalents

	RM
Balance at 31 March 2012	3,205,332
Effects of Proforma I	
- proceeds from issuance of Rights Shares with Warrants	51,360,000
- payment of estimated expenses incurred for the Corporate Exercises	(550,000)
- repayment of bank borrowings	(27,650,034)
Proforma I and II	26,365,298
Effect of Proforma III	
- proceeds from full exercise of Warrants	64,200,000
Proforma III	90,565,298

b) Movement in share capital

	RM
Balance at 31 March 2012	42,800,000
Effect of Proforma I	
- issuance of Rights Shares with Warrants	42,800,000
Proforma I	85,600,000
Effect of Proforma II	
- capitalisation of bonus shares from share premium and retained earnings	21,400,000
Proforma II	107,000,000
Effect of Proforma III	
- full exercise of Warrants	42,800,000
Proforma III	149,800,000

c) Movement in share premium

	RM
Balance at 31 March 2012	4,320,938
Effect of Proforma I	
- issuance of Rights Shares with Warrants	8,560,000
Proforma I	12,880,938
Effect of Proforma II	
- capitalisation of bonus shares to share capital	(12,880,938)
Proforma II	-
Effect of Proforma III	
- full exercise of Warrants	21,400,000
Proforma III	21,400,000

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

**Notes to the Proforma Consolidated Statement of Financial Position
as at 31 March 2012**

2. Effects on the proforma consolidated statement of financial position (continued)

2.2 Scenario II: Maximum scenario (continued)

d) Movement in warrant reserve

	RM
Balance at 31 March 2012	-
Effect of Proforma I	
- issuance of Rights Shares with Warrants	16,204,080
Proforma I and II	16,204,080
Effect of Proforma III	
- full exercise of Warrants	(16,204,080)
Proforma III	-

e) Movement in retained earnings

	RM
Balance at 31 March 2012	17,856,579
Effect of Proforma I	
- estimated expenses incurred for the Corporate Exercises	(550,000)
Proforma I	17,306,579
Effect of Proforma II	
- capitalisation of bonus shares to share capital	(8,519,062)
Proforma II and III	8,787,517

f) Movement in bank borrowings

	RM
Balance at 31 March 2012 - current	27,108,691
- non current	541,343
	27,650,034
Effect of Proforma I	
- proceeds from issuance of Rights Shares with Warrants to repay bank borrowings	(27,650,034)
Proforma I, II and III	-

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OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

TOYO INK GROUP BERHAD ("TIGB") AND ITS SUBSIDIARIES ("TIGB GROUP")
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

Notes to the Proforma Consolidated Statement of Financial Position
as at 31 March 2012

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Toyo Ink Group Berhad in accordance with a resolution of the Directors,

Name: Song Kok Cheong
Title : Managing Director
Date: 1 March 2013

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(AF 001825)
Chartered Accountants
For identification purposes only

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
31 MARCH 2012

AHL
Chartered Accountants (AF 001825)

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
31 MARCH 2012

CONTENTS

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

Board of Directors	Tuan Hj. Ir. Yusoff Bin Daud *(Chairman)* Song Kok Cheong Ng Chong You Lim Guan Lee Tham Kut Cheong You Tong Lioung @ Yew Tong Leong Lim Kee Min *(alternate director to Lim Guan Lee)*
Company Secretaries	Chow Chooi Yoong, MAICSA 0772574 Hazlina Bt. Harun, LS 03078
Registered Office	Lot 4.100, Tingkat 4, Wisma Central Jalan Ampang, 50450 Kuala Lumpur Telephone: 03-21619733
Principal Place of Business	PT 3477, Jalan 6/1 Kawasan Perusahaan Seri Kembangan 43300 Seri Kembangan Selangor Darul Ehsan
Auditors	AHL (formerly known as A.H.Lim & Partners) (AF: 001825) Chartered Accountants No 9-3, Jalan 109F Plaza Danau 2, Taman Danau Desa 58100 Kuala Lumpur
Principal Bankers	AmBank (M) Berhad AmIslamic Bank Berhad HSBC Bank Malaysia Berhad Malayan Banking Berhad RHB Bank Berhad Standard Chartered Bank Malaysia Berhad United Overseas Bank (Malaysia) Berhad
Solicitors	Tan Kim Soon & Co Ee & Associates

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

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

DIVIDENDS

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

RESERVES AND PROVISIONS

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

SHARES AND OPTIONS

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

DIRECTORS

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

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

DIRECTORS' INTERESTS IN SHARES

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

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

*Via spouse/children

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than transactions in the ordinary course of business between companies in the Group and a company in which certain Directors of the Company have substantial financial interests as disclosed in Note 29 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

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

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

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

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

In the opinion of the Directors:

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

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

SIGNIFICANT EVENTS

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

AUDITORS

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

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

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

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

We, **SONG KOK CHEONG** and **NG CHONG YOU**, being two of the Directors of **TOYO INK GROUP BERHAD**, do hereby state that, in opinion of the Directors, the financial statements set out on pages 11 to 83 are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 36 to the financial statements is prepared in all material respects, in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

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

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

I, **TAN CHOON HONG**, being the officer primarily responsible for the financial management of **TOYO INK GROUP BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 11 to 83 are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
TAN CHOON HONG)
at Kuala Lumpur in the Federal Territory)
on 24 July 2012)

....
TAN CHOON HONG

Before me,

PESURUHJAYA SUMPAH
No W533
Nama TENGKU FARIDDUDIN
BIN TENGKU SULAIMAN
MALAYSIA

205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur

AHL
Chartered Accountants (AF 001825)

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

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TOYO INK GROUP BERHAD, which comprise the statements of financial position as at 31 March 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 83.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD (continued)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2012 and of their financial performance and cash flows for the year then ended.

Emphasis of Matter

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

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

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

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD (continued)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

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

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

Other Reporting Responsibilities

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

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AHL Chartered Accountants (AF 001825)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYO INK GROUP BERHAD (continued)
(Incorporated in Malaysia)

Other Matters

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

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

Chua Kah Chun
Approved Number: 2696/09/13 (J)
Partner

AHL
Firm Number: AF: 001825
Chartered Accountants

Kuala Lumpur
24 July 2012

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AHL Chartered Accountants (AF 001825)

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

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

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

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Continuing operations					
Revenue	23	92,830,124	109,865,017	240,000	13,675,380
Cost of sales		(74,650,535)	(87,978,853)	-	-
Gross Profit		18,179,589	21,886,164	240,000	13,675,380
Other income		526,940	1,071,306	-	337,260
Selling and distribution costs		(6,989,703)	(7,529,241)	-	-
Administration expenses		(7,072,831)	(7,270,084)	(299,159)	(282,185)
Finance costs		(2,225,948)	(2,494,775)	-	-
Share of results in associate		(3,795)	(3,967)	-	-
Profit/(Loss) Before Taxation	24	2,414,252	5,659,403	(59,159)	13,730,455
Taxation	25	(1,095,482)	(2,735,731)	(28,937)	(3,460,556)
Profit/(Loss) from continuing operations		1,318,770	2,923,672	(88,096)	10,269,899
Discontinued operation					
Loss from discontinued operation, net of tax	26	(444,578)	(143,736)	-	-
Profit/(Loss) for the financial year		874,192	2,779,936	(88,096)	10,269,899
Other comprehensive income/(expense), net of tax					
Foreign currency translation		36,557	(339,959)	-	-
Total comprehensive income/(expense) for the financial year		910,749	2,439,977	(88,096)	10,269,899
Profit/(Loss) attributable to:					
Owners of the parent		1,110,765	2,718,631	(88,096)	10,269,899
Non-controlling interest		(236,573)	61,305	-	-
Profit/(Loss) for the financial year		874,192	2,779,936	(88,096)	10,269,899
Total comprehensive income/(expense) attributable to:					
Owners of the parent		1,210,266	2,402,923	(88,096)	10,269,899
Non-controlling interest		(299,517)	37,054	-	-
Total comprehensive income/(expense) for the financial year		910,749	2,439,977	(88,096)	10,269,899
Basic earnings per ordinary share (sen)	27				
- from continuing operations		3.22	6.64		
- from discontinued operations		(0.62)	(0.29)		
		2.60	6.35		

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

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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

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

TOYO INK GROUP BERHAD (590521-D)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation				
-Continuing operations	2,414,252	5,659,403	(59,159)	13,730.455
-Discontinued operations	(444,578)	(143,736)	-	-
	1,969,674	5,515,667	(59,159)	13,730.455
Adjustments for:				
Allowance for impairment of trade receivables	235,549	39,969	-	-
Bad debts written off	30,174	232,609	-	-
Depreciation and amortisation of property, plant and equipment	2,435,666	2,534,805	-	-
Depreciation of investment property	16,000	16,000	-	-
Dividend income	-	-	-	(13,435,380)
Gain on disposal of property, plant and equipment	(39,671)	-	-	-
Interest expense	2,143,440	2,030,685	-	-
Interest income	(437)	(6,934)	-	(337,260)
Loss on disposal of discontinued operation	-	90,864	-	-
Loss on disposal of property, plant and equipment	-	10,515	-	-
Property, plant and equipment written off	2,848	25,496	-	-
Reversal of allowance for impairment of trade receivables	(150,307)	(174,278)	-	-
Share of results in associate	3,795	3,967	-	-
Unrealised gain on foregin exchange	(6,755)	-	-	-
Operating profit/(loss) before working capital changes	6,639,976	10,319,365	(59,159)	(42,185)
Changes in working capital:				
Inventories	2,394,828	254,645	-	-
Receivables	(5,041,205)	(11,841,423)	360,000	(10,027,785)
Payables	7,565,821	5,230,211	78,375	88,836
Net cash from operating activities assets held for sale (Note 26)	(306,523)	-	-	-
Cash generated from/(used in) operations	11,252,897	3,962,798	379,216	(9,981,134)
Dividend received	-	-	-	10,076,535
Interest paid	(2,143,440)	(2,030,685)	-	-
Interest received	437	6,934	-	-
Tax paid	(1,423,381)	(2,028,752)	(104,092)	(55,000)
Tax refunded	257,917	47,456	-	-
Translation reserve	25,753	38,188	-	-
Net cash from/(used in) operating activities	7,970,183	(4,061)	275,124	40,401
CASH FLOWS FROM INVESTING ACTIVITIES				
*Acquisition of property, plant and equipment	(406,938)	(348,947)	-	-
Addition in development expenditure	(2,425,684)	-	-	-
Disposal of discontinued operation, net of cash (Note 26)	-	2,923,457	-	-
Proceeds from disposal of property, plant and equipment	201,882	227,994	-	-
Net cash (used in)/from investing activities	(2,630,740)	2,802,504	-	-

TOYO INK GROUP BERHAD (590521-D)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012 (continued)

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

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

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

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

TOYO INK GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012

1. GENERAL INFORMATION

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs) and the provisions of the Companies Act 1965 in Malaysia.

As stated in Note 7, the financial statement of a subsidiary company has been prepared on the going concern basis. The ability of this subsidiary company to continue as going concern basis is dependent on the continuing financial support of the Company and their achievement of future profitable operations.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated.

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

2. BASIS OF PREPARATION (continued)

2.1 Changes in Accounting Policies

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

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 132 *Classification of Right Issues*	1 March 2010
FRS 1 *First-time Adoption of Financial Reporting Standards (Revised)*	1 July 2010
FRS 3 *Business Combinations (Revised)*	1 July 2010
Amendments to FRS 2 *Share-based Payment*	1 July 2010
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 127 *Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12 *Service Concession Arrangements*	1 July 2010
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 1 *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*	1 January 2011
Amendments to FRS 3 *Business Combinations [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 7 *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 7 *Financial Instruments: Disclosures [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 101 *Presentation of Financial Statements [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 121 *The Effect of Changes in Foreign Exchange Rates [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 128 *Investments in Associates [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 131 *Interest in Joint Ventures [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 132 *Financial Instruments: Presentation [Improvements to FRSs (2010)]*	1 January 2011
Amendments to FRS 134 *Interim Financial Reporting [Improvements to FRSs (2010)]*	1 January 2011

2.1 Changes in Accounting Policies (continued)

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 139 *Financial Instruments: Recognition and Measurement [Improvements to FRSs (2010)]*	1 January 2011
Amendments to IC Interpretation 13 *Customers Loyalty Programmes [Improvements to FRSs (2010)]*	1 January 2011
IC Interpretation 4 *Determining whether an Arrangement contains a Lease*	1 January 2011
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2011

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

FRS 3: Business Combination (Revised)

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

Amendments to FRS 127: Consolidated and Separate Financial Statements

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

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

Amendments to FRS 7: Improving Disclosure about Financial Instruments

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

2.2 FRS and IC Interpretations Issued but Not Yet Effective

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

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

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

2.3 Malaysian Financial Reporting Standards ("MFRS")

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

a) Subsidiaries and Basis of Consolidation

i. Subsidiaries

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Subsidiaries and Basis of Consolidation (continued)

ii. Basis of Consolidation

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

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

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

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

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

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

b) Goodwill

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Goodwill (continued)

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

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

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

c) **Associates**

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Freehold land is not amortised as it has an infinite life. Building under construction is not amortised until it is ready for its intended use.

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Investment Properties

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

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

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

f) **Development Expenditure**

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Leases

i. The Group As Lessee

Finance lease

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

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

Operating lease

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

ii. The Group As Lessor

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

h) Inventories

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) **Financial Instruments**

i. **Initial recognition and measurement**

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

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

ii. **Financial instrument categories and subsequent measurement**

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

Financial assets

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments (continued)

ii. Financial instrument categories and subsequent measurement (continued)

b) Loans and receivables ("LR")

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

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

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

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

c) Held-to-maturity investments ("HTM")

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial Instruments (continued)

ii. Financial instrument categories and subsequent measurement (continued)

d) Available-for-sale financial assets ("AFS")

AFS are financial assets that are designated as AFS or are not classified in any of the three preceding categories.

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) **Financial Instruments (continued)**

ii. **Financial instrument categories and subsequent measurement (continued)**

Financial liabilities

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

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

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

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL.

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

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

b) **Other financial liabilities**

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

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as FVTPL.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) **Financial Instruments (continued)**

iii. Financial guarantee contracts

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

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

iv. Regular way purchase or sale of financial assets

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

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

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

v. Derecognition

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments (continued)

vi. Offsetting financial instruments

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

j) Trade Receivables

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

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

k) Cash and Cash Equivalents

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

l) Impairment of Assets

i. Financial assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of Assets (continued)

ii. Non-financial assets

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

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

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

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

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

m) Provision for Liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Equity Instruments

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

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

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

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

o) Foreign Currencies

i. Functional and presentation currencies

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

ii. Foreign currency transactions

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Foreign Currencies (continued)

iii. Foreign operations

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

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

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

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

p) Hire Purchase

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

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

q) Trade Payables

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Revenue Recognition

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

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

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

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

s) **Employee Benefits**

i. **Short term benefits**

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

ii. **Defined contribution plans**

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

t) **Income Taxes**

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

i. **Current tax**

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Income Taxes (continued)

ii. Deferred tax

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

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

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

u) **Borrowing Costs**

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

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

v) **Contingencies**

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

x) Earnings Per Ordinary Share

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

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

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

y) Operating Segments

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

i. Significant judgements in applying the Group's accounting policies

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

ii. Key sources of estimation uncertainty

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

- **Estimated useful lives of property, plant and equipment**

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

ii. Key sources of estimation uncertainty (continued)

- **Impairment of investment in subsidiaries**

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

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

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

- **Impairment assessment of goodwill on consolidation**

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

- **Impairment of development expenditure**

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

ii. Key sources of estimation uncertainty (continued)

- **Impairment losses of receivables**

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

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

- **Income taxes**

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

5. PROPERTY, PLANT AND EQUIPMENT

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

5. PROPERTY, PLANT AND EQUIPMENT

Group At 31 March 2011	Freehold Land and Buildings		Long Term Leasehold Land and Buildings						
At cost unless otherwise stated	At Cost	At Deemed Cost (2004 & 2005)	At Cost	At Deemed Cost (2004)	Plant, Machinery and Equipment	Motor Vehicles	Office Equipment	Furniture and Fittings, Renovation, Signboard	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2010									
-As previously stated	1,286,405	3,347,110	15,577,934	2,470,000	21,586,190	1,456,500	2,298,121	2,756,050	50.778,310
-Effect of adopting Amendment to FRS 117	-	-	1,041,561	6,130,000	-	-	-	-	7,171,561
-As restated	1,286,405	3,347,110	16,619,495	8,600,000	21,586,190	1,456,500	2,298,121	2,756,050	57.949.871
Additions	-	-	-	-	339,767	42,851	31,090	16,515	430.223
Disposals/Write offs	-	-	(130,892)	-	(1,298,763)	(106,127)	(149,292)	(1,375)	(1.686,449)
Exchange difference	-	-	(561,029)	-	(112,285)	(31,947)	(20,131)	-	(725,392)
At 31 March 2011	1,286,405	3,347,110	15,927,574	8,600,000	20,514,909	1,361,277	2,159,788	2,771,190	55,968,253
Accumulated depreciation and amortisation									
At 1 April 2010									
-As previously stated	29,826	186,947	1,567,716	268,735	13.113,156	1,073.467	1,838,181	1,771,520	19.849.548
-Effect of adopting Amendment to FRS 117	-	-	101,489	571,234	-	-	-	-	672,723
-As restated	29,826	186,947	1,669,205	839,969	13,113,156	1,073,467	1,838,181	1,771,520	20,522,271
Additions	1,767	27,063	501,798	120,169	1,506,236	87,767	75,877	214,128	2,534,805
Disposals/Write offs	-	-	(23,858)	-	(1,218,103)	(83,959)	(95,438)	(1,086)	(1,422,444)
Exchange difference	-	-	(65,454)	-	(50,278)	(9,373)	(9,534)	-	(134,639)
At 31 March 2011	31,593	214,010	2,081,691	960,138	13,351,011	1,067,902	1,809,086	1,984,562	21,499,993
Accumulated impairment loss									
At 31 March 2011 / 1 April 2010	95,164	-	-	-	-	-	-	-	95,164
Net carrying amount									
At 31 March 2011	1,159,648	3,133,100	13,845,883	7,639,862	7,163,898	293,375	350,702	786,628	34,373,096

5. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

6. INVESTMENT PROPERTY

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

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

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

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

7. INVESTMENT IN SUBSIDIARY COMPANIES

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

The details of the subsidiary companies are as follows:

Name of Companies	Effective Interest 2012 %	Effective Interest 2011 %	Principal Activities
Direct subsidiary			
*Toyo Ink Sdn. Bhd. ("TISB")	100	100	Investment holding, ink manufacturer and undertake investment, implementation and operating of power plant business.
Subsidiaries of TISB			
Toyo Photo Products Sdn. Bhd.	100	100	Dealers of graphic art, films, chemicals, machineries and equipment for lithography and allied industries.
Toyo Dai-Nichi Ink Sdn. Bhd.	60	60	Manufacturers and dealers of printing ink and other printing materials.
Toyo Ink (Perak) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Penang) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
Toyo Ink (Melaka) Sdn. Bhd.	100	100	Suppliers, distributors and dealers of printing ink, colour pigment, colourants for plastic and other printing materials.
ΔEDM-Tools (M) Sdn. Bhd. ("ETSB")	100	100	Sales and distributions of electrical discharge machining tools.
ΔELO Dunia Manufacturing (M) Sdn. Bhd. ("ELO")	100	100	Manufacturing and fabrication of metal and graphite parts.
ΔINMAC EDM-Tools (M) Sdn. Bhd.	100	100	Manufacturing of EDM-cut-wire.

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of Companies	Effective Interest 2012 %	Effective Interest 2011 %	Principal Activities
⌂EDM-Tools (Penang) Sdn. Bhd.	100	100	Dealer of all kinds of engineering and aviation equipment, accessories and attachments.
#^Citi Ink Manufactured Joint Venture Co., Ltd. ("CITI")	60	60	Manufacturer of printing inks.
Subsidiary of ELO			
Toyo Laser Technology Sdn. Bhd.	100	100	Sales and distributions of machinery and machine parts.
Subsidiary of ETSB			
#EDM-Tools (S) Pte Ltd ("ETSPL")	100	-	Sales and distributions of electrical discharge machining tools.

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

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

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

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

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

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

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

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

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

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

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

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

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

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

8. INVESTMENT IN ASSOCIATE

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

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

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

The summarised financial information of the associate is as follows:

	2012 RM	2011 RM
Assets and Liabilities		
Current assets	32,251	39,677
Non-current assets	1,063,637	1,059,223
Total assets	1,095,888	1,098,900
Current liabilities	31,282	31,152
Non-current liabilities	-	-
Total liabilities	31,282	31,152
Results		
Revenue	-	-
Loss for the financial year	(7,590)	(7,934)

9. GOODWILL ON CONSOLIDATION

	Group	
	2012	2011
	RM	RM
At cost/carrying amount	17,496,312	17,496,312

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

	Group	
	2012	2011
	RM	RM
Manufacturing	10,205,616	10,205,616
Trading	7,290,696	7,290,696
	17,496,312	17,496,312

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

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

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

i. Gross margin
The projected gross margin reflects the average historical gross margin, adjusted for projected market and economic conditions and internal resource efficiency.

ii. Growth rate
Growth rate are determined based on the industry trends and past performances of the segments.

iii. Discount rate
The discount rate used is 6% which approximates the cash-generating units' average cost of funds.

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

10. DEVELOPMENT EXPENDITURE

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

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

11. INVENTORIES

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

12. TRADE AND OTHER RECEIVABLES

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

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

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

12. TRADE AND OTHER RECEIVABLES (continued)

Ageing analysis of trade and other receivables

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

Receivables that are neither past due nor impaired

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

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM7,694,467 (2011: RM14,008,888) that are past due at the reporting date but not impaired.

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

12. TRADE AND OTHER RECEIVABLES (continued)

Receivables that are impaired

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

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

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

Movement in allowance accounts

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

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

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

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

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

12. TRADE AND OTHER RECEIVABLES (continued)

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

The progress of the project is as follows:

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

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

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

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

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

Further to the meeting between the Company and the Provincial People's Committee of Hau Giang Province, Vietnam for the presentation of the Company's proposed investment project for Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province, with output capacity of 2 X 1,000 MW at an estimated investment of USD2.5 billion, the Company announced that it had received notification as follows:

a. The People's Committee of Hau Giang Province, Vietnam, has agreed in principle to the Company's proposed investment project for building of the Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province.

12. TRADE AND OTHER RECEIVABLES (continued)

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 Center, Hau Giang Province, has been approved by the Ministry of Industry and Trade, with the land use scale of 360 hectares, power of 5,200MW, containing 3 projects: Song Hau 1 Thermo Power Plant Project, capacity of 2 X 600MW; Song Hau 2 and 3 Thermo Power Plants Projects, capacity of 2 x 2 x 1,000MW. Petrovietnam ("PVN") has been assigned to play the role of investor of Song Hau 1 Thermo Power Plant Project and general infrastructure of Song Hau Power Center by the Prime Minister. Song Hau Power Center is a huge project while capital arrangement capability of PVN is limited. At present, there are no investors of Song Hau 2 and 3 Thermo Power Plants.

- The proposed investment in the project of the Company is suitable to the planning of Song Hau Power Center which has been approved by the Ministry of Industry and Trade at the Decision No. 6722/QD-BCT dated 23 December 2008 and it is suitable to present remarkable power use demand of Mekong Delta in particular and the entire country in general. In addition, the geographical location of Song Hau Power Center is advantageous for coal transport from other area to serve the operation of the plants. In principle, the People's Committee of Hau Giang Province hereby agrees to let the Company invest and construct the Song Hau 2 Thermo Power Plant at Song Hau Power Center, Hau Giang Province.

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

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

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

12. TRADE AND OTHER RECEIVABLES (continued)

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

(a) Financial Effects Of The Project On The Group

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

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

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

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

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

(c) Risks In Relation To The Project

i) Operation Consideration

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

12. TRADE AND OTHER RECEIVABLES (continued)

(c) Risks In Relation To The Project (continued)

ii) Economic Consideration

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

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

iii) Regulatory Consideration

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

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

iv) **Power Purchasing Agreement (PPA)**

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

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

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

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

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

12. TRADE AND OTHER RECEIVABLES (continued)

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

The Board of Directors fully realises that a complex project of this nature, with countless meetings and presentations to various provincial authorities and offices of relevant ministries of the Vietnam Government will be extremity time consuming.

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

The Board of Directors is fully cognizant of the risks involved but is confident of successful outcome of this project. All payments and advances to the Consultant are refundable if the Company is not successful in securing this project. Accordingly no impairment on the prepayment had been recognised in these financial statements.

13. AMOUNT OWING BY A SUBSIDIARY COMPANY

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

The trade terms are as stated in Note 12.

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

14. DISPOSAL GROUP HELD FOR SALE

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

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

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

Note

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

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

b. Receivables are stated at cost.

15. SHARE CAPITAL

Ordinary shares of RM1 each

	Group and Company			
	2012		2011	
	No. of shares	RM	No. of shares	RM
Authorised	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid	42,800,000	42,800,000	42,800,000	42,800,000

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

16. RESERVES

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Non-distributable					
Share premium	16a	4,320,938	4,320,938	4,320,938	4,320,938
Translation reserve	16b	(451,980)	(551,481)	-	-
		3,868,958	3,769,457	4,320,938	4,320,938
Distributable					
Retained earnings		17,856,579	16,745,814	9,903,732	9,991,828
		21,725,537	20,515,271	14,224,670	14,312,766

Non distributable reserves are not distributable by way of dividends.

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

Note

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

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

17. NON-CONTROLLING INTERESTS

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

18. HIRE PURCHASE PAYABLES

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

19. BANK BORROWINGS

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

19. BANK BORROWINGS (continued)

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

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

20. DEFERRED TAX LIABILITIES

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

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

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

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

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

21. TRADE AND OTHER PAYABLES

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

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

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

Included in other payables are the following advances received for the Group's Power Plant Project in Vietnam, as disclosed in Note 10 and Note 12:

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

22. AMOUNT OWING TO DIRECTORS

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

23. REVENUE

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

24. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at:

	Group		Company	
	2012	2011	2012	2011
After charging	RM	RM	RM	RM
Allowance for impairment of trade receivables	235,549	39,969	-	-
Auditors' remuneration				
- statutory				
- current financial year	125,000	127,000	18,000	18,000
- over stated in prior financial year	(430)	(6,280)	-	-
- non statutory				
- current financial year	15,000	10,500	8,500	4,000
Bad debts written off	30,174	232,609	-	-
Depreciation of investment property	16,000	16,000	-	-
Depreciation and amortisation of property, plant and equipment	2,435,666	2,534,805	-	-
Hire of motor vehicles	-	3,801	-	-
Interest expense	2,143,440	2,030,685	-	-
Loss on disposal of property, plant and equipment	-	10,515	-	-
Loss on foreign exchange – Realized, net	355,933	-	-	-
Plant and equipment written off	2,848	25,496	-	-
Rental of premises	58,389	57,853	-	-
Staff and labour costs	11,295,735	11,217,355	87,500	87,500
And crediting				
Bad debts recovered	29,207	51,800	-	-
Gain on disposal of property, plant and equipment	39,671	-	-	-
Gain on foreign exchange –				
-realised, net	-	132,534	-	-
-unrealised	6,755	-	-	-
Grant received	59,531	44,036	-	-
Insurance claim	128,312	15,446	-	-
Interest income	437	6,934	-	337,260
Management fee	-	-	240,000	240,000
Rental income	111,677	110,520	-	-
Reversal of allowance for impairment of trade receivables	150,307	174,278	-	-
Royalties income	25,000	25,000	-	-

24. PROFIT/(LOSS) BEFORE TAXATION (continued)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Staff and labour costs comprise:				
Directors' remuneration	1,933,122	2,096,488	87,500	87,500
Salaries, wages, allowance, overtime and bonus	8,370,362	8,199,285	-	-
EPF	898,228	830,712	-	-
Socso	94,023	90,870	-	-
	11,295,735	11,217,355	87,500	87,500
Directors' remuneration				
- fees	371,500	277,050	87,500	87,500
- salaries and other emoluments	1,402,435	1,671,671	-	-
- EPF	157,327	147,236	-	-
- Socso	1,860	531	-	-
	1,933,122	2,096,488	87,500	87,500

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

25. TAXATION

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

25 TAXATION (continued)

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

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

26. DISCONTINUED OPERATION

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

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

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

	Note	Group 2011 RM
Results of discontinued operation		
Revenue	23	266,283
Other income		-
Expenses		(319,155)
Loss before taxation		(52,872)
Taxation		-
Loss for the financial year		(52,872)
Loss on disposal of discontinued operation		(90,864)
		(143,736)

26. DISCONTINUED OPERATION (Continued)

	Group 2011 RM
Cash flows from discontinued operation	
Net cash from operating activities	-
Net cash from investing activities	2,923,457
Net cash from financing activities	-
Net cash flows	2,923,457

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

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

27. EARNINGS PER ORDINARY SHARE

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

	Group	
	2012 RM	2011 RM
Profit attributable to ordinary shareholders		
Continuing operations	1,377,512	2,841,218
Discontinued operations	(266,747)	(122,587)
	1,110,765	2,718,631
Weighted average number of ordinary shares	42,800,000	42,800,000
	Sen	Sen
Basic earnings per ordinary share		
Continuing operations	3.22	6.64
Discontinued operations	(0.62)	(0.29)
	2.60	6.35

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

28. SECTION 108 TAX CREDIT AND TAX EXEMPT INCOME ACCOUNT

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

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 March 2012 will be available to the Group and to the Company until such time the credit is fully utilised or upon expiry of the six year transitional period on 31 December 2013 whichever is earlier.

29. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Identity of Related Parties

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

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

The Group has related party relationships with the following parties:

Subsidiaries (refer Note 7) Associate (refer Note 8)

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

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

29. SIGNIFICANT RELATED PARTIES TRANSACTIONS (continued)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Transactions with a related party who is Director of Total Young Ink Vietnam Co., Ltd.				
Ms. Diep Thi Hai., director of subsidiary companies				
Proceed from disposal of discontinued operation	-	2,046,000	-	-
Transactions with subsidiary Company				
Toyo Ink Sdn. Bhd.				
-management fees income	-	-	240,000	240,000
-interest income	-	-	-	337,260
-dividend income	-	-	-	13,435,380

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

30. CONTINGENT LIABILITIES

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

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

31. SEGMENTAL INFORMATION

Operating segments

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

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

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

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

Segment Assets

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

Segment Liabilities

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

Segment Capital Expenditure

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

Major Customers

The Group has a diversified range of customers.

31. SEGMENTAL INFORMATION (continued)

2012

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

31. SEGMENTAL INFORMATION (continued)

2011

Business Segment	Manufacturing RM	Trading and Investment Holding RM	Discontinued Operation RM	Elimination RM	Consolidated RM
Revenue					
External	68,705,154	41,159,863	266,283	-	110,131,300
Inter-segment	25,554,373	3,107,434	237,474	(28,899,281)	-
Total	94,259,527	44,267,297	503,757	(28,899,281)	110,131,300
Results					
Segment results	4,793,290	3,364,855	(143,736)	-	8,014,409
Finance costs	1,560,237	934,538	-	-	(2,494,775)
Share of results in associate		(3,967)	-	-	(3,967)
Taxation					(2,735,731)
Non-controlling interest					(61,305)
Profit for the financial year					2,718,631
Other information					
Segment assets	115,286,593	27,660,959	-	-	142,947,552
Associate					486,380
Unallocated corporate assets					17,854,683
Consolidated segment assets					161,288,615
Segment liabilities	53,894,976	3,330,112	-	-	57,225,088
Unallocated corporate liabilities					35,870,116
Consolidated segment liabilities					93,095,204
Capital expenditure	390,344	39,879	-	-	430,223
Depreciation/ amortisation	2,266,885	283,920	-	-	2,550,805

31. SEGMENTAL INFORMATION (continued)

Geographical Segments

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

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

	Revenue from external customers by location of customers		Segment assets by location of assets		Capital expenditure by location of assets	
	2012	2011	2012	2011	2012	2011
	RM	RM	RM	RM	RM	RM
Continuing operations						
Malaysia	92,830,124	109,865,017	141,886,001	137,647,856	1,110,938	430,223
Vietnam	-	-	-	5,786,076	-	-
Discontinued operation						
Vietnam	-	266,283	5,035,671	-	-	-
	92,830,124	110,131,300	146,921,672	143,433,932	1,110,938	430,223

32. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

i. On 10 June 2011, TISB's wholly owned subsidiaries, Elo Dunia Manufacturing (M) Sdn. Bhd. ("ELO") and Inmac EDM-Tools (M) Sdn. Bhd. ("Inmac") had entered into separate Sale and Purchase Agreements with NPO Land Sdn. Bhd. for the acquisition of the following lands for a total consideration of RM8,972,000:

Description of the Properties	Purchasers	Consideration RM
a) One parcel of industrial freehold land measuring approximately 108,029 square feet and identified as Lot No. L1-6, Seri Alam Industrial Park.	ELO	4,105,000
b) One parcel of industrial freehold land measuring approximately 128,066 square feet and identified as Lot No. L1-5A, Seri Alam Industrial Park.	Inmac	4,867,000
	Total	8,972,000

32. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR (continued)

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

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

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

33. FINANCIAL INSTRUMENTS

a. Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:
a) Loans and receivables (L&R)
b) Other liabilities (OL)

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

33. FINANCIAL INSTRUMENTS (continued)

a. Categories of Financial Instruments (continued)

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

b. **Financial Risk Management Objectives and Policies**

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

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

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

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

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the Group's policy is not to engage in speculative transactions.

i. **Market risk**

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

33. FINANCIAL INSTRUMENTS (continued)

b. Financial Risk Management Objectives and Policies (continued)

ii. Foreign currency risk

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

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

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

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

Group	USD RM	SGD RM	CHF RM	JPY RM	EUR RM	Total RM
2012						
Financial Assets						
Trade receivables	1,544,402	203,912	-	-	412,588	2,160,902
Cash and bank balances	509,197	67,380	-	-	11,275	587,852
Financial Liabilities						
Trade payables	(2,290,266)	(9,896)	(138,890)	(260,229)	(214,775)	(2,914,056)
Net exposure	(236,667)	261,396	(138,890)	(260,229)	209,088	(165,302)
2011						
Financial Assets						
Trade Receivables	1,439,251	223,208	-	-	781,364	2,443,823
Cash and bank balances	32,770	45,081	-	-	-	77,851
Financial Liabilities						
Trade Payables	(3,425,286)	(29,064)	(364,194)	(148,268)	(443,487)	(4,410,299)
Net exposure	(1,953,265)	239,225	(364,194)	(148,268)	337,877	(1,888,625)

33. FINANCIAL INSTRUMENTS (continued)

b. Financial Risk Management Objectives and Policies (continued)

ii. Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

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

In 2011, a 10% strengthening of the USD against Ringgit Malaysia at the end of the reporting period would have increase/decrease the Group's profit or loss by RM195,327. The analysis assumes that all variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchases.

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

iii. Interest rate risk

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

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

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

33. FINANCIAL INSTRUMENTS (continued)

b. Financial Risk Management Objectives and Policies (continued)

iii. Interest rate risk (continued)

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

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

Interest rate risk sensitivity analysis

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

A change of 10 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) the Group's profit or loss by RM210,934 (2011: RM203,068). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

33. FINANCIAL INSTRUMENTS (continued)

b. Financial Risk Management Objectives and Policies (continued)

iv. Credit risk

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

a) Receivables

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

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

As at 31 March 2012, there is certain trade receivables of the Group have exceeded its normal trade credit terms. However, the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that will eventually be received.

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

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

b) Financial Guarantees

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

33. FINANCIAL INSTRUMENTS (continued)

b. Financial Risk Management Objectives and Policies (continued)

iv. Credit risk (continued)

c) Inter company balances

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

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

v. Liquidity risk

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

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

33. FINANCIAL INSTRUMENTS (continued)

b. Financial Risk Management Objectives and Policies (continued)

v. Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

Financial liabilities	On demand or within one year RM	One to five years RM	Total RM
2012			
Trade and other payables	58,696,654	-	58,696,654
Hire purchase payables	295,383	251,074	546,457
Bankers' acceptances	16,903,000	-	16,903,000
Bank overdrafts	10,046,870	-	10,046,870
Bills payable	-	-	-
Term loans	158,821	541,343	700,164
	86,100,728	792,417	86,893,145
2011			
Trade and other payables	48,085,088	-	48,085,088
Hire purchase payables	337,932	30,467	368,399
Bankers' acceptances	16,892,412	-	16,892,412
Bank overdrafts	8,324,698	-	8,324,698
Bills payable	6,113,000	-	6,113,000
Term loans	778,816	699,832	1,478,648
	80,531,946	730,299	81,262,245

c. **Fair value**

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

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

34. CAPITAL COMMITMENT

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

35. CAPITAL MANAGEMENT

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

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

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

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

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

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

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

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

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

37. COMPARATIVE FIGURES

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

TOYO INK GROUP BERHAD

(Company No. 590521 D)
(Incorporated in Malaysia)

QUARTERLY REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED
31 DECEMBER 2012

This Report is dated 27 February 2013.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE NINE (9) MONTHS FPE 31 DECEMBER 2012 (Cont'd)

TOYO INK GROUP BERHAD
(Company No. 590521 D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2012
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended	Corresponding quarter ended	Current year to date ended	Corresponding year to date ended
	31/12/2012 RM'000	31/12/2011 RM'000	31/12/2012 RM'000	31/12/2011 RM'000
Continuing operations				
Revenue	20,968	21,888	65,681	70,277
Cost of sales	(16,808)	(17,830)	(52,873)	(56,887)
Gross profit	4,160	4,058	12,808	13,390
Operating expenses	(3,441)	(3,500)	(10,244)	(10,596)
Other operating income	268	161	368	501
Finance cost	(526)	(520)	(1,466)	(1,670)
Share of results in associate	(1)	(1)	(1)	(1)
Profit before taxation	460	198	1,465	1,624
Taxation	(413)	(30)	(760)	(1,053)
Profit from continuing operations	47	168	705	571
Discontinued operations				
Loss from discontinued operation, net of tax	-	-	(6)	-
Profit for the period	47	168	699	571
Profit Attributable to:				
Owners of the parent	109	226	866	782
Non-controlling interest	(62)	(58)	(167)	(211)
	47	168	699	571
Basic earnings/(loss) per ordinary share (sen)				
From continuing operations	0.25	0.53	2.03	1.83
From discontinued operation	-	-	(0.01)	-
	0.25	0.53	2.02	1.83
- Fully diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 March 2012

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE NINE (9) MONTHS FPE 31 DECEMBER 2012 (Cont'd)

TOYO INK GROUP BERHAD
(Company No. 590521 D)
(Incorporated in Malaysia)

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2012
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended	Corresponding quarter ended	Current year to date ended	Corresponding year to date ended
	31/12/2012 RM'000	31/12/2011 RM'000	31/12/2012 RM'000	31/12/2011 RM'000
Continuing operations				
Profit for the period	47	168	705	571
Translation reserve	-	(49)	-	4
	47	119	705	575
Discontinued operation				
Profit/(Loss) for the period	-	-	(6)	-
Translation reserve	4	-	(8)	-
Total comprehensive income for the period	51	119	691	575
Total comprehensive income attributable to:				
Owners of the parent	113	157	858	786
Non-controlling interest	(62)	(38)	(167)	(211)
	51	119	691	575

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 March 2012

TOYO INK GROUP BERHAD
(Company No. 590521 D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	As at end of current quarter 31/12/2012 RM '000	Audited As at preceding financial year ended 31/03/2012 RM '000
ASSETS		
Non Current Assets		
Property, plant and equipment	28,278	28,090
Investment property	1,644	1,656
Investment in associate	484	485
Development expenditure	3,683	2,426
Goodwill on consolidation	17,496	17,496
	51,585	50,153
Current Assets		
Inventories	13,239	13,595
Trade and other receivables	101,792	92,412
Tax recoverable	329	367
Fixed deposits with licensed banks	18	17
Cash and bank balances	3,126	3,205
Assets classified as held for sale	5,458	5,036
	123,962	114,632
TOTAL ASSETS	175,547	164,785
EQUITY AND LIABILITIES		
Share capital		
Reserves	42,800	42,800
Total equity attributable to	22,584	21,725
owners of the parent	65,384	64,525
Non-controlling interest	5,212	4,489
TOTAL EQUITY	70,596	69,014
Non Current Liabilities		
Hire purchase creditors	1,004	251
Long term borrowings	397	541
Deferred tax liabilities	2,676	2,632
	4,077	3,424
Current Liabilities		
Trade and other payables	64,317	58,696
Amount owing to directors	5,890	6,088
Hire purchase creditors	990	295
Short term borrowings	29,512	27,109
Taxation	-	-
Liabilities classified as held for sale	165	159
	100,874	92,347
TOTAL LIABILITIES	104,951	95,771
TOTAL EQUITY AND LIABILITIES	175,547	164,785
Net Assets Per Share Attributable to Owners of the Parent (RM)	1.53	1.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 March 2012

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE NINE (9) MONTHS FPE 31 DECEMBER 2012 (Cont'd)

TOYO INK GROUP BERHAD
(Company No. 590521 D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2012
(The figures have not been audited)

	<--Attributable to Shareholders of the Company-->					
	<-Non-Distributable Reserves->			Distributable Reserve		
	Share Capital RM '000	Share Premium RM '000	Translation Reserve RM '000	Retained Earnings RM '000	Non-Controlling Interest RM'000	Total Equity RM '000
Balance as at 1 April 2011	42,800	4,321	(552)	16,746	4,878	68,193
Dividends	-	-	-	-	(90)	(90)
Total comprehensive income/(expense) for the period	-	-	4	782	(211)	575
Balance as at 31 December 2011	42,800	4,321	(548)	17,528	4,577	68,678
Balance as at 1 April 2012	42,800	4,321	(452)	17,857	4,489	69,015
Changes in equity interest	-	-	-	-	890	890
Dividends	-	-	-	-	-	-
Total comprehensive income/(expense) for the period	-	-	(8)	866	(167)	691
Balance as at 31 December 2012	42,800	4,321	(460)	18,723	5,212	70,596

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 March 2012

TOYO INK GROUP BERHAD
(Company No. 590521 D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2012
(The figures have not been audited)

	Current year to date ended 31/12/2012 RM'000	Corresponding year to date ended 31/12/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- Continuing operations	1,465	1,624
- Discontinued operation	(6)	-
	1,459	1,624
Adjustments for:		
Non-cash items	1,847	1,751
Interest income	-	(1)
Interest expense	1,341	1,654
Operating profit before working capital changes	4,647	5,028
Changes in working capital:		
Net changes in current assets	(9,088)	194
Net changes in current liabilities	5,429	(732)
Operating assets held for sale	(447)	-
Cash generated from operations	541	4,490
Tax refunded	186	39
Tax paid	(862)	(1,252)
Interest received	-	1
Interest paid	(1,341)	(1,654)
Translation reserve	(8)	4
Net cash (used in)/from operating activities	(1,484)	1,628
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	57	192
Acquisition of property, plant and equipment *	(523)	(366)
Acquisition of subsidiary company, net of cash	-	(7)
Development expenditure	(1,257)	-
Disposal of discontinued operation, net of cash	-	-
Net cash used in investing activities	(1,723)	(181)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(122)	(114)
Proceeds/(Repayment) from bankers acceptance and bills payable	1,183	(5,765)
Dividends paid to non-controlling interest	-	(90)
(Payment) / Finance from hire purchase creditors	(20)	(417)
Capital contribution from non-controlling interest	890	-
Net cash from/(used in) financing activities	1,931	(6,386)
Net (decrease)/increase in cash and cash equivalents	(1,276)	(4,939)
Cash and cash equivalents at beginning of financial year	(6,825)	(4,667)
Cash and cash equivalents at end of financial quarter	(8,101)	(9,606)
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	3,126	1,752
Fixed deposits with licensed banks	18	17
Bank overdraft	(11,245)	(11,375)
	(8,101)	(9,606)

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

	31/12/2012 RM'000	31/12/2011 RM'000
Mode of payments:		
Cash	523	366
Hire Purchase	1,468	704
	1,991	1,070

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 March 2012

TOYO INK GROUP BERHAD
(Company No. 590521 D)
(Incorporated in Malaysia)

QUARTERLY REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2012

NOTES TO THE FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 (INTERIM FINANCIAL REPORTING)

A1. Basic of Preparation

The unaudited interim financial statements, for the period ended 31 December 2012, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2012. For the periods up to and including the year ended 31 March 2012, the Group prepared its financial statement in accordance with the Financial Reporting Standards ("FRS").

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2012.

A2. Changes in Accounting Policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for financial year ended 31 March 2012. Except for certain differences, the requirements under FRS and MFRS are similar.

The Group has adopted the MFRS Framework and the MFRS1, First-time Adoption of Malaysian Financial Reporting Standards in these condensed consolidated interim financial statements. The transition from FRS to MFRS does not have any material financial impact on the financial statements of the Group.

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

MFRS, Amendments to MFRS and IC Interpretations	**Effective for financial periods beginning on or after**
Amendments to MRFS 101 *Presentation of items of Other Comprehensive Income*	1 July 2012
MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)*	1 January 2013
MFRS 10 *Consolidated Financial Statements*	1 January 2013
MFRS 11 *Joint Arrangements*	1 January 2013
MFRS 12 *Disclosures of Interest in Other Entities*	1 January 2013
MFRS 13 *Fair Value Measurement*	1 January 2013
MFRS 119 *Employee Benefits*	1 January 2013
MFRS 127 *Separate Financial Statements*	1 January 2013
MFRS 128 *Investment in Associates and Joint Ventures*	1 January 2013
Amendments to MRFS 7 *Disclosures-Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to MRFS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014

A3. Auditors' Report

The auditors' report of the preceding annual financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A6. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim period which have a material effect on the current interim period.

A7. Issuance or Repayment of Debts and Equity Securities

There is no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current quarter under review.

A8. Dividend

No dividend was paid in the current quarter.

A9. Segmental Reporting

Current Year To Date 31 December 2012

	Manufacturing RM'000	Trading and investment holding RM'000	Discontinued Operation RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	39,981	25,700	-	-	65,681
Inter-segment	16,083	2,256	-	(18,339)	-
Total revenue	56,064	27,956	-	(18,339)	65,681
Results					
Segment results	2,318	613	-	-	2,931
Finance costs	(1,001)	(464)	(6)	-	(1,471)
Share of results in associate					(1)
Taxation					(760)
Non-controlling interest					167
Net profit for the financial period					866
Other Information					
Segment assets	131,094	20,686	5,458	-	157,238
Associate					484
Unallocated corporate assets					17,825
Consolidated total assets					175,547
Segment liabilities	68,018	2,189	165	-	70,372
Unallocated corporate liabilities					34,579
Consolidated total liabilities					104,951
Capital expenditure	1,766	225	-	-	1,991
Depreciation/ amortization	1,579	180	87	-	1.846

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE NINE (9) MONTHS FPE 31 DECEMBER 2012 (Cont'd)

Corresponding Year To Date 31 December 2011

	Manufacturing RM'000	Trading and investment holding RM'000	Discontinued Operation RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	37,829	32,448	-	-	70,277
Inter-segment	18,475	2,117	-	(20,592)	-
Total revenue	56,304	34,565	-	(20,592)	70,277
Results					
Segment results	1,769	1,526	-	-	3,295
Finance costs	(1,004)	(666)	-	-	(1,670)
Share of results in associate	-	-	-	-	(1)
Taxation					(1.053)
Non-controlling interest					211
Net profit for the financial period					782
Other Information					
Segment assets	115,322	24,669	-	-	139,991
Associate					487
Unallocated corporate assets					18,613
Consolidated total assets					159,091
Segment liabilities	53,810	2,682	-	-	56,492
Unallocated corporate liabilities					33,921
Consolidated total liabilities					90,413
Capital expenditure	931	139	-	-	1,070
Depreciation/ amortization	1,594	187	-	-	1,781

Geographical Segments
The Group operates in two principal geographical areas, Malaysia and Vietnam. In Malaysia, the Group's operations are mainly production and sale of products while the operation in Vietnam is mainly rental of property.

	Revenue from external customers by location of customers		Segment assets by location of assets		Capital expenditure by location of assets	
	YTD 31 Dec 2012 RM'000	YTD 31 Dec 2011 RM'000	YTD 31 Dec 2012 RM'000	YTD 31 Dec 2011 RM'000	YTD 31 Dec 2012 RM'000	YTD 31 Dec 2011 RM'000
Continuing operations						
Malaysia	65,681	70,277	152,264	135,038	1,991	1,070
Vietnam	-	-	-	5,439	-	-
Discontinued operation						
Vietnam	-	-	5,458	-	-	-
	65,681	70,277	157,722	140,477	1,991	1,070

A10. Valuation of Property, Plant and Equipment
The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

The Group did not carry out any valuation on its property, plant and equipment during the current interim period.

A11. Subsequent Material Events
No material events have arisen between the end of the reporting period and the date of issuance of this quarterly report, which will substantially affect the results of the Group.

A12. Changes in the Composition of the Group
Saved as disclosed, there were no changes in the composition of the Group for the current quarter under review:-

On 6 December 2012, the Company had announced that its wholly owned subsidiary, Elo Dunia Manufacturing (M) Sdn Bhd ("EDMSB") had subscribed for 51% equity interest in PT Elo Dunia Manufacturing Indonesia ("PT EDMI"), a private limited company incorporated in Indonesia for a total cash consideration of USD612,000/- and which would be paid over the next 6 months.

A13. Contingent Liabilities or Contingent Assets
There were no contingent liabilities or contingent assets since the last annual balance sheet date.

A14. Capital Commitments

	9 months ended 31 December 2012 RM'000
Approved and contracted but not provided for:	
Property, Plant & Machinery	7,178
Total	7,178

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

For the third financial quarter ended December 2012, the Group registered a lower revenue of RM20.968 million as compared to RM 21.888 million in the previous quarter, a reduction of RM 0.920 million (4.20%). Profit before tax was RM 0.460 million for the third financial quarter ended December 2012 compared to the profit before tax of RM 0.198 million for the previous quarter. The decrease in revenue was due to lower demand for trading products. The management has taken active steps to improve market share. The improvement in profit before tax of RM0.262 million as compared the current quarter to the previous quarter was due to a better margin contributed from Manufacturing Segment.

Revenue and profit before tax for the financial year-to-date ended December 2012 were RM 65.681 million and RM 1.465 million respectively compared to RM 70.277 million and RM 1.624 million in the previous financial year-to-date ended December 2011. Revenue dropped by RM 4.596 million (6.54%) while profit before tax dropped by RM 0.159 million (9.79%). The lower revenue was primarily due to termination of distribution rights for H.P. digital printing equipment arising from unfavorable market conditions. The management has recently secured alternative printing equipment products and expects to develop new markets which will contribute positively towards the group in the longer term.

B2 Review of Performance by segment

The manufacturing segment contributed revenue of RM 13.762 million for the third quarter ended December 2012 compared to RM12.880 million in the previous corresponding quarter ended December 2011. The higher revenue in the current quarter compared to the previous corresponding quarter ended December 2011 was due to better demand from ink industry.

The trading segment contributed revenue of RM 7.206 million for the third quarter ended December 2012 compared to RM 9.008 million in the previous corresponding quarter ended December 2011. The lower revenue for the current quarter compared to the previous corresponding quarter ended December 2011 was due to termination of distribution rights as mentioned in BI above.

As the Group has decided to dispose of its foreign subsidiary in Vietnam in the financial year ending 31 March 2013, the results from the subsidiary are presented separately on the consolidated statement of comprehensive income as discontinued operation.

B3. Prospects

In the Trading Segment, the Board of Directors has secured new product distribution rights from Canon, Primera and Screen replacing the terminated distribution rights from Hewlett Packard.

The Board will also take active steps to improve market share and cost control in the Manufacturing Segment and is confident of achieving better performance for the financial year ending 31 March 2013.

B4. Statement of the Board of Directors' Opinion

Not applicable as the Group did not announce or publish any revenue or profit estimate, forecast, projection or internal target for the financial year.

B5. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

B6. Taxation

	INDIVIDUAL	**QUARTER**	**CUMULATIVE**	**QUARTER**
	Current quarter ended **31/12/2012** **RM'000**	Corresponding quarter ended **31/12/2011** **RM'000**	Current year to date ended **31/12/2012** **RM'000**	Corresponding year to date ended **31/12/2011** **RM'000**
Malaysia Income Tax				
-Provision for the period	(369)	9	(716)	(789)
Deferred Taxation				
-Provision for the period	(44)	(39)	(44)	(264)
	(413)	(30)	(760)	(1,053)

The effective rate of tax applicable to the Group for the current year to date is higher than Malaysia statutory tax rate mainly due to certain expenses not deductible for tax purposes.

B7. **Status of Corporate Proposals**

Save as disclosed, there were no corporate proposals announced or not completed as at the date of this report:-

(i) Proposed Renounceable Rights Issue of up to 42,800,000 new ordinary shares of RM1.00 each ("Rights Shares") in Toyo Ink Group Berhad ("TIGB") together with up to 42,800,000 free new detachable warrants ("Warrants") at an issue price of RM1.20 per Rights Share together with one (1) free Warrant for every one (1) existing ordinary share of RM1.00 each in TIGB at an entitlement date to be determined and announced later ("Proposed Rights Issue with Warrants"); and

(ii) Proposed bonus issue of up to 21,400,000 new ordinary shares of RM1.00 each in TIGB ("Bonus Shares") to be credited as fully-paid up on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the existing shareholders of TIGB and/or their renouncee(s) pursuant to the Proposed Rights Issue with Warrants (Proposed Bonus Issue").

(hereinafter collectively referred as "the Corporate Exercises").

As a result of an ex parte interim injunction order dated 14 January 2013 from High Court of Malaya, Kuala Lumpur which was filed by five shareholders and served on the Company on 15 January 2013, the implementation of the Corporate Exercises was delayed.

On 7 February 2013, the Company had announced that, further to the hearing and judgement granted by the High Court of Malaya, Kuala Lumpur on 22 January 2013 and after receiving the legal opinion by the Company's solicitors in respect of the interim injunction order, the Board of Directors of TIGB has resolved to proceed with the Corporate Exercises which were approved by its shareholders at the Extraordinary General Meeting ("EGM") of the Company held on 3 December 2012. The Corporate Exercises are now pending implementation.

B8. Borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	RM'000
Short term borrowings	
Unsecured	
Bankers'acceptances	5,736
Bank overdrafts	6,013
	11,749
Secured	
Bankers' acceptances	12,350
Bank overdrafts	5,232
Term loan	181
	29,512
Long term borrowings	
Secured	
Term Loan	397
Total	29,909

B9. Material Litigations

Saved as disclosed, there were no material litigations as at the date of this quarterly report:-

On 15 January 2013, the Company was served with an ex parte interim injunction order dated 14 January 2013 from the High Court of Malaya, Kuala Lumpur (the said "Order") and an Originating Summons dated 14 January 2013 ("Originating Summons") which was filed by five of its shareholders ("the Plaintiffs").

The Plaintiffs were seeking the following reliefs from the High Court vide the Originating Summons:

(i) A declaration that the Resolution (ii) and (iv) which were tabled before the EGM of TIGB held on 3 December 2012 be declared null and void;

(ii) A declaration that the Resolution (ii) which was tabled before the EGM of TIGB held on 3 December 2012 is ultra vires the Memorandum and Articles of Association of TIGB and void;

(iii) An order that all the ordinary shareholders of TIGB be treated equally according to their respective shareholding rights and to be issued or to receive the bonus shares proportionately to their equity holding without any conditions attached to the bonus shares;

(iv) Cost; and

(v) Any other order or relief deemed appropriate by the Court.

The High Court has dismissed the Plaintiffs' interlocutory injunction application with no order as to costs during the court hearing that was held on 22 January 2013. The High Court also had on the same date fixed the date for case management to be held on 13 March 2013. Further, the trial for the Originating Summons has been fixed by the High Court to be held on 7 May 2013.

B10. Dividend

The Board does not recommend any dividend for the current quarter under review.

B11. Realized/unrealized profit/(losses)

	As at 31/12/2012 RM'000	As at 31/03/2012 RM'000
Total retained earnings of the Group:		
Realized	21,285	20,375
Unrealized	(2,676)	(2,632)
	18,609	17,743
Add: Consolidation adjustment	114	114
Total group retained profits as per consolidated financial statements	18,723	17,857

B12. Disclosures of derivatives

There were no outstanding derivatives as at 31 December 2012.

B13. Gain/Losses Arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of the financial liabilities for the current quarter ended 31 December 2012.

B14. Notes to the condensed consolidated Income Statement

Profit before taxation is arrived at after charging the following items:

	Individual quarter ended 31/12/2012 RM'000	Cumulative quarter ended 31/12/2012 RM'000
Interest income	-	-
Other income	268	368
Interest expense	401	1,341
Depreciation and amortization of property, plant and equipment	569	1,846
Foreign exchange loss	55	310

Save as disclosed above, the other items as required under Appendix 9B, Part A Note 16 of the Bursa Listing Requirements are not applicable.

B15. Earnings Per Share

i. Basic earnings per share is calculated by dividing the profit/ (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL	**QUARTER**	**CUMULATIVE**	**QUARTER**
	Current quarter ended **31/12/2012** **RM'000**	Corresponding quarter ended **31/12/2011** **RM'000**	Current year to date ended **31/12/2012** **RM'000**	Corresponding year to date ended **31/12/2011** **RM'000**
Profit / (Loss) attributable to shareholders	109	226	866	782
Weighted average number of ordinary shares in issue	42,800	42,800	42,800	42,800
Basic earnings per share (sen) From continuing operations	0.25	0.53	2.03	1.83
From discontinued operation	-	-	(0.01)	-
	0.25	0.53	2.02	1.83

ii. The Company does not have any dilutive potential ordinary shares. Accordingly, the diluted earnings per share are not presented.

By Order of the Board,

Chow Choi Yoong
Company Secretary

Dated 27 February 2013

ranjit singh & yeoh
advocates & solicitors

partners
ranjit singh
yeoh cho kheong
gregory ling
amer hamzah arshad

consultant
kenneth goh

associates
jamie wong
adeline yew
bryan ho

Our Ref: RS.KG.sms.0007.2013
Your Ref: Please advise

6 March 2013

The Board of Directors
TOYO INK GROUP BERHAD
PT 3477 Jalan 6/1
Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan
Selangor Darul Ehsan

By email & hand

Dear Sir,

Re: Kuala Lumpur High Court Originating Summons No. 24NCC-14-01-2013 Expo Holdings Sdn Bhd, Deliblossom Sdn Bhd, Ee Chong Pang, Foong Lai Yue (f) and Yim Yoke Yee (f) (collectively, the "Plaintiffs") vs. Toyo Ink Group Berhad ("the Suit")

1. We refer to the above matter.

2. We have been made to understand that your company intends to proceed with the implementation of the following proposals:

   2.1 a renounceable rights issue of up to 42,800,000 new ordinary shares of RM1.00 each in your company ("**Rights Shares**") together with up to 42,800,000 free new detachable warrants ("**Warrants**") at an issue price of RM1.20 per Rights 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 held in your company ("**TIGB Share(s)**") at 5.00 p.m on 16 January 2013 payable in full upon acceptance based on a minimum subscription of 20,874,558 Rights Shares ("**Rights Issue with Warrants**"); and

   2.2 a bonus issue of up to 21,400,000 TIGB Shares to be credited as fully paid-up on the basis of one (1) new TIGB Share for every two (2) Rights Shares subscribed by the existing shareholders of your company and/or their renouncee(s) pursuant to the Rights Issue with Warrants ("**Bonus Issue**"),

   (the Rights Issue with Warrants and the Bonus Issue shall collectively be referred to as the "**Corporate Exercises**").

3. In light of the Suit and the court's decision on the hearing held on 22 January 2013, we have been requested to render a legal opinion on the following:

ranjitsingh&yeoh

3.1 can the Corporate Exercises be implemented immediately?

3.2 if the court finds in favour of the Plaintiffs at the trial of the Suit, will the court request your company to reverse the Corporate Exercises?

3.3 the probable outcome of the Suit.

4. In response to the first question, yes, the Corporate Exercises can be implemented immediately as the interim injunction was heard and dismissed on 22 January 2013.

5. As to the second question, it is highly unlikely that the court will order a reversal of the Corporate Exercises. If the Plaintiffs are ultimately successful in the Suit, the court is likely to award them damages instead.

6. In response to the final question, we are of the view that your company has a reasonably good chance of successfully defending the Suit.

Yours faithfully,

RANJIT SINGH

(Prepared for inclusion in this Abridged Prospectus)

TOYO INK GROUP BERHAD
(Company No.: 590521-D)
PT 3477, Jalan 6/1, Kawasan Perusahaan Seri Kembangan
43300 Seri Kembangan, Selangor, Malaysia
Tel : 603 - 8942 3335 Fax : 603 - 8942 1161

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

To: The Shareholders of Toyo Ink Group Berhad

On behalf of the Board of Directors of Toyo Ink Group Berhad ("**TIGB**" or the "**Company**") ("**Board**"), I wish to report that, after making due enquiries in relation to the Company and its subsidiary companies ("**Group**") during the period between 31 March 2012, being the date on which the latest audited consolidated financial statement have been made up, and 18 MAR 2013, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus:

(i) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;

(ii) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) there are no material contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(v) there have not been any default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group; and

(vi) there has been no material changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited consolidated financial statements of our Group.

Yours faithfully,
For and on behalf of the Board of Directors of
TOYO INK GROUP BERHAD

SONG KOK CHEONG
Managing Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares, Bonus Shares, Warrants and the new TIGB Shares to be issued pursuant to the exercise of the Warrants, no securities will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.

(ii) As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM1.00 each.

(iii) All the Rights Shares, Bonus Shares and new TIGB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up ordinary share capital, save and except that such Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date precedes the date of the allotment of the new Shares.

(iv) Save as disclosed below, no person has been, is or would be entitled to be given an option to subscribe for any share, stocks and debentures of our Company or our subsidiary as at the date of this AP:

(a) the Warrants are exercisable into up to 42,800,000 TIGB Shares at the exercise price of RM1.50 per TIGB Share which will expire on the date preceding the fifth (5^{th}) anniversary of the date of issuance, or if such day is not a Market Day, then it shall be on the immediately preceding Market Day.

(v) Save as for the Rights Shares, Bonus Shares, Warrants and the new TIGB Shares to be issued pursuant to the exercise of the Warrants, no securities in our Company have been issued or are proposed or intended to be issued either as fully or partly paid-up in cash or otherwise than in cash within the two (2) years immediately preceding the date of this AP.

2. DIRECTORS' REMUNERATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:

Article 74 (A)

The fees of the Directors, who hold no executive office with the Company, for their services as Directors shall be determined by the Company by ordinary resolution at a general meeting. If the fees of each such non-executive Director is not specifically fixed by the Company in general meeting then the quantum of fees to be paid to each non-executive Director, within the overall limits fixed by the Company in general meeting, shall be decided by resolution of the full Board of Directors. In default of any decision being made in this respect by the full Board of Directors, the fees payable to the non-executive Directors shall be divided equally amongst them and such a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or a percentage of profits or turnover.

Article 74 (B)

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Article 74 (C)

The remuneration of Executive Directors of the Company shall not include a commission on or a percentage of turnover.

Article 75

Any Director who by request of the Board serves on any committee or performs special services for any purposes of the Company may be paid such extra remuneration by way of salary or otherwise (subject to any other provisions of these presents) as the Board may determine. Any extra remuneration payable to a non-executive director shall not include a commission on or a percentage of profits or turnover whilst the extra remuneration to an executive director shall not include a commission on or a percentage of turnover. All the Directors shall also be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of the Board or of committees of the Board or general meetings or otherwise in or about the business of the Company.

Article 90

Subject to any other provisions of these presents, the remuneration of any Managing Director shall be determined by the Directors and may be of any description.

3. DECLARATIONS OF CONFLICT OF INTEREST

3.1 Adviser

OSK confirms that as at 11 March 2013, there is no equity, financial or any other relationship or circumstances with TIGB and/ or its directors and/ or substantial shareholders, that has resulted in or may result in a situation of conflict of interest in its role as the Adviser to the Company for the Corporate Exercises.

3.2 Due Diligence Solicitors

Messrs Tan, Goh & Associates, the due diligence solicitors for the Corporate Exercises, confirm that as at 11 March 2013, they have no equity, financial or any other relationship or circumstances with TIGB that has resulted in or may result in a situation of conflict of interest in their role as the due diligence solicitors to our Company for the Corporate Exercises.

3.3 Reporting Accountants

Messrs AHL Ecovis (formerly known as AHL), the reporting accountants for the Corporate Exercises, confirm that as at 11 March 2013, there is no equity, financial or any other relationship or circumstances with TIGB that has resulted in or may result in a situation of conflict of interest in their role as the reporting accountants to our Company for the Corporate Exercises.

4. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within two (2) years immediately preceding the date of this AP:

(i) INMAC EDM-Tools (M) Sdn Bhd, a wholly owned subsidiary of TIGB had on 10 June 2011 entered into a sale and purchase agreement with NPO Land Sdn Bhd (the "**Vendor**") to acquire a parcel of industrial land measuring approximately 128,066 square feet and identified as Lot No. L1-5A, Seri Alam Industrial Park, in Mukim Kapar, District of Klang, Selangor Darul Ehsan (the "**Land**") for a total consideration of RM4,867,000.00 ("**Purchase Consideration**") upon terms and conditions therein contained. The Purchase Consideration is payable in stages dependent, *inter-alia*, upon completion of land works (including infrastructure works) by the Vendor on the Land ("**Land Works**"). The Company has confirmed that the sale and purchase is awaiting completion pending the completion of the Land Works;

(ii) ELO Dunia Manufacturing (M) Sdn Bhd, a wholly owned subsidiary of TIGB had on 10 June 2011 entered into a sale and purchase agreement with NPO Land Sdn Bhd (the "**Vendor**") to acquire a parcel of industrial land measuring approximately 108,029 square feet and identified as Lot No. L1-06, Seri Alam Industrial Park, in Mukin Kampar, District of Klang, Selangor Darul Ehsan (the "**Land**") for a total consideration of RM4,105,000.00 ("**Purchase Consideration**") upon terms and conditions therein contained. The Purchase Consideration is payable in stages dependent, *inter-alia*, upon completion of land works (including infrastructure works) by the Vendor on the Land ("**Land Works**"). The Company has confirmed that the sale and purchase is awaiting completion pending the completion of the Land Works; and

(iii) TIGB had on 11 January 2012, entered into consulting services contract ("**Consulting Contract**") with Power Engineering Consulting Joint Stock Company 2 ("**PECC2**"), to provide the consultancy services for the feasibility study for the development of the Song Hau 2 Thermal Power Plant Project, capacity of 2 x 1000 megawatts, at Song Hau Power Centre, Hau Giang Province for a fee of USD1,829,300.00 including taxes based on the terms and conditions therein contained. This Consulting Contract is governed by the laws of Vietnam. The Company has confirmed that the Consulting Contract is yet to be completed.

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5. MATERIAL LITIGATION

Save as disclosed below, neither TIGB nor its subsidiaries are engaged in any material litigation, claims or arbitrations, either as plaintiff or defendant, and the Board do not have any knowledge of any proceedings pending or threatened against TIGB and/or its subsidiaries or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of TIGB and its subsidiaries:

(i) On 14 January 2013, the Plaintiffs had vide the Originating Summons commenced legal proceedings against TIGB by seeking the following reliefs from the High Court:

(a) a declaration that the Ordinary Resolution 2 in relation to the Bonus Issue and Special Resolution 1 in relation to the amendments to the Memorandum and Articles of Association of TIGB which were tabled before the EGM of TIGB held on 3 December 2012 as set out in **Appendix I** of this AP be declared null and void;

(b) a declaration that the Ordinary Resolution 2 which was tabled before the EGM of TIGB held on 3 December 2012 as set out in **Appendix I** of this AP is ultra vires the Memorandum and Articles of Association of TIGB and void;

(c) an order that all ordinary shareholders of TIGB be treated equally according to their respective shareholding rights and to be issued or to receive the bonus shares proportionately to their equity holding without any conditions attached to the bonus shares;

(d) cost; and

(e) any other order or relief deemed appropriate by the High Court.

The Plaintiffs had also on 14 January 2013 obtained an ex parte interim injunction prohibiting TIGB from proceeding with the Proposals (as defined in the circular to the shareholders of TIGB dated 10 November 2012) until the hearing of the injunction inter partes.

The High Court had on 22 January 2013 dismissed the Plaintiffs' interlocutory injunction application with no order as to costs. The High Court had also on the same date, fixed the date of case management to be held on 13 March 2013.

During the case management on 13 March 2013, the High Court has:

(a) allowed the application by the Plaintiffs to amend the Originating Summons to add an additional prayer for damages; and

(b) fixed the hearing of the Originating Summons on 7 May 2013.

Messrs Ranjit Singh & Yeoh, the solicitors in relation to the material litigation as stated above, are of the view that TIGB has a reasonably good chance of successfully defending the Originating Summons. The letter dated 6 March 2013 from Messrs Ranjit Singh & Yeoh is set out in **Appendix VI** of this AP.

6. GENERAL

(i) There is no existing or proposed service contract entered or to be entered into by TIGB with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

(ii) The estimated expenses of the Corporate Exercises is approximately RM550,000, all of which will be borne by our Company.

(iii) Save as disclosed in this AP, our Directors, after making all reasonable enquiries, are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

(iv) Save as disclosed in this AP, the financial conditions and operations of our Group are not affected by any of the following:

(a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(b) material commitments for capital expenditure;

(c) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on our Group's revenue or operating income; and

(e) substantial increase in revenue.

7. WRITTEN CONSENTS

The written consents of our Adviser, company secretaries, principal bankers, Bloomberg, share registrar and the due diligence solicitors for the Corporate Exercises to the inclusion in this AP of their names in the form and context in which they appear have been given before issuance of this AP and have not subsequently been withdrawn.

The written consents of the auditors and reporting accountants to the inclusion in this AP of their names, the Auditors' Report relating to the audited consolidated financial statements of our Group for the FYE 31 March 2012 and the review letter on the proforma consolidated statement of financial position of our Group as at 31 March 2012 respectively, in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

The written consents of Messrs Ranjit Singh & Yeoh to the inclusion in this AP of their names and the legal opinion letter dated 6 March 2013, in the form and context in which they appear to have been given before the issuance of this AP and have not subsequently been withdrawn.

ADDITIONAL INFORMATION (Cont'd)

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at the Registered Office of our Company at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) the deed poll of the Warrants;

(iii) our audited consolidated financial statements for the past two (2) FYE 31 March 2011 and 31 March 2012;

(iv) our unaudited consolidated results for the nine (9) months FPE 31 December 2012;

(v) the Proforma Consolidated Statement of Financial Position of our Group as at 31 March 2012 together with the notes and reporting accountants' letter thereon as set out in **Appendix III** of this AP;

(vi) the legal opinion letter from Messrs Ranjit Singh & Yeoh as set out in **Appendix VI** of this AP;

(vii) the Directors' Report as set out in **Appendix VII** of this AP;

(viii) the consent letters as referred to in **Section 7** of Appendix VIII;

(ix) the material contracts as referred to in **Section 4** of Appendix VIII;

(x) the relevant cause papers in respect of the material litigation as referred to in **Section 5** of Appendix VIII; and

(xi) the letters of undertaking by the Undertaking Shareholders as referred to in **Section 2.5** of this AP.

9. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

OSK, being the Adviser for the Corporate Exercises, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Corporate Exercises.