

**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**QUARTERLY REPORT**

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**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2013**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended	Corresponding quarter ended	Current year to date ended	Corresponding year to date ended
		31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
<b>Continuing operations</b>					
Revenue		20,954	20,968	65,223	65,681
Cost of sales		(16,223)	(16,808)	(51,312)	(52,873)
Gross profit		4,731	4,160	13,911	12,808
Operating expenses		(3,791)	(3,441)	(11,079)	(10,244)
Other operating income		-	268	130	368
Finance cost		(396)	(526)	(1,263)	(1,466)
Share of results in associate		(1)	(1)	(2)	(1)
Profit before taxation	B15	543	460	1,697	1,465
Taxation	B 6	(166)	(413)	(514)	(760)
Profit from continuing operations		377	47	1,183	705
<b>Discontinued operations</b>					
Gain/(Loss) from discontinued operation, net of tax		-	-	-	(6)
Profit for the period		377	47	1,183	699
<b>Profit Attributable to:</b>					
Owners of the parent		368	109	1,108	866
Non-controlling interest		9	(62)	75	(167)
		377	47	1,183	699
<b>Basic earnings/(loss) per ordinary share (sen)</b>					
From continuing operations	B17	0.35	0.25	1.11	2.03
From discontinued operation		-	-	-	(0.01)
		0.35	0.25	1.11	2.02
- 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 2013

**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2013**

(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
	31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
<b>Continuing operations</b>				
Profit for the period	377	47	1,183	705
Translation reserve	-	-	-	-
	<u>377</u>	<u>47</u>	<u>1,183</u>	<u>705</u>
<b>Discontinued operation</b>				
Profit/(Loss) for the period	-	-	-	(6)
Translation reserve	-	4	-	(8)
	<u>-</u>	<u>4</u>	<u>-</u>	<u>(14)</u>
Total comprehensive income for the period	<u>377</u>	<u>51</u>	<u>1,183</u>	<u>691</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	368	113	1,108	858
Non-controlling interest	9	(62)	75	(167)
	<u>377</u>	<u>51</u>	<u>1,183</u>	<u>691</u>

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 2013

**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

	Note	As At 31/12/2013 RM'000	As At 31/03/2013 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	A 9	28,200	27,882
Investment property	B7	1,622	1,640
Investment in associate		482	483
Development expenditure		118,469	86,229
Goodwill on consolidation		17,496	17,496
		166,269	133,730
<b>Current Assets</b>			
Inventories		14,371	14,206
Trade and other receivables		23,774	29,284
Tax recoverable		130	301
Fixed deposits with licensed banks		18	17
Cash and bank balances		3,388	3,645
		41,681	47,453
<b>TOTAL ASSETS</b>		207,950	181,183
<b>EQUITY AND LIABILITIES</b>			
Share capital		107,000	42,800
Reserves		11,068	23,555
Total equity attributable to owners of the parent		118,068	66,355
Non-controlling interest		4,007	3,932
<b>TOTAL EQUITY</b>		122,075	70,287
<b>Non Current Liabilities</b>			
Hire purchase creditors		331	824
Long term borrowings	B9	214	367
Deferred tax liabilities		2,834	2,729
		3,379	3,920
<b>Current Liabilities</b>			
Trade and other payables		55,602	70,805
Amount owing to directors		90	6,255
Hire purchase creditors		761	922
Short term borrowings	B9	26,043	28,994
		82,496	106,976
<b>TOTAL LIABILITIES</b>		85,875	110,896
<b>TOTAL EQUITY AND LIABILITIES</b>		207,950	181,183
Net Assets Per Share Attributable to Owners of the Parent (RM)		1.10	1.55

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 2013

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2013**  
 (The figures have not been audited)

	<--Attributable to Shareholders of the Company-->					Total Equity RM '000
	<-Non-Distributable Reserves->			Distributable Reserve	Non- Controlling Interest	
	Share Capital RM '000	Share Premium RM '000	Translation Reserve RM '000	Retained Earnings RM '000	RM'000	
<b>Balance as at 1 April 2012</b>	42,800	4,321	(452)	17,857	4,489	69,015
Changes in equity interest	-	-	-	-	890	890
Total comprehensive income/(expense) for the period	-	-	(8)	866	(167)	691
<b>Balance as at 31 December 2012</b>	42,800	4,321	(460)	18,723	5,212	70,596
<b>Balance as at 1 April 2013</b>	42,800	4,321	196	19,038	3,932	70,287
Issuance of shares pursuant to Rights Issue	42,800	8,560	-	-	-	51,360
Issuance of shares pursuant to Bonus Issue	21,400	(12,881)	-	(8,519)	-	-
Share issue expenses	-	-	-	(718)	-	(718)
Total comprehensive income/(expense) for the period	-	-	(37)	1,108	75	1,146
<b>Balance as at 31 December 2013</b>	107,000	-	159	10,909	4,007	122,075

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 2013

**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2013**

(The figures have not been audited)

	Current year to date ended	Corresponding year to date ended
	31/12/2013 RM'000	31/12/2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation		
- Continuing operations	1,697	1,465
- Discontinued operation	-	(6)
	<u>1,697</u>	<u>1,459</u>
Adjustments for:		
Non-cash items	1,878	1,847
Interest income	(5)	-
Interest expense	1,263	1,341
<b>Operating profit before working capital changes</b>	<u>4,833</u>	<u>4,647</u>
<b>Changes in working capital:</b>		
Net changes in current assets	5,330	(9,088)
Net changes in current liabilities	(21,369)	5,429
Operating assets held for sale	-	(447)
<b>Cash from operations</b>	<u>(11,206)</u>	<u>541</u>
Tax refunded	441	186
Tax paid	(665)	(862)
Interest received	5	-
Interest paid	(1,263)	(1,341)
Translation reserve	(37)	(8)
<b>Net cash (used in)/from operating activities</b>	<u>(12,725)</u>	<u>(1,484)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	80	57
Acquisition of property, plant and equipment *	(2,256)	(523)
Development expenditure	(32,240)	(1,257)
<b>Net cash used in investing activities</b>	<u>(34,416)</u>	<u>(1,723)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(1,859)	(122)
Proceeds/(Repayment) from bankers acceptance and bills payable	-	1,183
Proceeds from issuance of shares	51,360	-
Share issue expenses	(718)	-
Payment to hire purchase creditors	(654)	(20)
Capital contribution from non-controlling interest	-	890
<b>Net cash from/(used in) financing activities</b>	<u>48,129</u>	<u>1,931</u>
<b>Net increase in cash and cash equivalents</b>	<u>988</u>	<u>(1,276)</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>(8,027)</u>	<u>(6,825)</u>
<b>Cash and cash equivalents at end of financial quarter</b>	<u>(7,039)</u>	<u>(8,101)</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	3,388	3,126
Fixed deposits with licensed banks	18	18
Bank overdraft	(10,445)	(11,245)
	<u>(7,039)</u>	<u>(8,101)</u>

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

	31/12/2013 RM'000	31/12/2012 RM'000
<b>Mode of payments:</b>		
Cash	2,181	523
Hire Purchase	75	1,468
	<u>2,256</u>	<u>1,991</u>

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 2013

Company No. 590521 D

**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**QUARTERLY REPORT**

**FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2013**

**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 2013, 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 2013. For the periods up to and including the year ended 31 March 2013, the Group prepared its financial statement in accordance with the Malaysian Financial Reporting Standards (“MFRS”).

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 2013.

**A2. Changes in Accounting Policies**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRS that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Company:

***Effective for financial periods beginning on or after 1 July 2012***

- Amendments to MFRS 101, *Presentation of Items of Other Comprehensive Income*

***Effective for financial periods beginning on or after 1 January 2013***

- MFRS 3, *Business Combinations*
- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (revised)*
- MFRS 127, *Consolidated and Separate Financial Statements (revised)*
- MFRS 128, *Investments in Associates and Joint Ventures (revised)*
- Amendments to MFRS 1, *First-time Adoption of MFRS – Government Loans*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*
- Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

***Effective for financial periods beginning on or after 1 January 2014***

- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

***Effective for financial periods beginning on or after 1 January 2015***

- Amendments to MFRS 9, *Mandatory Effective Date of MFRS 9 and Transition Disclosures*

**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**

Save as disclosed under B16, 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. 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.

**A10. Segmental Reporting****Current Year To Date 31 Dec 2013**

	<b>Manufacturing RM'000</b>	<b>Trading and investment holding RM'000</b>	<b>Discontinued Operation RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External	41,109	24,114	-	-	65,223
Inter-segment	15,045	2,491	-	(17,536)	-
Total revenue	56,154	26,605	-	(17,536)	65,223
<b>Results</b>					
Segment results	3,141	(180)	-	-	2,961
Finance costs	(773)	(490)	-	-	(1,263)
Share of results in associate	(1)	-	-	-	(1)
Taxation					(514)
Non-controlling interest					(75)
Net profit for the financial period					1,108
<b>Other Information</b>					
Segment assets	168,652	21,190	-	-	189,842
Associate					482
Unallocated corporate assets					17,626
Consolidated total assets					207,950
Segment liabilities	53,367	2,324	-	-	55,691
Unallocated corporate liabilities					30,184
Consolidated total liabilities					85,875
Capital expenditure	2,090	166	-	-	2,256
Depreciation/ amortization	1,629	183	-	-	1,812

## Corresponding Year To Date 31 Dec 2012

	Manufacturing RM'000	Trading and investment holding RM'000	Discontinued Operation RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
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
<b>Results</b>					
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
<b>Other Information</b>					
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

### Geographical Segments

The Group's continuing operations are mainly production and sale of products in two principal geographical areas, Malaysia, Vietnam and Indonesia.

	Revenue from external customers by location of customers		Segment assets by location of assets		Capital expenditure by location of assets	
	YTD 31 Dec 2013 RM'000	YTD 31 Dec 2012 RM'000	YTD 31 Dec 2013 RM'000	YTD 31 Dec 2012 RM'000	YTD 31 Dec 2013 RM'000	YTD 31 Dec 2012 RM'000
<b>Continuing operations</b>						
Malaysia	61,351	65,681	186,162	152,264	338	1,991
Indonesia	1,649	-	4,162	-	1,918	-
Vietnam	2,223	-	-	-	-	-
<b>Discontinued operation</b>						
Vietnam	-	-	-	5,458	-	-
	<u>65,223</u>	<u>65,681</u>	<u>190,324</u>	<u>157,722</u>	<u>2,256</u>	<u>1,991</u>

#### 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

There were no changes in the composition of the Group for the current quarter under review.

#### A13. Contingent Liabilities or Contingent Assets

There were no change in contingent liabilities or contingent assets since the last annual statements of financial position to the date of the report.

#### A14. Capital Commitments

	9 months ended 30 Dec 2013 RM'000	9 months ended 30 Dec 2012 RM'000
Approved and contracted but not provided for:		
Property, Plant & Machinery	10,448	7,178
Total	<u>10,448</u>	<u>7,178</u>

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of Performance**

For the third financial quarter ended 31 Dec 2013 (“3Q 2014”), the Group registered a lower revenue of RM 20.95 million as compared to RM 20.97 million in the previous corresponding quarter ended 31 December 2012 (“3Q 2013”), slight decrease of 0.1% (RM 0.02 million).

Profit before tax was RM 0.54 million for 3Q 2014 compared to RM 0.46 million for 3Q 2013. The increase in profit before tax was RM0.08 million (17.4%) was mainly due to the better margin contributed by Manufacturing Segment for the current quarter.

**B2 Review of Performance by segment**

External Revenue By Segment :	Individual 31/12/2013 RM'000	Quarter 31/12/2012 RM'000	Cumulative 31/12/2013 RM'000	Quarter 31/12/2012 RM'000
Manufacturing	13,135	13,762	41,109	39,981
Trading	7,819	7,206	24,114	25,700
	20,954	20,968	65,223	65,681

The manufacturing segment contributed revenue of RM 13.14 million for 3Q 2014 compared to RM13.76 million in 3Q 2013. The lower revenue in the current quarter compared to the previous year corresponding quarter was due to lower demand from ink, metal and graphite parts and cut wires industry.

The trading segment contributed revenue of RM7.82 million for 3Q 2014 compared to RM 7.21 million in the previous year corresponding quarter. Higher revenue for the current quarter compared to the previous year corresponding quarter was due to the better demand from graphic art, equipment for lithography and allied industries.

**B3. Prospects**

In view of the on-going market penetration strategy and continuous cost control management, the Board of Directors is confident of achieving encouraging performance for the financial year ending 31 March 2014.

**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**

	<b>INDIVIDUAL</b> Current quarter ended <b>31/12/2013</b> <b>RM'000</b>	<b>QUARTER</b> Corresponding quarter ended <b>31/12/2012</b> <b>RM'000</b>	<b>CUMULATIVE</b> Current year to date ended <b>31/12/2013</b> <b>RM'000</b>	<b>QUARTER</b> Corresponding year to date ended <b>31/12/2012</b> <b>RM'000</b>
<b>Malaysia Income Tax</b>				
-Provision for the period	(136)	(369)	(424)	(716)
<b>Deferred Taxation</b>				
-Provision for the period	(30)	(44)	(90)	(44)
	<u>(166)</u>	<u>(413)</u>	<u>(514)</u>	<u>(760)</u>

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. INVESTMENT PROPERTIES**

On 9 January 2014, TIGB wholly owned subsidiaries, Toyo Ink Sdn Bhd and Toyo Photo Products Sdn Bhd had entered into a Sale and Purchase Agreement with Shen & Sons Sdn Bhd for the sale of properties for consideration of RM2.4 million and RM 3.5 million respectively. The disposal is expected to be completed by final quarter of current financial year ending 2014.

**B8. Status of Corporate Proposals**

Save as disclosed, there were no corporate proposals announced or not completed as at the date of this report:-

On 3 July 2013, the Board of Directors had announced that the Company intend to diversify the business of the TIGB Group into electric power generation via the proposed investment in a proposed 2 x 1,000 MW coal-fired thermal power plant to be constructed at Song Hau Power Complex, Hau Giang province, Vietnam on a build, operate and transfer basis ("Diversification").

On 20 August 2013, this Proposal was approved by the shareholders of TIGB at an extraordinary general meeting.

There were no further corporate proposals announced or not completed as at the date of this report.

**B9. Borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

	31/12/2013 RM'000	31/12/2012 RM'000
<b>Short term borrowings</b>		
<b>Unsecured</b>		
Bankers' acceptances	4,993	5,736
Bank overdrafts	1,019	6,013
	<u>6,012</u>	<u>11,749</u>
<b>Secured</b>		
Bankers' acceptances	10,413	12,350
Bank overdrafts	9,426	5,234
Term loan	192	181
	<u>26,043</u>	<u>29,512</u>
<b>Long term borrowings</b>		
<b>Secured</b>		
Term Loan	214	397
<b>Total</b>	<u>26,257</u>	<u>29,909</u>

**B10. 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.

During the case management on 13 March 2013, the High Court has allowed the application by the Plaintiffs to amend the Originating Summons to add an additional prayer for damages and fixed the hearing of the Originating Summons on 7 May 2013.

**B10. Material Litigations (continued)**

The hearing of the Originating Summons was held on 7 May 2013 and 29 May 2013 and the Court has reserved her decision until 19 July 2013.

On 19 July 2013, the Court has dismissed the Plaintiffs' case with costs of RM80,000.00.

On 16 August 2013, the Plaintiffs had served a Notice of Appeal on their intention to file an appeal in the Court of Appeal against the whole of the decision of the High Court made on 19 July 2013.

On 13 February 2014, the Court of Appeal had dismissed the appellant's case with costs of RM15,000.00.

**B11. Dividend**

The Board does not recommend any dividend for the current quarter under review.

**B12. Realized/unrealized profit/(losses)**

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Group:		
Realized	13,680	21,285
Unrealized	(2,834)	(2,676)
	<u>10,846</u>	<u>18,609</u>
Add: Consolidation adjustment	63	114
Total group retained profits as per consolidated financial statements	<u>10,909</u>	<u>18,723</u>

**B13. Disclosures of derivatives**

There were no outstanding derivatives as at 31 December 2013.

**B14. 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 2013.

**B15. Notes to the condensed consolidated Income Statement**

Profit before taxation is arrived at after (charging)/crediting the following items:

	<b>Individual quarter ended 31/12/2013 RM'000</b>	<b>Cumulative quarter ended 31/12/2013 RM'000</b>
Other income	-	244
Interest expense	(396)	(1,263)
Depreciation of property, plant and equipment	(614)	(1,800)
Depreciation of investment property	(4)	(12)
Foreign exchange (loss)/ gain	9	37

Save as disclosed above, the other items as required under Appendix 9B, Part A Note 16 of the Bursa Listing Requirements are not applicable.

**B16. Utilization of Proceeds raised from renounceable Rights Issue**

On 30 April 2013, the Company has completed the Corporate Exercise comprising the following:-

(i) Renounceable Rights Issue of up to 42,800,000 new ordinary shares of RM1.00 each 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; and

(ii) Bonus issue of up to 21,400,000 new ordinary shares of RM1.00 each in TIGB 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 Rights Issue with Warrants.

The details and status of the utilization of Proceeds from renounceable Rights Issue are as follow:

<b>Purpose</b>	<b>Proposed Utilization RM'000</b>	<b>Actual Utilization RM'000</b>	<b>Intended Time Frame</b>
Repayment of bank borrowings	29,359	24,504	Within one (1) year
Working Capitals	21,451	21,305	Within one (1) year
Estimated expenses in relation to the Rights Issue	550	718	Completed
	<u>51,360</u>	<u>46,527</u>	



**B17. 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.

	<b>INDIVIDUAL</b> Current quarter ended <b>31/12/2013</b> <b>RM'000</b>	<b>QUARTER</b> Corresponding quarter ended <b>31/12/2012</b> <b>RM'000</b>	<b>CUMULATIVE</b> Current year to date ended <b>31/12/2013</b> <b>RM'000</b>	<b>QUARTER</b> Corresponding year to date ended <b>31/12/2012</b> <b>RM'000</b>
Profit / (Loss) attributable to shareholders	368	109	1,108	866
Weighted average number of ordinary shares in issue	107,000	42,800	107,000	42,800
Basic earnings per share (sen)				
From continuing operations	0.34	0.25	1.04	2.03
From discontinued operation	-	-	-	(0.01)
	0.34	0.25	1.04	2.02

- ii. The Company does not have any dilutive potential ordinary shares as the fair value of the ordinary shares during the period less than the exercise price. Accordingly, the diluted earnings per share are not presented.

By Order of the Board,

Chow Chooi Yoong  
Company Secretary

Dated 24 February 2014