

**TOYO INK GROUP BERHAD**  
(Company No. 590521 D)  
(Incorporated in Malaysia)

**QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED INCOME STATEMENTS  
 FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**  
 (The figures have not been audited)

|   | INDIVIDUAL QUARTER          |                                   | CUMULATIVE QUARTER               |  |
|---|-----------------------------|-----------------------------------|----------------------------------|--|
|   | Current<br>quarter<br>ended | Corresponding<br>quarter<br>ended | Current<br>year to date<br>ended | Corresponding<br>year to date<br>ended |
|   | 31/12/2014<br>RM'000        | 31/12/2013<br>RM'000              | 31/12/2014<br>RM'000             | 31/12/2013<br>RM'000                   |
| Note  |                             |                                   |                                  |  |
| <b>Continuing operations</b>                              |                             |                                   |                                  |  |
| Revenue   | 20,612                      | 20,954                            | 61,564                           | 65,223                                 |
| Cost of sales   | (15,942)                    | (16,223)                          | (49,052)                         | (51,312)                               |
| Gross profit  | 4,670                       | 4,731                             | 12,512                           | 13,911                                 |
| Operating expenses  | (2,754)                     | (3,791)                           | (9,734)                          | (11,079)                               |
| Other operating income                                    | (139)                       | -                                 | 641                              | 130                                    |
| Finance cost  | (426)                       | (396)                             | (1,247)                          | (1,263)                                |
| Share of results in associate                             | (1)                         | (1)                               | (1)                              | (2)                                    |
| Profit before taxation                                    | B15 1,350                   | 543                               | 2,171                            | 1,697                                  |
| Taxation  | B 6 (647)                   | (166)                             | (883)                            | (514)                                  |
| Profit from continuing operations                         | 703                         | 377                               | 1,288                            | 1,183                                  |
| <b>Discontinued operations</b>                            |                             |                                   |                                  |  |
| Gain/(Loss) from discontinued operation, net of tax       | -                           | -                                 | -                                | -                                      |
| Profit for the period                                     | <u>703</u>                  | <u>377</u>                        | <u>1,288</u>                     | <u>1,183</u>                           |
| <b>Profit Attributable to:</b>                            |                             |                                   |                                  |  |
| Owners of the parent                                      | 798                         | 368                               | 1,473                            | 1,108                                  |
| Non-controlling interest                                  | (95)                        | 9                                 | (185)                            | 75                                     |
|   | <u>703</u>                  | <u>377</u>                        | <u>1,288</u>                     | <u>1,183</u>                           |
| <b>Basic earnings/(loss)<br/>per ordinary share (sen)</b> | B17                         |                                   |                                  |  |
| From continuing operations                                | 0.75                        | 0.34                              | 1.38                             | 1.04                                   |
| From discontinued operation                               | -                           | -                                 | -                                | -                                      |
|   | <u>0.75</u>                 | <u>0.34</u>                       | <u>1.38</u>                      | <u>1.04</u>                            |
| - 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 2014

**TOYO INK GROUP BERHAD**  
 (Company No. 590521 D)  
 (Incorporated in Malaysia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**  
 (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 |
|  | 31/12/2014<br>RM'000  | 31/12/2013<br>RM'000        | 31/12/2014<br>RM'000       | 31/12/2013<br>RM'000             |
| <b>Continuing operations</b>                       |                       |                             |                            |                                  |
| Profit for the period                              | 703                   | 377                         | 1,288                      | 1,183                            |
| Translation reserve                                |                       | -                           |                            | -                                |
|  | <u>703</u>            | <u>377</u>                  | <u>1,288</u>               | <u>1,183</u>                     |
| <b>Discontinued operation</b>                      |                       |                             |                            |                                  |
| Profit/(Loss) for the period                       | -                     | -                           | -                          | (6)                              |
| Translation reserve                                | -                     | 4                           | -                          | (8)                              |
| Total comprehensive income for the period          | <u>703</u>            | <u>381</u>                  | <u>1,288</u>               | <u>1,169</u>                     |
| <b>Total comprehensive income attributable to:</b> |                       |                             |                            |                                  |
| Owners of the parent                               | 798                   | 113                         | 1,473                      | 858                              |
| Non-controlling interest                           | (95)                  | (62)                        | (185)                      | (167)                            |
|  | <u>703</u>            | <u>51</u>                   | <u>1,288</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 2014

**TOYO INK GROUP BERHAD**  
(Company No. 590521 D)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

|  | Note | As At<br>31/12/2014<br>RM'000 | As At<br>31/03/2014<br>RM'000<br>(Audited) |
|--|------|-------------------------------|--|
| <b>ASSETS</b>  |      |                               |  |
| <b>Non Current Assets</b>                                      |      |                               |  |
| Property, plant and equipment                                  | A 9  | 28,891                        | 29,868                                     |
| Investment in associate  |      | 481                           | 482  |
| Development expenditure  |      | 143,183                       | 124,170                                    |
| Goodwill on consolidation                                      |      | 17,496                        | 17,496                                     |
|  |      | 190,051                       | 172,016                                    |
| <b>Current Assets</b>  |      |                               |  |
| Inventories  |      | 13,639                        | 14,874                                     |
| Trade and other receivables                                    |      | 23,393                        | 22,754                                     |
| Tax recoverable  |      | 385                           | 349  |
| Fixed deposits with licensed banks                             |      | 19                            | 18   |
| Cash and bank balances   |      | 3,895                         | 4,986                                      |
|  |      | 41,331                        | 42,980                                     |
| <b>TOTAL ASSETS</b>  |      | 231,382                       | 214,996                                    |
| <b>EQUITY AND LIABILITIES</b>                                  |      |                               |  |
| Share capital  |      | 98,868                        | 98,868                                     |
| Reserves   |      | 24,457                        | 22,978                                     |
| Total equity attributable to owners of the parent              |      | 123,325                       | 121,846                                    |
| Non-controlling interest                                       |      | 3,719                         | 4,014                                      |
| <b>TOTAL EQUITY</b>  |      | 127,044                       | 125,860                                    |
| <b>Non Current Liabilities</b>                                 |      |                               |  |
| Hire purchase creditors  |      | 140                           | 182  |
| Long term borrowings   | B9   | 2,009                         | 2,259                                      |
| Deferred tax liabilities                                       |      | 2,040                         | 1,950                                      |
|  |      | 4,189                         | 4,391                                      |
| <b>Current Liabilities</b>                                     |      |                               |  |
| Trade and other payables                                       |      | 78,632                        | 57,264                                     |
| Amount owing to directors                                      |      | 265                           | 220  |
| Hire purchase creditors  |      | 89                            | 795  |
| Short term borrowings  | B9   | 20,286                        | 25,577                                     |
| Tax liabilities  | B9   | 877                           | 889  |
|  |      | 100,149                       | 84,745                                     |
| <b>TOTAL LIABILITIES</b>                                       |      | 104,338                       | 89,136                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            |      | 231,382                       | 214,996                                    |
| Net Assets Per Share Attributable to Owners of the Parent (RM) |      | 1.15                          | 1.14                                       |

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 2014

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**  
(The figures have not been audited)

|   | <--Attributable to Shareholders of the Company--> |                          |                           |                                |                              |                                    |                         |
|---|---|--------------------------|---------------------------|--------------------------------|------------------------------|------------------------------------|-------------------------|
|   | <-Non-Distributable Reserves->                    |                          |                           |                                | Distributable Reserve        |                                    | Total Equity<br>RM '000 |
|   | Share Capital<br>RM '000                          | Share Premium<br>RM '000 | Warrant Reserve<br>RM'000 | Translation Reserve<br>RM '000 | Retained Earnings<br>RM '000 | Non-Controlling Interest<br>RM'000 |                         |
| <b>Balance as at 1 April 2014</b>                   | 98,868  | -                        | 8,132                     | 153                            | 14,692                       | 4,014                              | 125,859                 |
| Changes in equity interest                          | -   | -                        | -                         | -                              | -                            | -                                  | -                       |
| Total comprehensive income/(expense) for the period | -   | -                        | -                         | 7                              | 1,473                        | (185)                              | 1,295                   |
| <b>Balance as at 31 December 2014</b>               | <b>98,868</b>                                     | <b>-</b>                 | <b>8,132</b>              | <b>160</b>                     | <b>16,165</b>                | <b>3,829</b>                       | <b>127,154</b>          |
| <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)                   |
| Allocation of value to warrant reserve              | (8,132)   |                          | 8,132                     |                                |                              |                                    | -                       |
| Total transactions with owners                      | 56,068  | (4,321)                  | 8,132                     | -                              | (9,237)                      | -                                  | 50,642                  |
| Total comprehensive income/(expense) for the period | -   | -                        |                           | (37)                           | 1,108                        | 75                                 | 1,146                   |
| <b>Balance as at 31 December 2013</b>               | <b>98,868</b>                                     | <b>-</b>                 | <b>8,132</b>              | <b>159</b>                     | <b>10,909</b>                | <b>4,007</b>                       | <b>122,075</b>          |

**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 2014**



**TOYO INK GROUP BERHAD**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

(The figures have not been audited)

|   | Current<br>year to date<br>ended | Corresponding<br>year to date<br>ended |
|---|----------------------------------|--|
|   | 31/12/2014<br>RM'000             | 31/12/2013<br>RM'000                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                                  |  |
| Profit/(Loss) before taxation                                   |                                  |  |
| - Continuing operations   | 2,171                            | 2,136                                  |
| - Discontinued operation  | -                                | -                                      |
|   | <u>2,171</u>                     | <u>2,136</u>                           |
| Adjustments for:  |                                  |  |
| Non-cash items  | 1,772                            | 1,878                                  |
| Interest income   | -                                | (5)                                    |
| Interest expense  | (1,247)                          | 1,263                                  |
| <b>Operating profit before working capital changes</b>          | <u>2,696</u>                     | <u>5,272</u>                           |
| <b>Changes in working capital:</b>                              |                                  |  |
| Net changes in current assets                                   | 329                              | 5,330                                  |
| Net changes in current liabilities                              | 21,655                           | (21,369)                               |
| Operating assets held for sale                                  | -                                | -                                      |
| <b>Cash from operations</b>                                     | <u>24,680</u>                    | <u>(10,767)</u>                        |
| Tax refunded  | 153                              | 441                                    |
| Tax paid  | (959)                            | (665)                                  |
| Interest received   | -                                | 5                                      |
| Interest paid   | 1,247                            | (1,263)                                |
| Translation reserve   | (10)                             | (37)                                   |
| <b>Net cash (used in)/from operating activities</b>             | <u>25,111</u>                    | <u>(12,286)</u>                        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                                  |  |
| Proceeds from disposal of property, plant and equipment         | 83                               | 80                                     |
| Acquisition of property, plant and equipment *                  | (865)                            | (2,256)                                |
| Development expenditure   | (19,012)                         | (32,240)                               |
| <b>Net cash used in investing activities</b>                    | <u>(19,794)</u>                  | <u>(34,416)</u>                        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                                  |  |
| Repayment of borrowings   | (3,965)                          | (1,859)                                |
| Proceeds/(Repayment) from bankers acceptance and bills payable  | -                                | -                                      |
| Proceeds from issuance of shares                                | -                                | 51,360                                 |
| Share issue expenses  | -                                | (718)                                  |
| Dividend paid to minority shareholders of a subsidiary          | (110)                            | (654)                                  |
| Payment to hire purchase creditors                              | (749)                            | (654)                                  |
| <b>Net cash from/(used in) financing activities</b>             | <u>(4,824)</u>                   | <u>48,129</u>                          |
| <b>Net increase in cash and cash equivalents</b>                | <u>493</u>                       | <u>1,427</u>                           |
| <b>Cash and cash equivalents at beginning of financial year</b> | <u>(5,813)</u>                   | <u>(8,027)</u>                         |
| <b>Cash and cash equivalents at end of financial quarter</b>    | <u>(5,320)</u>                   | <u>(6,600)</u>                         |
| <b>CASH AND CASH EQUIVALENTS COMPRISE:</b>                      |                                  |  |
| Cash and bank balances  | 3,895                            | 3,895                                  |
| Fixed deposits with licensed banks                              | 19                               | 19                                     |
| Bank overdraft  | (9,234)                          | (10,445)                               |
|   | <u>(5,320)</u>                   | <u>(6,531)</u>                         |

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

|                          | 31/12/2014<br>RM'000 | 31/12/2013<br>RM'000 |
|--------------------------|----------------------|----------------------|
| <b>Mode of payments:</b> |                      |                      |
| Cash                     | 809                  | 2,181                |
| Hire Purchase            | 56                   | 75                   |
|                          | <u>865</u>           | <u>2,256</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 2014

**TOYO INK GROUP BERHAD**

(Company No. 590521 D)

(Incorporated in Malaysia)

**QUARTERLY REPORT**

**FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

**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 2014, 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 2014. For the periods up to and including the year ended 31 March 2014, 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 2014.

**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 January 2014***

- FRS 10 Consolidated Financial Statements: Investment Entities
- FRS 12 Disclosure of Interests in Other Entities: Investment Entities
- FRS 119 Defined Benefit Plans: Employee Contributions
- FRS 127 Separate Financial Statements (2011): Investment Entities
- FRS 132 Offsetting Financial Assets and Financial Liabilities
- FRS 136 Recoverable Amount Disclosures for Non-Financial Assets
- FRS 139 Novation of Derivatives and Continuation of Hedge Accounting

**A2. Changes in Accounting Policies (continued)**

The adoption of the above amendments to published standards and interpretations does not give rise to any material effects to the Group.

**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 2014

|                                     | Manufacturing<br>RM'000 | Trading and<br>investment<br>holding<br>RM'000 | Discontinued<br>Operation<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------------|-------------------------|--|-------------------------------------|-----------------------|------------------------|
| <b>Revenue</b>                      |                         |  |                                     |                       |                        |
| External                            | 36,500                  | 25,064   | -                                   | -                     | 61,564                 |
| Inter-segment                       | 12,596                  | 2,097  | -                                   | (14,693)              | -                      |
| Total revenue                       | 49,096                  | 27,161   | -                                   | (14,693)              | 61,564                 |
| <b>Results</b>                      |                         |  |                                     |                       |                        |
| Segment results                     | 2,446                   | 973  | -                                   | -                     | 3,419                  |
| Finance costs                       | (646)                   | (602)  | -                                   | -                     | (1,247)                |
| Share of results in associate       | (1)                     | -  | -                                   | -                     | (1)                    |
| Taxation                            |                         |  |                                     |                       | (83)                   |
| Non-controlling interest            |                         |  |                                     |                       | 85                     |
| Net profit for the financial period |                         |  |                                     |                       | 1,473                  |
| <b>Other Information</b>            |                         |  |                                     |                       |                        |
| Segment assets                      | 189,460                 | 23,561   | -                                   | -                     | 213,021                |
| Associate                           |                         |  |                                     |                       | 482                    |
| Unallocated corporate assets        |                         |  |                                     |                       | 17,81                  |
| Consolidated total assets           |                         |  |                                     |                       | 231,384                |
| Segment liabilities                 | 75,817                  | 3,079  | -                                   | -                     | 78,813                 |
| Unallocated corporate liabilities   |                         |  |                                     |                       | 24,524                 |
| Consolidated total liabilities      |                         |  |                                     |                       | 103,337                |
| Capital expenditure                 | 533                     | 332  | -                                   | -                     | 865                    |
| Depreciation/ amortization          | 1,466                   | 257  | -                                   | -                     | 1,723                  |

## Corresponding Year To Date 31 Dec 2013

|                                     | Manufacturing<br>RM'000 | Trading and<br>investment<br>holding<br>RM'000 | Discontinued<br>Operation<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------------|-------------------------|--|-------------------------------------|-----------------------|------------------------|
| <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                 | 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<br>31 Dec<br>2014<br>RM'000                          | YTD<br>31 Dec<br>2013<br>RM'000 | YTD<br>31 Dec<br>2014<br>RM'000      | YTD<br>31 Dec<br>2013<br>RM'000 | YTD<br>31 Dec<br>2014<br>RM'000           | YTD<br>31 Dec<br>2013<br>RM'000 |
| <b>Continuing operations</b>  |  |                                 |                                      |                                 |   |                                 |
| Malaysia                      | 59,147   | 61,351                          | 209,037                              | 186,162                         | 665                                       | 338                             |
| Indonesia                     | 2,417  | 1,649                           | 4,466                                | 4,162                           | 200                                       | 1,918                           |
| Vietnam                       | -  | 2,223                           | -                                    | -                               | -   | -                               |
| <b>Discontinued operation</b> |  |                                 |                                      |                                 |   |                                 |
| Vietnam                       | -  | -                               | -                                    | -                               | -   | -                               |
|                               | <u>61,564</u>  | <u>65,223</u>                   | <u>213,503</u>                       | <u>190,324</u>                  | <u>865</u>                                | <u>2,256</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<br>31 Dec 2014<br>RM'000 | 9 months ended<br>31 Dec 2013<br>RM'000 |
|---|---|---|
| Approved and contracted but not provided for: |   |   |
| Property, Plant & Machinery                   | <u>7,277</u>                            | <u>10,448</u>                           |
| Total   | <u>7,277</u>                            | <u>10,448</u>                           |

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

**B1. Review of Performance**

For the third financial quarter ended 31 Dec 2014 (“3Q 2015”), the Group registered a lower revenue of RM 20.61 million as compared to RM 20.96 million in the previous corresponding quarter ended 31 December 2013 (“3Q 2014”), a decreased of 1.7% (RM 0.36 million).

Profit before tax was RM 1.35 million for 3Q 2015 compared to RM 0.54 million for 3Q 2014. The increase in profit before tax was RM0.81 million (148.6%) was mainly due to the better margin contributed by Manufacturing Segment for the current quarter.

**B2 Review of Performance by segment**

|  | <b>Individual<br/>31/12/2014<br/>RM'000</b> | <b>Quarter<br/>31/12/2013<br/>RM'000</b> | <b>Cumulative<br/>31/12/2014<br/>RM'000</b> | <b>Quarter<br/>31/12/2013<br/>RM'000</b> |
|--|---|--|---|--|
| <b>External Revenue<br/>By Segment :</b> |   |  |   |  |
| Manufacturing                            | 12,405                                      | 13,135                                   | 36,500                                      | 41,109                                   |
| Trading                                  | 8,207                                       | 7,819                                    | 25,064                                      | 24,114                                   |
|  | 20,612                                      | 20,954                                   | 61,564                                      | 65,223                                   |

The manufacturing segment contributed revenue of RM 12.41 million for 3Q 2015 compared to RM13.14 million in 3Q 2014. 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 RM8.21 million for 3Q 2015 compared to RM 7.82 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 2015.

**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<br/>Current<br/>quarter<br/>ended<br/>31/12/2014<br/>RM'000</b> | <b>QUARTER<br/>Corresponding<br/>quarter<br/>ended<br/>31/12/2013<br/>RM'000</b> | <b>CUMULATIVE<br/>Current<br/>year to date<br/>ended<br/>31/12/2014<br/>RM'000</b> | <b>QUARTER<br/>Corresponding<br/>year to date<br/>ended<br/>31/12/2013<br/>RM'000</b> |
|---|---|--|--|---|
| <b>Malaysia Income Tax</b>                      |   |  |  |   |
| -Provision for the period                       | (669)   | (136)  | (424)  | (424)   |
| <b>Vietnam Income Tax</b>                       |   |  |  |   |
| -Reversal for Over provision made in prior year | 82  | -  | 82   | -   |
| <b>Deferred Taxation</b>                        |   |  |  |   |
| -Provision for the period                       | (60)  | (30)   | (90)   | (90)  |
|   | <u>(647)</u>  | <u>(166)</u>   | <u>(883)</u>   | <u>(514)</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. Status of Corporate Proposals**

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

**B8. Borrowings**

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

|                              | <b>31/12/2014<br/>RM'000</b> | <b>31/12/2013<br/>RM'000</b> |
|------------------------------|------------------------------|------------------------------|
| <b>Short term borrowings</b> |                              |                              |
| <b>Unsecured</b>             |                              |                              |
| Bankers' acceptances         | 1,390                        | 4,993                        |
| Bank overdrafts              | 1,809                        | 1,019                        |
|                              | <u>3,199</u>                 | <u>6,012</u>                 |
| <b>Secured</b>               |                              |                              |
| Bankers' acceptances         | 9,370                        | 10,413                       |
| Bank overdrafts              | 7,425                        | 9,426                        |
| Term loan                    | 292                          | 192                          |
|                              | <u>20,286</u>                | <u>26,043</u>                |
| <b>Long term borrowings</b>  |                              |                              |
| <b>Secured</b>               |                              |                              |
| Term Loan                    | 2,009                        | 214                          |
| Total                        | <u>22,295</u>                | <u>26,257</u>                |

**B9. Material Litigations**

There were no material litigations as at the date of this quarterly report.

**B10. Dividend**

The Group had declared the first interim single tier dividend amounting to RM1.07 million on 23 December 2014 (31 March 2014: Nil) for the financial year ending 31 March 2015 and the dividend will be payable on 16 February 2015.

**B11. Realized/unrealized profit/(losses)**

|   | <b>31/12/2014</b> | <b>31/12/2013</b> |
|---|-------------------|-------------------|
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| Total retained earnings of the Group:                                 |                   |                   |
| Realized  | 18,142            | 13,680            |
| Unrealized  | (2,040)           | (2,834)           |
|   | <u>16,102</u>     | <u>10,846</u>     |
| Add: Consolidation adjustment   | 63                | 63                |
| Total group retained profits as per consolidated financial statements | <u>16,165</u>     | <u>10,909</u>     |

**B12. Disclosures of derivatives**

There were no outstanding derivatives as at 31 December 2014.

**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 2014.

**B14. Notes to the condensed consolidated Income Statement**

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

|   | <b>Individual</b>    | <b>Cumulative</b>    |
|---|----------------------|----------------------|
|   | <b>quarter ended</b> | <b>quarter ended</b> |
|   | <b>31/12/2014</b>    | <b>31/12/2014</b>    |
|   | <b>RM'000</b>        | <b>RM'000</b>        |
| Other income / (expenses)                     | (139)                | 641                  |
| Interest expense                              | (426)                | (1,247)              |
| Depreciation of property, plant and equipment | (582)                | (1,723)              |
| Foreign exchange (loss)/ gain                 | (147)                | (33)                 |

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.

|   | <b>INDIVIDUAL</b><br>Current<br>quarter<br>ended<br><b>31/12/2014</b><br><b>RM'000</b> | <b>QUARTER</b><br>Corresponding<br>quarter<br>ended<br><b>31/12/2013</b><br><b>RM'000</b> | <b>CUMULATIVE</b><br>Current<br>year to date<br>ended<br><b>31/12/2014</b><br><b>RM'000</b> | <b>QUARTER</b><br>Corresponding<br>year to date<br>ended<br><b>31/12/2013</b><br><b>RM'000</b> |
|---|--|---|---|--|
| Profit / (Loss) attributable to shareholders        | 798  | 368   | 1,473   | 1,108  |
| Weighted average number of ordinary shares in issue | 107,000  | 107,000   | 107,000   | 107,000  |
| Basic earnings per share (sen)                      | 0.75   | 0.34  | 1.38  | 1.04   |

- 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 11 February 2015