

NEW TOYO

International Holdings Ltd

UNVEILING

GREATER

POTENTIAL

FINANCIAL STATEMENTS ANNOUNCEMENT

for the full year ended 31 December 2018

Unaudited results for the fourth quarter and full year ended 31 December 2018

- 1(a) An income statement and statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Group			Group		
	4Q	4Q		12-months	12-months	
	31-12-18	31-12-17	Change	31-12-18	31-12-17	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	74,662	61,530	21.3	271,321	265,056	2.4
Cost of sales	(71,116)	(53,833)	32.1	(245,093)	(231,609)	5.8
Gross profit	3,546	7,697	(53.9)	26,228	33,447	(21.6)
Other income	9,398	234	3,916.2	14,123	8,831	59.9
Distribution expenses	(4,050)	(1,275)	217.6	(7,714)	(5,624)	37.2
Administrative expenses	(5,817)	(5,165)	12.6	(22,173)	(20,164)	10.0
Net foreign exchange gain/(loss)	2,235	(341)	n.m.	1,969	(2,418)	n.m.
Other operating expenses	(2,437)	1,013	n.m.	(4,098)	(13,018)	(68.5)
Operating profit	2,875	2,163	32.9	8,335	1,054	690.8
Finance income	281	445	(36.9)	1,318	1,595	(17.4)
Finance costs	(1,047)	(558)	87.6	(3,096)	(1,886)	64.2
Net finance costs	(766)	(113)	577.9	(1,778)	(291)	511.0
Share of loss of equity-accounted investees (net of tax)	(356)	(294)	21.1	(565)	(108)	423.1
Profit before tax	1,753	1,756	(0.2)	5,992	655	814.8
Tax expense	(376)	(536)	(29.9)	(1,795)	(957)	87.6
Profit/(Loss) for the period / year	1,377	1,220	12.9	4,197	(302)	n.m.
Attributable to :						
Owners of the Company	1,535	1,476	4.0	4,220	2,732	54.5
Non-controlling interests	(158)	(256)	(38.3)	(23)	(3,034)	(99.2)
Profit/(Loss) for the period / year	1,377	1,220	12.9	4,197	(302)	n.m.

Statement of Comprehensive Income

	Group			Group		
	4Q	4Q		12-months	12-months	
	31-12-18	31-12-17	Change	31-12-18	31-12-17	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Profit/(Loss) for the period / year	1,377	1,220	12.9	4,197	(302)	n.m.
Other comprehensive income						
Items that are or may be reclassified to profit or loss :						
Foreign currency differences for foreign operations	(1,353)	(1,171)	15.5	(1,499)	(6,834)	(78.1)
Change in fair value of available-for-sale equity securities	-	(3)	n.m.	-	(3)	n.m.
Effect of striking off a subsidiary	-	-	n.m.	(227)	-	n.m.
Other comprehensive income for the period, net of tax	(1,353)	(1,174)	15.2	(1,726)	(6,837)	(74.8)
Total comprehensive income for the period / year	24	46	(47.8)	2,471	(7,139)	n.m.
Attributable to :						
Owners of the Company	449	254	76.8	2,871	(3,302)	n.m.
Non-controlling interests	(425)	(208)	104.3	(400)	(3,837)	(89.6)
Total comprehensive income for the period / year	24	46	(47.8)	2,471	(7,139)	n.m.

n.m. - not meaningful

The results for fourth quarter and year ended 31 December 2017 were restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s"). Please refer to paragraph 5 for the details on the financial impact from the adoption of SFRS(I)s.

1(a) An income statement and statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Disclosure to Income Statement

	Note	Group			Group		
		4Q	4Q	Change	12-months	12-months	Change
		31-12-18	31-12-17 Restated		31-12-18	31-12-17 Restated	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Other income, including finance income	(i)	1,770	2,051	(13.7)	7,506	9,387	(20.0)
Interest on borrowings	(ii)	(1,047)	(558)	87.6	(3,096)	(1,886)	64.2
Provision for/(reversal of) inventory obsolescence		(691)	(414)	66.9	(553)	(1,150)	(51.9)
Depreciation and amortisation	(iii)	(4,538)	(4,197)	8.1	(17,795)	(15,148)	17.5
Gain/(Loss) on disposal of other investments		10	-	n.m.	10	(51)	n.m.
Gain on disposal of investment properties	(iv)	7,911	-	n.m.	7,911	-	n.m.
Gain on disposal of associates	(v)	-	-	n.m.	-	1,039	n.m.
Gain on striking off a subsidiary		-	-	n.m.	14	-	n.m.
Loss on disposal of property, plant and equipment	(vi)	(31)	(2,727)	(98.9)	(19)	(1,354)	(98.6)
Provision for doubtful trade receivables		(2,274)	-	n.m.	(2,274)	2	n.m.
Impairment loss on property, plant and equipment	(vi)	-	2,684	n.m.	-	859	n.m.
Inventory written-off		(7)	(10)	(30.0)	(7)	(10)	(30.0)
Property, plant and equipment written-off		-	-	n.m.	(4)	(45)	(91.1)
Over provision of tax in respect of prior years		67	(10)	n.m.	73	51	43.1

n.m. - not meaningful

Other operating expenses comprise the following:

		Group			Group		
		4Q	4Q	Change	12-months	12-months	Change
		31-12-18	31-12-17 Restated		31-12-18	31-12-17 Restated	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Non-operating Item:							
Net change in fair value of equity securities	(vii)	(127)	-	n.m.	(127)	-	n.m.
Termination benefits	(viii)	-	228	n.m.	(50)	(9,969)	(99.5)
		<u>(127)</u>	<u>228</u>		<u>(177)</u>	<u>(9,969)</u>	

n.m. - not meaningful

Notes:

- (i) Decrease in other income for 4Q2018 was attributed to lower interest income and absence of rental income on disposal of Australian land and building. For 12M2017, a sum received by a subsidiary from a contractor for the damage caused to the subsidiary's premises pursuant to a settlement (on a without admission of liability basis) between the subsidiary and the contractor was included in the amount under other income.
- (ii) The Group incurred higher interest expenses for 4Q2018 and 12M2018 mainly due to the higher loans and borrowings compared to the previous corresponding period and year.
- (iii) Increase in depreciation and amortisation for 12M2018 was in line with higher capital expenditure incurred by the Vietnam and Dubai subsidiaries in the previous and current year.
- (iv) The gain was recognised upon the disposal of freehold land and building by Anzpac Services (Australia) Pty Limited ("Anzpac") as announced on 5 October 2018.
- (v) In 2017, as a result of a reduction in the shareholding of Toyoma Aluminium Foil Packaging Sdn Bhd ("TAF") from 30% to 14.61%, TAF has ceased to be an associated company of the Group and a gain on discontinuing equity accounting was recorded.
- (vi) Following the cessation of printing business of Anzpac announced on 15 June 2017 arising from reorganisation of production footprint within the Group, a net loss was recognised on disposal of the plant and equipment of Anzpac in year 2017. The gain on disposal and impairment loss of the plant and equipment were separately disclosed in earlier quarters year 2017, was reclassified and presented as a net loss in 4Q2017.
- (vii) Changes in fair value of the investments in equity securities are recognised to profit or loss under SFRS(I) 9, which is effective 1 January 2018.
- (viii) Termination benefits for 12M2017 were recognised due to the cessation of printing business of Tien Wah Press (Malaysia) Sdn Bhd ("TWPM"), announced on 20 July 2017 and the aforementioned cessation of printing business of Anzpac. Additional termination benefits were incurred by TWPM for its closure in 2018.

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

		31-12-18	Group 31-12-17 Restated	01-01-17 Restated	Company 31-12-18	31-12-17
	Note	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Non-current assets						
Property, plant and equipment	1	104,364	96,398	98,405	201	228
Investment properties	2	6,036	20,344	6,813	-	-
Subsidiaries		-	-	-	132,028	131,367
Associate and joint ventures	3	11,225	1,952	1,687	-	-
Other investments		2,542	2,680	2,099	1,651	1,744
Intangible assets and goodwill		25,161	26,451	28,245	-	-
Deferred tax assets		561	673	653	-	-
Other receivables	4	2,462	1,186	2,794	-	-
		152,351	149,684	140,696	133,880	133,339
Current assets						
Other investments	5	-	589	-	-	-
Inventories	6	70,164	42,925	44,155	-	-
Contract assets		4,666	3,014	4,071	-	-
Trade and other receivables	7	60,754	71,307	77,731	16,927	8,968
Cash and cash equivalents	8	42,575	48,575	68,479	11,269	11,973
		178,159	166,410	194,436	28,196	20,941
Total assets		330,510	316,094	335,132	162,076	154,280
Equity attributable to owners of the Company						
Share capital		132,102	132,102	132,102	132,102	132,102
Reserves		(6,481)	(5,019)	954	77	77
Retained earnings		38,809	41,507	46,306	(11,271)	(11,213)
		164,430	168,590	179,362	120,908	120,966
Non-controlling interests		47,918	49,206	55,343	-	-
Total Equity		212,348	217,796	234,705	120,908	120,966
Non-current liabilities						
Other payables		558	396	452	-	-
Financial liabilities	9	20,630	22,374	28,147	-	-
Deferred tax liabilities		1,409	1,244	3,306	11	11
		22,597	24,014	31,905	11	11
Current liabilities						
Contract liabilities		300	-	-	-	-
Trade and other payables		48,577	46,005	46,050	32,423	30,854
Financial liabilities	9	46,563	27,221	21,257	8,709	2,425
Current tax liabilities		125	1,058	1,215	25	24
		95,565	74,284	68,522	41,157	33,303
Total liabilities		118,162	98,298	100,427	41,168	33,314
Total equity and liabilities		330,510	316,094	335,132	162,076	154,280

Notes :

- 1) The increase is mainly due to acquisition of property, plant and equipment ("PPE") by Vietnam, Indonesia and Dubai operations.
- 2) The decrease is due to the disposal of freehold land and building by Anzpac.
- 3) The increase is attributed to additional capital contribution to a jointly controlled entity in a Malaysia property.
- 4) The increase is due to increase of tax recoverables in Indonesian operation.
- 5) The investment in available-for-sale debt securities was sold in 1Q2018.
- 6) The increase is a result of building up of inventories for start up of Xiamen and Dubai operations and relocation of Indonesia operations to its new site, as well as new volume in Indonesia and Latin America markets.
- 7) The decrease is mainly due to receipt of balance proceeds on disposal of leasehold land and building to a jointly controlled entity in a Malaysia property and timing of repayment by customers.
- 8) Please refer to the Consolidated Statement of Cash Flow and related commentaries.
- 9) The increase in borrowings is mainly utilised for the working capital requirements of Tissue Paper division and Dubai start up, expansion of Vietnam operation and relocation of Indonesia operation.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 31/12/18		As at 31/12/17	
	Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
Amount repayable in one year or less, or on demand	9,233	37,330	3,024	24,197
Amount repayable after one year	13,632	6,998	12,044	10,330

Details of any collateral

Secured borrowings are bank loans secured on inventories and by a charge over the assets and shares in a subsidiary, and finance lease liabilities secured by rights to the leased assets.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flow

		4Q 31-12-18	4Q 31-12-17 Restated	12-months 31-12-18	12-months 31-12-17 Restated
	Note	SGD'000	SGD'000	SGD'000	SGD'000
Operating activities					
Profit before tax		1,753	1,756	5,992	655
Adjustments for :					
Amortisation of other investments		1	-	5	5
Depreciation and amortisation		4,537	4,318	17,790	15,264
Net change in fair value of equity securities		127	-	127	-
Dividend income from quoted securities		-	(3)	(8)	(17)
Gain on disposal of other investments		(10)	-	(10)	51
Gain on striking off a subsidiary		-	-	(14)	-
Loss on disposal of property, plant and equipment		31	2,727	19	1,354
Gain on disposal of investment property		(7,911)	-	(7,911)	-
Gain on disposal of an associate		-	-	-	(1,039)
Impairment loss on property, plant and equipment		-	(2,684)	-	(859)
Finance income		(281)	(445)	(1,318)	(1,595)
Finance costs		1,047	558	3,096	1,886
Property, plant and equipment written-off		-	-	4	45
Provision for termination benefits		-	-	-	10,197
Share of loss of equity-accounted investees (net of tax)		356	294	565	108
Operating profit before working capital changes		(350)	6,521	18,337	26,055
Changes in working capital :					
Inventories		(4,512)	(730)	(27,764)	1,152
Trade and other receivables		5,207	3,275	(14,598)	4,333
Trade and other payables		(2,202)	1,661	5,122	(1,586)
Employee benefits		121	(1,291)	(2,168)	(9,272)
Cash flows (used in)/from operations		(1,736)	9,436	(21,071)	20,682
Income taxes paid		389	(734)	(2,578)	(3,119)
Cash flows (used in)/from operating activities	1	(1,347)	8,702	(23,649)	17,563
Investing activities					
Dividends received from quoted securities		-	3	8	17
Capital contribution to an equity-accounted investee		(9,830)	-	(9,830)	(316)
Interest received		281	445	1,318	1,595
Acquisition of property, plant and equipment		(7,739)	(7,444)	(23,619)	(36,324)
Additions to investment property		(54)	(7)	(54)	(97)
Proceeds from disposal of other investment		-	-	575	363
Proceeds from disposal of property, plant and equipment		20,033	269	22,228	1,459
Proceeds from disposal of an investment property		21,492	-	21,492	-
Proceeds from disposal of associate		-	4,924	-	4,924
Net cash outflow from striking off a subsidiary		-	-	(213)	-
Cash flows from/(used in) investing activities	2	24,183	(1,810)	11,905	(28,379)
Financing activities					
Dividends paid to shareholders		(2,637)	(2,636)	(7,031)	(7,470)
Dividends paid to non-controlling shareholders		-	(423)	(888)	(2,300)
Interest paid		(1,047)	(558)	(3,096)	(1,886)
Payment of finance lease liabilities		(13)	(29)	(67)	(63)
Proceeds from bank borrowings		4,899	3,204	42,451	32,173
Repayments of bank borrowings		(12,922)	(5,019)	(25,439)	(28,479)
Cash flows (used in)/from financing activities	3	(11,720)	(5,461)	5,930	(8,025)
Net increase/(decrease) in cash and cash equivalents		11,116	1,431	(5,814)	(18,841)
Cash and cash equivalents at beginning of period / year		31,730	47,246	48,575	68,479
Effect of exchange rate fluctuations on cash held		(271)	(102)	(186)	(1,063)
Cash and cash equivalents at end of period / year		42,575	48,575	42,575	48,575
Deposits with financial institutions		14,784	13,915	14,784	13,915
Cash at banks and on hand		27,791	34,660	27,791	34,660
		42,575	48,575	42,575	48,575

Note 1 : Decrease in cash flows from operating activities in 4Q2018 was attributable to lower operating profit, building up of inventories as mentioned in note 6 of paragraph 1(b)(i) and timing of repayment to suppliers.

Note 2 : Higher cash flows from investing activities in 4Q2018 was mainly due to proceeds from the disposal of freehold land and building by Anzpac and balance proceeds on disposal of leasehold land and building to a jointly controlled entity, offset by additional capital contribution to a jointly controlled entity as mentioned in note 3 of paragraph 1(b)(i).

Note 3 : Higher cash flows used in financing activities in 4Q2018 was mainly due to repayments of bank borrowings.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity

			Other reserves						
	Share capital SGD'000	Capital reserve SGD'000	Other reserve SGD'000	Translation reserve SGD'000	Fair value reserve SGD'000	Retained earnings SGD'000	Total SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Group									
At 1 January 2017	132,102	736	77	(12,230)	141	57,967	178,793	54,972	233,765
Adoption of SFRS (I) 1	-	-	-	12,230	-	(12,196)	34	(63)	(29)
Adoption of SFRS (I) 15	-	-	-	-	-	535	535	434	969
As restated at 1 January 2017	132,102	736	77	-	141	46,306	179,362	55,343	234,705
Appropriation of retained earnings to statutory reserve	-	61	-	-	-	(61)	-	-	-
Dividends paid	-	-	-	-	-	(7,470)	(7,470)	-	(7,470)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(2,300)	(2,300)
Total comprehensive income for the year	-	-	-	(6,031)	(3)	2,732	(3,302)	(3,837)	(7,139)
At 31 December 2017	132,102	797	77	(6,031)	138	41,507	168,590	49,206	217,796
As restated at 31 December 2017	132,102	797	77	(6,031)	138	41,507	168,590	49,206	217,796
Adoption of SFRS (I) 9	-	-	-	-	(138)	138	-	-	-
As restated at 1 January 2018	132,102	797	77	(6,031)	-	41,645	168,590	49,206	217,796
Appropriation of retained earnings to statutory reserve	-	25	-	-	-	(25)	-	-	-
Effect of striking off a subsidiary	-	-	-	(28)	-	-	(28)	(199)	(227)
Dividends paid	-	-	-	-	-	(7,031)	(7,031)	-	(7,031)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(888)	(888)
Total comprehensive income for the year	-	-	-	(1,321)	-	4,220	2,899	(201)	2,698
At 31 December 2018	132,102	822	77	(7,380)	-	38,809	164,430	47,918	212,348
Company									
At 1 January 2017	132,102	-	77	-	-	(12,214)	119,965	-	119,965
Net profit for the year	-	-	-	-	-	8,471	8,471	-	8,471
Dividends paid	-	-	-	-	-	(7,470)	(7,470)	-	(7,470)
At 31 December 2017	132,102	-	77	-	-	(11,213)	120,966	-	120,966
At 1 January 2018	132,102	-	77	-	-	(11,213)	120,966	-	120,966
Net profit for the year	-	-	-	-	-	6,973	6,973	-	6,973
Dividends paid	-	-	-	-	-	(7,031)	(7,031)	-	(7,031)
At 31 December 2018	132,102	-	77	-	-	(11,271)	120,908	-	120,908

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31-12-18	As at 31-12-17
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 31 December 2018 and 31 December 2017.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2017.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the period ended 30 September 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

(a) Application of SFRS(I) 1

(i) Foreign currency translation reserve

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative translation losses of S\$12.23 million was reclassified from foreign currency translation reserve to retained earnings as at 1 January 2017.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. As at 31 December 2017, cumulative translation losses of S\$10.76 million was reclassified from foreign currency translation reserve to retained earnings.

(ii) Business combinations

The Group has elected the optional exemption not to apply SFRS(I) 3 *Business Combinations* retrospectively to business combinations that occurred before 1 January 2010.

(iii) Fair value as deemed cost for certain property, plant and equipment

The Group has elected the optional exemption to measure certain property, plant and equipment at the date of transition to SFRS(I) at fair value and use that fair value as deemed cost in its SFRS(I) financial statements. As a result, certain balance sheet items and reserves were adjusted as at 1 January 2017.

(b) Adoption of SFRS(I)s

The following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company are effective on or after the same date.

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15 *Clarifications to SFRS(I) 15*
- SFRS(I) 16 *Leases*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 28 *Measuring an Associate or Joint Venture at Fair Value*
- Amendments to SFRS(I) 40 *Transfers of Investment Property*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

(i) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

SFRS(I) 15 establishes a comprehensive framework for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group's Printed Cartons and Labels division manufactures and sells certain printing products for a customer under a non-cancellable exclusive rights to supply contract. Prior to adoption of SFRS(I) 15, the Group recognises revenue from such sales after the significant risks and rewards of ownership are transferred to customers. Under SFRS(I) 15, the Group will recognise revenue from contracts with customers when the performance obligations are satisfied over time.

Following the presentation requirements in SFRS(I) 15, the Group has presented contract assets separately from inventories.

(ii) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information. Accordingly, requirements of FRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial statements up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of assets and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

(1) Classification and measurement: financial assets

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9. As a result, certain balance sheet items and reserves were adjusted as at 1 January 2018.

(2) Impairment

Financial assets are subject to expected credit loss ("ECL") impairment model under SFRS(I) 9. The Group has applied the simplified approach and record lifetime ECL on all trade receivables and any contract assets arising from the application of SFRS(I) 15. Based on the assessment made, there was no significant change in the impairment of trade and other receivables as at 1 January 2018.

Please refer to the Statements of Changes in Equity for the Group in paragraph 1(d) for further details on the quantum of the respective adjustments made in relation to SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

		Group		Group	
		4Q	4Q	12-months	12-months
		31-12-18	31-12-17	31-12-18	31-12-17
					Restated
Earnings per share ("EPS") for the period					
(a)	Based on the average number of ordinary shares	0.35 cts	0.34 cts	0.96 cts	0.62 cts
(b)	On a fully diluted basis	0.35 cts	0.34 cts	0.96 cts	0.62 cts

Basic EPS and fully diluted EPS have been calculated based on 439,424,603 shares.

7 Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 31-12-18	As at 31-12-17 Restated	As at 31-12-18	As at 31-12-17
Net asset value per ordinary share based on existing share capital	37.42 cts	38.37 cts	27.52 cts	27.53 cts

The net asset value per ordinary share has been calculated based on 439,424,603 shares.

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

(i) Current Quarter against Previous Year Corresponding Quarter

The Group's turnover increased by S\$13.13 million or 21.3% to S\$74.66 million in 4Q2018, mainly due to revenue contribution from Tissue Paper division and higher revenue in Specialty Papers ("SP") and Trading divisions, offset by lower revenue from Printed Cartons and Labels ("PCL") division. SP division's revenue was boosted by new volume in Indonesia and Latin America markets. PCL division was affected by the reduction of non-tobacco revenue as a result of closure of the Australian and Malaysian operations.

Gross profit for 4Q2018 decreased by S\$4.15 million or 53.9% to S\$3.55 million compared to S\$7.70 million in 4Q2017. The gross profit margin of 4.7% for the Group in 4Q2018 was impacted by lower gross profit margin from SP division attributable to a change in product mix, lower margin from PCL division and the higher proportion of Trading sales with low gross profit margin. In addition, production overheads were being incurred for the Tissue Paper division due to the delay in the start of the business operations.

Higher other income in 4Q2018 was mainly attributable to a gain on disposal of freehold land and building by Anzpac.

Distribution expenses increased by S\$2.78 million in 4Q2018, mainly due to a one-off provision for doubtful debts in Anzpac and higher freight costs for Vietnam operation mitigated by the absence of expenses from Malaysian operation.

The increase in administrative expenses by S\$0.65 million in 4Q2018 was attributable to the professional fee incurred in relation to the disposal of freehold land and building by Anzpac and administrative overheads incurred for Tissue Paper division.

Net foreign exchange gain in 4Q2018 of S\$2.24 million was mainly due to appreciation of the US Dollar. Other operating expenses in 4Q2018 was higher, mainly due to expenses incurred as a result of the cessation of Malaysian operation.

The increase in finance costs by S\$0.49 million to S\$1.05 million in 4Q2018 was mainly attributed to increase in bank borrowings to fund the working capital requirements of Tissue Paper division and Dubai start up, expansion of Vietnam operation and relocation of Indonesia operation.

The lower tax expenses in 4Q2018 was due to lower profit contributions from entities in a tax-paying status.

As a result of the above factors, the Group's profit before tax decreased slightly to S\$1.75 million in 4QFY2018 (S\$1.76 million in 4QFY2017). Overall, the Group reported a profit after tax attributable to owners of the Company of S\$1.54 million for 4Q2018, an increase of S\$0.06 million as compared to a profit of S\$1.48 million for 4Q2017.

(ii) Current Year-to-date against Previous Year-to-date

For the year ended 31 December 2018, the Group's turnover increased by S\$6.27 million or 2.4% to S\$271.32 million due to the factors mentioned above.

Gross profit margin for the year ended 31 December 2018 decreased to 9.7% as compared to 12.6% last year. The lower margin was due to lower gross profit margin from SP division attributable to a change in product mix and lower margin for Trading and PCL divisions. In addition, production overheads were being incurred for the Malaysian, Dubai and Tissue Paper operations due to the delay in the cessation of the Malaysian operations and the start of the business operations in Dubai and Tissue Paper respectively.

For the year ended 31 December 2018, other income registered S\$14.12 million (S\$8.83 million for the year ended 31 December 2017) mainly due to a gain on disposal of freehold land and building by Anzpac. A sum received by a subsidiary from a contractor for the damage caused to the subsidiary's premises and a gain on discontinuing equity accounting of an associate were recorded in the corresponding year-to-date.

A net exchange gain of S\$1.97 million for the year ended 31 December 2018 (net exchange loss of S\$2.42 million for the year ended 31 December 2017) was mainly due to appreciation of US Dollar in 2018. Other operating expenses were down mainly attributable to absence of termination benefits incurred in 2017 due to the closure of the Australian and Malaysian operations.

The increase in finance costs by S\$1.21 million to S\$3.10 million for the year ended 31 December 2018 was attributed to the factors mentioned above for 4Q2018.

For the year ended 31 December 2018, equity-accounted investees registered higher loss of S\$0.57 million due to higher share of loss from a joint venture in Vietnam.

Higher tax expense for the year ended 31 December 2018 was attributable to absence of a reversal of deferred tax liabilities in 2017.

The Group's profit before tax increased by S\$5.33 million to S\$5.99 million for the year ended 31 December 2018 (S\$0.66 million for the year ended 31 December 2017). Overall, the Group reported a profit after tax attributable to owners of the Company of S\$4.22 million for the year ended 31 December 2018 (S\$2.73 million for the year ended 31 December 2017).

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. The Group did not make any forecast previously.

10 A commentary at the date of the announcement of the significant trend and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Having substantially completed the realignment of our manufacturing footprint and review of our operation procedures, the Group is poised for future growth to reap the benefits. The Group will now focus to optimise the entire value chain to achieve cost and production efficiencies to meet our customers' needs.

Barring any unforeseen economic circumstances, the Group is cautiously optimistic regarding its future performance.

11 Dividend

(a) Current Financial Period Reported On

2018 Ordinary		
Name of Dividend :	Interim	Final
Dividend Type :	Cash	Cash
Dividend per share :	0.60 cts per ordinary share	0.90 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

2017 Ordinary		
Name of Dividend :	Interim	Final
Dividend Type :	Cash	Cash
Dividend per share :	0.60 cts per ordinary share	1.00 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)	Tax exempt (one-tier)

(c) Date payable

To be advised

(d) Books closure date

To be advised

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions.

14 Confirmation pursuant to Rule 720(1).

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Business Segments

	Specialty Papers SGD'000	Printed Cartons and Labels SGD'000	Trading SGD'000	Investment holding SGD'000	Total SGD'000
Revenue and Expenses					
FY2018					
Total revenue from external customers	108,654	112,763	38,150	-	259,567
Inter-segment revenue	3,062	50,713	4,441	-	58,216
Total revenue	111,716	163,476	42,591	-	317,783
Segment results	3,847	5,547	186	599	10,179
Share of profit of equity-accounted investees	-	-	-	(565)	(565)
Other material non-cash items :					
- Amortisation	5	1,363	-	-	1,368
- Depreciation	2,139	13,900	-	289	16,328
- Change in fair value of equity shares	33	-	-	-	33
Capital expenditure	5,117	18,423	-	-	23,540
Investment in equity-accounted investees	-	-	-	11,224	11,224
Reportable segment assets	72,159	189,626	7,436	8,476	277,697
Reportable segment liabilities	23,686	66,771	5,202	128	95,787

	Specialty Papers SGD'000	Printed Cartons and Labels SGD'000	Trading SGD'000	Investment holding SGD'000	Total SGD'000
Revenue and Expenses					
FY2017					
Total revenue from external customers	93,646	130,348	35,678	-	259,672
Inter-segment revenue	1,982	55,131	1,350	-	58,463
Total revenue	95,628	185,479	37,028	-	318,135
Segment results	12,346	(11,410)	463	934	2,333
Share of profit of equity-accounted investees	-	-	-	(108)	(108)
Other material non-cash items :					
- Amortisation	5	1,359	-	-	1,364
- Depreciation	1,553	11,693	-	562	13,808
- Impairment loss on Property, plant and equipment	-	177	-	-	177
Capital expenditure	3,974	32,585	-	-	36,559
Investment in equity-accounted investees	-	-	-	1,952	1,952
Reportable segment assets	62,928	209,954	6,673	10,302	289,857
Reportable segment liabilities	15,635	72,297	3,742	185	91,859

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)

Reconciliations of reportable segment revenues, profit or loss

	2018 SGD'000	2017 SGD'000
Revenue		
Total revenue of reportable segments	317,783	318,135
Other revenue	11,754	5,384
Elimination of inter-segment revenue	(58,216)	(58,463)
Consolidated revenue	271,321	265,056
Profit or loss		
Total profit for reportable segments	10,179	2,333
Other profit or loss	(1,933)	(281)
	8,246	2,052
Elimination of inter-segment profits	1,998	1,876
Share of profit of equity-accounted investees	(565)	(108)
Unallocated amounts :		
- Other corporate expenses	(3,687)	(3,165)
Consolidated profit before income tax	5,992	655
Depreciation		
Total depreciation of reportable segments	16,328	13,808
Others	99	97
Consolidated depreciation	16,427	13,905
Capital expenditure		
Total capital expenditure of reportable segments	23,540	36,559
Others	79	13
Consolidated capital expenditure	23,619	36,572
Assets		
Total assets for reportable segments	277,697	289,857
Other assets	26,777	8,621
Investment in equity-accounted investees	11,224	1,952
Unallocated amounts		
- Other corporate assets	13,664	14,505
- Income tax assets	1,148	1,159
Consolidated total assets	330,510	316,094
Liabilities		
Total liabilities for reportable segments	95,787	91,859
Other liabilities	11,365	1,162
Unallocated amounts		
- Other corporate liabilities	9,476	3,190
- Income tax liabilities	1,534	2,087
Consolidated total liabilities	118,162	98,298

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

Geographical Segments	FY2018		FY2017	
	External revenue	Non-current assets*	External revenue	Non-current assets*
	SGD'000	SGD'000	SGD'000	SGD'000
Hong Kong	91,129	21,358	83,789	21,981
Vietnam	65,780	44,622	55,146	45,198
Malaysia	38,825	26,284	41,438	16,908
Indonesia	34,461	23,591	33,286	18,320
Singapore	34,400	10,231	39,072	9,865
Dubai	4,556	21,486	106	17,715
China	2,162	2,929	2	3,400
Australia	8	1,289	12,217	15,624
	271,321	151,790	265,056	149,011

* Excludes deferred tax assets

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable

- 17 A breakdown of sales**

	The Group		
	31/12/18	31/12/17	Change
	SGD'000	SGD'000	%
Sales (continuing operations) reported for 1 st half year	131,318	137,027	(4.2)
Operating profit after tax before deducting non-controlling interests reported for 1 st half year	2,439	(2,053)	(218.8)
Sales (continuing operations) reported for 2 nd half year	140,003	128,029	9.4
Operating profit after tax before deducting non-controlling interests reported for 2 nd half year	1,758	1,751	0.4

- 18 A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows :**

	Latest Year (SGD)	Previous Year (SGD)
Ordinary	6,591,369	7,030,794
Preference	-	-
Total	6,591,369	7,030,794

- 19** Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Lu Le Nhi	69	Wife of Mr Yen Wen Hwa	Executive Director of New Toyo Aluminium Paper Product Co (Pte) Ltd since 1975. Responsible for the company's operations.	N/A
Nhan Huc Quan	53	Niece of Mr Yen Wen Hwa	General Manager of New Toyo (Vietnam) Aluminium Paper Packaging Co Ltd since 2006. Responsible for the company's operations.	N/A
Chua Siok Huay	55	Niece-in-law of Mr Yen Wen Hwa	Treasury Manager of New Toyo International Holdings Ltd since 1997. Reviews monthly treasury reports submitted by operating units and prepares reports to Chief Financial Officer. Oversees the Group's funding and bank relationships.	N/A
Wang Yi Feng	57	Nephew-in-law of Mr Yen Wen Hwa	General Manager of New Toyo Paper Products (Shanghai) Co., Ltd since 2003. Responsible for the company's operations.	N/A

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
1 March 2019