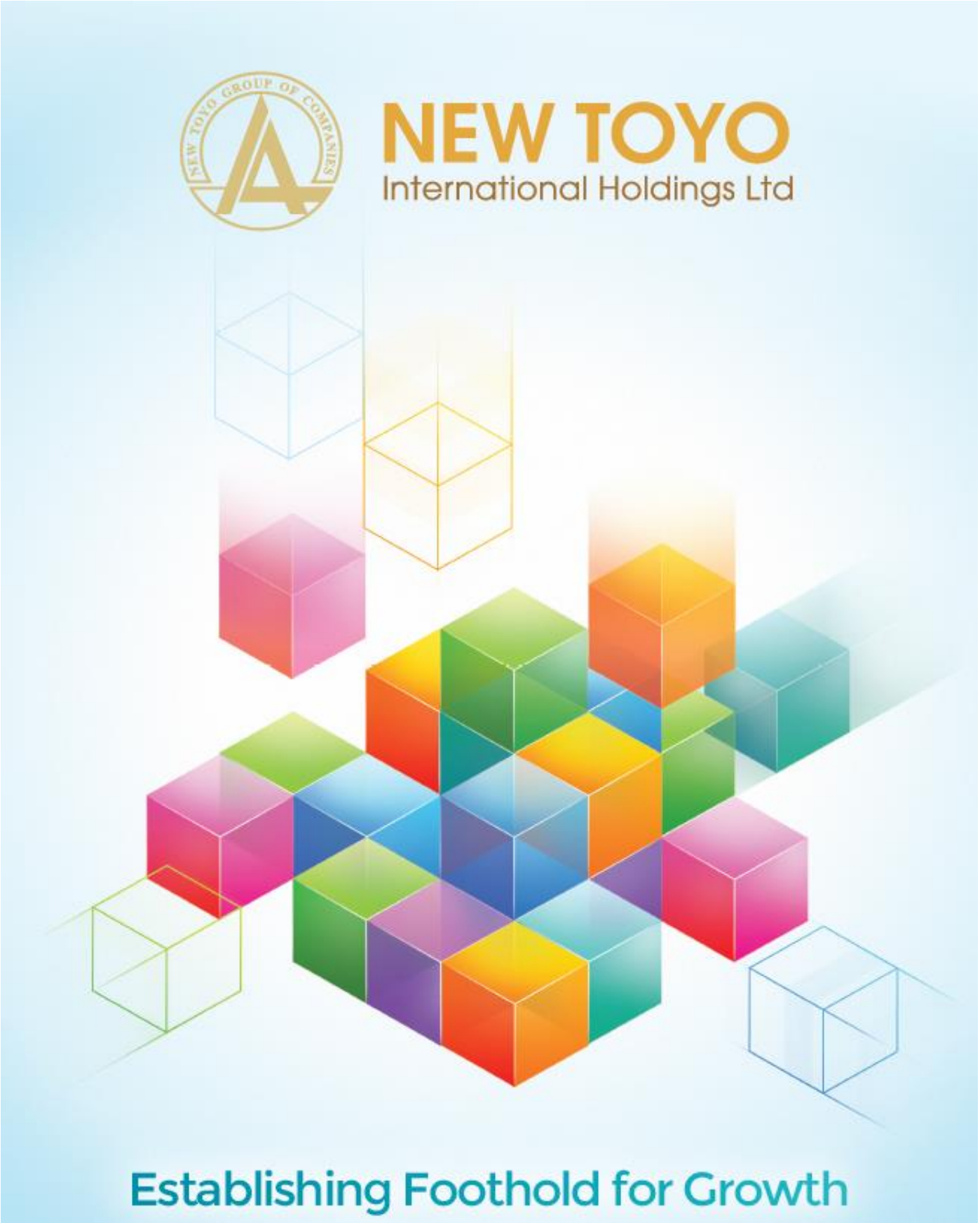
NEW TOYO
International Holdings Ltd



Establishing Foothold for Growth

FINANCIAL STATEMENTS ANNOUNCEMENT

for the full year ended 31 December 2019

NEW TOYO
International Holdings Ltd

Unaudited results for the fourth quarter and full year ended 31 December 2019

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 31/12/2019	4Q 31/12/2018		12-months 31/12/2019	12-months 31/12/2018	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	69,972	74,662	*(6.3)*	302,015	271,321	*11.3*
Cost of sales	(65,147)	(72,380)	*(10.0)*	(285,571)	(246,357)	*15.9*
Gross profit	**4,825**	**2,282**	*111.4*	**16,444**	**24,964**	*(34.1)*
Other income	2,326	9,398	*(75.3)*	8,548	14,123	*(39.5)*
Distribution expenses	(1,533)	(4,050)	*(62.1)*	(6,378)	(7,714)	*(17.3)*
Administrative expenses	(3,850)	(5,817)	*(33.8)*	(21,572)	(22,173)	*(2.7)*
Net foreign exchange (loss)/gain	(1,438)	2,235	*n.m.*	(599)	1,969	*n.m.*
Other operating expenses	(495)	(1,173)	*(57.8)*	(2,103)	(2,834)	*(25.8)*
Operating profit/(loss)	**(165)**	**2,875**	*n.m.*	**(5,660)**	**8,335**	*n.m.*
Finance income	71	281	*(74.7)*	379	1,318	*(71.2)*
Finance costs	(655)	(1,047)	*(37.4)*	(4,297)	(3,096)	*38.8*
Net finance costs	(584)	(766)	*(23.8)*	(3,918)	(1,778)	*120.4*
Share of loss of equity-accounted investees (net of tax)	(110)	(356)	*(69.1)*	(407)	(565)	*(28.0)*
(Loss)/Profit before tax	**(859)**	**1,753**	*n.m.*	**(9,985)**	**5,992**	*n.m.*
Tax expense	(583)	(376)	*55.1*	(2,254)	(1,795)	*25.6*
(Loss)/Profit for the period / year	**(1,442)**	**1,377**	*n.m.*	**(12,239)**	**4,197**	*n.m.*
Attributable to :						
Owners of the Company	(684)	1,535	*n.m.*	(10,763)	4,220	*n.m.*
Non-controlling interests	(758)	(158)	*379.7*	(1,476)	(23)	*6,317.4*
(Loss)/Profit for the period / year	**(1,442)**	**1,377**	*n.m.*	**(12,239)**	**4,197**	*n.m.*

Statement of Comprehensive Income

	Group			Group		
	4Q 31/12/2019	4Q 31/12/2018		12-months 31/12/2019	12-months 31/12/2018	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
(Loss)/Profit for the period / year	(1,442)	1,377	*n.m.*	(12,239)	4,197	*n.m.*
Other comprehensive income						
Items that are or may be reclassified to profit or loss :						
Foreign currency differences for foreign operations	(2,109)	(1,353)	*55.9*	(1,358)	(1,499)	*(9.4)*
Effect of striking off a subsidiary	-	-	*n.m.*	-	(227)	*n.m.*
Other comprehensive income for the period, net of tax	**(2,109)**	**(1,353)**	*55.9*	**(1,358)**	**(1,726)**	*(21.3)*
Total comprehensive income for the period / year	**(3,551)**	**24**	*n.m.*	**(13,597)**	**2,471**	*n.m.*
Attributable to :						
Owners of the Company	(2,306)	449	*n.m.*	(11,813)	2,871	*n.m.*
Non-controlling interests	(1,245)	(425)	*192.9*	(1,784)	(400)	*346.0*
Total comprehensive income for the period / year	**(3,551)**	**24**	*n.m.*	**(13,597)**	**2,471**	*n.m.*

n.m. - not meaningful

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 4Q 31/12/2019 SGD'000	Group 4Q 31/12/2018 SGD'000	%	Group 12-months 31/12/2019 SGD'000	Group 12-months 31/12/2018 SGD'000	Change %
Other income, including finance income	(i)	2,394	1,770	*35.3*	8,904	7,506	*18.6*
Interest on borrowings	(ii)	(655)	(1,047)	*(37.4)*	(4,297)	(3,096)	*38.8*
Reversal of/(Provision for) inventory obsolescence		(67)	(691)	*(90.3)*	(1,675)	(553)	*202.9*
Depreciation and amortisation	(iii)	(5,309)	(4,538)	*17.0*	(21,376)	(17,795)	*20.1*
Gain on disposal of other investments		-	10	*n.m.*	-	10	*n.m.*
Gain on disposal of investment properties	(iv)	-	7,911	*n.m.*	-	7,911	*n.m.*
Gain on disposal of right-of-use assets		3	-	*n.m.*	3	-	*n.m.*
Gain on striking off a subsidiary		-	-	*n.m.*	-	14	*n.m.*
(Loss)/Gain on disposal of property, plant and equipment		-	(31)	*n.m.*	20	(19)	*n.m.*
Reversal of impairment loss/(Impairment loss) of trade receivables		(265)	(2,274)	*(88.3)*	(264)	(2,274)	*(88.4)*
Inventory written-off		1	(7)	*n.m.*	(391)	(7)	*5,485.7*
Property, plant and equipment written-off		-	-	*n.m.*	(5)	(4)	*25.0*
(Under)/Over provision of tax in respect of prior years		(97)	67	*n.m.*	(240)	73	*n.m.*

n.m. - not meaningful

Other operating expenses comprise the following:

		Group 4Q 31/12/2019	Group 4Q 31/12/2018	Change	Group 12-months 31/12/2019	Group 12-months 31/12/2018	Change
Non-operating Item:		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Net change in fair value of equity securities		(195)	(127)	*53.5*	(195)	(127)	*53.5*
Termination benefits	(v)	(59)	-	*n.m.*	(546)	(50)	*992.0*
		(254)	(127)		(741)	(177)	

n.m. - not meaningful

Notes :

(i) Increase in other income for 4Q2019 was mainly attributed to higher scrap sales, claims of defective stocks from suppliers and recovery of costs from major customers offset by lower interest income.

(ii) The Group incurred lower interest expenses for 4Q2019 mainly due to the reduced loans and borrowings and lower interest rate compared to the corresponding period in 2018 offset by lease interest expenses as a result of the adoption of SFRS(I) 16.

(iii) Increase in depreciation and amortisation for 4Q2019 was partially due to the recognition of depreciation charge for right-of-use (ROU) assets as a result of the adoption of SFRS(I) 16 effective 1 January 2019 and additional capital expenditure incurred by the Vietnam and Dubai subsidiaries in the previous year.

(iv) The gain in 2018 was recognised upon the disposal of freehold land and building by Anzpac Services (Australia) Pty Limited ("Anzpac").

(v) Termination benefits were recognised in 2019 for the cessation of Tissue Paper operation and realignment of Dubai operations.

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

	Note	Group		Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
		SGD'000	SGD'000	SGD'000	SGD'000
Non-current assets					
Property, plant and equipment		98,539	104,364	319	201
Right-of-use assets	1	13,770	-	211	-
Investment properties		5,629	6,036	-	-
Subsidiaries		-	-	132,443	132,028
Associate and joint ventures		11,122	11,225	-	-
Other investments		2,327	2,542	1,607	1,651
Intangible assets and goodwill		23,867	25,161	-	-
Deferred tax assets		658	561	-	-
Other receivables	2	1,386	2,462	-	-
		157,298	**152,351**	**134,580**	**133,880**
Current assets					
Inventories	3	47,100	70,164	-	-
Contract assets		2,952	4,666	-	-
Trade and other receivables	4	69,656	60,754	24,501	16,927
Cash and cash equivalents	5	34,688	42,575	8,765	11,269
		154,396	**178,159**	**33,266**	**28,196**
Total assets		**311,694**	**330,510**	**167,846**	**162,076**
Equity attributable to owners of the Company					
Share capital		132,102	132,102	132,102	132,102
Reserves		(7,531)	(6,481)	77	77
Retained earnings		24,091	38,809	(10,380)	(11,271)
		148,662	**164,430**	**121,799**	**120,908**
Non-controlling interests		44,414	47,918	-	-
Total Equity		**193,076**	**212,348**	**121,799**	**120,908**
Non-current liabilities					
Contract liabilities		606	-	-	-
Other payables		791	558	-	-
Financial liabilities	6	29,043	20,630	85	-
Deferred tax liabilities		1,251	1,409	11	11
		31,691	**22,597**	**96**	**11**
Current liabilities					
Contract liabilities		743	300	-	-
Trade and other payables	7	43,045	48,577	32,464	32,423
Financial liabilities	8	42,262	46,563	13,454	8,709
Current tax liabilities		877	125	33	25
		86,927	**95,565**	**45,951**	**41,157**
Total liabilities		**118,618**	**118,162**	**46,047**	**41,168**
Total equity and liabilities		**311,694**	**330,510**	**167,846**	**162,076**

Notes :

1) Recognition of ROU assets in accordance with SFRS(I) 16.
2) The decrease is due to the receipt of tax recoverable in Indonesian operation.
3) The decrease is attributed to the sales of balance tissue paper products in 4Q2019 following the cessation of Tissue Paper division and lower Printed Cartons and Labels and Specialty Paper division.
4) The increase is mainly due to the timing of repayment by customers offset by lower claimable value added-tax.
5) Please refer to the Consolidated Statement of Cash Flow and related commentaries.
6) The increase in non-current finance liabilities is mainly due to the recognition of lease liabilities upon the adoption of SFRS(I) 16 offset by repayment of long term bank borrowings.
7) The decrease is mainly due to the timing of payment to suppliers and lower purchases by Specialty Paper division.
8) The decrease in borrowings is attributable to repayment of borrowings and lower utilisation for working capital requirements.

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

	As at 31/12/19		As at 31/12/18	
	Secured	Unsecured	Secured	Unsecured
	SGD'000	SGD'000	SGD'000	SGD'000
Amount repayable in one year or less, or on demand	7,840	34,422	9,233	37,330
Amount repayable after one year	11,927	17,116	13,632	6,998

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

	Note	4Q 31/12/2019	4Q 31/12/2018	12-months 31/12/2019	12-months 31/12/2018
		SGD'000	SGD'000	SGD'000	SGD'000
Operating activities					
Profit/(Loss) before tax		(859)	1,753	(9,985)	5,992
Adjustments for :					
Amortisation of other investments		1	1	5	5
Depreciation and amortisation		5,308	4,537	21,371	17,790
Net change in fair value of equity securities		195	127	195	127
Dividend income from quoted securities		(2)	-	(12)	(8)
Gain on disposal of other investments		-	(10)	-	(10)
Gain on striking off a subsidiary		-	-	-	(14)
Loss/(Gain) on disposal of property, plant and equipment		-	31	(20)	19
Gain on disposal of investment property		-	(7,911)	-	(7,911)
Gain on disposal of right-of-use assets		(3)	-	(3)	-
Finance income		(71)	(281)	(379)	(1,318)
Finance costs		655	1,047	4,297	3,096
Property, plant and equipment written-off		-	-	5	4
Provision for termination benefits		-	-	324	-
Share of loss of equity-accounted investees (net of tax)		110	356	407	565
Operating profit/(loss) before working capital changes		**5,334**	**(350)**	**16,205**	**18,337**
Changes in working capital :					
Inventories		9,211	(4,512)	22,471	(27,764)
Contract assets		1,184	(2,118)	1,697	(1,709)
Trade and other receivables		(1,213)	7,325	(7,974)	(12,889)
Trade and other payables		(1,015)	(2,202)	(4,295)	5,122
Employee benefits		(100)	121	(183)	(2,168)
Cash flows from/(used in) operations		**13,401**	**(1,736)**	**27,921**	**(21,071)**
Income taxes paid		(215)	389	(1,726)	(2,578)
Cash flows from/(used in) operating activities	1	**13,186**	**(1,347)**	**26,195**	**(23,649)**
Investing activities					
Dividends received from quoted securities		2	-	12	8
Capital contribution to an equity-accounted investee		(327)	-	(327)	-
Interest received		71	281	379	1,318
Acquisition of property, plant and equipment		(2,561)	(7,739)	(12,625)	(23,619)
Additions to investment property		(148)	(54)	(148)	(54)
Proceeds from disposal of other investment		-	-	-	575
Proceeds from disposal of property, plant and equipment		82	10,203	113	12,398
Proceeds from disposal of an investment property		-	21,492	-	21,492
Net cash outflow from striking off a subsidiary		-	-	-	(213)
Cash flows (used in)/from investing activities	2	**(2,881)**	**24,183**	**(12,596)**	**11,905**
Financing activities					
Dividends paid to shareholders		-	(2,637)	(3,955)	(7,031)
Dividends paid to non-controlling shareholders		-	-	(1,720)	(888)
Interest paid		(655)	(1,047)	(4,297)	(3,096)
Payment of lease liabilities		(990)	(13)	(1,805)	(67)
Proceeds from bank borrowings		3,266	4,899	22,378	42,451
Repayments of bank borrowings		(7,622)	(12,922)	(31,822)	(25,439)
Cash flows (used in)/from financing activities	3	**(6,001)**	**(11,720)**	**(21,221)**	**5,930**
Net increase/(decrease) in cash and cash equivalents		**4,304**	**11,116**	**(7,622)**	**(5,814)**
Cash and cash equivalents at beginning of period / year		30,696	31,730	42,575	48,575
Effect of exchange rate fluctuations on cash held		(312)	(271)	(265)	(186)
Cash and cash equivalents at end of period / year		**34,688**	**42,575**	**34,688**	**42,575**
Deposits with financial institutions		7,780	14,784	7,780	14,784
Cash at banks and on hand		26,908	27,791	26,908	27,791
		34,688	**42,575**	**34,688**	**42,575**

Note 1 : Positive cash flows from operating activities in 4Q2019 was attributable to higher operating profit and lower purchases of inventories as mentioned in note 3 of paragraph 1(b)(i), mitigated by timing of repayment by customers.

Note 2 : Cash flows used in investing activities in 4Q2019 was mainly due to absence of proceeds from the disposal of freehold land and building by an Australian operation and balance proceeds on disposal of leasehold land and building to a jointly controlled entity.

Note 3 : Lower cash flows used in financing activities in 4Q2019 was mainly due to no dividend payment to shareholders and lower repayments of bank borrowings and interest costs.

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									
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)**
Dividends 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**
At 1 January 2019	132,102	822	77	(7,380)	-	38,809	**164,430**	47,918	**212,348**
Dividends paid	-	-	-	-	-	(3,955)	**(3,955)**	-	**(3,955)**
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	**-**	(1,720)	**(1,720)**
Total comprehensive income for the year	-	-	-	(1,050)	-	(10,763)	**(11,813)**	(1,784)	**(13,597)**
At 31 December 2019	**132,102**	**822**	**77**	**(8,430)**	**-**	**24,091**	**148,662**	**44,414**	**193,076**
Company									
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**
At 1 January 2019	132,102	-	77	-	-	(11,271)	**120,908**	-	**120,908**
Net profit for the year	-	-	-	-	-	4,846	**4,846**	-	**4,846**
Dividends paid	-	-	-	-	-	(3,955)	**(3,955)**	-	**(3,955)**
At 31 December 2019	**132,102**	**-**	**77**	**-**	**-**	**(10,380)**	**121,799**	**-**	**121,799**

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 31/12/2019	As at 31/12/2018
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 31 December 2019 and 31 December 2018.

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 2018.

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.

During the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 3 and SFRS(I) 11 *Previously Held Interest in a Joint Operation*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*
- Amendments to SFRS(I) 1-23 *Borrowing Costs Eligible for Capitalisation*
- Amendments to SFRS(I) 1-28 *Long-Term Interests in Associates and Joint Ventures*

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:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the modified retrospective approach with no restatement of comparative information.

SFRS(I) 16 introduces a single, on-balance sheet leasee accounting model. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 January 2019 and recognition exemptions for short-term leases and leases of low value items. The accounting for lessors has not changed significantly.

The nature of expenses related to such leases has changed as the principles under SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The ROU assets were mainly related to leases of offices, warehouses and factories occupied by the Group in the various locations.

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 31/12/2019	4Q 31/12/2018	12-months 31/12/2019	12-months 31/12/2018
Earnings per share ("EPS") for the period					
(a)	Based on the average number of ordinary shares	-0.16 cts	0.35 cts	-2.45 cts	0.96 cts
(b)	On a fully diluted basis	-0.16 cts	0.35 cts	-2.45 cts	0.96 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 31/12/2019	As at 31/12/2018	As at 31/12/2019	As at 31/12/2018
Net asset value per ordinary share based on existing share capital	33.83 cts	37.42 cts	27.72 cts	27.52 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 decreased by S$4.69 million or 6.3% to S$69.97 million in 4Q2019, mainly due to lower revenue contribution from Trading and Printed Cartons and Labels ("PCL") divisions, mitigated by revenue from sales of the balance tissue paper products.

Gross profit for 4Q2019 increased by S$2.55 million or 111.4% to S$4.83 million compared to S$2.28 million in 4Q2018. The gross profit margin improved to 6.9% for the Group in 4Q2019 due to higher margin from PCL and Speciality Papers ("SP") divisions.

Lower other income in 4Q2019 was mainly due to the absence of a gain on disposal of freehold land and building recognised by Australian operation in 4Q2018. Distribution expenses reduced by S$2.52 million in 4Q2019 mainly due to the absence of a one-off provision for doubtful debts in Australian operation and lower freight costs for Vietnam operation. The absence of donation to National Heart Centre Singapore, the cessation of Tissue Paper operation in September 2019 and realignment of Dubai operations contributed to the lower administrative expenses in 4Q2019.

Net foreign exchange loss in 4Q2019 of S$1.44 million was mainly due to depreciation of the US Dollar. Other operating expenses was lower in 4Q2019 mainly due to the absence of relocation costs of Indonesia operation and lower amortisation of intangible assets.

The contributing factors for lower finance costs in 4Q2019 was mentioned in paragraph 1(a) note (ii).

The Group posted a loss before tax of S$0.86 million in 4Q2019 (S$1.75 million profit in 4Q2018). Increase in tax expenses was due to higher taxable profits. Overall, the Group reported a loss after tax attributable to owners of the Company of S$0.68 million for 4Q2019 (S$1.54 million profit in 4Q2018).

The carrying amount of the property, plant and equipment (“PPE”) of the Company's subsidiary, New Toyo Aluminium Gulf Paper Packaging FZE (“NTG”) as at 31 December 2019 is S$9.8 million. Included in property, plant and equipment of a subsidiary, Alliance Print Technologies FZE (“APTF”), is plant and equipment of net book value S$11.7 million (RM35.5 million) as at 31 December 2019. The foregoing carrying amounts of the PPE is subject to a third party independent valuation (“PPE Valuation”) which cannot be completed currently in view of the travel restrictions and health advisories arising from the ongoing coronavirus (COVID-19) outbreak. In the event the PPE Valuation when completed shows a value lower than the carrying amounts of the PPE of NTG and/or APTF, the Company may have to make an impairment in its audited consolidated accounts for the financial year ended 31 December 2019.

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

For the year ended 31 December 2019, the Group's turnover increased by S$30.69 million or 11.3% to S$302.02 million due to revenue contribution from Tissue Paper division and higher revenue in SP, offset by lower revenue from Trading division.

Gross profit margin for the year ended 31 December 2019 decreased to 5.4% as compared to 9.2% last year. PCL's lower gross profit margin was impacted by one-off write down of toolings for Dubai operation and lower revenue in certain cigarette brands printed by Vietnam operation. The Tissue Paper division faced several adverse factors since entry, including fluctuating pulp prices, the competitiveness in tissue paper markets and longer than expected time to obtain full production capacity, which resulted in a larger than expected start up loss for this business. Pursuant to a group strategic review, the lease for the tissue paper mill was not renewed and the production of tissue paper ceased in September 2019. Excluding Tissue Paper division, the gross profit margin would be 9.1%.

Lower other income for the year ended 31 December 2019 was due to absence of a gain on disposal of freehold land and building recognised by Australian operation in 4Q2018 mitigated by higher scrap sales, claims of defective stocks from suppliers and recovery of costs from major customers. The decrease in distribution expenses for the year ended 31 December 2019 was due to absence of a one-off provision for doubtful debts in Australian operation, the absence of expenses from a Malaysian operation following its closure, offset by distribution costs incurred by Tissue Paper division.

Net foreign exchange loss of S$0.60 million and decrease in other operating expenses by S$0.73 million for the year ended 31 December 2019 were due to the same factors mentioned in 4Q2019.

Lower interest income for the year ended 31 December 2019 was mainly attributable to the absence of interest income from a jointly controlled entity in Malaysia. Finance costs for the year ended 31 December 2019 was impacted by increase in bank borrowings to fund the working capital requirements of Tissue Paper division, Dubai operation, Vietnam operation and the recognition of interest expenses on lease liabilities in relation to the adoption of SFRS(I) 16, mitigated by the lower interest rate as compared to last year.

The Group registered a loss before tax of S$9.99 million for the year ended 31 December 2019 (S$5.99 million profit for the year ended 31 December 2018). The higher tax expenses for the current year was due to higher taxable profits. Overall, the Group reported a loss after tax attributable to owners of the Company of S$10.76 million for the year ended 31 December 2019 (S$4.22 million profit for the year ended 31 December 2018). Excluding Tissue Paper division, the Group would have registered a profit attributable to owners of the Company of S$0.30 million.

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.

With the recent COVID-19 outbreak and the continuing trade tensions between US and China, the global economic outlook remains uncertain which in turn will affect the Group's business.

The Group will monitor the potential impact and remain prudent to take proactive measures and initiatives.

11 Dividend

(a) Current Financial Period Reported On

	2019 Ordinary
Name of Dividend :	Final
Dividend Type :	Cash
Dividend per share :	0.90 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

	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)

(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 and the reason(s) for the decision.

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	Printed Cartons and Labels	Trading	Tissue	Investment holding	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue and Expenses						
FY2019						
Total revenue from external customers	115,577	112,991	28,898	36,256	-	293,722
Inter-segment revenue	3,196	49,759	4,109	15,400	-	72,464
Total revenue	118,773	162,750	33,007	51,656	-	366,186
Segment results	4,878	(1,313)	(601)	(11,159)	381	(7,814)
Share of profit of equity-accounted investees	-	-	-	-	(407)	(407)
Other material non-cash items :						
- Amortisation	5	1,271	-	-	-	1,276
- Depreciation	3,080	15,987	273	7	461	19,808
- Change in fair value of equity shares	152	-	-	-	43	195
Capital expenditure	1,722	10,687	-	68	-	12,477
Investment in equity-accounted investees	-	-	-	-	11,122	11,122
Reportable segment assets	77,109	182,298	4,850	9,045	8,296	281,598
Reportable segment liabilities	30,966	66,894	2,942	394	135	101,331

	Specialty Papers	Printed Cartons and Labels	Trading	Tissue	Investment holding	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue and Expenses						
FY2018						
Total revenue from external customers	108,654	112,763	38,150	4,372	-	263,939
Inter-segment revenue	3,062	50,713	4,441	3,317	-	61,533
Total revenue	111,716	163,476	42,591	7,689	-	325,472
Segment results	3,847	5,547	186	(1,848)	599	8,331
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	-	-	-	94	127
Capital expenditure	5,117	18,423	-	6	-	23,546
Investment in equity-accounted investees	-	-	-	-	11,224	11,224
Reportable segment assets	72,159	189,626	7,436	20,763	8,476	298,460
Reportable segment liabilities	23,686	66,771	5,202	9,992	128	105,779

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

	2019 SGD'000	2018 SGD'000
Revenue		
Total revenue of reportable segments	366,186	325,472
Other revenue	8,293	7,382
Elimination of inter-segment revenue	(72,464)	(61,533)
Consolidated revenue	302,015	271,321
Profit or loss		
Total profit for reportable segments	(7,814)	8,331
Other profit or loss	289	(85)
	(7,525)	8,246
Elimination of inter-segment profits	2,061	1,998
Share of profit of equity-accounted investees	(407)	(565)
Unallocated amounts :		
- Other corporate expenses	(4,114)	(3,687)
Consolidated profit before income tax	(9,985)	5,992
Depreciation		
Total depreciation of reportable segments	19,808	16,328
Others	292	99
Consolidated depreciation	20,100	16,427
Capital expenditure		
Total capital expenditure of reportable segments	12,477	23,546
Others	242	73
Consolidated capital expenditure	12,719	23,619
Assets		
Total assets for reportable segments	281,598	298,460
Other assets	3,795	6,014
Investment in equity-accounted investees	11,122	11,224
Unallocated amounts		
- Other corporate assets	13,958	13,664
- Income tax assets	1,221	1,148
Consolidated total assets	311,694	330,510
Liabilities		
Total liabilities for reportable segments	101,331	105,779
Other liabilities	955	1,373
Unallocated amounts		
- Other corporate liabilities	14,204	9,476
- Income tax liabilities	2,128	1,534
Consolidated total liabilities	118,618	118,162

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	FY2019		FY2018	
	External revenue	Non-current assets*	External revenue	Non-current assets*
	SGD'000	SGD'000	SGD'000	SGD'000
Hong Kong	80,322	22,762	91,129	21,358
Vietnam	70,368	43,244	65,780	44,622
Malaysia	38,920	26,960	38,825	26,284
Indonesia	34,385	21,286	34,461	23,591
Singapore	45,170	11,185	34,400	10,231
Dubai	8,981	27,510	4,556	21,486
China	23,869	2,588	2,162	2,929
Australia	0	1,105	8	1,289
	302,015	156,640	271,321	151,790

** 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		
	31/12/19	**31/12/18**	**Change**
	SGD'000	SGD'000	%
Sales reported for 1st half year	153,819	131,318	*17.1*
Operating (loss)/profit after tax before deducting non-controlling interests reported for 1st half year	(3,913)	2,439	*(260.4)*
Sales reported for 2nd half year	148,196	140,003	*5.9*
Operating (loss)/profit after tax before deducting non-controlling interests reported for 2nd half year	(8,326)	1,758	*(573.6)*

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	3,954,821	6,591,369
Preference	-	-
Total	3,954,821	6,591,369

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	70	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	54	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	56	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	58	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
28 February 2020