NEW TOYO
International Holdings Ltd

STRENGTHENING CORE CAPABILITIES

CONDENSED INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2021

NEW TOYO
International Holdings Ltd

Table of contents

Condensed interim consolidated statement of profit or loss and other comprehensive income	3
Condensed interim statements of financial position	4
Condensed interim consolidated statement of cash flows	5
Condensed interim statements of changes in equity	6
Notes to the condensed interim financial statements	7
Other Information Required by Listing Rule Appendix 7.2	14

Condensed interim financial statements for the half year ended 30 June 2021

Condensed interim consolidated statement of profit or loss and other comprehensive income

Consolidated Income Statement

	Note	Group 6 months ended 30/6/2021	30/6/2020	Change
		SGD'000	SGD'000	%
Revenue	4	117,085	129,426	*(9.5)*
Cost of sales		(100,816)	(113,787)	*(11.4)*
Gross profit		**16,269**	**15,639**	*4.0*
Other income		2,753	5,303	*(48.1)*
Distribution expenses		(2,544)	(2,566)	*(0.9)*
Administrative expenses		(8,341)	(9,714)	*(14.1)*
Net foreign exchange gain		402	88	*356.8*
Other operating expenses		(569)	(630)	*(9.7)*
Operating profit		**7,970**	**8,120**	*(1.8)*
Finance income		124	108	*14.8*
Finance costs		(834)	(1,780)	*(53.1)*
Net finance costs		(710)	(1,672)	*(57.5)*
Share of loss of equity-accounted investees (net of tax)		(187)	(170)	*10.0*
Profit before tax	6	**7,073**	**6,278**	*12.7*
Income tax expense	8	(1,060)	(1,225)	*(13.5)*
Profit for the period		**6,013**	**5,053**	*19.0*
Attributable to :				
Owners of the Company		4,905	4,678	*4.9*
Non-controlling interests		1,108	375	*195.5*
Profit for the period		**6,013**	**5,053**	*19.0*

Statement of Comprehensive Income

	Group 6 months ended 30/6/2021	30/6/2020	Change
	SGD'000	SGD'000	%
Profit for the period	6,013	5,053	*19.0*
Other comprehensive income			
Items that are or may be reclassified to profit or loss :			
Foreign currency translation - foreign operations	1,230	3,761	*(67.3)*
Other comprehensive income for the period, net of tax	**1,230**	**3,761**	*(67.3)*
Total comprehensive income for the period	**7,243**	**8,814**	*(17.8)*
Attributable to :			
Owners of the Company	6,066	7,737	*(21.6)*
Non-controlling interests	1,177	1,077	*9.3*
Total comprehensive income for the period	**7,243**	**8,814**	*(17.8)*

n.m. - not meaningful

	Group 6 months ended 30/6/2021	30/6/2020
	SGD'000	SGD'000
Earnings per share for profit for the period attributable to the owners of the Company:		
(a) Based on the average number of ordinary shares	1.12 cts	1.06 cts
(b) On a fully diluted basis	1.12 cts	1.06 cts

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

Condensed interim statements of financial position

	Note	Group		Company	
		30/6/2021	31/12/2020	30/6/2021	31/12/2020
		SGD'000	SGD'000	SGD'000	SGD'000
Non-current assets					
Property, plant and equipment	12	76,549	80,142	244	249
Right-of-use assets	12	10,011	11,425	69	13
Intangible assets and goodwill		23,978	24,370	-	-
Investment properties		5,272	5,377	-	-
Subsidiaries		-	-	142,870	142,635
Joint ventures		10,408	10,693	-	-
Investment securities	11	981	979	878	878
Other investments		1,326	1,314	693	693
Deferred tax assets		1,652	1,615	-	-
Trade and other receivables		316	647	452	452
		130,493	**136,562**	**145,206**	**144,920**
Current assets					
Inventories		36,297	35,847	-	-
Trade and other receivables		65,606	55,889	13,566	14,170
Cash and cash equivalents		34,816	33,958	5,484	7,961
Contract assets		2,934	2,710	-	-
		139,653	**128,404**	**19,050**	**22,131**
Total assets		**270,146**	**264,966**	**164,256**	**167,051**
Current liabilities					
Trade and other payables		50,306	38,660	37,430	35,715
Loans and borrowings	13	15,891	21,802	4,655	6,010
Contract liabilities		42	66	-	-
Current tax liabilities		951	672	68	50
		67,190	**61,200**	**42,153**	**41,775**
Non-current liabilities					
Trade and other payables		976	908	-	-
Loans and borrowings	13	12,529	16,717	95	59
Contract liabilities		-	-	-	-
Deferred tax liabilities		1,366	1,344	11	11
		14,871	**18,969**	**106**	**70**
Total liabilities		**82,061**	**80,169**	**42,259**	**41,845**
Net assets		**188,085**	**184,797**	**121,997**	**125,206**
Equity attributable to owners of the Company					
Share capital	14	132,102	132,102	132,102	132,102
Reserves		(8,094)	(9,255)	77	77
Retained earnings		21,573	20,623	(10,182)	(6,973)
		145,581	**143,470**	**121,997**	**125,206**
Non-controlling interests		42,504	41,327	-	-
Total Equity		**188,085**	**184,797**	**121,997**	**125,206**
Total equity and liabilities		**270,146**	**264,966**	**164,256**	**167,051**

Condensed interim consolidated statement of cash flows

	6 months ended	
	30/6/2021	30/6/2020
	SGD'000	SGD'000
Operating activities		
Profit before tax	7,073	6,278
Adjustments for :		
Amortisation of other investments	3	3
Depreciation and amortisation	8,337	9,620
Net change in fair value of equity securities	-	38
Dividend income from quoted securities	(2)	(2)
Gain on disposal of other investments	-	(1)
(Gain)/Loss on disposal of property, plant and equipment	(118)	6
Gain on disposal of right-of-use assets	(80)	(12)
Finance income	(124)	(108)
Finance costs	834	1,780
Share of loss of equity-accounted investees (net of tax)	187	170
Unrealised loss on foreign exchange differences	(924)	(151)
Operating profit before working capital changes	**15,186**	**17,621**
Changes in working capital :		
Inventories	(452)	421
Contract assets	(199)	(918)
Trade and other receivables	(12,158)	(1,264)
Trade and other payables	11,553	3,329
Employee benefits	242	229
Cash flows from operations	**14,172**	**19,418**
Income taxes paid	(893)	(433)
Cash flows from operating activities	**13,279**	**18,985**
Investing activities		
Dividends received from quoted securities	2	2
Interest received	124	108
Acquisition of property, plant and equipment	(2,613)	(2,362)
Refund of deposit upon the termination of proposed acquisition of shares in a company	2,673	-
Proceeds from disposal of property, plant and equipment	201	13
Cash flows from/(used in) investing activities	**387**	**(2,239)**
Financing activities		
Dividends paid to shareholders	(3,955)	-
Interest paid	(834)	(1,780)
Payment of lease liabilities	(756)	(660)
Proceeds from bank borrowings	4,061	4,934
Repayments of bank borrowings	(12,884)	(13,858)
Cash flows used in financing activities	**(14,368)**	**(11,364)**
Net (decrease)/increase in cash and cash equivalents	**(702)**	**5,382**
Cash and cash equivalents at beginning of period	33,958	34,688
Effect of exchange rate fluctuations on cash held	1,560	2,284
Cash and cash equivalents at end of period	**34,816**	**42,354**
Short-term deposits	10,764	9,431
Cash and bank balances	24,052	32,923
	34,816	**42,354**

Condensed interim statements of changes in equity

	Note	Share capital SGD'000	Other reserves: Capital reserve SGD'000	Other reserves: Other reserve SGD'000	Other reserves: Translation reserve SGD'000	Retained earnings SGD'000	Total SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Group									
At 1 January 2020		132,102	822	77	(8,396)	19,623	**144,228**	43,044	**187,272**
Total comprehensive income for the period		-	-	-	3,059	4,678	**7,737**	1,077	**8,814**
At 30 June 2020		**132,102**	**822**	**77**	**(5,337)**	**24,301**	**151,965**	**44,121**	**196,086**
At 1 January 2021		132,102	822	215	(10,292)	20,623	**143,470**	41,327	**184,797**
Dividends paid	13	-	-	-	-	(3,955)	**(3,955)**	-	**(3,955)**
Total comprehensive income for the period		-	-	-	1,161	4,905	**6,066**	1,177	**7,243**
At 30 June 2021		**132,102**	**822**	**215**	**(9,131)**	**21,573**	**145,581**	**42,504**	**188,085**
Company									
At 1 January 2020		132,102	-	77	-	(11,000)	**121,179**	-	**121,179**
Total comprehensive income for the period		-	-	-	-	3,400	**3,400**	-	**3,400**
At 30 June 2020		**132,102**	**-**	**77**	**-**	**(7,600)**	**124,579**	**-**	**124,579**
At 1 January 2021		132,102	-	77	-	(6,973)	**125,206**	-	**125,206**
Dividends paid	13	-	-	-	-	(3,955)	**(3,955)**	-	**(3,955)**
Total comprehensive income for the period		-	-	-	-	746	**746**	-	**746**
At 30 June 2021		**132,102**	**-**	**77**	**-**	**(10,182)**	**121,997**	**-**	**121,997**

Notes to the condensed consolidated interim financial statements

1 Corporate information

New Toyo International Holdings Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX – ST”).

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidaries (collectively, the Group).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are (i) the production and supply of specialty packaging materials including coated and laminated papers and boards for packaging industries; (ii) the production and supply of gravure and offset printed materials for fast moving consumer goods and (iii) the trading business including the sale and purchase of tissue paper materials and products.

2 Summary of significant accounting policies

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim consolidated financial statements are presented in Singapore dollar ("SGD" or "$") which is the Company's functional currency and all values are rounded to the nearest thousand (SGD'000) except when otherwise indicated.

2.2 The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2020, except for the adoption of new and revised standards effective as of 1 January 2021.

The following are the new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2
- Amendments to SFRS(I) 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed interim consolidated financial statements of the Group.

2.3 Use of judgements and estimates

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I) requires management to made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies. The key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

3 Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into business segments based on their products and services, and has five reportable segments as follows:

- Specialty papers: The manufacture and sale of laminated aluminium paper products and other packaging products.
- Printed cartons and labels: The printing and sale of paper packaging materials.
- Trading: The sale of raw materials, paper products and equipment.
- Tissue paper: The manufacture and sale of paper products.
- Investment holding: Investing activities, including investment in investment properties.

Other segments include corrugated containers businesses. These are not included within the reportable operating segments. The results of these operations are included in "other segments".

These operating segments are reported in a manner consistent with internal reporting provided to Group CEO and senior management who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

6 months ended 30 June 2021

	Specialty Papers	Printed Cartons and Labels	Trading	Tissue Paper	Investment holding	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue and Expenses						
Total revenue from external customers	48,203	42,364	15,684	7,573	-	113,824
Inter-segment revenue	3,164	21,583	5,950	-	-	30,697
Total revenue	51,367	63,947	21,634	7,573	-	144,521
Segment results	3,486	2,932	96	1,029	235	7,778
Share of profit of equity-accounted investees	-	-	-	-	(187)	(187)
Other material non-cash items :						
- Amortisation	3	427	-	-	-	430
- Depreciation	1,367	6,268	1	7	169	7,812
Capital expenditure	785	1,805	4	-	-	2,594
Investment in equity-accounted investees	-	-	-	-	10,408	10,408
Reportable segment assets	71,730	146,576	10,369	8,903	7,124	244,702
Reportable segment liabilities	25,562	34,712	11,263	1,550	158	73,245

6 months ended 30 June 2020

	Specialty Papers	Printed Cartons and Labels	Trading	Tissue Paper	Investment holding	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue and Expenses						
Total revenue from external customers	52,938	51,476	16,538	4,861	-	125,813
Inter-segment revenue	2,398	19,744	2,165	235	-	24,542
Total revenue	55,336	71,220	18,703	5,096	-	150,355
Segment results	3,615	2,323	154	148	277	6,517
Share of profit of equity-accounted investees	-	-	-	-	(170)	(170)
Other material non-cash items :						
- Amortisation	3	417	-	-	-	420
- Depreciation	1,455	7,254	141	7	230	9,087
- Change in fair value of equity shares	38	-	-	-	-	38
Capital expenditure	507	1,847	4	-	-	2,358
Investment in equity-accounted investees	-	-	-	-	10,898	10,898
Reportable segment assets	77,962	173,711	11,456	7,645	7,925	278,699
Reportable segment liabilities	29,445	59,211	8,031	3,674	182	100,543

4.1 Reportable segments (Cont'd)

Reconciliations of reportable segment revenues, profit or loss

	6 months ended 30/6/2021 SGD'000	6 months ended 30/6/2020 SGD'000
Revenue		
Total revenue of reportable segments	144,521	150,355
Other revenue	3,261	3,613
Elimination of inter-segment revenue	(30,697)	(24,542)
Consolidated revenue	117,085	129,426
Profit or loss		
Total profit for reportable segments	7,778	6,517
Other profit or loss	70	178
	7,848	6,695
Elimination of inter-segment profits	1,222	1,156
Share of loss of equity-accounted investees	(187)	(170)
Unallocated amounts :		
- Other corporate expenses	(1,810)	(1,403)
Consolidated profit before income tax	7,073	6,278
Depreciation		
Total depreciation of reportable segments	7,812	9,087
Others	98	116
Consolidated depreciation	7,910	9,203
Capital expenditure		
Total capital expenditure of reportable segments	2,594	2,358
Others	19	4
Consolidated capital expenditure	2,613	2,362
Assets		
Total assets for reportable segments	244,702	278,699
Other assets	4,243	4,153
Investment in equity-accounted investees	10,408	10,898
Unallocated amounts		
- Other corporate assets	8,327	16,012
- Income tax assets	2,466	796
Consolidated total assets	270,146	310,558
Liabilities		
Total liabilities for reportable segments	73,245	100,543
Other liabilities	1,290	1,010
Unallocated amounts		
- Other corporate liabilities	5,209	10,402
- Income tax liabilities	2,317	2,517
Consolidated total liabilities	82,061	114,472

4.2 Disaggregation of Revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical location of business operations. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4.1).

	Specialty Papers		Printed Cartons and Labels		Trading		Tisue Paper		Total	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Primary geographical location of business operations										
Hong Kong	-	-	22,577	22,550	13,457	15,745	-	-	36,034	38,295
Vietnam	18,145	17,497	6,096	10,173	-	-	-	-	24,241	27,670
Malaysia	13,916	17,378	1,358	-	-	-	-	-	15,274	17,378
Indonesia	-	-	9,354	15,968	-	-	-	-	9,354	15,968
Singapore	13,748	15,390	-	-	2,227	794	7,573	4,861	23,548	21,045
Dubai	2,394	2,673	2,979	2,784	-	-	-	-	5,373	5,457
China	-	-	-	-	-	-	-	-	-	-
External revenues	48,203	52,938	42,364	51,475	15,684	16,539	7,573	4,861	113,824	125,813
Timing of revenue recognition										
At a point in time	48,176	52,900	-	-	15,684	16,538	7,573	4,861	71,433	74,299
Overtime	27	38	42,364	51,476	-	-	-	-	42,391	51,514
External revenues	48,203	52,938	42,364	51,476	15,684	16,538	7,573	4,861	113,824	125,813

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Note	The Group		The Company	
		30/6/2021	31/12/2020	30/6/2021	31/12/2020
		SGD'000	SGD'000	SGD'000	SGD'000
Financial assets					
Equity instruments at FVTPL	11	981	979	878	878
Trade and other receivables*		62,320	53,353	13,966	14,598
Cash and cash equivalents		34,816	33,958	5,484	7,961
Contract assets		2,934	2,710	-	-
Total undiscounted financial assets		101,051	91,000	20,328	23,437
Non-derivative financial liabilities					
Secured bank loans		(7,970)	(10,853)	-	-
Unsecured bank loans		(7,244)	(13,684)	(4,622)	(5,984)
Lease liabilities		(10,572)	(12,003)	(128)	(85)
Trade and other payables**		(49,952)	(38,390)	(37,340)	(35,587)
Secured trust receipts		(730)	(815)	-	-
Unsecured trust receipts		(1,904)	(1,164)	-	-
Total undiscounted financial liabilities		(78,372)	(76,909)	(42,090)	(41,656)
Total net undiscounted financial (liabilities)/assets		22,679	14,091	(21,762)	(18,219)

* Excludes prepayments, tax recoverable and GST/VAT input tax
** Excludes employee benefits, deferred income and GST/VAT output tax

6 Profit before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	6 months ended	
	30/6/2021	30/6/2020
	SGD'000	SGD'000
Other income, including finance income	2,679	5,404
Interest on borrowings	(834)	(1,780)
Allowance for inventory obsolescence	(223)	438
Depreciation and amortisation	(8,340)	(9,623)
Gain on disposal of other investments	-	1
Gain on disposal of right-of-use assets	80	12
Gain/(Loss) on disposal of property, plant and equipment	118	(6)
Inventory written-off	67	-

Other operating expenses comprise the following:

	Group	
	6 months ended	
	30/6/2021	30/6/2020
Non-operating Item:	SGD'000	SGD'000
Net change in fair value of equity securities	-	(38)

7 Related party transactions

For the purposes of these interim financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following significant transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	6 months ended	
	30/6/2021	30/6/2020
	SGD'000	SGD'000
With companies in which certain directors and substantial shareholders have significant influence		
Sale of raw materials/finished goods	5,444	1,444
Purchase of finished goods	-	(1,138)
Sale of scrap	408	777
Purchase of plant and equipment	(2)	-
Rental received/receivable	-	48
Purchase of tissue papers	(2)	(3)
With companies in which certain directors have significant influence		
Professional fees paid/payable	(3)	(2)
With companies in which certain directors of subsidiaries have significant influence		
Sale of raw materials/finished goods	446	43
Purchase of finished goods	(264)	-
Processing fee received/receivable	4	-
Rental received/receivable	12	-
Sales of plant and equipment	144	-
With a director of a subsidiary		
Service fees paid/payable	-	(81)
With joint ventures		
Sale of raw materials/finished goods	173	49
Purchase of raw materials	(2)	-
Conversion fees paid/payable	-	(266)
Management fee received/receivables	16	-
Rental paid/payable	(25)	(69)
Interest received/receivables	-	4

8 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	30/6/2021	30/6/2020
	SGD'000	SGD'000
Current income tax		
- Current year	1,060	1,099
- (Over)/Under provision in respect of previous years	(3)	5
Deferred tax		
- origination and reversal of temporary differences	13	124
- Recognition of tax effect of previously unrecognised tax losses	(10)	(3)
	1,060	1,225

9 Dividend

	Group	
	6 months ended	
	30/6/2021	30/6/2020
	SGD'000	SGD'000
Ordinary dividends paid:		
Tax-exempt (one-tier) final dividend of 0.90 cents per ordinary share for the year 2020 (2019: nil cents)	3,955	-
	3,955	-
Dividend per share (net of tax) in cents	0.90	-

10 Net Asset Value

	Group		Company	
	As at 30/6/2021	As at 31/12/2020	As at 30/6/2021	As at 31/12/2020
Net asset value per ordinary share based on existing share capital	33.13 cts	32.65 cts	27.76 cts	28.49 cts

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

11 Fair value of financial assets and liabilties

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:
- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset and liability

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows.

	Fair Value			
	Level 1 SGD'000	Level 2 SGD'000	Level 3 SGD'000	Total SGD'000
Group				
Financial Assets				
At 30 June 2021				
Unit trust funds	-	2,948	-	2,948
Equity investments at FVTPL				
Quoted equity securities	103	-	-	103
Unquoted equity securities	-	-	878	878
	103	2,948	878	3,929
Group				
Financial Assets				
At 31 December 2020				
Unit trust funds	-	1,275	-	1,275
Equity investments at FVTPL				
Quoted equity securities	101	-	-	101
Unquoted equity securities	-	-	878	878
	101	1,275	878	2,254

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

Unit trust funds (2020: Unit trust funds)

The fair value of unit trust funds is determined by reference to the published net asset value at the reporting date.

Equity investments – at FVTPL (2020: Equity investments – at FVTPL)

The fair value of quoted securities is determined by reference to their quoted prices (unadjusted) in active markets for identical assets.

Unquoted equity securities (2020: Unquoted equity securities)

The fair value of unquoted equity securities is determined based on the net tangible assets, which approximate fair value, of the investees. The net intangible assets are then adjusted for the fair value of the property held which is based on independent valuations obtained by property valuers on an open market value basis.

The fair value of unquoted equity securities based on significant unobservable inputs (Level 3) will be measured by every end of the financial year.

Investment properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Fair value of investment properties will be measured and disclosed by every end of financial year based on independent valuations by property valuers on an open market value basis. The valuers used direct comparison and capitalisation methods. The market value has been categorised as a Level 3 valuation method.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of or reprice within one year (including trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables) are assumed to approximate their fair values because of the short period to maturity or repricing.

12 Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired property, plant and equipment with an aggregate cost of $2,687,000 (30 June 2020: $2,885,000), of which $74,000 (30 June 2020: $523,000) relates to right-of-use assets. Cash payment of $2,613,000 (30 June 2020: $2,362,000) were made to purchase property, plant and equipment. Property, plant and equipment disposed during the six month ended 30 June 2021 amounting to $758,000 (30 June 2020: $705,000), of which $675,000 (30 June 2020: $686,000) relates to right-of-use assets.

13 Loans and borrowings

	The Group		The Company	
	30/6/2021 SGD'000	31/12/2020 SGD'000	30/6/2021 SGD'000	31/12/2020 SGD'000
Amount repayable in one year or less, or on demand				
Secured	5,184	6,339	19	18
Unsecured	10,707	15,463	4,636	5,992
Amount repayable after one year				
Secured	3,615	5,452	40	50
Unsecured	8,914	11,265	55	9

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.

14 Share capital

	Group and Company	
	30/6/2021 SGD'000	31/12/2020 SGD'000
Issued and fully paid ordinary shares		
At 31 December 2020 and 30 June 2021 439,424,603 shares	132,102	132,102

The Company did not hold any treasury shares as at 30 June 2021 and 31 December 2020.

15 Capital commitments

	Group	
	6 months ended	
	30/6/2021 SGD'000	30/6/2020 SGD'000
Property, plant and equipment		
Contracted but not provided for	376	332

16 Changes in contingent liabilities

There were no material changes to contingent liabilities disclosed in the last audited financial statements as at 31 December 2020.

17 Items of unusual nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

18 Subsequent events

On 1 July 2021, the Company has announced the entering into a share sale agreement with Nupro Investment Pty Ltd to sell all the shares in its wholly-owned subsidiary in Australia, New Toyo Adelaide Pty Ltd.

On 14 July 2021, Tien Wah Press Holdings Berhad ("TWPH"), a subsidiary of the Group had announced that Toyo (Viet) - DOFICO Print Packaging Co. Ltd., a joint venture of TWPH had ceased its operation since 14 July 2021 and will be automatically liquidated as its Investment and Business License expired on 14 July 2021 in accordance with the Vietnam Law.

Other Information Required by Listing Rule Appendix 7.2

1 Review

The condensed interim statement of financial position of New Toyo International Holdings Ltd and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2 Review of performance of the Group

1H 2021 vs 1H 2020

Consolidated Statement of Profit or Loss

The Group's turnover decreased by S$12.34 million or 9.5% to S$117.09 million in 1H 2021, mainly due to lower revenue from Printed Cartons and Labels ("PCL"), Specialty Paper ("SP") and Trading divisions, offset by higher revenue from Tissue Paper division. Revenue declined in PCL division was mainly due to lower demand from two major customers. Revenue of SP division was impacted by lower volume in Indonesia and Middle East markets. Tissue Paper division's revenue was boosted by sale of virgin pulp to Vietnam and China markets.

Gross profit for 1H 2021 increased marginally by S$0.63 million to S$16.27 million compared to S$15.64 million in 1H 2020. The gross profit margin improved to 13.9% for the Group in 1H 2021 due to higher margin from PCL and Tissue division.

Lower other income in 1H 2021 was attributed to the absence of one-off lump sum funding from a key customer, lower scrap sales, lower grants from Job Support Scheme and lower claims of defective stocks from suppliers. Administrative expenses decreased by S$1.37 million was mainly due to lower staff cost and overseas travelling expenses due to COVID-19 travel restrictions.

Net foreign exchange gain in 1H 2021 of S$0.40 million was mainly due to appreciation of the US Dollar.

Finance costs decreased in 1H 2021 was mainly due to reduced loans and borrowings.

As a result of the above factors, the Group posted a profit before tax of S$7.07 million in 1H 2021 (1H 2020: S$6.28 million).

Overall, the Group reported a profit after tax attributable to owners of the Company of S$4.91 million in 1H 2021 (1H 2020: S$4.68 million).

Consolidated Statement of Financial Position

Total assets (Group) as at 30 June 2021 were S$270.15 million, increased by $5.18 million from $264.97 million as at 31 December 2020.

The increase in total assets were due to:

- increase in trade and other receivables by S$9.39 million as a result of more sales towards end of 1H 2021, which are not past due, offset by receipt of deposit due to termination of the proposed acquisition of Benline Investment Holdings Pte. Ltd. as announced on 19 March 2021.

- increase in cash and cash equivalents by S$0.86 million.

The above was partially offset by:

- decrease in property, plant and equipment by S$3.59 million as a result of depreciation charge for 1H 2021 despite there were capital expenditure incurred in relation to the addition of property, plant and equipment.

- decrease in right-of-use assets by S$1.41 million due to depreciation charge for 1H 2021 and termination of a factory lease following the cessation of food packaging business in Vietnam.

Total liabilities (Group) as at 30 June 2021 were S$82.06 million, increased by $1.89 million from $80.17 million as at 31 December 2020.

The increase in total liabilities were due to:

- increase in trade and other payables by S$11.71 million as a result of timing of repayments to suppliers, which was in line with the increase in trade and other receivables.

The above was partially offset by:

- decrease in loans and borrowings by S$10.10 million due to repayment of bank borrowings and lease liabilities.

2 Review of performance of the Group (Cont'd)

1H 2021 vs 1H 2020 (Cont'd)

Consolidated Statement of Cash Flows

Lower cash flows from operating activities in the 1H 2021 as compared to the corresponding period in 2020 was mainly due to lower operating profits before working capital changes and trade receivables yet to be realised into cash.

Positive cash flows from investing activities in 1H 2021 was mainly receipt of deposit due to the termination of the proposed acquisition of Benline Investment Holdings Pte. Ltd. and proceeds from disposal of plant and equipment, offset by capital expenditure incurred for property, plant and equipment.

Higher cash flows used in financing activities in 1H 2021 was mainly due to final dividend payment to shareholders, mitigated by lower interest paid as a result of reduced loans and borrowings.

3 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.

4 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.

In view of COVID-19 pandemic, the global economy will still be challenging in 2021 despite the progressive rollout of vaccines. The Group will continue to focus on and preserve its core businesses.

Moving into the 2nd half of 2021, the Group remains vigilant and agile on managing its operation costs and cost optimisation initiatives to strengthen the performance of its existing portfolio, amidst the challenging environment.

5 Dividend

(a) Current Financial Period Reported On

	2021 Ordinary
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend per share :	0.60 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

	2020 Ordinary
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend per share :	0.60 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(c) Date payable

To be advised

(d) Books closure date

To be advised

6 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable

7 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 has adopted a general mandate for interested person transactions ("IPT Mandate") on 22 July 2021. Transactions which are covered by the IPT Mandate and effected after the adoption of the IPT Mandate by the Company are not included in the aggregation below. The disclosures of the IPTs conducted for the half year ended 30 June 2021 are presented as follows:

	Name of interested person and description of interested person transactions	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) SGD'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) SGD'000
	New Toyo Pulppy (Vietnam) Co., Ltd. ("NTPVN")		
I	Sale of jumbo reels by a Group entity to NTPVN	487	N/A
II	Sale of chipboard, duplex board and core by a Group entity to NTPVN	194	N/A
III	Sale of corrugated boxes by a Group entity to NTPVN	239	N/A
IV	Sale of virgin pulp by a Group entity to NTPVN	4,482	N/A
V	Sale of tissue finished goods by a Group entity to NTPVN	147	N/A
	Total	5,549	

Note: NPTVN is an associate of Mr Yen Wen Hwa, the Executive Chairman and controlling shareholder of the Company.

8 Negative confirmation pursuant to Rule 705(5).

The Directors of New Toyo International Holdings Ltd (the “Company”), do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the second quarter and period ended 30 June 2021 to be false or misleading in any material aspect.

9 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.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
13 August 2021