

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

NEW TOYO INTERNATIONAL HOLDINGS LTD

Securities

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For Financial Period Ended

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Attachments

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NEW TOYO
International Holdings Ltd

**STRENGTHENING
CORE CAPABILITIES**

CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months and full year ended 31 December 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 | 17 |

Condensed interim financial statements for the six months and full year ended 31 December 2021

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

Consolidated Income Statement

| | Note | Group | | | Group | | |
|---|------|----------------|----------------|---------------|-----------------|----------------|---------------|
| | | 6 months ended | | Change | 12 months ended | | Change |
| | | 31-12-21 | 31-12-20 | | 31-12-21 | 31-12-20 | |
| | | SGD'000 | SGD'000 | % | SGD'000 | SGD'000 | % |
| Revenue | 4 | 117,610 | 112,959 | 4.1 | 234,695 | 242,385 | (3.2) |
| Cost of sales | | (103,162) | (99,938) | 3.2 | (203,978) | (213,725) | (4.6) |
| Gross profit | | 14,448 | 13,021 | 11.0 | 30,717 | 28,660 | 7.2 |
| Other income | | 7,595 | 2,117 | 258.8 | 10,348 | 7,420 | 39.5 |
| Distribution expenses | | (5,720) | (2,268) | 152.2 | (8,264) | (4,834) | 71.0 |
| Administrative expenses | | (8,315) | (7,733) | 7.5 | (16,656) | (17,447) | (4.5) |
| Net foreign exchange gain/(loss) | | 99 | (1,082) | n.m. | 501 | (994) | n.m. |
| Other operating expenses | | (1,394) | (886) | 57.3 | (1,963) | (1,516) | 29.5 |
| Operating profit | | 6,713 | 3,169 | 111.8 | 14,683 | 11,289 | 30.1 |
| Finance income | | 83 | 203 | (59.1) | 207 | 311 | (33.4) |
| Finance costs | | (696) | (1,321) | (47.3) | (1,530) | (3,101) | (50.7) |
| Net finance costs | | (613) | (1,118) | (45.2) | (1,323) | (2,790) | (52.6) |
| Share of gain/(loss) of equity-accounted investees (net of tax) | | 259 | (198) | n.m. | 72 | (368) | n.m. |
| Profit before tax | 6 | 6,359 | 1,853 | 243.2 | 13,432 | 8,131 | 65.2 |
| Income tax expense | 8 | (3,249) | 608 | n.m. | (4,309) | (617) | 598.4 |
| Profit for the period / year | | 3,110 | 2,461 | 26.4 | 9,123 | 7,514 | 21.4 |
| Attributable to : | | | | | | | |
| Owners of the Company | | 3,218 | 2,913 | 10.5 | 8,123 | 7,591 | 7.0 |
| Non-controlling interests | | (108) | (452) | (76.1) | 1,000 | (77) | n.m. |
| Profit for the period / year | | 3,110 | 2,461 | 26.4 | 9,123 | 7,514 | 21.4 |

Statement of Comprehensive Income

| | Group | | | Group | | |
|---|----------------|----------------|-------------|-----------------|----------------|--------------|
| | 6 months ended | | Change | 12 months ended | | Change |
| | 31-12-21 | 31-12-20 | | 31-12-21 | 31-12-20 | |
| | SGD'000 | SGD'000 | % | SGD'000 | SGD'000 | % |
| Profit for the period / year | 3,110 | 2,461 | 26.4 | 9,123 | 7,514 | 21.4 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified subsequently to profit or loss : | | | | | | |
| Actuarial gain on defined benefit plans | 70 | 179 | (60.9) | 70 | 179 | (60.9) |
| Items that are or may be reclassified subsequently to profit or loss : | | | | | | |
| Foreign currency translation - foreign operations | 809 | (6,123) | n.m. | 2,039 | (2,362) | n.m. |
| Other comprehensive income for the period / year, net of tax | 879 | (5,944) | n.m. | 2,109 | (2,183) | n.m. |
| Total comprehensive income for the period / year | 3,989 | (3,483) | n.m. | 11,232 | 5,331 | 110.7 |
| Attributable to : | | | | | | |
| Owners of the Company | 3,960 | (1,904) | n.m. | 10,026 | 5,833 | 71.9 |
| Non-controlling interests | 29 | (1,579) | n.m. | 1,206 | (502) | n.m. |
| Total comprehensive income for the period / year | 3,989 | (3,483) | n.m. | 11,232 | 5,331 | 110.7 |

n.m. - not meaningful

| | Group | | Group | |
|--|----------------|----------|-----------------|----------|
| | 6 months ended | | 12 months ended | |
| | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 |
| | SGD'000 | SGD'000 | 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 | 0.73 cts | 0.66 cts | 1.85 cts | 1.73 cts |
| (b) On a fully diluted basis | 0.73 cts | 0.66 cts | 1.85 cts | 1.73 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 | |
|---|------|---------------------|---------------------|---------------------|---------------------|
| | | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 12 | 73,446 | 80,142 | 242 | 249 |
| Right-of-use assets | 12 | 10,420 | 11,425 | 61 | 13 |
| Intangible assets and goodwill | | 23,553 | 24,370 | - | - |
| Investment properties | | 3,294 | 5,377 | - | - |
| Subsidiaries | | - | - | 140,296 | 142,635 |
| Joint ventures | | 10,665 | 10,693 | - | - |
| Investment securities | | 952 | 979 | 854 | 878 |
| Other investments | | 1,333 | 1,314 | 694 | 693 |
| Deferred tax assets | | 1,265 | 1,615 | - | - |
| Trade and other receivables | 13 | 342 | 647 | - | 452 |
| | | 125,270 | 136,562 | 142,147 | 144,920 |
| Current assets | | | | | |
| Inventories | | 40,510 | 35,847 | - | - |
| Trade and other receivables | 13 | 56,889 | 55,889 | 9,758 | 14,170 |
| Cash and bank balances | | 37,362 | 33,958 | 15,299 | 7,961 |
| Contract assets | | 3,748 | 2,710 | - | - |
| | | 138,509 | 128,404 | 25,057 | 22,131 |
| Total assets | | 263,779 | 264,966 | 167,204 | 167,051 |
| Current liabilities | | | | | |
| Trade and other payables | 14 | 43,686 | 38,660 | 36,200 | 35,715 |
| Loans and borrowings | 15 | 17,067 | 21,802 | 2,794 | 6,010 |
| Contract liabilities | | 42 | 66 | - | - |
| Current tax liabilities | | 1,629 | 672 | 308 | 50 |
| | | 62,424 | 61,200 | 39,302 | 41,775 |
| Non-current liabilities | | | | | |
| Trade and other payables | 14 | 787 | 908 | - | - |
| Loans and borrowings | 15 | 11,446 | 16,717 | 77 | 59 |
| Deferred tax liabilities | | 1,450 | 1,344 | 11 | 11 |
| | | 13,683 | 18,969 | 88 | 70 |
| Total liabilities | | 76,107 | 80,169 | 39,390 | 41,845 |
| Net assets | | 187,672 | 184,797 | 127,814 | 125,206 |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 16 | 132,102 | 132,102 | 132,102 | 132,102 |
| Reserves | | (7,126) | (9,255) | 77 | 77 |
| Retained earnings | | 21,987 | 20,623 | (4,365) | (6,973) |
| | | 146,963 | 143,470 | 127,814 | 125,206 |
| Non-controlling interests | | 40,709 | 41,327 | - | - |
| Total equity | | 187,672 | 184,797 | 127,814 | 125,206 |
| Total equity and liabilities | | 263,779 | 264,966 | 167,204 | 167,051 |

Condensed interim consolidated statement of cash flows

| | 6 months ended | | 12 months ended | |
|---|-----------------------|-----------------|------------------------|-----------------|
| | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 |
| | SGD'000 | SGD'000 | SGD'000 | SGD'000 |
| Operating activities | | | | |
| Profit before tax | 6,359 | 1,853 | 13,432 | 8,131 |
| Adjustments for : | | | | |
| Amortisation of other investments | 3 | 3 | 6 | 6 |
| Depreciation and amortisation | 7,665 | 9,023 | 16,002 | 18,643 |
| Net change in fair value of equity securities | 25 | 4 | 25 | 42 |
| Dividend income from quoted securities | (5) | (4) | (7) | (6) |
| Gain on disposal of other investments | - | - | - | (1) |
| (Gain)/Loss on disposal of property, plant and equipment | (52) | (2) | (170) | 4 |
| Gain on disposal of a subsidiary | (2,523) | - | (2,523) | - |
| Gain on disposal of right-of-use assets | (2) | - | (82) | (12) |
| Impairment loss/(Reversal of) trade/non-trade receivables | 664 | (13) | 664 | (13) |
| (Reversal of)/Impairment loss on property, plant and equipment | (121) | 351 | (121) | 351 |
| Finance income | (83) | (203) | (207) | (311) |
| Finance costs | 696 | 1,321 | 1,530 | 3,101 |
| Property, plant and equipment written-off | 2 | 2 | 2 | 2 |
| Provision for termination benefits | - | 99 | - | 99 |
| Share of (gain)/loss of equity-accounted investees (net of tax) | (259) | 198 | (72) | 368 |
| Unrealised (gain)/loss on foreign exchange differences | (145) | 784 | (1,069) | 633 |
| Operating profit before working capital changes | 12,224 | 13,416 | 27,410 | 31,037 |
| Changes in working capital : | | | | |
| Inventories | (3,941) | 11,875 | (4,393) | 12,296 |
| Contract assets | (806) | 1,180 | (1,005) | 262 |
| Trade and other receivables | 8,063 | 13,282 | (4,097) | 12,018 |
| Trade and other payables | (6,589) | (9,118) | 4,966 | (5,789) |
| Employee benefits | (273) | (70) | (31) | 159 |
| Cash flows from operations | 8,678 | 30,565 | 22,850 | 49,983 |
| Income taxes paid | (2,125) | (1,478) | (3,018) | (1,911) |
| Cash flows from operating activities | 6,553 | 29,087 | 19,832 | 48,072 |
| Investing activities | | | | |
| Dividends received from quoted securities | 5 | 4 | 7 | 6 |
| Interest received | 83 | 203 | 207 | 311 |
| Acquisition of property, plant and equipment | (1,639) | (1,933) | (4,252) | (4,295) |
| Refund of deposit upon the termination of proposed acquisition of shares in a company | - | - | 2,673 | - |
| Proceeds from disposal of property, plant and equipment | 178 | 3 | 379 | 16 |
| Proceeds from disposal of a subsidiary | 3,608 | - | 3,608 | - |
| Placement of deposit with maturity periods more than 3 months | 125 | (1,316) | 125 | (1,316) |
| Cash flows from/(used in) investing activities | 2,360 | (3,039) | 2,747 | (5,278) |
| Financing activities | | | | |
| Dividends paid to owners of the Company | (2,636) | (6,591) | (6,591) | (6,591) |
| Dividends paid to non-controlling shareholders | (1,882) | (1,215) | (1,882) | (1,215) |
| Interest paid | (696) | (1,321) | (1,530) | (3,101) |
| Payment of lease liabilities | (674) | (1,374) | (1,430) | (2,034) |
| Proceeds from bank borrowings | 5,663 | 3,740 | 9,724 | 8,674 |
| Repayments of bank borrowings | (6,255) | (25,627) | (19,139) | (39,485) |
| Cash flows used in financing activities | (6,480) | (32,388) | (20,848) | (43,752) |
| Net increase/(decrease) in cash and cash equivalents | 2,433 | (6,340) | 1,731 | (958) |
| Cash and cash equivalents at beginning of period / year | 28,977 | 37,831 | 28,119 | 30,165 |
| Effect of exchange rate fluctuations on cash held | 238 | (3,372) | 1,798 | (1,088) |
| Cash and cash equivalents at end of period / year | 31,648 | 28,119 | 31,648 | 28,119 |
| Short-term deposits | 9,236 | 9,197 | 9,236 | 9,197 |
| Cash and bank balances | 28,126 | 24,761 | 28,126 | 24,761 |
| | 37,362 | 33,958 | 37,362 | 33,958 |
| Placement of deposit with maturity periods more than 3 months | (5,714) | (5,839) | (5,714) | (5,839) |
| | 31,648 | 28,119 | 31,648 | 28,119 |

Condensed interim statements of changes in equity

| | Note | ← Other reserves → | | | | Retained earnings SGD'000 | Total SGD'000 | Non- controlling interests SGD'000 | Total equity SGD'000 |
|---|------|-----------------------------|-------------------------------|-----------------------------|-----------------------------------|------------------------------|------------------|---|----------------------------|
| | | Share capital SGD'000 | Capital reserve SGD'000 | Other reserve SGD'000 | Translation reserve SGD'000 | | | | |
| Group | | | | | | | | | |
| At 1 January 2020 | | 132,102 | 822 | 77 | (8,396) | 19,623 | 144,228 | 43,044 | 187,272 |
| Profit for the year | | - | - | - | - | 7,591 | 7,591 | (77) | 7,514 |
| <u>Other comprehensive income</u> | | | | | | | | | |
| Actuarial gain on defined benefit plans | | - | - | 138 | - | - | 138 | 41 | 179 |
| Foreign currency translation differences | | - | - | - | (1,896) | - | (1,896) | (466) | (2,362) |
| Other comprehensive income for the year | | - | - | 138 | (1,896) | - | (1,758) | (425) | (2,183) |
| Total comprehensive income for the year | | - | - | 138 | (1,896) | 7,591 | 5,833 | (502) | 5,331 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | |
| Dividends paid | 9 | - | - | - | - | (6,591) | (6,591) | - | (6,591) |
| Dividends paid to non-controlling interests | | - | - | - | - | - | - | (1,215) | (1,215) |
| Total contributions by and distributions to owners | | - | - | - | - | (6,591) | (6,591) | (1,215) | (7,806) |
| At 31 December 2020 | | 132,102 | 822 | 215 | (10,292) | 20,623 | 143,470 | 41,327 | 184,797 |
| At 1 January 2021 | | 132,102 | 822 | 215 | (10,292) | 20,623 | 143,470 | 41,327 | 184,797 |
| Profit for the year | | - | - | - | - | 8,123 | 8,123 | 1,000 | 9,123 |
| <u>Other comprehensive income</u> | | | | | | | | | |
| Actuarial gain on defined benefit plans | | - | - | 54 | - | - | 54 | 16 | 70 |
| Foreign currency translation differences | | - | - | - | 1,849 | - | 1,849 | 190 | 2,039 |
| Other comprehensive income for the year | | - | - | 54 | 1,849 | - | 1,903 | 206 | 2,109 |
| Total comprehensive income for the year | | - | - | 54 | 1,849 | 8,123 | 10,026 | 1,206 | 11,232 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | |
| Dividends paid | 9 | - | - | - | - | (6,591) | (6,591) | - | (6,591) |
| Dividends paid to non-controlling interests | | - | - | - | - | - | - | (1,882) | (1,882) |
| Total contributions by and distributions to owners | | - | - | - | - | (6,591) | (6,591) | (1,882) | (8,473) |
| <u>Others</u> | | | | | | | | | |
| Transfer to development reserve fund | | - | - | 58 | - | (116) | (58) | 58 | - |
| Transfer to statutory reserve fund | | - | 52 | - | - | (52) | - | - | - |
| Effect of disposal of a subsidiary | | - | - | - | 116 | - | 116 | - | 116 |
| | | - | 52 | 58 | 116 | (168) | 58 | 58 | 116 |
| At 31 December 2021 | | 132,102 | 874 | 327 | (8,327) | 21,987 | 146,963 | 40,709 | 187,672 |
| Company | | | | | | | | | |
| At 1 January 2020 | | 132,102 | - | 77 | - | (11,000) | 121,179 | - | 121,179 |
| Dividends paid | 9 | - | - | - | - | (6,591) | (6,591) | - | (6,591) |
| Total comprehensive income for the year | | - | - | - | - | 10,618 | 10,618 | - | 10,618 |
| At 31 December 2020 | | 132,102 | - | 77 | - | (6,973) | 125,206 | - | 125,206 |
| At 1 January 2021 | | 132,102 | - | 77 | - | (6,973) | 125,206 | - | 125,206 |
| Dividends paid | 9 | - | - | - | - | (6,591) | (6,591) | - | (6,591) |
| Total comprehensive income for the year | | - | - | - | - | 9,199 | 9,199 | - | 9,199 |
| At 31 December 2021 | | 132,102 | - | 77 | - | (4,365) | 127,814 | - | 127,814 |

Notes to the condensed interim consolidated 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 31 December 2021 comprise the Company and its subsidiaries (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 31 December 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 last interim financial statements for the period ended 30 June 2021.

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 audited financial statements 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 make 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 31 December 2021

| | Specialty Papers and Labels SGD'000 | Printed Cartons and Labels SGD'000 | Trading SGD'000 | Tissue Paper SGD'000 | Investment holding SGD'000 | Total SGD'000 |
|---|--|---|--------------------|----------------------------|----------------------------------|------------------|
| Revenue and Expenses | | | | | | |
| Total revenue from external customers | 51,761 | 38,156 | 19,923 | 4,416 | - | 114,256 |
| Inter-segment revenue | 7,276 | 21,588 | 8,712 | (834) | - | 36,742 |
| Total revenue | 59,037 | 59,744 | 28,635 | 3,582 | - | 150,998 |
| Segment results | 4,798 | 419 | 13 | (68) | 715 | 5,877 |
| Share of profit of equity-accounted investees | - | - | - | - | 259 | 259 |
| Other material non-cash items : | | | | | | |
| - Amortisation | 3 | 433 | - | - | - | 436 |
| - Depreciation | 1,314 | 5,636 | 3 | 8 | 161 | 7,122 |
| - Change in fair value of equity shares | 2 | - | - | - | 23 | 25 |
| Capital expenditure | 134 | 1,448 | 11 | - | 7 | 1,600 |
| Investment in equity-accounted investees | - | - | - | - | 10,665 | 10,665 |
| Reportable segment assets | 70,771 | 136,615 | 10,492 | 2,624 | 7,625 | 228,127 |
| Reportable segment liabilities | 27,678 | 27,989 | 9,242 | 2,406 | 220 | 67,535 |

6 months ended 31 December 2020

| | Specialty Papers and Labels SGD'000 | Printed Cartons and Labels SGD'000 | Trading SGD'000 | Tissue Paper SGD'000 | Investment holding SGD'000 | Total SGD'000 |
|--|--|---|--------------------|----------------------------|----------------------------------|------------------|
| Revenue and Expenses | | | | | | |
| Total revenue from external customers | 50,749 | 39,026 | 14,843 | 4,720 | - | 109,338 |
| Inter-segment revenue | 1,751 | 15,882 | 3,737 | 2 | - | 21,372 |
| Total revenue | 52,500 | 54,908 | 18,580 | 4,722 | - | 130,710 |
| Segment results | 3,280 | (715) | 172 | 421 | 42 | 3,200 |
| Share of profit of equity-accounted investees | - | - | - | - | (198) | (198) |
| Other material non-cash items : | | | | | | |
| - Amortisation | 3 | 404 | - | - | - | 407 |
| - Depreciation | 1,600 | 6,547 | (48) | 7 | 218 | 8,324 |
| - Change in fair value of equity shares | (33) | - | - | - | 37 | 4 |
| - Reversal of/(Impairment loss) on property, plant and equipment | 345 | (116) | - | - | - | 229 |
| Capital expenditure | 614 | 1,315 | - | - | - | 1,929 |
| Investment in equity-accounted investees | - | - | - | - | 10,693 | 10,693 |
| Reportable segment assets | 65,490 | 145,536 | 8,959 | 6,732 | 7,676 | 234,393 |
| Reportable segment liabilities | 23,780 | 37,533 | 7,197 | 1,468 | 145 | 70,123 |

4.1 Reportable segments (Cont'd)

Reconciliations of reportable segment revenues, profit or loss

| | 6 months ended 31-12-21 SGD'000 | 6 months ended 31-12-20 SGD'000 |
|--|--|--|
| Revenue | | |
| Total revenue of reportable segments | 150,998 | 130,710 |
| Other revenue | 3,354 | 3,621 |
| Elimination of inter-segment revenue | (36,742) | (21,372) |
| Consolidated revenue | 117,610 | 112,959 |
| Profit or loss | | |
| Total profit for reportable segments | 5,877 | 3,200 |
| Other profit or loss | (114) | 28 |
| | 5,763 | 3,228 |
| Elimination of inter-segment profits | 168 | 763 |
| Share of profit/(loss) of equity-accounted investees | 259 | (198) |
| Unallocated amounts : | | |
| - Other corporate expenses | 169 | (1,940) |
| Consolidated profit before income tax | 6,359 | 1,853 |
| Depreciation | | |
| Total depreciation of reportable segments | 7,122 | 8,324 |
| Others | 75 | 295 |
| Consolidated depreciation | 7,197 | 8,619 |
| Capital expenditure | | |
| Total capital expenditure of reportable segments | 1,600 | 1,929 |
| Others | 38 | 4 |
| Consolidated capital expenditure | 1,638 | 1,933 |
| Assets | | |
| Total assets for reportable segments | 228,127 | 234,393 |
| Other assets | 4,649 | 4,136 |
| Investment in equity-accounted investees | 10,665 | 10,693 |
| Unallocated amounts | | |
| - Other corporate assets | 18,072 | 13,404 |
| - Income tax assets | 2,266 | 2,340 |
| Consolidated total assets | 263,779 | 264,966 |
| Liabilities | | |
| Total liabilities for reportable segments | 67,535 | 70,123 |
| Other liabilities | 2,036 | 1,286 |
| Unallocated amounts | | |
| - Other corporate liabilities | 3,457 | 6,743 |
| - Income tax liabilities | 3,079 | 2,017 |
| Consolidated total liabilities | 76,107 | 80,169 |

12 months ended 31 December 2021

| | Specialty Papers SGD'000 | Printed Cartons and Labels SGD'000 | Trading SGD'000 | Tissue Paper SGD'000 | Investment holding SGD'000 | Total SGD'000 |
|---|--------------------------------|---|--------------------|----------------------------|----------------------------------|------------------|
| Revenue and Expenses | | | | | | |
| Total revenue from external customers | 99,964 | 80,520 | 35,607 | 11,989 | - | 228,080 |
| Inter-segment revenue | 10,440 | 43,171 | 14,662 | (834) | - | 67,439 |
| Total revenue | 110,404 | 123,691 | 50,269 | 11,155 | - | 295,519 |
| Segment results | 8,284 | 3,351 | 109 | 961 | 950 | 13,655 |
| Share of profit of equity-accounted investees | - | - | - | - | 72 | 72 |
| Other material non-cash items : | | | | | | |
| - Amortisation | 6 | 860 | - | - | - | 866 |
| - Depreciation | 2,681 | 11,904 | 4 | 15 | 330 | 14,934 |
| - Change in fair value of equity shares | 2 | - | - | - | 23 | 25 |
| Capital expenditure | 919 | 3,253 | 15 | - | 7 | 4,194 |
| Investment in equity-accounted investees | - | - | - | - | 10,665 | 10,665 |
| Reportable segment assets | 70,771 | 136,615 | 10,492 | 2,624 | 7,625 | 228,127 |
| Reportable segment liabilities | 27,678 | 27,989 | 9,242 | 2,406 | 220 | 67,535 |

4.1 Reportable segments (Cont'd)

12 months ended 31 December 2020

| | Specialty Papers SGD'000 | Printed Cartons and Labels SGD'000 | Trading SGD'000 | Tissue Paper SGD'000 | Investment holding SGD'000 | Total SGD'000 |
|--|--------------------------------|---|--------------------|----------------------------|----------------------------------|------------------|
| Revenue and Expenses | | | | | | |
| Total revenue from external customers | 103,687 | 90,502 | 31,381 | 9,581 | - | 235,151 |
| Inter-segment revenue | 4,149 | 35,626 | 5,902 | 237 | - | 45,914 |
| Total revenue | 107,836 | 126,128 | 37,283 | 9,818 | - | 281,065 |
| Segment results | 6,895 | 1,608 | 326 | 569 | 319 | 9,717 |
| Share of loss of equity-accounted investees | - | - | - | - | (368) | (368) |
| Other material non-cash items : | | | | | | |
| - Amortisation | 6 | 821 | - | - | - | 827 |
| - Depreciation | 3,055 | 13,801 | 93 | 14 | 448 | 17,411 |
| - Change in fair value of equity shares | 5 | - | - | - | 37 | 42 |
| - Impairment loss on property, plant and equipment | 345 | (116) | - | - | - | 229 |
| Capital expenditure | 1,121 | 3,162 | 4 | - | - | 4,287 |
| Investment in equity-accounted investees | - | - | - | - | 10,693 | 10,693 |
| Reportable segment assets | 65,490 | 145,536 | 8,959 | 6,732 | 7,676 | 234,393 |
| Reportable segment liabilities | 23,780 | 37,533 | 7,197 | 1,468 | 145 | 70,123 |

Reconciliations of reportable segment revenues, profit or loss

| | 12 months ended 31-12-21 SGD'000 | 12 months ended 31-12-20 SGD'000 |
|--|---|---|
| Revenue | | |
| Total revenue of reportable segments | 295,519 | 281,065 |
| Other revenue | 6,615 | 7,234 |
| Elimination of inter-segment revenue | (67,439) | (45,914) |
| Consolidated revenue | 234,695 | 242,385 |
| Profit or loss | | |
| Total profit for reportable segments | 13,655 | 9,717 |
| Other profit or loss | (44) | 206 |
| | 13,611 | 9,923 |
| Elimination of inter-segment profits | 1,390 | 1,919 |
| Share of profit/(loss) of equity-accounted investees | 72 | (368) |
| Unallocated amounts : | | |
| - Other corporate expenses | (1,641) | (3,343) |
| Consolidated profit before income tax | 13,432 | 8,131 |
| Depreciation | | |
| Total depreciation of reportable segments | 14,934 | 17,411 |
| Others | 173 | 411 |
| Consolidated depreciation | 15,107 | 17,822 |
| Capital expenditure | | |
| Total capital expenditure of reportable segments | 4,194 | 4,287 |
| Others | 57 | 8 |
| Consolidated capital expenditure | 4,251 | 4,295 |
| Assets | | |
| Total assets for reportable segments | 228,127 | 234,393 |
| Other assets | 4,649 | 4,136 |
| Investment in equity-accounted investees | 10,665 | 10,693 |
| Unallocated amounts | | |
| - Other corporate assets | 18,072 | 13,404 |
| - Income tax assets | 2,266 | 2,340 |
| Consolidated total assets | 263,779 | 264,966 |
| Liabilities | | |
| Total liabilities for reportable segments | 67,535 | 70,123 |
| Other liabilities | 2,036 | 1,286 |
| Unallocated amounts | | |
| - Other corporate liabilities | 3,457 | 6,743 |
| - Income tax liabilities | 3,079 | 2,017 |
| Consolidated total liabilities | 76,107 | 80,169 |

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).

6 months ended

| | Specialty Papers | | Printed Cartons and Labels | | Trading | | Tissue Paper | | Total | |
|---|------------------|----------|----------------------------|----------|----------|----------|--------------|----------|----------|----------|
| | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 |
| | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 |
| <u>Primary geographical location of business operations</u> | | | | | | | | | | |
| Hong Kong | - | - | 23,839 | 16,896 | 18,937 | 13,586 | - | - | 42,776 | 30,482 |
| Vietnam | 21,244 | 18,885 | 3,009 | 7,200 | - | - | - | - | 24,253 | 26,085 |
| Malaysia | 10,874 | 15,712 | (1,188) | - | - | - | - | - | 9,686 | 15,712 |
| Indonesia | - | - | 7,008 | 11,557 | - | - | - | - | 7,008 | 11,557 |
| Singapore | 16,024 | 13,699 | - | - | 986 | 1,256 | 4,416 | 4,720 | 21,426 | 19,675 |
| Dubai | 3,619 | 2,453 | 5,488 | 3,374 | - | - | - | - | 9,107 | 5,827 |
| External revenues | 51,761 | 50,749 | 38,156 | 39,027 | 19,923 | 14,842 | 4,416 | 4,720 | 114,256 | 109,338 |

Timing of revenue recognition

| | | | | | | | | | | |
|--------------------|--------|--------|--------|--------|--------|--------|-------|-------|---------|---------|
| At a point in time | 51,802 | 50,771 | - | - | 19,923 | 14,842 | 4,416 | 4,720 | 76,141 | 70,333 |
| Overtime | (41) | (22) | 38,156 | 39,027 | - | - | - | - | 38,115 | 39,005 |
| External revenues | 51,761 | 50,749 | 38,156 | 39,027 | 19,923 | 14,842 | 4,416 | 4,720 | 114,256 | 109,338 |

12 months ended

| | Specialty Papers | | Printed Cartons and Labels | | Trading | | Tissue Paper | | Total | |
|---|------------------|----------|----------------------------|----------|----------|----------|--------------|----------|----------|----------|
| | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 | 31-12-21 | 31-12-20 |
| | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 | SGD'000 |
| <u>Primary geographical location of business operations</u> | | | | | | | | | | |
| Hong Kong | - | - | 46,416 | 39,446 | 32,394 | 29,331 | - | - | 78,810 | 68,777 |
| Vietnam | 39,389 | 36,382 | 9,105 | 17,373 | - | - | - | - | 48,494 | 53,755 |
| Malaysia | 24,790 | 33,090 | 170 | - | - | - | - | - | 24,960 | 33,090 |
| Indonesia | - | - | 16,362 | 27,525 | - | - | - | - | 16,362 | 27,525 |
| Singapore | 29,772 | 29,089 | - | - | 3,213 | 2,050 | 11,989 | 9,581 | 44,974 | 40,720 |
| Dubai | 6,013 | 5,126 | 8,467 | 6,158 | - | - | - | - | 14,480 | 11,284 |
| External revenues | 99,964 | 103,687 | 80,520 | 90,502 | 35,607 | 31,381 | 11,989 | 9,581 | 228,080 | 235,151 |

Timing of revenue recognition

| | | | | | | | | | | |
|--------------------|--------|---------|--------|--------|--------|--------|--------|-------|---------|---------|
| At a point in time | 99,978 | 103,671 | - | - | 35,607 | 31,381 | 11,989 | 9,581 | 147,574 | 144,633 |
| Overtime | (14) | 16 | 80,520 | 90,502 | - | - | - | - | 80,506 | 90,518 |
| External revenues | 99,964 | 103,687 | 80,520 | 90,502 | 35,607 | 31,381 | 11,989 | 9,581 | 228,080 | 235,151 |

4.3 A breakdown of sales

| | Group | | |
|--|----------|----------|--------|
| | 31/12/21 | 31/12/20 | Change |
| | SGD'000 | SGD'000 | % |
| Sales reported for 1 st half year | 117,085 | 129,426 | (9.5) |
| Operating profit after tax before deducting non-controlling interests reported for 1 st half year | 6,013 | 5,053 | 19.0 |
| Sales reported for 2 nd half year | 117,610 | 112,959 | 4.1 |
| Operating profit after tax before deducting non-controlling interests reported for 2 nd half year | 3,110 | 2,461 | 26.4 |

5 Financial assets and financial liabilities

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

| Note | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| Financial assets | | | | |
| Equity instruments at FVTPL | 952 | 979 | 854 | 878 |
| Trade and other receivables* | 53,007 | 53,353 | 9,734 | 14,598 |
| Cash and bank balances | 37,362 | 33,958 | 15,299 | 7,961 |
| Contract assets | 3,748 | 2,710 | - | - |
| Total undiscounted financial assets | 95,069 | 91,000 | 25,887 | 23,437 |
| Non-derivative financial liabilities | | | | |
| Trade and other payables** | (43,356) | (38,390) | (36,109) | (35,587) |
| Loans and borrowings | (28,513) | (38,519) | (2,871) | (6,069) |
| Total undiscounted financial liabilities | (71,869) | (76,909) | (38,980) | (41,656) |
| Total net undiscounted financial assets/(liabilities) | 23,200 | 14,091 | (13,093) | (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 significant items have been included in arriving at profit before tax:

| | Group | | Group | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 6 months ended | | 12 months ended | |
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| Other income, including finance income | 5,101 | 2,318 | 7,780 | 7,722 |
| Interest on borrowings | (696) | (1,321) | (1,530) | (3,101) |
| Allowance for inventory obsolescence | (574) | (850) | (797) | (412) |
| Depreciation and amortisation | (7,668) | (9,026) | (16,008) | (18,649) |
| Gain on disposal of a subsidiary | 2,523 | - | 2,523 | - |
| Gain on disposal of other investments | - | - | - | 1 |
| Gain on disposal of right-of-use assets | 2 | - | 82 | 12 |
| Gain/(Loss) on disposal of property, plant and equipment | 52 | 2 | 170 | (4) |
| (Impairment loss)/Reversal of trade/non-trade receivables | (664) | 13 | (664) | 13 |
| Reversal of/(Impairment loss) on property, plant and equipment | 121 | (351) | 121 | (351) |
| Inventory written-off | (96) | (7) | (29) | (7) |
| Property, plant and equipment written off | (2) | (2) | (2) | (2) |

Other operating expenses comprise the following:

| Non-operating Item: | Group | | Group | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 6 months ended | | 12 months ended | |
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| Net change in fair value of equity securities | (25) | (4) | (25) | (42) |

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 | | Group | |
|--|---------------------------------------|---------------------|--|---------------------|
| | 6 months ended 31-12-21 SGD'000 | 31-12-20 SGD'000 | 12 months ended 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <i>With companies in which certain directors and substantial shareholders have significant influence</i> | | | | |
| Sale of raw materials/finished goods | 1,992 | 1,431 | 7,436 | 2,875 |
| Purchase of finished goods | (1) | (1,717) | (1) | (2,855) |
| Sale of scrap | 350 | 340 | 758 | 1,117 |
| Purchase of plant and equipment | (3) | - | (5) | - |
| Rental received/receivable | - | 58 | - | 106 |
| Purchase of tissue papers | (2) | (2) | (4) | (5) |
| <i>With companies in which certain directors have significant influence</i> | | | | |
| Professional fees paid/payable | (2) | (4) | (5) | (6) |
| <i>With companies in which certain directors of subsidiaries have significant influence</i> | | | | |
| Sale of raw materials/finished goods | 307 | 60 | 753 | 103 |
| Purchase of finished goods | (768) | - | (1,032) | - |
| Processing fee paid/payable | (5) | - | (1) | - |
| Processing fee received/receivable | 17 | - | 17 | - |
| Rental received/receivable | 24 | - | 36 | - |
| Sales of plant and equipment | 173 | - | 317 | - |
| <i>With a director of a subsidiary</i> | | | | |
| Service fees paid/payable | - | (81) | - | (162) |
| <i>With joint ventures</i> | | | | |
| Sale of raw materials/finished goods | 1 | 112 | 174 | 161 |
| Purchase of raw materials | (108) | (55) | (110) | (55) |
| Conversion fees paid/payable | - | 29 | - | (237) |
| Management fee received/receivables | (16) | 33 | - | 33 |
| Rental paid/payable | (2) | (30) | (27) | (99) |
| Interest received/receivables | - | 5 | - | 9 |

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 | | Group | |
|---|---------------------------------------|---------------------|--|---------------------|
| | 6 months ended 31-12-21 SGD'000 | 31-12-20 SGD'000 | 12 months ended 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <u>Current income tax</u> | | | | |
| - Current year | 2,429 | 676 | 3,489 | 1,775 |
| - Under/(over) provision in respect of previous years | 354 | (230) | 351 | (225) |
| <u>Deferred tax</u> | | | | |
| - origination and reversal of temporary differences | 456 | (1,000) | 469 | (876) |
| - Recognition of tax effect of previously unrecognised tax losses | 10 | (54) | - | (57) |
| | 3,249 | (608) | 4,309 | 617 |

9 Dividends

| | Group and Company | | Group and Company | |
|--|---------------------------------------|---------------------|--|---------------------|
| | 6 months ended 31-12-21 SGD'000 | 31-12-20 SGD'000 | 12 months ended 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| Ordinary dividends paid: | | | | |
| Tax-exempt (one-tier) final dividend of 0.90 cents per ordinary share for the year 2020 (2019: 0.90 cents) | - | 3,955 | 3,955 | 3,955 |
| Tax-exempt (one-tier) interim dividend of 0.60 cents per ordinary share for the year 2021 (2020: 0.60 cents) | 2,636 | 2,636 | 2,636 | 2,636 |
| | 2,636 | 6,591 | 6,591 | 6,591 |
| Dividend per share (net of tax) in cents | 0.60 | 1.50 | 1.50 | 1.50 |

10 Net asset value

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at 31-12-21 | As at 31-12-20 | As at 31-12-21 | As at 31-12-20 |
| Net asset value per ordinary share based on existing share capital | 33.44 cts | 32.65 cts | 29.09 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 liabilities

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 | | | Total SGD'000 |
|-----------------------------|--------------------|--------------------|--------------------|------------------|
| | Level 1 SGD'000 | Level 2 SGD'000 | Level 3 SGD'000 | |
| Group | | | | |
| Financial Assets | | | | |
| At 31 December 2021 | | | | |
| Unit trust funds | - | 1,383 | - | 1,383 |
| Equity investments at FVTPL | | | | |
| Quoted equity securities | 98 | - | - | 98 |
| Unquoted equity securities | - | - | 854 | 854 |
| | 98 | 1,383 | 854 | 2,335 |
| 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 year ended 31 December 2021, the Group acquired property, plant and equipment with an aggregate cost of \$5,467,000 (31 December 2020: \$5,046,000), of which \$1,215,000 (31 December 2020: \$751,000) relates to right-of-use assets. Cash payment of \$4,252,000 (31 December 2020: \$4,295,000) were made to purchase property, plant and equipment. Property, plant and equipment disposed during the year ended 31 December 2021 amounting to \$914,000 (31 December 2020: \$705,000), of which \$704,000 (31 December 2020: \$686,000) relates to right-of-use assets.

13 Trade and other receivables

| | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <u>Non-current</u> | | | | |
| Amount due from subsidiary | | | | |
| - trade | - | - | - | 452 |
| Trade receivables | 162 | 323 | - | - |
| Other receivables | 180 | - | - | - |
| Tax recoverable | - | 324 | - | - |
| | 342 | 647 | - | 452 |
| <u>Current</u> | | | | |
| Trade receivables | 40,766 | 42,560 | - | - |
| Impairment losses | (547) | (2,430) | - | - |
| | 40,219 | 40,130 | - | - |
| Deposits | 3,531 | 3,416 | - | 2,646 |
| Tax recoverable | 1,001 | 724 | - | - |
| Consideration receivables | 2,169 | 2,114 | - | - |
| Deferred expenditure | 196 | - | - | - |
| GST/VAT input tax | 1,087 | 878 | 1 | - |
| Other receivables | 408 | 1,513 | - | 46 |
| Amount due from subsidiaries, net | | | | |
| - trade | - | - | 369 | 331 |
| - non-trade | - | - | 93 | 201 |
| Amounts due from joint ventures | | | | |
| - trade | 46 | 216 | 46 | 44 |
| - non-trade | 3,342 | 3,520 | 121 | 119 |
| Amounts due from other related corporations* | | | | |
| - trade | 3,250 | 1,775 | - | - |
| - non-trade | 351 | 346 | - | - |
| Loans to subsidiaries | - | - | 9,105 | 10,759 |
| | 55,600 | 54,632 | 9,735 | 14,146 |
| Impairment losses | (666) | - | - | - |
| | 54,934 | 54,632 | 9,735 | 14,146 |
| Prepayments | 1,955 | 1,257 | 23 | 24 |
| | 56,889 | 55,889 | 9,758 | 14,170 |
| Total trade and other receivables | 57,231 | 56,536 | 9,758 | 14,622 |

* The amounts due from other related corporations also include amounts receivables from entities which are partially-owned by a substantial shareholder.

14 Trade and other payables

| | Group | | Company | |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <u>Non-current</u> | | | | |
| Employee benefits | 603 | 709 | - | - |
| Other payables | 184 | 199 | - | - |
| | 787 | 908 | - | - |

14 Trade and other payables (cont'd)

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <u>Current</u> | | | | |
| Trade payables | 34,590 | 29,052 | - | - |
| Loans from subsidiaries | - | - | 30,878 | 28,631 |
| Amounts due to subsidiaries | | | | |
| - trade | - | - | 44 | 13 |
| - non-trade | - | - | 4,692 | 6,397 |
| Amounts due to joint venture | | | | |
| - non-trade | 108 | 5 | - | - |
| Amounts due to other related corporations | | | | |
| - trade | 15 | 13 | - | - |
| - non-trade | 6 | 2 | - | - |
| Accrued operating expenses | 5,481 | 6,024 | 372 | 537 |
| Deferred income | 222 | 160 | - | 53 |
| Employee benefits | 200 | 125 | 91 | 73 |
| GST/VAT output tax | 104 | 183 | - | 2 |
| Other payables | 2,960 | 3,096 | 123 | 9 |
| | <u>43,686</u> | <u>38,660</u> | <u>36,200</u> | <u>35,715</u> |
| Total trade and other payables | <u>44,473</u> | <u>39,568</u> | <u>36,200</u> | <u>35,715</u> |

15 Loans and borrowings

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <u>Amount repayable in one year or less, or on demand</u> | | | | |
| Secured | 3,693 | 6,339 | 19 | 18 |
| Unsecured | 13,374 | 15,463 | 2,775 | 5,992 |
| <u>Amount repayable after one year</u> | | | | |
| Secured | 2,589 | 5,452 | 30 | 50 |
| Unsecured | 8,857 | 11,265 | 47 | 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.

16 Share capital

| | Group and Company | |
|---|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| <i>Issued and fully paid ordinary shares</i> | | |
| At 31 December 2020 and 2021 439,424,603 shares | 132,102 | 132,102 |

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

17 Capital commitments

| | Group | |
|--|---------------------|---------------------|
| | 31-12-21 SGD'000 | 31-12-20 SGD'000 |
| Property, plant and equipment Contracted but not provided for | 6,270 | 300 |

18 Changes in contingent liabilities

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

19 Items of unusual nature

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

20 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1 Review

The condensed statements of financial position of New Toyo International Holdings Ltd and its subsidiaries as at 31 December 2021 and the related condensed interim consolidated profit or loss and other comprehensive income and condensed interim consolidated statement of cash flows for the six-month period and year then ended, condensed consolidated statement of changes in equity for the year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2 Review of performance of the Group

2H 2021 vs 2H 2020

Consolidated Statement of Profit or Loss

The Group's turnover increased by S\$4.65 million or 4.1% to S\$117.61 million in 2H 2021, mainly due to higher revenue from Specialty Paper ("SP") and Trading divisions, offset by lower revenue from Printed Cartons and Labels ("PCL") and Tissue Paper division. Increase in revenue of SP division was mainly due to higher demand from customers. Revenue increased in Trading division was due to higher demand of raw materials. Revenue declined in PCL division was mainly due to lower demand from two major customers.

Gross profit for 2H 2021 increased by S\$1.43 million to S\$14.45 million compared to S\$13.02 million in 2H 2020. The gross profit margin improved to 12.3% for the Group in 2H 2021 due to higher margin from PCL and Tissue divisions.

Higher other income in 2H 2021 was attributed to the gain on disposal of investment in a subsidiary, New Toyo Adelaide Pty Ltd of S\$2.52 million and freight income of S\$2.79 million. Distribution expenses increased by S\$3.45 million was mainly due to higher freight cost. Administrative expenses increased by S\$0.58 million was mainly due to staff cost and overseas travelling cost due to re-opening borders for quarantine-free travel agreements.

Net foreign exchange gain in 2H 2021 of S\$0.10 million was mainly due to appreciation of the US Dollar and increase in other operating expenses by S\$0.51 million for FY 2021 was mainly due to impairment loss on consideration receivables from the Group's joint venture partner.

Finance costs decreased in 2H 2021 was mainly due to reduced loans and borrowings. Increase in tax expenses was due to higher taxable profits and capital gain tax on the disposal of investment in a subsidiary, New Toyo Adelaide Pty Ltd.

As a result of the above factors, the Group posted a profit before tax of S\$6.36 million in 2H 2021 (2H 2020: S\$1.85 million).

Overall, the Group reported a profit after tax attributable to owners of the Company of S\$3.22 million in 2H 2021 (2H 2020: S\$2.91 million).

Consolidated Statement of Financial Position

Total assets (Group) as at 31 December 2021 were S\$263.78 million, decreased by \$1.19 million from \$264.97 million as at 31 December 2020.

The decrease in total assets were due to:

- decrease in property, plant and equipment by S\$6.70 million as a result of depreciation charge despite there were capital expenditure incurred in relation to the addition of property, plant and equipment.
- decrease in right-of-use assets by S\$1.01 million due to depreciation charge and termination of a factory lease following the cessation of food packaging business in Vietnam.
- decrease in investment properties by S\$2.08 million due to depreciation charge and a reclassification of investment property to property, plant and equipment due to its change in use as at year end.

The above was partially offset by:

- increase in trade and other receivables by S\$0.70 million as a result of more sales towards end of 2H 2021, which are not due.
- increase in cash and bank balances by S\$3.41 million.

Total liabilities (Group) as at 31 December 2021 were S\$76.11 million, decreased by \$4.06 million from \$80.17 million as at 31 December 2020.

The decrease in total liabilities were due to:

- decrease in loans and borrowings by S\$10.01 million due to repayment of bank borrowings and lease liabilities.

The above was partially offset by:

- increase in trade and other payables by S\$4.91 million as a result of timing of repayments to suppliers.

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

Consolidated Statement of Cash Flows

Lower cash flows from operating activities in the 2H 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 2H 2021 was mainly receipt of proceeds from disposal of a subsidiary, New Toyo Adelaide Pty Ltd and proceeds from disposal of plant and equipment, offset by capital expenditure incurred for property, plant and equipment.

Lower cash flows used in financing activities in 2H 2021 was mainly lower repayments of loans and borrowings, interest and interim dividends payment to shareholders.

FY 2021 vs FY 2020

For FY 2021, the Group's turnover decreased from S\$242.39 million to S\$234.70 million mainly due to lower revenue from Specialty Paper ("SP") and Printed Cartons and Labels ("PCL") divisions, offset by higher revenue from Trading and Tissue Paper divisions. Revenue declined in PCL division was mainly due to lower demand from two major customers. Revenue of SP division was slightly impacted by lower volume in Indonesia and Middle East markets. Trading division was increased due to higher demand on acetate tow. Tissue Paper division's revenue was boosted by sale of virgin pulp to Vietnam and China markets.

Gross profit increased from S\$28.66 million in FY 2020 to S\$30.72 million in FY 2021. Gross profit margin for FY 2021 improved to 13.1% as compared to 11.8% in FY 2020 due to the factors mentioned above.

Higher other income in FY 2021 was attributed to the gain on disposal of investment in a subsidiary, New Toyo Adelaide Pty Ltd of S\$2.52 million and freight income of S\$2.79 million.

Distribution expenses increased by S\$3.43 million in FY 2021 mainly due to higher freight cost incurred.

Net foreign exchange gain of S\$0.50 million and increase in other operating expenses by S\$0.45 million for FY 2021 were due to the same factors mentioned above.

Lower finance costs by S\$1.53 million in FY 2021 was due to the factors mentioned above. The higher tax expenses for FY 2021 was attributable to the same factors as mentioned above.

The Group registered a profit before tax of S\$13.43 million for FY 2021 (a profit before tax of S\$8.13 million for FY 2020). Overall, the Group reported a profit after tax attributable to owners of the Company of S\$8.12 million for FY 2021 (profit after tax of S\$7.59 million for FY 2020).

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.

Despite the progressive rollout of vaccines and relaxation of border control measures, global economy remains very challenging in the midst of the ongoing COVID 19 pandemic. In particular, volatility of raw material prices and freight costs will continue to impact on our core businesses.

To mitigate the impact brought about by COVID 19 pandemic, the Group will continue to monitor closely the performance of its existing portfolios and take necessary measures to preserve cash, optimise cash flows and increase productivity. It will also build on its strong relationships with existing clienteles and develop new business opportunities.

5 Dividend information

(a) Current Financial Period Reported On

| 2021 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

| 2020 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

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. The disclosures of the IPTs conducted for the year ended 31 December 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) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|-----|---|---|---|
| | | SGD'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 | 331 | 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 | 4,476 | 5,273 |
| V | Sale of tissue finished goods by a Group entity to NTPVN | 236 | N/A |
| | Total | 5,769 | 5,273 |

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

8 Review of performance of the Group - turnover and earnings

Please refer to paragraph 2 above for additional information.

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.

10 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 | changes in duties and position held, if any, during the year. |
|----------------|------------|---|---|--|
| Lu Le Nhi | 71 | Spouse of Mr Yen Wen Hwa | Executive Director of New Toyo Aluminium Paper Products Co. (Pte) Ltd since 1 September 2021. Responsible in advising on the company's operational effectiveness. | Appointed on 1 September 2021 |
| Nhan Huc Quan | 56 | 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 | 58 | 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 | 60 | 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 2022