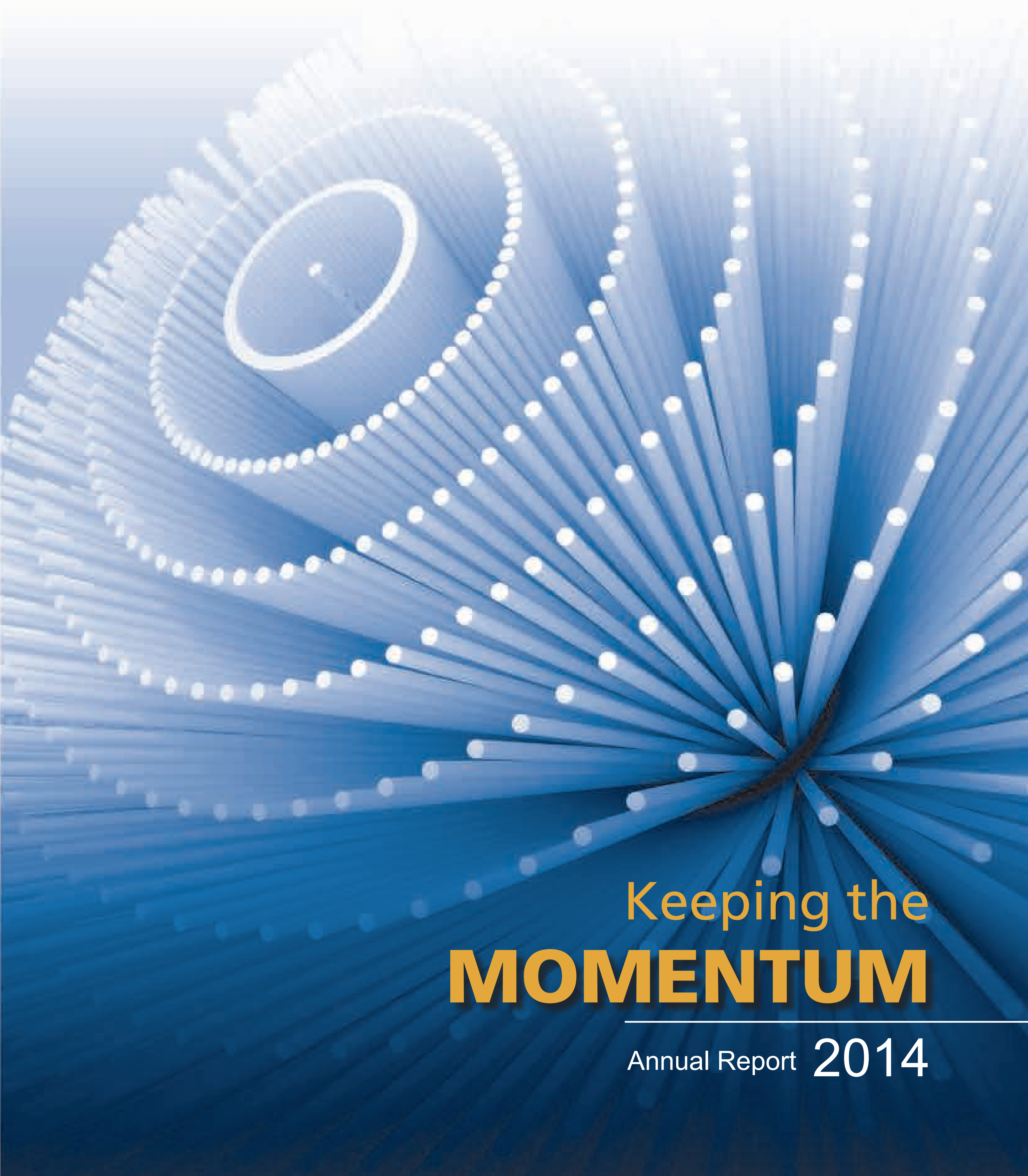
NEW TOYO
International Holdings Ltd



Keeping the MOMENTUM

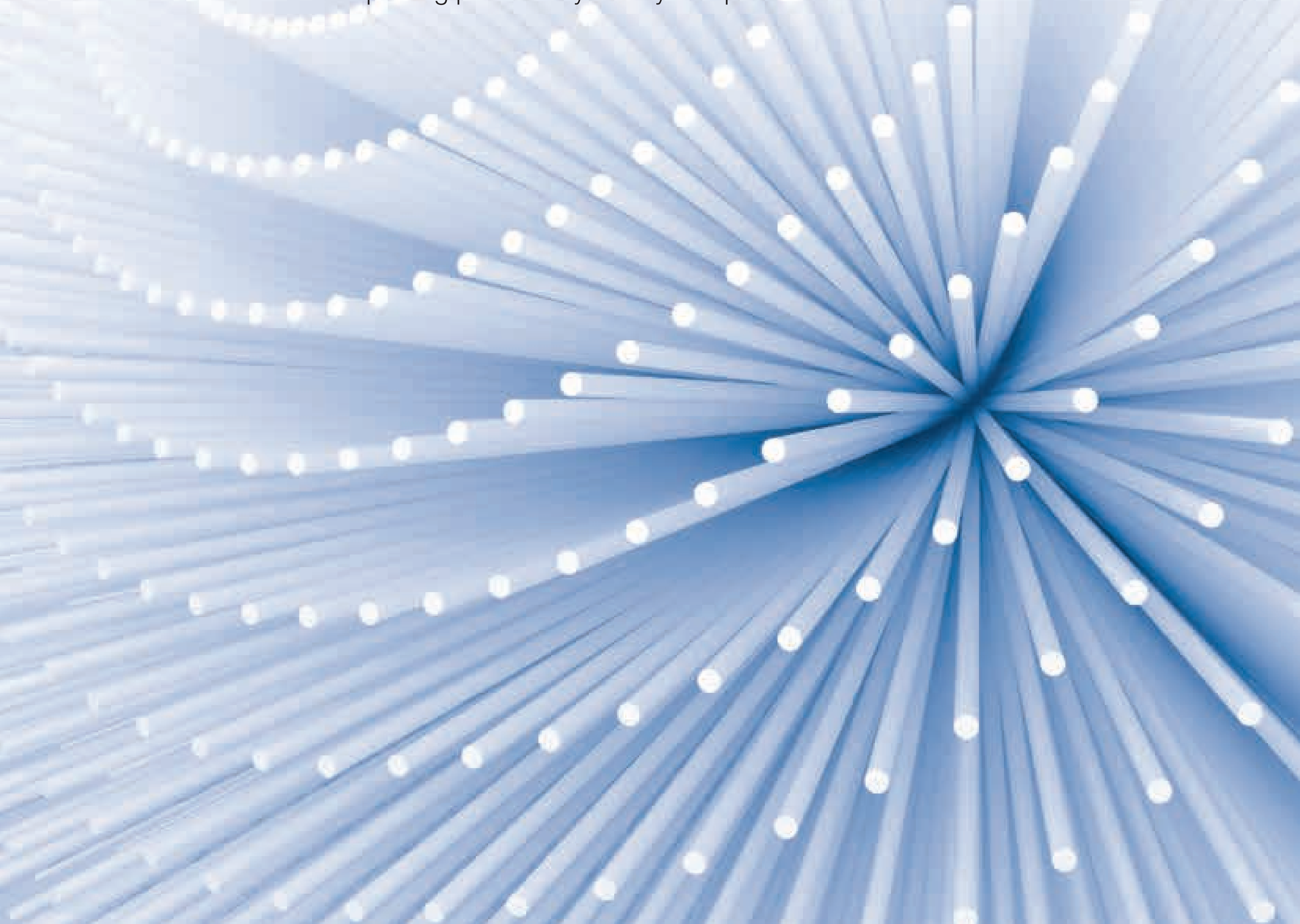
Annual Report 2014

NEW TOYO International Holdings Ltd

Annual Report 2014

INTRODUCTION

Founded in 1975, today New Toyo is one of the largest producers of specialty packaging materials in the Asia Pacific Region. Our operations are strategically located in Singapore, Malaysia, Vietnam, Australia and China to serve both multinational corporations and local customers. For over 30 years, we have built and continue to build a business which is focused on improving and perfecting the quality of our products and meeting our customers' needs. Today with numerous applications for packaging materials, we are constantly upgrading our capabilities to stay abreast of the latest changes and improving productivity to stay competitive.



KEY FIGURES

Revenue
S$285.2 M

Total Assets
S$273.2 M

Profit Before Tax
S$17.6 M

Operating Cashflow
S$32.0 M

Net Asset Value Per Share
36.57 cents

Dividend Per Share
1.20 cents

Earnings Per Share
2.40 cents

CONTENTS

Message And Business Review By The Chairman

Angela Heng
Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you my first annual report as Chairman for the New Toyo Group for our financial year ended 31 December 2014.

We achieved a year of satisfactory results, despite tough market conditions in 2014, primarily caused by stricter government legislations.

Earnings per share dropped to 2.40 cents as compared to 3.59 cents in the previous year. Net asset value per share increased to 36.57 cents compared to 35.64 cents in the previous year. Operating cash flow increased from $23.1m to $32.0m.

While the Group remains focused on its core businesses, as part of our longer-term growth initiatives and strategy, the Board is constantly evaluating new investment opportunities that will generate positive returns to enhance our bottom line.

The Board is pleased to propose a final dividend of 0.60 cents per share, bringing the full year dividend to 1.2 cents per share (no special dividends were paid for the year). Total cash dividend payment for 2014 is $5.27m compared to $17.5m from the previous year.

Looking ahead, 2015 could be challenging, but business sentiments in our industry remain positive with growth opportunities in new markets. We will continue to pursue new projects and contracts to improve our profitability and to reward our shareholders whenever possible.

Performance Review

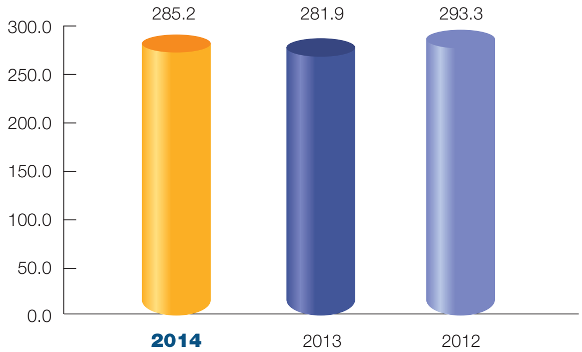
Operating conditions for 2014 were tough but the Group's revenue for the year 2014 actually saw an increase by 1.2% to $285.2m, from $281.8m in the previous year. This was mainly attributable to stronger sales in the Trading business.

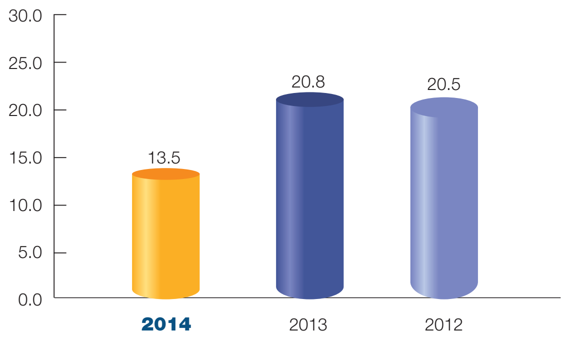
The Group's profit after tax however, decreased 34.7% to $13.5m as compared to $20.7m in the previous year, mainly due to lower profits as a result of lower revenue, one-off sales rebate of $2.3m and redundancy costs of $0.8m incurred by the Printed Cartons and Labels ("PCL") business.

The Group's balance sheet strengthened with an improved debt to equity ratio of 20.3% as compared with 22.1% in the previous year.

Our customers are still our highest priority. We are committed to deliver consistent and utmost quality products at the most competitive pricing to our customers. We will strive to provide on-time delivery, zero-defect products and best services to our customers at all times.

Message And Business Review By The Chairman





Specialty Papers ("SP") Business Performance

The SP business produces mainly coated and laminated papers and board for packaging industries using foil and metallized-polyester film. SP business has three key lamination sites in Singapore, Malaysia and Vietnam with diversified product range which includes paper cones, paper plates and paper cups.

In 2014, SP business revenue was slightly lower compared to the previous year, mainly due to a reduction in demand from shrinking domestic market in Asia Pacific. The reduction was partially offset by new volumes in the Middle East region.

Revenue reduced by 4.9% to $93.8m as compared to $98.6m in the previous year. Profit before tax decreased by 14.5% to $6.6m as compared to $7.6m in the previous year. 2013 included a $1.0m gain from the sale of a China property. The SP business accounted for 32.9% of the Group's total revenue.

Printed Cartons and Labels ("PCL") Business Performance

The PCL business produces mainly gravure and offset printed materials for fast moving consumer goods such as cigarette cartons, cereal boxes and beer labels. The Group is the main supplier to a major tobacco customer in the Asia Pacific region, with a long term exclusive supply contract. The PCL business has also successfully increased their customer base to other major tobacco customers in the region. The business currently has four plants in three countries (Australia, Malaysia and Vietnam).

The PCL business was affected by an overall change in sales mix and the aforesaid one-off sales rebate and redundancy costs in one of the units. Despite the challenges, we retained our major customers and look to expand our market share as PCL business remains the key contributor to the Group.

Revenue decreased 11.3% to $128.7m compared to $145.1m in the previous year. Profit before tax also decreased 51.4% to $7.2m compared to $14.8m in the previous year, affected by redundancy costs and sales rebates in a subsidiary totalling $3.1m. The PCL business accounted for 45.1% of the Group's total revenue.

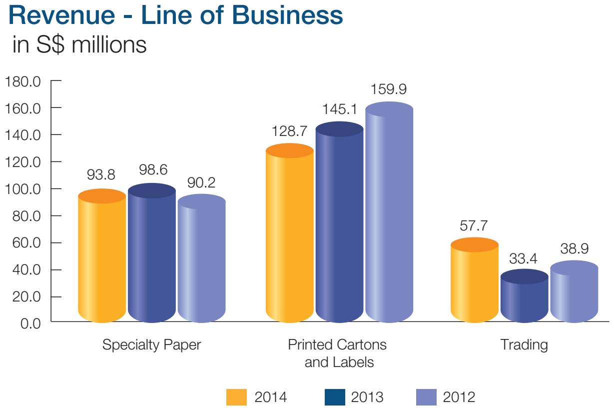
As a strategic move, we seconded our Chief Executive Officer ("CEO"), Mr. George Lee Chee Whye to our listed subsidiary in Malaysia, Tien Wah Press Holdings Berhad ("TWPH") as their CEO for two years. Further, on 16 February 2015, Mr. Steven Yen Wen Hwa was appointed to the Board of Directors of TWPH as its Executive Chairman in place of Tengku Tan Sri Dr Mahaleel Bin Tengku Ariff, who retired.

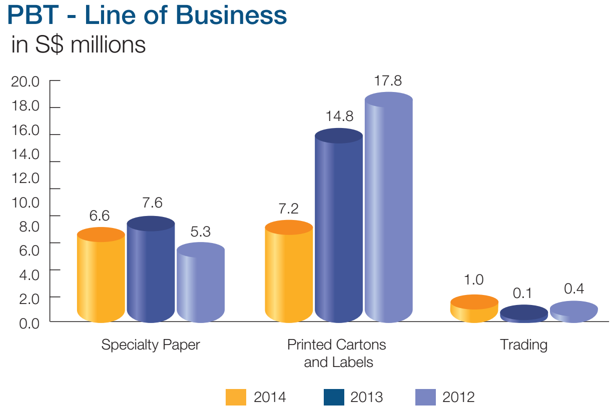
Other Business Performance

Other business comprises of the Corrugated Containers ("CC"), Trading and Printing Ink businesses.

The CC business is operating from Vietnam under a joint venture with a major tobacco customer to produce corrugated cartons and sheets for general packaging in the fast moving consumer goods.

Message And Business Review By The Chairman





The Trading business is a growing segment of the Group that saw revenue increase from $33.4m in 2013 to $57.7m in 2014. This was largely due to an increase in acetate-tow sales. Trading business accounted for 20.2% of the Group's total revenue in 2014.

The Board

As a continued effort of the Board to ensure the right mix of expertise, experiences and skills, we have newly appointed Mr. James Anthony Campbell on 7 July 2014 as our Non-Executive and Independent Director. Mr. Campbell brings with him years of experience in the procurement and supply of materials in our industries across Asia Pacific.

The Board is also committed to maintain the highest standards in corporate governance. We will continue to develop a culture of good governance across the businesses in the regions, especially in emerging best practices.

Acknowledgements

I want to thank and express my heartfelt appreciation to all employees of New Toyo Group, marked by their loyalty and dedication with proficiency and distinction.

I would also like to thank all of New Toyo's stakeholders, including customers, shareholders, strategic business partners, suppliers, bankers, auditors and advisers for their ongoing support.

Last but not least, I like to specially thank my fellow Directors for their support, valuable guidance and business insight throughout my first year as Chairman of the New Toyo Group in 2014.

On behalf of the Board, we would like to extend our gratitude and appreciation to Tengku Tan Sri Dr Mahaleel Bin Tengku Ariff who had faithfully served on the Board of Directors of TWPH with his usual flair and charisma since 2006 until his retirement on 16 February 2015. Tengku Mahaleel will continue to serve on the Board of NTIH as Non-Executive Director.

Finally, I look forward to welcoming you to our Annual General Meeting on 24 April 2015.

Angela Heng
Chairman

Financial Highlights

Three-Year Financial Summary

	2014	2013	2012
Condensed Consolidated Profit & Loss Information (S$'000)			
Revenue^	**285,225**	281,850	293,285
Earnings before interest, tax, depreciation and amortisation (EBITDA)^	**30,640**	38,665	39,242
Profit before interest and tax^	**17,909**	26,089	26,293
Profit from ordinary activities before taxation ^	**17,589**	25,273	24,373
Net profit for the year	**13,533**	20,770	20,531
Attribute to:			
Equity holders of the company	**10,539**	15,758	14,800
Non-controlling interests	**2,994**	5,012	5,731
Condensed Consolidated Balance Sheet Information (S$'000)			
Total assets	**273,207**	271,231	287,288
Cash and cash equivalents	**71,571**	59,860	42,597
Total liabilities	**72,836**	75,586	88,283
Bank borrowings	**32,596**	34,546	41,041
Shareholders' equity	**160,712**	156,600	160,717
Cashflow Information (S$'000)			
Operating cashflow	**32,168**	23,258	37,317
Per Share Data (S$ cents)			
Earnings per share			
– basic	**2.40**	3.59	3.37
– fully diluted	**2.40**	3.59	3.37
Net asset value per share	**36.57**	35.64	36.57
Dividend per share	**1.20**	3.98	1.70
Share Information			
Number of shares in issue ('000)	**439,425**	439,425	439,425
Weighted average number of shares in issue ('000)			
– basic	**439,425**	439,425	439,425
– fully diluted	**439,425**	439,425	439,425

Note: ^ continuing operations

Board Of Directors

1. Angela Heng Chor Kiang

Executive Chairman

Ms. Heng joined the New Toyo Group in the 1970s. She was one of the pioneers of the Company and was instrumental in setting up the administration and accounts departments and later responsible for the sales and marketing activities of the Group.

In 1990, she assumed the position of General Manager of New Toyo Aluminium Paper Product Co. (Pte) Ltd and brought this unit to ISO 9002 certification in 1996; paving the way for many other New Toyo units to follow likewise. She started New Toyo International Co (Pte) Ltd in 1992 and served as its director until 1995. She was one of the key personnel involved in the listing of the Group on the main board of the Singapore Exchange Securities Trading Limited in 1997. She was appointed the Deputy Chairman of the Company from 1997 to 1999 and the President for Asia Pacific from 2002 to 2006.

Ms. Heng has accumulated more than 25 years of experience in the lamination industry, more than 10 years of experience in the printing business and more than 30 years in senior management and operations.

2. David Lim Teck Leong

Non-Executive and Lead Independent Director

Mr. Lim was appointed to the Board as a Non-Executive and Independent Director on 27 March 2014 and is the Chairman of the Audit Committee and the Lead Independent Director. He is also a Non-Executive Director of Tien Wah Press Holdings Berhad.

Mr. Lim is the founder and Managing Partner of David Lim & Partners LLP with over 30 years of experience in corporate finance and litigation. He has represented multiple corporations from a myriad of sectors including finance and banking, fund management, private equity, oil and gas, healthcare, construction, information technology and communications, among others. He is an Independent Director of Croesus Retail Asset Management Pte Ltd, the Trustee Manager of Croesus Retail Trust, LH Group Limited and G.K. Goh Holdings Limited. He sits on the boards of private companies in Singapore, Indonesia and Thailand in a non-executive capacity.

Mr. Lim is a Fellow of the Singapore Institute of Directors and Honorary Legal Advisor (for David Lim & Partners LLP) to Singapore Physiotherapy Association. He qualified as a Barrister-at-Law at Gray's Inn, London, UK. He is admitted as an Advocate & Solicitor of the Supreme Court of Singapore.

3. Victoria Tay Seok Kian

Non-Executive and Independent Director

Ms. Tay was appointed to the Board as a Non-Executive and Independent Director on 31 July 2012. She is the Chairman of the Nominating and Remuneration Committees. She has close to 20 years of working experience with multi-national organisations in the field of Human Resources in Singapore, Australia and Hong Kong in diverse industries such as Fast Moving Consumer Goods, Financial Services and Healthcare. Ms. Tay holds a Bachelor of Commerce (Accounting) degree from the Flinders University of South Australia. She is a member of the Institute of Singapore Chartered Accountants, a member of Australia Society of CPA and a member of Singapore Human Resources Institute.

4. James Anthony Campbell

Non-Executive and Independent Director

Mr. Campbell was appointed as a Non-Executive and Independent Director of the Company on 7 July 2014.

He was the Asia Pacific Regional Head of Procurement for British American Tobacco ("BAT") from 2001 to 2010 and a core member of BAT's Global Procurement Executive Committee since its inception in 1993. He joined BAT in 1976 in their Group Research and Development Centre moving to Procurement in the late 80's. During his more than 30 years' career with BAT, he was instrumental in building BAT's Global Procurement capability in both Direct Materials and Indirect Goods and Services. His extensive procurement experience and business knowledge resulted in Supply Chain improvements through both total acquisition cost savings and reduction in cycle times for BAT.

5. Tengku Tan Sri Dr Mahaleel bin Tengku Ariff

Non-Executive Director

Tengku Mahaleel has a diverse career, having started his career in Nestle Malaysia Berhad, then joining Shell Malaysia for 20 years and then Proton Holdings Berhad as the Group Chief Executive Officer. He left Proton Board and retired from Nestle Board. Tengku Mahaleel was the Executive Chairman of Tien Wah Press Holdings Berhad (“TWPH”) from 20 November 2006 to 31 August 2010. He was re-designated as Non-Executive Chairman on 1 September 2010, a position he assumed until he retired on 16 February 2015. He has over 40 years’ experience in the food, paper cigarette, oil, marine, aviation, car and motorcycle industries and has represented Malaysia in the Asia Pacific Economic Council and the Asean Business Advisory Council.

Tengku Mahaleel graduated from the University of Malaya in 1970 with a Bachelor of Arts (Honours) and has attended courses at Harvard, London School of Economics and the Manchester Business School on Strategy, Strategic Management and Marketing. He sits on the board of other public listed companies. He is also a trustee of Perdana Global Peace Foundation, a Distinguished Advisor to University of Science Malaysia, the President of Badminton Association Malaysia and a Member of the Board of Governors of University Sains Malaysia.

Key Management

1. Steven Yen Wen Hwa

Executive Chairman of Tien Wah Press Holdings Berhad

Mr. Steven Yen Wen Hwa, the founder of the New Toyo Group who was instrumental in the growth and business expansion of the Group, was appointed as the Executive Chairman of Tien Wah Press Holdings Berhad ("TWPH") on 16 February 2015 in place of Tengku Mahaleel who retired.

2. George Lee Chee Whye

Chief Executive Officer of Tien Wah Press Holdings Berhad

Mr. Lee first joined New Toyo Aluminium Paper Product Co. (Pte) Ltd, a subsidiary of New Toyo International Holdings Ltd, as the Operations Manager in March 2005 and was subsequently promoted to Business Head of Specialty Papers Division in October 2006. In October 2011, he was appointed as Acting CEO of the Group and subsequently as the Chief Executive Officer of the Company in July 2012. Mr. Lee has been seconded to the Company's listed subsidiary in Malaysia, TWPH, as its Chief Executive Officer for two years effective 5 November 2014. The Printed Cartons and Labels business is managed by TWPH.

He holds a Bachelor in Computer Science with Business degree and has more than 16 years of senior management, operations and marketing experience.

3. Lionel Yap Chee Cheong

Head of Business Specialty Papers

Mr. Yap joined the Group as Finance and Operations Assistant Manager in April 2007 and was subsequently promoted to General Manager of New Toyo Aluminium Paper Product Co. (Pte) Ltd, a subsidiary of New Toyo International Holdings Ltd. He was appointed as the Business Head of Specialty Papers Division in July 2012. Mr. Yap is responsible for the revenue growth, profitability and long term sustainability for Specialty Papers business in the Group. In 2014, he also assumed the position of the General Manager of New Toyo International Co (Pte) Ltd which is part of the Group's Trading business. Prior to joining the Group, Mr. Yap was the Group Accountant and Business Manager for a foreign international school based in Singapore. He holds a Chartered Accountant membership with the Institute of Singapore Chartered Accountants (ISCA).

4. Lucy Cher Soon Eng

Chief Financial Officer

Ms. Cher joined the Group in January 2013 and is responsible for the Group's corporate finance activities, investor relations and all aspects of the treasury, financial and accounting functions. Before joining the Group, she worked in Caterpillar, Aegion and PriceWaterhouse Singapore. She is a Chartered Accountant with the Institute of Chartered Accountants of England and Wales (ICAEW) and holds a Master of Applied Finance from Macquarie University in Sydney, Australia and a Bachelor of Accountancy from the National University of Singapore. She is also a member of the ISCA.

Specialty Papers Business

Kriscarel Leong
New Toyo Aluminium Paper Product Co. (Pte) Ltd

Le Khuong Vang
Vina Toyo Company Ltd

Nhan Huc Quan
New Toyo (Vietnam) Aluminium Paper Packaging Co, Ltd

Printed Cartons & Labels Business

Allan John S Laceda
Tien Wah Press (Malaya) Sdn Bhd

Errol Tan Poh Hin
Alliance Print Technologies Co., Ltd
Toyo (Viet) Paper Product Co., Ltd

Frank Federico
Anzpac Services (Australia) Pty Ltd

* Paper Base Converting Sdn Bhd – General Manager's contract ended 31 March 2015.

New Toyo's Businesses

Specialty Papers

The Specialty Papers product range includes laminated aluminium foil paper, coated paper and metalised paper and metalised polyethylene teraphthalate. These products are applied mainly in cigarette packaging, food, beverages, wine and liquor, tissue boxes, cosmetic packaging and gift-wrapping.

New Toyo Aluminium Paper Product Co. (Pte) Ltd

Paper Base Converting Sdn Bhd

Vina Toyo Company Ltd

New Toyo (Vietnam) Aluminium Paper Packaging Co., Ltd

New Toyo Paper Products (Shanghai) Co., Ltd

Printed Cartons & Labels

The Printed Cartons and Labels business has two main types of printing, gravure and lithography. Gravure printing is a specialised high speed printing process used for the printing of high quality paper prints mainly for cigarette packaging. Lithography or offset printing is mainly used for the supply of folded cartons and labels for fast moving consumer goods.

Tien Wah Press (Malaya) Sdn Bhd

Alliance Print Technologies Co., Ltd

Toyo (Viet) Paper Product Co., Ltd

Anzpac Services (Australia) Pty Ltd

Max Ease International Limited

Others

Others include the Corrugated Containers, Trading, Printing Ink businesses and the investment holding companies.

New Toyo International Holdings Ltd

New Toyo International Co (Pte) Ltd

Alliance Innovative Solutions Pte Ltd

Tien Wah Press Holdings Bhd

Vina Toyo Company Ltd

Fast Win Enterprise Limited

Note: Includes only major subsidiaries of the Group

NEW TOYO
International Holdings Ltd

STATUTORY REPORTS

Corporate Governance Statement

The Company is committed to adhering to the principles and guidelines of the Code of Corporate Governance ("Code"). This Statement outlines the corporate governance practices of the Company in relation to the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

The Board of Directors of the Company ("Board") and its committees meet on a regular basis and as and when necessary to address any specific significant matters that may arise. The Articles of Association of the Company provide for telephonic and video-conferencing meetings. The Board and its committees may also decide on matters by way of circular resolutions. Below is the attendance of the Directors at meetings of the Board and its committees in 2014:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	6	4	3	2
Directors		**No. of meetings attended**		
Gary Yen*	2	1	1	n.a.
George Lee Chee Whye**	4	n.a.	n.a.	n.a.
Ronnie Teo Heng Hock*	1	1	1	1
Prof. Brian Lee Chang Leng*	1	1	n.a.	1
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	5	n.a.	n.a.	n.a.
Victoria Tay Seok Kian	4	2	3	2
Angela Heng Chor Kiang#	5	n.a.	2	n.a.
David Lim Teck Leong#	5	3	2	1
James Anthony Campbell##	2	2	n.a.	1

n.a. – not a member

* *ceased as Director with effect from 25 April 2014*

** *ceased as Director with effect from 1 August 2014*

\# *appointed a Director with effect from 27 March 2014*

\## *appointed a Director with effect from 7 July 2014*

The Board has established an Audit Committee, a Nominating Committee and a Remuneration Committee and delegated specific responsibilities to these committees. Details of these committees and their respective duties and functions are set out in this Statement.

Matters requiring Board approval include annual budgets, investments, divestments, major contracts, financial reporting, borrowings and the appointment of the Chief Executive Officer and Directors.

The Company issues a formal letter to newly-appointed Directors, setting out their duties and obligations. In addition, the Company conducts orientation programs for new Directors so that they are familiar with their duties and its businesses and governance practices. Such programs include briefings by management and visits to principal subsidiaries. Furthermore, the Directors receive training, briefing or updates on applicable laws, regulations and practices, accounting standards, risk management as well as industry-specific knowledge, issues and risks from time to time.

Principle 2: Board Composition and Guidance
As at the date of this Annual Report, the Board comprises five Directors, three of whom are non-executive and independent. They are:

Angela Heng Chor Kiang	**(Executive Chairman)**
David Lim Teck Leong	**(Non-Executive and Lead Independent Director)**
Victoria Tay Seok Kian	**(Non-Executive and Independent Director)**
James Anthony Campbell	**(Non-Executive and Independent Director)**
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	**(Non-Executive Director)**

Among their functions, the Non-Executive Directors assist in the development of strategies for the Group and review the performance of management in meeting goals and objectives. They meet as and when necessary without the presence of management.

Principle 3: Chairman and Chief Executive Officer
The Executive Chairman also assumes the role of Chief Executive Officer and her executive functions include implementing the Board's decisions, administering the Group and managing and developing its businesses.

Her duties as Board Chairman include leading the Board and setting its agenda, ensuring that the Directors receive accurate, timely and clear information, ensuring effective communication with shareholders, encouraging constructive relations between the Board and management, facilitating the effective contribution of the Non-Executive Directors and promoting high standards of corporate governance.

With regard to Board proceedings, the Chairman ensures that Board meetings are held when necessary. Management staff who can provide additional insight into matters to be discussed are invited to attend such meetings.

Given that the Chairman is not an Independent Director, David Lim Teck Leong has been appointed the Lead Independent Director with effect from 7 July 2014. The function of a Lead Independent Director is to be available to shareholders of the Company where they have concerns and for which contact through the normal channels of the Executive Chairman or the Chief Financial Officer has failed to resolve or is inappropriate.

Principle 4: Board Membership
As at the date of this Annual Report, the Nominating Committee ("NC") comprises three Directors, a majority of whom, including the Chairman of the NC, are non-executive and independent. They are:

Victoria Tay Seok Kian (Chairman of the NC – Non-Executive and Independent Director)
David Lim Teck Leong (Non-Executive and Lead Independent Director)
Angela Heng Chor Kiang (Executive Chairman)

The NC has specific terms of reference and its duties, roles and authority include:

a. reviewing and recommending candidates for appointments to the Board and/or its committees;

b. being responsible for the induction of new Directors;

c. reviewing and recommending the re-appointment or re-election of Directors;

d. reviewing and recommending nominees to the boards of the Company's subsidiaries and associated companies;

e. reviewing the independence of Directors annually;

f. reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustment that is necessary;

g. developing a process for evaluation of the performance of the Board, its committees and Directors and evaluating such performances;

h. reviewing board succession plans for Directors, in particular, the Chairman and for the Chief Executive Officer; and

i. reviewing training and professional development programs for the Board.

At present, the Board does not intend to set a maximum number of listed company board representations a Director may hold as it is of the view that the effectiveness of a Director should be evaluated by a qualitative assessment of his/her contributions to the Company's affairs taking into account his/her other commitments including his/her directorships in other listed companies.

With respect to the appointment of any new Director to the Board, candidates are identified through various sources and the NC reviews the expertise and experience of the candidates, interviews the short-listed candidates and recommends the most suitable candidate(s) to the Board for approval.

With respect to Directors who retire at the Annual General Meetings of the Company and who offer themselves for re-appointment or re-election, the NC reviews the performance and contributions of the relevant Directors before deciding whether to recommend their re-appointments or re-elections to the Board.

Pursuant to the Articles of Association of the Company, one-third of the Directors will retire from office at each Annual General Meeting ("AGM") and be eligible for re-election. The Directors will submit themselves for re-nomination and re-election at regular intervals and at least every three years.

The NC reviews the independence of the Directors annually. The NC and the Board consider David Lim Teck Leong, Victoria Tay Seok Kian and James Anthony Campbell to be Independent Directors.

Victoria Tay Seok Kian and James Anthony Campbell are retiring as Directors at the forthcoming AGM pursuant to the Articles of Association of the Company. The NC and the Board nominated Victoria Tay Seok Kian and James Anthony Campbell for re-election as Directors at the forthcoming AGM.

The dates of first appointment and last re-election or re-appointment of the current Directors are as follows:

Director	Date of appointment	Date of last re-election or re-appointment
Angela Heng Chor Kiang	27 March 2014	25 April 2014
David Lim Teck Leong	27 March 2014	25 April 2014
Victoria Tay Seok Kian	31 July 2012	26 April 2013
James Anthony Campbell	7 July 2014	n.a.
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	1 March 2007	25 April 2014

Details of the Directors' academic and professional qualifications and directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments are set out on pages 8 to 9 of this Annual Report.

Information regarding the Directors' shareholdings in the Company and related corporations is set out on page 25 of this Annual Report.

Principle 5: Board Performance

The NC assesses the effectiveness of the Board and its committees as well as the contributions by the Directors annually. Evaluation forms are sent to the Directors for completion. The NC analyses the results of the evaluation and ascertains key areas for improvement. The findings are reported to the Board. The performance of a Director is taken into account in the review of his/her re-appointment or re-election.

Principle 6: Access to Information

The Board has separate and independent access to the senior management and the company secretary and is informed of all material events and transactions as and when they occur. The company secretary coordinates, attends and prepares minutes of board meetings and advises on relevant rules and regulations as well as corporate governance practices.

If the Directors, whether individually or as a group, in furtherance of their duties, need independent professional advice, the Company will, upon the direction of the Board, appoint a professional adviser to render such advice at the Company's expense.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

As at the date of this Annual Report, the Remuneration Committee ("RC") comprises three Directors, all of whom, including the Chairman, are non-executive and independent. They are:

Victoria Tay Seok Kian (Chairman of the RC)
David Lim Teck Leong
James Anthony Campbell

The RC has specific terms of reference and its duties, roles and authority include:

a. reviewing and recommending to the Board a general framework of remuneration for the Board and key management personnel;

b. reviewing and recommending to the Board specific remuneration packages for each Director and key management personnel;

c. reviewing the obligations of the Company or its relevant subsidiary in the event of termination or cessation of the Executive Director's or key management personnel's contracts of service including severance payments, retirement payments, gratuities and ex-gratia payments; and

d. considering, evaluating and, if appropriate, recommending to the Board long-term incentive schemes for Directors and key management personnel.

The RC, in carrying out its duties, has access to the Company's resources and/or external professional advice.

Principle 8: Level and Mix of Remuneration

The Company entered into a consultancy agreement on 21 September 2011 with Gary Yen, our Non-Executive Chairman, pursuant to which, he, *inter alia*, advised the Chief Executive Officer on corporate and business strategies for the Group and the Company paid him S$20,000 every quarter for such services. The consultancy ceased when Gary Yen ceased to be a Director of the Company on 25 April 2014.

Non-Executive Directors are paid directors' fees subject to the approval of the Company at the AGM.

The Company has been considering long-term incentive schemes for Directors and key management personnel but has yet to find a suitable model. The Company will continue to look into the matter.

Principle 9: Disclosure on Remuneration (Annual Remuneration Report)

The Code recommends full disclosure of the remuneration of the Company's Directors and top key executives. The Board has considered this matter carefully and has decided against disclosure in dollar terms. Given the highly competitive and niche industry that the Group operates in, it is felt that the disadvantages of disclosure will outweigh the benefits.

The remuneration of the Directors for 2014 is as follows:

	Directors' fees %	Base/Fixed Salary[(a)] %	Variable or performance-related income/ bonuses[(a)] %	Benefits in kind %	Consultancy %	Total %
Executive Directors						
S$250,000 to S$500,000						
George Lee Chee Whye[(f)]	1%[(j)]	76%	21%	2%	Nil	100%
Angela Heng Chor Kiang[(b)(h)]	1%[(j)]	80%	17%	2%	Nil	100%
Non-Executive Directors						
Below S$250,000						
Gary Yen[(e)(g)]	85%	Nil	Nil	Nil	15%[(g)]	100%
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	92%[(c)]	Nil	Nil	8%[(d)]	Nil	100%
Non-Executive and Independent Directors						
Below S$250,000						
Prof. Brian Lee Chang Leng[(e)]	100%	Nil	Nil	Nil	Nil	100%
Ronnie Teo Heng Hock[(e)]	100%	Nil	Nil	Nil	Nil	100%
Victoria Tay Seok Kian	100%	Nil	Nil	Nil	Nil	100%
David Lim Teck Leong[(h)]	100%[(c)]	Nil	Nil	Nil	Nil	100%
James Anthony Campbell[(i)]	100%	Nil	Nil	Nil	Nil	100%

(a) Includes contributions to the Central Provident Fund.

(b) Became Executive Chairman on 25 April 2014.

(c) Received from both the Company and Tien Wah Press Holdings Berhad ("TWPH"), a listed subsidiary of the Company.

(d) Received from TWPH.

(e) Ceased as Director on 25 April 2014.

(f) Ceased as Executive Director on 1 August 2014 and seconded to TWPH as its CEO.

(g) Includes consultancy fee which ceased on 25 April 2014, being the date Gary Yen ceased as Director. Details of the consultancy can be found on page 18 under Principle 8.

(h) Appointed a Director on 27 March 2014.

(i) Appointed a Director on 7 July 2014.

(j) Received from a subsidiary.

The remuneration of the top six key executives (who are not Directors and whom the Company considers senior enough and appropriate for disclosure purposes) for 2014 is as follows:

Key Executives	Base/Fixed Salary[(a)] %	Variable or performance-related income/ bonuses[(a)] %	Benefits in Kind %	Total %
$250,000 to $500,000				
Frank Federico	83%	17%	Nil	100%
Lucy Cher Soon Eng	88%	11%	1%	100%
Below $250,000				
Errol Tan Poh Hin	58%	6%	36%	100%
Lionel Yap Chee Cheong	85%	14%	1%	100%
Nhan Huc Quan	86%	14%	Nil	100%
Ong Liang Win	86%	14%	Nil	100%

The total remuneration paid to the above six key executives for 2014 was S$1,499,000.

The remuneration of employees who are immediate family members of a Director or the Chief Executive Officer, and whose remuneration exceeded $50,000 in 2014 is as follows:

	Base/Fixed Salary[(a)] %	Variable or performance-related income/ bonuses[(a)] %	Total %
Below $250,000			
Lu Le Nhi*	76%	24%	100%

* *Lu Le Nhi is the mother of Gary Yen who ceased to be Non-Executive Chairman and Director on 25 April 2014.*

(a) *Includes contributions to the applicable provident funds.*

The remuneration packages of the Chief Executive Officer, the Chief Financial Officer and other key executives for the financial year include performance bonuses tied to the achievement of their respective key performance indicators (e.g. revenue, profit, cashflow and/or return on equity) and personal management objectives (e.g. completion of a project, setting up of a system or program and/or attainment of a target or rating). The foregoing performance conditions were chosen having regard to the nature of the business, structure and requirement of the Group. The key executives achieved most of their performance conditions for the financial year.

Principle 10: Accountability and Audit

The Company announces its financial results for the first three quarters and the full financial year and other material information via SGXNET in accordance with the requirements of the SGX-ST. Management provides the Board with management accounts, operational review and such explanations and other information together with the financial results and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology ("IT") controls, and risk management policies and systems. The board of the Group's separately listed subsidiary is responsible for the oversight of its group's internal controls and risk management systems and the Directors rely on the Company's nominees to the board of the listed subsidiary to provide oversight together with the other board members of the listed subsidiary on the adoption and implementation of appropriate corporate governance practices, internal controls and risk management systems.

In 2012, the Group developed the risk identification and management framework with the assistance of PwC Business Advisory Services Pte Ltd. From 2013, a Group Risk Committee ("GRC"), comprising key management personnel, reviews the consolidated risk registers quarterly. The GRC is responsible for directing and monitoring the development, implementation as well as the practice of Enterprise Risk Management ("ERM") across the Group. The GRC reports through the Group Chief Executive Officer and the Group Chief Financial Officer to the Audit Committee ("AC") every half-yearly.

The internal controls structure of the Group has been designed and put in place to ensure the Group's business units provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision making, losses, fraud or other irregularities.

The internal and external auditors conduct audits that involve verifying the effectiveness of the material internal controls system in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to the AC. The effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors is also reviewed by the AC.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) regarding the effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the internal auditor during the financial year, as well as the statutory audit by the external auditors, and the written assurance from Management, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal controls systems in place as at 31 December 2014 are adequate and effective to address in all material respects the financial, operational, compliance and IT risks within the current scope of the Group's business operations.

Principle 12: Audit Committee

As at the date of this Annual Report, the Audit Committee ("AC") comprises three Non-Executive Directors, all of whom, including the Chairman, are independent. They are:

David Lim Teck Leong (Chairman of the AC, Non-Executive and Lead Independent Director)
Victoria Tay Seok Kian (Non-Executive and Independent Director)
James Anthony Campbell (Non-Executive and Independent Director)

The AC has specific terms of reference and its duties, roles and authority include:

a. reviewing the audit plans of the external auditors, their evaluation of the system of internal accounting controls and their audit report;

b. reviewing the quarterly and annual financial statements before submission to the Board;

c. reviewing the assistance given by the Company's officers to the external auditors;

d. reviewing the scope and results of internal audit procedures;

e. ensuring that a review of the effectiveness of the Company's internal controls is conducted annually by the internal and/or external auditors;

f. reviewing with the internal and external auditors their findings on their evaluation of the Company's system of internal controls;

g. reviewing risk reports and the effectiveness of the Group's risk management framework and systems including its overall risk strategy and risk identification, assessment and management processes;

h. reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position;

i. reviewing the cost effectiveness, independence and objectivity of the external auditors, taking into consideration any non-audit services provided to the Company;

j. nominating the appointment or re-appointment of the external auditors; and

k. reviewing interested person transactions falling within the scope of the Listing Manual.

The AC has authority to investigate any matter within its scope of duties and functions, full access to and co-operation by the management of the Company, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its duties and functions properly.

The activities carried out by the AC during the financial year include reviewing quarterly and full year financial statements, reviewing interested and related party transactions, reviewing internal audit plan and reports, reviewing reports of the Group Risk Committee, reviewing the re-appointment of the external auditors and their fees and meeting with the auditors without the presence of management.

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements by receiving updates from the external auditors and seeking advice and clarifications from them during quarterly meetings and when necessary.

The aggregate amount of fees paid or payable to KPMG, the external auditors, for services provided to the Group for the financial year was S$287,000 comprising S$250,000 for audit services and S$37,000 for non-audit services. The AC has reviewed the nature and extent of non-audit services provided by KPMG to the Group during the financial year and is satisfied that the nature and extent of such services are not likely to prejudice the independence of KPMG as external auditors of the Company.

Principle 13: Internal Audit

The Company engaged PwC Management Consultants Pte Ltd to conduct internal audits, on a project basis, on its subsidiaries in the Specialty Papers Business, the scope of which was approved by the AC.

The AC reviews and approves the annual internal audit plans and the scope and results performed by the internal auditors to ensure the adequacy of the internal audit function. The AC is satisfied that the internal auditors are independent and have the appropriate standing to perform the functions effectively.

For the Printed Cartons & Labels Business, the board of the listed subsidiary, TWPH, established an in-house internal audit function, which is led by the Head of Internal Audit, who reports directly to the AC of the listed subsidiary.

Principle 14: Shareholder Rights

The Company is committed to fair and equitable treatment of all its shareholders including their rights to be notified of material information concerning the Company or its businesses.

Shareholders can participate and vote at general meetings of the Company and, where necessary, would be informed of the relevant rules and procedures governing the meetings.

Principle 15: Communication with Shareholders

The Company discloses pertinent information to its shareholders through the SGXNET, annual reports and/or the press.

Shareholders may from time to time share with senior management their views and concerns and where necessary, such inputs would be communicated to the Board.

At the general meetings of the Company, shareholders are given the opportunity to air their views and ask the Directors and management questions regarding the Group.

Principle 16: Conduct of Shareholder Meetings

Shareholders are allowed to vote at general meetings in person or by proxy and equal effect is given to such votes.

Separate resolutions are tabled at general meetings on each distinct issue.

Management, Directors and, where necessary, the external auditors and legal advisors are present and available to address questions at general meetings.

Code of Ethics

The Group has a code of ethics that sets the standards and ethical conduct expected of its employees. The Group's employees are required to observe and maintain high standards of integrity and comply with applicable laws and regulations as well as the Group's policies.

Whistle-blowing Policy

The Company has put in place a whistle-blowing policy for employees to raise, in confidence, concerns about possible improprieties in financial reporting or other matters and for the independent investigation of such matters and appropriate follow-up actions.

Dealings in Securities

In line with Rule 1207(19) of the Listing Manual of the SGX-ST on dealings in securities, the Company provides guidance to its officers with regard to dealings by the Company and its officers in its securities including reminding its officers to observe the laws on insider dealing at all times. In addition, the Company advises its officers not to deal in its securities on short-term considerations and during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's financial statements for the full financial year, and ending on the date of the announcement of the relevant results.

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

Directors

The directors in office at the date of this report are as follows:

Angela Heng Chor Kiang	(Appointed on 27 March 2014)
David Lim Teck Leong	(Appointed on 27 March 2014)
James Anthony Campbell	(Appointed on 7 July 2014)
Victoria Tay Seok Kian	
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Angela Heng Chor Kiang		
The Company		
– ordinary shares		
– interests held	500,000	500,000
Victoria Tay Seok Kian		
The Company		
– ordinary shares		
– interests held	30,000	30,000

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2015.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 26 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares of the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries.

Audit Committee

The members of the Audit Committee during the year and at the date of this report are:

• David Lim Teck Leong (Chairman)	Independent non-executive director	(Appointed on 25 April 2014)
• Victoria Tay Seok Kian	Independent non-executive director	(Appointed on 25 April 2014)
• James Anthony Campbell	Independent non-executive director	(Appointed on 7 July 2014)
• Ronnie Teo Heng Hock (Chairman)	Independent non-executive director	(Retired on 25 April 2014)
• Prof Lee Chang Leng Brian	Independent non-executive director	(Retired on 25 April 2014)
• Gary Yen	Non-executive director	(Retired on 25 April 2014)

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

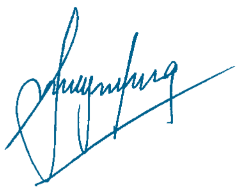
The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, the Board of Directors have complied with Rules 712, 715 and 716 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Angela Heng Chor Kiang
Director

David Lim Teck Leong
Director

26 March 2015

Statement By Directors

In our opinion:

(a) the financial statements set out on pages 31 to 110 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Angela Heng Chor Kiang
Director

David Lim Teck Leong
Director

26 March 2015

INDEPENDENT AUDITORS' REPORT

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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Internet www.kpmg.com.sg

Members of the Company
New Toyo International Holdings Ltd

Report on the financial statements

We have audited the accompanying financial statements of New Toyo International Holdings Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 31 to 110.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2015

Statements Of Financial Position

AS AT 31 DECEMBER 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current assets					
Property, plant and equipment	4	**92,132**	89,245	**24**	59
Investment properties	5	**8,360**	9,157	**–**	–
Subsidiaries	6	**–**	–	**103,107**	102,196
Associates	8	**7,244**	6,457	**1,246**	1,294
Other investments	9	**2,220**	2,199	**626**	626
Intangible assets	10	**7,696**	9,786	**–**	–
Deferred tax assets	18	**697**	1,766	**–**	–
		118,349	118,610	**105,003**	104,175
Current assets					
Inventories	11	**49,221**	49,518	**–**	–
Trade and other receivables, including derivatives	12	**34,066**	43,243	**9,223**	9,543
Cash and cash equivalents	13	**71,571**	59,860	**29,975**	28,721
		154,858	152,621	**39,198**	38,264
Total assets		**273,207**	271,231	**144,201**	142,439
Equity					
Share capital	14	**132,102**	132,102	**132,102**	132,102
Other reserves	14	**(10,732)**	(10,896)	**77**	77
Accumulated profits/(losses)		**39,342**	35,394	**(17,256)**	(18,560)
		160,712	156,600	**114,923**	113,619
Non-controlling interests	7	**39,659**	39,045	**–**	–
Total equity		**200,371**	195,645	**114,923**	113,619
Non-current liabilities					
Trade and other payables, including derivatives	15	**582**	884	**–**	–
Financial liabilities	17	**5,453**	6,219	**–**	–
Deferred tax liabilities	18	**3,603**	3,939	**11**	11
		9,638	11,042	**11**	11
Current liabilities					
Trade and other payables, including derivatives	15	**33,926**	34,642	**29,138**	28,677
Financial liabilities	17	**27,143**	28,327	**–**	–
Current tax payable		**2,129**	1,575	**129**	132
		63,198	64,544	**29,267**	28,809
Total liabilities		**72,836**	75,586	**29,278**	28,820
Total equity and liabilities		**273,207**	271,231	**144,201**	142,439

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Revenue	19	**285,225**	281,850
Cost of sales		**(246,671)**	(233,645)
Gross profit		**38,554**	48,205
Other income	20	**6,862**	7,163
Distribution expenses		**(7,637)**	(8,347)
Administrative expenses		**(18,391)**	(17,686)
Other expenses	21	**(3,223)**	(4,459)
Results from operating activities		**16,165**	24,876
Finance income		**785**	620
Finance costs		**(1,105)**	(1,436)
Net finance costs	22	**(320)**	(816)
Share of profit of associates (net of tax)		**1,744**	1,213
Profit before tax	23	**17,589**	25,273
Tax expense	24	**(4,056)**	(4,503)
Profit for the year		**13,533**	20,770
Profit attributable to:			
Equity holders of the Company		**10,539**	15,758
Non-controlling interests		**2,994**	5,012
Profit for the year		**13,533**	20,770
Earnings per share (cents)			
Basic	25	**2.40**	3.59
Diluted	25	**2.40**	3.59

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2014

	2014 $'000	2013 $'000
Profit for the year	**13,533**	20,770
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	**(66)**	(4,594)
Net change in fair value of available-for-sale securities	**(28)**	(19)
Foreign currency translation reserve of an associate recognised in profit or loss	**24**	835
Other comprehensive loss for the year, net of tax	**(70)**	(3,778)
Total comprehensive income for the year	**13,463**	16,992

Total comprehensive income attributable to:		
Equity holders of the Company	**10,703**	13,372
Non-controlling interests	**2,760**	3,620
Total comprehensive income for the year	**13,463**	16,992

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

YEAR ENDED 31 DECEMBER 2014

2013	Note	Share capital $'000	Capital reserve $'000	Other reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2013		132,102	564	77	(9,611)	460	37,125	160,717	38,288	199,005
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	15,758	15,758	5,012	20,770
Other comprehensive income										
Foreign currency translation differences		–	–	–	(3,202)	–	–	(3,202)	(1,392)	(4,594)
Net change in fair value of available-for-sale securities		–	–	–	–	(19)	–	(19)	–	(19)
Foreign currency translation reserve of an associate recognised in profit or loss	21	–	–	–	835	–	–	835	–	835
Total other comprehensive income		–	–	–	(2,367)	(19)	–	(2,386)	(1,392)	(3,778)
Total comprehensive income for the year		–	–	–	(2,367)	(19)	15,758	13,372	3,620	16,992
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends										
– one-tier tax exempt final dividend of 0.90 cents per share for the financial year 2012		–	–	–	–	–	(3,955)	(3,955)	–	(3,955)
– one-tier tax exempt interim dividend of 0.80 cents per share for the financial year 2013		–	–	–	–	–	(3,516)	(3,516)	–	(3,516)
– one-tier tax exempt special dividend of 2.28 cents per share for the financial year 2013		–	–	–	–	–	(10,018)	(10,018)	–	(10,018)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(2,863)	(2,863)
Total transactions with owners		–	–	–	–	–	(17,489)	(17,489)	(2,863)	(20,352)
At 31 December 2013		132,102	564	77	(11,978)	441	35,394	156,600	39,045	195,645

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

YEAR ENDED 31 DECEMBER 2014

2014	Note	Share capital $'000	Capital reserve $'000	Other reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2014		132,102	564	77	(11,978)	441	35,394	156,600	39,045	195,645
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	10,539	10,539	2,994	13,533
Other comprehensive income										
Foreign currency translation differences		–	–	–	168	–	–	168	(234)	(66)
Net change in fair value of available-for-sale securities		–	–	–	–	(28)	–	(28)	–	(28)
Foreign currency translation reserve of an associate recognised in profit or loss	21	–	–	–	24	–	–	24	–	24
Total other comprehensive income		–	–	–	192	(28)	–	164	(234)	(70)
Total comprehensive income for the year		–	–	–	192	(28)	10,539	10,703	2,760	13,463
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends										
– one-tier tax exempt final dividend of 0.90 cents per share for the financial year 2013		–	–	–	–	–	(3,955)	(3,955)	–	(3,955)
– one-tier tax exempt interim dividend of 0.60 cents per share for the financial year 2014		–	–	–	–	–	(2,636)	(2,636)	–	(2,636)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(2,146)	(2,146)
Total transactions with owners		–	–	–	–	–	(6,591)	(6,591)	(2,146)	(8,737)
At 31 December 2014		132,102	564	77	(11,786)	413	39,342	160,712	39,659	200,371

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Cash Flows

YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Profit for the year		**13,533**	20,770
Adjustments for:			
Amortisation of other investments		**5**	5
Depreciation and amortisation		**12,731**	12,571
Dividend income from an associate		**(178)**	(140)
Dividend income from quoted securities		**(26)**	(24)
Gain on disposal of an associate		**(38)**	–
Gain on disposal of investment properties		**–**	(955)
Gain on disposal of property, plant and equipment		**(30)**	(203)
Loss on disposal of a subsidiary		**–**	59
Interest expense		**1,105**	1,436
Interest income		**(785)**	(620)
Property, plant and equipment written off		**6**	3
(Reversal of)/Provision for termination benefits		**(4)**	1,135
Changes in fair value of derivative financial instruments		**(4)**	8
Share of profit of associates		**(1,744)**	(1,213)
Tax expenses		**4,056**	4,503
		28,627	37,335
Changes in working capital:			
Inventories		**707**	(2,696)
Trade and other receivables		**6,832**	450
Trade and other payables		**136**	(7,787)
Employee benefits		**(1,432)**	(292)
Cash generated from operations		**34,870**	27,010
Tax paid		**(2,880)**	(3,892)
Net cash from operating activities		**31,990**	23,118
Cash flows from investing activities			
Dividends received from an associate		**178**	140
Dividends received from quoted securities		**26**	24
Interest received		**785**	620
Proceeds from cash distribution of an associate	8	**379**	29,138
Proceeds from disposal of investment properties		**129**	–
Proceeds from disposal of property, plant and equipment		**74**	288
Proceeds from disposal of an associate		**102**	–
Proceeds from disposal of a subsidiary, net of cash disposed of	(a)*	**1,981**	–
Purchase of investment properties		**–**	(10)
Purchase of property, plant and equipment		**(11,942)**	(6,460)
Net cash (used in)/from investing activities		**(8,288)**	23,740
Balance carried forward		**23,702**	46,858

* (a) refers to note to consolidated statement of cash flows on page 37.

The accompanying notes form an integral part of these financial statements.

	Note	2014 $'000	2013 $'000
Balance brought forward		**23,702**	46,858
Cash flows from financing activities			
Dividends paid		**(6,591)**	(17,489)
Dividends paid to non-controlling shareholders		**(2,146)**	(2,863)
Interest paid		**(1,105)**	(1,436)
Principal repayment of finance lease obligations		**(4)**	(6)
Proceeds from bank borrowings and trust receipts		**22,176**	12,431
Net repayment of bank borrowings and trust receipts		**(24,321)**	(18,926)
Net cash used in financing activities		**(11,991)**	(28,289)
Net increase in cash and cash equivalents		**11,711**	18,569
Cash and cash equivalents at beginning of year		**59,860**	42,597
Effect of exchange rate changes on balances held in foreign currency		**–**	(1,306)
Cash and cash equivalents at end of year	13	**71,571**	59,860

(a) Disposal of subsidiary in 2013:

In 2013, the Group disposed its newly incorporated subsidiary, Nanning Shen Jiu Packaging Material Co., Ltd, for a total consideration of RMB13,300,000 (equivalent to approximately $2,713,000). Consideration of RMB4,000,000 (equivalent to approximately $816,000) was received during 2013, with remaining consideration receivable of RMB9,300,000 (equivalent to approximately $1,897,000) as at 31 December 2013. A loss on disposal of $59,000 was recognised in profit or loss.

The remaining consideration receivable of RMB9,300,000 (equivalent to approximately $1,981,000) was received during the year.

Effect of disposal on the financial position of the Group

	Note	Group 2013 $'000
Investment properties		1,956
Cash and cash equivalents		816
Net assets		2,772
Loss on disposal of subsidiary		(59)
Sale consideration		2,713
Consideration received, satisfied in cash		816
Consideration receivable	12	1,897
Proceeds from disposal		2,713
Consideration received, satisfied in cash		816
Cash and cash equivalents disposed of		(816)
Net cash received in statement of cash flows		–

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 March 2015.

1 Domicile and activities

New Toyo International Holdings Ltd (the "Company") is incorporated in the Republic of Singapore and has its registered office at 80 Robinson Road, #02-00, Singapore 068898.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are shown in note 6.

The financial statements comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in equity-accounted investees.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

2 Basis of preparation (Continued)

2.4 Use of estimates and judgements (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

Goodwill and other intangible assets are tested for impairment annually and at other times when such indicators exist.

When value-in-use calculations are undertaken to determine the recoverable amounts, management must estimate the expected future cash flows from the asset or cash-generating unit ("CGU") and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of investments in subsidiaries are set out in note 6; property, plant and equipment, goodwill and intangible assets are set out in notes 10 to the financial statements.

2.5 Changes in accounting policies

Subsidiaries

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of FRS 110, the Group reassessed the control conclusion for its investees at 1 January 2014 and determined that there was no significant effect on the financial statements of the Group in 2014 as a result of the new control model that is applicable to all investees.

Disclosure of interests in other entities

From 1 January 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its interests in subsidiaries (see note 6), non-controlling interests (see note 7) and associates (see note 8).

The Group adopted other new or revised FRS which became effective during the year. The adoption of these other new or revised FRS did not have significant impact on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3 Significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

Acquisition from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

3 Significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive income.

3 Significant accounting policies (Continued)

3.2 Foreign currency (Continued)

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;

3 Significant accounting policies (Continued)

3.3 Property, plant and equipment (Continued)

Recognition and measurement (Continued)

- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and

- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

3 Significant accounting policies (Continued)

3.3 Property, plant and equipment (Continued)

Depreciation (Continued)

The estimated useful lives for the current and comparative years are as follows:

Freehold buildings	25 to 40 years
Leasehold properties	Over lease terms ranging from 15 to 50 years
Leasehold improvements	5 to 6 years
Plant and machinery	3 to 20 years
Furniture and fittings	3 to 10 years
Office equipment and computers	2 to 10 years
Motor vehicles	5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Constructions-in-progress are stated at cost. Expenditure relating to constructions-in-progress are capitalised when incurred. No depreciation is charged on constructions-in-progress until they are completed and ready for use and the related property, plant and equipment are transferred to the respective property, plant and equipment categories and depreciated accordingly.

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3 Significant accounting policies (Continued)

3.4 Intangible assets (Continued)

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Contract value

Contract value is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss so as to reduce the cost of contract value to zero on a systematic basis over its estimated useful life of ten years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Assets under construction are not depreciated. Depreciation on other investment properties is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives (or lease terms, if shorter). The estimated useful lives of the investment properties range from 35 to 68 years. Rental income from investment properties is accounted for in the manner described in note 3.15.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3 Significant accounting policies (Continued)

3.6 Club membership

Club memberships are stated at cost less accumulated amortisation and accumulated impairment losses.

3.7 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables, available-for-sale financial assets and interest-free inter-company loans.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables (excluding prepayments).

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3 Significant accounting policies (Continued)

3.7 Financial instruments (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Interest-free inter-company loans

Loans to subsidiaries

In the Company's financial statements, interest-free inter-company loans to subsidiaries are stated at fair value at inception. The difference between the fair values and the loan amount at inception is recognised as additional investments in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Such balances are eliminated in full in the Group's consolidated financial statements.

Non-derivative financial liabilities

The Group initially recognises subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies (Continued)

3.7 Financial instruments (Continued)

Non-derivative financial liabilities (Continued)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, trust receipts, finance lease liabilities and trade and other payables.

Loans from subsidiaries

In the Company's financial statements, interest-free inter-company loans from subsidiaries are stated at fair value at inception. The difference between the fair values and the loan amounts at inception is recognised as a distribution income in profit or loss. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest expense in profit or loss over the expected repayment period.

Such balances are eliminated in full in the Group's consolidated financial statements.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value. When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3 Significant accounting policies (Continued)

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(ii) Non-financial assets (Continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.9 Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amounts of the financial guarantees are transferred to profit or loss.

3.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3 Significant accounting policies (Continued)

3.11 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.12 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specified asset or assets; and

- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3 Significant accounting policies (Continued)

3.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.14 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

3 Significant accounting policies (Continued)

3.14 Employee benefits (Continued)

Defined benefit plans (Continued)

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past services by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Long service leave

The liability of long service leave is recognised in the non-current provision for employee benefits and is measured as the present value of the expected future payments to be made in respect of services provided by an employee up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3 Significant accounting policies (Continued)

3.14 Employee benefits (Continued)

Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.15 Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3 Significant accounting policies (Continued)

3.16 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.18 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3 Significant accounting policies (Continued)

3.18 Tax (Continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3 Significant accounting policies (Continued)

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chairman, CEO and senior management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chairman, CEO and senior management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.21 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

3.22 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company. The Group does not plan to adopt these standards early.

4 Property, plant and equipment

	Freehold land $'000	Freehold buildings $'000	Leasehold properties $'000	Leasehold improve- ments $'000	Plant and machinery $'000	Furniture and fittings $'000	Office equipment and computers $'000	Motor vehicles $'000	Construction -in- progress $'000	Total $'000
Group										
Cost										
At 1 January 2013	10,489	8,292	21,023	2,536	125,592	6,192	2,576	1,535	2,074	180,309
Additions	–	–	197	74	3,577	261	144	254	1,959	6,466
Disposals/Write-off	–	–	–	–	(338)	(3)	(68)	(260)	–	(669)
Translation differences on consolidation	(347)	(867)	(189)	78	(3,427)	(12)	(54)	11	(64)	(4,871)
Transfer/Reclassification	–	–	266	–	1,602	–	1,067	–	(2,935)	–
At 31 December 2013	10,142	7,425	21,297	2,688	127,006	6,438	3,665	1,540	1,034	181,235
Additions	–	–	126	27	10,320	102	133	76	1,158	11,942
Disposals/Write-off	–	–	–	–	(5,044)	(28)	(132)	(77)	–	(5,281)
Translation differences on consolidation	83	(275)	115	112	1,115	138	(2)	22	7	1,315
Transfer/Reclassification	–	–	112	–	3,135	(2,769)	39	9	(526)	–
At 31 December 2014	10,225	7,150	21,650	2,827	136,532	3,881	3,703	1,570	1,673	189,211
Accumulated depreciation and impairment losses										
At 1 January 2013	77	1,893	6,877	1,724	66,890	4,227	1,927	1,218	–	84,833
Depreciation for the year	–	304	391	121	7,926	764	299	177	–	9,982
Disposals/Write-off	–	–	–	–	(255)	(3)	(63)	(260)	–	(581)
Translation differences on consolidation	3	(159)	(86)	53	(2,010)	(8)	(47)	10	–	(2,244)
At 31 December 2013	80	2,038	7,182	1,898	72,551	4,980	2,116	1,145	–	91,990
Depreciation for the year	–	287	506	126	8,198	155	349	134	–	9,755
Disposals/Write-off	–	–	–	–	(5,013)	(28)	(128)	(62)	–	(5,231)
Translation differences on consolidation	4	(56)	35	81	415	80	(13)	19	–	565
Transfer/Reclassification	–	–	6	–	2,053	(2,059)	–	–	–	–
At 31 December 2014	84	2,269	7,729	2,105	78,204	3,128	2,324	1,236	–	97,079
Carrying amounts										
At 1 January 2013	10,412	6,399	14,146	812	58,702	1,965	649	317	2,074	95,476
At 31 December 2013	10,062	5,387	14,115	790	54,455	1,458	1,549	395	1,034	89,245
At 31 December 2014	10,141	4,881	13,921	722	58,328	753	1,379	334	1,673	92,132

4 Property, plant and equipment (Continued)

	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment and computers $'000	Motor vehicles $'000	Total $'000
Company					
Cost					
At 1 January 2013	90	22	26	367	505
Additions	–	1	12	–	13
Write-off	–	(1)	(1)	–	(2)
At 31 December 2013	90	22	37	367	516
Additions	–	–	20	–	20
Write-off	–	–	(2)	–	(2)
At 31 December 2014	90	22	55	367	534
Accumulated depreciation					
At 1 January 2013	68	22	8	265	363
Depreciation for the year	11	1	10	74	96
Write-off	–	(1)	(1)	–	(2)
At 31 December 2013	79	22	17	339	457
Depreciation for the year	11	–	14	28	53
At 31 December 2014	90	22	31	367	510
Carrying amounts					
At 1 January 2013	22	–	18	102	142
At 31 December 2013	11	–	20	28	59
At 31 December 2014	–	–	24	–	24

The carrying amounts of property, plant and equipment acquired under finance leases are as follows:

	Group 2014 $'000	Group 2013 $'000
Office equipment	**11**	15

During the year, the Group acquired leased office equipment of $Nil (2013: $6,000).

4 Property, plant and equipment (Continued)

Impairment

In 2013 and 2014, the Group carried out an impairment assessment of its property, plant and equipment and intangible assets by comparing the carrying values and the recoverable amounts. Refer to note 10 for summary of the key assumptions used in the discounted cash flow projections.

5 Investment properties

	Group	
	2014	**2013**
	$'000	**$'000**
Cost		
At 1 January	**19,481**	20,346
Additions	**–**	10
Disposals	**(129)**	(1,077)
Translation differences on consolidation	**56**	202
At 31 December	**19,408**	19,481
Accumulated depreciation and impairment losses		
At 1 January	**10,324**	9,624
Disposals	**–**	(76)
Depreciation for the year	**684**	708
Translation differences on consolidation	**40**	68
At 31 December	**11,048**	10,324
Carrying amount	**8,360**	9,157

Investment properties comprise a number of commercial lots and offices, residential apartments, factories and industrial and warehouse buildings.

The investment properties are mostly leased to third parties. Each of the leases contains an average non-cancellable period of 2 years, with certain annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average, renewal periods are 2 years. No contingent rents are charged.

The investment properties have an estimated market value of $25,670,000 at 31 December 2014 (2013: $25,798,000) which is based on independent valuations obtained from 2013 to 2014 by property valuers on an open market value basis.

5 Investment properties (Continued)

The valuations were performed by independent valuers who are certified real estate appraisers. The valuers used the direct comparison, capitalisation, discounted cash flow and replacement cost methods. The market value represents Level 3 valuation method:

- The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.
- The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.
- The discounted cash flow method involves discounting the expected cash flows on the investment properties at an appropriate discount rate.
- The replacement cost method is based on what it would cost to replace the improvements on property using similar construction materials and construction methods.

Gross rental income of $1,775,000 (2013: $1,867,000) was derived from the investment properties during the financial year.

6 Subsidiaries

	Note	Company 2014 $'000	Company 2013 $'000
Investment in subsidiaries, at cost		**73,875**	73,875
Impairment losses		**(5,831)**	(5,831)
		68,044	68,044
Discount implicit in the interest-free loans to subsidiaries		**1,041**	1,041
Total investment in subsidiaries		**69,085**	69,085
Loans to subsidiaries	(i)	**38,033**	34,250
Loans to subsidiaries (unsecured)			
– interest bearing	(ii)	**2,064**	1,315
– interest-free	(iii)	**–**	3,866
Impairment losses		**(6,075)**	(6,320)
		34,022	33,111
		103,107	102,196

(i) The loans to subsidiaries are unsecured and interest-free. The settlement of these loans is neither planned nor likely to occur in the foreseeable future. These loans are, in substance, a part of the Company's net investments in the subsidiaries.

6 Subsidiaries (Continued)

(ii) Included in the loans to subsidiaries is an amount of $407,000 which bears interest rate of London Interbank Offered Rate (1 month) plus 2% per annum. The remaining amount of $1,657,000 are unsecured and bear fixed interest rates ranging from of 2.35% – 3.16% per annum. The loans are repayable between year 2016 and 2017.

(iii) During the year, the Company has reached an agreement with a subsidiary to designate an amount of $3,819,000 to be quasi-equity loan. In 2013, the loan of $3,866,000 was unsecured, interest-free and due in December 2016. The effective interest rates used to discount the inter-company loans to its fair value at inception are the prevailing market interest rates of similar loans.

Investments in certain subsidiaries are pledged as securities for banking facilities granted to the Group, details of which are provided in note 17.

Details of the subsidiaries are as follows:

	Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2014 %	2013 %
	Held by the Company				
#	New Toyo Aluminium Paper Product Co (Pte) Ltd	Manufacturing of specialty papers	Singapore	**100**	100
#	New Toyo Corrugated Products Pte Ltd	Investment holding	Singapore	**100**	100
#	New Toyo International Co (Pte) Ltd	Trading of paper products, tissue paper products, machinery and equipment	Singapore	**100**	100
#	New Toyo Ventures Pte Ltd	Investment holding	Singapore	**100**	100
#	Singapore Pacific Investments Pte Ltd	Investment holding	Singapore	**100**	100
#	New Toyo Lamination (M) Pte Ltd	Investment holding	Singapore	**100**	100
∞	New Toyo Adelaide Pty Ltd	Investment holding	Australia	**100**	100
∞	Sealink International Limited	Inactive	Hong Kong	**100**	100
∞	Pacific Eagle Investment Limited	Investment holding	Hong Kong	**100**	100
∞	Toyoma Non-Carbon Paper Manufacturer Sdn Bhd	Investment holding	Malaysia	**100**	100
+	New Toyo (Vietnam) Aluminium Paper Packaging Co., Ltd	Manufacturing of specialty papers and paper core	Vietnam	**100**	100
∞	Fast Win Enterprise Limited	Trading of aluminium foil and paper products	Hong Kong	**100**	100

6 Subsidiaries (Continued)

	Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2014 %	2013 %
	Held by subsidiaries				
∞	Tien Wah Holdings (1990) Sdn Bhd	Investment holding	Malaysia	**100**	100
+	Tien Wah Press Holdings Berhad	Investment holding	Malaysia	**54**	54
+	Tien Wah Press (Malaya) Sdn Bhd	Manufacturing of printed cartons and labels	Malaysia	**54**	54
+	Tien Wah Properties Sdn Bhd	Investment property	Malaysia	**54**	54
+	Paper Base Converting Sdn Bhd	Manufacturing of specialty papers	Malaysia	**100**	100
∞	New Toyo Paper Products (Shanghai) Co., Ltd	Manufacturing of specialty papers	China	**100**	100
∞	Wuhu New Asia Paper Products Co., Ltd	Investment holding	China	**100**	100
+	Vina Toyo Company Ltd	Manufacturing of specialty papers and corrugated containers	Vietnam	**50****	50**
#	New Toyo Investments Pte Ltd	Investment holding	Singapore	**54**	54
+	Alliance Print Technologies Co., Ltd	Manufacturing of printed cartons and labels	Vietnam	**54**	54
∞	Max Ease International Limited	Trading of printed cartons and labels	Hong Kong	**76***	76*
+	Anzpac Services (Australia) Pty Ltd	Manufacturing of printed cartons and labels	Australia	**76***	76*
∞	Alliance Innovative Solutions Pte Ltd	Supplies of printing ink	Singapore	**50****	50**
□	Nanning Shen Jiu Packaging Material Co., Ltd	Investment holding	China	**–**	–

* The Company and its 54% subsidiary, Tien Wah Press Holdings Berhad jointly hold Anzpac Services (Australia) Pty Ltd through Max Ease International Limited, a company in which the proportionate interest of the Company and Tien Wah Press Holdings Berhad was 49% and 51% respectively

** Deemed to be a subsidiary as the Group has the current ability to direct these entities' activities that most significantly affect their returns

Audited by KPMG LLP, Singapore

\+ Audited by other member firms of KPMG International

∞ Audited by other accounting firms

□ Incorporated on 8 July 2013 and disposed on 30 December 2013

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

6 Subsidiaries (Continued)

Impairment

In 2013 and 2014, management noted an indication of impairment with respect to the investments in New Toyo Aluminium Paper Product Co (Pte) Ltd ("NTAP") and New Toyo International Co (Pte) Ltd ("NTIT") as the Group's costs of investments were higher than the share of net assets of the investee companies. Management carried out an impairment assessment on the recoverable amounts of NTAP and NTIT. The recoverable amounts were based on the calculation of the value in use and were determined by discounting the future cash flows covering a period of 10 years with the 2014 and 2015 financial budget approved by management.

Key assumptions used in the discounted cash flow projections are as follows:

	NTAP		NTIT	
	2014	**2013**	**2014**	**2013**
Revenue growth rate	**2.70%**	3.00%	**0%**	0%
Pre-tax discount rate	**9.05%**	10.34%	**8.00%**	8.31%
Terminal value growth rate	**2.70%**	3.00%	**0%**	0%

The revenue growth was projected taking into account the long term average growth levels experienced and the estimated sales volume and price growth for the next ten years. It was assumed that sales price would increase in line with forecast inflation over the next ten years.

The discount rate is a pre-tax measure estimated based on the weighted average cost of capital of comparable companies.

The terminal value growth rate has been determined based on the long-term compound annual growth rate estimated by management by reference to the expected market development.

Based on the assessment, management concluded that no further impairment loss is required. Should the assumptions be worst than forecast, impairment loss may be required in the future.

7 Non-controlling interests

	Group 2014 $'000	Group 2013 $'000
Non-controlling interests	**39,659**	39,045

The following subsidiaries have material non-controlling interests ("NCI").

Name of subsidiaries	Principal places of business/ Country of incorporation	Operating Segment	Ownership interests held by NCI 2014 %	Ownership interests held by NCI 2013 %
Max Ease International Limited ("MEIL")	Hong Kong	Printed cartons and labels	**24**	24
Tien Wah Press Holdings Berhad ("TWPH")	Malaysia	Printed cartons and labels	**46**	46
Vina Toyo Company Ltd ("VT")	Vietnam	Specialty papers & corrugated containers	**50**	50
Alliance Innovative Solutions Pte Ltd ("AIS")	Singapore	Other	**50**	50

7 Non-controlling interests (Continued)

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	MEIL $'000	TWPH* $'000	VT $'000	AIS $'000	Intra-group elimination $'000	Total $'000
2014						
Revenue	109,296	83,302	6,498	124		
Profit	4,516	6,023	275	772		
Other comprehensive (loss)/income	(1,714)	195	133	22		
Total comprehensive income	2,802	6,218	408	794		
Attributable to NCI:						
– Profit	1,057	2,765	137	386	(1,351)	2,994
– Other comprehensive (loss)/income	(401)	89	67	11	–	(234)
– **Total comprehensive income**	656	2,854	204	397	(1,351)	2,760
Non-current assets	33,238	86,100	1,709	–		
Current assets	38,431	33,158	4,511	814		
Non-current liabilities	(244)	(9,840)	(71)	–		
Current liabilities	(16,213)	(35,441)	(1,676)	(168)		
Net assets	55,212	73,977	4,473	646		
Net assets attributable to NCI	12,925	33,955	2,237	323	(9,781)	39,659
Cash flow from/(used in) operating activities	14,286	6,541	(1,627)	871		
Cash flow from/(used in) investing activities	1,788	(10,095)	(552)	–		
Cash flow (used in)/from financing activities	(11,039)	2,255	443	(727)		
Net increase/(decrease) in cash and cash equivalents	5,035	(1,299)	(1,736)	144		
Dividends paid to NCI	–	1,617	182	347		

* Exclude the interest in MEIL

7 Non-controlling interests (Continued)

	MEIL $'000	TWPH* $'000	VT $'000	AIS $'000	Intra-group elimination $'000	Total $'000
2013						
Revenue	124,425	81,045	9,008	198		
Profit	7,498	8,423	493	648		
Other comprehensive (loss)/income	(4,724)	(728)	87	9		
Total comprehensive income	2,774	7,695	580	657		
Attributable to NCI:						
– Profit	1,755	3,866	246	324	(1,179)	5,012
– Other comprehensive (loss)/income	(1,106)	(334)	44	4	–	(1,392)
– Total comprehensive income	649	3,532	290	328	(1,179)	3,620
Non-current assets	38,969	78,274	1,355	1		
Current assets	40,032	29,116	4,203	708		
Non-current liabilities	(4,827)	(6,611)	(76)	–		
Current liabilities	(17,985)	(29,496)	(1,052)	(164)		
Net assets	56,189	71,283	4,430	545		
Net assets attributable to NCI	13,154	32,719	2,215	272	(9,315)	39,045
Cash flow from operating activities	11,919	12,040	486	842		
Cash flow used in investing activities	(513)	(2,211)	(24)	–		
Cash flow used in financing activities	(12,038)	(8,965)	(233)	(961)		
Net decrease/(increase) in cash and cash equivalents	(632)	864	229	(119)		
Dividends paid to NCI	–	2,217	178	468		

* Exclude the interest in MEIL

8 Associates

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	**1,866**	2,093	**1,866**	2,093
Impairment losses	**–**	–	**(620)**	(799)
	1,866	2,093	**1,246**	1,294
Share of post acquisition reserves	**5,378**	4,364	**–**	–
	7,244	6,457	**1,246**	1,294

During the year, the Group sold its entire 49% equity stake in Thai Toyo Aluminium Packaging Company Limited ("TTAP") for a total cash consideration of $102,000. The cumulative realised foreign currency loss of $24,000 and a gain on disposal of $38,000 was recognised in profit or loss.

In 2013, the Group received distribution on capital reduction from its investment in Shanghai Asia Holdings Limited ("SAH") amounted to $29,138,000. Subsequent to the capital reduction exercise, SAH went into members' voluntary liquidation. The cumulative realised foreign currency loss arising from investment in SAH of $835,000 was recognised in profit or loss.

During the year, the Group received a final return amounted to $379,000 upon the complete liquidation of SAH.

The Group's share of the capital commitments of the associates is $Nil (2013: $Nil).

Details of the associates are as follows:

	Name of associates	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2014 %	Effective equity held by the Group 2013 %
	Held by the Company				
∞	Toyoma Aluminium Foil Packaging Sdn Bhd ("Toyoma")	Investment holding	Malaysia	**30**	30
*	Thai Toyo Aluminium Packaging Company Limited ("TTAP")	Manufacturing of specialty papers	Thailand	**–**	49
	Held by subsidiaries				
#	Shanghai Asia Holdings Limited ("SAH")	Investment holding	Singapore	**–**	34
∞	Benkert (Malaysia) Sdn Bhd ("Benkert")	Manufacturing and sale of standard and perforated tipping papers	Malaysia	**16^^**	16^^

^^ 30% held by a 54% owned subsidiary
* Disposed in 2014
# Completed members' voluntary liquidation in 2014
∞ Audited by other accounting firms

8 Associates (Continued)

Although the Group holds 16% of Benkert and consequentially has less than 20% of the voting rights, it is able to participate in the financial and operating decisions. The Group is considered to have significant influence over this entity due to the fact that it has board representation.

The following summarises the financial information of each of the Group's material associates based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	Benkert $'000	Immaterial associates $'000	Intra-group elimination $'000	Total $'000
2014				
Revenue	36,236			
Profit	5,992			
Other comprehensive loss	(569)			
Total comprehensive income	5,423			
Non-current assets	8,593			
Current assets	20,733			
Non-current liabilities	(616)			
Current liabilities	(2,111)			
Net assets	26,599			
Carrying amount of interest in investee at beginning of the year	6,327	548	(418)	6,457
Group's share of:				
– Profit	972			
– Other comprehensive loss	(92)			
NCI's share of:				
– Profit	825			
– Other comprehensive loss	(78)			
– Total comprehensive income/(loss)	1,627	(105)	36	1,558
Group's share of dividend received	(178)	–	–	(178)
NCI's share of dividend received	(150)	–	–	(150)
Carrying amount of interest in associate disposed during the year	–	(64)	–	(64)
Distribution on liquidation of investment in SAH	–	(379)	–	(379)
Carrying amount of interest in investee at end of the year	7,626	–	(382)	7,244

8 Associates (Continued)

	Benkert $'000	Immaterial associates $'000	Intra-group elimination $'000	Total $'000
2013				
Revenue	34,581			
Profit	4,907			
Other comprehensive loss	(738)			
Total comprehensive income	4,169			
Non-current assets	5,424			
Current assets	19,082			
Non-current liabilities	(666)			
Current liabilities	(1,547)			
Net assets	22,293			
Carrying amount of interest in investee at beginning of the year	5,335	30,020	(458)	34,897
Group's share of:				
– Profit	796			
– Other comprehensive loss	(120)			
NCI's share of:				
– Profit	676			
– Other comprehensive loss	(102)			
– Total comprehensive income	1,250	(334)	40	956
Group's share of dividend received	(140)	–	–	(140)
NCI's share of dividend received	(118)	–	–	(118)
Distribution on capital reduction from investment in SAH	–	(29,138)	–	(29,138)
Carrying amount of interest in investee at end of the year	6,327	548	(418)	6,457

9 Other investments

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Available-for-sale financial assets, at fair value				
– quoted equity securities	**541**	544	**–**	–
– unquoted equity securities	**385**	374	**–**	–
	926	918	**–**	–
Club memberships, at cost	**1,344**	1,321	**626**	626
Accumulated amortisation and impairment losses				
At 1 January	**(40)**	(35)	**–**	–
Amortisation and impairment losses for the year	**(5)**	(5)	**–**	–
Translation differences on consolidation	**(5)**	–	**–**	–
At 31 December	**(50)**	(40)	**–**	–
Club memberships, at carrying amount	**1,294**	1,281	**626**	626
Total other investments	**2,220**	2,199	**626**	626

The fair value information related to available-for-sale financial assets is disclosed in note 28.

10 Intangible assets

	Goodwill on consolidation $'000	Contract value $'000	Total $'000
Group			
Cost			
At 1 January 2013	3,663	11,390	15,053
Translation differences on consolidation	–	433	433
At 31 December 2013	3,663	11,823	15,486
Translation differences on consolidation	–	590	590
At 31 December 2014	3,663	12,413	16,076
Accumulated amortisation			
At 1 January 2013	–	3,661	3,661
Amortisation for the year	–	1,881	1,881
Translation differences on consolidation	–	158	158
At 31 December 2013	–	5,700	5,700
Amortisation for the year	–	2,292	2,292
Translation differences on consolidation	–	388	388
At 31 December 2014	–	8,380	8,380
Carrying amounts			
At 1 January 2013	3,663	7,729	11,392
At 31 December 2013	3,663	6,123	9,786
At 31 December 2014	3,663	4,033	7,696

The amortisation was recognised in other expenses.

10 Intangible assets (Continued)

Impairment tests for cash-generating units containing property, plant and equipment, goodwill and contract value

For the purpose of impairment testing, goodwill is principally allocated to the following cash-generating units (CGUs):

	Specialty papers $'000	2013 and 2014 Printed cartons and labels $'000	Total $'000
Goodwill	22	3,641	3,663

The goodwill on consolidation and contract value are allocated to Tien Wah Press Holdings Berhad ("TWPH") and its subsidiaries which include Max Ease International Limited ("MEIL").

Contract value is in relation to exclusive rights to supply to British American Tobacco's printed cartons requirements in several locations in the Asia Pacific region for a period of seven years, with a right to extend the supply period by an additional three years, beginning year 2008. During the year, two of the contracts were extended for 1 year.

The recoverable amount of the CGU was based on its value in use. Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU.

Key assumptions used in the discounted cash flow projections

- Cash flow projections were over a period of 10 years, except for contract value where cash flow projections were made over the remaining life of the supply contract.
- Cash flows were projected based on the 1-year financial budget approved by management. Management has considered and determined the factors applied in the financial budget. The budgeted gross margin is based on past experience. An anticipated revenue growth rate of – 8%, 3%, 15%, 0% and 2% in 2015, 2016, 2017, 2018 and 2019 respectively, and 0% thereafter was used in the cash flow projections (2013: 3%, 7% and -6% in 2014, 2015 and 2016 respectively, and 0% thereafter).
- The pre-tax discount rate of 9.32% (2013: 9.00%) was applied in determining the recoverable amounts of the CGU. This represents the CGU's weighted average cost of capital.
- No terminal value was used.

The values assigned to the key assumptions represent management's assessment of future trends of the industry in which the CGUs operate and are based on both external sources and internal sources (historical data).

As the carrying amounts of the CGUs were determined to be lower than their recoverable amounts, no impairment loss was recognised. Should the assumptions be worse than forecast, impairment loss may be required in the future.

11 Inventories

	Group	
	2014	2013
	$'000	$'000
Finished goods	**10,022**	10,692
Work-in-progress	**2,256**	3,253
Raw materials	**35,330**	35,193
Consumables	**3,060**	1,947
	50,668	51,085
Allowance for inventories obsolescence	**(1,447)**	(1,567)
	49,221	49,518

Allowance for inventories obsolescence is made taking into account market trends, inventory ageing and conditions as well as historical experience.

In 2014, raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales amounted to $214,285,000 (2013: $200,722,000). During the year, the Group recognised a reversal of inventories obsolescence of $61,000 (2013: $27,000) as the inventories were sold above carrying amounts.

Certain inventories in the Group have been pledged as securities for banking facilities granted, details of which are provided in note 17.

12 Trade and other receivables, including derivatives

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade receivables		**29,334**	35,352	**–**	–
Impairment losses		**(512)**	(538)	**–**	–
		28,822	34,814	**–**	–
Deposits		**299**	2,479	**–**	–
Tax recoverable		**361**	168	**–**	–
Consideration receivable	(i)	**–**	1,897	**–**	–
Other receivables		**2,438**	1,536	**28**	3
Amounts due from subsidiaries					
– trade		**–**	–	**1,887**	1,874
– non-trade	(ii)	**–**	–	**356**	356
Amounts due from associates					
– trade		**373**	383	**–**	–
– non-trade	(ii)	**461**	503	**–**	–
Amounts due from other related parties*					
– trade		**80**	193	**–**	–
– non-trade	(ii)	**24**	125	**–**	–
Loans to subsidiaries	(iii)	**–**	–	**6,933**	7,290
Loans and receivables		**32,858**	42,098	**9,204**	9,523
Prepayments		**1,208**	1,145	**19**	20
		34,066	43,243	**9,223**	9,543

* The amounts due from other related parties also include amount receivables from entities which are partially-owned by substantial shareholder and a member of the key management personnel of a subsidiary.

(i) Consideration receivable relates to disposal of a subsidiary by the Group during 2013. The consideration was received during the year.

(ii) The non-trade amounts due from subsidiaries, associates and other related parties and loans to subsidiaries are unsecured, interest-free and repayable on demand.

(iii) Included in the loans to subsidiaries is an amount of $567,000 (2013: $1,126,000) which is unsecured, interest-free and repayable on demand. There is an amount of $243,000 (2013: $Nil) which bears interest rate of London Interbank Offered Rate (1 month) plus 2% per annum. The remaining amount of $6,123,000 (2013: $6,164,000) are unsecured, repayable on demand, and bear fixed interest rates ranging from 2.35% – 3.33% per annum (2013: 3.00% – 3.75% per annum).

12 Trade and other receivables, including derivatives (Continued)

Except as described below, concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed and mainly engage in similar manufacturing and distribution activities.

The maximum exposure to credit risk for loans and receivables at the reporting date by geographical distribution was as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**10,241**	13,558	**957**	1,408
Malaysia	**7,116**	7,877	**5,743**	3,482
Vietnam	**4,609**	4,499	**2,403**	4,606
Australia	**2,376**	4,228	**22**	3
United Arab Emirates	**1,962**	2,262	**–**	–
The Philippines	**1,290**	414	**–**	–
Korea	**1,287**	1,358	**–**	–
China	**776**	3,100	**64**	24
Pakistan	**628**	55	**–**	–
Papua New Guinea	**544**	1,046	**–**	–
India	**294**	1,008	**–**	–
New Zealand	**120**	610	**–**	–
Others	**1,615**	2,083	**15**	–
	32,858	42,098	**9,204**	9,523

As at 31 December 2014, the amount receivable from the top five customers of the Group represents 53% (2013: 55%) of total loans and receivables.

12 Trade and other receivables, including derivatives (Continued)

Impairment losses

The ageing of loans and receivables at the reporting date was:

	2014		2013	
	Gross $'000	Impairment losses $'000	Gross $'000	Impairment losses $'000
Group				
Not past due	**28,020**	**–**	31,374	–
Past due 0 – 30 days	**2,623**	**–**	7,378	–
Past due 31 – 180 days	**1,692**	**15**	3,224	10
More than 180 days	**1,035**	**497**	660	528
	33,370	**512**	42,636	538
Company				
Not past due	**6,678**	**–**	7,406	–
Past due 0 – 30 days	**150**	**–**	151	–
Past due 31 – 180 days	**483**	**–**	504	–
More than 180 days	**1,893**	**–**	1,462	–
	9,204	**–**	9,523	–

The allowance accounts in respect of trade and other receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2014, the Group and the Company do not have any collective impairment on their loans and receivables (2013: $Nil).

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

		Group		Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
At 1 January		**538**	681	**–**	54
Reversal of impairment losses	23	**(36)**	(88)	**–**	(54)
Utilisation of allowances		**–**	(55)	**–**	–
Translation differences on consolidation		**10**	–	**–**	–
At 31 December		**512**	538	**–**	–

The Group's historical experience in the collection of trade receivable falls within the recorded allowances. Due to these factors, management believes that there is no additional credit risk beyond amounts provided for collection losses.

13 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash at bank and on hand	**53,825**	51,988	**19,975**	28,721
Fixed deposits	**17,746**	7,872	**10,000**	–
Cash and cash equivalents in the statement of cash flows	**71,571**	59,860	**29,975**	28,721

Repricing of interest rate with the banks is set out in note 28.

14 Share capital and reserves

	Company No. of shares	
	2014	2013
	('000)	('000)
Fully paid ordinary shares, with no par value:		
In issue at 1 January and 31 December	**439,425**	439,425

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board defines capital as share capital and accumulated profits.

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity excluding non-controlling interests. The Board also monitors the level of dividends to ordinary shareholders.

The Board monitors the capital position of the Group to ensure a sufficiently strong capital base so as to maintain investor, creditor and market confidence. This is also a platform to sustain the existing business and for future growth. Concurrently, the Board of Directors reviews the capital to debt ratio to achieve the dual objective of a strong capital base and an acceptable level on the return on capital.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

14 Share capital and reserves (Continued)

Reserves

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Capital reserve	**564**	564	**–**	–
Fair value reserve	**413**	441	**–**	–
Translation reserve	**(11,786)**	(11,978)	**–**	–
Others	**77**	77	**77**	77
	(10,732)	(10,896)	**77**	77

Capital reserve

The capital reserve of the Group comprises statutory reserves transferred from accumulated profits by certain foreign subsidiaries as required by statutory legislations in their countries of incorporation. The percentage of transfer of accumulated profits is determined by the board of directors of these foreign subsidiaries based on the statutory requirements and these reserves can only be distributed upon approval by the relevant authorities.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations and from the translation of financial liability designated as a hedge of net investment in the foreign operations, as well as foreign exchange differences on monetary items which form part of the Group's net investments in the foreign operations.

Others

Other reserve comprises the value of unexercised warrants of the Company which has been transferred from capital reserve to other reserve.

14 Share capital and reserves (Continued)

Dividends

After the balance sheet date, the following exempt (one-tier) dividends were proposed by the directors. This exempt (one-tier) dividend has not been provided for.

	Group and Company	
	2014	**2013**
	$'000	**$'000**
One-tier tax exempt final dividend of 0.60 cents (2013: 0.90 cents) per share in respect of the year	**2,636**	3,955

15 Trade and other payables, including derivatives

		Group		Company	
	Note	**2014**	**2013**	**2014**	**2013**
		$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities					
Employee benefits	16	**406**	687	**–**	–
Other payables		**176**	197	**–**	–
		582	884	**–**	–
Current liabilities					
Trade payables		**22,588**	22,362	**–**	–
Loans from subsidiaries	(i)	**–**	–	**27,433**	27,030
Amounts due to:					
– subsidiaries (non-trade)	(i)	**–**	–	**1,067**	939
– associates					
– trade		**–**	22	**–**	–
– non-trade	(i)	**2**	2	**2**	2
– other related corporations					
– trade		**84**	92	**–**	–
– non-trade	(i)	**1**	–	**1**	–
Accrued operating expenses		**5,878**	4,866	**610**	648
Employee benefits	16	**3,200**	4,355	**–**	–
Other payables		**2,169**	2,935	**25**	58
Derivative liabilities		**4**	8	**–**	–
		33,926	34,642	**29,138**	28,677
		34,508	35,526	**29,138**	28,677

(i) The loans from subsidiaries and non-trade amounts due to subsidiaries, associates and other related corporations are unsecured, interest-free and repayable on demand.

The Group and the Company's exposure to liquidity and currency risk related to trade and other payables are disclosed in notes 17 and 28 respectively.

16 Employee benefits

		Group	
		2014	**2013**
		$'000	**$'000**
Defined benefit obligations	(i)	**411**	375
Provision for long service leave	(ii)	**1,805**	2,000
Provision for termination benefits	(iii)	**–**	1,066
Accrual for annual leave		**1,390**	1,601
		3,606	5,042
Analysed as:			
– Current		**3,200**	4,355
– Non-current		**406**	687
		3,606	5,042

A subsidiary, Tien Wah Press Holdings Berhad, makes contributions to a non-contributory defined benefit plan that provides pension for eligible employees upon retirement. The plan entitles a retired employee to receive a lump sum payment equal to 86% of final monthly salary for each year of service the employee provided.

(i) Movement in the present value of the defined benefit obligations

		Group	
	Note	**2014**	**2013**
		$'000	**$'000**
At 1 January		**375**	408
Benefits paid by the plan		**–**	(59)
Expense recognised in profit or loss	23	**45**	40
Translation differences on consolidation		**(9)**	(14)
At 31 December		**411**	375

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group	
	2014	**2013**
	$'000	**$'000**
Discount rate at 31 December	**4% – 5%**	4%
Future salary increases	**3% – 4%**	4% – 5%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average retirement age of an individual retiring is at the age of 55 for males and 50 for females.

16 Employee benefits (Continued)

(ii) Movement in provision for long service leave

Provision for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

	Note	Group 2014 $'000	Group 2013 $'000
At 1 January		**2,000**	2,142
(Reversal)/Provision made during the year	23	**(119)**	101
Translation differences on consolidation		**(76)**	(243)
At 31 December		**1,805**	2,000

(iii) Movement in provision for termination benefits

In 2013, a subsidiary made a provision of $1,135,000 for termination benefits following the Group's decision for business restructuring.

During the year, the subsidiary incurred an additional $772,000 for the retrenchment of the excess personnel, and this amount was directly recognised in profit or loss.

At the reporting date, the subsidiary recognised a reversal of provision for termination benefits of $4,000.

	Group 2014 $'000	Group 2013 $'000
At 1 January	**1,066**	–
(Reversal)/Provision made during the year	**(4)**	1,135
Utilisation of provision	**(1,048)**	–
Translation differences on consolidation	**(14)**	(69)
At 31 December	**–**	1,066

(iv) Employee benefits expenses recognised in profit or loss

	Group 2014 $'000	Group 2013 $'000
Defined benefits obligations	**45**	40
(Reversal)/Provision for long service leave	**(119)**	101
(Reversal)/Provision for termination benefits	**(4)**	1,135
(Reversal)/Accrual for annual leave	**(163)**	117
Termination benefits	**772**	–
	531	1,393

16 Employee benefits (Continued)

(v) Employee benefits expenses recognised in the following line items in profit or loss

	Group	
	2014	2013
	$'000	$'000
Cost of sales	**(74)**	141
Administrative expenses	**(163)**	117
Other expenses	**768**	1,135
	531	1,393

17 Financial liabilities

	Group	
	2014	2013
	$'000	$'000
Non-current liabilities		
Non-current portion of long-term bank loans		
– secured	**–**	4,515
– unsecured	**5,446**	1,693
Finance lease liabilities	**7**	11
	5,453	6,219
Current liabilities		
Bank loans		
– secured	**1,812**	3,229
– unsecured	**21,452**	19,521
Current portion of long-term bank loans		
– secured	**–**	2,483
– unsecured	**3,875**	2,540
Trust receipts (unsecured)	**–**	550
Finance lease liabilities	**4**	4
	27,143	28,327
	32,596	34,546

17 Financial liabilities (Continued)

The Group's secured bank loans are secured on the following assets, stated at their carrying amounts:

	Group	
	2014	2013
	$'000	$'000
Inventories	**3,491**	4,905
Investment in subsidiary *	**–**	53,781
	3,491	58,686

* These are stated at cost

The details of interest rates are set out in note 28.

The bank loans are repayable between 2015 to 2019, details of which are provided in the following tables.

Finance lease liabilities

As at 31 December, the Group has obligations under finance leases that are repayable as follows:

	Principal 2014 $'000	Interest 2014 $'000	Future minimum lease payments 2014 $'000	Principal 2013 $'000	Interest 2013 $'000	Future minimum lease payments 2013 $'000
Group						
Repayable:						
Within 1 year	**4**	**1**	**5**	4	1	5
After 1 year but within 5 years	**7**	**1**	**8**	11	2	13
	11	**2**	**13**	15	3	18

The Group lease certain property, plant and equipment from financial institutions under finance leases as disclosed in note 4.

17 Financial liabilities (Continued)

Liquidity risk

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: 1 to 5 years $'000
Group				
2014				
Non-derivative financial liabilities				
Secured bank loans	**1,812**	**(1,847)**	**(1,847)**	**–**
Unsecured bank loans	**30,773**	**(31,348)**	**(25,669)**	**(5,679)**
Finance lease liabilities	**11**	**(13)**	**(5)**	**(8)**
Trade and other payables *	**30,898**	**(30,898)**	**(30,898)**	**–**
	63,494	**(64,106)**	**(58,419)**	**(5,687)**
Derivative financial instruments				
Forward exchange contracts (gross-settled):				
– outflow	**4**	**(904)**	**(904)**	**–**
– inflow	**–**	**900**	**900**	**–**
	4	**(4)**	**(4)**	**–**
Total	**63,498**	**(64,110)**	**(58,423)**	**(5,687)**
2013				
Non-derivative financial liabilities				
Secured bank loans	10,227	(10,674)	(6,088)	(4,586)
Unsecured bank loans	23,754	(24,061)	(22,340)	(1,721)
Finance lease liabilities	15	(18)	(5)	(13)
Trade and other payables*	30,476	(30,476)	(30,476)	–
Trust receipts	550	(552)	(552)	–
	65,022	(65,781)	(59,461)	(6,320)
Derivative financial instruments				
Forward exchange contracts (gross-settled):				
– outflow	8	(908)	(908)	–
– inflow	–	900	900	–
	8	(8)	(8)	–
Total	65,030	(65,789)	(59,469)	(6,320)

* Excludes employee benefits

Cash flows due within one year include secured and unsecured revolving credit facilities amounting to $23,476,000 (2013: $23,578,000).

17 Financial liabilities (Continued)

Liquidity risk (Continued)

		Cash flows		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000
Company				
2014				
Non-derivative financial liabilities				
Trade and other payables	**29,138**	**(29,138)**	**(29,138)**	**–**
Financial guarantee	**–**	**(19,287)**	**(19,287)**	**–**
	29,138	**(48,425)**	**(48,425)**	**–**
2013				
Non-derivative financial liabilities				
Trade and other payables	28,677	(28,677)	(28,677)	–
Financial guarantee	–	(25,094)	(25,094)	–
	28,677	(53,771)	(53,771)	–

The maturity analyses show the undiscounted cash flows of the Group and the Company's financial liabilities and guarantees on the basis of their earliest possible contractual maturity.

It is not expected that the cash flows included in the maturity analyses of the Group and the Company could occur significantly earlier, or at significantly different amounts.

Financial guarantee

(i) Intra-group financial guarantee comprises guarantees granted by the Company to certain banks of $15,324,000 (2013: $23,198,000) in respect of banking facilities granted to subsidiaries.

(ii) An unsecured guarantee of $3,963,000 (2013: $1,896,000) was issued to a supplier by the Company for credit terms granted to a subsidiary.

18 Deferred tax

Unrecognised deferred tax liabilities

At 31 December 2014, deferred tax liability of $1,827,000 (2013: $2,626,000) for temporary differences of $19,086,000 (2013: $29,288,000) related to investments in subsidiaries was not recognised because the Company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2014	**2013**
	$'000	**$'000**
Deductible temporary differences	**5,081**	406
Tax losses	**2,684**	3,566
	7,765	3,972

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

18 Deferred tax (Continued)

Recognised deferred tax assets/liabilities

Movements in deferred tax assets/(liabilities) (prior to offsetting of balances) during the year are as follows:

	At 1/1/2013 $'000	Recognised in profit or loss (note 24) $'000	Exchange differences $'000	At 31/12/2013 $'000	Recognised in profit or loss (note 24) $'000	Exchange differences $'000	At 31/12/2014 $'000
Group							
Deferred tax assets							
Property, plant and equipment	247	(84)	6	169	397	17	583
Inventories	208	(3)	(5)	200	(45)	4	159
Trade and other payables	1,396	(9)	(148)	1,239	(1,290)	98	47
Others	234	(28)	(12)	194	(119)	(87)	(12)
	2,085	(124)	(159)	1,802	(1,057)	32	777
Deferred tax liabilities							
Property, plant and equipment	(3,961)	(174)	155	(3,980)	185	105	(3,690)
Others	(56)	58	3	5	37	(35)	7
	(4,017)	(116)	158	(3,975)	222	70	(3,683)
Company							
Deferred tax asset							
Trade and other payables	3	–	–	3	–	–	3
Deferred tax liability							
Property, plant and equipment	(14)	–	–	(14)	–	–	(14)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Deferred tax assets	**697**	1,766	**–**	–
Deferred tax liabilities	**3,603**	3,939	**11**	11

19 Revenue

	Group 2014 $'000	Group 2013 $'000
Sale of manufactured packaging products	**227,546**	248,463
Trading of packaging products	**57,679**	33,387
	285,225	281,850

20 Other income

	Group 2014 $'000	Group 2013 $'000
Dividend income on available-for-sale financial assets	**26**	24
Fee income	**1,504**	1,365
Gain on disposal of an associate	**38**	–
Gain on disposal of investment properties	**–**	955
Gain on disposal of property, plant and equipment (net)	**30**	203
Insurance claim recovery	**1**	43
Net foreign exchange gain	**505**	–
Rental income	**1,829**	1,867
Scrap sales	**1,950**	1,916
Others	**979**	790
	6,862	7,163

21 Other expenses

	Note	Group 2014 $'000	Group 2013 $'000
Amortisation of intangible asset	10	**2,292**	1,881
Amortisation of other investment	9	**5**	5
Cumulative realised foreign currency loss of an investment in associate recognised in profit or loss	8	**24**	835
Loss on disposal of a subsidiary		**–**	59
Net foreign exchange loss		**–**	261
Property, plant and equipment written off	4	**6**	3
Termination benefits	16	**768**	1,135
Others		**128**	280
		3,223	4,459

22 Finance income and finance costs

	Group 2014 $'000	Group 2013 $'000
Interest income from bank deposits	**785**	620
Finance income	**785**	620
Interest paid and payable to banks	**(1,105)**	(1,436)
Finance costs	**(1,105)**	(1,436)
Net finance costs recognised in profit or loss	**(320)**	(816)

23 Profit before tax

The following items have been included in arriving at profit before income tax:

	Note	Group 2014 $'000	Group 2013 $'000
Audit fees paid to			
– auditors of the Company		**250**	250
– other auditors		**220**	219
Non-audit fees paid to			
– auditors of the Company		**37**	36
– other auditors		**15**	135
Depreciation of property, plant and equipment	4	**9,755**	9,982
Depreciation of investment properties	5	**684**	708
Directors' fees		**287**	347
Inventories written off		**69**	214
Operating expenses arising from rental of investment properties		**469**	523
Operating lease expenses		**1,112**	1,103
Reversal of allowance for inventories obsolescence		**(61)**	(27)
Reversal of impairment losses for receivables	12	**(36)**	(88)
Staff costs			
– salaries, bonuses and other costs		**35,271**	36,925
– contributions to defined contribution plans		**2,957**	2,943
– expenses related to defined benefits plan	16	**45**	40
– (reversal of)/provision for long service leave	16	**(119)**	101

24 Tax expense

	Group 2014 $'000	Group 2013 $'000
Current tax expense		
Current year	**3,306**	4,066
(Over)/Under provision in prior years	**(85)**	197
	3,221	4,263
Deferred tax expense		
Origination and reversal of temporary differences	**(369)**	511
Derecognition of deferred tax assets previously recognised	**1,350**	–
Utilisation of tax losses previously not recognised	**(146)**	(271)
Total tax expense	**4,056**	4,503

Reconciliation of effective tax rate

	Group 2014 $'000	Group 2013 $'000
Profit for the year	**13,533**	20,770
Total tax expense	**4,056**	4,503
Profit before tax	**17,589**	25,273
Tax using the Singapore tax rate of 17%	**2,990**	4,296
Effect of tax rates in foreign jurisdictions	**1,375**	1,096
Non-deductible expenses	**599**	628
Tax exempt income	**(1,837)**	(1,408)
Reinvestment allowances and other tax incentives	**(190)**	(35)
Derecognition of deferred tax assets previously recognised	**1,350**	–
Utilisation of tax losses previously not recognised	**(146)**	(271)
(Over)/Under provision in prior years	**(85)**	197
	4,056	4,503

25 Earnings per share

The calculation of basic and diluted earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders of $10,539,000 (2013: $15,758,000), and a weighted-average number of ordinary shares outstanding of 439,425,000 (2013: 439,425,000), calculated as follows:

	Group	
	2014	2013
	$'000	$'000
Basic and diluted earnings per share is based on:		
Profit attributable to ordinary shareholders	**10,539**	15,758

	Group	
	2014	2013
	'000	'000
Issued ordinary shares at 1 January and 31 December	**439,425**	439,425

There are no unexercised share options or warrants issued by the Company.

There were no instruments that would have an effect of diluting the earnings of the Group that existed during or as at the end of the financial year.

26 Related parties

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the management team are considered as key management of the Group.

Transactions with directors and other key management personnel

Key management personnel compensation comprised remuneration of directors and other key executives as follows:

	Group	
	2014	2013
	$'000	$'000
Short-term employment benefits		
– directors	**1,219**	964
– key executives	**2,511**	2,588
Post-employment benefits (including contribution to Central Provident Fund)	**165**	131
	3,895	3,683

26 Related parties (Continued)

Other significant related party transactions

For the purposes of these 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.

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant transactions were carried out by the Group with its related parties in the normal course of business on terms agreed between the parties.

	Group	
	2014	**2013**
	$'000	**$'000**
Sale of raw materials and finished goods to associate	**6**	8
Transactions with companies in which substantial shareholders have significant influence		
– sale of finished goods	**335**	324
– purchase of finished goods	**(6)**	–
– service fee paid/payable	**(118)**	(112)
– rental received/receivable	**60**	49
Transactions with companies in which certain directors have significant influence		
– professional fee paid/payable	**(7)**	(7)
Transactions with companies in which certain directors of subsidiaries have significant influence		
– sale of finished goods	**728**	950
– purchase of raw materials	**(810)**	(1,401)
– purchase of plant and equipment	**(129)**	(215)
– transportation fee	**(524)**	(482)
Transactions with a director of the Company		
– consultancy fees paid/payable	**(26)**	(80)
– sale of motor vehicle	**–**	49

27 Operating segments

The Group's reportable segments as described below are the Group's strategic business units. The management has determined the reportable segments based on the reports reviewed by the Group's Chairman, CEO and senior management that are used to make strategic decisions. Performance is measured based on segment results as included in the internal management reports that are reviewed by the Group's Chairman, CEO and senior management. The following summary describes the operations of each of the Group's reportable segments:

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.
Corrugated containers	:	The manufacture and sale of corrugated boxes and sheets.
Trading	:	The sale of laminated aluminium paper products, corrugated boxes, tissue and other packaging products.
Investment holding	:	Investing activities, including investment in associates and investment properties.

Inter-segment pricing is determined on commercial basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

27 Operating segments (Continued)

Information about reportable segments

	Specialty papers		Corrugated containers		Printed cartons and labels		Trading		Investment holding		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	**93,831**	98,626	**5,002**	4,743	**128,703**	145,094	**57,679**	33,387	**–**	–	**285,215**	281,850
Inter-segment revenue	**4,017**	7,854	**279**	–	**63,895**	60,375	**4,658**	6,064	**–**	–	**72,849**	74,293
Interest income	**147**	89	**61**	3	**417**	437	**–**	–	**476**	380	**1,101**	909
Interest expense	**(294)**	(366)	**(5)**	(5)	**(1,055)**	(1,235)	**(14)**	(17)	**(53)**	(102)	**(1,421)**	(1,725)
Reportable segment profit before tax	**6,551**	7,554	**347**	255	**7,173**	14,774	**966**	126	**493**	1,251	**15,530**	23,960
Segment results	**6,551**	7,554	**347**	255	**7,173**	14,774	**966**	126	**493**	1,251	**15,530**	23,960
Share of profit of associates	**–**	–	**–**	–	**–**	–	**–**	–	**1,744**	1,213	**1,744**	1,213
Other material non-cash items:												
– Amortisation	**5**	5	**–**	–	**2,292**	1,881	**–**	–	**–**	–	**2,297**	1,886
– Depreciation	**1,350**	1,252	**–**	7	**8,340**	8,617	**5**	3	**691**	715	**10,386**	10,594
– Provision for termination benefit	**–**	–	**–**	–	**–**	1,135	**–**	–	**–**	–	**–**	1,135
– Foreign currency translation reserve of an associate recognised in profit or loss	**–**	–	**–**	–	**–**	–	**–**	–	**24**	835	**24**	835
Capital expenditure	**1,680**	909	**–**	–	**10,241**	5,534	**1**	10	**–**	1	**11,922**	6,454
Investment in associates	**–**	–	**–**	–	**–**	–	**–**	–	**7,244**	6,457	**7,244**	6,457
Reportable segment assets	**53,147**	54,584	**3,645**	3,475	**159,857**	158,008	**8,211**	7,859	**8,086**	8,356	**232,946**	232,282
Reportable segment liabilities	**14,064**	16,639	**803**	731	**47,576**	47,031	**3,852**	4,729	**158**	190	**66,453**	69,320

27 Operating segments (Continued)

Reconciliations of information about reportable segments

	2014 $'000	2013 $'000
Revenues		
Total revenue of reportable segments	**358,064**	356,143
Other revenue	**10**	–
Elimination of inter-segment revenue	**(72,849)**	(74,293)
Consolidated revenue	**285,225**	281,850
Profit or loss		
Total profit for reportable segments	**15,530**	23,960
Other profit or loss	**914**	742
	16,444	24,702
Elimination of inter-segment profits	**1,960**	2,177
Share of profit of associates	**1,744**	1,213
Unallocated amounts:		
– other corporate expenses	**(2,559)**	(2,819)
Consolidated profit before income tax	**17,589**	25,273
Assets		
Total assets for reportable segments	**232,946**	232,282
Other assets	**1,042**	883
Investment in associates	**7,244**	6,457
Unallocated amounts:		
– other corporate assets	**30,917**	29,675
– income tax assets	**1,058**	1,934
Consolidated total assets	**273,207**	271,231
Liabilities		
Total liabilities of reportable segments	**66,453**	69,320
Other liabilities	**13**	44
Other unallocated amounts:		
– other corporate liabilities	**638**	708
– income tax liabilities	**5,732**	5,514
Consolidated total liabilities	**72,836**	75,586
Depreciation		
Total depreciation of reportable segments	**10,386**	10,594
Others	**53**	96
Consolidated depreciation	**10,439**	10,690
Capital expenditure		
Total capital expenditure of reportable segments	**11,922**	6,454
Others	**20**	12
Consolidated capital expenditure	**11,942**	6,466

27 Operating segments (Continued)

Reconciliations of information about reportable segments (Continued)

	2014			2013		
	Reportable Segment Total $'000	Elimination $'000	Consolidated Total $'000	Reportable Segment Total $'000	Elimination $'000	Consolidated Total $'000
Interest income and expense						
Interest income	**1,101**	**(316)**	**785**	909	(289)	620
Interest expense	**(1,421)**	**316**	**(1,105)**	(1,725)	289	(1,436)
Consolidated net interest expense	**(320)**	**–**	**(320)**	(816)	–	(816)

Geographical segments

The specialty papers, printed cartons and labels, corrugated containers, trading and investment holding segments operate in a number of principal countries. For specialty papers, the Group has plants in Singapore, Vietnam, Malaysia and China, while for printed cartons and labels, the Group has plants in Vietnam, Malaysia and Australia. For trading, the Group has sales offices in Singapore and Hong Kong.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of business operations. Segment non-current assets are based on the geographical location of the assets. Inter-segment pricing is determined on mutually agreed terms.

Geographical information

	2014		2013	
	External revenues $'000	Non-current assets* $'000	External revenues $'000	Non-current assets* $'000
Singapore	**43,403**	**3,862**	41,453	3,950
Vietnam	**37,105**	**41,100**	40,354	33,871
Hong Kong	**121,695**	**2,310**	106,521	5,188
Australia	**33,944**	**31,445**	41,699	32,893
Malaysia	**45,896**	**34,558**	49,488	36,121
China	**3,182**	**4,377**	2,335	4,821
Total	**285,225**	**117,652**	281,850	116,844

* Excludes deferred tax assets

Revenue of approximately $130.1 million (2013: $141.5 million) is derived from a single external customer, attributable to the Specialty Papers and Printed Cartons and Labels segments.

28 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- currency risk
- interest rate risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and receivables.

Concentrations of credit risk exist when economic or industry factors similarly affect a group of counterparties, and when the aggregate amount of this exposure is significant in relation to the Group's total credit exposure. Details of credit risk by different factors, including geographical, can be found in note 12.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit facilities. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer. These limits are reviewed regularly. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographical location, industry, aging profile, maturity and existence of previous financial difficulties. Specific allowance and write-offs of trade and other receivables are made as and when it is considered necessary.

28 Financial risk management (Continued)

Credit risk (Continued)

The Group does not require collateral in respect of trade and other receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and fixed deposits are placed with financial institutions which are regulated.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Intra-group financial guarantees

The Company has issued letters of financial support and financial guarantees on behalf of some of its subsidiaries to secure certain banking facilities. In the event of a default of those banking facilities by the subsidiaries, the Company would be responsible for the repayment of the amount owing to the bank.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Short-term funding is obtained from bank borrowings. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

Working capital management

The Group manages its working capital requirements with the view to ensure smooth operations and optimise interest cost. There are credit facilities available to the Group to support part of the working capital requirements. The credit facilities are regularly reviewed by the directors to ensure that they meet the objectives of the Group.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD), United States dollar (USD), Vietnamese dong (VND), Australian dollar (AUD) and Malaysia ringgit (MYR).

The Group has a policy that governs the hedging of foreign currency risk exposure. The Group's policy is to enter into "Plain Vanilla" foreign exchange forwards to hedge its foreign currency risks. The policy prescribes guidelines as to the duration and the risks limits to foreign currency exposures. Exposures to currency risk are monitored on an on-going basis and the Group endeavours to keep the net exposures at an acceptable level.

28 Financial risk management (Continued)

Currency risk (Continued)

As at 31 December 2014, the Group and Company have outstanding forward exchange contracts with notional amounts of approximately $900,000 (2013: $900,000).

The Group's and Company's exposures to foreign currency risk are as follows:

	SGD $'000	USD $'000	VND $'000	AUD $'000	MYR $'000
Group					
2014					
Trade and other receivables	**387**	**1,161**	**923**	**3,925**	**2,462**
Cash and cash equivalents	**657**	**10,359**	**50**	**1,589**	**1,410**
Financial liabilities	**–**	**(2,701)**	**–**	**–**	**–**
Trade and other payables	**(576)**	**(1,849)**	**(1,627)**	**(21)**	**(706)**
Net exposure	**468**	**6,970**	**(654)**	**5,493**	**3,166**
2013					
Trade and other receivables	342	904	1,206	2,670	2,701
Cash and cash equivalents	445	4,254	56	2,410	333
Financial liabilities	–	(9,820)	–	(6,998)	(382)
Trade and other payables	(447)	(1,841)	(988)	(83)	(921)
Net exposure	340	(6,503)	274	(2,001)	1,731

	USD $'000
Company	
2014	
Loans to subsidiaries	**8,997**
Trade and other receivables	**658**
Cash and cash equivalents	**8,966**
Trade and other payables	**(1,796)**
Net exposure	**16,825**
2013	
Loans to subsidiaries	8,605
Trade and other receivables	1,075
Cash and cash equivalents	3,080
Trade and other payables	(1,720)
Net exposure	11,040

28 Financial risk management (Continued)

Currency risk (Continued)

Sensitivity analysis

A 2% strengthening of SGD against USD, VND, AUD and MYR at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2013.

	Group Profit or loss		Company Profit or loss	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Group				
SGD	**(9)**	7	**–**	–
USD	**(139)**	130	**(337)**	(221)
VND	**13**	(5)	**–**	–
AUD	**(110)**	40	**–**	–
MYR	**(63)**	(35)	**–**	–

A 2% weakening of SGD against USD, VND, AUD and MYR at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

28 Financial risk management (Continued)

Effective interest rates and repricing/maturity analysis

	Average interest rate %	Floating interest $'000	Fixed interest rate maturing Within 1 year $'000	Fixed interest rate maturing 1 to 5 years $'000	Total $'000
Group					
2014					
Assets					
Cash at bank	**0.3 – 2.2**	**12,080**	**9,955**	**–**	**22,035**
Fixed deposits	**0.2 – 3.4**	**–**	**17,746**	**–**	**17,746**
		12,080	**27,701**	**–**	**39,781**
Liabilities					
Bank loans	**2.4 – 6.2**	**32,585**	**–**	**–**	**32,585**
Finance lease liabilities	**9.0**	**–**	**4**	**7**	**11**
		32,585	**4**	**7**	**32,596**
2013					
Assets					
Cash at bank	0.3 – 2.5	5,611	24,527	–	30,138
Fixed deposits	0.1 – 3.7	–	7,872	–	7,872
		5,611	32,399	–	38,010
Liabilities					
Bank loans	2.7 – 8.0	33,981	–	–	33,981
Trust receipts	2.2	550	–	–	550
Finance lease liabilities	9.0	–	4	11	15
		34,531	4	11	34,546

28 Financial risk management (Continued)

Effective interest rates and repricing/maturity analysis (Continued)

	Average interest rate %	Floating interest $'000	Fixed interest rate maturing: Within 1 year $'000	Fixed interest rate maturing: 1 to 5 years $'000	Total $'000
Company					
2014					
Asset					
Loans to subsidiaries	**2.4 – 3.3**	**650**	**6,123**	**1,657**	**8,430**
Cash at bank	**0.3 – 0.6**	**–**	**9,956**	**–**	**9,956**
Fixed deposit	**0.9**	**–**	**10,000**	**–**	**10,000**
		650	**26,079**	**1,657**	**28,386**
2013					
Asset					
Loans to subsidiaries	3.0 – 3.8	–	6,164	1,315	7,479
Cash at bank	0.5	–	24,527	–	24,527
		–	30,691	1,315	32,006

Sensitivity analysis

For variable rate financial assets and liabilities, a change of 50 basis point in interest rate at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss: Group 50 bp increase $'000	Profit or loss: Group 50 bp decrease $'000	Profit or loss: Company 50 bp increase $'000	Profit or loss: Company 50 bp decrease $'000
31 December 2014				
Variable rate instruments	**(103)**	**103**	**3**	**(3)**
31 December 2013				
Variable rate instruments	(145)	145	–	–

28 Financial risk management (Continued)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

(a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets;

(b) Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

(c) Level 3 – Inputs for the asset that are not based on observable market data (unobservable inputs).

Financial assets and liabilities carried at fair value

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group					
2014					
Assets					
Available-for-sale quoted equity shares	9	**541**	**–**	**–**	**541**
Available-for-sale unquoted equity securities	9	**–**	**–**	**385**	**385**
Total assets		**541**	**–**	**385**	**926**
Liabilities					
Forward exchange contracts	15	**–**	**(4)**	**–**	**(4)**
2013					
Assets					
Available-for-sale quoted equity shares	9	544	–	–	544
Available-for-sale unquoted equity securities	9	–	–	374	374
		544	–	374	918
Liabilities					
Forward exchange contracts	15	–	(8)	–	(8)

There was no transfer between level 1 and 2 during the year.

28 Financial risk management (Continued)

Financial assets and liabilities carried at fair value (Continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	2014 $'000	2013 $'000
At 1 January	**374**	366
Translation difference on consolidation	**11**	8
At 31 December	**385**	374

Estimation of fair values

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

Available-for-sale financial assets

The fair value of available-for-sale quoted equity shares is determined by reference to their quoted prices (unadjusted) in active markets for identical assets.

The fair value of available-for-sale unquoted equity securities is based on cash flows discounted at rates based on the market interest rates adjusted for risk premiums specific to the securities. Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Derivatives

The fair value of forward exchange contracts is based on broker quotes.

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. The fair value of loan to subsidiaries is not materially different from its carrying values. All other financial assets and liabilities are discounted to determine their fair values.

28 Financial risk management (Continued)

Classification of financial assets and liabilities

	Note	Loans and receivables $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Trading $'000	Total carrying amount $'000
Group						
31 December 2014						
Available-for-sale investments	9	**–**	**926**	**–**	**–**	**926**
Trade and other receivables	12	**32,858**	**–**	**–**	**–**	**32,858**
Cash and cash equivalents	13	**71,571**	**–**	**–**	**–**	**71,571**
		104,429	**926**	**–**	**–**	**105,355**
Trade and other payables*	15	**–**	**–**	**(30,898)**	**–**	**(30,898)**
Forward exchange contracts	15	**–**	**–**	**–**	**(4)**	**(4)**
Financial liabilities	17	**–**	**–**	**(32,596)**	**–**	**(32,596)**
		–	**–**	**(63,494)**	**(4)**	**(63,498)**
31 December 2013						
Available-for-sale investments	9	–	918	–	–	918
Trade and other receivables	12	42,098	–	–	–	42,098
Cash and cash equivalents	13	59,860	–	–	–	59,860
		101,958	918	–	–	102,876
Trade and other payables*	15	–	–	(30,476)	–	(30,476)
Forward exchange contracts	15	–	–	–	(8)	(8)
Financial liabilities	17	–	–	(34,546)	–	(34,546)
		–	–	(65,022)	(8)	(65,030)
Company						
31 December 2014						
Trade and other receivables	12	**9,204**	**–**	**–**	**–**	**9,204**
Cash and cash equivalents	13	**29,975**	**–**	**–**	**–**	**29,975**
		39,179	**–**	**–**	**–**	**39,179**
Trade and other payables*	15	**–**	**–**	**(29,138)**	**–**	**(29,138)**
31 December 2013						
Trade and other receivables	12	9,523	–	–	–	9,523
Cash and cash equivalents	13	28,721	–	–	–	28,721
		38,244	–	–	–	38,244
Trade and other payables*	15	–	–	(28,677)	–	(28,677)

* Excludes employee benefits

29 Contingent liabilities

The Company has given an undertaking to provide continuing financial support to certain subsidiaries, to enable the subsidiaries to continue their operations for at least the next twelve months. The net liabilities of the subsidiaries as at 31 December 2014 were $1,585,000 (2013: $2,102,000).

30 Commitments

At the reporting date, the Group and the Company have the following commitments:

Capital commitments

	Group	
	2014	**2013**
	$'000	**$'000**
Authorised but not contracted for	**9,701**	5,679
Contracted but not provided for	**–**	2,646
	9,701	8,325

Operating lease commitments

Leases as lessee

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Payable:				
Within 1 year	**1,269**	962	**234**	200
After 1 year but within 5 years	**2,587**	1,421	**475**	24
After 5 years	**2,932**	2,248	**–**	–
	6,788	4,631	**709**	224

Operating lease commitments of the Group include commitment by a subsidiary for a land with lease expiring on 15 November 2029.

The Group and the Company lease lands, factories, offices, warehouses, motor vehicles and office equipment under non-cancellable operating leases. The leases have varying terms and escalation clauses and renewal rights. On renewal, the terms of the leases are re-negotiated. These leases do not contain contingent rental.

30 Commitments (Continued)

Operating lease commitments (Continued)

Leases as lessor

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Within 1 year	**1,209**	1,130
After 1 year but within 5 years	**827**	1,491
	2,036	2,621

31 Subsequent event

Anzpac Services (Australia) Pty Ltd, a subsidiary held by another subsidiary of the Company, Tien Wah Press Holdings Berhad, will be executing the retrenchment of the remaining excess personnel by the second quarter of 2015 as a result of the re-organisation of production footprint within the Group. Such re-organisation of production footprint is part of the normal routine operational function to improve the Group's strategic positioning to service the customers and reduce operating cost over the longer term.

Location	Description	Tenure
Lot 15,17,19 & 21 – Road 3 Industrial Zone Linh Trung II EPZ Thu Duc District Ho Chi Minh City, Vietnam	One office, two factories and two warehouses used by a subsidiary for its operations	Leasehold 48.5 years from 3 December 2001 to 22 May 2050
Lot 24 – Road 3 Industrial Zone Linh Trung II EPZ Thu Duc District Ho Chi Minh City, Vietnam	Office and factory used by a subsidiary for its operations	Leasehold 40 years from 7 June 2010 to 22 May 2050
A street, Thu Duc District Ho Chi Minh City, Vietnam	Two storey office and ground floor factory used by a subsidiary for its operations	Leasehold 20 years from 30 July 1996
No. 16 Soon Lee Road Singapore 628079	A single-storey detached factory with ancillary structures used by a subsidiary for its operations	Leasehold 60 years commencing from 16 November 1969
38 Huu Nghi Street Vietnam – Singapore Industrial Park Thuan An, Binh Duong Ho Chi Minh City, Vietnam	Two-storey office, two factories and two warehouses used by a subsidiary for its operations	Leasehold 49 years expiring on 8 August 2054
No. 11 Jalan Semangat 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia	Office and factory used by a subsidiary for its operations	Leasehold 99 years expiring on 16 August 2059
No. 9 Jalan Semangat 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia	Office and factory used by a subsidiary for its operations	Leasehold 99 years expiring on 10 November 2059
No. 79 Section 14/20 46100 Petaling Jaya Selangor Darul Ehsan, Malaysia	Residential quarters for staff of its subsidiary	Leasehold 99 years expiring on 22 July 2074
No. 8, Section 14/28 46100 Petaling Jaya Selangor Darul Ehsan, Malaysia	Residential quarters for staff of its subsidiary	Leasehold 99 years expiring on 10 January 2063
Forest Hills, Block B-210 Mission Hill Golf Club Tangxia Town, Dongguan City Guangdong Province, PRC	Studio apartment	Leasehold 40 years expiring on 6 July 2049
32 Britton Street, Smithfield NSW 2164 Australia	Office and factory used by a subsidiary for its operations	Freehold

GROUP PROPERTIES

LIST OF MAJOR PROPERTIES

Location	Description	Tenure
No. 190, 191, 210 and 211 Shanghai Ma Lu Industrial Park No. 58 Chan Bo Road, Ma Lu District Jia Ding County, Shanghai, PRC	Four similar semi-detached single-storey industrial/warehouse buildings	Leasehold 50 years expiring on 12 November 2043
No. 2461, Bao An Road JiaDing District, Shanghai, PRC	Office, factory and warehouse	Leasehold 50 years from 7 July 1997
No. 5 & 6 Yue Hai Industrial Area Nan Yu Road West, Nan Shan District Shenzhen, PRC	Two adjoining ground floor units of twin six-storey factory buildings	Leasehold 50 years from 1 March 1996
No. 78 Xin Hua Dong Road Inner Mongolia, PRC	2 units of residential apartments	Leasehold 70 years from 25 January 2006
No. 35 Gang Wan Road Wuhu Economic Technology Development Park Wuhu City, Anhui Province, PRC	Office, factory and warehouse	Leasehold period from 13 December 2000 to 1 December 2047
Workshop B, 1/F., Block 1 Koon Wah Mirror Factory (6th) Industrial Building Nos. 7 – 9 Ho Tin Street, Tuen Mun New Territories, Hong Kong	Industrial premises	Leasehold 99 years from 1 July 1898, extended by the New Territories Leases (Extension) Ordinance until the expiry of 30 June 2047
No. 8, Lorong 19/1 A 46300 Petaling Jaya Selangor Darul Ehsan, Malaysia	Office, factory and warehouse	Leasehold 99 years from 24 July 1963
No. 41-43 Birralee Road Regency Park, SA 5010 Australia	Office, factory and warehouse	Freehold

Corporate Information

Board of Directors
ANGELA HENG CHOR KIANG
Executive Chairman

DAVID LIM TECK LEONG
Non-Executive and Lead Independent Director

VICTORIA TAY SEOK KIAN
Non-Executive and Independent Director

JAMES ANTHONY CAMPBELL
Non-Executive and Independent Director

TENGKU TAN SRI DR MAHALEEL BIN TENGKU ARIFF
Non-Executive Director

Audit Committee
DAVID LIM TECK LEONG, Chairman
VICTORIA TAY SEOK KIAN
JAMES ANTHONY CAMPBELL

Nominating Committee
VICTORIA TAY SEOK KIAN, Chairman
DAVID LIM TECK LEONG
ANGELA HENG CHOR KIANG

Remuneration Committee
VICTORIA TAY SEOK KIAN, Chairman
DAVID LIM TECK LEONG
JAMES ANTHONY CAMPBELL

Company Secretary
LEE WEI HSIUNG, ACIS

Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399

Registered Address
80 Robinson Road #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399

Business Address
47 Scotts Road #05-03
Goldbell Towers
Singapore 228233
Tel: (65) 6238 2188
Fax: (65) 6238 1082

Auditors
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge: Lee Sze Yeng
(Appointed during the financial year ended
31 December 2010)

Principal Bankers
DBS Bank Ltd
Standard Chartered Bank
The Hongkong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited

Stock Data
Counter name: New Toyo
SGX Code: N08
Listed on 4 April 1997
ISIN code: SG1E32850828
Bloomberg code: Toyo SP
Reuters code: NTYO.SI

Investor Relations
Head Office – Singapore
Lucy Cher
Email: lucy.cher@newtoyo.com
Tel: (65) 6238 2173
Company website: www.newtoyo.com

Non-audit Fees

The amount of fees paid or payable in relation to non-audit services provided to the Group by KPMG LLP Singapore and other member firms of KPMG International for the year ended 31 December 2014 is S$37,000.

Material Contracts Involving the Interests of the Chief Executive Officer, Director or Controlling Shareholder

Save as disclosed below under the heading "Interested Person Transactions" and on page 18 under Principle 8, the Company and its subsidiaries do not have any material contract involving the interest of the Chief Executive Officer, Director or controlling shareholder that was still subsisting as at 31 December 2014 or entered into since 31 December 2013.

Employee Share Option Scheme

The Group currently does not have any employee share option scheme.

Interested Person Transactions

The aggregate value of transactions entered into by the Group with interested persons, as defined in the SGX-ST Listing Manual, is as follow:

Interested person	Aggregate value of all transactions (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000) S$'000
New Toyo Pulppy (Vietnam) Co. Ltd		
– Sales of chipboard and duplex	336	–
New Toyo Pulppy (Hong Kong) Ltd		
– Purchase of services on administrative and accounting works	117	–

Risk Management

The Group's risk management controls are outlined on pages 21 to 22 and pages 100 to 108 of this Annual Report.

Class of share : Ordinary share
Votings rights : One vote per ordinary share

Distribution of Shareholders by Size of Shareholdings as at 16 March 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	10	0.19	109	–
100 – 1,000	1,363	25.23	1,356,852	0.31
1,001 – 10,000	2,504	46.35	11,741,513	2.67
10,001 – 1,000,000	1,486	27.51	97,900,499	22.28
1,000,001 AND ABOVE	39	0.72	328,425,630	74.74
TOTAL	**5,402**	**100.00**	**439,424,603**	**100.00**

As at 16 March 2015, approximately 47.2% of the shareholdings is held by the public and thus Rule 723 of the SGX-ST Listing Manual is complied with.

Twenty Largest Shareholders

	Shareholder's Name	No. of Shares	%
1	YEN WEN HWA @ NGAN TZEE MANH	106,959,164	24.34
2	YEN & SON HOLDINGS PTE LTD	58,817,940	13.39
3	HONG LEONG FINANCE NOMINEES PTE LTD	33,020,000	7.51
4	LU LE NHI	29,092,577	6.62
5	CHIA KEE KOON	21,642,000	4.93
6	WUTHELAM HOLDINGS LTD	7,000,000	1.59
7	CITIBANK NOMINEES SINGAPORE PTE LTD	5,938,300	1.35
8	CHUA KUAN LIM CHARLES	5,371,000	1.22
9	MAYBANK KIM ENG SECURITIES PTE LTD	5,245,800	1.19
10	CHIANG KOK MENG	3,700,000	0.84
11	DBS NOMINEES PTE LTD	3,505,729	0.80
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,240,280	0.74
13	GOH LEH HONG	3,109,400	0.71
14	YEO KHEE CHYE	3,010,000	0.68
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,911,200	0.66
16	UOB KAY HIAN PTE LTD	2,385,604	0.54
17	NG KEE SENG	2,332,000	0.53
18	LEE WOON KIAT	2,249,736	0.51
19	CHUA ZI EN ALEXANDRA JANE (CAI ZI'EN)	2,076,000	0.47
20	WEE HIAN KOK	1,920,000	0.44
	TOTAL	303,526,730	69.06

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2015

Substantial Shareholders as at 16 March 2015

(as shown in the Register of Substantial Shareholders)

	Name	Direct Interest	Deemed Interest
1	Yen Wen Hwa @ Ngan Tzee Manh	139,959,164[(a)]	87,910,517[(b)]
2	Lu Le Nhi	29,092,577	198,777,104[(c)]
3	Yen & Son Holdings Pte Ltd	58,817,940	–

Note

(a) Inclusive of 33,000,000 shares which are held through Hong Leong Finance Nominees Pte Ltd.

(b) Inclusive of interests of:

Lu Le Nhi		29,092,577
Yen & Son Holdings Pte Ltd		58,817,940
	Total:	87,910,517

(c) Inclusive of interests of:

Yen Wen Hwa		139,959,164
Yen & Son Holdings Pte Ltd		58,817,940
	Total:	198,777,104

NOTICE OF 19TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Company will be held at 39 Scotts Road, Ballroom TopazALL, Sheraton Towers, Singapore 228230 on 24 April 2015 at 10.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a final tax exempt (1-tier) dividend of 0.60 Singapore cents per ordinary share for the financial year ended 31 December 2014. **(Resolution 2)**

3. To approve the Directors' fees of S$280,000 for the financial year ending 31 December 2015, to be paid quarterly in arrears. (2014: S$350,000) **(Resolution 3)**

4. To re-elect Ms Victoria Tay Seok Kian who is retiring in accordance with Article 91 of the Company's Articles of Association.

   Ms Victoria Tay Seok Kian shall, upon re-election as a Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. **(Resolution 4)**

5. To re-elect Mr James Anthony Campbell who is retiring in accordance with Article 97 of the Company's Articles of Association.

   Mr James Anthony Campbell shall, upon re-election as a Director of the Company, remain as a member of the Audit and Remuneration Committees. **(Resolution 5)**

6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

7. Authority to issue shares and convertible securities. **(Resolution 7)**

   "That, pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the SGX-ST, authority be and is hereby given to the directors of the Company to issue shares and convertible securities in the Company at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the Company's total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities on issue at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

   (See Explanatory Note 1)

8. To transact any other business which may be properly transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 30 April 2015 after 5.00 p.m. to 4 May 2015 (both dates inclusive) for the purpose of determining Members' entitlements to the final dividend to be proposed at the 19th Annual General Meeting of the Company to be held on 24 April 2015.

Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 30 April 2015 by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 will be registered to determine Members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares in the Company as at 5.00 p.m. on 30 April 2015 will be entitled to such proposed dividend.

The proposed final dividend, if approved at the 19th Annual General Meeting, will be paid on 12 May 2015.

By Order of the Board

Lee Wei Hsiung
Company Secretary
9 April 2015

Notes:

1. A Member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.

2. A proxy need not be a Member of the Company.

3. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time appointed for the Meeting.

Explanatory Notes:

1. Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company provided that the aggregate number of shares and convertible securities to be issued does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the Company's total number of issued shares excluding treasury shares for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this resolution is passed after adjusting for new shares arising from the conversion of convertible securities on issue at the time the resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as result of the member's breach of warranty.

NEW TOYO INTERNATIONAL HOLDINGS LTD

Registration No.: 199601387D
(Incorporated in the Republic of Singapore)

PROXY FORM

Important:

1. For investors who have used their CPF monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, ____ (Name)

of ____ (Address)

being a *member/members of NEW TOYO INTERNATIONAL HOLDINGS LTD ("the Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 39 Scotts Road, Ballroom TopazALL, Sheraton Towers, Singapore 228230 on 24 April 2015 at 10.30 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Resolution	For	Against
1	To receive and adopt the Audited Financial Statements and Reports for the financial year ended 31 December 2014.		
2	To approve a final dividend of 0.60 Singapore cents per share for the financial year ended 31 December 2014.		
3	To approve the Directors' fees of S$280,000 for the financial year ending 31 December 2015, to be paid quarterly in arrears.		
4	To re-elect Ms Victoria Tay Seok Kian who is retiring pursuant to Article 91 of the Company's Articles of Association.		
5	To re-elect Mr James Anthony Campbell who is retiring pursuant to Article 97 of the Company's Articles of Association.		
6	To re-appoint KPMG LLP as auditors and authorise the Directors to fix their remuneration.		
7	To authorise Directors to issue shares and convertible securities.		

Dated this ______________ day of ______________ 2015

Total number of Shares held

____
Signature(s) of Member(s)/Common Seal

* *Delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:–

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 24 April 2015.

AFFIX
STAMP

The Company Secretary
New Toyo International Holdings Ltd
80 Robinson Road
#02-00
Singapore 068898

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Designed and produced by
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