<u>Notes to the Interim Financial Statements for the quarter ended 31 December 2011</u>

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2010 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 March 2010, 1 July 2010 and 1 January 2011. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements.

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective.

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, Financial Instruments (2009)
- FRS 9, Financial Instruments (2010)

- FRS 10, Consolidated Financial Statements
- FRS 11, Joint Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine

Convergence of the FRSs with the International Financial Reporting Standards

On 19 November 2011, the MASB issued a new Malaysian Financial Reporting Standards ("MFRS") framework, consisting of accounting standards which are in line with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The MFRS framework is effective for annual periods beginning on or after 1 January 2012. The Group will be required to prepare financial statements using the MFRS framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2012 and the comparatives as at 1 January 2011 to amounts reflecting the applications of MFRS framework.

The Group has started a preliminary assessment of the differences between FRS and accounting standards under the MFRS framework. As at 31 December 2011, all the FRSs issued under the existing FRS framework are the same as the MFRSs issued under the MFRS framework, except for differences in relation to the transitional provisions and differences in effective dates contained in certain of the existing FRSs.

The Group expects to be in a position to fully comply with the requirements of the MFRS framework for the financial year ending 31 December 2012.

A2. Audit Report Qualification and Status of Matters Raised

The audit report of the preceding annual financial statements was not qualified.

A3. Seasonal or Cyclical Nature of Operations

The quarterly financial results were not affected by seasonal or cyclical factors of operations.

A4. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year.

A5. Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current financial year under review.

A6. Changes in Debt and Equity Securities

For the financial year, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

A7. Dividends Paid

The total dividends paid out of the shareholders' equity for the ordinary shares are as follows:

	12 months ended 31 December	
	2011 RM'000	2010 RM'000
Final paid on 30 June 2011 in respect of the financial year ended 31 December 2010 – 14.80% net of income tax of 25% per share	10,711	
Final paid on 23 June 2010 in respect of the financial year ended 31 December 2009 – 12.05% net of income tax of 25% per share		6,229
	10,711	6,229

A8. Operating Segment

The Group has three reportable segments, as described below which are the Group's strategic business units which reflect the Group's management structure and the way financial information is regularly reviewed by the Board of Directors.

The following summary described the operations in each of the Group reportable segments:

Gravure printing: Rotogravure printing specialising in cigarette cartons and packaging services in general.

Litho printing: Photo-lithography printing specialising in consumer goods packaging, carton converter and advertising materials.

Trading: Trading of cigarette packaging cartons.

For the twelve months ended 31 December

	Gravure printing		**Litho printing**		**Trading**		**Total**	
	RM '000	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Revenue								
External revenue	133,691	157,132	90,156	81,549	164,559	115,388	388,406	354,069
Inter-segment revenue	160,348	105,642	10,767	7,415	26,508	11,644	197,623	124,701
Total revenue	294,039	262,774	100,923	88,964	191,067	127,032	586,029	478,770
Segment profit	34,512	20,143	16,612	10,831	36,100	10,240	87,224	41,214
Segment assets	345,394	333,742	79,577	74,082	167,946	148,113	592,917	555,937

Reconciliation of reportable segment profit or loss	12 months ended 31/12/2011	12 months ended 31/12/2010
	RM'000	RM'000
Total profit for reporting segments	87,224	41,214
Other non-reportable segments	3,038	4,239
Elimination of inter-segment profits	(18,550)	3,201
Not included in the measure of segment profit but provided to the Board of Directors		
Depreciation and amortization	(25,192)	(21,968)
Finance costs	(6,738)	(7,785)
Finance income	1,074	594
Share of profit of associate not included in reportable segments	2,618	1,618
Consolidated profit before tax	43,474	21,113

A9. Property, Plant and Equipment

As at 31 December 2011, the Group has revalued its property, plant and equipment. The carrying value is based on the professional valuation performed in 2011 by the independent qualified valuers less depreciation.

A10. Material Events Subsequent to the End of Quarterly Period

There was no material events not reflected in the interim financial statements subsequent to the balance sheet date up to 14 February 2012.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12. Changes in Contingent Liabilities

As at 31 December 2011, the Company had issued proportionate corporate guarantees of AUD10.2 million in favour of MEIL for its external borrowings in respect of the AUD20.0 million credit facilities granted to enable MEIL to undertake and complete the acquisition of Anzpac Services (Australia) Pty Ltd. The amount outstanding as at 31 December 2011 was at AUD14 million.

As at 31 December 2011, the Company had unsecured guarantees to banks in respect of credit facilities granted to its subsidiaries (excluding MEIL) of RM38,000,000 and USD19,010,000 of which RM14,900,000 and USD13,350,052 have been utilised.

Except for the above-mentioned, there were no other contingent liabilities which are expected to have an operational or financial impact on the Group.

A13. Inventories

There was no write-down of inventory value for the current financial year.

A14. Provision for Warranties

There was no provision for warranties for the current financial year.

A15. Capital Commitments

	12 months ended 31 December 2011 RM'000
Property, plant and equipment	
- Authorised but not contracted for	17,323
- Contracted but not provided for	2,931
	20,254

A16. Related Party Transactions

The following transactions have been entered into with related parties that were necessary for the day-to-day operations in the ordinary course of business.

	12 months ended 31 December 2011 RM '000
Max Ease International Limited	
- Interest received	(238)
- Directors' fee received	(30)
Anzpac Services Australia Pty Ltd	
- Administrative fee received	(254)
New Toyo International Holdings Ltd	
- Management fees	2,142
- Interest expenses	245
New Toyo International Co. (Pte) Ltd	
- Sales	(12,623)
- Purchases	9,502
Alliance Innovative Solutions Pte Ltd	
- Sales	(31)
- Purchases	414
New Toyo Aluminium Paper Product Co. (Pte) Ltd	
- Purchases	4,953
New Toyo (Vietnam) Aluminium Paper Packaging Co. Ltd	
- Sales	(11)
- Purchases	1,959
Toyoma Aluminium Foil Packaging Sdn Bhd	
- Rental of warehouse	88
New Toyo Pakistan Aluminium (Pvt) Ltd	
- Sale of plant and equipment	(23)
Toyoma Non-Carbon Paper Manufacturer Sdn Bhd	
- Rental of warehouse	350
Paper Base Converting Sdn Bhd	
- Sales	(64)

- Purchases	3,784
- Rental income of office and factory building	(169)
New Toyo Pulppy (Hong Kong) Ltd	
- Outsourcing of sales administrative and accounting work	190
New Toyo Pulppy (Vietnam) Co. Ltd	
- Sales of waste paper	(37)

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

a) Current Quarter against Previous Year Corresponding Quarter

Group's revenue for the fourth quarter ended 31 December 2011 increased by 9.2% or RM8.3 million to RM98.0 million from RM89.7 million in the preceding year corresponding quarter. This growth was attributable to the increase in sales under a major customer's contract.

Profit before tax for the fourth quarter ended 31 December 2011 was higher at RM8.9 million as compared to the preceding year corresponding quarter of RM5.2 million. The increase of RM3.7 million or 70.6% for the quarter under review were due to an improvement in revenue, operating margins, higher other income and profits from an associate company.

Performance of the respective operating business segments for the fourth quarter ended 31 December 2011 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Gravure printing – Pre-tax profit increased by RM7.1 million to RM5.9 million, mainly due to higher revenue from the tobacco packaging contributed by stronger sales from the launching of new products for our customer's markets in the Asia Pacific. The loss incurred in preceding year corresponding quarter was due to the production difficulties on new product development and inadequate capacity.

2. Litho printing – Pre-tax profit increased marginally by RM94,000 or 2.7% to RM3.6 million, mainly due to new design launches of packaging materials for the festive seasons.

3. Trading – Pre-tax profit (before elimination of inter-segment profits) increased by RM4.2 million or 72.6% to RM10.0 million due to the higher discounts earned on sub-contract price for the export of packaging materials.

b) Current Year-to-date against Previous Year-to-date

Group's revenue for the financial year ended 31 December 2011 of RM388.6 million was RM33.9 million or 9.6% higher than the previous corresponding period of RM354.7 million.

Profit before tax for the financial year ended 31 December 2011 improved by RM22.4 million or 106.2% to RM43.5 million as compared to the previous corresponding period of RM21.1 million. This improvement was a result of higher revenue and continued focus on operational efficiencies with the capacity investments completed in 2011. There was also a gain of RM1.4 million from the sale of land and building and the absence of one-off costs in 2010 related to capacity constraints.

1. Gravure printing – Pre-tax profit increased by RM14.4 million or 71.3% to RM34.5 million, mainly due to higher revenue from the tobacco packaging contributed by stronger sales from the launching of new products and designs for our customer's markets in the Asia Pacific and improved operational efficiencies in production planning with the increased machine capacity.

2. Litho printing – Pre-tax profit increased by RM5.8 million or 53.4% to RM16.6 million, mainly due to increase in revenue from the new design launches of packaging materials.

3. Trading – Pre-tax profit (before elimination of inter-segment profits) increased by RM25.9 million or 252.5% to RM36.1 million due to the higher discounts earned on sub-contract price from the export of packaging materials.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's revenue decreased from RM101.6 million to RM98.0 million as compared to the preceding quarter. The reduction of RM3.6 million was mainly due to lower sales from the export market in Australia in view of lower demand and shorter production days in December 2011.

Profit before tax decreased by RM4.6 million or 34.2% to RM8.9 million as compared to RM13.5 million for the preceding quarter. The drop in profit was due to lower revenue and a one off impairment loss of RM1.3 million mainly in respect of the carrying amount of the property held in Australia. There was also a foreign exchange gain of RM1.6 million in the preceding quarter in relation to the short term loan granted to its 51% owned subsidiary, Max Ease International Limited. This amount was subsequently repaid in October 2011.

B3. Current Year Prospects

Global economic conditions in 2012 are expected to remain challenging. However, growth momentum in the Asia Pacific's emerging and developing economies is expected to continue, supported by domestic demand. TWPH's business is largely dependent on our key customers' markets which are situated mainly in the Asia Pacific.

Sales to our key customers and the tobacco industry in general are expected to be largely stable. With the capacity investments made, the Group is now well positioned to meet new demands.

On 1 December 2011, the Tobacco Plain Packaging Act 2011 ("the TPP Act") received Royal Assent and became law in Australia which would require tobacco companies to use plain packaging carrying graphic health warnings for the Australian tobacco market by 1 December 2012. The TPP Act is now being challenged by various parties through the courts and a decision is expected around the middle of 2012. The Group is following closely with industry players on this change.

The Group continues to be exposed to the impact from foreign currency fluctuations from operations. The impact is largely mitigated by transacting in the operating units local currency and a mechanism to mitigate foreign currency fluctuations.

The Directors are of the opinion that the outlook for 2012 remains positive. With the capacity investments completed, the Company will be able to cater for current demand and at the same time exploit for new opportunities.

B4. Profit Forecast

None.

B5. Tax Expense

	4th Quarter ended 31 December		12 months ended 31 December	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Income tax expense				
- Current year	842	(666)	6,884	2,643
- Prior year	(21)	-	(65)	(172)
	821	(666)	6,819	2,471
Deferred tax				
- Origination and reversal of temporary differences	(1,063)	4	(580)	(96)
- Prior year	(47)	(163)	8	(163)
	(289)	(825)	6,247	2,212

The Group's effective tax rate for the twelve months ended 31 December 2011 was lower than the Malaysian statutory tax rate of 25% due to effects of lower tax rates in certain tax jurisdictions and effects of certain foreign sourced income which are not subject to tax during the financial year under review.

B6. Status of corporate proposals announced

The Group does not have any corporate proposal which have not been completed as at the date of this announcement.

B7. Borrowings and Debt Securities

	As at 31 December 2011		
	RM'000 Secured	RM'000 Unsecured	RM'000 Total
Short-term borrowings			
Borrowings – Term Loans	2,383	2,230	4,613
Borrowings – Revolving Credits	6,454	3,812	10,266
Borrowings – Working Capital	3,938	36,828	40,766
Sub-totals	12,775	42,870	55,645
Long-term borrowings			
Borrowings – Term Loans	2,605	4,571	7,176
Borrowings – Revolving Credits	38,723	10,343	49,066
Sub-totals	41,328	14,914	56,242
Grand total	54,103	57,784	111,887

Secured short-term and long-term borrowings due to the banks were secured by inventories and tangible fixed assets of APT, shares of Anzpac Services (Australia) Pty. Ltd and assignment of future proceeds by MEIL from the disposal of land and buildings owned by Anzpac.

Group's borrowings in Ringgit Malaysia equivalent analysed by currencies in which the borrowings are denominated were as follows:-

	As at 31 December 2011	
	Long- term borrowings	*Short-term borrowings*
	RM'000	RM'000
Ringgit Malaysia	-	14,900
Australian Dollar	38,723	6,454
United States Dollar	17,519	34,291
Total	56,242	55,645

On 3 October 2011, the Group has converted its foreign currency revolving credit of Euro loan to USD loan. The loan was in relation to the purchase of a printing machine in Vietnam.

B8. Derivatives

As at 31 December 2011, there were no forward foreign exchange contracts for purchase or sale.

B9. Changes in Material Litigation

As at the date of issuance of this quarterly report, the Company was not engaged in any material litigation.

B10. Dividends

(a) The Directors have recommended the payment of a first and final dividend of 17.0 sen gross per ordinary share of RM1.00 each less income tax of 25% totalling RM12,303,113 in respect of the financial year ended 31 December 2011. The proposed first and final dividend will be subject to the shareholders' approval at the forthcoming Annual General Meeting.

(b) Since the end of the previous financial year, the Company had on 30 June 2011 paid a final dividend of 14.8 sen gross per share, less tax of 25% totalling RM10,710,945 in respect of the financial year ended 31 December 2010.

(c) The entitlement and date payable for the dividend in respect of the financial year ended 31 December 2011 will be announced at a later date.

B11. Earnings per share

a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders over the weighted average number of ordinary shares outstanding.

	12 months ended 31/12/2011	12 months ended 31/12/2010
	RM'000	RM'000
Profit attributable to equity holders of the Company	25,920	13,821
Weighted average number of ordinary shares in issue	96,495	81,409
Basic earnings per share (sen)	26.86	16.98

b) Diluted earnings per share

Not applicable for the Group

B12. Retained Profits

Total retained profits of the Group and its subsidiaries:-

	As at 31/12/2011 RM'000	As at 31/12/2010 RM'000
Realised	243,159	212,042
Unrealised	(25,139)	(25,060)
Total retained profits	218,020	186,982
Total share of retained profits of associate		
Realised	10,160	8,135
Unrealised	(586)	(556)
Total retained profits	9,574	7,579
Consolidated adjustments	(143,829)	(126,005)
Total retained profits	83,765	68,556

B13. Auditor's Report on Preceding Annual financial Statements

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2010 was unqualified.

B14. Additional Disclosures

	Current Quarter Ended 31/12/2011 RM'000	12 months Ended 31/12/2011 RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	786	3,062
Depreciation of property, plant and equipment	5,665	22,130
Impairment loss on property, plant and equipment	-	1,333
Inventories written off	616	752
and after crediting:-		
Gain on disposal of property, plant and equipment	6	1,492
Net foreign exchange gain	524	413

Other than the above, there was no impairment loss on trade receivables, gain or loss on disposal of quoted or unquoted securities or investments, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial year ended 31 December 2011.