<u>Notes to the Interim Financial Statements for the quarter ended 30 June 2015</u>

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

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 2014. The explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

A2. Significant Accounting Policies

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group, except as mentioned below:

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15 and MFRS 9.

A3. Audit Report Qualification and Status of Matters Raised

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

A4. Seasonal or Cyclical Nature of Operations

The operations of the Group were not affected by seasonal or cyclical factors.

A5. Items of Unusual Nature

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

A6. 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-to-date under review.

A7. Changes in Debt and Equity Securities

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

A8. Dividends Paid

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

	6 months ended 30 June	
	2015 RM'000	2014 RM'000
Final paid on 25 June 2015 in respect of the financial year ended 31 December 2014 – final single-tier tax exempt dividend of 4.00 sen per ordinary share	3,860	-
	3,860	-

A9. Operating Segments

The Group has two reportable segments, as described below which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic business units, reflect the Group's management structure and the way financial information is regularly reviewed by the Board of Directors.

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

Printing: Rotogravure and photo-lithography printing specialising in cigarette cartons, consumer goods packaging, advertising materials and packaging services in general.

Trading: Trading of cigarette packaging cartons.

Other non-reportable segments comprise operations related to investment holdings and property investments.

For the six months ended 30 June

	Printing		**Trading**		**Total**	
	RM '000	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue						
External revenue	72,718	79,982	101,319	97,424	174,037	177,406
Inter-segment revenue	96,993	92,791	5,222	3,082	102,215	95,873
Total revenue	169,711	172,773	106,541	100,506	276,252	273,279
Segment profit	13,928	29,141	9,665	7,304	23,593	36,445
Segment	395,766	421,244	196,804	179,323	592,570	600,567

assets

Reconciliation of reportable segment profit or loss	6 months ended 30/06/2015 RM'000	6 months ended 30/06/2014 RM'000
Total profit for reporting segments	23,593	36,445
Other non-reportable segments	(280)	1,318
Elimination of inter-segment profits	1,142	(8,410)
Depreciation and amortization	(19,350)	(15,273)
Finance costs	(1,290)	(1,269)
Finance income	546	487
Share of profit of associate not included in reportable segments	2,591	2,096
Consolidated profit before tax	6,952	15,394

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 3 August 2015.

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

There were no material changes in the contingent liabilities since the last audited statement of financial position as at 31 December 2014.

A13. Capital Commitments

	6 months ended 30 June 2015 RM'000
Property, plant and equipment	
- Authorised but not contracted for	10,861
- Contracted but not provided for	-
	10,861

A14. 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.

	6 months ended 30 June 2015 RM '000
New Toyo International Holdings Ltd	
- Management fees	1,054
- Interest paid	259
New Toyo International Co. (Pte) Ltd	
- Sales	(4,976)
- Purchases	3,034
Alliance Innovative Solutions Pte Ltd	
- Purchases	147
Paper Base Converting Sdn Bhd	
- Purchases	248
Vina Toyo Company Ltd	
- Purchases	34
Toyoma Non-Carbon Paper Manufacturer Sdn Bhd	
- Rental of warehouse	349
New Toyo Pulppy (Hong Kong) Ltd	
- Outsourcing of sales administrative and accounting work	169

A15. Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Group uses the following hierarchy in determining the fair value of all financial instruments at fair value:

Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3: Fair value is estimated using unobservable inputs for the financial assets and liabilities.

As at 30 June 2015, the Group held the following financial liabilities that are not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
- Bank loans	-	-	75,960	75,960	77,742
- Finance lease liabilities	-	-	23	23	25
- Holding company	-	-	27,529	27,529	32,837

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

Revenue

Group's revenue for the second quarter ended 30 June 2015 reduced by 7.9% or RM7.4 million to RM86.5 million from RM93.9 million in the preceding year corresponding quarter. The current quarter results were affected by sluggish demand in certain cigarette brand related packaging products.

Profit before tax

Profit before tax of RM5.8 million for the second quarter ended 30 June 2015 was lower by RM2.9 million or 33.3% as compared to the preceding year corresponding quarter of RM8.7 million.

The aforesaid unfavorable results for the quarter were impacted by lower revenue as explained above and lower gross profit margin as a result of change in product mix of products with higher cost of sales.

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

Group's revenue for the six months ended 30 June 2015 of RM174.0 million was RM3.4 million or 1.9% lower than the previous corresponding period of RM177.4 million.

Profit before tax for the six months ended 30 June 2015 decreased by RM8.4 million or 54.5% to RM7.0 million as compared to the previous corresponding period of RM15.4 million.

The Board had in August 2014 approved a restructuring of the production footprint within the Group to improve strategic positioning to service the customers and reduce operating costs over the longer term. As a consequence of the restructuring, a redundancy expense of RM6.9 million was recognised in the first quarter 2015. There was also a write down of inventories to net realizable value of RM200,000 for the six months ended 30 June 2015.

Like-for-like comparison excluding these expenses, the profit before tax for the current quarter year-to-date was at RM14.1 million, which is marginally lower than the preceding year corresponding quarter of RM15.4 million.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's revenue decreased from RM87.5 million to RM86.5 million or 1.1% as compared to the preceding quarter.

Profit before tax was at RM5.8 million as compared to RM1.2 million for the preceding quarter, an increase of 4.6 million or 383.3%.

The profits for the preceding quarter were impacted by redundancy expense and write down of inventories as mentioned above.

B3. Current Year Prospects

The Directors are of the opinion that the outlook for 2015 remains challenging as demand from existing markets is not expected to show any significant increase. However, the Group is working on several potential opportunities which could lead to volume growth in new geographical segments.

B4. Profit Forecast

None

B5. Tax Expense

	2nd quarter ended 30 June		6 months ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax expense				
- Current year	294	2,731	459	4,112
- Prior year	22	16	29	16
	316	2,747	488	4,128
Deferred tax				
- Origination and reversal of temporary differences	224	(658)	465	(736)
	540	2,089	953	3,392

The Group's effective tax rate for the six months ended 30 June 2015 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

Except as disclosed below, there was no other corporate proposals announced but not completed as at to-date:-

On 25 May 2015, the Company ("TWPH") announced that it had on 24 May 2015 entered into a strategic joint venture agreement ("Proposed Joint Venture") with Toyo (Viet) Paper Product Co. Ltd ("TVP") and Dong Nai Food Industrial Corporation Vietnam ("DOFICO") vide sale of 50% of TVP to DOFICO for an estimate total cash consideration of USD1.6 million to secure DOFICO print packaging volume. TVP shall be recognised as a Jointly Controlled Entity of TWPH upon completion of the Proposed Joint Venture.

Completion of the Proposed Joint Venture shall take place on the date on which:-

a) all the condition precedents have been fulfilled to the satisfaction of TWPH or waived by TWPH; and
b) an amended investment certificate has been issued by the lawful State Authority of Vietnam to TVP according to which TVP has been recognised as the joint venture limited liability company with two members and each of TWPH and DOFICO holds 50% of the Charter Capital respectively.

B7. Borrowings and Debt Securities

	As at 30 June 2015		
	RM'000 Secured	RM'000 Unsecured	RM'000 Total
Short-term borrowings			
Borrowings – Revolving Credits	-	7,070	7,070
Borrowings – Finance lease liabilities	11	-	11
Borrowings – Term loan	-	775	775
Borrowings – Working Capital	320	56,909	57,229
Sub-totals	331	64,754	65,085
Long-term borrowings			
Borrowings – Revolving Credits	-	11,987	11,987
Borrowings – Finance lease liabilities	14	-	14
Borrowings – Term loan	-	681	681
Sub-totals	14	12,668	12,682
Grand total	345	77,422	77,767

The secured short-term borrowings due to the banks are secured by inventories and tangible fixed assets of APT.

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

	As at 30 June 2015	
	Long- term borrowings RM'000	*Short-term borrowings* RM'000
Ringgit Malaysia	14	12,511
United States Dollar	12,668	52,574
Total	12,682	65,085

B8. Derivatives

As at 30 June 2015, there were no forward foreign exchange contracts for purchases or sales.

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 declared an interim single-tier dividend of 4.00 sen per ordinary share in respect of the financial year ending 31 December 2015 (2014: Interim single-tier dividend of 3.00 sen per ordinary share). The payment date for the interim dividend in respect of the financial year ending 31 December 2015 is on 29 October 2015. In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 1 October 2015.

b) The Company had on 25 June 2015 paid a final dividend of 4.00 sen single-tier tax exempt dividend per share totaling RM3,859,800 in respect of the financial year ended 31 December 2014.

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.

	6 months ended 30/06/2015	6 months ended 30/06/2014
Profit attributable to equity holders of the Company (RM'000)	7,586	9,080
Weighted average number of ordinary shares in issue ('000)	96,495	96,495
Basic earnings per share (sen)	7.86	9.41

b) Diluted earnings per share

Not applicable for the Group.

B12. 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 2014 was unqualified.

B13. Profit for the period

	Current Quarter Ended 30/06/2015 RM'000	6 months Ended 30/06/2015 RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	2,141	4,274
Depreciation of property, plant and equipment	8,858	15,076
Inventories written off	122	125
Redundancy expense	177	7,083
Allowance for write down of inventories to net realisable value	(200)	200
Loss on disposal of property, plant and equipment	-	17
and after crediting:-		
Gain on disposal of property, plant and equipment	-	15
Reversal of allowance for inventories obsolescence	2	2
Net foreign exchange gain	308	116

Other than the above, there was no 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 period ended 30 June 2015.

B14. Retained Profits

The Group's breakdown of realised and unrealised retained profits are disclosed as follows:

	As at 30/06/2015 RM'000	As at 30/06/2014 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	242,399	240,650
Unrealised	(32,086)	(27,450)
Total retained profits	210,313	213,200
Total share of retained profits of associate		
Realised	21,243	16,945
Unrealised	(489)	(400)
Total retained profits	20,754	16,545
Consolidated adjustments	(108,493)	(106,287)
Total Group retained profits as per consolidated interim financial statements	122,574	123,458

B15. Comparative figures

During the year, certain spare parts that met MFRS 116 definition of property, plant and equipment were reclassified for presentation purposes from inventory to property, plant and equipment in the statement of financial position and statement of cash flows. Accordingly, the comparative figures have been reclassified to conform to the current year's presentation.

Statement of Financial Position	As at 31/12/2014	
	As restated	As previously stated
	RM'000	RM'000
Property, plant and equipment	236,965	231,539
Inventories	78,546	83,972

Statement of Cash Flows	6 months ended 30 June 2014	
	As restated	As previously stated
	RM'000	RM'000
Depreciation of property, plant and equipment	12,005	10,620
Increase in inventories	3,658	4,545
Acquisition of property, plant and equipment	16,154	13,976
Effect of exchange rate fluctuations on cash held	3,978	4,074

The reclassification has no impact to the statement of profit or loss and comprehensive income.