



**NEW TOYO INTERNATIONAL HOLDINGS LTD**  
(Registration Number: 199601387D)

**Second Quarter Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Financial statements for the three months period ended 30 June 2008

		Group		
		S\$'000	S\$'000	%
		3 mths ended 30.06.2008	3 mths ended 30.06.2007	
Revenue	1	50,940	57,126	(10.8)
Cost of sales		(43,028)	(48,975)	(12.1)
<b>Gross profit</b>		<b>7,912</b>	<b>8,151</b>	(2.9)
Other operating income	2	718	2,878	(75.1)
Distribution expenses		(1,160)	(1,342)	(13.6)
Administrative expenses		(3,167)	(4,284)	(26.1)
Net foreign exchange loss		(636)	(313)	103.2
Other operating expenses		(84)	(203)	(58.6)
<b>Results from operating activities</b>		<b>3,583</b>	<b>4,887</b>	(26.7)
Finance costs	3	(670)	(1,627)	(58.8)
Share of results of associates		2,311	1,337	72.8
<b>Profit before income tax</b>		<b>5,224</b>	<b>4,597</b>	13.6
Income tax expense		(668)	(499)	33.9
<b>Profit for the year</b>		<b>4,556</b>	<b>4,098</b>	11.2
<b>Attributable to :</b>				
Equity holders of the Company		3,431	3,576	(4.1)
Minority interests		1,125	522	115.5
		<b>4,556</b>	<b>4,098</b>	11.2

**Notes :**

- 1) The 10.8% decrease in turnover is attributed mainly to the divestment of subsidiaries in year 2007
- 2) The gain in FY2007 is mainly from the divestment of subsidiaries.
- 3) The 58.8% decrease in Finance costs is a result of the lower borrowings.

1(a)(ii) Profit and Loss Account Items Required to be Disclosed

		Group		
		S\$'000	S\$'000	%
		3 mths ended 30.06.2008	3 mths ended 30.06.2007	
Other income including interest income		701	732	(4.2)
Interest on borrowings		(670)	(1,627)	(58.8)
(Allowance for)/reversal of inventory obsolescence		(85)	65	n.m
Depreciation of investment properties		(115)	-	n.m
Depreciation of property, plant and equipment		(1,438)	(2,910)	(50.6)
Gain on disposal of property, plant and equipment		17	212	(92.0)
Reversal of impairment loss for doubtful trade receivables		8	37	(78.4)
Impairment loss on property, plant and equipment		(2)	-	n.m
Inventory written off		(18)	-	n.m
Gain on disposal of subsidiaries		-	2,146	-
Net foreign exchange loss		(637)	(313)	103.7
Property, plant and equipment write-off		(5)	-	n.m
(Under)/over provision of tax in respect of prior years		(17)	26	n.m

n.m. - not meaningful

1(b)(i) Balance sheets (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Note	Group		Company	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
<b>Non-current assets</b>				
Property, plant and equipment	61,048	70,568	72	113
Investment properties	8,282	8,652	-	-
Subsidiaries	-	-	83,934	83,606
Associates	44,615	28,682	1,294	1,294
Other investments	2,456	11,387	154	8,788
Goodwill on consolidation	3,641	3,647	-	-
Deferred tax assets	709	568	-	-
	<b>120,751</b>	<b>123,504</b>	<b>85,454</b>	<b>93,801</b>
<b>Current assets</b>				
Inventories	25,124	28,998	-	-
Trade and other receivables	56,604	50,442	26,320	18,901
Cash and cash equivalents	16,937	13,562	78	392
	<b>98,665</b>	<b>93,002</b>	<b>26,398</b>	<b>19,293</b>
<b>Total assets</b>	<b>219,416</b>	<b>216,506</b>	<b>111,852</b>	<b>113,094</b>
<b>Equity attributable to equity holders of the company</b>				
Share capital	112,571	112,571	112,571	112,571
Other reserves	(7,216)	(5,151)	77	77
Accumulated profit /(losses)	3,824	(625)	(23,975)	(26,166)
	<b>109,179</b>	<b>106,795</b>	<b>88,673</b>	<b>86,482</b>
<b>Minority interests</b>	29,039	29,963	-	-
<b>Total Equity</b>	<b>138,218</b>	<b>136,758</b>	<b>88,673</b>	<b>86,482</b>
<b>Non-current liabilities</b>				
Trade and other payables	552	1,039	3,893	12,770
Interest-bearing liabilities	5,001	9,171	-	1,198
Deferred tax liabilities	4,286	4,443	11	11
	<b>9,839</b>	<b>14,653</b>	<b>3,904</b>	<b>13,979</b>
<b>Current liabilities</b>				
Trade and other payables	25,819	26,070	2,749	5,560
Interest-bearing liabilities	43,409	37,089	16,526	7,073
Current tax payable	2,131	1,936	-	-
	<b>71,359</b>	<b>65,095</b>	<b>19,275</b>	<b>12,633</b>
<b>Total liabilities</b>	<b>81,198</b>	<b>79,748</b>	<b>23,179</b>	<b>26,612</b>
<b>Total equity and liabilities</b>	<b>219,416</b>	<b>216,506</b>	<b>111,852</b>	<b>113,094</b>

**Notes :**

- 1) The decrease in other investments is due to sale of JZLM shareholdings to SAH in return for additional SAH shares. Thus, lead to increase in investment in associates
- 2) Trade and other receivables has increased mainly due to deposit placed with suppliers.
- 3) Please see paragraph 1(d) for details

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30.06.2008		As at 31.12.2007	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less, or on demand</b>	3,691	39,718	10,556	26,533

	As at 30.06.2008		As at 31.12.2007	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable after one year</b>	1,886	3,115	7,658	1,513

**Details of any collateral**

The secured bank loans are secured on plant and machinery, leasehold land and buildings, inventories, trade receivables and shares in a subsidiary.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Cashflow Statement for period ended 30.06.2008**

	<b>3 mths ended 30.06.2008 S\$'000</b>	<b>3 mths ended 30.06.2007 S\$'000</b>
<b>Operating activities</b>		
Profit before income tax	5,224	4,597
<b>Adjustments for :</b>		
Changes in fair value of investment in unit trust	-	87
Depreciation of property, plant and equipment	1,438	2,910
Depreciation of investment properties	115	-
Dividend income	(7)	(19)
Gain on disposal of property, plant and equipment	(17)	(212)
Gain on disposal of subsidiaries	-	(2,146)
Impairment loss on property, plant and equipment	2	-
Interest income	(141)	(106)
Interest expense	670	1,627
Inventories written off	18	-
Property, plant and equipment written off	5	-
Share of results of associates	(2,311)	(1,337)
<b>Operating profit before working capital changes</b>	<b>4,996</b>	<b>5,401</b>
<b>Changes in working capital :</b>		
Inventories	35	(22)
Trade and other receivables	(4,174)	(4,132)
Trade and other payables	6,139	3,811
<b>Cash generated from operations</b>	<b>6,996</b>	<b>5,058</b>
Income taxes paid	(534)	(310)
<b>Cash inflows from operating activities</b>	<b>6,462</b>	<b>4,748</b>
<b>Investing activities :</b>		
Dividends received	7	19
Dividends received from associates	1,987	2,764
Interest received	141	106
Purchase of club membership	(252)	-
Purchase of property, plant and equipment	(666)	(3,835)
Proceeds from disposal of property, plant and equipment	259	125
Proceeds from disposal of subsidiaries	898	4,029
Net cash outflow from disposal of investment in subsidiaries	-	(2,181)
<b>Cash outflows from investing activities</b>	<b>2,374</b>	<b>1,027</b>
<b>Financing activities :</b>		
Dividends paid to shareholders	(3,021)	(990)
Dividends paid to minority shareholders	(1,139)	(1,605)
Interest paid	(670)	(1,627)
Principal payments under hire purchase obligations	(24)	(49)
Proceeds from bank borrowings	7,612	8,761
Repayment of bank borrowings	(9,262)	(12,343)
<b>Cash flows from financing activities</b>	<b>(6,504)</b>	<b>(7,853)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,332</b>	<b>(2,078)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,958</b>	<b>23,964</b>
<b>Effect of exchange rate changes on balances held in foreign currency</b>	<b>388</b>	<b>(82)</b>
<b>Cash and cash equivalents at end the period</b>	<b>14,678</b>	<b>21,804</b>
<b>Represented By :</b>		
Deposits with financial institutions	7,922	12,477
Cash at banks and in hand	9,015	11,922
Bank overdrafts	(2,259)	(2,595)
	<b>14,678</b>	<b>21,804</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a

	Share capital S\$'000	Capital reserves S\$'000	Other reserve S\$'000	Currency translation reserves S\$'000	Fair Value reserves S\$'000	Revaluation reserves S\$'000	Accumulated profit / (losses) S\$'000	Total S\$'000	Minority Interests S\$'000	Total Equity S\$'000
<b>The Group</b>										
<b>At 1 April 2007</b>	112,571	993	77	(9,043)	528	866	(9,167)	<b>96,825</b>	34,555	<b>131,380</b>
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	1,479	-	-	-	<b>1,479</b>	338	<b>1,817</b>
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(1,297)	<b>(1,297)</b>
Changes in revaluation reserve	-	-	-	-	-	132	-	<b>132</b>	-	<b>132</b>
<i>Net gains/(losses) recognised directly in equity</i>	-	-	-	<i>1,479</i>	-	<i>132</i>	-	<i><b>1,611</b></i>	<i>(959)</i>	<i><b>652</b></i>
Net profit for the period	-	-	-	-	-	-	3,576	<b>3,576</b>	522	<b>4,098</b>
Total Recognised gain/(loss) for the period	-	-	-	1,479	-	132	3,576	<b>5,187</b>	(437)	<b>4,750</b>
Dividends paid	-	-	-	-	-	-	(990)	<b>(990)</b>	-	<b>(990)</b>
Dividends paid to minority interests	-	-	-	-	-	-	-	-	(1,605)	<b>(1,605)</b>
<b>At 30 June 2007</b>	<b>112,571</b>	<b>993</b>	<b>77</b>	<b>(7,564)</b>	<b>528</b>	<b>998</b>	<b>(6,581)</b>	<b>101,022</b>	<b>32,513</b>	<b>133,535</b>
<b>At 1 April 2008</b>	112,571	993	77	(7,857)	245	-	3,414	109,443	30,193	139,636
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	(674)	-	-	-	<b>(674)</b>	(1,140)	<b>(1,814)</b>
<i>Net gains/(losses) recognised directly in equity</i>	-	-	-	<i>(674)</i>	-	-	-	<i>(674)</i>	<i>(1,140)</i>	<i>(1,814)</i>
Net profit for the period	-	-	-	-	-	-	3,431	<b>3,431</b>	1,125	<b>4,556</b>
Total Recognised gain/(loss) for the year	-	-	-	(674)	-	-	3,431	<b>2,757</b>	(15)	<b>2,742</b>
Dividends paid	-	-	-	-	-	-	(3,021)	<b>(3,021)</b>	-	<b>(3,021)</b>
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	(1,139)	<b>(1,139)</b>
<b>At 30 June 2008</b>	<b>112,571</b>	<b>993</b>	<b>77</b>	<b>(8,531)</b>	<b>245</b>	<b>-</b>	<b>3,824</b>	<b>109,179</b>	<b>29,039</b>	<b>138,218</b>
<b>The Company</b>										
<b>At 1 April 2007</b>	112,571	-	77	-	-	-	(42,354)	<b>70,294</b>	-	<b>70,294</b>
Net loss for the period	-	-	-	-	-	-	(387)	<b>(387)</b>	-	<b>(387)</b>
Dividends paid	-	-	-	-	-	-	(990)	<b>(990)</b>	-	<b>(990)</b>
<b>At 30 June 2007</b>	<b>112,571</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,731)</b>	<b>68,917</b>	<b>-</b>	<b>68,917</b>
<b>At 1 April 2008</b>	112,571	-	77	-	-	-	(21,562)	<b>91,086</b>	-	<b>91,086</b>
Net profit for the period	-	-	-	-	-	-	608	<b>608</b>	-	<b>608</b>
Dividends paid	-	-	-	-	-	-	(3,021)	<b>(3,021)</b>	-	<b>(3,021)</b>
<b>At 30 June 2008</b>	<b>112,571</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,975)</b>	<b>88,673</b>	<b>-</b>	<b>88,673</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30.06.08	As at 31.12.07
Total number of issued shares	274,640,377	274,640,377

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

**2 Financial statements for the three months period ended 31 March 2008**

These figures have not been audited or reviewed.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2007.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for; and the effect of, the change.**

The Amendments and Interpretations to the Singapore Financial Reporting Standards ("FRSs") for the periods effective from 1 January 2008 are currently being assessed to have no material impact on the Group results.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	3 mths ended 30.06.2008	3 mths ended 30.06.2007
Earnings per share for the period		
(i) Based on existing issued share capital	1.25 cts	1.30 cts
(ii) On a fully diluted basis	1.25 cts	1.30 cts

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
Net asset value per ordinary share based on existing share capital as at of the year reported on	39.75 cts	38.90 cts	32.29 cts	31.49 cts

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

The New Toyo Group's turnover declined 10.8% to \$50.9 million in 2Q FY2008 (\$57.1 million in 2Q FY2007). This was the result of our divestment of various non-performing businesses. However, gross profit margin increased to 15.5% in 2Q FY2008 (14.3% in 2Q FY2007). Profit before tax increased 13.6% to \$5.2 million in 2Q FY2008 (\$4.6 million in 2Q FY2007). The comparative FY2007 profit before tax included a one-off gain of S\$2.1 million from the divestment of subsidiaries.

**Turnover**

The turnover for all business divisions, except the Corrugated Containers Business, were higher as compared to the previous corresponding period.

**Printed Cartons & Labels Division**

The turnover of the Printed Cartons & Labels Division increased to \$17.6 million in 2Q FY2008 (\$16.9 million in 2Q FY2007), accounting for 34.6% (29.6% in 2Q FY2007) of the Group's turnover.

**Specialty Papers Division**

The turnover of the Specialty Papers Division increased to \$22 million in 2Q FY2008 (\$21.3 million in 2Q FY2007), accounting for 43.2% (37.3% in 2Q FY2007) of the Group's turnover.

**Corrugated Containers Division**

The turnover of the Corrugated Containers Division was \$1.6 million in 2Q FY2008 (\$11.1million in 2Q FY2007), accounting for 3.1% (19.5% in 2Q FY2007) of the Group's turnover. The significant reduction in turnover was a result of the divestment in the business.

**Trading**

The turnover of the Trading Division increased to \$9.7 million in 2Q FY2008 (\$7.3 million in 2Q FY2007), representing 19.1% (12.9% in 2Q FY2007) of the Group's turnover.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable

**10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The global economy remains volatile dampened by the slowdown in the US and European markets. This will flow through into our industry making the market conditions very challenging. The company will continue with its rationalisation to better focus on its core business, improve business efficiency and take advantage of any new strategic opportunities that may arise. Barring unforeseen circumstances, the Directors are optimistic regarding the Group's future performance.

**11 Dividend**

**(a) Current Financial Period Reported On**

Yes

	<u>Ordinary</u>
Name of Dividend	Interim tax exempt (1-tier)
Dividend Type	Cash
Dividend Amount	1.10 cts per ordinary share
Tax Rate	0.00%

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Yes

	<u>Ordinary</u>
Name of Dividend	Interim tax exempt (1-tier)
Dividend Type	Cash
Dividend Amount	0.73 cts per ordinary share
Tax Rate	0.00%

**(c) Date payable**

To be announced

**(d) Books closure date**

To be announced

**12 If no dividend has been declared/recommended, a statement to that effect**

Not applicable

**13 Confirmation By the Board**

The Directors of New Toyo International Holdings Ltd (the “Company”), do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 2Q FY2008 financial to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD

**Gary Yen**

Executive Director / Chief Executive Officer

8 August 2008