
**FINANCIAL STATEMENTS
ANNOUNCEMENT**

for the period ended 31 March 2011

A D V A N C I N G



Unaudited results for the first quarter and period ended 31 March 2011

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

Consolidated Income Statement

	Note	Group		Change %
		3-months 31/03/11	3-months 31/03/10	
		Unaudited S\$'000	Unaudited S\$'000	
Revenue		67,533	69,228	(2.4)
Cost of sales		(56,243)	(58,954)	(4.6)
Gross profit		11,290	10,274	9.9
Other operating income	1	1,258	1,527	(17.6)
Distribution expenses	2	(2,162)	(1,913)	13.0
Administrative expenses	3	(4,862)	(4,353)	11.7
Net foreign exchange loss	4	(1,668)	(218)	n.m
Other operating expenses		(318)	(211)	50.7
Operating profit		3,538	5,106	(30.7)
Finance income		115	72	59.7
Finance expense		(1,020)	(1,135)	(10.1)
Net finance expenses		(905)	(1,063)	(14.9)
Share of profit of associates		1,954	1,851	5.6
Profit before taxation		4,587	5,894	(22.2)
Taxation	5	(900)	(1,037)	(13.2)
Profit for the period		3,687	4,857	(24.1)
Attributable to :				
Equity holders of the Company		3,086	4,209	(26.7)
Non-controlling interests		601	648	(7.3)
Profit for the period		3,687	4,857	(24.1)

Statement of Comprehensive Income

	Note	Group		Change %
		3-months 31/03/11	3-months 31/03/10	
		Unaudited S\$'000	Unaudited S\$'000	
Profit for the period		3,687	4,857	(24.1)
Other comprehensive income				
Translation difference relating to financial statement of foreign subsidiaries and associates	6	(1,938)	2,971	(165.2)
Other comprehensive income for the period, net of tax		(1,938)	2,971	(165.2)
Total comprehensive income for the period		1,749	7,828	(77.7)
Attributable to :				
Equity holders of the Company		1,379	5,756	(76.0)
Non-controlling interests		370	2,072	(82.1)
Total comprehensive income for the period		1,749	7,828	(77.7)

n.m. - not meaningful

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

Notes :

- 1) The higher other operating income in Q1FY2010 was mainly due to a gain on the disposal of investment property.
- 2) The increase in distribution expenses was mainly due to increases in freight charges and sales related expenses.
- 3) The increase in administrative expenses was mainly due to increases in manpower and human resource related expenses.
- 4) The increase in net foreign exchange loss was mainly due to the weakening of US dollar against Singapore dollar, Ringgit Malaysia and Australian dollar; and the weakening of Vietnamese dong against US dollar.
- 5) Lower effective tax rate was mainly due to higher contribution from operations in countries with lower effective tax rate.
- 6) The movement was a result of foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the company; and the exchange differences on certain monetary items which formed part of the Group's net investments in the foreign operations.

Disclosure to Income Statement

	Group		Change
	3-months 31/03/11 Unaudited S\$'000	3-months 31/03/10 Unaudited S\$'000	
Other income including interest income	1,362	999	36.3
Interest on borrowings	(1,020)	(1,135)	(10.1)
Allowance for inventory obsolescence	(50)	-	n.m
Depreciation and amortisation	(3,111)	(2,829)	10.0
Gain on disposal of property, plant and equipment	11	127	(91.3)
Gain on disposal of investment properties	-	473	(100.0)
(Allowance for)/Reversal of impairment loss for doubtful trade receivables	(20)	72	(127.8)
Inventory written-off	(27)	(15)	80.0
Net foreign exchange loss	(1,668)	(218)	n.m
Property, plant and equipment written-off	-	(15)	(100.0)
Underprovision of tax in respect of prior years	(4)	-	n.m

n.m. - not meaningful

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

Statement of Financial Position

	Note	Group		Company	
		31/03/11 Unaudited S\$'000	31/12/10 Audited S\$'000	31/03/11 Unaudited S\$'000	31/12/10 Audited S\$'000
Non-current assets					
Property, plant and equipment		103,797	102,773	259	286
Investment properties		15,273	15,605	2,235	2,256
Subsidiaries		-	-	118,051	120,636
Associates		58,072	56,895	1,294	1,294
Other investments		2,036	2,028	626	562
Intangible assets		14,018	14,545	-	-
Deferred tax assets		2,053	2,053	-	-
		195,249	193,899	122,465	125,034
Current assets					
Inventories		46,428	49,475	-	-
Trade and other receivables		47,970	45,497	12,257	14,365
Assets held for sale	1	3,159	3,163	-	-
Cash and cash equivalents		17,525	18,635	871	451
		115,082	116,770	13,128	14,816
Total assets		310,331	310,669	135,593	139,850
Equity attributable to equity holders of the company					
Share capital		132,102	132,102	132,102	132,102
Other reserves	2	(7,191)	(5,484)	77	77
Accumulated profits/(losses)		21,907	18,821	(20,469)	(20,414)
		146,818	145,439	111,710	111,765
Non-controlling interests		35,426	35,056	-	-
Total Equity		182,244	180,495	111,710	111,765
Non-current liabilities					
Trade and other payables		819	719	-	-
Financial liabilities	3	29,334	30,045	3,248	3,441
Deferred tax liabilities		4,358	4,383	11	11
		34,511	35,147	3,259	3,452
Current liabilities					
Trade and other payables		38,307	35,255	5,399	6,759
Financial liabilities	3	54,736	59,206	15,192	17,846
Current tax payable		533	566	33	28
		93,576	95,027	20,624	24,633
Total liabilities		128,087	130,174	23,883	28,085
Total equity and liabilities		310,331	310,669	135,593	139,850

Notes :

- 1) A freehold property of TWPH being held for sale.
- 2) Please see paragraph 1(d) (i) for details.
- 3) The decrease was mainly due to the repayment of bank borrowings.

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

	As at 31/03/11		As at 31/12/10	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	14,342	40,394	14,723	44,483
Amount repayable after one year	23,783	5,551	24,924	5,121

Details of any collateral

The secured bank loans are secured on plant and machinery, freehold land and buildings, inventories, trade receivables and shares in subsidiaries and an associate.

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 Statement of Cash Flow

	3-months 31/03/11 Unaudited S\$'000	3-months 31/03/10 Unaudited S\$'000
Operating activities		
Profit before income tax	4,587	5,894
Adjustments for :		
Depreciation and amortisation	3,111	2,829
Dividend income	-	(6)
Gain on disposal of property, plant and equipment	(11)	(127)
Gain on disposal of investment properties	-	(473)
Interest income	(116)	(72)
Interest expense	1,020	1,135
Property, plant and equipment written-off	-	15
Share of profit of associates	(1,954)	(1,851)
Operating profit before working capital changes	6,637	7,344
Changes in working capital :		
Inventories	3,014	214
Trade and other receivables	(2,298)	(4,326)
Trade and other payables	3,177	3,595
Cash generated from operations	10,530	6,827
Income taxes paid	(953)	(894)
Cash flows from operating activities	9,577	5,933
Investing activities :		
Dividends received	-	6
Dividends received from associates	95	-
Interest received	116	72
Purchase of property, plant and equipment	(4,958)	(2,718)
Proceeds from disposal of property, plant and equipment	26	355
Proceeds from disposal of investment properties	-	1,385
Proceeds from disposal of subsidiaries	-	894
Cash flows used in investing activities	(4,721)	(6)
Financing activities :		
Interest paid	(1,020)	(1,135)
Principal payments under hire purchase obligations	(15)	(21)
Proceeds from bank borrowings	8,356	3,616
Repayment of bank borrowings	(12,838)	(11,290)
Cash flows used in financing activities	(5,517)	(8,830)
Net decrease in cash and cash equivalents	(661)	(2,903)
Cash and cash equivalents at beginning of period	18,411	19,394
Effect of exchange rate changes on balances held in foreign currency	(225)	279
Cash and cash equivalents at end the period	17,525	16,770
Deposits with financial institutions	345	630
Cash at banks and in hand	17,180	16,140
	17,525	16,770

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 comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity

	Share capital S\$'000	Capital reserve S\$'000	Other reserves			Accumulated (losses)/ profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total Equity S\$'000
			Other reserve S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000				
Group									
At 1 January 2010	112,571	564	77	(1,952)	246	11,606	123,112	30,826	153,938
Total comprehensive income for the period	-	-	-	1,547	-	4,209	5,756	2,072	7,828
At 31 March 2010	112,571	564	77	(405)	246	15,815	128,868	32,898	161,766
At 1 January 2011	132,102	564	77	(6,431)	306	18,821	145,439	35,056	180,495
Total comprehensive income for the period	-	-	-	(1,707)	-	3,086	1,379	370	1,749
At 31 March 2011	132,102	564	77	(8,138)	306	21,907	146,818	35,426	182,244
Company									
At 1 January 2010	112,571	-	77	-	-	(21,639)	91,009	-	91,009
Total comprehensive income for the period	-	-	-	-	-	8	8	-	8
At 31 March 2010	112,571	-	77	-	-	(21,631)	91,017	-	91,017
At 1 January 2011	132,102	-	77	-	-	(20,414)	111,765	-	111,765
Total comprehensive income for the period	-	-	-	-	-	(55)	(55)	-	(55)
At 31 March 2011	132,102	-	77	-	-	(20,469)	111,710	-	111,710

- 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.**

	As at 31/03/11	As at 31/12/10
At 1 January	439,424,603	274,640,377
Rights share (3 : 5) issued and allotted on 24 August 2010	-	164,784,226
At 31 March / 31 December	<u>439,424,603</u>	<u>439,424,603</u>

- 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 31/03/11	As at 31/12/10
Total number of issued shares	439,424,603	439,424,603

No treasury share was held by the Company as at 31 March 2011 and 31 December 2010.

- 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 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

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 a 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 2010 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2011.

- 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 adoption of the accounting standards and interpretation for the financial period beginning 1 January 2011 are not expected to have a material impact on the Group's result.

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

	Group	
	3-months 31/03/11	3-months 31/03/10
Earnings per share ("EPS") for the period		
(a) Based on the average number of ordinary share	0.70 cts	1.23 cts
(b) On a fully diluted basis	0.70 cts	1.23 cts

The EPS for the comparative period has been restated for the effect of rights issue.

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 financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31/03/11	As at 31/12/10	As at 31/03/11	As at 31/12/10
Net asset value per ordinary share based on existing share capital as at of the year reported on	33.41 cts	33.10 cts	25.42 cts	25.43 cts

The net asset value per ordinary share at the end of the current period and immediately preceding financial year have been calculated based on 439,424,603 shares.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) 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; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's turnover decreased by 2.4% to S\$67.5 million in Q1FY2011 from S\$69.2 million in Q1FY2010. This decrease was mainly due to lower contribution from the Specialty Papers Division.

The Group's profit before tax decreased by 22.2% to S\$4.6 million in Q1FY2011 from S\$5.9 million in Q1FY2010 mainly due to foreign exchange loss suffered of S\$1.7 million in Q1FY2011 compared to S\$0.2 million in Q1FY2010 (excluding the foreign exchange losses, the Group profit before tax would have been S\$6.3 million in Q1FY2011 and S\$6.1 million in Q1FY2010 respectively).

The Group's profit after tax attributable to equity holders of the Company decreased by 26.7% to S\$3.1 million in Q1FY2011 from S\$4.2 million in Q1FY2010.

Printed Cartons & Labels Division

The turnover of the Printed Cartons & Labels Division increased by 2.2% to S\$36.7 million in Q1FY2011 (S\$35.9 million in Q1FY2010), accounting for 54.4% (51.9% in Q1FY2010) of the Group's turnover.

Specialty Papers Division

The turnover of the Specialty Papers Division decreased by 13.5% to S\$19.8 million in Q1FY2011 (S\$22.9 million in Q1FY2010), accounting for 29.3% (33.1% in Q1FY2010) of the Group's turnover.

Trading Division

The turnover of the Trading Division decreased by 2.2% to S\$9.1 million in Q1FY2011 (S\$9.3 million in Q1FY2010), representing 13.5% (13.4% in Q1FY2010) 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 significant trend and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global economic conditions continue to be unpredictable. With this in mind, the Group will continue to focus on its core businesses and to take advantage of opportunities in the Asia Pacific region when they arise.

The Directors are cautiously confident regarding the Group's future performance.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommendeded, 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 unaudited financial results of the first quarter and period ended 31 March 2011 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD

Gary Yen

Executive Director / Chief Executive Officer

13 May 2011