
**FINANCIAL STATEMENTS
ANNOUNCEMENT**

for the period ended 30 September 2011

A D V A N C I N G



Unaudited results for the third quarter and period ended 30 September 2011

- 1(a) An income statement and statement of comprehensive income, or a 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			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/11	30/09/10		30/09/11	30/09/10	
Unaudited	Unaudited	%	Unaudited	Unaudited	%		
		S\$'000	S\$'000		S\$'000	S\$'000	
Revenue		67,089	70,557	(4.9)	201,313	210,427	(4.3)
Cost of sales		(54,642)	(59,469)	(8.1)	(164,195)	(177,462)	(7.5)
Gross profit		12,447	11,088	12.3	37,118	32,965	12.6
Other operating income	1	2,245	1,393	61.2	6,281	4,467	40.6
Distribution expenses	2	(2,045)	(2,410)	(15.1)	(6,305)	(6,773)	(6.9)
Administrative expenses		(5,030)	(4,973)	1.1	(14,749)	(14,233)	3.6
Net foreign exchange gain/(loss)	3	734	(568)	(229.2)	(1,038)	(754)	37.7
Other operating expenses	4	(1,011)	(486)	108.0	(1,755)	(948)	85.1
Operating profit		7,340	4,044	81.5	19,552	14,724	32.8
Finance income		123	73	68.5	358	233	53.6
Finance expenses	5	(964)	(1,228)	(21.5)	(2,997)	(3,489)	(14.1)
Net finance expenses		(841)	(1,155)	(27.2)	(2,639)	(3,256)	(18.9)
Share of profit of associates	6	2,612	1,989	31.3	6,945	5,824	19.2
Profit before taxation		9,111	4,878	86.8	23,858	17,292	38.0
Taxation	7	(985)	(626)	57.3	(2,971)	(2,297)	29.3
Profit for the period		8,126	4,252	91.1	20,887	14,995	39.3
Attributable to :							
Equity holders of the Company		6,470	3,714	74.2	16,420	12,868	27.6
Non-controlling interests		1,656	538	207.8	4,467	2,127	110.0
Profit for the period		8,126	4,252	91.1	20,887	14,995	39.3

Statement of Comprehensive Income

	Note	Group			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/11	30/09/10		30/09/11	30/09/10	
Unaudited	Unaudited	%	Unaudited	Unaudited	%		
		S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period		8,126	4,252	91.1	20,887	14,995	39.3
Other comprehensive income							
Translation difference relating to financial statement of foreign subsidiaries and associates	8	4,683	(3,416)	(237.1)	154	(2,177)	(107.1)
Other comprehensive income for the period, net of tax		4,683	(3,416)	(237.1)	154	(2,177)	(107.1)
Total comprehensive income for the period		12,809	836	n.m	21,041	12,818	64.2
Attributable to :							
Equity holders of the Company		11,086	573	n.m	17,461	9,915	76.1
Non-controlling interests		1,723	263	n.m	3,580	2,903	23.3
Total comprehensive income for the period		12,809	836	n.m	21,041	12,818	64.2

n.m. - not meaningful

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

Notes :

- 1) The increase in other operating income was mainly due to a higher fee income earned by a subsidiary and a one-off insurance claim receivable.
- 2) The decrease in distribution expenses was mainly due to lower freight charges.
- 3) The net foreign exchange gain in Q3FY2011 was mainly due to the strengthening of US dollar against the Singapore dollar, the Malaysian Ringgit and the Australian dollar.
- 4) The increase in other operating expenses was mainly due to loss of inventory and a machine caused by fire at a third party warehouse, both assets were insured and the recovery has been recognised in other operating income.
- 5) The decrease in finance expenses was mainly due to lower bank borrowings.
- 6) The increase in the share of profit of associates was mainly due to a higher contribution from Shanghai Asia Holdings Limited.
- 7) The effective tax rate in Q3FY2011 was lower than Q3FY2010 mainly due to the write-backs of prior year tax provisions, and partially offset by contributions from the operations in countries with higher effective tax rates.
- 8) 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

	Note	Group			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/11	30/09/10		30/09/11	30/09/10	
Unaudited	Unaudited	%	Unaudited	Unaudited	%		
		S\$'000	S\$'000		S\$'000	S\$'000	
Other income including interest income		2,230	1,432	55.7	5,747	3,764	52.7
Interest on borrowings	5	(964)	(1,228)	(21.5)	(2,997)	(3,489)	(14.1)
Allowance for inventory obsolescence		(162)	(341)	(52.5)	(219)	(341)	(35.8)
Depreciation and amortisation		(3,199)	(2,896)	10.5	(9,352)	(8,558)	9.3
Gain/(Loss) on disposal of property, plant and equipment		48	(4)	n.m	674	433	55.7
Gain on disposal of investment properties		90	38	136.8	218	503	(56.7)
(Allowance for)/Reversal of impairment loss for doubtful trade receivables		(3)	(9)	(66.7)	(17)	59	(128.8)
Impairment loss on property, plant and equipment		(34)	-	n.m	(107)	-	n.m
Inventory written-off	4	(575)	(16)	n.m	(605)	(51)	n.m
Net foreign exchange gain/(loss)		734	(568)	(229.2)	(1,038)	(754)	37.7
Property, plant and equipment written-off	4	(207)	-	n.m	(214)	(15)	n.m
Overprovision of tax in respect of prior years	7	334	73	n.m	661	73	n.m

The non-operating items comprise the following:

	Group			Group			
	3Q	3Q	Change	9-months	9-months	Change	
	30/09/11	30/09/10		30/09/11	30/09/10		
Unaudited	Unaudited	%	Unaudited	Unaudited	%		
		S\$'000	S\$'000		S\$'000	S\$'000	
Reversal of provision for profit guarantee		-	203	(100.0)	-	203	(100.0)

n.m. - not meaningful

1(b)(i) A statement of financial position (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	
		30/09/11 Unaudited S\$'000	31/12/10 Audited S\$'000	30/09/11 Unaudited S\$'000	31/12/10 Audited S\$'000
Non-current assets					
Property, plant and equipment	1	107,857	102,773	210	286
Investment properties		14,520	15,605	2,193	2,256
Subsidiaries		-	-	121,955	120,636
Associates	2	62,686	56,895	1,294	1,294
Other investments		2,086	2,028	626	562
Intangible assets		13,774	14,545	-	-
Deferred tax assets		1,999	2,053	-	-
		202,922	193,899	126,278	125,034
Current assets					
Inventories		49,254	49,475	-	-
Trade and other receivables		43,529	45,497	11,149	14,365
Assets held for sale	3	-	3,163	-	-
Cash and cash equivalents		24,366	18,635	119	451
		117,149	116,770	11,268	14,816
Total assets		320,071	310,669	137,546	139,850
Equity attributable to equity holders of the company					
Share capital		132,102	132,102	132,102	132,102
Other reserves	4	(4,443)	(5,484)	77	77
Accumulated profits/(losses)		30,979	18,821	(23,556)	(20,414)
		158,638	145,439	108,623	111,765
Non-controlling interests					
		36,425	35,056	-	-
Total Equity		195,063	180,495	108,623	111,765
Non-current liabilities					
Trade and other payables		704	719	-	-
Financial liabilities	5	25,147	30,045	2,516	3,441
Deferred tax liabilities		4,451	4,383	11	11
		30,302	35,147	2,527	3,452
Current liabilities					
Trade and other payables		37,327	35,255	7,879	6,759
Financial liabilities	5	55,467	59,206	18,502	17,846
Current tax payable		1,912	566	15	28
		94,706	95,027	26,396	24,633
Total liabilities		125,008	130,174	28,923	28,085
Total equity and liabilities		320,071	310,669	137,546	139,850

Notes :

- 1) The increase was mainly due to additions to property, plant and equipment purchased during the period.
- 2) The increase was due to equity accounting of associates' results and the translation of the financial statements of an associated company whose functional currency strengthen against the functional currency of the company.
- 3) The sale of a freehold property of TWPH classified as held for sale was completed in Q2.
- 4) Please see paragraph 1(d) (i) for details.
- 5) The decrease was mainly due to repayments of bank borrowings.

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

	As at 30/09/11		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	11,959	43,508	14,723	44,483
Amount repayable after one year	19,255	5,892	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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flow

	3Q 30/09/11 Unaudited S\$'000	3Q 30/09/10 Unaudited S\$'000	9-months 30/09/11 Unaudited S\$'000	9-months 30/09/10 Unaudited S\$'000
Operating activities				
Profit before income tax	9,111	4,878	23,858	17,292
Adjustments for :				
Depreciation and amortisation	3,199	2,896	9,352	8,558
Dividend income	(8)	-	(19)	(11)
(Gain)/Loss on disposal of property, plant and equipment	(48)	4	(674)	(433)
Gain on disposal of investment properties	(90)	(38)	(218)	(503)
Impairment loss on property, plant and equipment	34	-	107	-
Interest income	(123)	(73)	(358)	(233)
Interest expense	964	1,228	2,997	3,489
Property, plant and equipment written-off	207	-	214	15
Reversal of provision for profit guarantee	-	(203)	-	(203)
Share of profit of associates	(2,612)	(1,989)	(6,945)	(5,824)
Operating profit before working capital changes	10,634	6,703	28,314	22,147
Changes in working capital :				
Inventories	(3,137)	2,234	208	(9,591)
Trade and other receivables	(5,123)	8,821	911	7,491
Trade and other payables	4,404	(8,860)	1,685	(3,330)
Cash generated from operations	6,778	8,898	31,118	16,717
Income taxes refund/(paid)	1,035	(1,221)	(694)	(3,546)
Cash flows from operating activities	7,813	7,677	30,424	13,171
Investing activities :				
Dividends received	8	-	19	11
Dividends received from associates	-	-	3,035	1,582
Interest received	123	73	358	233
Purchase of property, plant and equipment	(3,331)	(1,555)	(14,871)	(9,856)
Purchase of investment property	6	-	(207)	(994)
Proceeds from disposal of property, plant and equipment	31	(6)	3,824	687
Proceeds from disposal of investment properties	353	284	1,050	1,645
Proceeds from disposal of subsidiaries	-	-	-	894
Cash flows used in investing activities	(2,810)	(1,204)	(6,792)	(5,798)
Financing activities :				
Proceeds from rights issue	-	19,774	-	19,774
Capital contribution from non-controlling shareholder	-	203	-	203
Dividends paid to shareholders	-	-	(4,262)	(3,488)
Dividends paid to non-controlling shareholders	-	-	(2,211)	(1,589)
Interest paid	(964)	(1,228)	(2,997)	(3,489)
Principal payments under hire purchase obligations	(18)	(22)	(48)	(66)
Proceeds from bank borrowings	11,549	2,230	40,666	29,744
Repayment of bank borrowings	(14,620)	(17,426)	(48,608)	(38,452)
Cash flows (used in)/from financing activities	(4,053)	3,531	(17,460)	2,637
Net increase in cash and cash equivalents	950	10,004	6,172	10,010
Cash and cash equivalents at beginning of period	23,231	19,049	18,411	19,394
Effect of exchange rate changes on balances held in foreign currency	185	(157)	(217)	(508)
Cash and cash equivalents at end the period	24,366	28,896	24,366	28,896
Deposits with financial institutions	2,811	7,303	2,811	7,303
Cash at banks and in hand	21,555	21,593	21,555	21,593
	24,366	28,896	24,366	28,896

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 July 2010	112,571	564	77	(1,764)	246	17,272	128,966	31,877	160,843
Rights Issue	19,774	-	-	-	-	-	19,774	-	19,774
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	203	203
Total comprehensive income for the period	-	-	-	(3,141)	-	3,714	573	263	836
At 30 September 2010	132,345	564	77	(4,905)	246	20,986	149,313	32,343	181,656
At 1 July 2011 - as previously stated	132,102	564	77	(9,291)	306	23,794	147,552	34,702	182,254
Effect of applying hedge accounting (please refer to Paragraph 5)	-	-	-	(715)	-	715	-	-	-
At 1 July 2011 - as restated	132,102	564	77	(10,006)	306	24,509	147,552	34,702	182,254
Total comprehensive income for the period	-	-	-	4,616	-	6,470	11,086	1,723	12,809
At 30 September 2011	132,102	564	77	(5,390)	306	30,979	158,638	36,425	195,063
Company									
At 1 July 2010	112,571	-	77	-	-	(24,753)	87,895	-	87,895
Rights Issue	19,774	-	-	-	-	-	19,774	-	19,774
Total comprehensive income for the period	-	-	-	-	-	6,477	6,477	-	6,477
At 30 September 2010	132,345	-	77	-	-	(18,276)	114,146	-	114,146
At 1 July 2011	132,102	-	77	-	-	(25,654)	106,525	-	106,525
Total comprehensive income for the period	-	-	-	-	-	2,098	2,098	-	2,098
At 30 September 2011	132,102	-	77	-	-	(23,556)	108,623	-	108,623

- 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 30/09/11	As at 30/09/10
At 1 January	439,424,603	274,640,377
Rights share (3 : 5) issued and allotted on 24 August 2010	-	164,784,226
At 30 September	439,424,603	439,424,603

- 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 30/09/11	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 30 September 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.

During the quarter under review, a subsidiary changed its accounting for exchange differences arising from the partial repayment of a loan obtained to finance its investment in another subsidiary. In the previous quarters, the exchange differences arising from the partial repayment of the said loan were charged to the income statement. Applying hedge accounting under FRS 39, these exchange differences would remain in foreign currency translation reserve, until the investment is disposed or partially disposed. The change was made because, in the opinion of the directors of the subsidiary, it would result in a fairer presentation of the operations.

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 (Cont'd)

Note that there are no related adjustments to be made for the current quarter and going forward.

The financial impact on the 1st half of 2011's profit amounted to S\$0.9 million. This has been adjusted to the retrospective quarters of the Group's Consolidated Income Statement as follows :

	1Q 31/03/11 S\$'000	2Q 30/06/11 S\$'000	6-months 30/06/11 S\$'000
Profit for the period - as previously stated	3,687	8,140	11,827
Effect of applying hedge accounting (FRS 39)	451	483	934
Profit for the period - as restated	4,138	8,623	12,761
Attributable to :			
<i>As previously stated</i>			
Equity holders of the Company	3,086	6,149	9,235
Non-controlling interests	601	1,991	2,592
Profit for the period - as previously stated	3,687	8,140	11,827
<i>As restated</i>			
Equity holders of the Company	3,431	6,519	9,950
Non-controlling interests	707	2,104	2,811
Profit for the period - as restated	4,138	8,623	12,761
Basic and diluted earnings per share ("EPS") for the period :			
- as previously stated	0.70 cts	1.40 cts	2.10 cts
- as restated	0.78 cts	1.48 cts	2.26 cts

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:-

	3Q 30/09/11	3Q 30/09/10	Group	
			9-months 30/09/11	9-months 30/09/10
Earnings per share ("EPS") for the period				
(a) Based on the average number of ordinary share	1.47 cts	1.01 cts	3.74 cts	3.50 cts
(b) On a fully diluted basis	1.47 cts	1.01 cts	3.74 cts	3.50 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 30/09/11	As at 31/12/10	As at 30/09/11	As at 31/12/10
Net asset value per ordinary share based on existing share capital as at of the year reported on	36.10 cts	33.10 cts	24.72 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 4.9% to S\$67.1 million in Q3FY2011 from S\$70.6 million in Q3FY2010. This decrease was mainly due to lower contribution from both the Trading and the Corrugated Containers Divisions.

The Group's profit before tax increased by 86.8% to S\$9.1 million in Q3FY2011 from S\$4.9 million in Q3FY2010 which was mainly attributed to an increase in gross profit margin to 18.6% from 15.7% compared to the corresponding period last year; a net foreign exchange gain of S\$0.7 million in Q3FY2011 compared to a net foreign exchange loss of S\$0.6 million in Q3FY2010 and increase in the share of associates profit mainly from Shanghai Asia Holdings Limited.

The Group's profit after tax attributable to equity holders of the Company increased by 74.2% to S\$6.5 million in Q3FY2011 from S\$3.7 million in Q3FY2010.

Printed Cartons & Labels Division

The turnover of the Printed Cartons & Labels Division increased by 7.5% to S\$40.2 million in Q3FY2011 (S\$37.4 million in Q3FY2010), accounting for 59.9% (53.0% in Q3FY2010) of the Group's turnover.

Specialty Papers Division

The turnover of the Specialty Papers Division decreased by 2.3% to S\$21.6 million in Q3FY2011 (S\$22.1 million in Q3FY2010), accounting for 32.2% (31.3% in Q3FY2010) 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. However, the Asia Pacific region where our core businesses operate, appears to be less turbulent than other regions. In the circumstances, the Directors are cautiously positive regarding the Group's 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/recommended, a statement to that effect.

No interim dividend for the quarter ended 30 September 2011 is declared/recommended.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions.

14 Negative confirmation pursuant to Rule 705(5).

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 third quarter and period ended 30 September 2011 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD

Lee Wei Hsiung

Company Secretary

14 November 2011