

NEW TOYO

International Holdings Ltd

BEYOND BOUNDARIES



FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 31 March 2013

Unaudited results for the first quarter and period ended 31 March 2013

- 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 31/03/13 Unaudited SGD'000	3-months 31/03/12 Unaudited SGD'000	
Continuing operations				%
Revenue		68,015	72,526	(6.2)
Cost of sales		(55,433)	(61,456)	(9.8)
Gross profit		12,582	11,070	13.7
Other income		1,599	1,700	(5.9)
Distribution expenses	1	(2,374)	(1,948)	21.9
Administrative expenses		(4,680)	(5,032)	(7.0)
Net foreign exchange (loss)/gain		(61)	261	n.m
Other expenses	2	(528)	(401)	31.7
Operating profit		6,538	5,650	15.7
Finance income		162	178	(9.0)
Finance expenses	3	(422)	(827)	(49.0)
Net finance expenses		(260)	(649)	(59.9)
Share of profit/(loss) of associates, net of tax		224	(170)	n.m
Profit before taxation		6,502	4,831	34.6
Taxation	4	(1,089)	(720)	51.3
Profit from continuing operations		5,413	4,111	31.7
Discontinued operation				
Gain from discontinued operation (net of tax)		-	6	(100.0)
Profit for the period		5,413	4,117	31.5
Attributable to :				
Equity holders of the Company		3,793	2,500	51.7
Non-controlling interests		1,620	1,617	0.2
Profit for the period		5,413	4,117	31.5

Statement of Comprehensive Income

	Note	Group		Change
		3-months 31/03/13 Unaudited SGD'000	3-months 31/03/12 Unaudited SGD'000	
Profit for the period		5,413	4,117	31.5
Other comprehensive income				
Foreign currency differences for foreign operations	5	2,149	(4,355)	n.m
Other comprehensive income for the period, net of tax		2,149	(4,355)	n.m
Total comprehensive income for the period		7,562	(238)	n.m
Attributable to :				
Equity holders of the Company		5,448	(1,410)	n.m
Non-controlling interests		2,114	1,172	80.4
Total comprehensive income for the period		7,562	(238)	n.m

n.m. - not meaningful

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 (Cont'd)

Notes :

- 1) The increase in distribution expenses was mainly due to provision for doubtful trade receivables.
- 2) The increase in other operating expenses was mainly due to higher amortisation of intangible assets.
- 3) The decrease in finance expenses was mainly due to lower bank borrowings.
- 4) The effective tax rate was higher mainly due to higher contributions from the operations in countries with higher effective tax rates.
- 5) 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 31/03/13 Unaudited SGD'000	3-months 31/03/12 Unaudited SGD'000	
Other income including interest income	1,762	1,841	(4.3)
Interest on borrowings	(422)	(827)	(49.0)
Allowance for inventory obsolescence	(6)	(6)	0.0
Depreciation and amortisation	(3,211)	(3,335)	(3.7)
Gain/(Loss) on disposal of property, plant and equipment	(1)	37	n.m
Allowance for doubtful trade receivables and bad debts written off	(325)	-	n.m
Inventory written-off	(7)	(8)	(12.5)
Property, plant and equipment written-off	-	(2)	(100.0)
Overprovision of tax in respect of prior years	31	27	14.8

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					
		Group		Company	
	Note	31/03/13	31/12/12	31/03/13	31/12/12
		Unaudited	Audited	Unaudited	Audited
		SGD'000	SGD'000	SGD'000	SGD'000
Non-current assets					
Property, plant and equipment		94,955	95,476	125	142
Investment properties		10,707	10,722	-	-
Subsidiaries		-	-	101,893	101,812
Associates		35,163	34,897	1,294	1,294
Other investments		2,186	2,164	626	626
Intangible assets		11,065	11,392	-	-
Deferred tax assets		1,732	1,959	-	-
		155,808	156,610	103,938	103,874
Current assets					
Inventories	6	51,071	46,487	-	-
Trade and other receivables		44,870	41,594	8,084	7,630
Cash and cash equivalents		38,527	42,597	12,551	12,344
		134,468	130,678	20,635	19,974
Total assets		290,276	287,288	124,573	123,848
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves	7	(6,855)	(8,510)	77	77
Accumulated profits/(losses)		40,918	37,125	(19,425)	(19,836)
		166,165	160,717	112,754	112,343
Non-controlling interests		40,204	38,288	-	-
Total Equity		206,369	199,005	112,754	112,343
Non-current liabilities					
Trade and other payables		849	828	-	-
Financial liabilities		12,482	14,166	-	-
Deferred tax liabilities		3,778	3,891	11	11
		17,109	18,885	11	11
Current liabilities					
Trade and other payables	8	35,191	41,338	11,681	11,475
Financial liabilities		30,675	26,875	-	-
Current tax payable		932	1,185	127	19
		66,798	69,398	11,808	11,494
Total liabilities		83,907	88,283	11,819	11,505
Total equity and liabilities		290,276	287,288	124,573	123,848

Notes :

- 6) The increase was mainly due to build up of stock in anticipation of increased demand from customers.
- 7) Please see paragraph 1(d) (i) for details.
- 8) The decrease was mainly due to repayment of trade payables.

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

	As at 31/03/13		As at 31/12/12	
	Secured	Unsecured	Secured	Unsecured
	SGD'000	SGD'000	SGD'000	SGD'000
Amount repayable in one year or less, or on demand	8,794	21,881	5,482	21,393
Amount repayable after one year	9,077	3,405	10,162	4,004

Details of any collateral

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

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		
	3-months 31/03/13 Unaudited SGD'000	3-months 31/03/12 Unaudited SGD'000
Operating activities		
Profit for the period	5,413	4,117
Adjustments for :		
Amortisation of other investment	1	-
Depreciation and amortisation	3,210	3,335
Gain/(Loss) on disposal of property, plant and equipment	1	(37)
Interest income	(162)	(178)
Interest expense	422	827
Property, plant and equipment written-off	-	2
Share of profit of associates	(224)	170
Tax expenses	1,089	720
Operating profit before working capital changes	9,750	8,956
Changes in working capital :		
Inventories	(4,509)	225
Trade and other receivables	(3,316)	(1,616)
Trade and other payables	(6,074)	363
Cash (used in)/generated from operations	(4,149)	7,928
Income taxes paid	(1,184)	(912)
Cash flows (used in)/from operating activities	(5,333)	7,016
Investing activities :		
Interest received	162	178
Purchase of property, plant and equipment	(713)	(597)
Purchase of investment property	-	(61)
Proceeds from disposal of property, plant and equipment	-	169
Cash flows used in investing activities	(551)	(311)
Financing activities :		
Dividends paid to non-controlling shareholders	(198)	(150)
Interest paid	(422)	(827)
Principal payments under hire purchase obligations	(3)	(18)
Proceeds from bank borrowings	4,091	3,923
Repayment of bank borrowings	(1,973)	(10,162)
Cash flows from/(used in) financing activities	1,495	(7,234)
Net decrease in cash and cash equivalents	(4,389)	(529)
Cash and cash equivalents at beginning of period	42,597	26,185
Effect of exchange rate changes on balances held in foreign currency	319	(403)
Cash and cash equivalents at end of period	38,527	25,253
Deposits with financial institutions	9,002	663
Cash at banks and in hand	29,525	24,590
	38,527	25,253

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 SGD'000	Capital reserve SGD'000	Other reserve SGD'000	Other reserves Currency translation reserve SGD'000	Fair value reserve SGD'000	Accumulated (losses)/ profits SGD'000	Total SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Group									
At 1 January 2012	132,102	564	77	(2,816)	337	30,103	160,367	38,004	198,371
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(150)	(150)
Total comprehensive income for the period	-	-	-	(3,910)	-	2,500	(1,410)	1,172	(238)
At 31 March 2012	132,102	564	77	(6,726)	337	32,603	158,957	39,026	197,983
At 1 January 2013	132,102	564	77	(9,611)	460	37,125	160,717	38,288	199,005
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(198)	(198)
Total comprehensive income for the period	-	-	-	1,655	-	3,793	5,448	2,114	7,562
At 31 March 2013	132,102	564	77	(7,956)	460	40,918	166,165	40,204	206,369
Company									
At 1 January 2012	132,102	-	77	-	-	(19,710)	112,469	-	112,469
Total comprehensive income for the period	-	-	-	-	-	53	53	-	53
At 31 March 2012	132,102	-	77	-	-	(19,657)	112,522	-	112,522
At 1 January 2013	132,102	-	77	-	-	(19,836)	112,343	-	112,343
Total comprehensive income for the period	-	-	-	-	-	411	411	-	411
At 31 March 2013	132,102	-	77	-	-	(19,425)	112,754	-	112,754

- 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 31/03/13	As at 31/12/12
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 31 March 2013 and 31 December 2012.

- 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.**

The 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 as those in the audited financial statements for the year ended 31 December 2012 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2013.

The adoption of the new/revised accounting standards and interpretations applicable for the financial period beginning 1 January 2013 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group results.

- 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.**

Not applicable.

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 31/03/13	3-months 31/03/12
Earnings per share ("EPS") for the period			
(a)	Based on the average number of ordinary shares	0.86 cts	0.57 cts
(b)	On a fully diluted basis	0.86 cts	0.57 cts

Basic EPS and fully diluted EPS have been calculated based on 439,424,603 shares.

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 31/03/13	As at 31/12/12	As at 31/03/13	As at 31/12/12
Net asset value per ordinary share based on existing share capital	37.81 cts	36.57 cts	25.66 cts	25.57 cts

The net asset value per ordinary share has 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 (continuing operations) decreased by 6.2% to SGD68.0 million in Q1FY2013 (SGD72.5 million in Q1FY2012), mainly due to lower revenue in the Printed Cartons & Labels and the Trading divisions.

The Group's profit before tax (continuing operations) increased by 34.6% to SGD6.5 million in Q1FY2013 (SGD4.8 million in Q1FY2012) mainly due to gross margin improving by 3.2% to 18.5% in Q1FY2013 (15.3% in Q1FY2012), lower finance costs and higher share of associate's profit.

As such, the Group's profit after tax attributable to equity holders of the Company increased by 51.7% to SGD3.8 million in Q1FY2013 (SGD2.5 million in Q1FY2012).

- 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 Group expects to receive its share of the cash distribution from SAH, approved in the latter's Extraordinary General Meeting on 30 April 2013.

The Specialty Papers business has participated in a tender for a long term supply agreement with our major customer and we are confident that we would be successful in securing the contract.

The economic outlook continues to be uncertain. However we remain cautiously optimistic regarding the Group's performance as the industry that we are in remains resilient.

- 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

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

Not applicable

- 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 first quarter and period ended 31 March 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary

15 May 2013