

NEW TOYO

International Holdings Ltd

BEYOND BOUNDARIES



FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 30 June 2013

Unaudited results for the second quarter and period ended 30 June 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			Group		
		2Q 30/06/13	2Q 30/06/12	Change	6-months 30/06/13	6-months 30/06/12	Change
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Continuing operations							
Revenue		77,824	72,064	8.0	145,839	144,590	0.9
Cost of sales		(64,133)	(58,957)	8.8	(119,566)	(120,413)	(0.7)
Gross profit		13,691	13,107	4.5	26,273	24,177	8.7
Other income	1	1,774	2,460	(27.9)	3,373	4,160	(18.9)
Distribution expenses		(2,115)	(2,097)	0.9	(4,489)	(4,045)	11.0
Administrative expenses		(4,275)	(4,258)	0.4	(8,955)	(9,290)	(3.6)
Net foreign exchange (loss)/gain		(290)	(151)	92.1	(351)	110	n.m
Other expenses	2	(1,344)	(407)	n.m	(1,872)	(808)	131.7
Operating profit		7,441	8,654	(14.0)	13,979	14,304	(2.3)
Finance income		133	155	(14.2)	295	333	(11.4)
Finance expenses	3	(404)	(770)	(47.5)	(826)	(1,597)	(48.3)
Net finance expenses		(271)	(615)	(55.9)	(531)	(1,264)	(58.0)
Share of profit/(loss) of associates, net of tax	4	472	(75)	n.m	696	(245)	n.m
Profit before taxation		7,642	7,964	(4.0)	14,144	12,795	10.5
Taxation	5	(1,269)	(1,610)	(21.2)	(2,358)	(2,330)	1.2
Profit from continuing operations		6,373	6,354	0.3	11,786	10,465	12.6
Discontinued operation							
Gain from discontinued operation (net of tax)		-	(181)	(100.0)	-	(175)	(100.0)
Profit for the period		6,373	6,173	3.2	11,786	10,290	14.5
Attributable to :							
Equity holders of the Company		4,674	4,206	11.1	8,467	6,706	26.3
Non-controlling interests		1,699	1,967	(13.6)	3,319	3,584	(7.4)
Profit for the period		6,373	6,173	3.2	11,786	10,290	14.5

Statement of Comprehensive Income

	Note	Group			Group		
		2Q 30/06/13	2Q 30/06/12	Change	6-months 30/06/13	6-months 30/06/12	Change
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Profit for the period		6,373	6,173	3.2	11,786	10,290	14.5
Other comprehensive loss							
Foreign currency differences for foreign operations	6	(4,151)	(691)	n.m	(2,002)	(5,046)	(60.3)
Foreign currency translation reserve of an associate recognised in profit or loss	2	835	-	n.m	835	-	n.m
Other comprehensive loss for the period, net of tax		(3,316)	(691)	n.m	(1,167)	(5,046)	(76.9)
Total comprehensive income for the period		3,057	5,482	(44.2)	10,619	5,244	102.5
Attributable to :							
Equity holders of the Company		2,341	4,023	(41.8)	7,789	2,613	198.1
Non-controlling interests		716	1,459	(50.9)	2,830	2,631	7.6
Total comprehensive income for the period		3,057	5,482	(44.2)	10,619	5,244	102.5

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 decrease in other income was mainly due to a one-off insurance claim received in Q2FY2012.
- 2) The increase in other operating expenses was mainly due to cumulative foreign currency translation loss relating to the associate, Shanghai Asia Holdings Limited ("SAH") amounting to SGD0.8 million following the capital reduction of SAH.
- 3) The decrease in finance expenses was mainly due to lower bank borrowings.
- 4) In Q2FY2012, SAH was loss making.
- 5) The effective tax rate was lower mainly due to higher contributions from the operations in countries with lower effective tax rates.
- 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.

The increase in loss in translation of foreign operations was mainly attributed by Australia subsidiaries.

Disclosure to Income Statement

	Group			Group		
	2Q	2Q		6-months	6-months	
	30/06/13	30/06/12		30/06/13	30/06/12	
	Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Other income including interest income	1,880	2,547	(26.2)	3,642	4,388	(17.0)
Interest on borrowings	(404)	(770)	(47.5)	(826)	(1,597)	(48.3)
Reversal of allowance for inventory obsolescence	154	63	144.4	148	57	159.6
Depreciation and amortisation	(3,145)	(3,335)	(5.7)	(6,356)	(6,670)	(4.7)
Gain on disposal of property, plant and equipment	27	1	n.m	26	38	(31.6)
Gain on disposal of investment properties	-	73	(100.0)	-	73	(100.0)
Reversal of/(Allowance for) doubtful trade receivables and bad debts written off	161	(9)	n.m	(164)	(9)	n.m
Inventory written-off	(31)	(23)	34.8	(38)	(31)	22.6
Property, plant and equipment written-off	(1)	-	n.m	(1)	(2)	(50.0)
Overprovision of tax in respect of prior years	-	85	(100.0)	31	112	(72.3)

Other expenses comprise the following:

	Note	Group			Group		
		2Q	2Q		6-months	6-months	
		30/06/13	30/06/12		30/06/13	30/06/12	
		Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
<u>Non-operating Item:</u>							
Cummulative foreign currency loss of an investment in associate	2	(835)	-	n.m	(835)	-	n.m

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	
		30/06/13 Unaudited SGD'000	31/12/12 Audited SGD'000	30/06/13 Unaudited SGD'000	31/12/12 Audited SGD'000
Non-current assets					
Property, plant and equipment		92,141	95,476	103	142
Investment properties		10,548	10,722	-	-
Subsidiaries		-	-	103,469	101,812
Associates		6,290	34,897	1,294	1,294
Other investments		2,211	2,164	626	626
Intangible assets		10,726	11,392	-	-
Deferred tax assets		1,646	1,959	-	-
		123,562	156,610	105,492	103,874
Current assets					
Inventories		50,176	46,487	-	-
Trade and other receivables	7	46,808	41,594	8,570	7,630
Cash and cash equivalents	8	61,373	42,597	7,874	12,344
		158,357	130,678	16,444	19,974
Total assets		281,919	287,288	121,936	123,848
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves	9	(9,188)	(8,510)	77	77
Accumulated profits/(losses)		41,637	37,125	(21,987)	(19,836)
		164,551	160,717	110,192	112,343
Non-controlling interests		40,747	38,288	-	-
Total Equity		205,298	199,005	110,192	112,343
Non-current liabilities					
Trade and other payables		830	828	-	-
Financial liabilities		10,018	14,166	-	-
Deferred tax liabilities		3,625	3,891	11	11
		14,473	18,885	11	11
Current liabilities					
Trade and other payables	10	36,019	41,338	11,611	11,475
Financial liabilities		25,119	26,875	-	-
Current tax payable		1,010	1,185	122	19
		62,148	69,398	11,733	11,494
Total liabilities		76,621	88,283	11,744	11,505
Total equity and liabilities		281,919	287,288	121,936	123,848

Notes :

- 7) The increase was mainly due to higher revenue.
- 8) The increase was mainly due to cash distribution from SAH.
- 9) Please see paragraph 1(d) (i) for details.
- 10) The decrease was mainly due to repayment of trade payables and lower accrued expenses.

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

	As at 30/06/13		As at 31/12/12	
	Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
Amount repayable in one year or less, or on demand	5,099	20,020	5,482	21,393
Amount repayable after one year	7,031	2,987	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

		2Q 30/06/13 Unaudited SGD'000	2Q 30/06/12 Unaudited SGD'000	6-months 30/06/13 Unaudited SGD'000	6-months 30/06/12 Unaudited SGD'000
Note					
Operating activities					
Profit for the period		6,373	6,173	11,786	10,290
Adjustments for :					
Amortisation of other investment		2	-	3	-
Depreciation and amortisation		3,143	3,335	6,353	6,670
Dividend income		(13)	(12)	(13)	(12)
Cummulative foreign currency loss of an investment in associate		835	-	835	-
Gain on disposal of property, plant and equipment		(27)	(1)	(26)	(38)
Gain on disposal of investment properties		-	(73)	-	(73)
Interest income		(133)	(155)	(295)	(333)
Interest expense		404	770	826	1,597
Property, plant and equipment written-off		1	-	1	2
Share of profit of associates		(472)	75	(696)	245
Tax expenses		1,269	1,610	2,358	2,330
Operating profit before working capital changes		11,382	11,722	21,132	20,678
Changes in working capital :					
Inventories		811	4,042	(3,698)	4,267
Trade and other receivables		(1,951)	105	(5,267)	(1,511)
Trade and other payables		677	(4,860)	(5,397)	(4,497)
Cash generated from operations		10,919	11,009	6,770	18,937
Income taxes paid		(1,357)	(1,089)	(2,541)	(2,001)
Cash flows from operating activities		9,562	9,920	4,229	16,936
Investing activities :					
Dividends received		13	12	13	12
Dividends received from associates		-	2,995	-	2,995
Interest received		133	155	295	333
Purchase of property, plant and equipment		(2,156)	(1,019)	(2,869)	(1,616)
Purchase of investment property		-	-	-	(61)
Proceeds from disposal of property, plant and equipment		28	42	28	211
Proceeds from disposal of investment properties		-	322	-	322
Proceeds from cash distribution of an associate	1	28,303	-	28,303	-
Cash flows from investing activities		26,321	2,507	25,770	2,196
Financing activities :					
Dividends paid to shareholders		(3,955)	(4,262)	(3,955)	(4,262)
Dividends paid to non-controlling shareholders		(173)	(215)	(371)	(365)
Interest paid		(404)	(770)	(826)	(1,597)
Principal payments under hire purchase obligations		(1)	(17)	(4)	(35)
Proceeds from bank borrowings		1,177	6,305	5,268	10,228
Repayment of bank borrowings		(9,202)	(7,389)	(11,175)	(17,551)
Cash flows used in financing activities		(12,558)	(6,348)	(11,063)	(13,582)
Net increase in cash and cash equivalents		23,325	6,079	18,936	5,550
Cash and cash equivalents at beginning of period		38,527	25,253	42,597	26,185
Effect of exchange rate changes on balances held in foreign currency		(479)	(193)	(160)	(596)
Cash and cash equivalents at end of period		61,373	31,139	61,373	31,139
Deposits with financial institutions		6,780	258	6,780	258
Cash at banks and in hand		54,593	30,881	54,593	30,881
		61,373	31,139	61,373	31,139

Note 1 : Cash distribution of SAH upon completion of the capital reduction on 28 June 2013.

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	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 April 2012	132,102	564	77	(6,726)	337	32,603	158,957	39,026	197,983
Dividends paid	-	-	-	-	-	(4,262)	(4,262)	-	(4,262)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(215)	(215)
Total comprehensive income for the period	-	-	-	(183)	-	4,206	4,023	1,459	5,482
At 30 June 2012	132,102	564	77	(6,909)	337	32,547	158,718	40,270	198,988
At 1 April 2013	132,102	564	77	(7,956)	460	40,918	166,165	40,204	206,369
Dividends paid	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(173)	(173)
Total comprehensive income for the period	-	-	-	(2,333)	-	4,674	2,341	716	3,057
At 30 June 2013	132,102	564	77	(10,289)	460	41,637	164,551	40,747	205,298
Company									
At 1 April 2012	132,102	-	77	-	-	(19,657)	112,522	-	112,522
Dividends paid	-	-	-	-	-	(4,262)	(4,262)	-	(4,262)
Total comprehensive income for the period	-	-	-	-	-	(411)	(411)	-	(411)
At 30 June 2012	132,102	-	77	-	-	(24,330)	107,849	-	107,849
At 1 April 2013	132,102	-	77	-	-	(19,836)	112,343	-	112,343
Dividends paid	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total comprehensive income for the period	-	-	-	-	-	1,804	1,804	-	1,804
At 30 June 2013	132,102	-	77	-	-	(21,987)	110,192	-	110,192

- 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 30/06/13	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 30 June 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 2Q 30/06/13	2Q 30/06/12	Group 6-months 30/06/13	6-months 30/06/12
Earnings per share ("EPS") for the period				
(a) Based on the average number of ordinary shares	1.06 cts	0.96 cts	1.93 cts	1.53 cts
(b) On a fully diluted basis	1.06 cts	0.96 cts	1.93 cts	1.53 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 As at 30/06/13	As at 31/12/12	Company As at 30/06/13	As at 31/12/12
Net asset value per ordinary share based on existing share capital	37.45 cts	36.57 cts	25.08 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) increased by 8.0% to SGD77.8 million in Q2FY2013 (SGD72.1 million in Q2FY2012), mainly due to higher revenue in the Specialty Paper division.

The Group's profit before tax (continuing operations) decreased by 4.0% to SGD7.6 million in Q2FY2013 (SGD8.0 million in Q2FY2012) mainly due to the recognition for foreign currency translation ("FCT") loss relating to SAH upon the capital reduction of SAH. Excluding the impact of the FCT loss, the Group's profit before tax (continuing operations) would have increased by 6.4% to SGD8.5 million. This was attributable to higher profits from associates and lower finance cost, which was partially offset by lower other income.

Overall, the Group's profit after tax attributable to equity holders of the Company increased by 11.1% to SGD4.7 million in Q2FY2013 (SGD4.2 million in Q2FY2012).

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

In line with prospect statement in Q1.

- 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 Specialty Papers business has been awarded a 2 + 2 years supply arrangement by our major customer. The award formalises the ongoing supply transactions with the customer and would ensure sustainability of Specialty Papers business for the duration.

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

2013	
Ordinary	
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend Amount :	0.80 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

2012	
Ordinary	
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend Amount :	0.80 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

- 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 second quarter and period ended 30 June 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary
7 August 2013