

NEW TOYO
International Holdings Ltd

**BEYOND
BOUNDARIES**



FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 30 September 2013

Unaudited results for the third quarter and period ended 30 September 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		
		3Q 30/09/13 Unaudited	3Q 30/09/12 Unaudited	Change	9-months 30/09/13 Unaudited	9-months 30/09/12 Unaudited	Change
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Continuing operations							
Revenue		69,152	78,616	(12.0)	214,991	223,206	(3.7)
Cost of sales		(56,576)	(65,504)	(13.6)	(176,142)	(185,917)	(5.3)
Gross profit		12,576	13,112	(4.1)	38,849	37,289	4.2
Other income		1,444	1,622	(11.0)	4,817	5,782	(16.7)
Distribution expenses	1	(1,945)	(2,433)	(20.1)	(6,434)	(6,478)	(0.7)
Administrative expenses		(4,454)	(4,299)	3.6	(13,409)	(13,589)	(1.3)
Net foreign exchange (loss)/gain	2	(178)	342	n.m	(529)	452	n.m
Other expenses		(549)	(560)	(2.0)	(2,421)	(1,368)	77.0
Operating profit		6,894	7,784	(11.4)	20,873	22,088	(5.5)
Finance income		159	176	(9.7)	454	509	(10.8)
Finance expenses	3	(357)	(600)	(40.5)	(1,183)	(2,197)	(46.2)
Net finance expenses		(198)	(424)	(53.3)	(729)	(1,688)	(56.8)
Share of profit of associates, net of tax		291	290	0.3	987	45	n.m
Profit before taxation		6,987	7,650	(8.7)	21,131	20,445	3.4
Taxation	4	(1,436)	(1,032)	39.1	(3,794)	(3,362)	12.8
Profit from continuing operations		5,551	6,618	(16.1)	17,337	17,083	1.5
Discontinued operation							
Loss from discontinued operation (net of tax)		-	(74)	(100.0)	-	(249)	(100.0)
Profit for the period		5,551	6,544	(15.2)	17,337	16,834	3.0
Attributable to :							
Equity holders of the Company		4,255	4,912	(13.4)	12,722	11,618	9.5
Non-controlling interests		1,296	1,632	(20.6)	4,615	5,216	(11.5)
Profit for the period		5,551	6,544	(15.2)	17,337	16,834	3.0

Statement of Comprehensive Income

	Note	Group			Group		
		3Q 30/09/13 Unaudited	3Q 30/09/12 Unaudited	Change	9-months 30/09/13 Unaudited	9-months 30/09/12 Unaudited	Change
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Profit for the period		5,551	6,544	(15.2)	17,337	16,834	3.0
Other comprehensive loss							
Foreign currency differences for foreign operations	5	(1,689)	(2,739)	(38.3)	(3,691)	(7,785)	(52.6)
Foreign currency translation reserve of an associate recognised in profit or loss	6	-	-	-	835	-	n.m
Other comprehensive loss for the period, net of tax		(1,689)	(2,739)	(38.3)	(2,856)	(7,785)	(63.3)
Total comprehensive income for the period		3,862	3,805	1.5	14,481	9,049	60.0
Attributable to :							
Equity holders of the Company		3,249	2,776	17.0	11,038	5,389	104.8
Non-controlling interests		613	1,029	(40.4)	3,443	3,660	(5.9)
Total comprehensive income for the period		3,862	3,805	1.5	14,481	9,049	60.0

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 distribution expenses was mainly due to lower freight expenses.
- 2) The net exchange loss in Q3FY2013 was mainly because US dollar strengthened against Malaysia ringgit and weakened against Singapore dollar.
- 3) The decrease in finance expenses was mainly due to lower bank borrowings.
- 4) The effective tax rate was higher mainly due to underprovision for prior years' taxes.
- 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.
- 6) The other operating expenses include a 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.

Disclosure to Income Statement

	Note	Group			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/13	30/09/12		30/09/13	30/09/12	
		Unaudited	Unaudited	%	Unaudited	Unaudited	%
		SGD'000	SGD'000		SGD'000	SGD'000	
Other income including interest income		1,477	1,737	(15.0)	5,119	6,125	(16.4)
Interest on borrowings		(357)	(600)	(40.5)	(1,183)	(2,197)	(46.2)
Reversal of/(Allowance for) inventory obsolescence		107	(316)	n.m	255	(259)	n.m
Depreciation and amortisation		(3,097)	(3,199)	(3.2)	(9,453)	(9,869)	(4.2)
Gain on disposal of property, plant and equipment		126	30	n.m	152	68	n.m
Gain on disposal of investment properties		-	-	-	-	73	(100.0)
Reversal of/(Allowance for) doubtful trade receivables and bad debts written off		44	(10)	n.m	(120)	(19)	n.m
Reversal of/(Allowance for) doubtful non-trade receivables		-	(159)	(100.0)	54	(159)	n.m
Inventory written-off		(61)	(81)	(24.7)	(99)	(112)	(11.6)
Property, plant and equipment written-off		-	(2)	(100.0)	(1)	(4)	(75.0)
(Under)/Overprovision of tax in respect of prior years	4	(406)	39	n.m	(375)	151	n.m

Other expenses comprise the following:

	Note	Group			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/13	30/09/12		30/09/13	30/09/12	
		Unaudited	Unaudited	%	Unaudited	Unaudited	%
		SGD'000	SGD'000		SGD'000	SGD'000	
<u>Non-operating Item:</u>							
Cumulative foreign currency loss of an investment in associate	6	-	-	-	(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					
		Group		Company	
	Note	30/09/13	31/12/12	30/09/13	31/12/12
		Unaudited	Audited	Unaudited	Audited
		SGD'000	SGD'000	SGD'000	SGD'000
Non-current assets					
Property, plant and equipment		89,949	95,476	80	142
Investment properties		10,272	10,722	-	-
Subsidiaries		-	-	102,694	101,812
Associates	7	6,337	34,897	1,294	1,294
Other investments		2,205	2,164	626	626
Intangible assets		10,215	11,392	-	-
Deferred tax assets		1,795	1,959	-	-
		120,773	156,610	104,694	103,874
Current assets					
Inventories		48,875	46,487	-	-
Trade and other receivables		40,631	41,594	9,885	7,630
Cash and cash equivalents	8	58,450	42,597	28,461	12,344
		147,956	130,678	38,346	19,974
Total assets		268,729	287,288	143,040	123,848
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves	9	(10,194)	(8,510)	77	77
Accumulated profits/(losses)		35,873	37,125	(19,264)	(19,836)
		157,781	160,717	112,915	112,343
Non-controlling interests					
		40,232	38,288	-	-
Total Equity		198,013	199,005	112,915	112,343
Non-current liabilities					
Trade and other payables		769	828	-	-
Financial liabilities	10	8,191	14,166	-	-
Deferred tax liabilities		3,445	3,891	11	11
		12,405	18,885	11	11
Current liabilities					
Trade and other payables	11	34,576	41,338	29,987	11,475
Financial liabilities	10	21,643	26,875	-	-
Current tax payable	12	2,092	1,185	127	19
		58,311	69,398	30,114	11,494
Total liabilities		70,716	88,283	30,125	11,505
Total equity and liabilities		268,729	287,288	143,040	123,848

Notes :

- 7) The decrease was due to cash distribution from SAH.
- 8) The increase was mainly due to cash distribution from SAH partially offset by repayment of bank borrowings and a special dividend payment to shareholders.
- 9) Please see paragraph 1(d) (i) for details.
- 10) The decrease was due to lower borrowings.
- 11) The decrease was mainly due to lower purchases in the Trading division.
- 12) The increase was mainly due to underprovision of prior year's taxes.

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

	As at 30/09/13		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	7,615	14,028	5,482	21,393
Amount repayable after one year	5,861	2,330	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					
		3Q	3Q	9-months	9-months
		30/09/13	30/09/12	30/09/13	30/09/12
		Unaudited	Unaudited	Unaudited	Unaudited
	Note	SGD'000	SGD'000	SGD'000	SGD'000
Operating activities					
Profit for the period		5,551	6,544	17,337	16,834
Adjustments for :					
Amortisation of other investment		1	-	4	-
Depreciation and amortisation		3,096	3,199	9,449	9,869
Dividend income		(6)	(5)	(19)	(17)
Cumulative foreign currency loss of an investment in associate		-	-	835	-
Gain on disposal of other investment		-	(31)	-	(31)
Gain on disposal of property, plant and equipment		(126)	(30)	(152)	(68)
Gain on disposal of investment properties		-	-	-	(73)
(Reversal of)/Allowance for doubtful non-trade receivables		-	159	(54)	159
Interest income		(159)	(176)	(454)	(509)
Interest expense		357	600	1,183	2,197
Property, plant and equipment written-off		-	2	1	4
Share of profit of associates		(291)	(290)	(987)	(45)
Tax expenses		1,436	1,032	3,794	3,362
Operating profit before working capital changes		9,859	11,004	30,937	31,682
Changes in working capital :					
Inventories		1,117	(573)	(2,581)	3,694
Trade and other receivables		6,570	(695)	1,303	(2,206)
Trade and other payables		(1,646)	3,734	(7,043)	(763)
Cash generated from operations		15,900	13,470	22,616	32,407
Income taxes paid		(532)	(857)	(3,073)	(2,858)
Cash flows from operating activities		15,368	12,613	19,543	29,549
Investing activities :					
Dividends received		6	5	19	17
Dividends received from associates		-	25,457	-	28,452
Interest received		159	176	454	509
Purchase of property, plant and equipment		(1,333)	(795)	(4,202)	(2,411)
Purchase of investment property		-	-	-	(61)
Proceeds from disposal of other investment		-	174	-	174
Proceeds from disposal of property, plant and equipment		128	436	156	647
Proceeds from disposal of investment properties		-	(1)	-	321
Proceeds from cash distribution of an associate	1	-	-	28,303	-
Cash flows (used)/from investing activities		(1,040)	25,452	24,730	27,648
Financing activities :					
Dividends paid to shareholders		(10,019)	-	(13,974)	(4,262)
Dividends paid to non-controlling shareholders		(1,128)	(2,479)	(1,499)	(2,844)
Interest paid		(357)	(600)	(1,183)	(2,197)
Principal payments under hire purchase obligations		(2)	(12)	(6)	(47)
Proceeds from bank borrowings		1,112	6,850	6,380	17,078
Repayment of bank borrowings		(6,414)	(29,290)	(17,589)	(46,841)
Cash flows used in financing activities		(16,808)	(25,531)	(27,871)	(39,113)
Net (decrease)/increase in cash and cash equivalents		(2,480)	12,534	16,402	18,084
Cash and cash equivalents at beginning of period		61,319	31,139	42,597	26,185
Effect of exchange rate changes on balances held in foreign currency		(389)	(464)	(549)	(1,060)
Cash and cash equivalents at end of period		58,450	43,209	58,450	43,209
Deposits with financial institutions		7,359	871	7,359	871
Cash at banks and in hand		51,091	42,338	51,091	42,338
		58,450	43,209	58,450	43,209

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 July 2012	132,102	564	77	(6,909)	337	32,547	158,718	40,270	198,988
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(2,479)	(2,479)
Total comprehensive income for the period	-	-	-	(2,136)	-	4,912	2,776	1,029	3,805
At 30 September 2012	132,102	564	77	(9,045)	337	37,459	161,494	38,820	200,314
At 1 July 2013	132,102	564	77	(10,289)	460	41,637	164,551	40,747	205,298
Dividends paid	-	-	-	-	-	(10,019)	(10,019)	-	(10,019)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(1,128)	(1,128)
Total comprehensive income for the period	-	-	-	(1,006)	-	4,255	3,249	613	3,862
At 30 September 2013	132,102	564	77	(11,295)	460	35,873	157,781	40,232	198,013
Company									
At 1 July 2012	132,102	-	77	-	-	(24,330)	107,849	-	107,849
Total comprehensive income for the period	-	-	-	-	-	4,362	4,362	-	4,362
At 30 September 2012	132,102	-	77	-	-	(19,968)	112,211	-	112,211
At 1 July 2013	132,102	-	77	-	-	(21,987)	110,192	-	110,192
Dividends paid	-	-	-	-	-	(10,019)	(10,019)	-	(10,019)
Total comprehensive income for the period	-	-	-	-	-	12,742	12,742	-	12,742
At 30 September 2013	132,102	-	77	-	-	(19,264)	112,915	-	112,915

- 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 30/09/13	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 September 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 3Q 30/09/13	3Q 30/09/12	Group 9-months 30/09/13	9-months 30/09/12
Earnings per share ("EPS") for the period				
(a) Based on the average number of ordinary shares	0.97 cts	1.12 cts	2.90 cts	2.64 cts
(b) On a fully diluted basis	0.97 cts	1.12 cts	2.90 cts	2.64 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 30/09/13	As at 31/12/12	Company As at 30/09/13	As at 31/12/12
Net asset value per ordinary share based on existing share capital	35.91 cts	36.57 cts	25.70 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 12.0% to SGD69.15 million in Q3FY2013 (SGD78.62 million in Q3FY2012), mainly due to lower revenue in the Printed Cartons & Labels and Trading divisions.

The Group's profit before tax (continuing operations) decreased by 8.7% to SGD6.99 million in Q3FY2013 (SGD7.65 million in Q3FY2012). This was mainly due to decrease in revenue and partly attributed to net foreign exchange loss in Q3FY2013 compared to net exchange gain in Q3FY2012.

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by 13.4% to SGD4.26 million in Q3FY2013 (SGD4.91 million in Q3FY2012).

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 Q2.

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

The Group is constantly exploring opportunities for growth whilst at the same time, minimising earnings volatility in the longer term. Efforts are continuously made to leverage our presence in the lower cost production countries as we continue to optimise the business portfolio.

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 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 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary
8 November 2013