



Keeping the
MOMENTUM

FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 30 September 2015

Unaudited results for the third quarter and period ended 30 September 2015

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	3Q	Change	9-months	9-months	Change
		30/09/15	30/09/14		30/09/15	30/09/14	
		Unaudited	Unaudited		Unaudited	Unaudited	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue		65,790	78,007	(15.7)	195,884	218,868	(10.5)
Cost of sales		(53,720)	(68,023)	(21.0)	(165,433)	(188,693)	(12.3)
Gross profit		12,070	9,984	20.9	30,451	30,175	0.9
Other income	1	1,734	1,568	10.6	5,457	4,544	20.1
Distribution expenses	2	(1,582)	(2,104)	(24.8)	(4,841)	(5,679)	(14.8)
Administrative expenses	3	(4,611)	(4,733)	(2.6)	(13,733)	(14,251)	(3.6)
Net foreign exchange gain	4	1,524	237	543.0	1,835	24	7,545.8
Other expenses	5	(759)	(608)	24.8	(4,811)	(1,844)	160.9
Operating profit		8,376	4,344	92.8	14,358	12,969	10.7
Finance income		188	279	(32.6)	610	638	(4.4)
Finance expenses		(229)	(288)	(20.5)	(692)	(848)	(18.4)
Net finance expenses		(41)	(9)	355.6	(82)	(210)	(61.0)
Share of profit of associates, net of tax	6	1,152	360	220.0	2,542	1,156	119.9
Profit before taxation		9,487	4,695	102.1	16,818	13,915	20.9
Taxation	7	(1,554)	(614)	153.1	(2,708)	(2,572)	5.3
Profit for the period		7,933	4,081	94.4	14,110	11,343	24.4
Attributable to :							
Equity holders of the Company		5,434	3,121	74.1	10,152	8,583	18.3
Non-controlling interests		2,499	960	160.3	3,958	2,760	43.4
Profit for the period		7,933	4,081	94.4	14,110	11,343	24.4

Statement of Comprehensive Income

	Note	Group			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/15	30/09/14		30/09/15	30/09/14	
		Unaudited	Unaudited		Unaudited	Unaudited	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Profit for the period		7,933	4,081	94.4	14,110	11,343	24.4
Other comprehensive loss							
Items that are or may be reclassified to profit or loss :							
Foreign currency differences for foreign operations	8	(1,280)	(971)	31.8	(4,007)	(289)	1,286.5
Other comprehensive loss for the period, net of tax		(1,280)	(971)	31.8	(4,007)	(289)	1,286.5
Total comprehensive income for the period		6,653	3,110	113.9	10,103	11,054	(8.6)
Attributable to :							
Equity holders of the Company		5,459	2,402	127.3	8,691	8,226	5.7
Non-controlling interests		1,194	708	68.6	1,412	2,828	(50.1)
Total comprehensive income for the period		6,653	3,110	113.9	10,103	11,054	(8.6)

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 other income in Q3FY2015 was mainly due to foreign exchange adjustments.
- 2) The decrease in distribution expenses was mainly due to lower freight costs.
- 3) The decrease in administrative expenses in FY2015 was mainly due to lower staff costs.
- 4) The increase in net foreign exchange gain was mainly because of strengthening of US dollar against Singapore dollar.
- 5) Other expenses was higher in Q3FY2015 mainly due to higher amortisation of intangible assets. The recognition of termination benefits also attributed to the higher expenses for the period ended 30 September 2015.
- 6) The share of profit of associates was higher due to share of higher profit from an associate and reversal of previously recognised share of an associate's prior year's losses beyond the carrying amount of investment in accordance with FRS 28.
- 7) The increase in income tax expenses in Q3FY2015 was mainly due to higher operating profits and under-provision of tax in respect of prior years.
- 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. The significant loss for the period ended 30 September 2015 was mainly due to the depreciation of Australia Dollar and Malaysia Ringgit partially offset by the appreciation of US Dollar, Vietnamese Dong and Chinese Renminbi.

Disclosure to Income Statement

	Group			Group		
	3Q		Change	9-months		Change
	30/09/15	30/09/14		30/09/15	30/09/14	
	Unaudited	Unaudited		Unaudited	Unaudited	
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Other income including interest income	1,913	1,843	3.8	5,934	5,160	15.0
Interest on borrowings	(229)	(288)	(20.5)	(692)	(848)	(18.4)
Reversal of/(Allowance for) inventory obsolescence	93	(73)	n.m	218	315	(30.8)
Depreciation and amortisation	(2,788)	(3,164)	(11.9)	(10,852)	(9,378)	15.7
Gain on disposal of property, plant and equipment	9	4	125.0	133	22	504.5
Reversal of doubtful trade receivables and bad debts written off	2	4	(50.0)	11	30	(63.3)
Inventory written-off	(246)	-	n.m	(366)	(56)	553.6
Under provision of tax in respect of prior years	(454)	(9)	4,944.4	(320)	(18)	1,677.8

n.m. - not meaningful

Other expenses comprise the following:

	Note	Group			Group		
		3Q		Change	9-months		Change
		30/09/15	30/09/14		30/09/15	30/09/14	
		Unaudited	Unaudited		Unaudited	Unaudited	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Non-operating Item:							
Termination benefits	5	34	-	n.m	(2,580)	-	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	
		30/09/15 Unaudited SGD'000	31/12/14 Audited SGD'000	30/09/15 Unaudited SGD'000	31/12/14 Audited SGD'000
Non-current assets					
Property, plant and equipment		89,575	92,132	432	24
Investment properties		7,911	8,360	-	-
Subsidiaries		-	-	104,683	103,107
Associates		8,169	7,244	1,246	1,246
Other investments		2,310	2,220	626	626
Intangible assets	1	5,771	7,696	-	-
Deferred tax assets		704	697	-	-
		114,440	118,349	106,987	105,003
Current assets					
Inventories	2	47,559	49,221	-	-
Trade and other receivables	3	41,714	34,066	9,159	9,223
Cash and cash equivalents		73,033	71,571	33,864	29,975
		162,306	154,858	43,023	39,198
Total assets		276,746	273,207	150,010	144,201
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves		(12,193)	(10,732)	77	77
Accumulated profits/(losses)		46,857	39,342	(12,842)	(17,256)
		166,766	160,712	119,337	114,923
Non-controlling interests		40,037	39,659	-	-
Total Equity		206,803	200,371	119,337	114,923
Non-current liabilities					
Trade and other payables		568	582	-	-
Financial liabilities	4	4,380	5,453	74	-
Deferred tax liabilities		3,061	3,603	11	11
		8,009	9,638	85	11
Current liabilities					
Trade and other payables		34,503	33,926	30,422	29,138
Financial liabilities	4	24,942	27,143	42	-
Current tax payable		2,489	2,129	124	129
		61,934	63,198	30,588	29,267
Total liabilities		69,943	72,836	30,673	29,278
Total equity and liabilities		276,746	273,207	150,010	144,201

Notes :

- 1) The decrease was due to amortisation of intangible assets.
- 2) The decrease was mainly due to lower purchases from Printed Cartons and Labels division partially offset by higher purchases from Specialty Papers division.
- 3) The increase was mainly due to timing of repayment by customers.
- 4) The decrease was mainly due to repayment of bank borrowings.

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

	As at 30/09/15		As at 31/12/14	
	Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
Amount repayable in one year or less, or on demand	2,666	22,276	1,816	25,327
Amount repayable after one year	78	4,302	7	5,446

Details of any collateral

The bank loans are secured on inventories.

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 30/09/15 Unaudited SGD'000	3Q 30/09/14 Unaudited SGD'000	9-months 30/09/15 Unaudited SGD'000	9-months 30/09/14 Unaudited SGD'000
	Note				
Operating activities					
Profit before income tax		9,487	4,695	16,818	13,915
Adjustments for :					
Amortisation of other investment		1	1	4	4
Depreciation and amortisation		2,787	3,163	10,848	9,374
Dividend income from an associate		-	-	(96)	(91)
Dividend income from quoted securities		(6)	(7)	(18)	(20)
Gain on disposal of property, plant and equipment		(9)	(4)	(133)	(22)
Interest income		(188)	(279)	(610)	(638)
Interest expense		229	288	692	848
Provision for termination benefits		-	-	968	-
Share of profit of associates		(1,152)	(360)	(2,542)	(1,156)
Operating profit before working capital changes		11,149	7,497	25,931	22,214
Changes in working capital :					
Inventories		(1,783)	3,352	(337)	3,029
Trade and other receivables		3,751	3,177	(9,022)	(7,386)
Trade and other payables		1,556	(1,226)	1,274	4,704
Employee benefits		(221)	8	(1,367)	(910)
Cash flows from operations		14,452	12,808	16,479	21,651
Income taxes paid		(351)	(341)	(2,036)	(2,144)
Cash flows from operating activities	1	14,101	12,467	14,443	19,507
Investing activities :					
Dividends received from an associate		-	-	96	91
Dividends received from quoted securities		6	7	18	20
Interest received		188	279	610	638
Purchase of property, plant and equipment		(1,407)	(3,937)	(4,221)	(10,432)
Additions to investment property		(22)	-	(172)	-
Proceeds from disposal of property, plant and equipment		75	20	206	49
Proceeds from disposal of a investment property		-	-	-	128
Proceeds from disposal of subsidiary		-	790	-	1,927
Cash flows used in investing activities	2	(1,160)	(2,841)	(3,463)	(7,579)
Financing activities :					
Dividends paid to shareholders		-	-	(2,637)	(3,955)
Dividends paid to non-controlling shareholders		(80)	(1,223)	(1,034)	(1,442)
Interest paid		(229)	(288)	(692)	(848)
Principal payments under hire purchase obligations		(11)	(1)	(17)	(3)
Proceeds from bank borrowings		1,700	9,859	6,119	20,774
Repayment of bank borrowings		(4,078)	(9,689)	(10,700)	(16,224)
Cash flows used in financing activities	3	(2,698)	(1,342)	(8,961)	(1,698)
Net increase in cash and cash equivalents		10,243	8,284	2,019	10,230
Cash and cash equivalents at beginning of period		62,875	62,123	71,571	59,860
Effect of exchange rate changes on balances held in foreign currency		(85)	(541)	(557)	(224)
Cash and cash equivalents at end of period		73,033	69,866	73,033	69,866
Deposits with financial institutions		25,142	11,519	25,142	11,519
Cash at banks and in hand		47,891	58,347	47,891	58,347
		73,033	69,866	73,033	69,866

Note 1 : Higher cash flows in Q3FY2015 was largely due to improved operating profit.

Note 2 : Lower cash flows used in Q3FY2015 was mainly due to reduction in the purchase of property, plant and equipment.

Note 3 : Higher cash flows used in Q3FY15 was mainly due to repayment of bank borrowings.

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 reserves 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 2014	132,102	564	77	(11,616)	441	36,901	158,469	40,946	199,415
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(1,223)	(1,223)
Total comprehensive income for the period	-	-	-	(719)	-	3,121	2,402	708	3,110
At 30 September 2014	132,102	564	77	(12,335)	441	40,022	160,871	40,431	201,302
At 1 July 2015	132,102	564	77	(13,272)	413	41,423	161,307	38,923	200,230
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(80)	(80)
Total comprehensive income for the period	-	-	-	25	-	5,434	5,459	1,194	6,653
At 30 September 2015	132,102	564	77	(13,247)	413	46,857	166,766	40,037	206,803
Company									
At 1 July 2014	132,102	-	77	-	-	(21,200)	110,979	-	110,979
Total comprehensive income for the period	-	-	-	-	-	1,692	1,692	-	1,692
At 30 September 2014	132,102	-	77	-	-	(19,508)	112,671	-	112,671
At 1 July 2015	132,102	-	77	-	-	(16,665)	115,514	-	115,514
Total comprehensive income for the period	-	-	-	-	-	3,823	3,823	-	3,823
At 30 September 2015	132,102	-	77	-	-	(12,842)	119,337	-	119,337

- 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 30/09/15	As at 31/12/14
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 30 September 2015 and 31 December 2014.

- 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 2014 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2015 and disclosed below.

The adoption of the new/revised accounting standards and interpretations applicable for the financial period beginning 1 January 2015 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group results.

During the quarter, the Group revised the residual useful life of certain property, plant and equipment in the Printed Cartons and Labels division as at 1 January 2015 after conducting a review of their residual useful lives based on past experiences and machine vendor's validation. As a result of this review, the residual useful life of certain plant and machineries have been extended for another 8 to 15 years. The net impact of this resulted in depreciation savings of S\$1.12 million in the current quarter, of which S\$0.75 million related to adjustments from 1 January 2015 to 30 June 2015.

- 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	
	9-months 30/09/15	9-months 30/09/14
Earnings per share ("EPS") for the period		
(a) Based on the average number of ordinary shares	2.31 cts	1.95 cts
(b) On a fully diluted basis	2.31 cts	1.95 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 30/09/15	As at 31/12/14	As at 30/09/15	As at 31/12/14
Net asset value per ordinary share based on existing share capital	37.95 cts	36.57 cts	27.16 cts	26.15 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.

(i) Current Quarter against Previous Year Corresponding Quarter

The Group's turnover decreased by S\$12.22 million or 15.7% to S\$65.79 million in Q3FY2015 (S\$78.01 million in Q3FY2014) mainly due to lower revenue contributions from the Specialty Papers and Trading divisions.

Gross profit margin in Q3FY2015 increased to 18.3% from 12.8% in Q3FY2014, a result of changes in the sales mix and reduced depreciation charges as mentioned in Paragraph 4. Gross profit increased by S\$2.09 million or 20.9% to S\$12.07 million in Q3FY2015 compared to S\$9.98 million in Q3FY2014.

The Group's profit before tax increased by S\$4.79 million or 102.1% to S\$9.49 million in Q3FY2015 (S\$4.70 million in Q3FY2014). This was mainly attributable to higher gross profit, net foreign exchange gain, share of profit of associates and a reduction in operating costs.

Overall, the Group's profit after tax attributable to equity holders of the Company increased by S\$2.31 million or 74.1% to S\$5.43 million in Q3FY2015 (S\$3.12 million in Q3FY2014).

(ii) Current Year-to-date against Previous Year-to-date

The Group's turnover decreased by S\$22.99 million or 10.5% to S\$195.88 million for the nine months ended 30 September 2015 (S\$218.87 million for the nine months ended 30 September 2014) mainly due to lower revenue across the business divisions.

Gross profit margin for the nine months ended 30 September 2015 increased to 15.5% (13.8% for the nine months ended 30 September 2014), a result of changes in the sales mix and reduced depreciation charges as mentioned in Paragraph 4. Gross profit slightly increased by S\$0.28 million or 0.9% to S\$30.45 million for the nine months ended 30 September 2015 compared to S\$30.18 million for the nine months ended 30 September 2014.

The Group's profit before tax increased by S\$2.90 million or 20.9% to S\$16.82 million for the nine months ended 30 September 2015 (S\$13.92 million for the nine months ended 30 September 2014). This was mainly attributable to improved gross profit, increase in other income, net exchange gain, lower staff costs and higher share of profit of associates partially offset by termination benefits of S\$2.58 million incurred by a subsidiary.

Overall, the Group's profit after tax attributable to equity holders of the Company increased by S\$1.57 million or 18.3% to S\$10.15 million for the nine months ended 30 September 2015 (S\$8.58 million for the nine months ended 30 September 2014). Excluding the aforesaid reduced depreciation charges and termination benefits, the profit after tax attributable to equity holders for the nine months ended 30 September 2015 increased by S\$2.80 million or 32.6% to S\$11.38 million.

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

Not applicable. The Group did not make any forecast previously.

- 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.**

Going forward, the Group expects its business conditions to remain challenging in view that interest rates are expected to increase, cost of business is expected to rise as well. The Group will continue to take concerted measures to manage its operating costs and optimising its production to improve operating performance and at the same time, seek to strategically expand its geographical reach to other parts of Asia. The Group is of the opinion that the outlook for 2015 remains positive.

- 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

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 third quarter and period ended 30 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary
12 November 2015