

NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

RESPONSE TO QUERY FROM SINGAPORE EXCHANGE IN RESPECT OF THE DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Board of Directors of New Toyo International Holdings Ltd (the “Company” and together with its subsidiaries, the “Group”) wishes to provide the following information in response to query received from the Singapore Exchange Limited (“SGX”) on 25 April 2022 regarding the Company’s annual report for the financial year ended 31 December 2021.

SGX Query:

- (i) We refer to the audited consolidated statements of financial position and consolidated statement of cash flows on page 46 and 50 respectively. Please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for FY2021 (available here: <https://links.sgx.com/FileOpen/NTIH%20Announcement%20FY21%2028.2.22%20Final.ashx?App=Announcement&FileID=705252>):
- a. Total non-current liabilities of S\$11,793,000 as compared to the amount of S\$13,683,000;
 - b. Operating cash inflows before changes in working capital of S\$28,985,000 as compared to the amount of S\$27,410,000;
 - c. The net cash generated from operating activities S\$21,098,000 as compared to the amount of S\$19,832,000; and
 - d. The net cash generated from investing activities of approximately S\$3,053,000 as compared to the amount of S\$2,747,000.

Company's response:

A comparison of the Audited Results and Unaudited Results for FY2021 with the relevant explanatory notes are shown below:

Consolidated Statement of Financial Position:

	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000	Note
Loans and borrowings (current)	18,957	17,067	1,890	a
Loans and borrowings (non-current)	9,556	11,446	(1,890)	a

Consolidated Statement of Cash Flows:

	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000	Note
Cash flows from operating activities				
Depreciation and amortisation	16,274	16,002	272	b
Gain on disposal of property, plant and equipment (including right-of use assets)	(248)	(252)	4	d
Impairment loss on trade/non-trade receivables	663	664	(1)	d
Exchange differences	231	(1,069)	1,300	b
Operating cash inflows before changes in working capital	28,985	27,410	1,575	
Inventories	(4,702)	(4,393)	(309)	c, d
Net cash flows generated from operating activities	21,098	19,832	1,266	
Cash flows from investing activities				
Acquisition of property, plant and equipment	(3,946)	(4,252)	306	c, d
Net cash flows generated from investing activities	3,053	2,747	306	
Net increase in cash and cash equivalents	3,303	1,731	1,572	
Effects of currency translation on cash and cash equivalents	226	1,798	(1,572)	b
Net impact to cash and cash equivalents			0	

Notes:

- a. The difference of S\$1,890,000 for total non-current liabilities of S\$11,793,000 from audited results as compared to the amount of S\$13,683,000 from unaudited results is due to a reclassification of a subsidiary's bank loan due within a year from non-current liability to current liability.
- b. The difference of S\$1,575,000 for operating cash inflows before changes in working capital of S\$28,985,000 from audited results as compared to the amount of S\$27,410,000 from unaudited results is mainly due to reclassification of effects of currency translation of subsidiaries' account from their respective functional currencies to the SGD presentation currency in the group accounts to exchange differences and depreciation and amortisation under operating activities to correctly reflect the nature within the Statement of Cash Flows.
- c. The difference of S\$1,266,000 for net cash generated from operating activities S\$21,098,000 from audited results as compared to the amount of S\$19,832,000 from unaudited results is mainly due to:
 - (i) the reclassification between inventories and acquisition of property, plant and equipment from investing activities to operating activities to correctly reflect the nature within the Statement of Cash Flows; and
 - (ii) the difference in operating cash inflows before changes in working capital as per explanation indicated in (b) above.
- d. The difference of S\$306,000 for net cash generated from investing activities of approximately S\$3,053,000 from audited results as compared to the amount of S\$2,747,000 from unaudited results is mainly due to reclassification from investing activities to operating activities to correctly reflect the nature within the Statement of Cash Flows.

By Order of the Board
Lee Wei Hsiung
Company Secretary
27 April 2022