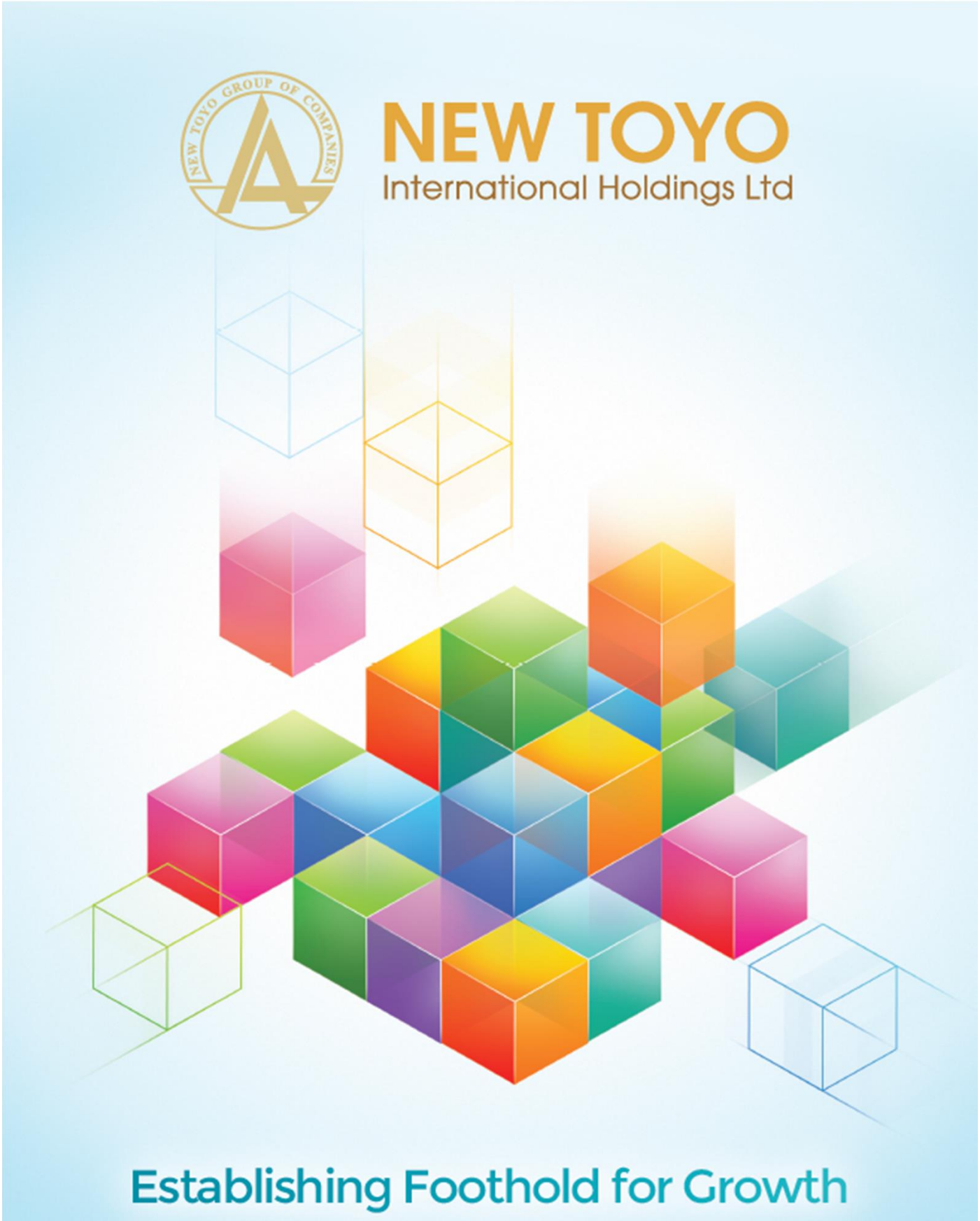
NEW TOYO
International Holdings Ltd



Establishing Foothold for Growth

FINANCIAL STATEMENTS ANNOUNCEMENT

for the quarter ended 30 September 2019

NEW TOYO
International Holdings Ltd

Unaudited results for the third quarter and period ended 30 September 2019

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

	Group			Group		
	3Q	3Q		9-months	9-months	
	30-09-19	30-09-18		30-09-19	30-09-18	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	78,224	65,341	*19.7*	232,043	196,659	*18.0*
Cost of sales	(77,077)	(58,183)	*32.5*	(220,424)	(173,977)	*26.7*
Gross profit	**1,147**	**7,158**	*(84.0)*	**11,619**	**22,682**	*(48.8)*
Other income	2,461	1,934	*27.2*	6,222	4,725	*31.7*
Distribution expenses	(1,535)	(1,245)	*23.3*	(4,845)	(3,664)	*32.2*
Administrative expenses	(6,899)	(5,774)	*19.5*	(17,722)	(16,356)	*8.4*
Net foreign exchange gain/(loss)	820	164	*400.0*	839	(266)	*n.m.*
Other operating expenses	(903)	(730)	*23.7*	(1,608)	(1,661)	*(3.2)*
Operating (loss)/profit	**(4,909)**	**1,507**	*n.m.*	**(5,495)**	**5,460**	*n.m.*
Finance income	71	317	*(77.6)*	308	1,037	*(70.3)*
Finance costs	(1,435)	(841)	*70.6*	(3,642)	(2,049)	*77.7*
Net finance costs	(1,364)	(524)	*160.3*	(3,334)	(1,012)	*229.4*
Share of loss of equity-accounted investees (net of tax)	(89)	(144)	*(38.2)*	(297)	(209)	*42.1*
(Loss)/Profit before tax	**(6,362)**	**839**	*n.m.*	**(9,126)**	**4,239**	*n.m.*
Tax expense	(522)	(458)	*14.0*	(1,671)	(1,419)	*17.8*
(Loss)/Profit for the period	**(6,884)**	**381**	*n.m.*	**(10,797)**	**2,820**	*n.m.*
Attributable to :						
Owners of the Company	(6,527)	398	*n.m.*	(10,079)	2,685	*n.m.*
Non-controlling interests	(357)	(17)	*2,000.0*	(718)	135	*n.m.*
(Loss)/Profit for the period	**(6,884)**	**381**	*n.m.*	**(10,797)**	**2,820**	*n.m.*

Statement of Comprehensive Income

	Group			Group		
	3Q	3Q		9-months	9-months	
	30-09-19	30-09-18		30-09-19	30-09-18	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
(Loss)/Profit for the period	(6,884)	381	*n.m.*	(10,797)	2,820	*n.m.*
Other comprehensive income						
Items that are or may be reclassified to profit or loss :						
Foreign currency differences for foreign operations	1,891	(2,074)	*n.m.*	751	(146)	*n.m.*
Effect of striking off a subsidiary	-	-	*n.m.*	-	(227)	*n.m.*
Other comprehensive income for the period, net of tax	**1,891**	**(2,074)**	*n.m.*	**751**	**(373)**	*n.m.*
Total comprehensive income for the period	**(4,993)**	**(1,693)**	*194.9*	**(10,046)**	**2,447**	*n.m.*
Attributable to :						
Owners of the Company	(5,156)	(965)	*434.3*	(9,507)	2,422	*n.m.*
Non-controlling interests	163	(728)	*n.m.*	(539)	25	*n.m.*
Total comprehensive income for the period	**(4,993)**	**(1,693)**	*194.9*	**(10,046)**	**2,447**	*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)

Disclosure to Income Statement

	Note	Group 3Q 30-09-19 SGD'000	Group 3Q 30-09-18 SGD'000	%	Group 9-months 30-09-19 SGD'000	Group 9-months 30-09-18 SGD'000	Change %
Other income, including finance income	(i)	2,533	2,240	*13.1*	6,510	5,736	*13.5*
Interest on borrowings	(ii)	(1,435)	(841)	*70.6*	(3,642)	(2,049)	*77.7*
(Provision for)/Reversal of inventory obsolescence	(iii)	(1,323)	(216)	*512.5*	(1,608)	138	*n.m.*
Depreciation and amortisation	(iv)	(5,467)	(4,645)	*17.7*	(16,067)	(13,257)	*21.2*
Gain on striking off a subsidiary		-	-	*n.m.*	-	14	*n.m.*
(Loss)/Gain on disposal of property, plant and equipment		(1)	11	*n.m.*	20	12	*66.7*
(Impairment loss)/Reversal of impairment loss of trade receivables		(12)	-	*n.m.*	1	-	*n.m.*
Inventory written-off		(372)	-	*n.m.*	(392)	-	*n.m.*
Property, plant and equipment written-off		(4)	(1)	*300.0*	(5)	(4)	*25.0*
(Under)/Over provision of tax in respect of prior years		(156)	1	*n.m.*	(143)	6	*n.m.*

n.m. - not meaningful

Other operating expenses comprise the following:

		Group 3Q 30-09-19	Group 3Q 30-09-18		Group 9-months 30-09-19	Group 9-months 30-09-18	
			0	Change		0	Change
Non-operating Item:		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Termination benefits	(v)	(487)	(50)	*874.0*	(487)	(50)	*874.0*

n.m. - not meaningful

Notes :

(i) Increase in other income for 3Q2019 was mainly attributed to claims of defective stocks from suppliers offset by lower interest income.

(ii) The Group incurred higher interest expenses for 3Q2019 mainly due to the higher loans and borrowings compared to the corresponding period in 2018.

(iii) Higher provision for inventory obsolescence for 3Q2019 was mainly due to the cessation of Tissue Paper division as announced on 2 September 2019.

(iv) Increase in depreciation and amortisation for 3Q2019 was partially due to the recognition of depreciation charge for right-of-use (ROU) assets as a result of the adoption of SFRS(I) 16 effective 1 January 2019 and additional capital expenditure incurred by the Vietnam and Dubai subsidiaries in the previous year.

(v) Termination benefits were recognised in 3Q2019 for the cessation of Tissue Paper operation and realignment of Dubai operations.

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	
		30-09-19	31-12-18	30-09-19	31-12-18
		SGD'000	SGD'000	SGD'000	SGD'000
Non-current assets					
Property, plant and equipment		102,609	104,364	353	201
Right-of-use assets	1	14,620	-	260	-
Investment properties		5,605	6,036	-	-
Subsidiaries		-	-	132,811	132,028
Associate and joint ventures		10,968	11,225	-	-
Other investments		2,535	2,542	1,651	1,651
Intangible assets and goodwill		24,107	25,161	-	-
Deferred tax assets		542	561	-	-
Other receivables	2	1,162	2,462	-	-
		162,148	**152,351**	**135,075**	**133,880**
Current assets					
Inventories	3	56,940	70,164	-	-
Contract assets		4,168	4,666	-	-
Trade and other receivables	4	68,796	60,754	24,255	16,927
Cash and cash equivalents	5	30,696	42,575	7,627	11,269
		160,600	**178,159**	**31,882**	**28,196**
Total assets		**322,748**	**330,510**	**166,957**	**162,076**
Equity attributable to owners of the Company					
Share capital		132,102	132,102	132,102	132,102
Reserves		(5,909)	(6,481)	77	77
Retained earnings		24,775	38,809	(14,548)	(11,271)
		150,968	**164,430**	**117,631**	**120,908**
Non-controlling interests		45,659	47,918	-	-
Total Equity		**196,627**	**212,348**	**117,631**	**120,908**
Non-current liabilities					
Other payables		830	558	-	-
Financial liabilities	6	31,353	20,630	140	-
Deferred tax liabilities		1,363	1,409	11	11
		33,546	**22,597**	**151**	**11**
Current liabilities					
Contract liabilities		843	300	-	-
Trade and other payables		44,857	48,577	32,719	32,423
Financial liabilities		46,451	46,563	16,440	8,709
Current tax liabilities		424	125	16	25
		92,575	**95,565**	**49,175**	**41,157**
Total liabilities		**126,121**	**118,162**	**49,326**	**41,168**
Total equity and liabilities		**322,748**	**330,510**	**166,957**	**162,076**

Notes :

1) Recognition of ROU assets in accordance with SFRS(I) 16.
2) The decrease is due to the receipt of tax recoverable in Indonesian operation.
3) The decrease is associated with the cessation of Tissue Paper division and lower purchases by Printed Cartons and Labels division and Specialty Paper division.
4) The increase is mainly due to the timing of repayment by customers.
5) Please refer to the Consolidated Statement of Cash Flow and related commentaries.
6) The increase in non-current finance liabilities is mainly due to the recognition of lease liabilities upon the adoption of SFRS(I) 16 offset by repayment of long term bank borrowings.

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

	As at 30/09/19		As at 31/12/18	
	Secured	Unsecured	Secured	Unsecured
	SGD'000	SGD'000	SGD'000	SGD'000
Amount repayable in one year or less, or on demand	6,465	39,986	9,233	37,330
Amount repayable after one year	12,489	18,864	13,632	6,998

Details of any collateral

Secured borrowings are bank loans secured on inventories and by a charge over the assets and shares in a subsidiary, and finance lease liabilities secured by rights to the leased assets.

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

	Note	3Q 30-09-19	3Q 30-09-18	9-months 30-09-19	9-months 30-09-18
		SGD'000	SGD'000	SGD'000	SGD'000
Operating activities					
(Loss)/Profit before tax		(6,362)	839	(9,126)	4,239
Adjustments for :					
Amortisation of other investments		1	1	4	4
Depreciation and amortisation		5,466	4,644	16,063	13,253
Dividend income from quoted securities		(4)	(5)	(10)	(8)
Gain on striking off a subsidiary		-	-	-	(14)
Loss/(Gain) on disposal of property, plant and equipment		1	(11)	(20)	(12)
Finance income		(71)	(317)	(308)	(1,037)
Finance costs		1,435	841	3,642	2,049
Property, plant and equipment written-off		4	1	5	4
Provision for termination benefits		324	-	324	-
Share of loss of equity-accounted investees (net of tax)		89	144	297	209
Operating profit before working capital changes		**883**	**6,137**	**10,871**	**18,687**
Changes in working capital :					
Inventories		10,959	(14,659)	13,260	(23,252)
Contract assets		(222)	1,513	513	409
Trade and other receivables		(6,394)	(1,422)	(6,761)	(20,213)
Trade and other payables		4,416	(3,528)	(3,280)	7,324
Employee benefits		(269)	(696)	(83)	(2,289)
Cash flows from/(used in) operations		**9,373**	**(12,655)**	**14,520**	**(19,334)**
Income taxes paid		(703)	(1,466)	(1,511)	(2,967)
Cash flows from/(used in) operating activities	1	**8,670**	**(14,121)**	**13,009**	**(22,301)**
Investing activities					
Dividends received from quoted securities		4	5	10	8
Interest received		71	317	308	1,037
Acquisition of property, plant and equipment		(3,174)	(5,023)	(10,064)	(15,880)
Proceeds from disposal of other investment		-	-	-	575
Proceeds from disposal of property, plant and equipment		-	1,095	31	2,195
Net cash outflow from striking off a subsidiary		-	-	-	(213)
Cash flows used in investing activities		**(3,099)**	**(3,606)**	**(9,715)**	**(12,278)**
Financing activities					
Dividends paid to shareholders		-	-	(3,955)	(4,394)
Dividends paid to non-controlling shareholders		(1,720)	-	(1,720)	(888)
Interest paid		(1,435)	(841)	(3,642)	(2,049)
Payment of lease liabilities		(60)	(14)	(815)	(54)
Proceeds from bank borrowings		3,203	17,208	19,112	37,552
Repayments of bank borrowings		(7,364)	(2,812)	(24,200)	(12,517)
Cash flows (used in)/from financing activities	2	**(7,376)**	**13,541**	**(15,220)**	**17,650**
Net decrease in cash and cash equivalents		**(1,805)**	**(4,186)**	**(11,926)**	**(16,929)**
Cash and cash equivalents at beginning of period		32,270	36,100	42,575	48,575
Effect of exchange rate fluctuations on cash held		231	(183)	47	85
Cash and cash equivalents at end of period		**30,696**	**31,731**	**30,696**	**31,731**
Deposits with financial institutions		6,615	8,187	6,615	8,187
Cash at banks and on hand		24,081	23,544	24,081	23,544
		30,696	**31,731**	**30,696**	**31,731**

Note 1 : Positive cash flows from operating activities in 3Q2019 was attributable to lower purchases of inventories as mentioned in note 3 of paragraph 1(b)(i), timing of payment to suppliers, mitigated by lower profits and timing of repayment by customers.

Note 2 : Cash flows used in financing activities in 3Q2019 was mainly due to dividend paid to non-controlling shareholders, higher repayments of bank borrowings and interest costs, offset by lower drawdown as compared to the same period last year.

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

		← Other reserves →							
	Share capital SGD'000	Capital reserve SGD'000	Other reserve SGD'000	Translation reserve SGD'000	Fair value reserve SGD'000	Retained earnings SGD'000	Total SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Group									
As at 1 July 2018	132,102	797	77	(4,931)	-	39,538	**167,583**	49,071	**216,654**
Total comprehensive income for the period	-	-	-	(1,363)	-	398	**(965)**	(728)	**(1,693)**
At 30 September 2018	**132,102**	**797**	**77**	**(6,294)**	**-**	**39,936**	**166,618**	**48,343**	**214,961**
At 1 July 2019	132,102	822	77	(8,179)	-	31,302	**156,124**	47,216	**203,340**
Dividend paid to non-controlling interests	-	-	-	-	-	-	**-**	(1,720)	**(1,720)**
Total comprehensive income for the period	-	-	-	1,371	-	(6,527)	**(5,156)**	163	**(4,993)**
At 30 September 2019	**132,102**	**822**	**77**	**(6,808)**	**-**	**24,775**	**150,968**	**45,659**	**196,627**
Company									
As at 1 July 2018	132,102	-	77	-	-	(14,520)	**117,659**	-	**117,659**
Total comprehensive income for the period	-	-	-	-	-	1,349	**1,349**	-	**1,349**
At 30 September 2018	**132,102**	**-**	**77**	**-**	**-**	**(13,171)**	**119,008**	**-**	**119,008**
At 1 July 2019	132,102	-	77	-	-	(15,569)	**116,610**	-	**116,610**
Total comprehensive income for the period	-	-	-	-	-	1,021	**1,021**	-	**1,021**
At 30 September 2019	**132,102**	**-**	**77**	**-**	**-**	**(14,548)**	**117,631**	**-**	**117,631**

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 30-09-19	As at 31-12-18
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 30 September 2019 and 31 December 2018.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2018.

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.

During the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 3 and SFRS(I) 11 *Previously Held Interest in a Joint Operation*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*
- Amendments to SFRS(I) 1-23 *Borrowing Costs Eligible for Capitalisation*
- Amendments to SFRS(I) 1-28 *Long-Term Interests in Associates and Joint Ventures*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the modified retrospective approach with no restatement of comparative information.

SFRS(I) 16 introduces a single, on-balance sheet leasee accounting model. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 January 2019 and recognition exemptions for short-term leases and leases of low value items. The accounting for lessors has not changed significantly.

The nature of expenses related to such leases has changed as the principles under SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The ROU assets were mainly related to leases of offices, warehouses and factories occupied by the Group in the various locations.

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		Group	
		3Q	3Q	9-months	9-months
		30-09-19	30-09-18	30-09-19	30-09-18
Earnings per share ("EPS") for the period					
(a)	Based on the average number of ordinary shares	-1.49 cts	0.09 cts	-2.29 cts	0.61 cts
(b)	On a fully diluted basis	-1.49 cts	0.09 cts	-2.29 cts	0.61 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

	Group		Company	
	As at	As at	As at	As at
	30-09-19	31-12-18	30-09-19	31-12-18
Net asset value per ordinary share based on existing share capital	34.36 cts	37.42 cts	26.77 cts	27.52 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 increased by S$12.88 million or 19.7% to S$78.22 million in 3Q2019, mainly due to revenue contribution from Tissue Paper division and higher revenue in Specialty Papers ("SP") and Printed Cartons and Labels ("PCL") divisions, offset by lower revenue from Trading division.

Gross profit for 3Q2019 decreased by S$6.01 million or 84.0% to S$1.15 million compared to S$7.16 million in 3Q2018. The gross profit margin of 1.5% for the Group in 3Q2019 was impacted by lower margin from SP and PCL divisions, and a loss incurred by Tissue Paper division, which ceased production in September 2019. Excluding Tissue Paper division, the gross profit margin would be 6.8%. PCL's gross profit margin suffered one-off write down of tooling for the Dubai operation and lower revenue in certain cigarette brand printed by the Vietnam operations.

The contributing factors for higher other income in 3Q2019 was mentioned in paragraph 1(a) note (i). Distribution expenses increased by S$0.29 million in 3Q2019 mainly due to distribution costs incurred by Tissue Paper division mitigated by the absence of expenses from a Malaysian operation followed by its closure in 2018. The increase in administrative expenses by S$1.13 million in 3Q2019 was largely attributable to a provision made on value-added tax receivable as the realisation in future was not probable as a result of the cessation of Tissue Paper operation.

Net foreign exchange gain in 3Q2019 of S$0.82 million was mainly due to appreciation of the US Dollar. Other operating expenses was higher mainly due to the recognition of termination benefits following the cessation of Tissue Paper operation and realignment of Dubai operations.

The increase in finance costs by S$0.59 million to S$1.44 million in 3Q2019 was attributed to the increase in bank borrowings to fund the working capital requirements of Tissue Paper division, Dubai operation, expansion of Vietnam operation and the recognition of interest expenses on lease liabilities in relation to the adoption of SFRS(I) 16.

The Group posted a loss before tax of S$6.36 million in 3Q2019 (S$0.84 million profit in 3Q2018). Increase in tax expenses was due to higher taxable profits. Overall, the Group reported a loss after tax attributable to owners of the Company of S$6.53 million for 3Q2019 (S$0.40 million profit in 3Q2018). Excluding Tissue Paper division, the Group would have registered a profit attributable to owners of the Company of S$0.08 million for 3Q2019.

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

The Group's turnover increased by S$35.38 million or 18.0% to S$232.04 million for the nine months ended 30 September 2019 ("9M2019") due to the factors mentioned above for 3Q2019.

Gross profit margin for the nine months ended 30 September 2019 decreased to 5.0% as compared to 11.5% last year due to the factors mentioned above for 3Q2019. The Tissue Paper division faced several adverse factors since entry, including fluctuating pulp prices, the competitiveness in tissue paper markets and longer than expected time to obtain full production capacity, which resulted in a larger than expected start up loss for this business. Excluding Tissue Paper division, the gross profit margin would be 9.0%.

Higher other income for the current period was mainly due to recovery of costs from a major customer and claims of defective stocks from suppliers. The increase in distribution expenses and administrative expenses by S$1.18 million and S$1.37 million respectively for 9M2019 were due to the same factors mentioned for 3Q19. Higher freight costs for Vietnam operations also impacted the distribution expenses.

Lower interest income for 9M2019 was attributable to the absence of interest income from a jointly controlled entity in Malaysia. Finance costs was S$3.64 million, S$1.59 million higher than the same period in 2018 due to the factors mentioned for 3Q2019.

The Group registered a loss before tax of S$9.13 million for the nine months ended 30 September 2019 (S$4.24 million profit for the nine months ended 30 September 2018). The higher tax expenses for the current period was due to higher taxable profits. Overall, the Group reported a loss after tax attributable to owners of the Company of S$10.08 million for the nine months ended 30 September 2019 (S$2.69 million profit for the nine months ended 30 September 2018). Excluding Tissue Paper division, the Group would have registered a profit attributable to owners of the Company of S$1.10 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.

The Group has closed its tissue paper mill operation and achieved cost reduction for Dubai operations, which should contribute positively from 4th quarter 2019.

Moving forward, the Group remains cautious but confident of its overall business outlook.

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 (recommended), a statement to that effect and the reason(s) for the decision.

No dividend is declared or recommended for the quarter ended 30 September 2019 as the Group had registered a loss.

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 2019 to be false or misleading in any material aspect.

15 Confirmation pursuant to Rule 720(1).

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
14 November 2019