



STRATEGY
for long term growth

FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 30 June 2014

Unaudited results for the second quarter and period ended 30 June 2014

- 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		Change	6-months		Change
		30/06/14	30/06/13		30/06/14	30/06/13	
	Unaudited	Unaudited	%	Unaudited	Unaudited	%	
		SGD'000	SGD'000		SGD'000	SGD'000	
Revenue		71,292	77,824	(8.4)	140,861	145,839	(3.4)
Cost of sales		(60,646)	(64,133)	(5.4)	(120,670)	(119,566)	0.9
Gross profit		10,646	13,691	(22.2)	20,191	26,273	(23.1)
Other income	1	1,554	1,774	(12.4)	2,976	3,373	(11.8)
Distribution expenses	2	(1,802)	(2,115)	(14.8)	(3,575)	(4,489)	(20.4)
Administrative expenses	3	(4,803)	(4,275)	12.4	(9,518)	(8,955)	6.3
Net foreign exchange loss		(204)	(290)	(29.7)	(213)	(351)	(39.3)
Other expenses	4	(555)	(1,344)	(58.7)	(1,236)	(1,872)	(34.0)
Operating profit		4,836	7,441	(35.0)	8,625	13,979	(38.3)
Finance income		184	133	38.3	359	295	21.7
Finance expenses	5	(278)	(404)	(31.2)	(560)	(826)	(32.2)
Net finance expenses		(94)	(271)	(65.3)	(201)	(531)	(62.1)
Share of profit of associates, net of tax	6	359	472	(23.9)	796	696	14.4
Profit before taxation		5,101	7,642	(33.3)	9,220	14,144	(34.8)
Taxation	7	(1,161)	(1,269)	(8.5)	(1,958)	(2,358)	(17.0)
Profit for the period		3,940	6,373	(38.2)	7,262	11,786	(38.4)
Attributable to :							
Equity holders of the Company		3,057	4,674	(34.6)	5,462	8,467	(35.5)
Non-controlling interests		883	1,699	(48.0)	1,800	3,319	(45.8)
Profit for the period		3,940	6,373	(38.2)	7,262	11,786	(38.4)

Statement of Comprehensive Income

	Note	Group			Group		
		2Q		Change	6-months		Change
		30/06/14	30/06/13		30/06/14	30/06/13	
	Unaudited	Unaudited	%	Unaudited	Unaudited	%	
		SGD'000	SGD'000		SGD'000	SGD'000	
Profit for the period		3,940	6,373	(38.2)	7,262	11,786	(38.4)
Other comprehensive (loss)/income							
Items that are or may be reclassified to profit or loss :							
Foreign currency differences for foreign operations	8	(178)	(4,151)	(95.7)	682	(2,002)	n.m
Foreign currency translation reserve of an associate recognised in profit or loss	4	-	835	(100.0)	-	835	(100.0)
Other comprehensive (loss)/income for the period, net of tax		(178)	(3,316)	(94.6)	682	(1,167)	n.m
Total comprehensive income for the period		3,762	3,057	23.1	7,944	10,619	(25.2)
Attributable to :							
Equity holders of the Company		2,827	2,341	20.8	5,824	7,789	(25.2)
Non-controlling interests		935	716	30.6	2,120	2,830	(25.1)
Total comprehensive income for the period		3,762	3,057	23.1	7,944	10,619	(25.2)

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 lower income from scrap sales and ink supplies.
- 2) The lower distribution expenses was mainly due to lower freight expenses.
- 3) The increase in administrative expenses was mainly due to higher staff costs, professional fees and software licence. Over-provision of professional fees in relation to secretarial and tax services was reversed in Q2FY2013.
- 4) Other operating expenses was higher in Q2FY2013 mainly due to cumulative foreign currency translation loss relating to the associate, Shanghai Asia Holdings Limited ("SAH") amounted to SGD0.8 million following the capital reduction of SAH.
- 5) The decrease in finance expenses was mainly due to lower bank borrowings.
- 6) The share of profit of associates was higher in Q2FY2013 due to contribution from SAH, which is now under members' voluntary winding up.
- 7) The effective tax rate was higher mainly due to higher contributions from the operations in countries with higher effective tax rates.
- 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.

Disclosure to Income Statement

	Group			Group		
	2Q	2Q		6-months	6-months	
	30/06/14	30/06/13		30/06/14	30/06/13	
	Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Other income including interest income	1,739	1,880	(7.5)	3,317	3,642	(8.9)
Interest on borrowings	(278)	(404)	(31.2)	(560)	(826)	(32.2)
Reversal of inventory obsolescence	226	154	46.8	388	148	162.2
Depreciation and amortisation	(3,119)	(3,145)	(0.8)	(6,214)	(6,356)	(2.2)
(Loss)/Gain on disposal of property, plant and equipment	(1)	27	(103.7)	18	26	(30.8)
(Allowance for)/Reversal of doubtful trade receivables and bad debts written off	(4)	161	(102.5)	26	(164)	n.m
Inventory written-off	(7)	(31)	(77.4)	(56)	(38)	47.4
(Under)/Overprovision of tax in respect of prior years	(6)	-	n.m	(9)	31	(129.0)

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	
		30/06/14 Unaudited SGD'000	31/12/13 Audited SGD'000	30/06/14 Unaudited SGD'000	31/12/13 Audited SGD'000
Non-current assets					
Property, plant and equipment		91,469	89,245	32	59
Investment properties		8,560	9,157	-	-
Subsidiaries		-	-	101,426	102,196
Associates		7,140	6,457	1,294	1,294
Other investments		2,162	2,199	626	626
Intangible assets		8,576	9,786	-	-
Deferred tax assets		2,006	1,766	-	-
		119,913	118,610	103,378	104,175
Current assets					
Inventories		49,802	49,518	-	-
Trade and other receivables	1	53,484	43,243	11,874	9,543
Cash and cash equivalents		62,123	59,860	24,747	28,721
		165,409	152,621	36,621	38,264
Total assets		285,322	271,231	139,999	142,439
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves		(10,534)	(10,896)	77	77
Accumulated profits/(losses)		36,901	35,394	(21,200)	(18,560)
		158,469	156,600	110,979	113,619
Non-controlling interests		40,946	39,045	-	-
Total Equity		199,415	195,645	110,979	113,619
Non-current liabilities					
Trade and other payables		842	884	-	-
Financial liabilities	2	7,225	6,219	-	-
Deferred tax liabilities		3,922	3,939	11	11
		11,989	11,042	11	11
Current liabilities					
Trade and other payables	3	39,953	34,642	28,879	28,677
Financial liabilities	2	31,699	28,327	-	-
Current tax payable		2,266	1,575	130	132
		73,918	64,544	29,009	28,809
Total liabilities		85,907	75,586	29,020	28,820
Total equity and liabilities		285,322	271,231	139,999	142,439

Notes :

- 1) The increase was due to timing of repayment by customers.
- 2) The increase was due to net proceeds from bank borrowings.
- 3) The increase was due to timing of repayment to suppliers.

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

	As at 30/06/14		As at 31/12/13	
	Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
Amount repayable in one year or less, or on demand	6,265	25,434	5,716	22,611
Amount repayable after one year	2,357	4,868	4,526	1,693

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 30/06/14 Unaudited SGD'000	2Q 30/06/13 Unaudited SGD'000	6-months 30/06/14 Unaudited SGD'000	6-months 30/06/13 Unaudited SGD'000
Operating activities	Note				
Profit before income tax		5,101	7,642	9,220	14,144
Adjustments for :					
Amortisation of other investment		2	2	3	3
Depreciation and amortisation		3,117	3,143	6,211	6,353
Dividend income		(13)	(13)	(13)	(13)
Cumulative foreign currency loss of an investment in associate		-	835	-	835
(Gain)/Loss on disposal of property, plant and equipment		1	(27)	(18)	(26)
Interest income		(184)	(133)	(359)	(295)
Interest expense		278	404	560	826
Property, plant and equipment written-off		-	1	-	1
Share of profit of associates		(359)	(472)	(796)	(696)
Operating profit before working capital changes		7,943	11,382	14,808	21,132
Changes in working capital :					
Inventories		(1,570)	811	(323)	(3,698)
Trade and other receivables		(1,503)	(1,951)	(10,563)	(5,267)
Trade and other payables		3,466	870	5,930	(5,354)
Employee benefits		137	(193)	(918)	(43)
Cash generated from operations		8,473	10,919	8,934	6,770
Income taxes paid		(954)	(1,357)	(1,803)	(2,541)
Cash flows from operating activities		7,519	9,562	7,131	4,229
Investing activities :					
Dividends received		13	13	13	13
Interest received		184	133	359	295
Purchase of property, plant and equipment		(5,352)	(2,156)	(6,495)	(2,869)
Proceeds from disposal of property, plant and equipment		-	28	29	28
Proceeds from disposal of a investment property		(2)	-	128	-
Proceeds from disposal of subsidiary	1	347	-	1,137	-
Proceeds from cash distribution of an associate		-	28,303	-	28,303
Cash flows (used in)/from investing activities		(4,810)	26,321	(4,829)	25,770
Financing activities :					
Dividends paid to shareholders		(3,955)	(3,955)	(3,955)	(3,955)
Dividends paid to non-controlling shareholders		(156)	(173)	(219)	(371)
Interest paid		(278)	(404)	(560)	(826)
Principal payments under hire purchase obligations		(1)	(1)	(2)	(4)
Proceeds from bank borrowings		10,162	1,177	10,915	5,268
Repayment of bank borrowings		(1,256)	(9,202)	(6,535)	(11,175)
Cash flows (used in)/from financing activities		4,516	(12,558)	(356)	(11,063)
Net increase in cash and cash equivalents		7,225	23,325	1,946	18,936
Cash and cash equivalents at beginning of period		54,766	38,527	59,860	42,597
Effect of exchange rate changes on balances held in foreign currency		132	(479)	317	(160)
Cash and cash equivalents at end of period		62,123	61,373	62,123	61,373
Deposits with financial institutions		7,422	6,780	7,422	6,780
Cash at banks and in hand		54,701	54,593	54,701	54,593
		62,123	61,373	62,123	61,373

Note 1 : Partial cash consideration received from the disposal of a subsidiary in year 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

	← Other reserves →					Accumulated (losses)/ profits	Total	Non- controlling interests	Total Equity
	Share capital SGD'000	Capital reserve SGD'000	Other reserve SGD'000	Currency translation reserve SGD'000	Fair value reserve SGD'000				
Group									
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)
Dividends 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
At 1 April 2014	132,102	564	77	(11,386)	441	37,799	159,597	40,167	199,764
Dividends paid	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(156)	(156)
Total comprehensive income for the period	-	-	-	(230)	-	3,057	2,827	935	3,762
At 30 June 2014	132,102	564	77	(11,616)	441	36,901	158,469	40,946	199,415
Company									
At 1 April 2013	132,102	-	77	-	-	(19,425)	112,754	-	112,754
Dividends paid	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total comprehensive income for the period	-	-	-	-	-	1,393	1,393	-	1,393
At 30 June 2013	132,102	-	77	-	-	(21,987)	110,192	-	110,192
At 1 April 2014	132,102	-	77	-	-	(18,332)	113,847	-	113,847
Dividends paid	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total comprehensive income for the period	-	-	-	-	-	1,087	1,087	-	1,087
At 30 June 2014	132,102	-	77	-	-	(21,200)	110,979	-	110,979

- 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 30/06/14	As at 31/12/13
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 30 June 2014 and 31 December 2013.

- 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 2013 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2014.

The adoption of the new/revised accounting standards and interpretations applicable for the financial period beginning 1 January 2014 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		Group 6-months	
	30/06/14	30/06/13	30/06/14	30/06/13
Earnings per share ("EPS") for the period				
(a) Based on the average number of ordinary shares	0.70 cts	1.06 cts	1.24 cts	1.93 cts
(b) On a fully diluted basis	0.70 cts	1.06 cts	1.24 cts	1.93 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 30/06/14	As at 31/12/13	As at 30/06/14	As at 31/12/13
Net asset value per ordinary share based on existing share capital	36.06 cts	35.64 cts	25.26 cts	25.86 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.

Demand for Printed Cartons & Labels ("PCL") and Specialty Papers ("SP") products declined which contributed to the lower revenue and margin.

The Group's turnover decreased by 8.4% to SGD71.29 million in Q2FY2014 (SGD77.82 million in Q2FY2013) mainly due to lower revenue in PCL and SP divisions, which was partially off-set by higher revenue in Trading division.

Gross profit was SGD10.65 million in 2QFY2014 compared to SGD13.69 million in 2QFY2013. Gross profit margin in 2QFY2014 decreased to 14.9% compared to 17.6% in 2QFY2013. The change in sales mix contributed to the lower gross profit margin.

The Group's profit before tax decreased by 33.3% to SGD5.10 million in Q2FY2014 (SGD7.64 million in Q2FY2013). This was mainly attributable to lower gross profit.

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by 34.6% to SGD3.06 million in Q2FY2014 (SGD4.67 million in Q2FY2013).

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

Not applicable.

- 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 outlook for the Group remains challenging with the changing legislative environment as well as excise duty changes in some of the markets we operate in. This contributed to a change in product mix and the lower gross profit margin. The Group will increase efforts to improve operational efficiencies and business development in our core businesses as well as explore opportunities for diversification.

- 11 Dividend**

(a) Current Financial Period Reported On

2014	
Ordinary	
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend per share :	0.60 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

2013	
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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
8 August 2014