



Keeping the
MOMENTUM

FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 30 June 2015

Unaudited results for the second quarter and period ended 30 June 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		
		2Q	2Q	Change	6-months	6-months	Change
		30/06/15	30/06/14		30/06/15	30/06/14	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue		69,579	71,292	(2.4)	130,094	140,861	(7.6)
Cost of sales		(60,238)	(60,646)	(0.7)	(111,713)	(120,670)	(7.4)
Gross profit		9,341	10,646	(12.3)	18,381	20,191	(9.0)
Other income	1	1,714	1,554	10.3	3,723	2,976	25.1
Distribution expenses	2	(1,649)	(1,802)	(8.5)	(3,259)	(3,575)	(8.8)
Administrative expenses	3	(4,506)	(4,803)	(6.2)	(9,122)	(9,518)	(4.2)
Net foreign exchange (loss)/gain	4	(307)	(204)	50.5	311	(213)	n.m
Other expenses	5	(753)	(555)	35.7	(4,052)	(1,236)	227.8
Operating profit		3,840	4,836	(20.6)	5,982	8,625	(30.6)
Finance income		197	184	7.1	422	359	17.5
Finance expenses		(226)	(278)	(18.7)	(463)	(560)	(17.3)
Net finance expenses		(29)	(94)	(69.1)	(41)	(201)	(79.6)
Share of profit of associates, net of tax	6	452	359	25.9	1,390	796	74.6
Profit before taxation		4,263	5,101	(16.4)	7,331	9,220	(20.5)
Taxation	7	(733)	(1,161)	(36.9)	(1,154)	(1,958)	(41.1)
Profit for the period		3,530	3,940	(10.4)	6,177	7,262	(14.9)
Attributable to :							
Equity holders of the Company		2,490	3,057	(18.5)	4,718	5,462	(13.6)
Non-controlling interests		1,040	883	17.8	1,459	1,800	(18.9)
Profit for the period		3,530	3,940	(10.4)	6,177	7,262	(14.9)

Statement of Comprehensive Income

	Note	Group			Group		
		2Q	2Q	Change	6-months	6-months	Change
		30/06/15	30/06/14		30/06/15	30/06/14	
		SGD'000	SGD'000	%	SGD'000	SGD'000	%
Profit for the period		3,530	3,940	(10.4)	6,177	7,262	(14.9)
Other comprehensive (loss)/income							
Items that are or may be reclassified to profit or loss :							
Foreign currency differences for foreign operations	8	(3,677)	(178)	1,965.7	(2,727)	682	n.m
Other comprehensive (loss)/income for the period, net of tax		(3,677)	(178)	n.m	(2,727)	682	n.m
Total comprehensive (loss)/income for the period		(147)	3,762	(103.9)	3,450	7,944	(56.6)
Attributable to :							
Equity holders of the Company		(45)	2,827	n.m	3,232	5,824	(44.5)
Non-controlling interests		(102)	935	n.m	218	2,120	(89.7)
Total comprehensive (loss)/income for the period		(147)	3,762	n.m	3,450	7,944	(56.6)

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 Q2FY2015 was mainly due to gain on disposal of motor vehicle and higher income from ink supplies.
- 2) The decrease in distribution expenses was mainly due to lower freight costs.
- 3) The decrease in administrative expenses in Q2FY2015 was mainly due to lower staff costs, professional fees and utilities.
- 4) The increase in net foreign exchange loss in Q2FY2015 was mainly because of weakening of US Dollar against Singapore Dollar.
- 5) Other operating expenses was higher in Q2FY2015 mainly due to higher amortisation of intangible assets. The recognition of termination benefits also attributed to the higher operating expenses in FY2015.
- 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 decrease in income tax expenses was mainly due to lower contributions from the operations in countries with higher 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. The significant loss in Q2FY2015 was mainly due to the depreciation of Malaysia Ringgit, US Dollar, Vietnamese Dong and Chinese Renminbi partially offset by the appreciation of Australia Dollar.

Disclosure to Income Statement

	Group			Group		
	2Q		Change	6-months		Change
	30/06/15	30/06/14		30/06/15	30/06/14	
	Unaudited	Unaudited	%	Unaudited	Unaudited	
SGD'000	SGD'000		SGD'000	SGD'000	%	
Other income including interest income	1,799	1,739	3.5	4,021	3,317	21.2
Interest on borrowings	(226)	(278)	(18.7)	(463)	(560)	(17.3)
Reversal of inventory obsolescence	102	226	(54.9)	125	388	(67.8)
Depreciation and amortisation	(4,489)	(3,119)	43.9	(8,064)	(6,214)	29.8
Gain/(loss) on disposal of property, plant and equipment	112	(1)	n.m	124	18	n.m
(Allowance for)/Reversal of doubtful trade receivables and bad debts written off	-	(4)	n.m	9	26	(65.4)
Inventory written-off	(119)	(7)	1,600.0	(120)	(56)	114.3
(Under)/Over provision of tax in respect of prior years	(11)	(6)	83.3	134	(9)	n.m

n.m. - not meaningful

Other expenses comprise the following:

	Note	Group			Group		
		2Q		Change	6-months		Change
		30/06/15	30/06/14		30/06/15	30/06/14	
		Unaudited	Unaudited	%	Unaudited	Unaudited	
		SGD'000	SGD'000	SGD'000	SGD'000	%	
<u>Non-operating Item:</u>							
Termination benefits	5	(39)	-	(2,614)	-	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	
		30/06/15 Unaudited SGD'000	31/12/14 Audited SGD'000	30/06/15 Unaudited SGD'000	31/12/14 Audited SGD'000
Non-current assets					
Property, plant and equipment		89,711	92,132	458	24
Investment properties		8,178	8,360	-	-
Subsidiaries		-	-	104,470	103,107
Associates		7,950	7,244	1,246	1,246
Other investments		2,247	2,220	626	626
Intangible assets	1	6,357	7,696	-	-
Deferred tax assets		695	697	-	-
		115,138	118,349	106,800	105,003
Current assets					
Inventories	2	45,702	49,221	-	-
Trade and other receivables	3	46,073	34,066	10,242	9,223
Cash and cash equivalents		62,875	71,571	28,249	29,975
		154,650	154,858	38,491	39,198
Total assets		269,788	273,207	145,291	144,201
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves		(12,218)	(10,732)	77	77
Accumulated profits/(losses)		41,423	39,342	(16,665)	(17,256)
		161,307	160,712	115,514	114,923
Non-controlling interests		38,923	39,659	-	-
Total Equity		200,230	200,371	115,514	114,923
Non-current liabilities					
Trade and other payables		578	582	-	-
Financial liabilities	4	4,619	5,453	89	-
Deferred tax liabilities		3,639	3,603	11	11
		8,836	9,638	100	11
Current liabilities					
Trade and other payables		33,163	33,926	29,507	29,138
Financial liabilities	4	26,101	27,143	38	-
Current tax payable		1,458	2,129	132	129
		60,722	63,198	29,677	29,267
Total liabilities		69,558	72,836	29,777	29,278
Total equity and liabilities		269,788	273,207	145,291	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 divisions.
- 3) The increase was mainly due to higher trading sales and timing of repayment by customers.
- 4) The decrease was mainly due to increase in repayment of bank borrowings.

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

	As at 30/06/15		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	1,367	24,734	1,816	25,327
Amount repayable after one year	94	4,525	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

		2Q 30/06/15 Unaudited SGD'000	2Q 30/06/14 Unaudited SGD'000	6-months 30/06/15 Unaudited SGD'000	6-months 30/06/14 Unaudited SGD'000
Operating activities	Note				
Profit before income tax		4,263	5,101	7,331	9,220
Adjustments for :					
Amortisation of other investment		2	2	3	3
Depreciation and amortisation		4,487	3,117	8,061	6,211
Dividend income from an associate		(96)	(91)	(96)	(91)
Dividend income from quoted securities		(12)	(13)	(12)	(13)
Gain on disposal of property, plant and equipment		(112)	1	(124)	(18)
Interest income		(197)	(184)	(422)	(359)
Interest expense		226	278	463	560
Provision for termination benefits		-	-	968	-
Share of profit of associates		(452)	(359)	(1,390)	(796)
Operating profit before working capital changes		8,109	7,852	14,782	14,717
Changes in working capital :					
Inventories		4,424	(1,570)	1,446	(323)
Trade and other receivables		(5,422)	(1,503)	(12,773)	(10,563)
Trade and other payables		(2,140)	3,466	(282)	5,930
Employee benefits		(779)	137	(1,146)	(918)
Cash flows from operations		4,192	8,382	2,027	8,843
Income taxes paid		(932)	(954)	(1,685)	(1,803)
Cash flows from operating activities	1	3,260	7,428	342	7,040
Investing activities :					
Dividends received from an associate		96	91	96	91
Dividends received from quoted securities		12	13	12	13
Interest received		197	184	422	359
Purchase of property, plant and equipment		(2,028)	(5,352)	(2,814)	(6,495)
Additions to investment property		(73)	-	(150)	-
Proceeds from disposal of property, plant and equipment		112	-	131	29
Proceeds from disposal of a investment property		-	(2)	-	128
Proceeds from disposal of subsidiary		-	347	-	1,137
Cash flows used in investing activities	2	(1,684)	(4,719)	(2,303)	(4,738)
Financing activities :					
Dividends paid to shareholders		(2,637)	(3,955)	(2,637)	(3,955)
Dividends paid to non-controlling shareholders		(954)	(156)	(954)	(219)
Interest paid		(226)	(278)	(463)	(560)
Principal payments under hire purchase obligations		(5)	(1)	(6)	(2)
Proceeds from bank borrowings		1,809	10,162	4,419	10,915
Repayment of bank borrowings		(2,958)	(1,256)	(6,622)	(6,535)
Cash flows (used in)/from financing activities	3	(4,971)	4,516	(6,263)	(356)
Net (decrease)/increase in cash and cash equivalents		(3,395)	7,225	(8,224)	1,946
Cash and cash equivalents at beginning of period		67,100	54,766	71,571	59,860
Effect of exchange rate changes on balances held in foreign currency		(830)	132	(472)	317
Cash and cash equivalents at end of period		62,875	62,123	62,875	62,123
Deposits with financial institutions		21,791	7,422	21,791	7,422
Cash at banks and in hand		41,084	54,701	41,084	54,701
		62,875	62,123	62,875	62,123

Note 1 : Lower cash flows in Q2FY2015 was largely due to timing of repayment by customers and payments for purchases to suppliers offset by lower purchases from Printed Cartons and Labels divisions.

Note 2 : Lower cash flows used in Q2FY2015 was mainly due to reduction in the purchase of property, plant and equipment.

Note 3 : Mainly due to lower utilisation of bank borrowings in Q2FY2015.

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 2014	132,102	564	77	(11,386)	441	37,799	159,597	40,167	199,764
Dividends paid	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Dividends 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
At 1 April 2015	132,102	564	77	(10,737)	413	41,570	163,989	39,979	203,968
Dividends paid	-	-	-	-	-	(2,637)	(2,637)	-	(2,637)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(954)	(954)
Total comprehensive income for the period	-	-	-	(2,535)	-	2,490	(45)	(102)	(147)
At 30 June 2015	132,102	564	77	(13,272)	413	41,423	161,307	38,923	200,230
Company									
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
At 1 April 2015	132,102	-	77	-	-	(15,705)	116,474	-	116,474
Dividends paid	-	-	-	-	-	(2,637)	(2,637)	-	(2,637)
Total comprehensive income for the period	-	-	-	-	-	1,677	1,677	-	1,677
At 30 June 2015	132,102	-	77	-	-	(16,665)	115,514	-	115,514

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 30/06/15	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 June 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.

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.

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	
	6-months 30/06/15	6-months 30/06/14
Earnings per share ("EPS") for the period		
(a) Based on the average number of ordinary shares	1.07 cts	1.24 cts
(b) On a fully diluted basis	1.07 cts	1.24 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 30/06/15	As at 31/12/14	As at 30/06/15	As at 31/12/14
Net asset value per ordinary share based on existing share capital	36.71 cts	36.57 cts	26.29 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\$1.71 million or 2.4% to S\$69.58 million in Q2FY2015 (S\$71.29 million in Q2FY2014) mainly due to lower revenue in Printed Cartons and Labels ("PCL") division partially offset by higher revenue in Trading division.

Gross profit margin in Q2FY2015 declined to 13.4% from 14.9% in Q2FY2014, as a result of changes in the sales mix. In absolute dollars, gross profit decreased by S\$1.31 million or 12.3% to S\$9.34 million in Q2FY2015 compared to S\$10.65 million in Q2FY2014.

The Group's profit before tax decreased by S\$0.84 million or 16.4% to S\$4.26 million in Q2FY2015 (S\$5.10 million in Q2FY2014). This was mainly attributable to lower gross profit partially offset by increase in other income, share of profit of associates and lower operating expenses.

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by S\$0.57 million or 18.5% to S\$2.49 million in Q2FY2015 (S\$3.06 million in Q2FY2014).

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

The Group's turnover decreased by S\$10.77 million or 7.6% to S\$130.09 million for the six months ended 30 June 2015 (S\$140.86 million for the six months ended 30 June 2014) mainly due to lower revenue in Trading division and Printed Cartons and Labels ("PCL") division.

Gross profit margin for the six months ended 30 June 2015 slightly declined to 14.1% (14.3% for the six months ended 30 June 2014), as a result of changes in the sales mix. In absolute dollars, gross profit decreased by S\$1.81 million or 9.0% to S\$18.38 million for the six months ended 30 June 2015 compared to S\$20.19 million for the six months ended 30 June 2014.

The Group's profit before tax decreased by S\$1.89 million or 20.5% to S\$7.33 million for the six months ended 30 June 2015 (S\$9.22 million for the six months ended 30 June 2014). This was mainly attributable to lower gross profit and termination benefits of S\$2.61 million incurred by a subsidiary partially offset by increase in other income and share of profit of associates.

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by S\$0.74 million or 13.6% to S\$4.72 million for the six months ended 30 June 2015 (S\$5.46 million for the six months ended 30 June 2014). Excluding the aforesaid termination benefits, the profit after tax attributable to equity holders for the six months ended 30 June 2015 increased by S\$1.26 million or 23.1% to S\$6.72 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 operating environment of the Group's business remains challenging given the continuing inflationary pressure. The Group will focus on developing our market presence, improving productivity, tightening cost control measures and aligning resources to enhance competitiveness. Apart from the existing markets, the Group will also seek to expand its geographical reach to other parts of Asia to tap on the packaging demands in these markets.

11 Dividend

(a) Current Financial Period Reported On

2015 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

2014 Ordinary	
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend per share :	0.60 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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary
12 August 2015