



STRATEGY
for long term growth

FINANCIAL STATEMENTS ANNOUNCEMENT

for the period ended 30 September 2014



Unaudited results for the third quarter and period ended 30 September 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		
		3Q		Change	9-months		Change
		30/09/14	30/09/13		30/09/14	30/09/13	
		Unaudited	Unaudited	%	Unaudited	Unaudited	%
		SGD'000	SGD'000		SGD'000	SGD'000	
Revenue		78,007	69,152	12.8	218,868	214,991	1.8
Cost of sales		(68,023)	(56,576)	20.2	(188,693)	(176,142)	7.1
Gross profit		9,984	12,576	(20.6)	30,175	38,849	(22.3)
Other income		1,568	1,444	8.6	4,544	4,817	(5.7)
Distribution expenses	1	(2,104)	(1,945)	8.2	(5,679)	(6,434)	(11.7)
Administrative expenses	2	(4,733)	(4,454)	6.3	(14,251)	(13,409)	6.3
Net foreign exchange gain/(loss)	3	237	(178)	n.m	24	(529)	n.m
Other expenses	7	(608)	(549)	10.7	(1,844)	(2,421)	(23.8)
Operating profit		4,344	6,894	(37.0)	12,969	20,873	(37.9)
Finance income	4	279	159	75.5	638	454	40.5
Finance expenses		(288)	(357)	(19.3)	(848)	(1,183)	(28.3)
Net finance expenses		(9)	(198)	(95.5)	(210)	(729)	(71.2)
Share of profit of associates, net of tax		360	291	23.7	1,156	987	17.1
Profit before taxation		4,695	6,987	(32.8)	13,915	21,131	(34.1)
Taxation	5	(614)	(1,436)	(57.2)	(2,572)	(3,794)	(32.2)
Profit for the period		4,081	5,551	(26.5)	11,343	17,337	(34.6)
Attributable to :							
Equity holders of the Company		3,121	4,255	(26.7)	8,583	12,722	(32.5)
Non-controlling interests		960	1,296	(25.9)	2,760	4,615	(40.2)
Profit for the period		4,081	5,551	(26.5)	11,343	17,337	(34.6)

Statement of Comprehensive Income

	Note	Group			Group		
		3Q		Change	9-months		Change
		30/09/14	30/09/13		30/09/14	30/09/13	
		Unaudited	Unaudited	%	Unaudited	Unaudited	%
		SGD'000	SGD'000		SGD'000	SGD'000	
Profit for the period		4,081	5,551	(26.5)	11,343	17,337	(34.6)
Other comprehensive loss							
Items that are or may be reclassified to profit or loss :							
Foreign currency differences for foreign operations	6	(971)	(1,689)	(42.5)	(289)	(3,691)	(92.2)
Foreign currency translation reserve of an associate recognised in profit or loss	7	-	-	-	-	835	(100.0)
Other comprehensive loss for the period, net of tax		(971)	(1,689)	(42.5)	(289)	(2,856)	(89.9)
Total comprehensive income for the period		3,110	3,862	(19.5)	11,054	14,481	(23.7)
Attributable to :							
Equity holders of the Company		2,402	3,249	(26.1)	8,226	11,038	(25.5)
Non-controlling interests		708	613	15.5	2,828	3,443	(17.9)
Total comprehensive income for the period		3,110	3,862	(19.5)	11,054	14,481	(23.7)

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 distribution expenses was mainly due to higher freight expenses.
- 2) The increase in administrative expenses was mainly due to higher staff costs and technical support cost.
- 3) The increase in net foreign exchange gain in Q3FY2014 was mainly because US dollar strengthened against Singapore dollar and Malaysia ringgit.
- 4) The increase in finance income was mainly due to higher interest income earned from surplus cash placed in financial institutions.
- 5) The decrease in income tax expenses was mainly due to lower operating profits this year and underprovision of prior years' taxes recognised in Q3FY2013.
- 6) 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 loss in Q3FY2014 was mainly due to the depreciation of Australia dollar partially offset by the appreciation of US dollar and Malaysia ringgit.
- 7) The other operating expenses was higher in FY2013 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.

Disclosure to Income Statement

	Group			Group		
	3Q	3Q	Change	9-months	9-months	Change
	30/09/14	30/09/13		30/09/14	30/09/13	
	Unaudited	Unaudited	%	Unaudited	Unaudited	%
	SGD'000	SGD'000		SGD'000	SGD'000	
Other income including interest income	1,843	1,477	24.8	5,160	5,119	0.8
Interest on borrowings	(288)	(357)	(19.3)	(848)	(1,183)	(28.3)
(Allowance for)/Reversal of inventory obsolescence	(73)	107	(168.2)	315	255	23.5
Depreciation and amortisation	(3,164)	(3,097)	2.2	(9,378)	(9,453)	(0.8)
Gain on disposal of property, plant and equipment	4	126	(96.8)	22	152	(85.5)
Reversal of/(Allowance for) doubtful trade receivables and bad debts written off	4	44	(90.9)	30	(120)	n.m
Inventory written-off	-	(61)	(100.0)	(56)	(99)	(43.4)
Under provision of tax in respect of prior years	(9)	(406)	(97.8)	(18)	(375)	(95.2)

n.m. - not meaningful

Other expenses comprise the following:

	Note	Group			Group		
		3Q	3Q	Change	9-months	9-months	Change
		30/09/14	30/09/13		30/09/14	30/09/13	
		Unaudited	Unaudited	%	Unaudited	Unaudited	%
		SGD'000	SGD'000		SGD'000	SGD'000	
Non-operating Item:							
Cumulative foreign currency loss of an investment in associate	7	-	-	-	-	(835)	(100.0)

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	
		30/09/14 Unaudited SGD'000	31/12/13 Audited SGD'000	30/09/14 Unaudited SGD'000	31/12/13 Audited SGD'000
Non-current assets					
Property, plant and equipment		92,696	89,245	27	59
Investment properties		8,477	9,157	-	-
Subsidiaries		-	-	101,182	102,196
Associates		7,126	6,457	1,294	1,294
Other investments		2,196	2,199	626	626
Intangible assets	1	8,106	9,786	-	-
Deferred tax assets		2,142	1,766	-	-
		120,743	118,610	103,129	104,175
Current assets					
Inventories		46,556	49,518	-	-
Trade and other receivables	2	49,082	43,243	13,587	9,543
Cash and cash equivalents		69,866	59,860	25,704	28,721
		165,504	152,621	39,291	38,264
Total assets		286,247	271,231	142,420	142,439
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves		(11,253)	(10,896)	77	77
Accumulated profits/(losses)		40,022	35,394	(19,508)	(18,560)
		160,871	156,600	112,671	113,619
Non-controlling interests					
		40,431	39,045	-	-
Total Equity		201,302	195,645	112,671	113,619
Non-current liabilities					
Trade and other payables		910	884	-	-
Financial liabilities	3	7,171	6,219	-	-
Deferred tax liabilities		3,903	3,939	11	11
		11,984	11,042	11	11
Current liabilities					
Trade and other payables	4	38,306	34,642	29,613	28,677
Financial liabilities	3	31,924	28,327	-	-
Current tax payable		2,731	1,575	125	132
		72,961	64,544	29,738	28,809
Total liabilities		84,945	75,586	29,749	28,820
Total equity and liabilities		286,247	271,231	142,420	142,439

Notes :

- 1) The decrease was due to amortisation of intangible assets.
- 2) The increase was due to higher trading sales and timing of repayment by customers.
- 3) The increase was due to higher bank borrowings.
- 4) The increase was due to higher trading purchases and timing of repayment to suppliers.

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

	As at 30/09/14		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	5,509	26,415	5,716	22,611
Amount repayable after one year	1,122	6,049	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

		3Q 30/09/14 Unaudited SGD'000	3Q 30/09/13 Unaudited SGD'000	9-months 30/09/14 Unaudited SGD'000	9-months 30/09/13 Unaudited SGD'000
Operating activities	Note				
Profit before income tax		4,695	6,987	13,915	21,131
Adjustments for :					
Amortisation of other investment		1	1	4	4
Depreciation and amortisation		3,163	3,096	9,374	9,449
Dividend income		(7)	(6)	(20)	(19)
Cumulative foreign currency loss of an investment in associate		-	-	-	835
Gain on disposal of property, plant and equipment		(4)	(126)	(22)	(152)
Reversal of doubtful non-trade receivables		-	-	-	(54)
Interest income		(279)	(159)	(638)	(454)
Interest expense		288	357	848	1,183
Property, plant and equipment written-off		-	-	-	1
Share of profit of associates		(360)	(291)	(1,156)	(987)
Operating profit before working capital changes		7,497	9,859	22,305	30,937
Changes in working capital :					
Inventories		3,352	1,117	3,029	(2,581)
Trade and other receivables		3,177	6,570	(7,386)	1,303
Trade and other payables		(1,226)	(1,622)	4,704	(6,976)
Employee benefits		8	(24)	(910)	(67)
Cash generated from operations		12,808	15,900	21,742	22,616
Income taxes paid		(341)	(532)	(2,144)	(3,073)
Cash flows from operating activities		12,467	15,368	19,598	19,543
Investing activities :					
Dividends received		7	6	20	19
Interest received		279	159	638	454
Purchase of property, plant and equipment		(3,937)	(1,333)	(10,432)	(4,202)
Proceeds from disposal of property, plant and equipment		20	128	49	156
Proceeds from disposal of a investment property		-	-	128	-
Proceeds from disposal of subsidiary	1	790	-	1,927	-
Proceeds from cash distribution of an associate		-	-	-	28,303
Cash flows (used in)/from investing activities		(2,841)	(1,040)	(7,670)	24,730
Financing activities :					
Dividends paid to shareholders		-	(10,019)	(3,955)	(13,974)
Dividends paid to non-controlling shareholders		(1,223)	(1,128)	(1,442)	(1,499)
Interest paid		(288)	(357)	(848)	(1,183)
Principal payments under hire purchase obligations		(1)	(2)	(3)	(6)
Proceeds from bank borrowings	2	9,859	1,112	20,774	6,380
Repayment of bank borrowings	2	(9,689)	(6,414)	(16,224)	(17,589)
Cash flows used in financing activities		(1,342)	(16,808)	(1,698)	(27,871)
Net increase/(decrease) in cash and cash equivalents		8,284	(2,480)	10,230	16,402
Cash and cash equivalents at beginning of period		62,123	61,319	59,860	42,597
Effect of exchange rate changes on balances held in foreign currency		(541)	(389)	(224)	(549)
Cash and cash equivalents at end of period		69,866	58,450	69,866	58,450
Deposits with financial institutions		11,519	7,359	11,519	7,359
Cash at banks and in hand		58,347	51,091	58,347	51,091
		69,866	58,450	69,866	58,450

Note 1 : Partial cash consideration received from the disposal of a subsidiary in year 2013.

Note 2 : Restructuring of loan facilities in Q3FY2014.

- 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 July 2013	132,102	564	77	(10,289)	460	41,637	164,551	40,747	205,298
Dividends paid	-	-	-	-	-	(10,019)	(10,019)	-	(10,019)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(1,128)	(1,128)
Total comprehensive income for the period	-	-	-	(1,006)	-	4,255	3,249	613	3,862
At 30 September 2013	132,102	564	77	(11,295)	460	35,873	157,781	40,232	198,013
At 1 July 2014	132,102	564	77	(11,616)	441	36,901	158,469	40,946	199,415
Dividends paid	-	-	-	-	-	-	-	-	-
Dividend 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
Company									
At 1 July 2013	132,102	-	77	-	-	(21,987)	110,192	-	110,192
Dividends paid	-	-	-	-	-	(10,019)	(10,019)	-	(10,019)
Total comprehensive income for the period	-	-	-	-	-	12,742	12,742	-	12,742
At 30 September 2013	132,102	-	77	-	-	(19,264)	112,915	-	112,915
At 1 July 2014	132,102	-	77	-	-	(21,200)	110,979	-	110,979
Dividends paid	-	-	-	-	-	-	-	-	-
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

- 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 30/09/14	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 September 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 3Q 30/09/14	3Q 30/09/13	Group 9-months 30/09/14	Group 9-months 30/09/13
Earnings per share ("EPS") for the period				
(a) Based on the average number of ordinary shares	0.71 cts	0.97 cts	1.95 cts	2.90 cts
(b) On a fully diluted basis	0.71 cts	0.97 cts	1.95 cts	2.90 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 As at 30/09/14	As at 31/12/13	Company As at 30/09/14	As at 31/12/13
Net asset value per ordinary share based on existing share capital	36.61 cts	35.64 cts	25.64 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.

The Group's turnover increased by 12.8% to SGD78.01 million in Q3FY2014 (SGD69.15 million in Q3FY2013) mainly due to higher revenue in Trading division partially offset by lower revenue in Printed Cartons and Labels division.

Gross profit was SGD9.98 million in Q3FY2014 compared to SGD12.58 million in Q3FY2013. Gross profit margin in Q3FY2014 decreased to 12.8% compared to 18.2% in Q3FY2013. The change in sales mix contributed to the lower gross profit margin.

The Group's profit before tax decreased by 32.8% to SGD4.70 million in Q3FY2014 (SGD6.99 million in Q3FY2013). This was mainly attributable to lower gross profit.

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by 26.7% to SGD3.12 million in Q3FY2014 (SGD4.26 million in Q3FY2013).

- 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 Group expects the operating environment to remain challenging in view of the legislative regulations in some of the markets we operate in. The Group will continue to remain vigilant and monitor operational efficiency, while exploring opportunities for diversification.

- 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/recommendeded, 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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wei Hsiung

Company Secretary
14 November 2014