

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

NEW TOYO INTERNATIONAL HOLDINGS LTD

Securities

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For Financial Period Ended

30/06/2023

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NEW TOYO
International Holdings Ltd

**ON THE PATH TO
GREATER
SUSTAINABILITY**

CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2023

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Condensed interim financial statements for the six months ended 30 June 2023

Condensed interim consolidated statement of profit or loss and other comprehensive income

Consolidated Income Statement

	Note	Group 6 months ended		Change %
		30-06-23 SGD'000	30-06-22 SGD'000	
Revenue	4	141,446	132,325	6.9
Cost of sales		(124,324)	(114,752)	8.3
Gross profit		17,122	17,573	(2.6)
Other income		2,800	3,965	(29.4)
Distribution expenses		(2,604)	(4,977)	(47.7)
Administrative expenses		(8,935)	(8,869)	0.7
Net foreign exchange gain		333	310	7.4
Other operating expenses		(288)	(480)	(40.0)
Operating profit		8,428	7,522	12.0
Finance income		229	88	160.2
Finance costs		(390)	(540)	(27.8)
Net finance costs		(161)	(452)	(64.4)
Share of loss of equity-accounted investees (net of tax)		(269)	(109)	146.8
Profit before tax	6	7,998	6,961	14.9
Income tax expense	8	(1,844)	(1,347)	36.9
Profit for the period		6,154	5,614	9.6
Attributable to :				
Owners of the Company		5,867	5,410	8.4
Non-controlling interests		287	204	40.7
Profit for the period		6,154	5,614	9.6

Statement of Comprehensive Income

	Group 6 months ended		Change %
	30-06-23 SGD'000	30-06-22 SGD'000	
Profit for the period	6,154	5,614	9.6
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss :			
Foreign currency translation - foreign operations	941	2,573	(63.4)
Other comprehensive income for the period, net of tax	941	2,573	(63.4)
Total comprehensive income for the period	7,095	8,187	(13.3)
Attributable to :			
Owners of the Company	6,998	7,740	(9.6)
Non-controlling interests	97	447	(78.3)
Total comprehensive income for the period	7,095	8,187	(13.3)

	Group 6 months ended	
	30-06-23 SGD'000	30-06-22 SGD'000
Earnings per share for the period attributable to the owners of the Company:		
(a) Based on the average number of ordinary shares	1.34 cts	1.23 cts
(b) On a fully diluted basis	1.34 cts	1.23 cts

Basic EPS and fully diluted EPS have been calculated based on 439,424,603 shares.

Condensed interim statements of financial position

	Note	Group		Company	
		30-06-23 SGD'000	31-12-22 SGD'000	30-06-23 SGD'000	31-12-22 SGD'000
Non-current assets					
Property, plant and equipment	12	68,051	63,561	311	215
Right-of-use assets	12	10,020	8,066	230	52
Intangible assets and goodwill		22,877	23,060	-	-
Investment properties		2,716	2,891	-	-
Subsidiaries		-	-	116,784	116,800
Joint ventures		9,268	9,916	-	-
Investment securities		828	830	755	755
Other investments		1,275	1,290	693	693
Deferred tax assets		1,163	1,196	-	-
Trade and other receivables	13	945	312	6,725	6,661
		117,143	111,122	125,498	125,176
Current assets					
Inventories		36,813	41,291	-	-
Trade and other receivables	13	65,009	62,592	11,997	11,368
Cash and bank balances		30,437	28,495	5,522	6,095
Contract assets		3,794	2,586	-	-
		136,053	134,964	17,519	17,463
Total assets		253,196	246,086	143,017	142,639
Current liabilities					
Trade and other payables	14	50,986	48,235	16,532	14,365
Loans and borrowings	15	1,922	2,426	-	-
Lease liabilities		1,364	1,572	146	39
Current tax liabilities		1,489	1,543	85	88
		55,761	53,776	16,763	14,492
Non-current liabilities					
Trade and other payables	14	892	803	-	-
Lease liabilities		9,701	7,618	110	47
Deferred tax liabilities		1,218	1,208	11	11
		11,811	9,629	121	58
Total liabilities		67,572	63,405	16,884	14,550
Net assets		185,624	182,681	126,133	128,089
Equity attributable to owners of the Company					
Share capital	16	132,102	132,102	132,102	132,102
Reserves		(8,394)	(9,521)	77	77
Retained earnings		25,866	23,954	(6,046)	(4,090)
		149,574	146,535	126,133	128,089
Non-controlling interests		36,050	36,146	-	-
Total equity		185,624	182,681	126,133	128,089
Total equity and liabilities		253,196	246,086	143,017	142,639

Condensed interim consolidated statement of cash flows

	6 months ended	
	30-06-23	30-06-22
	SGD'000	SGD'000
Operating activities		
Profit before tax	7,998	6,961
Adjustments for :		
Amortisation of other investments	3	3
Depreciation and amortisation	6,806	8,070
Net change in fair value of equity securities	2	-
Dividend income from quoted securities	(1)	(2)
Gain on disposal of property, plant and equipment	(10)	(27)
Gain on disposal of right-of-use assets	-	(7)
Impairment loss on trade receivables	70	-
Finance income	(229)	(88)
Finance costs	390	540
Property, plant and equipment written-off	12	1
Share of loss of equity-accounted investees (net of tax)	269	109
Unrealised loss on foreign exchange differences	884	1,187
Operating profit before working capital changes	16,194	16,747
Changes in working capital :		
Inventories	4,470	(10,289)
Contract assets	(1,163)	(1,276)
Trade and other receivables	(3,867)	(5,987)
Trade and other payables	2,793	7,065
Employee benefits	(109)	119
Cash flows from operations	18,318	6,379
Income taxes paid	(1,709)	(963)
Cash flows from operating activities	16,609	5,416
Investing activities		
Dividends received from quoted securities	1	2
Interest received	229	88
Acquisition of property, plant and equipment	(8,811)	(4,685)
Proceeds from disposal of property, plant and equipment	20	24
Placement of deposit with maturity periods more than 3 months	273	81
Cash flows used in investing activities	(8,288)	(4,490)
Financing activities		
Dividends paid to owners of the Company	(3,955)	(3,955)
Dividends paid to non-controlling shareholders	(189)	-
Interest paid	(390)	(540)
Payment of lease liabilities	(814)	(960)
Proceeds from bank borrowings	1,853	4,343
Repayments of bank borrowings	(2,356)	(5,918)
Cash flows used in financing activities	(5,851)	(7,030)
Net increase/(decrease) in cash and cash equivalents	2,470	(6,104)
Cash and cash equivalents at beginning of period	22,843	31,648
Effect of exchange rate fluctuations on cash held	(255)	168
Cash and cash equivalents at end of period	25,058	25,712
Short-term deposits	10,420	8,679
Cash and bank balances	20,017	22,664
	30,437	31,343
Placement of deposit with maturity periods more than 3 months	(5,379)	(5,631)
	25,058	25,712

Condensed interim statements of changes in equity

	Note	← Other reserves →				Retained earnings SGD'000	Total SGD'000	Non-controlling interests SGD'000	Total equity SGD'000
		Share capital SGD'000	Capital reserve SGD'000	Other reserve SGD'000	Translation reserve SGD'000				
Group									
At 1 January 2022		132,102	874	327	(8,327)	21,987	146,963	40,709	187,672
Profit for the period		-	-	-	-	5,410	5,410	204	5,614
<u>Other comprehensive income</u>									
Foreign currency translation differences		-	-	-	2,330	-	2,330	243	2,573
Other comprehensive income for the period		-	-	-	2,330	-	2,330	243	2,573
Total comprehensive income for the period		-	-	-	2,330	5,410	7,740	447	8,187
<u>Contributions by and distributions to owners</u>									
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total contributions by and distributions to owners		-	-	-	-	(3,955)	(3,955)	-	(3,955)
<u>Others</u>									
Change in development reserve fund		-	-	(3)	(3)	-	(6)	-	(6)
		-	-	(3)	(3)	-	(6)	-	(6)
At 30 June 2022		132,102	874	324	(6,000)	23,442	150,742	41,156	191,898
At 1 January 2023		132,102	874	382	(10,777)	23,954	146,535	36,146	182,681
Profit for the period		-	-	-	-	5,867	5,867	287	6,154
<u>Other comprehensive income</u>									
Foreign currency translation differences		-	-	-	1,131	-	1,131	(190)	941
Other comprehensive income for the period		-	-	-	1,131	-	1,131	(190)	941
Total comprehensive income for the period		-	-	-	1,131	5,867	6,998	97	7,095
<u>Contributions by and distributions to owners</u>									
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(189)	(189)
Total contributions by and distributions to owners		-	-	-	-	(3,955)	(3,955)	(189)	(4,144)
<u>Others</u>									
Change in development reserve fund		-	-	(4)	-	-	(4)	(4)	(8)
		-	-	(4)	-	-	(4)	(4)	(8)
At 30 June 2023		132,102	874	378	(9,646)	25,866	149,574	36,050	185,624
Company									
At 1 January 2022		132,102	-	77	-	(4,365)	127,814	-	127,814
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total comprehensive income for the period		-	-	-	-	375	375	-	375
At 30 June 2022		132,102	-	77	-	(7,945)	124,234	-	124,234
At 1 January 2023		132,102	-	77	-	(4,090)	128,089	-	128,089
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total comprehensive income for the period		-	-	-	-	1,999	1,999	-	1,999
At 30 June 2023		132,102	-	77	-	(6,046)	126,133	-	126,133

Notes to the condensed interim consolidated financial statements

1 Corporate information

New Toyo International Holdings Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX – ST").

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are (i) the production and supply of specialty packaging materials including coated and laminated papers and boards for packaging industries; (ii) the production and supply of gravure and offset printed materials for fast moving consumer goods and (iii) the trading business including the sale and purchase of tissue paper materials and products.

2 Summary of significant accounting policies

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim consolidated financial statements are presented in Singapore dollar ("SGD" or "\$") which is the Company's functional currency and all values are rounded to the nearest thousand (SGD'000) except when otherwise indicated.

- 2.2** The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2022, except for the adoption of new and revised standards effective as of 1 January 2023.

The adoption of these new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed interim consolidated financial statements of the Group.

2.3 Use of judgements and estimates

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I) requires management to made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies. The key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into business segments based on their products and services, and has four reportable segments as follows:

- Specialty papers: The manufacture and sale of coated and laminated paper products and other packaging products.
- Printed cartons and labels: The printing and sale of paper packaging materials.
- Trading: The sale of raw materials, paper products, equipment and tissue paper related products. Tissue paper segment is included in Trading segment.
- Investment holding: Investing activities, including investment in investment properties.

Other segment includes corrugated containers business. This is not included within the reportable operating segments. The results of the operation is included in "other segment".

These operating segments are reported in a manner consistent with internal reporting provided to Group's CEO and senior management who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

6 months ended 30 June 2023

	Specialty Papers SGD'000	Printed Cartons and Labels SGD'000	Trading SGD'000	Investment Holding SGD'000	Total SGD'000
Revenue and Expenses					
Total revenue from external customers	51,624	36,454	50,450	-	138,528
Inter-segment revenue	11,147	17,509	130	-	28,786
Total revenue	62,771	53,963	50,580	-	167,314
Segment results	6,354	1,705	560	830	9,449
Share of loss of equity-accounted investees	-	-	-	(269)	(269)
Other material non-cash items :					
- Amortisation	3	204	-	-	207
- Depreciation	1,075	5,237	9	221	6,542
- Change in fair value of equity shares	2	-	-	-	2
- Impairment loss on trade receivables	70	-	-	-	70
Capital expenditure	524	8,119	-	22	8,665
Investment in equity-accounted investees	-	-	-	9,268	9,268
Reportable segment assets	73,067	128,032	24,700	4,481	230,280
Reportable segment liabilities	23,262	23,888	15,542	94	62,786

6 months ended 30 June 2022

	Specialty Papers SGD'000	Printed Cartons and Labels SGD'000	Trading SGD'000	Investment Holding SGD'000	Total SGD'000
Revenue and Expenses					
Total revenue from external customers	59,285	41,200	28,066	-	128,551
Inter-segment revenue	10,960	22,544	6,381	-	39,885
Total revenue	70,245	63,744	34,447	-	168,436
Segment results	6,970	594	(403)	453	7,614
Share of loss of equity-accounted investees	-	-	-	(109)	(109)
Other material non-cash items :					
- Amortisation	3	453	-	-	456
- Depreciation	1,267	6,076	10	144	7,497
Capital expenditure	210	4,423	-	-	4,633
Investment in equity-accounted investees	-	-	-	10,380	10,380
Reportable segment assets	84,695	136,531	21,847	4,396	247,469
Reportable segment liabilities	32,286	24,564	15,676	116	72,642

4.1 Reportable segments (Cont'd)

Reconciliations of reportable segment revenues, profit or loss

	6 months ended 30-06-23 SGD'000	6 months ended 30-06-22 SGD'000
Revenue		
Total revenue of reportable segments	167,314	168,436
Other revenue	2,918	3,774
Elimination of inter-segment revenue	(28,786)	(39,885)
Consolidated revenue	141,446	132,325
Profit or loss		
Total profit for reportable segments	9,449	7,614
Other profit or loss	31	(45)
	9,480	7,569
Elimination of inter-segment profits	1,366	1,406
Share of loss of equity-accounted investees	(269)	(109)
Unallocated amounts :		
- Other corporate expenses	(2,579)	(1,905)
Consolidated profit before income tax	7,998	6,961
Depreciation		
Total depreciation of reportable segments	6,542	7,497
Others	57	120
Consolidated depreciation	6,599	7,617
Capital expenditure		
Total capital expenditure of reportable segments	8,665	4,633
Others	146	52
Consolidated capital expenditure	8,811	4,685
Assets		
Total assets for reportable segments	230,280	247,469
Other assets	4,105	4,757
Investment in equity-accounted investees	9,268	10,380
Unallocated amounts		
- Other corporate assets	8,355	8,415
- Income tax assets	1,188	1,265
Consolidated total assets	253,196	272,286
Liabilities		
Total liabilities for reportable segments	62,786	72,642
Other liabilities	1,200	1,930
Unallocated amounts		
- Other corporate liabilities	878	3,050
- Income tax liabilities	2,708	2,766
Consolidated total liabilities	67,572	80,388

4.2 Disaggregation of Revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical location of business operations. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4.1).

	Specialty Papers		Printed Cartons and Labels		Trading		Total	
	30-06-23 SGD'000	30-06-22 SGD'000	30-06-23 SGD'000	30-06-22 SGD'000	30-06-23 SGD'000	30-06-22 SGD'000	30-06-23 SGD'000	30-06-22 SGD'000
Primary geographical location of business operations								
Hong Kong	-	-	17,739	23,058	38,868	15,942	56,607	39,000
Vietnam	18,226	20,159	3,507	7,759	-	-	21,733	27,918
Malaysia	11,975	13,768	-	-	977	945	12,952	14,713
Indonesia	-	-	9,959	7,452	-	-	9,959	7,452
Singapore	16,123	20,186	-	-	10,605	11,179	26,728	31,365
Dubai	5,300	5,172	5,249	2,931	-	-	10,549	8,103
External revenues	51,624	59,285	36,454	41,200	50,450	28,066	138,528	128,551
Timing of revenue recognition								
At a point in time	50,974	59,281	-	-	50,450	28,066	101,424	87,347
Overtime	650	4	36,454	41,200	-	-	37,104	41,204
External revenues	51,624	59,285	36,454	41,200	50,450	28,066	138,528	128,551

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2023 and 31 December 2022:

	Note	Group		Company	
		30-06-23	31-12-22	30-06-23	31-12-22
		SGD'000	SGD'000	SGD'000	SGD'000
Financial assets					
Equity instruments at FVTPL	11	828	830	755	755
Trade and other receivables*		62,064	60,159	18,643	17,956
Cash and bank balances		30,437	28,495	5,522	6,095
Contract assets		3,794	2,586	-	-
Total undiscounted financial assets		97,123	92,070	24,920	24,806
Non-derivative financial liabilities					
Trade and other payables**		(50,832)	(48,048)	(16,465)	(14,298)
Loans and borrowings		(1,922)	(2,426)	-	-
Total undiscounted financial liabilities		(52,754)	(50,474)	(16,465)	(14,298)
Total net undiscounted financial assets/(liabilities)		44,369	41,596	8,455	10,508

* Excludes prepayments, tax recoverable, deferred cost, GST/VAT input tax and certain non-current other receivables

** Excludes employee benefits, deferred income and GST/VAT output tax

6 Profit before tax

The following significant items have been included in arriving at profit before tax:

	Group	
	6 months ended	
	30-06-23	30-06-22
	SGD'000	SGD'000
Other income, including finance income	3,019	4,019
Interest on borrowings	(390)	(540)
Allowance for inventory obsolescence	(182)	(102)
Depreciation and amortisation	(6,809)	(8,073)
Gain on disposal of right-of-use assets	-	7
Gain on disposal of property, plant and equipment	10	27
Impairment loss on trade receivables	(70)	-
Net change in fair value of equity securities	(2)	-
Inventory write-back	-	1
Property, plant and equipment written off	(12)	(1)

7 Related party transactions

For the purposes of these interim financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following significant transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	6 months ended	
	30-06-23	30-06-22
	SGD'000	SGD'000
<i>With companies in which certain directors and substantial shareholders have significant influence</i>		
Sale of raw materials/finished goods	3,378	9,540
Sale of scrap	624	321
Rental paid/payable	(28)	-
Rental received/receivable	47	47
Purchase of tissue papers	(4)	(1)
Recharge of demurrage fee paid/payable	-	(24)
<i>With companies in which certain directors have significant influence</i>		
Professional fees paid/payable	(3)	(3)
<i>With companies in which certain directors of subsidiaries have significant influence</i>		
Sale of raw materials/finished goods	76	159
Purchase of finished goods	(1)	(535)
Processing fee received/receivable	9	10
Rental received/receivable	24	25
<i>With joint ventures</i>		
Purchase of raw materials	-	(169)
Purchase of plant and equipment	(3,218)	(3,196)
Rental received/receivable	293	-

8 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	30-06-23	30-06-22
	SGD'000	SGD'000
<u>Current income tax</u>		
- Current period	1,691	1,360
- Under/(over) provision in respect of previous period	48	(118)
<u>Deferred tax</u>		
- Origination and reversal of temporary differences	99	62
- Under provision in respect of previous period	6	43
	<u>1,844</u>	<u>1,347</u>

9 Dividends

	Group and Company	
	6 months ended	
	30-06-23	30-06-22
	SGD'000	SGD'000
Ordinary dividends paid:		
Tax-exempt (one-tier) final dividend of 0.90 cents per ordinary share for the year 2022 (2021: 0.90 cents)	3,955	3,955
	<u>3,955</u>	<u>3,955</u>
Dividend per share (net of tax) in cents	0.90	0.90

10 Net asset value

	Group		Company	
	As at 30-06-23	As at 31-12-22	As at 30-06-23	As at 31-12-22
Net asset value per ordinary share based on existing share capital	34.04 cts	33.35 cts	28.70 cts	29.15 cts

The net asset value per ordinary share has been calculated based on 439,424,603 shares.

11 Fair value of financial assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset and liability

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows.

	Fair Value			Total SGD'000
	Level 1 SGD'000	Level 2 SGD'000	Level 3 SGD'000	
Group				
Financial Assets				
At 30 June 2023				
Equity investments at FVTPL				
Quoted equity securities	73	-	-	73
Unquoted equity securities	-	-	755	755
	<u>73</u>	<u>-</u>	<u>755</u>	<u>828</u>
Group				
Financial Assets				
At 31 December 2022				
Equity investments at FVTPL				
Quoted equity securities	75	-	-	75
Unquoted equity securities	-	-	755	755
	<u>75</u>	<u>-</u>	<u>755</u>	<u>830</u>

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

Equity investments – at FVTPL (2022: Equity investments – at FVTPL)

The fair value of quoted securities is determined by reference to their quoted prices (unadjusted) in active markets for identical assets.

Unquoted equity securities (2022: Unquoted equity securities)

The fair value of unquoted equity securities is determined based on the net tangible assets, which approximate fair value, of the investees. The net intangible assets are then adjusted for the fair value of the property held which is based on independent valuations obtained by property valuers on an open market value basis.

The fair value of unquoted equity securities based on significant unobservable inputs (Level 3) will be measured by every end of the financial year.

Investment properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Fair value of investment properties will be measured and disclosed by every end of financial year based on independent valuations by property valuers on an open market value basis. The valuers used direct comparison and capitalisation methods. The market value has been categorised as a Level 3 valuation method.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of or reprice within one year (including trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables) are assumed to approximate their fair values because of the short period to maturity or repricing.

12 Property, plant and equipment and right-of-use assets

During the six months ended 30 June 2023, the Group acquired property, plant and equipment, and right-of-use assets amounting to \$8,811,000 (31 December 2022: \$6,993,000) and \$2,595,000 (31 December 2022: \$678,000) respectively. Cash payment of \$8,811,000 (31 December 2022: \$6,993,000) were made to purchase property, plant and equipment. Property, plant and equipment, and right-of-use assets disposed/written off during the six months ended 30 June 2023 amounted to \$21,000 (31 December 2022: \$1,000) and \$Nil (31 December 2022: \$39,000) respectively.

13 Trade and other receivables

	Group		Company	
	30-06-23 SGD'000	31-12-22 SGD'000	30-06-23 SGD'000	31-12-22 SGD'000
<u>Non-current</u>				
Amount due from subsidiaries				
- trade	-	-	54	54
- non-trade	-	-	6,671	6,607
Other receivables	945	119	-	-
Tax recoverable	-	193	-	-
	945	312	6,725	6,661
<u>Current</u>				
Trade receivables	54,783	49,457	-	-
Impairment losses	(480)	(406)	-	-
	54,303	49,051	-	-
Deposits	1,794	2,863	33	-
Tax recoverable	25	95	-	-
Consideration receivables	1,541	1,525	-	-
GST/VAT input tax	665	875	24	9
Other receivables	824	993	-	23
Amounts due from subsidiaries, net				
- trade	-	-	1,021	757
- non-trade	-	-	364	168
Amounts due from other related corporations*				
- trade	3,259	5,383	-	-
- non-trade	343	344	-	-
Loans to subsidiaries	-	-	10,500	10,347
	62,754	61,129	11,942	11,304
Deferred cost	16	13	-	-
Prepayments	2,239	1,450	55	64
	65,009	62,592	11,997	11,368
Total trade and other receivables	65,954	62,904	18,722	18,029

* The amounts due from other related corporations also include amounts receivables from entities which are partially-owned by a substantial shareholder.

14 Trade and other payables

	Group		Company	
	30-06-23 SGD'000	31-12-22 SGD'000	30-06-23 SGD'000	31-12-22 SGD'000
<u>Non-current</u>				
Employee benefits	724	637	-	-
Other payables	168	166	-	-
	892	803	-	-

14 Trade and other payables (cont'd)

	Group		Company	
	30-06-23 SGD'000	31-12-22 SGD'000	30-06-23 SGD'000	31-12-22 SGD'000
<u>Current</u>				
Trade payables	41,851	40,166	-	-
Loans from subsidiaries	-	-	5,774	7,086
Amounts due to subsidiaries				
- trade	-	-	-	-
- non-trade	-	-	10,135	6,632
Amounts due to joint venture				
- non-trade	2,150	190	-	-
Amounts due to other related corporations				
- trade	1	73	-	-
- non-trade	-	34	-	-
Accrued operating expenses	3,220	4,091	481	567
Employee benefits	179	187	67	67
GST/VAT output tax	143	166	-	-
Other payables	3,442	3,328	75	13
	<u>50,986</u>	<u>48,235</u>	<u>16,532</u>	<u>14,365</u>
Total trade and other payables	<u>51,878</u>	<u>49,038</u>	<u>16,532</u>	<u>14,365</u>

15 Loans and borrowings

	Group		Company	
	30-06-23 SGD'000	31-12-22 SGD'000	30-06-23 SGD'000	31-12-22 SGD'000
<u>Amount repayable in one year or less, or on demand</u>				
Secured	458	639	-	-
Unsecured	1,464	1,787	-	-
<u>Amount repayable after one year</u>				
Secured	-	-	-	-
Unsecured	-	-	-	-

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.

16 Share capital

	Group and Company	
	30-06-23 SGD'000	31-12-22 SGD'000
<i>Issued and fully paid ordinary shares</i>		
At 31 December 2022 and 30 June 2023 439,424,603 shares	132,102	132,102

The Company did not hold any treasury shares as at 30 June 2023 and 31 December 2022.

17 Capital commitments

	Group	
	30-06-23 SGD'000	30-06-22 SGD'000
6 months ended		
Contracted but not provided for		
- Property, plant and equipment	2,299	1,028
- Investment in a subsidiary	-	6,260

18 Changes in contingent liabilities

There were no material changes to contingent liabilities disclosed in the last audited financial statements as at 31 December 2022.

19 Items of unusual nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

20 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1 Review

The condensed statements of financial position of New Toyo International Holdings Ltd and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of cash flows and condensed consolidated statement of changes in equity for the six months period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2 Review of performance of the Group

Consolidated Statement of Profit or Loss

1H 2023 vs 1H 2022

The overall revenue registered in 1H 2023 of S\$141.45 million was higher by S\$9.12 million or 6.9% than its corresponding period in 2022, mainly attributable to higher revenue from Trading division, offset by lower revenue from Printed Cartons and Labels ("PCL") and Specialty Paper ("SP") divisions. Increase in Trading division was due to higher demand of raw materials offset by lower sale of virgin pulp and jumbo reels to Vietnam. Lower demand from customers contributed to the reductions in PCL and SP divisions.

Gross profit for 1H 2023 decreased by S\$0.45 million to S\$17.12 million compared to S\$17.57 million in 1H 2022. Gross profit margin down slightly to 12.1% in 1H 2023 from 13.3% in its corresponding period in 2022, primarily due to higher Trading sales which yielded lower margin.

Other income decreased by S\$1.17 million to S\$2.80 million in 1H 2023 compared to S\$3.97 million in 1H 2022 mainly due to lower freight income in 1H 2023. Distribution expenses decreased by S\$2.37 million mainly due to lower freight cost. Other operating expenses decreased by S\$0.19 million mainly due to lower amortisation of intangible assets.

Net foreign exchange gain in 1H 2023 of S\$0.33 million was mainly due to favourable foreign currency exchange rates.

Lower finance costs in 1H 2023 mainly due to reduced loans and borrowings. Tax expenses was higher in 1H 2023 as a result of higher taxable profits.

As a result of the above factors, the Group posted a profit before tax of S\$8.00 million in 1H 2023 (1H 2022: S\$6.96 million).

Overall, the Group reported a profit after tax attributable to owners of the Company of S\$5.87 million in 1H 2023 (1H 2022: S\$5.41 million).

Consolidated Statement of Financial Position

Total assets (Group) as at 30 June 2023 were S\$253.20 million, increased by \$7.11 million from \$246.09 million as at 31 December 2022.

The increase in total assets were due to:

- increase in property, plant and equipment by S\$4.49 million and right-of-use assets by S\$1.95 million due to additions of plant and machineries and right-of-use assets offset by depreciation charge during the period.
- increase in cash and bank balances by S\$1.94 million.
- increase in trade and other receivables by S\$3.05 million attributable to more sales towards end of 1H 2023.

The above was partially offset by:

- decrease in inventories by S\$4.48 million as a result of utilising stocked up raw materials.

Total liabilities (Group) as at 30 June 2023 were S\$67.57 million, increased by \$4.17 million from \$63.41 million as at 31 December 2022.

The increase in total liabilities was due to:

- increase in trade and other payables by S\$2.84 million as a result of timing of repayments to suppliers.
- increase in lease liabilities by S\$1.88 million due to new leases entered during the period.

The above was partially offset by:

- decrease in loans and borrowings by S\$0.50 million due to repayment of bank borrowings.

2 Review of performance of the Group (Cont'd)

Consolidated Statement of Cash Flows

Higher cash flows from operating activities in 1H 2023 as compared to the corresponding period in 2022 was mainly due to changes in working capital.

Negative cash flows from investing activities in 1H 2023 was mainly due to capital expenditure incurred for property, plant and equipment.

Lower cash flows used in financing activities in 1H 2023 was mainly lower repayments of interest, loans and borrowings.

3 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.

4 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.

With the global economic uncertainty, the outlook is expected to remain challenging. The Group will continue to proactively review and adjust its strategy to enhance its resilience for sustainable growth in a changing global landscape. This may involve exploring new business opportunities to drive growth and optimizing its operations to achieve cost savings.

5 Dividend information

(a) Current Financial Period Reported On

2023 Ordinary	
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend per share :	0.90 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

2022 Ordinary	
Name of Dividend :	Interim
Dividend Type :	Cash
Dividend per share :	0.90 cts per ordinary share
Tax Rate :	Tax exempt (one-tier)

(c) Date payable

To be advised

(d) Books closure date

To be advised

6 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable

7 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 has obtained a general mandate from shareholders of the Company for Interested Person Transactions. The disclosures of the IPTs conducted for the six months ended 30 June 2023 are presented as follows:

	Name of interested person and description of interested person transactions	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) SGD'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) SGD'000
	New Toyo Pulppy (Vietnam) Co., Ltd. ("NTPVN")		
I	Sale of jumbo reels by a Group entity to NTPVN	-	384
II	Sale of chipboard, duplex board and core by a Group entity to NTPVN	165	-
III	Sale of virgin pulp by a Group entity to NTPVN	-	5,723
	Yen & Son Holdings Pte Ltd ("YSHPL")		
IV	Rental of office space from YSHPL	255	-

Note: NTPVN and YSHPL are associates of Mr Yen Wen Hwa, the Executive Chairman and controlling shareholder of the Company.

8 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 period ended 30 June 2023 to be false or misleading in any material aspect.

9 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
11 August 2023