

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

30/06/2022

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NEW TOYO

International Holdings Ltd

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Sustainability**



CONDENSED INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2022

NEW TOYO

International Holdings Ltd

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Condensed interim financial statements for the half year ended 30 June 2022

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

Consolidated Income Statement

	Note	Group 6 months ended		Change %
		30-06-22 SGD'000	30-06-21 SGD'000	
Revenue	4	132,325	117,085	13.0
Cost of sales		(114,752)	(100,816)	13.8
Gross profit		17,573	16,269	8.0
Other income		3,965	2,753	44.0
Distribution expenses		(4,977)	(2,544)	95.6
Administrative expenses		(8,869)	(8,341)	6.3
Net foreign exchange gain		310	402	(22.9)
Other operating expenses		(480)	(569)	(15.6)
Operating profit		7,522	7,970	(5.6)
Finance income		88	124	(29.0)
Finance costs		(540)	(834)	(35.3)
Net finance costs		(452)	(710)	(36.3)
Share of loss of equity-accounted investees (net of tax)		(109)	(187)	(41.7)
Profit before tax	6	6,961	7,073	(1.6)
Income tax expense	8	(1,347)	(1,060)	27.1
Profit for the period		5,614	6,013	(6.6)
Attributable to :				
Owners of the Company		5,410	4,905	10.3
Non-controlling interests		204	1,108	(81.6)
Profit for the period		5,614	6,013	(6.6)

Statement of Comprehensive Income

	Group 6 months ended		Change %
	30-06-22 SGD'000	30-06-21 SGD'000	
Profit for the period	5,614	6,013	(6.6)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss :			
Foreign currency translation - foreign operations	2,573	1,230	109.2
Other comprehensive income for the period, net of tax	2,573	1,230	109.2
Total comprehensive income for the period	8,187	7,243	13.0
Attributable to :			
Owners of the Company	7,740	6,066	27.6
Non-controlling interests	447	1,177	(62.0)
Total comprehensive income for the period	8,187	7,243	13.0

	Group 6 months ended	
	30-06-22 SGD'000	30-06-21 SGD'000
Earnings per share for profit for the period attributable to the owners of the Company:		
(a) Based on the average number of ordinary shares	1.23 cts	1.12 cts
(b) On a fully diluted basis	1.23 cts	1.12 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	
		30-06-22 SGD'000	31-12-21 SGD'000	30-06-22 SGD'000	31-12-21 SGD'000
Non-current assets					
Property, plant and equipment	12	73,290	73,446	245	242
Right-of-use assets	12	9,544	10,420	62	61
Intangible assets and goodwill		23,030	23,553	-	-
Investment properties		3,160	3,294	-	-
Subsidiaries		-	-	140,724	140,296
Joint ventures		10,380	10,665	-	-
Investment securities		930	952	855	855
Other investments		1,328	1,333	693	693
Deferred tax assets		1,200	1,265	-	-
Trade and other receivables	13	397	342	-	-
		123,259	125,270	142,579	142,147
Current assets					
Inventories		50,496	40,510	-	-
Trade and other receivables	13	62,143	56,949	16,936	9,758
Cash and bank balances		31,343	37,362	5,540	15,299
Contract assets		5,045	3,748	-	-
		149,027	138,569	22,476	25,057
Total assets		272,286	263,839	165,055	167,204
Current liabilities					
Trade and other payables	14	50,665	43,746	38,217	36,200
Loans and borrowings	15	17,515	18,957	2,439	2,794
Contract liabilities		-	42	-	-
Current tax liabilities		1,313	1,629	88	308
		69,493	64,374	40,744	39,302
Non-current liabilities					
Trade and other payables	14	932	787	-	-
Loans and borrowings	15	8,510	9,556	66	77
Deferred tax liabilities		1,453	1,450	11	11
		10,895	11,793	77	88
Total liabilities		80,388	76,167	40,821	39,390
Net assets		191,898	187,672	124,234	127,814
Equity attributable to owners of the Company					
Share capital	16	132,102	132,102	132,102	132,102
Reserves		(4,802)	(7,126)	77	77
Retained earnings		23,442	21,987	(7,945)	(4,365)
		150,742	146,963	124,234	127,814
Non-controlling interests		41,156	40,709	-	-
Total equity		191,898	187,672	124,234	127,814
Total equity and liabilities		272,286	263,839	165,055	167,204

Condensed interim consolidated statement of cash flows

	6 months ended	
	30-06-22	30-06-21
	SGD'000	SGD'000
Operating activities		
Profit before tax	6,961	7,073
Adjustments for :		
Amortisation of other investments	3	3
Depreciation and amortisation	8,070	8,337
Dividend income from quoted securities	(2)	(2)
Gain on disposal of property, plant and equipment	(27)	(118)
Gain on disposal of right-of-use assets	(7)	(80)
Finance income	(88)	(124)
Finance costs	540	834
Property, plant and equipment written-off	1	-
Share of loss of equity-accounted investees (net of tax)	109	187
Unrealised loss/(gain) on foreign exchange differences	1,187	(924)
Operating profit before working capital changes	16,747	15,186
Changes in working capital :		
Inventories	(10,289)	(452)
Contract assets	(1,276)	(199)
Trade and other receivables	(5,987)	(12,158)
Trade and other payables	7,065	11,553
Employee benefits	119	242
Cash flows from operations	6,379	14,172
Income taxes paid	(963)	(893)
Cash flows from operating activities	5,416	13,279
Investing activities		
Dividends received from quoted securities	2	2
Interest received	88	124
Acquisition of property, plant and equipment	(4,685)	(2,613)
Refund of deposit upon the termination of proposed acquisition of shares in a company	-	2,673
Proceeds from disposal of property, plant and equipment	24	201
Placement of deposit with maturity periods more than 3 months	81	-
Cash flows (used in)/from investing activities	(4,490)	387
Financing activities		
Dividends paid to owners of the Company	(3,955)	(3,955)
Interest paid	(540)	(834)
Payment of lease liabilities	(960)	(756)
Proceeds from bank borrowings	4,343	4,061
Repayments of bank borrowings	(5,918)	(12,884)
Cash flows used in financing activities	(7,030)	(14,368)
Net decrease in cash and cash equivalents	(6,104)	(702)
Cash and cash equivalents at beginning of period	31,648	33,958
Effect of exchange rate fluctuations on cash held	168	1,560
Cash and cash equivalents at end of period	25,712	34,816
Short-term deposits	8,679	10,764
Cash and bank balances	22,664	24,052
Placement of deposit with maturity periods more than 3 months	(5,631)	-
	25,712	34,816

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 2021		132,102	822	215	(10,292)	20,623	143,470	41,327	184,797
Profit for the period		-	-	-	-	4,905	4,905	1,108	6,013
Other comprehensive income									
Foreign currency translation differences		-	-	-	1,161	-	1,161	69	1,230
Other comprehensive income for the period		-	-	-	1,161	-	1,161	69	1,230
Total comprehensive income for the period		-	-	-	1,161	4,905	6,066	1,177	7,243
Contributions by and distributions to owners									
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total contributions by and distributions to owners		-	-	-	-	(3,955)	(3,955)	-	(3,955)
At 30 June 2021		132,102	822	215	(9,131)	21,573	145,581	42,504	188,085
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
Other comprehensive income									
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
Contributions by and distributions to owners									
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total contributions by and distributions to owners		-	-	-	-	(3,955)	(3,955)	-	(3,955)
Others									
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
Company									
At 1 January 2021		132,102	-	77	-	(6,973)	125,206	-	125,206
Dividends paid	9	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Total comprehensive income for the period		-	-	-	-	746	746	-	746
At 30 June 2021		132,102	-	77	-	(10,182)	121,997	-	121,997
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

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 2022 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 2022 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 interim financial statements for the year ended 31 December 2021.

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 2021, except for the adoption of new and revised standards effective as of 1 January 2022.

The following are the new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 3: Reference to Conceptual Framework
- Amendments to SFRS(I) 1-16: Property, Plant and Equipment: Proceeds before Intended Use

The adoption of the above 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 make 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 2021.

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 five reportable segments as follows:

- Specialty papers: The manufacture and sale of laminated aluminium 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 and equipment.
- Tissue paper: The manufacture and sale of paper products.
- 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 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 2022

	Specialty Papers SGD'000	Printed Cartons and Labels SGD'000	Trading SGD'000	Tissue Paper SGD'000	Investment holding SGD'000	Total SGD'000
Revenue and Expenses						
Total revenue from external customers	59,285	41,200	17,439	10,627	-	128,551
Inter-segment revenue	10,960	22,544	6,381	-	-	39,885
Total revenue	70,245	63,744	23,820	10,627	-	168,436
Segment results	6,970	594	(81)	(322)	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	3	7	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	5,668	16,179	4,396	247,469
Reportable segment liabilities	32,286	24,564	6,799	8,877	116	72,642

6 months ended 30 June 2021

	Specialty Papers SGD'000	Printed Cartons and Labels SGD'000	Trading SGD'000	Tissue Paper SGD'000	Investment holding SGD'000	Total SGD'000
Revenue and Expenses						
Total revenue from external customers	48,203	42,364	15,684	7,573	-	113,824
Inter-segment revenue	3,164	21,583	5,950	-	-	30,697
Total revenue	51,367	63,947	21,634	7,573	-	144,521
Segment results	3,486	2,932	96	1,029	235	7,778
Share of loss of equity-accounted investees	-	-	-	-	(187)	(187)
Other material non-cash items :						
- Amortisation	3	427	-	-	-	430
- Depreciation	1,367	6,268	1	7	169	7,812
Capital expenditure	785	1,805	4	-	-	2,594
Investment in equity-accounted investees	-	-	-	-	10,408	10,408
Reportable segment assets	71,730	146,576	10,369	8,903	7,124	244,702
Reportable segment liabilities	25,562	34,712	11,263	1,550	158	73,245

4.1 Reportable segments (Cont'd)

Reconciliations of reportable segment revenues, profit or loss

	6 months ended 30-06-22 SGD'000	6 months ended 30-06-21 SGD'000
Revenue		
Total revenue of reportable segments	168,436	144,521
Other revenue	3,774	3,261
Elimination of inter-segment revenue	(39,885)	(30,697)
Consolidated revenue	132,325	117,085
Profit or loss		
Total profit for reportable segments	7,614	7,778
Other profit or loss	(45)	70
	7,569	7,848
Elimination of inter-segment profits	1,406	1,222
Share of loss of equity-accounted investees	(109)	(187)
Unallocated amounts :		
- Other corporate expenses	(1,905)	(1,810)
Consolidated profit before income tax	6,961	7,073
Depreciation		
Total depreciation of reportable segments	7,497	7,812
Others	120	98
Consolidated depreciation	7,617	7,910
Capital expenditure		
Total capital expenditure of reportable segments	4,633	2,594
Others	52	19
Consolidated capital expenditure	4,685	2,613
Assets		
Total assets for reportable segments	247,469	244,702
Other assets	4,757	4,243
Investment in equity-accounted investees	10,380	10,408
Unallocated amounts		
- Other corporate assets	8,415	8,327
- Income tax assets	1,265	2,466
Consolidated total assets	272,286	270,146
Liabilities		
Total liabilities for reportable segments	72,642	73,245
Other liabilities	1,930	1,290
Unallocated amounts		
- Other corporate liabilities	3,050	5,209
- Income tax liabilities	2,766	2,317
Consolidated total liabilities	80,388	82,061

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		Tissue Paper		Total	
	30-06-22 SGD'000	30-06-21 SGD'000	30-06-22 SGD'000	30-06-21 SGD'000	30-06-22 SGD'000	30-06-21 SGD'000	30-06-22 SGD'000	30-06-21 SGD'000	30-06-22 SGD'000	30-06-21 SGD'000
Primary geographical location of business operations										
Hong Kong	-	-	23,058	22,577	15,942	13,457	-	-	39,000	36,034
Vietnam	20,159	18,145	7,759	6,096	-	-	-	-	27,918	24,241
Malaysia	13,768	13,916	-	1,358	-	-	945	-	14,713	15,274
Indonesia	-	-	7,452	9,354	-	-	-	-	7,452	9,354
Singapore	20,186	13,748	-	-	1,497	2,227	9,682	7,573	31,365	23,548
Dubai	5,172	2,394	2,931	2,979	-	-	-	-	8,103	5,373
External revenues	59,285	48,203	41,200	42,364	17,439	15,684	10,627	7,573	128,551	113,824
Timing of revenue recognition										
At a point in time	59,281	48,176	-	-	17,439	15,684	10,627	7,573	87,347	71,433
Overtime	4	27	41,200	42,364	-	-	-	-	41,204	42,391
External revenues	59,285	48,203	41,200	42,364	17,439	15,684	10,627	7,573	128,551	113,824

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Note	Group		Company	
		30-06-22 SGD'000	31-12-21 SGD'000	30-06-22 SGD'000	31-12-21 SGD'000
Financial assets					
Equity instruments at FVTPL	11	930	952	855	855
Trade and other receivables*		60,221	53,211	16,892	9,734
Cash and bank balances		31,343	37,362	5,540	15,299
Contract assets		5,045	3,748	-	-
Total undiscounted financial assets		97,539	95,273	23,287	25,888
Non-derivative financial liabilities					
Trade and other payables**		(50,396)	(43,344)	(38,126)	(36,109)
Loans and borrowings		(26,025)	(28,513)	(2,505)	(2,871)
Total undiscounted financial liabilities		(76,421)	(71,857)	(40,631)	(38,980)
Total net undiscounted financial assets/(liabilities)		21,118	23,416	(17,344)	(13,092)

* Excludes prepayments, tax recoverable, deferred cost, GST/VAT input tax and 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	
	30-06-22 SGD'000	30-06-21 SGD'000
Other income, including finance income	4,019	2,679
Interest on borrowings	(540)	(834)
Allowance for inventory obsolescence	(102)	(223)
Depreciation and amortisation	(8,073)	(8,340)
Gain on disposal of right-of-use assets	7	80
Gain on disposal of property, plant and equipment	27	118
Inventory write-back	1	67
Property, plant and equipment written off	(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	
	30-06-22	30-06-21
	SGD'000	SGD'000
<i>With companies in which certain directors and substantial shareholders have significant influence</i>		
Sale of raw materials/finished goods	9,540	5,444
Sale of scrap	321	408
Purchase of plant and equipment	-	(2)
Rental received/receivable	47	-
Purchase of tissue papers	(1)	(2)
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	159	446
Purchase of finished goods	(535)	(264)
Processing fee paid/payable	10	4
Rental received/receivable	25	12
Sales of plant and equipment	-	144
<i>With joint ventures</i>		
Sale of raw materials/finished goods	-	173
Purchase of raw materials	(169)	(2)
Purchase of plant and equipment	(3,196)	-
Management fee received/receivables	-	16
Rental paid/payable	-	(25)

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	
	30-06-22	30-06-21
	SGD'000	SGD'000
<u>Current income tax</u>		
- Current year	1,360	1,060
- Over provision in respect of previous years	(118)	(3)
<u>Deferred tax</u>		
- origination and reversal of temporary differences	62	13
- Recognition of tax effect of previously unrecognised tax losses	-	(10)
- Under provision in respect of previous years	43	-
	<u>1,347</u>	<u>1,060</u>

9 Dividends

	Group and Company	
	6 months ended	
	30-06-22	30-06-21
	SGD'000	SGD'000
Ordinary dividends paid:		
Tax-exempt (one-tier) final dividend of 0.90 cents per ordinary share for the year 2021 (2020: 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 30-06-22	As at 31-12-21	As at 30-06-22	As at 31-12-21
Net asset value per ordinary share based on existing share capital	34.30 cts	33.44 cts	28.27 cts	29.09 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.

Group	Fair Value			
	Level 1 SGD'000	Level 2 SGD'000	Level 3 SGD'000	Total SGD'000
Financial Assets				
At 30 June 2022				
Unit trust funds	-	923	-	923
Equity investments at FVTPL				
Quoted equity securities	75	-	-	75
Unquoted equity securities	-	-	855	855
	<u>75</u>	<u>923</u>	<u>855</u>	<u>1,853</u>
Financial Assets				
At 31 December 2021				
Unit trust funds	-	1,383	-	1,383
Equity investments at FVTPL				
Quoted equity securities	97	-	-	97
Unquoted equity securities	-	-	855	855
	<u>97</u>	<u>1,383</u>	<u>855</u>	<u>2,335</u>

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

Unit trust funds (2021: Unit trust funds)

The fair value of unit trust funds is determined by reference to the published net asset value at the reporting date.

Equity investments – at FVTPL (2021: 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 (2021: 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

During the six months ended 30 June 2022, the Group acquired property, plant and equipment with an aggregate cost of \$5,032,000 (30 June 2021: \$2,687,000), of which \$136,000 (30 June 2021: \$74,000) relates to right-of-use assets. Cash payment of \$4,685,000 (30 June 2021: \$2,613,000) were made to purchase property, plant and equipment. Property, plant and equipment disposed during the six months ended 30 June 2022 amounting to \$38,000 (30 June 2021: \$758,000), of which \$38,000 (30 June 2021: \$675,000) relates to right-of-use assets.

13 Trade and other receivables

	Group		Company	
	30-06-22 SGD'000	31-12-21 SGD'000	30-06-22 SGD'000	31-12-21 SGD'000
<u>Non-current</u>				
Trade receivables	83	162	-	-
Other receivables	65	51	-	-
Tax recoverable	249	129	-	-
	397	342	-	-
<u>Current</u>				
Trade receivables	43,902	40,635	-	-
Impairment losses	(426)	(416)	-	-
	43,476	40,219	-	-
Deposits	3,614	3,531	-	-
Tax recoverable	65	689	-	-
Consideration receivables	1,582	1,544	-	-
GST/VAT input tax	264	1,059	-	1
Other receivables	1,592	766	72	-
Amount due from subsidiaries, net				
- trade	-	-	540	369
- non-trade	-	-	121	93
Amounts due from joint ventures				
- trade	48	46	48	46
- non-trade	125	3,342	125	121
Amounts due from other related corporations*				
- trade	9,344	3,250	-	-
- non-trade	357	351	-	-
Loans to subsidiaries	-	-	15,986	9,105
	60,467	54,797	16,892	9,735
Deferred cost	67	196	-	-
Prepayments	1,609	1,956	44	23
	62,143	56,949	16,936	9,758
Total trade and other receivables	62,540	57,291	16,936	9,758

* 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	
	30-06-22 SGD'000	31-12-21 SGD'000	30-06-22 SGD'000	31-12-21 SGD'000
<u>Non-current</u>				
Employee benefits	746	603	-	-
Other payables	186	184	-	-
	932	787	-	-

14 Trade and other payables (cont'd)

	Group		Company	
	30-06-22 SGD'000	31-12-21 SGD'000	30-06-22 SGD'000	31-12-21 SGD'000
<u>Current</u>				
Trade payables	42,177	34,590	-	-
Loans from subsidiaries	-	-	31,597	30,878
Amounts due to subsidiaries				
- trade	-	-	-	44
- non-trade	-	-	6,077	4,692
Amounts due to joint venture				
- non-trade	281	108	-	-
Amounts due to other related corporations				
- trade	-	15	-	-
- non-trade	28	6	-	-
Accrued operating expenses	4,622	5,481	439	372
Deferred income	61	222	-	-
Employee benefits	206	200	91	91
GST/VAT output tax	188	164	-	-
Other payables	3,102	2,960	13	123
	<u>50,665</u>	<u>43,746</u>	<u>38,217</u>	<u>36,200</u>
Total trade and other payables	<u>51,597</u>	<u>44,533</u>	<u>38,217</u>	<u>36,200</u>

15 Loans and borrowings

	Group		Company	
	30-06-22 SGD'000	31-12-21 SGD'000	30-06-22 SGD'000	31-12-21 SGD'000
<u>Amount repayable in one year or less, or on demand</u>				
Secured	3,777	5,583	20	19
Unsecured	13,738	13,374	2,419	2,775
<u>Amount repayable after one year</u>				
Secured	338	699	20	30
Unsecured	8,172	8,857	46	47

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	
	30-06-22 SGD'000	31-12-21 SGD'000
Issued and fully paid ordinary shares		
At 31 December 2021 and 30 June 2022		
439,424,603 shares	132,102	132,102

The Company did not hold any treasury shares as at 30 June 2022 and 31 December 2021.

17 Capital commitments

	Group	
	30-06-22 SGD'000	30-06-21 SGD'000
<u>6 months ended</u>		
Contracted but not provided for		
- Property, plant and equipment	1,028	376
- 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 2021.

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

On 29 July 2022, the Group terminated the Share Purchase Agreement ("SPA") with Asia Regal Enterprises Limited ("the Seller") for the purchase of all the shares in Benline Investment Holdings Pte. Ltd. as the conditions precedent has not been fulfilled by the Seller under the terms and conditions of the SPA.

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 2022 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-month 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

1H 2022 vs 1H 2021

Consolidated Statement of Profit or Loss

The Group's turnover increased by S\$15.24 million or 13.0% to S\$132.33 million in 1H 2022, mainly due to higher revenue from Specialty Paper ("SP"), Tissue Paper and Trading divisions, offset by lower revenue from Printed Cartons and Labels ("PCL") division. Increase in revenue of SP division was mainly due to higher demand from customers. Revenue increased in Tissue Paper division was boosted by sale of virgin pulp in Vietnam. Trading division was due to higher demand of raw materials. Revenue declined in PCL division was mainly due to lower demand from two major customers.

Gross profit for 1H 2022 increased by S\$1.30 million to S\$17.57 million compared to S\$16.27 million in 1H 2021. The gross profit margin is 13.3% for the Group in 1H 2022 as compared to 13.9% in 1H 2021 due to lower margin from PCL, Trading and Tissue divisions.

Other income increased by S\$1.21 million to S\$3.97 million in 1H 2022 compared to S\$2.75 million in 1H 2021 was mainly due to higher freight income. Distribution expenses increased by S\$2.43 million was mainly due to higher freight cost. Administrative expenses increased by S\$0.53 million was mainly due to higher staff cost and overseas travelling cost due to re-opening borders for quarantine-free travel agreements.

Net foreign exchange gain in 1H 2022 of S\$0.31 million was mainly due to appreciation of the US Dollar.

Finance costs decreased in 1H 2022 was mainly due to reduced loans and borrowings. Increase in tax expenses was due to higher taxable profits.

As a result of the above factors, the Group posted a profit before tax of S\$6.96 million in 1H 2022 (1H 2021: S\$7.07 million).

Overall, the Group reported a profit after tax attributable to owners of the Company of S\$5.41 million in 1H 2022 (1H 2021: S\$4.91 million).

Consolidated Statement of Financial Position

Total assets (Group) as at 30 June 2022 were S\$272.29 million, increased by \$8.45 million from \$263.84 million as at 31 December 2021.

The increase in total assets were due to:

- increase in inventories by S\$9.99 million as a result of stocked up raw materials.
- increase in trade and other receivables by S\$5.25 million as a result of more sales towards end of 1H 2022.

The above was partially offset by:

- decrease in right-of-use assets by S\$0.88 million due to depreciation charge for 1H 2022 despite there were renewal of tenancy agreements.
- decrease in cash and bank balances by S\$6.02 million.

Total liabilities (Group) as at 30 June 2022 were S\$80.39 million, increased by \$4.22 million from \$76.17 million as at 31 December 2021.

The increase in total liabilities was due to:

- increase in trade and other payables by S\$7.06 million as a result of timing of repayments to suppliers.

The above was partially offset by:

- decrease in loans and borrowings by S\$2.49 million due to repayment of bank borrowings and lease liabilities.

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

Consolidated Statement of Cash Flows

Lower cash flows from operating activities in the 1H 2022 as compared to the corresponding period in 2021 was mainly due to purchases of inventories and trade receivables yet to be realised into cash.

Negative cash flows from investing activities in 1H 2022 was mainly due to capital expenditure incurred for property, plant and equipment.

Lower cash flows used in financing activities in 1H 2022 was mainly lower repayments of loans and borrowings and interest paid.

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.

The global economy remains challenging with rising interest rates, inflationary cost pressures, volatility of raw material prices and freight costs. To mitigate the impact, the Group will continue to monitor closely the performance of its existing portfolios and take necessary measures to preserve cash, optimise cash flows and increase productivity. It will also build on its strong relationships with existing clienteles and develop new markets and business opportunities.

5 Dividend information

(a) Current Financial Period Reported On

2022 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

2021 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

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 half year ended 30 June 2022 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	-	3,325
II	Sale of chipboard, duplex board and core by a Group entity to NTPVN	197	-
III	Sale of virgin pulp by a Group entity to NTPVN	-	3,733
IV	Sale of tissue finished goods by a Group entity to NTPVN*	(151)	-
	New Toyo Pulppy (Hong Kong) Ltd ("NTPHK")		
V	Leasing of warehouse to NTPHK	189	-

Note: NTPVN and NTPHK are an associate of Mr Yen Wen Hwa, the Executive Chairman and controlling shareholder of the Company.

* Negative amount is due to credit note issued for goods contracted in prior year.

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 2022 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
12 August 2022