

**TOYOTA**

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**Asco Motors**

### **Market Announcement**

#### **Results for Half Year ended 30 September 2019**

The Board of Toyota Tsusho (South Sea) Ltd, trading as ASCO Motors in Fiji, Samoa, American Samoa and Tonga hereby announce the unaudited financial results for the half-year ended 30 September 2019. The Net Profit after Tax ("NPAT") for the half-year ended 30 September 2019 is FJD6.548 million compared to FJD10.103 million recorded for the same period last year.

The Group NPAT result is attributed to the adverse trading results in the Fiji and Samoa markets respectively, mainly due to the downturn in new vehicle sales in both markets.

American Samoa and Tonga operations performed solidly for the half-year period experiencing moderate growth in new vehicle sales in an improving economic environment.

#### **Fiji**

Financial Results for the half-year ended was FJD2.5 million behind budget, which was predominately attributed to new vehicle sales performance.

#### **Impacts on New Vehicle Market in Fiji**

- EURO 4 vehicle fuel emissions standards were introduced in June 2019 through the amendment of the Customs Act, which required model changes to the majority of the model line-up. Inventory levels were unusually low for the better part of the first six months of the financial year as the business awaited the arrival of the EURO 4 compliant models in quarter three. The EURO 4 legislation compliance and resulting model availability, has progressed well and within the required timeframes.
- Lower sales from major fleet customers correlated to the slowdown in the activities throughout the various industries.
- Strengthening of the USD and JPY foreign currencies against the Fijian dollar meant increased cost of vehicles, which negatively impacted profitability.

However, despite the intense competition and slowdown in new vehicle sales, Toyota continues to retain its brand leadership in the Fiji market largely driven by growth in mid-SUV, Utility and Vans segment. In 2019, Asco Motors Fiji successfully launched its brand new Rav4 and Rush SUV models, which was well received by our valued customers and continues to strengthen its segment market share.

Fleet sales continue to perform relatively well including successes with large corporate tenders over the previous six months,

Service, Panel and Parts departments achieved strong growth compared to the same period last year indicating growing confidence in the Toyota brand and ASCO Motors quality service, products and infrastructure. Asco Motors' leasing business remains stable.

AVIS Fiji continues to perform strongly, supported by the increase in tourist arrivals, increased international film and television shows hosted in Fiji and above all else, a growing focus on exceptional customer service.

There continues to be an emphasis on improving our facilities for customers and staff, as well as on customer service delivery to provide an excellent customer experience.

#### **Fiji Outlook**

Market and economic environment remain a key factor for the next half of the year and results are expected in line with these factors.

**Samoa:**

ASCO Samoa's performance was lower than expected for the half-year ending 30 September 2019. Sales and profits performed below budgets and last year's results, and quarter 3 and 4 results are expected to be moderately better.

**American Samoa and Tonga:**

For both markets, the business performance is slightly ahead of budget and last year's results. This is due to moderate economic growth and better fiscal management by the business. The results for this year are expected to be in line with or slightly higher than last year.

In preparing this business outlook, we have not factored in any adverse impacts arising out of unforeseen events such as further economic downturn, unfavourable exchange rate movements, and weather disturbances. Should the business encounter any such adverse situation(s), the business outlook will be revised, and market announcements will be made accordingly.



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**MASAHIRO KUWAHARA**  
**CHAIRMAN**



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**CRAIG SIMS**  
**DIRECTOR**

## Appendix D: Half Year Accounts

Toyota Tsusho (South Sea) Ltd

### PROFIT & LOSS STATEMENT FOR HALF YEAR ENDED 30 SEPTEMBER 2019

	CONSOLIDATED		
	Current half year F\$000	Increase/ (Decrease) %	Previous half year F\$000
<b>1. OPERATING REVENUE</b>			
(a) Sales Revenue	89,196	-12%	100,854
(b) Other revenue	219	-55%	491
(c) Total Operating Revenue	89,415	-12%	101,345
<b>2. (a) Net Profit/Loss before Tax</b>	7,498	-36%	11,631
(b) Income tax Expense	(950)	-38%	(1,528)
(c) <b>Net Profit/Loss after Tax</b>	6,548	-35%	10,103
<b>3. (a) Extraordinary item after tax</b>	-	0%	-
(b) <b>Net Profit/Loss after Tax &amp; Extraordinary Item</b>	6,548	-35%	10,103
<b>4. (a) OEI in net profit and extraordinary items after income tax</b>	-	0%	-
(b) <b>Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company</b>	6,548	-35%	10,103
(c) Retained Profit at Beginning	77,508	15%	67,250
(d) <b>Total available for appropriation</b>	84,056	9%	77,353
(e) Ordinary dividend provided and paid for	(2,806)	0%	(2,806)
(f) Preference dividend provided for	-	0%	-
(g) Transfer to general reserves	-	0%	-
(h) Total appropriations	(2,806)	0%	(2,806)
(i) Retained profit at half year end	81,250	9%	74,547

#### 5. Earnings Per Share

(a) Basic earnings per share	0.47	-35%	0.72
(b) Diluted earnings per share	0.47	-35%	0.72



Chairman



Director

**STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY**  
AS AT 30 SEPTEMBER 2019

	CONSOLIDATED		
	At 30 September 2019 F\$000	At 31 March 2019 F\$000	At 30 September 2018 F\$000
<b>6. CURRENT ASSETS</b>			
(a) Cash Assets	16,547	19,320	13,804
(b) Trade receivables	6,197	7,741	9,266
(c) Other receivables	3,611	5,420	4,327
(d) Inventories	29,979	26,048	23,199
(e) Short-term investment	147	-	-
(f) Current tax receivables	425		
(g) Other assets	1,807	251	2,558
<b>(h) Total Current Assets</b>	<b>58,713</b>	<b>58,780</b>	<b>53,156</b>
<b>NON-CURRENTS ASSETS</b>			
(i) Property, plant and equipment	62,550	64,178	68,441
(j) Long-term investment	-	-	-
(k) Term deposit	-	-	-
(l) Future Income tax benefit	-	-	103
(m) Intangible assets	-	-	-
(n) Other assets	1,168	975	1,286
<b>(o) Total Non-Current Assets</b>	<b>63,718</b>	<b>65,153</b>	<b>69,830</b>
<b>(p) Total Assets</b>	<b>122,432</b>	<b>123,933</b>	<b>122,986</b>
<b>7. CURRENT LIABILITIES</b>			
(a) Trade payables	3,084	1,157	1,043
(b) Other payables and accruals	2,948	6,908	2,290
(c) Current tax liabilities	-	-	27
(d) Interest-bearing borrowings	5,966	8,546	11,386
(e) Term loan - secured	-	-	-
(f) Bank overdraft	-	-	-
(g) Unsecured advance	-	-	-
(h) Inter-company Creditors	5,959	6,298	3,579
(i) Provisions	152	3	203
(j) Other liabilities	3,776	860	3,475
<b>(k) Total Current Liabilities</b>	<b>21,885</b>	<b>23,772</b>	<b>22,003</b>
<b>NON-CURRENT LIABILITIES</b>			
(l) Interest-bearing borrowings	-	3,722	7,096
(m) Unsecured advance	-	-	-
(n) Inter-company loan	-	-	-
(o) Deferred tax liabilities	55	11	-
(p) Provisions	253	239	-
(q) Other liabilities	1,983	1,934	2,607
<b>(r) Total Non-Current Liabilities</b>	<b>2,291</b>	<b>5,906</b>	<b>9,703</b>
<b>(s) Total Liabilities</b>	<b>24,176</b>	<b>29,678</b>	<b>31,706</b>
<b>(t) NET ASSETS</b>	<b>98,256</b>	<b>94,255</b>	<b>91,280</b>
<b>8. EQUITY</b>			
(a) Contributed equity	14,483	14,483	14,483
(b) Reserves	2,523	2,264	2,250
(c) Retained profits/accumulated losses	81,250	77,508	74,547
<b>(d) Equity Attributable to Members</b>	<b>98,256</b>	<b>94,255</b>	<b>91,280</b>
<b>OEI in Controlled Entities</b>			
(e) Contributed equity	-	-	-
(f) Reserves	-	-	-
(g) Retained profits/accumulated losses	-	-	-
<b>(h) Total Outside Equity Interest in Controlled Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(i) TOTAL EQUITY</b>	<b>98,256</b>	<b>94,255</b>	<b>91,280</b>



Chairman



Director

**STATEMENT OF CASH FLOWS**  
**FOR HALF YEAR ENDED 30 SEPTEMBER 2019**

**9. CASH FLOW FROM OPERATING ACTIVITIES**

- (a) Cash Received from Trading activities
- (b) Cash Payments
- (c) Interest Received
- (d) Dividend Received
- (e) Interest Paid
- (f) Income Tax Paid
- (g) Net Cash Inflow from Operating Activities**

<b>CONSOLIDATED</b>	
Current half year F\$000	Previous half year F\$000
90,547	104,361
(82,989)	(73,470)
340	192
-	-
(201)	(421)
(1,112)	(528)
<b>6,585</b>	<b>30,134</b>

**10. CASH FLOWS FROM INVESTING ACTIVITIES**

- (a) Acquisition of Fixed Assets
- (b) Proceeds from Sale of Fixed Assets
- (c) Acquisition of Investment
- (d) Long Term Deposit
- (e) Audio Visual Production
- (f) Proceeds from Sale of Associate
- (g) Proceed from Sale of Investment
- (h) Net Cash (Outflow) from Investing Activities**

(536)	(16,748)
258	85
-	-
-	-
-	-
-	-
-	-
-	-
<b>(278)</b>	<b>(16,663)</b>

**11. CASH FLOWS FROM FINANCING ACTIVITIES**

- (a) Dividend Paid
- (b) Repayment of Bank Borrowings
- (c) Proceed from Issue of Shares
- (d) Proceeds from Borrowings
- (e) Repayment of Lease Principal
- (f) Net Cash (Outflow)/Inflow from Financing Activities**

(2,806)	(2,806)
(6,302)	(5,493)
-	-
-	2,900
-	-
<b>(9,108)</b>	<b>(5,399)</b>

**12. NET INCREASE/(DECREASE) IN CASH HELD**

- (a) Cash/(Overdraft) at beginning of year
- (b) Effects of exchange rate changes on opening cash balances
- (c) Cash/(Overdraft) at half year

<b>(2,801)</b>	<b>8,072</b>
<b>19,277</b>	<b>5,769</b>
71	(37)
<b>16,547</b>	<b>13,804</b>



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**Chairman**



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**Director**