

NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

RESPONSE TO QUERY FROM SINGAPORE EXCHANGE IN RESPECT OF THE COMPANY'S HALF YEAR RESULTS FOR ITS SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021

The Board of Directors of New Toyo International Holdings Ltd (the "Company" and together with its subsidiaries, the "Group") wishes to provide the following information in response to a query received from the Singapore Exchange Limited ("SGX") on 2 September 2021 regarding the Company's half year results for its six-month financial period ended 30 June 2021.

SGX Query:

It was disclosed in the 1H2021 Financial Statements that the Group reported a decrease in the "Trade and other receivables" the financial statement line item under its non-current assets from S\$647,000 as at 31 December 2020 to S\$316,000 as at 30 June 2021. The Group also reported an increase in the "Trade and other receivables" financial statement line item under its current assets from S\$55,889,000 as at 31 December 2020 to S\$65,606,000 as at 30 June 2021.

At pg 14, the Company further disclosed the "increase in trade and other receivables by S\$9.39 million as a result of more sales towards end of 1H 2021, which are not past due, offset by receipt of deposit due to termination of the proposed acquisition of Benline Investment Holdings Pte. Ltd. as announced on 19 March 2021."

In this regard, please disclose:

- (a) A breakdown of the Group's trade and other receivables in its current assets and non-current assets;
- (b) The nature and breakdown of the Group's other receivables in its current assets and non-current assets;
- (c) The underlying transactions and terms of the transactions (including contract sum) and payment terms of the underlying contracts;
- (d) Aging of the Group's trade receivables in its current assets and non-current assets; and
- (e) The Board's assessment on the recoverability of these trade and other receivables.

Company's response:

The table below shows the details of trade and other receivables:

	Note	Group	
		30/06/2021	31/12/2020
		S\$'000	S\$'000
Non-current			
Trade receivables		-	323
Tax recoverable	1	316	324

		316	647
Current			
Trade receivables		47,789	42,560
Impairment losses		(416)	(2,430)
		<u>47,373</u>	<u>40,130</u>
Deposits	2	560	3,416
Tax recoverable		814	724
Consideration receivables	3	2,150	2,114
GST/VAT input tax		1,060	878
Other receivables	4	2,793	1,513
Amounts due from joint ventures			
- trade		45	216
- non-trade	5	3,590	3,520
Amounts due from other related corporations*			
- trade		5,459	1,775
- non-trade	5	350	346
		<u>64,194</u>	<u>54,632</u>
Prepayments		1,412	1,257
		<u>65,606</u>	<u>55,889</u>
		<u>65,922</u>	<u>56,536</u>

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

Note:

1. This amount relates to a tax recoverable amount pertaining to a subsidiary in Indonesia and will be recovered after 12 months from the reporting date.
2. In light of the ongoing Covid-19 pandemic, the Company has reconsidered the proposed acquisition of all the shares in Benline Investment Holdings Pte. Ltd. from Asia Regal Enterprises Limited (“the Seller”) and has mutually agreed with the Seller to terminate the proposed acquisition (the “Termination”) as announced on 19 March 2021.

Under the termination agreement entered into by the Company and the Seller in respect of the Termination, the Seller shall return to the Company the deposit of US\$2,000,000 in three instalments plus a late charge on each instalment amount at the rate of 1.90% per annum commencing from 1 January 2021. As at 30 June 2021, the Group has received the full sum of US\$2,000,000 and the late charge.

3. Current consideration receivables is deferred payment of S\$2,150,000 (2020: S\$2,114,000) due from the Group’s joint venture partner, Dong Nai Food Industrial Corporation Vietnam (“DOFICO”). This is as a result of the disposal of 50% of Toyo (Viet)–Dofico Print Packaging Company Ltd to DOFICO by Tien Wah Press Holdings Berhad in 2015, which is payable within the next 12 months.
4. Other receivables comprise import duty, and sundry receivables.
5. The non-trade amounts due from joint ventures and other related corporations are unsecured, interest-free and repayable on demand.

Payment of trade receivables is due 30-60 days from invoice date. The following table provides information about the aging of the trade receivables and its impairment loss:

	Gross carrying amount S\$'000	Impairment loss allowance S\$'000
Group		
30/06/2021		
Current (not past due)	39,169	-
Past due 0 - 30 days	5,503	-
Past due 31 - 180 days	764	-
More than 180 days	2,353	(416)
	<u>47,789</u>	<u>(416)</u>
31/12/2020		
Current (not past due)	30,093	-
Past due 0 - 30 days	4,147	-
Past due 31 - 180 days	5,758	-
More than 180 days	2,885	(2,430)
	<u>42,883</u>	<u>(2,430)</u>

The Board has considered the profiles of the major customers, and noted from management that most of the trade receivables are due from customers that are multinational corporations, listed companies or state-owned enterprises, which are creditworthy and financially capable to pay its debts.

The Group's other receivables (excluding prepayments) includes amounts due from related parties, consideration receivables from related parties, tax recoverable and deposits. These other receivables are mainly due from the local government authorities, reputable and credible suppliers or business partners, whom the Group has been working with. Hence, the Board concurred with management that recoverability of these other receivables is not deemed an issue.

By Order of the Board
Lee Wei Hsiung
Company Secretary
06 September 2021