Q&A

PRESENTED BY:

ANGELA HENG, GROUP CEO

FOCUSED ON
CORE STRENGTHS

NEW TOYO
International Holdings Ltd

Q&A

PRIOR TO THIS AGM MEETING; WE HAVE INVITED SHAREHOLDERS TO SEND IN VIA POST / EMAIL US THEIR QUESTIONS.

SOME OF THE QUESTIONS HAVE BEEN ADDRESSED IN THE EARLIER PRESENTATION BY OUR CFO.

OTHER QUESTIONS ARE ADDRESSED IN THE NEXT FEW SLIDES.

Q&A

Q1: Extract from Tien Wah's 2017 annual report:

"Cost of sales as a percentage of revenue increased from 82.9% to 87.7% in FY2017 due to the lower margin of sales to the Indonesian operation's key customers as a result of a commitment to maintain the selling price for a period of three (3) years as part of the concession to secure the acquisition of BPJ and the 6 years supply contract."

As the commitment expired at the end of 2019, will the Board indicate the extent of increase in selling price?

ANSWER:

THERE WILL BE REVISIONS TO THE SELLING PRICE FOR THE REMAINING PERIOD OF THREE (3) YEARS. HOWEVER, DUE TO THE CONFIDENTIALITY OF CUSTOMERS PRICING, WE ARE NOT ABLE TO DISCLOSE THE EXTENT OF THE REVISIONS.

Q&A

Q2: Has SGX ruled that shareholders' approval is needed for the purchase of all the shares in Benline Investment Holdings Pte. Ltd.?

Based on the announcement dated 2 Oct 2019, the sole property that Benline owns was valued at US$5,367,000. However, Benline's profit for 1H2019 was a mere $9,688 excluding the debt waiver of US$1,038.

What are the attractions of Benline apart from its valuation?

(cont'd)

Q&A

Q2 (cont'd)

ANSWER :

FIRST AND FOREMOST, THE ANNOUNCEMENT DATED 2 OCTOBER 2019 STATED THAT THE UNAUDITED CONSOLIDATED NET PROFIT BEFORE TAX OF BENLINE FOR 1H2019 IS US$1,038,160 TAKING INTO ACCOUNT THE DEBT WAIVER. IF, EXCLUDING THE DEBT WAIVER, BENLINE WOULD SHOW A SMALL NET LOSS BEFORE TAX OF US$9,688 AND NOT NET PROFIT AS POSTED IN THE QUESTION.

IN THE EVENT THIS TRANSACTION IS COMPLETED, BENLINE WOULD BE COLLECTING RENTAL INCOME WHICH WOULD COVER ITS EXPENSES AND BE PROFITABLE.

AS WE ARE IN THE MIDST OF COVID-19 SITUATION, THE MANAGEMENT AND BOARD ARE CONDUCTING A REVIEW OF THIS TRANSACTION AND EVALUATING WHETHER TO PROCEED WITH IT.

REGARDING THE QUESTION WHETHER SGX RULED THAT SHAREHOLDERS' APPROVAL IS REQUIRED: AS OF TO-DATE, SGX HAS NOT REPLIED.

Q&A

Q3: The aggregate market value of investment properties decreased to $31.6m at the end of 2019 (carrying value $5.6m) from $33.5m a year earlier. Has the Board considered monetising them?

ANSWER:

THIS DECREASE OF $1.9M IN MARKET VALUE IS A REFLECTION OF THE MOVEMENT OF FAIR VALUES AT THE END OF EACH REPORTING PERIOD.

THE MANAGEMENT AND BOARD WILL CONTINUE TO REVIEW THE PORTFOLIO REGULARLY, SO AS TO MAXIMIZE SHAREHOLDERS' VALUE.