NEW TOYO
International Holdings Ltd

24th ANNUAL GENERAL MEETING

24 JUNE 2020 - 3.00 P.M.

FOCUSED ON
CORE STRENGTHS

FINANCIAL YEAR 2019 HIGHLIGHTS

PRESENTED BY:

JOSHUA LAM, CFO

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DISCLAIMER

THIS PRESENTATION MAY CONTAIN FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. ACTUAL FUTURE PERFORMANCE, OUTCOMES AND RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED IN FORWARD-LOOKING STATEMENTS AS A RESULT OF A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS. REPRESENTATIVE EXAMPLES OF THESE FACTORS INCLUDE (WITHOUT LIMITATION) GENERAL INDUSTRY AND ECONOMIC CONDITIONS, INTEREST RATE TRENDS, COST OF CAPITAL AND CAPITAL AVAILABILITY, COMPETITION FROM OTHER COMPANIES, SHIFTS IN CUSTOMER DEMANDS, CUSTOMERS AND PARTNERS, CHANGES IN OPERATING EXPENSES, INCLUDING EMPLOYEE WAGES, BENEFITS AND TRAINING, GOVERNMENTAL AND PUBLIC POLICY CHANGES AND THE CONTINUED AVAILABILITY OF FINANCING IN THE AMOUNTS AND THE TERMS NECESSARY TO SUPPORT FUTURE BUSINESS. YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD LOOKING STATEMENTS, WHICH ARE BASED ON CURRENT VIEW OF MANAGEMENT ON FUTURE EVENTS.

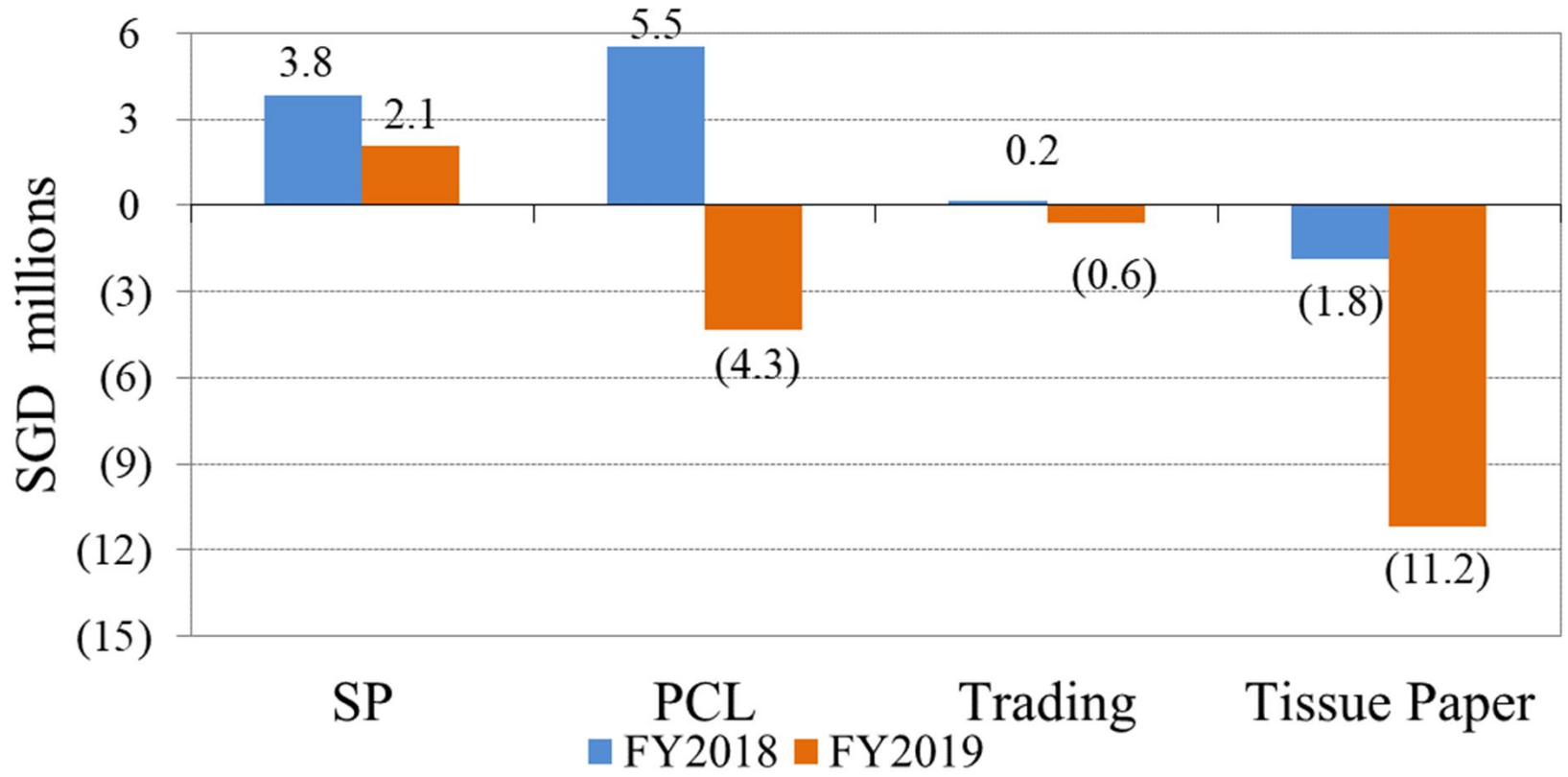
KEY FINANCIAL INFORMATION

(SGD millions)	FY2019	FY2018	Incr/(Dcr)	
Revenue	301.1	271.3	+29.8	+11.0%
Gross Profit	17.0	25.0	-8.0	-31.8%
Gross Profit %	5.7%	9.2%	-3.5*ppt*	
Profit before tax	(15.8)	6.0	-21.8	n.m.
Profit after tax	(18.1)	4.2	-22.3	n.m.

GROUP PROFIT EXCLUDING TISSUE PAPER & DUBAI OPERATIONS

(SGD millions)	FY2019	FY2018
Loss for Tissue Paper segment	(11.2)	(1.8)
Loss for Dubai start ups	(6.0)	(4.5)
Impairment on Dubai PPE	(5.7)	-
Loss on delay of Malaysia closure	-	(2.1)
Relocation costs of Indonesia	-	(1.1)
One-off gain on sales of land & building	-	7.9
Net foreign currency (loss)/gain	(0.6)	2.0
Subtotal	(23.5)	0.4
Profit excluding the above items	7.7	5.6
(Loss)/ Profit before tax	(15.8)	6.0

SEGMENT RESULTS – PROFIT BEFORE TAX



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FINANCIAL HIGHLIGHTS

	Earnings Per Share		Net Assets Value Per Share	
FY2019	(3.47)	cents	32.82	cents
FY2018	0.96	cents	37.42	cents

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FINANCIAL HIGHLIGHTS

	Dividend Per Share*		Dividend Yield
FY2019	0.9	cents	5.8%
FY2018	1.5	cents	6.5%

* Interim & Final Proposed

Based on closing share price of 15.6 cents and 23 cents as at 31 Dec 2019 and 2018 respectively.

PAYMENT DATE: 10 JULY 2020 (SUBJECT TO AGM'S APPROVAL)

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LOOKING AHEAD

DUBAI OPERATIONS

- LARGE MARKET IN MIDDLE EAST BUT VERY PRICE-COMPETITIVE.
- MORE CHALLENGING WITH COVID-19 SITUATION.
- ENTERED INTO OPERATING AND MANAGEMENT RIGHTS AGREEMENTS WITH A THIRD PARTY, WHO HAS EXPERIENCE IN THE MIDDLE EAST MARKET AND TOBACCO INDUSTRY, TO OPERATE AND MANAGE THE MANUFACTURING OF PRODUCTS FOR A PERIOD OF ONE YEAR FROM 1 OCTOBER 2019.
- REVIEW OF THE DUBAI OPERATIONS, INCLUDING OPTION TO RENEW UNDER THE AFORESAID AGREEMENT, WILL BE CONDUCTED BEFORE END OF NEXT QUARTER.

LOOKING AHEAD

IMPACT OF COVID-19 GLOBAL PANDEMIC ON OPERATING PERFORMANCE

- THE OUTBREAK OF COVID-19 HAS BROUGHT ABOUT UNCERTAINTIES IN THE GLOBAL ECONOMIC OUTLOOK. DUE TO THE EVOLVING SITUATION, THE GROUP IS UNABLE TO QUANTIFY THE MAGNITUDE AND DURATION OF SUCH IMPACT TO THE GROUP'S BUSINESSES.

- OUR PRODUCTION SITES IN VARIOUS COUNTRIES WERE IMPACTED BY VARYING EXTENTS OF CONTAINMENT MEASURES, INCLUDING LOCKDOWNS, TRAVEL RESTRICTIONS AND SAFE DISTANCING. TO-DATE, ALL PRODUCTION SITES HAVE RESUMED NORMAL OPERATIONS.

- THE GROUP WILL CONTINUE TO MONITOR AND ADJUST AND ADAPT ITS STRATEGY AND OPERATIONS TO MITIGATE THE IMPACT.

LOOKING AHEAD

Future Directions

- With its solid market position and operational expertise, the Group is on a strong footing to tackle the challenges ahead.

- Cost management initiatives and improving our productivity by enhancing our processes and retraining and upskilling our manpower.

- Extension of current Supply Agreement with British American Tobacco Group for printed carton requirements in Malaysia, Singapore and Vietnam for additional five years from 1 January 2020 and expiring on 31 December 2024 for the domestic and/or export markets.

- The Group also garnered a stronger regional business network whilst operating the tissue paper mill, which it intends to further develop and utilise within its Trading segment.

Q&A

Presented By:

Angela Heng, Group CEO

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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.

RESOLUTION & POLL RESULTS

PRESENTED BY:

YEN WEN HWA, CHAIRMAN

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RESOLUTION 1: ORDINARY RESOLUTION

ADOPTION OF DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE AUDITORS

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

ORDINARY RESOLUTION 1 IS CARRIED.

RESOLUTION 2: ORDINARY RESOLUTION

PAYMENT OF A FINAL DIVIDEND OF 0.9 SINGAPORE CENTS

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

ORDINARY RESOLUTION 2 IS CARRIED.

RESOLUTION 3: ORDINARY RESOLUTION

APPROVAL OF ADDITIONAL DIRECTORS' FEES FOR FY2019

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
27,961,200	100.00	0	0.00	27,961,200	100.00

ORDINARY RESOLUTION 3 IS CARRIED.

RESOLUTION 4: ORDINARY RESOLUTION

APPROVAL OF DIRECTORS' FEES FOR FY2020

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
27,961,200	100.00	0	0.00	27,961,200	100.00

ORDINARY RESOLUTION 4 IS CARRIED.

RESOLUTION 5: ORDINARY RESOLUTION

RE-ELECTION OF MR YEN WEN HWA

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
27,961,200	100.00	0	0.00	27,961,200	100.00

ORDINARY RESOLUTION 5 IS CARRIED.

RESOLUTION 6: ORDINARY RESOLUTION

RE-ELECTION OF TENGKU TAN SRI DR MAHALEEL BIN TENGKU ARIFF

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

ORDINARY RESOLUTION 6 IS CARRIED.

RESOLUTION 7: ORDINARY RESOLUTION

RE-ELECTION OF MR WAN TAI FOONG

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

ORDINARY RESOLUTION 7 IS CARRIED.

RESOLUTION 8: ORDINARY RESOLUTION

RE-ELECTION OF MR PHUA TIN HOW

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

ORDINARY RESOLUTION 8 IS CARRIED.

Retirement of
Mr Lim Teck Leong David



We would like to extend our gratitude and appreciation to

Mr David Lim

for his contributions during his term and wish him well in his future endeavours.

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Resolution 9: Ordinary Resolution

Appointment of Ernst & Young LLP as Auditors of the Company in place of retiring Auditors, KPMG LLP, and authorisation for Directors to fix their remuneration

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

Ordinary Resolution 9 is carried.

RESOLUTION 10: ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES AND CONVERTIBLE SECURITIES

POLL RESULTS

"For" Votes		"Against" Votes		Total Votes	
No. of shares	Percentage %	No. of shares	Percentage %	No. of shares	Percentage %
255,830,881	100.00	0	0.00	255,830,881	100.00

ORDINARY RESOLUTION 10 IS CARRIED.

THANK YOU !

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