NGIP AGMARK LIMITED

ANNUAL GENERAL MEETING FY2019

AGMARK COCOA

Agmark Didiman Stoa

AGMARK RABWELD
ENGINEERING - FABRICATION - ELECTRICAL

GURIAS® Est. 1991

AGMARK SHIPPING

Niugini Coffee, Tea and Spice Company Ltd

AGMARK MACHINERY

RABTRANS
TRANSPORT LOGISTICS STEVEDORES



Moment Silence for



JOHN NIGHTINGALE

Founder and Managing Director



JAMES NAROKAI

Cocoa Manager and Director

2019 Board Members and Management

Mr Donald Manao	Chairman
John Nightingale	Managing Director
Mrs Darrie Nightingale	Director
Mr Nicolas Lyons	Director
Mr Simon Joseph Kabui	Director
Mr Simon Foo	Director
Mr Steven Nightingale	Director & Chief Operating Officer
Mr James Narokai	Director & Cocoa Manager (Passed Away)
Mr Junias Tamur	Company Secretary
Mr Warwick Lung	Chief Financial Controller

ORDER OF MEETING

- Confirmation of Minutes of the AGM held on 28th June 2019 (FY 2018)
- Chairmans Address - Donald Manoa
- Chief Operating Officer Presentation
    - 2019 Goal, Achievements & Challenges
- 2020 Goals
- Resolutions & Questions
- Any Other Business & Questions
- Close

CONFIRMATION OF MINUTES OF AGM FOR FINANCIAL YEAR 2018

To receive, consider and accept the Minutes of the Annual General Meeting held on Friday 28th of June 2019 as a correct record of that meeting.

I now put the motion to members:

That the Minutes of the Annual General Meeting held on the 27th of June 2019 be accepted as a correct record of that meeting.

Mover:
Seconder:

CHAIRMANS OPENING REMARKS



DONALD MANOA

Chairman & Director



STEVEN
NIGHTINGALE

Chief Operating Officer
& Director

CHIEF OPERATING OFFICERS PRESENTAION

2019 RESULTS

	2019	*2018*	*2017*
Revenue	**152.2m**	151.9m	245.2m
Less Cost of Sales	**(109.8m)**	(103.6m)	(99.8m)
Gross Profit	**42.4m**	47.7m	52.1m
Gross Margin %	**28%**	32%	34%
Less Admin & Finance Costs	**(49.5m)**	(50.0m)	(63.1m)
Profit / (Loss) before Income Tax	**(7.08m)**	(2.3m)	(10.1m)
Income (Tax Expense) / Benefit	**(5.04m)**	0.7m	2.3m
Net Profit/ (Loss) from Ordinary Activities	**(12.1m)**	(1.9m)	(7.9m)

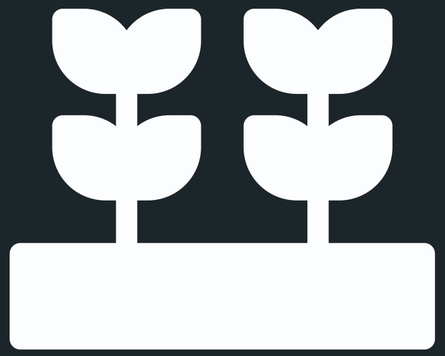
2019
EBITA RESULTS

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION

	2019	2018	2017
Profit/(loss) before Income Tax	**(7.08m)**	(2.3m)	(10.1m)
Less Interest	**(4.3m)**	(4.6m)	(5.6m)
Earnings before Interest & Tax (EBIT)	**(2.78m)**	2.3m	(4.5m)
Less Depreciation	**(4.05m)**	(2.2m)	(4.6m)
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	**1.27m**	4.5m	0.1m

If the operational costs of interest, tax, depreciation & amortisation was removed from our results, Agmark would be in profit. However because the company carries large loans and assets, our operational costs are high.

FY19 GOAL



The pivotal task of the Board in 2019 was to sell Non-Profit Generating Property. Mainly the Tokiala, Vunaraken & Sang plantations due to:

- Costs of maintaining plantation outweighed cocoa production. 2018 resulted in loss of K1.6m
- Sale of plantations would save K1.6m in costs. Reduce debts of K4m & save K0.5m in interest expenses
- Selling property is 6-9 month process. If property could not be sold, we were going to walk off the property to ensure NGIP Agmark Ltd continued.
- Sold to Bluesky Investments (Foreign Company) in November 2019 for K4m. Settling September 2020.
- First preference was to sell to ENB Provincial Government. Offered to them on three (3) seperate occasions.

FY19 Achievements

COST SAVINGS



- K812k interest saved from 2018 property sales to pay off loans.
- K100k saved from regular stocktakes
- K169k saved in staff accommodation
- K507k saved in IT costs
- K7.7m in property sold in FY19 & will settle in FY20. This is to further reduce loans & interest payments

FY19 Achievements

RETURN ON INVESTMENT



- Hiring Manager for Machinery Division. This resulted in FY19 sales of K11m. K2m above FY18.
- Shipping R&M cost of K1.1m. K200k more than FY18. R&M was required & benefits will be seen in FY20
- Hiring of Fleet & Maintenance Manager. This is to reduce down-time & continual operation of equipment and vehicles. Rabtrans has R&M costs of K1.3m for FY19. Manager is to ensure costs are economical

FY19 Achievements

EMPLOYEE DEVELOPMENT & IMPROVE BUSINESS PRACTICES



- Bridge gap between levels of management & develop succession plans
- Identify Key Performance Indicators to:
  - Increase Revenue & Gross Margin
  - Maximise Exports
  - Increase number of voyages per month
  - Timely ordering of inventory
  - Stock fast moving products
  - Retain tenants in property

CHALLENGES

- Management Gaps
- Cocoa Regulations
- Cocoa Production (Weather)
- Competition & Market Change
- Foreign Exchange
- ENB Roads
- Increase in Cost of Sales



2020 GOALS

COCOA GROSS MARGIN

Increase Cocoa Sales Gross Margin from 3.9% to 9.7%. This will result in Increasing Profit by K3 million

SALE OF PROPERTY

Sale of Non-Performing Assets to generate a saving in interest payments of K1.2 million

SHIPPING

Increase number of voyages per month. Expected increase of Sales from K8.7 million in 2019 to K13 million for 2020

COST CONTROL

Scrutinise purchasing to ensure return on investment and look for innovations & efficiencies

ITEM 1 - ADOPT ANNUAL REPORT FOR 2019

To receive the financial statements for the year ended 31 December 2019 and the reports of the Directors and Auditors thereon.

Any questions? please ask on the website

ITEM 2 - RE-ELECTION OF DIRECTOR DONALD MANOA

Any questions? please ask on the website

ITEM 3 - ELECTION OF NEW DIRECTOR STAN JOYCE

- Director Mainland Holdings Limited 2011 to current
- Director Westpac PNG limited 2017 to current
- Director City Pharmacy Limited 2018 to current
- Director Joyce&Co 2017 to current
- Director SP Brewery 2019 to current
- Managing Director SP Brewery 2017 to 2019

Any questions? please ask on the website

ITEM 4 - APPOINTMENT OF AUDITORS FOR 2020

To reappoint SKT as the auditor for the Company commencing at the end of this meeting until the next annual general meeting of the Company and that the Board is authorised to fix the auditor's remuneration.

Any questions? please ask on the website

AUDITORS & TAX AGENTS

samkiaktubangliu
CERTIFIED PRACTISING ACCOUNTANTS

DFK
MAYBERRY
CHARTERED ACCOUNTANTS

CURRENT AUDITORS

- Our Auditors since 2016
- Understand NGIP Agmark Ltd Business Structure & Accounting System.
- Resident in Kokopo for Onsite support
- Quote is K190,000 to Audit FY20. Similar to FY19 Fees.

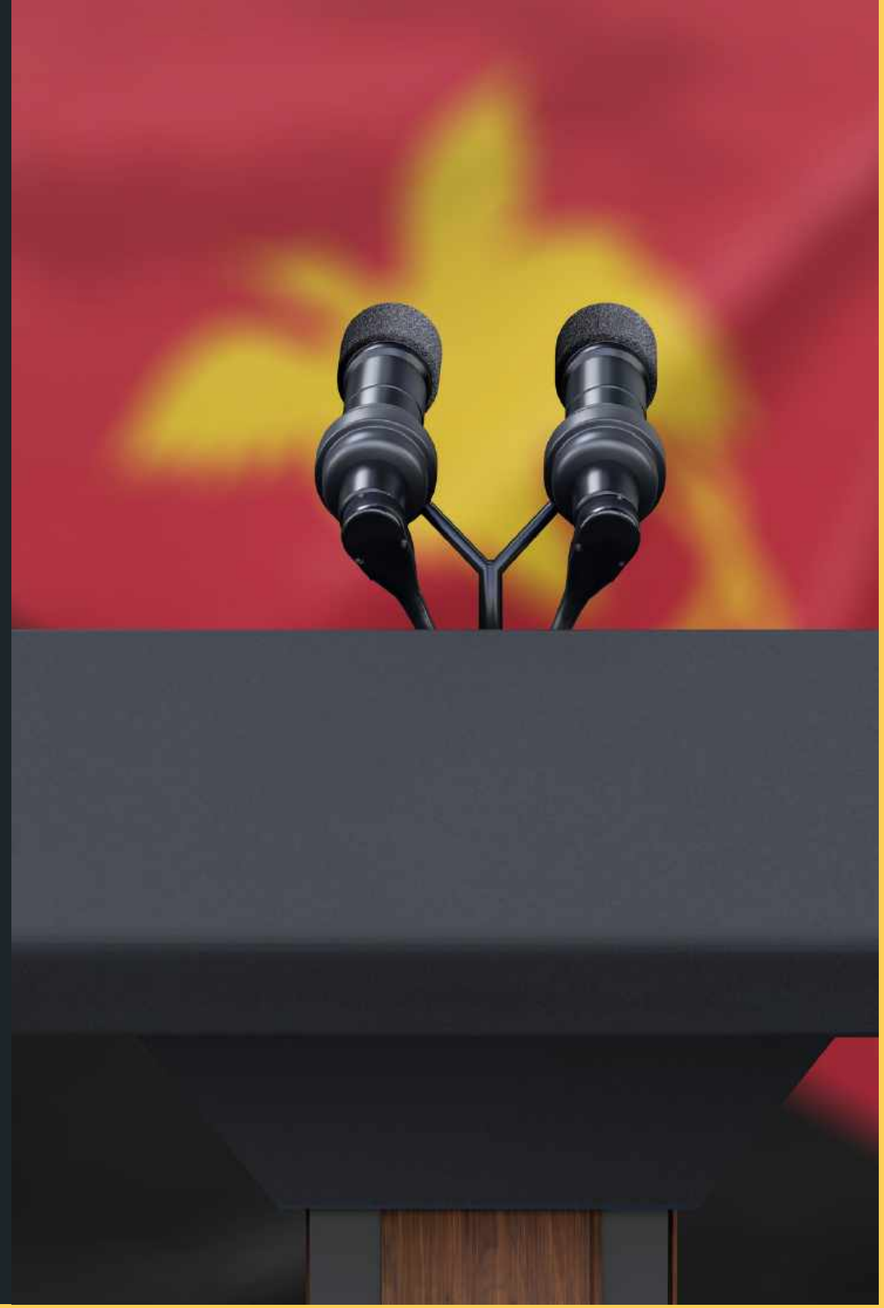
CURRENT TAX AGENTS

- Our Tax Agents since 2018
- Familiar with NGIP Agmark Ltd Business
- Resident in Kokopo for Onsite support

RECOMMEND TO KEEP SAME AUDITORS & TAX AGENTS

ANY OTHER BUSINESS?

We have reached the end of our formal meeting, but before we close, are there any other business to be raised? We also welcome questions from shareholders online



REACH OUT

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