Q&A

Presented By:

Angela Heng, Group CEO

STRENGTHENING
CORE CAPABILITIES

Q&A

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

THIS YEAR WE RECEIVED TWO QUESTIONS FROM THE SHAREHOLDERS WHICH I WILL ADDRESS HERE BELOW.

STRENGTHENING
CORE CAPABILITIES

Q&A

Q1(i): Chairman provided the extent production in Singapore and Malaysia was affected during restrictions to slow the spread of COVID-19. How was production in Vietnam?

ANSWER:

BASICALLY MANUFACTURING ACTIVITIES IN VIETNAM IS ALLOWED TO CONTINUE SO LONG AS COMPANY KEEPS TO THE SAFETY MEASURES SET BY THE VIETNAM AUTHORITIES. WE ARE THANKFUL THAT NONE OF OUR VIETNAM UNITS HAD TO SUSPEND OUR OPERATION THROUGHOUT THIS PERIOD.

Q&A

Q1(ii): Will production improve after New Toyo owns 100% of Toyo Viet?

ANSWER:

THE COMPLETION OF THE TERMINATION OF JVA WITH DOFICO AND ACQUISITION OF THE REMAINING 50% SHARES HELD BY DOFICO IN TOYO VIET IS PENDING THE ISSUANCE OF AN INVESTMENT CERTIFICATE BY THE STATE AUTHORITY OF VIETNAM. AN UPDATE WILL BE PROVIDED WHEN THERE ARE FURTHER DEVELOPMENTS.

STRENGTHENING
CORE CAPABILITIES

Q&A

Q2(i). How much does the Dubai operations contribute to the bottom line in FY2020?

ANSWER:

AS PRESENTED IN THE EARLIER SLIDES BY OUR CFO, DUBAI OPERATIONS IN FY2020 UNFORTUNATELY MAKE A LOSS OF SGD 1.4M.

Q&A

Q2(ii). Will the company be able to do better than the third party which will not continue with running the Dubai operations?

Q2(iii). Previously the company was running the Dubai operations before this was outsourced. The company did not perform well then. What will management do to ensure a better outcome this time?

ANSWER:

SINCE PART (ii) AND (iii) OF Q2 ABOVE IS RELATED DIRECTLY TO DUBAI OPERATIONS, I WILL ADDRESS THEM TOGETHER IN THE NEXT TWO SLIDES.

STRENGTHENING
CORE CAPABILITIES

Q&A

ANSWER

THE 3RD PARTY HAD INFORMED US THAT THEY COULD NOT CONTINUE DUE TO THIS UNEXPECTED COVID-19 SITUATION.

TO ANSWER ON OVERALL DUBAI MARKET SITUATIONS, WE WOULD LIKE TO GO BACK TO OUR MAIN STRATEGIC REASONS WHY WE WENT TO DUBAI IN THE FIRST PLACE.

STRENGTHENING
CORE CAPABILITIES

Q&A

ANSWER

a. FIRSTLY, THE GROUP DECIDED TO EXPAND ITS FOOT PRINT INTO MIDDLE EAST IS FOR THE SOLE PURPOSE OF MARKET EXPANSION AND BROADENING OUR CUSTOMER BASE.

b. MIDDLE EAST MARKET MODEL IS SOMEWHAT DIFFERENT FROM THAT OF THE CURRENT TRADITIONAL MARKETS IN SOUTH-EAST ASIA WHERE THEY ARE DOMINATED BY JUST FEW BUT VERY LARGE INTERNATIONAL CUSTOMERS.

c. MIDDLE EAST TOBACCO MARKET IS A RELATIVELY HUGE MARKET FOR PACKAGING SUPPLY. THERE ARE NUMEROUS TOBACCO PLAYERS; THEREFORE IT IS AN OPEN MARKET OPPORTUNITIES FOR US TO PROVIDE CUSTOMER SERVICE AND TO CULTIVATE CUSTOMER RELATIONSHIP; WHICH WE BELIEVE IS NEW TOYO'S STRENGTH.

Q&A

d. However, the building of any business relationship is never overnight; not forgetting it took more than 40 years for New Toyo to be where we are today.

e. In this COVID-19 pandemic, we actually see this as an opportunity for us to replace our overseas competitors. Moving forward we are confident that our Dubai operation will continue to grow.

THANK YOU!

STRENGTHENING
CORE CAPABILITIES