

CIRCULAR DATED 7 JULY 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional/independent advisor immediately.

If you have sold or transferred all your shares in the capital of New Toyo International Holdings Ltd (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the Proxy Form to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company with assistance and legal advice by Aptus Law Corporation.

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NEW TOYO INTERNATIONAL HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199601387D)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED ADOPTION OF A GENERAL MANDATE
FOR INTERESTED PERSON TRANSACTIONS (“IPT MANDATE”)**

Independent Financial Adviser to the Non-Interested Directors of the Company
in relation to the proposed adoption of the IPT Mandate



IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	19 July 2021 at 10.00 a.m.
Date and time of Extraordinary General Meeting (“EGM”)	:	22 July 2021 at 10.00 a.m.

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be conducted solely via electronic means. You will not be able to attend the EGM in person. Please refer to the notice of EGM in this Circular for details on how you may access the EGM proceedings via electronic means.

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DEFINITIONS

The following definitions shall apply throughout unless otherwise stated in this Circular:

- "Act" or "Companies Act"** : The Companies Act, Chapter 50 of Singapore as amended, modified or supplemented from time to time
- "AGM"** : The annual general meeting of the Company
- "Associate"** : (a) in relation to any person including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family (ie. his spouse, child, adopted child, step-child, sibling and parent);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Audit Committee"** : The audit committee of the Company as at the date of this Circular, comprising Mr. Wan Tai Foong, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff and Mr. Phua Tin How
- "Board"** : The board of Directors of the Company as at the date of this Circular
- "CDP"** : The Central Depository (Pte) Limited
- "Company"** : New Toyo International Holdings Ltd
- "controlling interest"** : The interest of the Controlling Shareholder
- "Controlling Shareholder"** : A person who
- (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company (unless otherwise determined by SGX-ST); or
 - (b) in fact exercises control over the Company
- "Directors"** : The directors of the Company as at the date of this Circular
- "EGM"** : The extraordinary general meeting of the Company, notice of which is set out on pages 32 to 34 of this Circular

"Finished Goods"	: Tissue paper end products including but not limited to jumbo toilet reels, toilet rolls, boxed tissue paper, softpacks, napkins and handkerchief tissues
"FY"	: Financial year ended or ending 31 December, as the case may be
"Group"	: The Company and its subsidiaries and associated companies (if any), and "Group Entity" means any of them
"Guidelines and Procedures"	: Has the meaning given to it in Section 2.7 of this Circular
"IFA Letter"	: The letter from the IFA to the Non-Interested Directors in relation to the proposed IPT Mandate dated 7 July 2021, a copy of which is set out in the appendix to this Circular
"Independent Financial Adviser" or "IFA"	: SAC Capital Private Limited, the independent financial adviser appointed by the Company to advise the Non-Interested Directors in relation to the proposed IPT Mandate
"Independent Shareholders"	Shareholders who are deemed to be independent for the purposes of voting on the proposed IPT Mandate
"Interested Person Transactions"	: Has the meaning given to it in Section 2.4 of this Circular
"Interested Persons" or "Pulppy Group"	: For purposes of this Circular, the Pulppy Group shall refer to only New Toyo Pulppy (Vietnam) Co., Ltd. and New Toyo Pulppy (Hong Kong) Ltd, as described in Section 2.3 of this Circular, and "Interested Person" means either of them
"IPT Mandate"	: The general mandate from Shareholders proposed to be obtained by the Company at the EGM pursuant to Chapter 9 of the Listing Manual, permitting the Group to enter into the Interested Person Transactions
"IPT Register"	: Has the meaning given to it in Section 2.8.1 of this Circular
"jumbo reels"	: Rolls of paper with large diameter made for sale to purchasers who convert them into smaller rolls and/or finished goods
"Latest Practicable Date"	: 6 July 2021, being the latest practicable date prior to the publication of this Circular
"Listing Manual"	: The listing rules set out in the mainboard listing manual of the SGX-ST
"Mr Yen Wen Hwa"	: Mr Yen Wen Hwa, the Executive Chairman of the Company
"Non-Interested Directors"	: The Directors who are deemed to be independent for the purposes of making a recommendation on the proposed IPT Mandate, namely, Mr Wan Tai Foong, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff, Ms Angela Heng Chor Kiang and Mr Phua Tin How
"NTA"	: Net tangible assets
"NTPHK"	: Has the meaning given to it in Section 2.2 of this Circular
"NTPVN"	: Has the meaning given to it in Section 2.2 of this Circular

"PRC"	: The People's Republic of China
"Proxy Form"	: The proxy form in respect of the EGM as set out in this Circular
"Securities Account"	: The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SGX-ST"	: The Singapore Exchange Securities Trading Limited
"Shareholders"	: The registered holders of Shares, except that where the registered holder is CDP, the term " Shareholders " shall, in relation to such Shares and where the context admits, mean Depositors whose Securities Accounts are credited with such Shares
"Shares"	: Issued and paid-up ordinary shares in the capital of the Company
"Substantial Shareholder"	: A substantial shareholder of the Company as defined under the Companies Act
"USA"	: The United States of America
"virgin pulp"	: New (non-recycled) pulp, the main material for making tissue paper products

Currencies, Units and Others

"S\$"	: Singapore dollars, the lawful currency of Singapore
"%"	: Percentage or per centum

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) as amended or modified from time to time.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Words importing persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

LETTER TO SHAREHOLDERS

NEW TOYO INTERNATIONAL HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199601387D)

Registered Office:

80 Robinson Road #02-00
Singapore 068898

Directors:

Mr. Yen Wen Hwa (Executive Chairman)
Ms. Angela Heng Chor Kiang (Executive Director and Group Chief Executive Officer)
Mr. Wan Tai Foong (Lead Independent Non-Executive Director)
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff (Non-Independent Non-Executive Director)
Mr. Phua Tin How (Independent Non-Executive Director)

7 July 2021

To : The Shareholders of New Toyo International Holdings Ltd

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to be held by way of electronic means on 22 July 2021 at 10.00 a.m. to seek Shareholders' approval for the proposed adoption of the IPT Mandate.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating and explain the rationale for the proposed adoption of the IPT Mandate and to seek Shareholders' approval for the same at the EGM.
- 1.3 Shareholders should read this Circular and the letter from the IFA in the Appendix carefully and consider the recommendation of the Non-Interested Directors in Section 10 of this Circular and the opinion of the IFA to the Non-Interested Directors in the Appendix in respect of the proposed adoption of the IPT Mandate.

2. PROPOSED IPT MANDATE

2.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an "entity at risk") enters into or proposes to enter into a transaction with a party who is an interested person. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with them that may adversely affect the interests of the listed company or its shareholders.

An immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the value of the proposed transaction is equal to or more than 3% of the latest audited NTA of the listed group; or
- (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year is equal to or more than 3% of the latest audited NTA of the listed group.

In addition to an immediate announcement, shareholders' approval is required where:

- (a) the value of the proposed transaction is equal to or more than 5% of the latest audited NTA of the listed group; or
- (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year, is equal to or more than 5% of the latest audited NTA of the listed group.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000 (unless otherwise required by the SGX-ST) and certain transactions listed under Rules 915 and 916 of the Listing Manual.

For illustrative purposes only and based on the latest audited consolidated financial statements of the Group for FY2020, the NTA of the Group was S\$123,521,000 and accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual, in the current financial year, being FY2021, and until such time as the audited consolidated financial statements of the Group for the current financial year are published, Shareholders' approval is required where:

- (a) the transaction is of a value equal to, or more than, approximately S\$6,176,000, being 5% of the Group's latest audited NTA as at 31 December 2020; or
- (b) the transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, is of a value equal to, or more than, S\$6,176,000, being 5% of the Group's latest audited NTA as at 31 December 2020. The aggregation will exclude any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been approved by Shareholders.

Chapter 9 of the Listing Manual, however, allows a listed company to seek a general mandate from its shareholders for recurrent interested person transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. Due to the time-sensitive nature of commercial transactions, such a mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with certain classes of interested persons, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the company and its minority shareholders. A general mandate granted by shareholders is subject to annual renewal.

2.2 Background

The principal activities of the Group are (i) the production and supply of specialty packaging materials including coated and laminated papers and boards for packaging industries; (ii) the production and supply of gravure and offset printed materials for fast moving consumer goods and (iii) the trading business including the sale and purchase of tissue paper materials and products such as virgin pulp, jumbo reels and Finished Goods.

The principal activities of the Pulppy Group are the manufacture and sale of tissue paper products including jumbo reels and Finished Goods.

As both the Group and the Pulppy Group sell jumbo reels and Finished Goods, there is an overlap in the products sold by them. As at the Latest Practicable Date, the Group sells jumbo reels and Finished Goods mainly in the PRC (mainland only), the USA, Singapore and Australia, and the Pulppy Group sells jumbo reels and Finished Goods mainly in Vietnam, Hong Kong, Macau, Laos, Cambodia, Thailand, Indonesia, the Philippines, Singapore and Australia (collectively, the “**Permitted Territories**”). As the Pulppy Group has been in the tissue paper business much longer than the Group and given its market presence in the Permitted Territories, the Group had decided to focus its resources to develop its tissue paper business in jurisdictions outside the Permitted Territories, which is a bigger market than the Permitted Territories. The Group has no plans to divide its resources to develop its tissue paper business in the Permitted Territories, notwithstanding some existing customers in Singapore and Australia. With regard to Singapore and Australia where both the Group and the Pulppy Group sell jumbo reels and Finished Goods, the Group has not been actively marketing these products in these two countries. The Group currently has one customer in Singapore through enquiry from the customer and one customer in Australia through referral. The Group will continue supplying jumbo reels and Finished Goods to these two customers but will not be actively marketing these products in these two countries.

To mitigate any perceived, actual or potential conflict of interest, Mr Yen Wen Hwa has executed a deed of undertaking dated 6 July 2021 in favour of the Company which contains, *inter alia*, the following salient terms:

(a) *Non-Competition and Non-Solicitation*

Mr Yen Wen Hwa irrevocably and unconditionally agrees with and undertakes to the Company that for so long as he is a director and/or an executive officer of the Company or holds, directly or indirectly, a controlling interest in the Company, he shall not, and shall procure his Associates do not, on his/their own or jointly with or on behalf of any person, firm or company, directly or indirectly, (i) within any territory in the world other than the Permitted Territories, carry on, be engaged, concerned or interested in, manage, assist in or advise on any business or activity that is similar to or competes with any part of the business or activities of the Company or any of its subsidiaries, including but not limited to the business of selling, purchasing or trading tissue paper materials and products, or (ii) solicit or entice away or attempt to solicit or entice away from the Company or any of its subsidiaries any person who is a director, employee or customer of the Company or any of its subsidiaries.

(b) *Right of first refusal over business opportunities*

Mr Yen Wen Hwa irrevocably and unconditionally agrees with and undertakes to the Company that for so long as he or any of his Associates holds, directly or indirectly, an interest in New Toyo Pulppy (Vietnam) Co., Ltd. (“**NTPVN**”) or New Toyo Pulppy (Hong Kong) Ltd (“**NTPHK**”), and if at any time he receives or knows that any of his Associates receives (“**Notice Date**”), directly or indirectly, any bona fide offer, proposal, expression of interest or opportunity to carry on or be engaged or interested in any business, trade or activity relating or similar to any part of the business, trade or activity of the Company or any of its subsidiaries (“**Business Opportunity**”), he shall promptly (but no later than 14 days after the Notice Date) give the Company a notice in writing offering the Business Opportunity to the Company in place of and to the exclusion of himself, his Associates, NTPVN and NTPHK (“**Offer Notice**”). The Company has 45 days from the receipt of the Offer Notice to decide whether to explore the Business Opportunity set out in the Offer Notice.

(c) *Pre-emption right over any disposal of the shares, assets or business of NTPVN or NTPHK*

Mr Yen Wen Hwa unconditionally and irrevocably agrees with and undertakes to the Company that if he and/or his Associate(s) is/are desirous of selling, transferring or disposing of all or any part of the shares or interest in NTPVN or NTPHK (“**Pulppy Sale Shares**”) or if

NTPVN or NTPHK is desirous of selling, transferring or disposing of all or any part of its assets or business (“**Pulppy Sale Assets**”), he shall give a notice in writing or procure NTPVN or NTPHK (as the case may be) to give a notice in writing, as applicable, to the Company offering to sell to it the Pulppy Sale Shares or Pulppy Sale Assets, as the case may be, and specifying the price therefor and other terms of such sale (“**Pulppy Transfer Notice**”). The Company has 45 days from the receipt of the Pulppy Transfer Notice to accept or decline the aforesaid offer.

As part of the Group’s trading business for tissue paper materials and products, it is anticipated that the Group will from time to time in its ordinary course of business enter into the transactions set out in Section 2.4 of this Circular with the Pulppy Group. The Board is of the view that the proposed IPT Mandate will enable the Group to transact with the Pulppy Group in a more efficient manner.

2.3 Classes of Interested Persons

The proposed IPT Mandate will apply to Interested Person Transactions (as described in Section 2.4 below) between any entity in the Group and the Pulppy Group (each an “**Interested Person**”).

NTPVN is a company incorporated in Vietnam, which owns and operates a tissue paper mill located in Vietnam. NTPVN presently carries on the business of producing and selling jumbo reels and finished goods.

NTPHK is a company incorporated in Hong Kong. NTPHK presently carries on the business of marketing and selling jumbo reels and finished goods produced by NTPVN.

As at the Latest Practicable Date, NTPVN is a wholly-owned subsidiary of NTPHK. NTPHK’s share capital comprises 5,000,000 issued shares of which 4,999,999 shares are held by Greeting Tomt Limited (“**GTL**”) and the remaining 1 share by Mr Yen Wen Hwa. GTL is an investment holding company incorporated in Hong Kong. As at the Latest Practicable Date, GTL is held equally by Mr Yen Wen Hwa and his two children, Mr Gary Yen (“**Gary**”) and Mrs Evelyn Lee An Thien (“**Evelyn**”), i.e. each holds one-third of GTL. Mr Yen Wen Hwa and Gary are also directors of GTL and NTPHK. Mr Yen Wen Hwa is the Executive Chairman and Controlling Shareholder of the Company. As Mr Yen Wen Hwa and his immediate family (ie. Gary and Evelyn) together has an interest of more than 30% in NTPVN and NTPHK (together, the “**Pulppy Group**”), the entities in the Pulppy Group are Associates of Mr Yen Wen Hwa and are deemed to be interested persons for the purpose of Chapter 9 of the Listing Manual. Accordingly, transactions entered into between an entity in the Group and NTPVN or NTPHK will be regarded as interested person transactions and will be subject to Chapter 9 of the Listing Manual.

2.4 Categories of Interested Person Transactions under the proposed IPT Mandate

The following are the types of transactions to be carried out by the Group in its ordinary course of business with the Interested Persons pursuant to the proposed IPT Mandate (“**Interested Person Transactions**”). To-date, the Group has carried out the Interested Person Transactions including those disclosed under the sub-heading “Previous Transactions with the Pulppy Group in FY2020 and from 1 January 2021 to 30 June 2021” in this Section 2.4.

(a) Sale of virgin pulp by a Group Entity to an Interested Person

The Pulppy Group intends to continue purchasing virgin pulp from the Group to make jumbo reels. The Group will continue tapping into its supply network to source for virgin pulp and supplying it to the Pulppy Group.

(b) Sale of jumbo reels by a Group Entity to an Interested Person

As its production capacity for jumbo reels is limited, the Pulppy Group intends to continue purchasing jumbo reels from the Group. The Group will continue tapping into its supply network to source for jumbo reels and supplying them to the Pulppy Group.

(c) Purchase of Finished Goods by a Group Entity from an Interested Person

The Group intends to continue purchasing Finished Goods from the Pulppy Group and selling them to third parties.

Unless otherwise required by the SGX-ST, the proposed IPT Mandate will not cover any transaction below S\$100,000 in value between a Group Entity and an Interested Person as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not normally apply to such transactions (unless otherwise required by the SGX-ST). In addition, all transactions between the Group and interested persons (including the Interested Persons) that do not fall within the ambit of the proposed IPT Mandate will be subject to the provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

Previous Transactions with the Pulppy Group in FY2020 and from 1 January 2021 to 30 June 2021

As announced on 11 January 2021, the aggregate value of the transactions between the Group and Pulppy Group in FY2020 was approximately S\$5,717,000, representing approximately 4.58% of the Group's audited net tangible assets of approximately S\$124,737,000 as at 31 December 2019.

As announced on 6 July 2021, the aggregate value of the transactions between the Group and Pulppy Group from 1 January 2021 to 30 June 2021 ("**1H2021**") was approximately S\$5,549,000, representing approximately 4.49% of the Group's audited net tangible assets of approximately S\$123,521,000 as at 31 December 2020.

Details of these transactions are as follows:

Item	Interested Person	Description	Value (S\$'000)	
			FY2020	1H2021
I	NTPVN	Sale of jumbo reels by a Group entity to NTPVN.	875	487
II	NTPVN	Purchase of Finished Goods by a Group entity from NTPVN.	2,849	-
III	NTPVN	Sale of chipboard, duplex board and core by a Group entity to NTPVN.	549	194
IV	NTPVN	Sale of corrugated boxes by a Group entity to NTPVN.	527	239
V	NTPHK	Leasing of warehouse by a Group entity to NTPHK.	194	-
VI	NTPVN	Sale of virgin pulp by a Group entity to NTPVN.	723	4,482
VII	NTPVN	Sale of tissue finished goods by a Group entity to NTPVN.	-	147
Total			5,717	5,549

Following the Group's cessation of production of tissue paper in September 2019 in the PRC, the Group cleared the remaining stocks with NTPVN in the first quarter of 2020 with respect to the transactions described in items I above. Notwithstanding that the Group cleared the remaining stocks with NTPVN with respect to the transactions described in item I above, the Pulppy Group intends to continue purchasing jumbo reels from the Group and therefore, the Group will continue tapping into its supply network to source for jumbo reels for sale to the Pulppy Group. Such transactions are included in the proposed IPT Mandate under Section 2.4(b) of this Circular.

As for the transactions described in item II above, the Group purchases Finished Goods from the Pulppy Group and sells them to third parties. Such transactions with NTPVN enable the Group to sell Finished Goods to third parties and such sales generate additional revenue for the Group. Although the Group did not purchase Finished Goods from the Pulppy Group in 1H2021, the Company expects the Group to make such purchases during the remainder of FY2021. Such transactions are included in the proposed IPT Mandate under Section 2.4(c) of this Circular.

The Group's core business includes the sale of raw materials including virgin pulp. Sales of virgin pulp to NTPVN, as described in item VI above, yield a gross profit margin similar to those obtained from other customers of the Group and such transactions with NTPVN provide additional revenue to the Group and further expand its customer base. Such transactions are included in the proposed IPT Mandate under Section 2.4(a) of this Circular.

With regard to the transactions described in items III, IV, V and VII above, the annual aggregate values of these transactions are and are expected to remain relatively low and therefore, the Company does not propose to include these types of transactions in the proposed IPT Mandate and will instead let these transactions be subject to the provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

In addition to the transactions described in items III, IV, V and VII above, transactions between the Group and the Pulppy Group that do not fall within the scope of the proposed IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

2.5 Rationale for the proposed IPT Mandate and Benefits to the Group

The Interested Person Transactions are in line with the Company's plans to enhance value for Shareholders by broadening and stabilising revenue streams to include the sale of raw materials such as virgin pulp, and non-tobacco products, such as tissue paper.

The transactions with the Pulppy Group, as customer of the Group, would provide additional revenue to the Group and further expand its existing customer base. Further, notwithstanding its cessation of production of tissue paper in September 2019 in the PRC, the Group continues to maintain its relations with suppliers and customers there which, in conjunction with business intelligence developed in the subsequent years, may generate more business opportunities for the Group. It is envisaged that in its ordinary course of business, transactions between the Group and the Pulppy Group are likely to occur from time to time, for the Group to continue fulfilling its contracts of tissue paper products to the end customers.

The transactions with the Interested Persons set out in Section 2.4 of this Circular are to be entered into by the Group in the ordinary course of business. These are recurring transactions which are likely to occur with some degree of frequency and may arise at any time, and from time to time.

In view of the time-sensitive nature of commercial transactions, the IPT Mandate will facilitate the Interested Person Transactions, provided the same are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate will eliminate the need for the Company to convene specific general meetings seeking Shareholders' prior approval for the Group's entry into the Interested Person Transactions. This will enable the Group to pursue business opportunities with the Pulppy Group in an efficient manner and look to the Pulppy Group for prompt assistance when such need arises. The IPT Mandate will also eliminate expenses associated with the convening of specific general meetings and allow manpower resources and time (for preparing specific general meetings) to be channelled towards attaining other business goals.

2.6 Validity period of the proposed IPT Mandate

The proposed IPT Mandate will take effect from the passing of the ordinary resolution at the EGM and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier. Approval from Independent Shareholders will be sought for the renewal of the proposed IPT Mandate at the next AGM and at each subsequent AGM or the date by which the next or subsequent AGM is required by law to be held, subject to satisfactory review by the Audit Committee of its continued relevance and application and the sufficiency of the guidelines and review procedures under the proposed IPT Mandate to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.7 Guidelines and review procedures under the proposed IPT Mandate

The guiding principle is that all Interested Person Transactions shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins or prices extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Interested Person compared to those extended to or received from unrelated third parties and/or are in accordance with published or prevailing rates/prices or applicable industry norms after taking into account all pertinent factors such as, but not limited to the purchase price, order quantity, product quality, standard of services, reliability, experience and expertise, customer requirements, product specifications, delivery schedule, track record, potential for future repeat business, contract duration, credit term, discounts and rebates and fluctuations in foreign exchange rates. The Company will use its reasonable endeavours to make comparisons with at least two other comparable quotes from unrelated third parties, wherever possible for the same or substantially similar type of transactions.

The following guidelines and review procedures ("**Guidelines and Review Procedures**") will be implemented by the Group to ensure that all Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders:

2.7.1 Review Procedures

Before entering into any Interested Person Transaction, the Group will follow the review procedures set out below:

(a) Sale of virgin pulp or jumbo reels by a Group Entity to an Interested Person

- (i) with regard to the sale of virgin pulp or jumbo reels by a Group Entity to an Interested Person, the price and other terms in respect of completed transactions with at least two unrelated third parties in relation to the same or substantially the same type of virgin pulp or jumbo reels (as the case may be) will be used as comparison where possible. While other factors as set out in Section 2.7.1(a)(ii) will be taken into consideration, the price to be charged by the Group Entity to the Interested Person will be no lower than the price charged by the Group Entity to the unrelated third parties, and other terms to be extended by the Group Entity to the Interested Person will be no more

favourable than other terms extended by the Group Entity to the unrelated third parties; or

- (ii) where it is not possible to obtain or compare against the price and other terms of transactions or quotations with unrelated third parties or where the purported comparable quotes may not be directly comparable (i.e. in terms of the geography of operations), the Interested Person Transaction will be assessed by the General Manager of the relevant Group Entity, who will submit a report to the Chief Financial Officer of the Company or in the absence of the Chief Financial Officer, the Group Chief Executive Officer (each of whom does not have any interests, whether direct or deemed, in relation to the Interested Person or to the Interested Person Transaction) for his/her review, such assessment and review will be in accordance with the Group's business practices and policies and on terms which the General Manager, Chief Financial Officer, Group Chief Executive Officer and/or the Audit Committee (where relevant) considers to be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. The Group entity's pricing and other terms for such products to be sold to the Interested Persons shall be determined based on the Group's business practices and experience in relation to the products previously sold, which are as comparable as possible to the product to be sold and may include, but not limited to, potential gross profit margin, quality, quantity, track record, country in which the customer or supplier is located, transportation cost, requirement and specification compliance, delivery time, experience and expertise, payments and credit terms and where applicable, preferential rates, discounts or rebates accorded for bulk purchases.

(b) Purchase of Finished Goods by a Group Entity from an Interested Person

- (i) with regard to the purchase of Finished Goods by a Group Entity from an Interested Person, the price and other terms from at least two unrelated third parties in relation to the same or substantially the same type of Finished Goods will be used as comparison where possible. While other factors as set out in Section 2.7.1(b)(ii) will be taken into consideration, the price to be paid by the Group Entity to the Interested Person will be no higher than the price paid by the Group Entity to the unrelated third parties, and other terms to be extended to the Group Entity by the Interested Person will be no less favourable than other terms extended by the unrelated third parties to the Group Entity; or
- (ii) where it is not possible to obtain or compare against the price and other terms of transactions or quotations with unrelated third parties or where the purported comparable quotes may not be directly comparable (i.e. in terms of the geography of operations), the Interested Person Transaction will be assessed by the General Manager of the relevant Group Entity, who will submit a report to the Chief Financial Officer of the Company or in the absence of the Chief Financial Officer, the Group Chief Executive Officer (each of whom does not have any interests, whether direct or deemed, in relation to the Interested Person or to the Interested Person Transaction) for his/her review, such assessment and review will be in accordance with the Group's business practices and policies and on terms which the General Manager, Chief Financial Officer, Group Chief Executive Officer and/or the Audit Committee (where relevant) considers to be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In determining whether the price and other terms offered to or by the Interested Person in respect of a transaction are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, factors such as quantity, quality, track record, delivery time, experience and expertise, country in which the customer or supplier is located, transportation cost, requirement and specification compliance, payment and credit terms and preferential rates,

discounts or rebates accorded for bulk purchases will be taken into consideration.

2.7.2 Approval Limits

In addition to the review procedures as set out in Section 2.7.1 of the Circular, the Group will apply the following approval limits to the Interested Person Transactions:

Transaction	Approval Limits
Sale of virgin pulp by a Group Entity to an Interested Person	<p>(a) where the value of an Interested Person Transaction is below S\$1,400,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(b) where the value of an Interested Person Transaction is equal to or more than S\$1,400,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Audit Committee.</p>
Sale of jumbo reels by a Group Entity to an Interested Person	<p>(a) where the value of an Interested Person Transaction is below S\$2,000,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(b) where the value of an Interested Person Transaction is equal to or more than S\$2,000,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Audit Committee.</p>
Purchase of Finished Goods by a Group Entity from an Interested Person	<p>(a) where the value of an Interested Person Transaction is below S\$1,200,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(b) where the value of an Interested Person Transaction is equal to or more than S\$1,200,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Audit Committee.</p>

In addition to and without prejudice to the above, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company is equal to or more than 30% of the Company's latest audited consolidated NTA, all subsequent Interested Person Transactions with the same Interested Persons in the current financial year of the Company will, prior to entry, be

reviewed and approved by the Audit Committee. Please refer to Section 2.8.1 of this Circular for details on how the Company will be monitoring the foregoing 30% threshold.

Notwithstanding the above, no person will participate or be involved in any review or approval of any Interested Person Transaction if he or she or any of their Associates is interested, directly or indirectly, in the transaction.

In setting the above approval limits, the Company took into account, *inter alia*, the nature, volume, frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The approval limits are arrived at with the view to strike a balance between maximising the operational efficiency of the day-to-day operations of the Group and maintaining adequate internal controls and governance in relation to the Interested Person Transactions. The approval limits are intended to act as an additional safeguard to supplement the review procedures as set out above.

2.8 Other Review Procedures

In addition to the review procedures set out in Section 2.7 of this Circular, the Group will implement the following procedures:

2.8.1 Register of Interested Person Transactions

The Company will maintain a list of Interested Persons and a register of all Interested Person Transactions which are entered into by the Group, recording the transaction prices and the bases for evaluating the transactions and determining their prices such as quotations obtained from unrelated third parties, including information and/or supporting documents on the value/size of the transactions ("**IPT Register**"). The relevant subsidiaries and associated companies of the Company will be required to furnish information concerning the Interested Person Transactions entered into by them ("**IPT Data**") to the Company by the 5th day of the following month. Upon receiving the IPT Data, the IPT Register will be prepared or updated, maintained and monitored by the Chief Financial Officer or any other officer of the finance department of the Company duly delegated to do so by the Audit Committee, and who must not be interested in any of the Interested Person Transactions. Any discrepancies or significant variances (as determined by the Audit Committee) from the Group's usual business practices and pricing policies will be highlighted to the Audit Committee.

In addition, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company amounts to 20% of the Company's latest audited consolidated NTA in any month, the relevant subsidiaries and associated companies must submit their IPT Data to the Company on a weekly basis. Subsequently, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company amounts to 25% of the Company's latest audited consolidated NTA, the relevant subsidiaries and associated companies must obtain the approval of the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee for each Interested Person Transaction before proceeding with it.

Where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company is equal to or more than 30% of the Company's latest audited consolidated NTA, all subsequent Interested Person Transactions with the same Interested Persons in the current financial year of the Company will, prior to entry, be reviewed and approved by the Audit Committee.

2.8.2 Review by the Audit Committee

The Audit Committee will review the Interested Person Transactions on a quarterly basis to ensure that all Interested Person Transactions are on normal commercial terms and carried out in accordance with the Guidelines and Review Procedures under the proposed IPT Mandate. Such review includes the examination of the transaction(s) and its supporting documents or such other supporting documents deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and their implementation pertaining to the Interested Person Transactions under review. The Group's internal and external auditors shall assist the Audit Committee in such review and carry out such tests as they deem necessary.

2.8.3 Review of the adequacy of Guidelines and Review Procedures by the Audit Committee

In addition, the Audit Committee shall also review the Guidelines and Review Procedures at least annually to determine if they are adequate and/or commercially practicable in ensuring that all Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If during such review the Audit Committee is of the view that the Guidelines and Review Procedures, including the approval limits for the Interested Person Transactions, are no longer sufficient or appropriate, to ensure that the transactions with the Interested Persons will be carried out on normal commercial terms and/or will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek Shareholders' approval for a fresh mandate based on new guidelines and review procedures for transactions with the Interested Persons. During the period prior to obtaining such fresh mandate from the Shareholders, all transactions with the Interested Persons will be subject to prior review and approval by the Audit Committee.

2.8.4 Review by internal auditors

The Company's internal auditors will review periodically (based on the internal audit plan as approved by the Audit Committee, and subject to adjustment in frequency, depending on factors such as, *inter alia*, the substantial increment of aggregate transactional value) the Interested Person Transactions to ensure that the Guidelines and Review Procedures have been adhered to. The internal auditors will report all findings directly to the Audit Committee.

2.8.5 Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee (where applicable) or any of his or her Associates is interested (directly or indirectly) in an Interested Person Transaction, he or she will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

As at the Latest Practicable Date, the Company has implemented the review procedures and approval limits under Section 2.7 and is maintaining the IPT Register under Section 2.8.1 of this Circular.

2.9 Disclosure

Pursuant to Rule 920(1)(a) of the Listing Manual, the Company will disclose the IPT Mandate in the annual reports of the Company, giving details of the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year. In addition, the Company will disclose the aggregate value of the Interested Person Transactions conducted

pursuant to the IPT Mandate in the half-year and full-year financial result announcements, pursuant to Rule 705 of the Listing Manual.

The disclosures of the Interested Person Transactions conducted pursuant to the IPT Mandate will be presented in the form set out in Rule 907 of the Listing Manual as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
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3. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

SAC Capital Private Limited has been appointed as the Independent Financial Adviser pursuant to Rule 920 of the Listing Manual to advise the Non-Interested Directors (as described in Section 10 below) on whether the Guidelines and Review Procedures for determining the transaction prices of the Interested Person Transactions, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having considered, *inter alia*, the rationale and benefits of the proposed IPT Mandate, the Guidelines and Review Procedures of the Company for determining the transaction prices of the Interested Person Transactions, the role of the Audit Committee of the Company in enforcing the proposed IPT Mandate, and subject to the qualifications and assumptions set out in the IFA Letter, the Independent Financial Adviser is of the opinion that the Guidelines and Review Procedures for determining the transaction prices of the Interested Person Transactions as set out in Sections 2.7 and 2.8 of the Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced in the appendix to this Circular. Shareholders are advised to read the IFA Letter carefully and consider it in the context of this Circular.

4. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed the terms of the proposed IPT Mandate, and confirms that it concurs with the view of the Independent Financial Adviser that the Guidelines and Review Procedures for determining the transaction prices of the Interested Person Transactions covered under the proposed IPT Mandate, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Directors	Direct Interest	Deemed Interest	Total Interest
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	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Yen Wen Hwa	139,959,164	31.85	87,910,517 ⁽³⁾	20.01	227,869,681	51.86
Angela Heng Chor Kiang	500,000	0.11	-	-	500,000	0.11
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	-	-	-	-	-	-
Wan Tai Foong	-	-	-	-	-	-
Phua Tin How	-	-	-	-	-	-
Substantial Shareholders						
Yen Wen Hwa	139,959,164	31.85	87,910,517 ⁽³⁾	20.01	227,869,681	51.86
Lu Le Nhi ⁽²⁾	29,092,577	6.62	198,777,104 ⁽⁴⁾	45.24	227,869,681	51.86
Yen & Son Holdings Pte Ltd ⁽⁵⁾	58,817,940	13.39	-	-	58,817,940	13.39

Notes:

- (1) Based on 439,424,603 issued Shares as at the Latest Practicable Date.
- (2) Mdm Lu Le Nhi is the wife of Mr Yen Wen Hwa.
- (3) The deemed interest comprises Shares held directly by Mdm Lu Le Nhi and Yen & Son Holdings Pte Ltd.
- (4) The deemed interest comprises Shares held directly by Mr Yen Wen Hwa and Yen & Son Holdings Pte Ltd.
- (5) The shareholders of Yen & Son Holdings Pte Ltd are Mr Yen Wen Hwa (55%), Mdm Lu Le Nhi (15%) and their son (15%) and daughter (15%).

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the proposed adoption of the IPT Mandate.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 32 to 34 of this Circular, will be held by way of electronic means on 22 July 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolution set out in the notice of EGM.

7. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mr Yen Wen Hwa will abstain, and has undertaken to ensure that his Associates will abstain, from voting on the ordinary resolution approving the proposed IPT Mandate as set out in the notice of EGM. Further, Mr Yen Wen Hwa will decline, and has undertaken to ensure that his Associates will decline, appointment to act as proxies for other Shareholders to vote at the EGM in respect of the ordinary resolution approving the proposed IPT Mandate.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be conducted solely via a live audio-video webcast and a live audio-only stream. Shareholders will not be able to attend the EGM in person. Shareholders may

however participate in the EGM by observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream, submitting questions in advance of the EGM and appointing the Chairman of the EGM as proxy to attend and vote on their behalf at the EGM. Details of the steps for pre-registration, submission of questions and voting at the EGM are set out in the notice of EGM in this Circular.

Shareholders who wish to appoint the Chairman of the EGM as proxy to attend and vote on their behalf are requested to complete, sign and return the proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898 not less than 72 hours before the time fixed for the EGM.

A Depositor will not be regarded as a Shareholder entitled to vote at the EGM unless his name appears on the Depository Register at least 72 hours before the EGM.

9. CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter reproduced in the appendix to this Circular and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

10. DIRECTORS' RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed adoption of the IPT Mandate are Mr Wan Tai Foong, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff, Ms Angela Heng Chor Kiang and Mr Phua Tin How (collectively, the "**Non-Interested Directors**").

The Non-Interested Directors, having considered, among other things, the terms, rationale and benefits of the proposed IPT Mandate, the Guidelines and Review Procedures, the role of the Audit Committee in enforcing the proposed IPT Mandate and the opinion of the IFA, are of the view that the Guidelines and Review Procedures as set out in Sections 2.7 and 2.8 of this Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed adoption of the IPT Mandate as set out in the notice of EGM.

The Non-Interested Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position, unique needs and/or constraints of any Shareholder.

As different Shareholders would have different investment objectives, the Non-Interested Directors recommend that any individual Shareholder who may require specific advice in relation to the IPT Mandate should consult his/her stockbroker, bank manager, solicitor, accountant or other professional advisers.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the

Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents are available on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's website at <https://www.newtoyo.com> for inspection:

- (i) the IFA Letter set out in the appendix to this Circular;
- (ii) the Annual Report of the Company for FY2020;
- (iii) the written consent of the IFA referred to in Section 9 of this Circular; and
- (iv) the Constitution of the Company.

Yours faithfully
for and on behalf of the Board of Directors of
NEW TOYO INTERNATIONAL HOLDINGS LTD

Yen Wen Hwa
Executive Chairman

**APPENDIX - LETTER FROM SAC CAPITAL PRIVATE LIMITED
TO THE NON-INTERESTED DIRECTORS OF NEW TOYO INTERNATIONAL HOLDINGS LTD
IN RELATION TO THE PROPOSED IPT MANDATE**

SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

1 Robinson Road
#21-00 AIA Tower
Singapore 048542

7 July 2021

To: The Non-Interested Directors of New Toyo International Holdings Ltd in relation to the proposed IPT Mandate (as defined herein)

Ms. Angela Heng Chor Kiang
Mr. Wan Tai Foong
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff
Mr. Phua Tin How

Dear Sirs

THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Unless otherwise defined herein, all terms defined in the circular dated 7 July 2021 to the shareholders of New Toyo International Holdings Ltd (the “Circular”) in relation to the proposed adoption of the IPT Mandate shall have the same meanings in this letter.

1. INTRODUCTION

New Toyo International Holdings Ltd (the “Company”) wishes to seek the approval of the shareholders (the “Shareholders”) for the proposed adoption of a new Shareholders’ general mandate for interested person transactions (the “IPT Mandate”) between the Company, its subsidiaries and associated companies (if any) (collectively, the “Group” or each a “Group Entity”) and its interested persons, namely, (i) New Toyo Pulppy (Vietnam) Co., Ltd. (“NTPVN”) and (ii) New Toyo Pulppy (Hong Kong) Ltd (“NTPHK”) (collectively, the “Pulppy Group” or the “Interested Persons”, or each an “Interested Person”).

As at the Latest Practicable Date, NTPVN is a wholly-owned subsidiary of NTPHK. NTPHK’s share capital comprises 5,000,000 issued shares of which 4,999,999 shares are held by Greeting Tomt Limited (“GTL”) and the remaining 1 share by Mr. Yen Wen Hwa. GTL is an investment holding company incorporated in Hong Kong. As at the Latest Practicable Date, GTL is held equally by Mr. Yen Wen Hwa and his two children, Mr. Gary Yen (“Gary”) and Mrs. Evelyn Lee An Thien (“Evelyn”), i.e. each holds one-third of GTL. Mr. Yen Wen Hwa and Gary are also directors of GTL and NTPHK. Mr. Yen Wen Hwa is the Executive Chairman and Controlling Shareholder of the Company. As Mr. Yen Wen Hwa and his immediate family (i.e. Gary and Evelyn) together have an interest of more than 30% in NTPVN and NTPHK, the entities in the Pulppy Group are Associates of Mr. Yen Wen Hwa and are deemed to be interested persons for the purpose of Chapter 9 of the Listing Manual (the “Listing Manual”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). Accordingly, transactions entered into between an entity in the Group and NTPVN or NTPHK will be regarded as interested person transactions and will be subject to Chapter 9 of the Listing Manual.

The proposed IPT Mandate will apply to the interested person transactions with the Pulppy Group that relate to (a) the sale of virgin pulp by a Group Entity to an Interested Person; (b) the sale of jumbo reels by a Group Entity to an Interested Person; and (c) the purchase of finished goods by a Group Entity from an Interested Person (collectively, the **“Interested Person Transactions”**).

The adoption of the proposed IPT Mandate is conditional upon the approval by the Shareholders who are considered independent for the purpose of the proposed adoption of the IPT Mandate (the **“Independent Shareholders”**) of the ordinary resolution relating to the proposed IPT Mandate at an extraordinary general meeting of the Company to be convened.

In accordance with Chapter 9 of the Listing Manual, the Company has appointed SAC Capital Private Limited as the independent financial adviser (the **“IFA”**) to express an opinion on whether the guidelines or review procedures of the Company for determining transaction prices of the Interested Person Transactions, if strictly applied and adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This letter, which sets out our evaluation and opinion in respect of the guidelines and review procedures under the proposed IPT Mandate, has been prepared in accordance with Rule 920(1)(b)(v) of the Listing Manual for inclusion in the Circular and for the use and benefit of the directors of the Company (the **“Directors”**) who are deemed to be independent for the purpose of making a recommendation on the proposed IPT Mandate (the **“Non-Interested Directors”**) in connection with and for the purpose of their consideration of the proposed IPT Mandate and their recommendation(s) to minority Shareholders arising thereof. The Non-Interested Directors in relation to the proposed IPT Mandate are Ms. Angela Heng Chor Kiang, Mr. Wan Tai Foong, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff and Mr. Phua Tin How.

2. TERMS OF REFERENCE

We have been appointed as the IFA to the Non-Interested Directors to express an opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the guidelines and review procedures of the Company for determining the transaction prices of the Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspects of the negotiations entered into by the Company in relation to the Interested Person Transactions contemplated under the proposed IPT Mandate nor were we involved in the deliberations leading up to the decision of the Directors to adopt the proposed IPT Mandate. Accordingly, we do not, by this letter, warrant the merits of the proposed IPT Mandate other than to express an opinion on whether the guidelines and review of the Company for determining the transactions prices of the Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. We have also not conducted a comprehensive independent review of the business, operations or financial condition of the Group or any of the Interested Persons.

For the purpose of arriving at our opinion in respect of the proposed IPT Mandate, we have considered the guidelines and review procedures of the Company for determining transaction prices for the Interested Person Transactions, but have not evaluated, and have not been requested to comment on, the strategic, legal, financial or commercial merits and/or risks of the adoption of the proposed IPT Mandate, or the future growth prospects or earnings potential of the Group after the adoption of the proposed IPT Mandate. Such evaluation or comment, if any, is and remains the sole responsibility of the Directors.

In the course of our evaluation of the guidelines and review procedures for determining the transaction prices of the Interested Person Transactions under the proposed IPT Mandate, we have held discussions with the Directors and management of the Company (the **“Management”**)

and have relied on the information and representations, whether written or verbal, provided to us by the Directors and/or the Management, including information contained in the Circular. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept any responsibility for the accuracy, completeness or adequacy of such information, facts or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts. We have, however, made reasonable enquiries and exercised our judgement (as we deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the proposed IPT Mandate has been disclosed in the Circular, (b) such information is true and accurate in all material respects, and (c) there is no other information or fact, the omission of which would cause any information disclosed in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We would like to highlight that, save as disclosed, all information relating to the Group and the proposed IPT Mandate that we have relied upon in arriving at our opinion has been obtained from the Circular, publicly available information, the Directors and/or from the Management. We have not held any discussions with the directors and/or the management of the Pulppy Group and we have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at 6 July 2021 (the "**Latest Practicable Date**").

Our opinion, as set out in this letter, is based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder or specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional advisers. Shareholders should further take note of any announcements which may be released by the Company after the Latest Practicable Date which are relevant to the proposed IPT Mandate and other related corporate actions.

Our opinion in relation to the proposed IPT Mandate should be considered in the context of the entirety of this letter and the Circular.

Our opinion and the IFA Letter have been prepared pursuant to Rule 920(1)(b)(v) and Rule 921(4)(a) of the Listing Manual, as well as for the use and benefit of the Non-Interested Directors in connection with and for the purpose of their consideration of the proposed IPT Mandate and for the inclusion in the Circular. The recommendation to be made by the Non-Interested Directors to the Independent Shareholders shall remain the sole responsibility of the Non-Interested Directors.

The Company has separately been advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this

letter). Accordingly, we accept no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE PROPOSED IPT MANDATE

3.1 Rationale for the proposed IPT Mandate and benefits to the Group

The rationale for the proposed IPT Mandate and benefits to the Group are set out in Section 2.5 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

“The Interested Person Transactions are in line with the Company’s plans to enhance value for Shareholders by broadening and stabilising revenue streams to include the sale of raw materials such as virgin pulp, and non-tobacco products, such as tissue paper.

The transactions with the Pulppy Group, as customer of the Group, would provide additional revenue to the Group and further expand its existing customer base. Further, notwithstanding its cessation of production of tissue paper in September 2019 in the PRC, the Group continues to maintain its relations with suppliers and customers there which, in conjunction with business intelligence developed in the subsequent years, may generate more business opportunities for the Group. It is envisaged that in its ordinary course of business, transactions between the Group and the Pulppy Group are likely to occur from time to time, for the Group to continue fulfilling its contracts of tissue paper products to the end customers.

The transactions with the Interested Persons set out in Section 2.4 of this Circular are to be entered into by the Group in the ordinary course of business. These are recurring transactions which are likely to occur with some degree of frequency and may arise at any time, and from time to time.

In view of the time-sensitive nature of commercial transactions, the IPT Mandate will facilitate the Interested Person Transactions, provided the same are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate will eliminate the need for the Company to convene specific general meetings seeking Shareholders’ prior approval for the Group’s entry into the Interested Person Transactions. This will enable the Group to pursue business opportunities with the Pulppy Group in an efficient manner and look to the Pulppy Group for prompt assistance when such need arises. The IPT Mandate will also eliminate expenses associated with the convening of specific general meetings and allow manpower resources and time (for preparing specific general meetings) to be channelled towards attaining other business goals.”

3.2 Classes of Interested Persons for the purposes of the proposed IPT Mandate

The information on the classes of Interested Persons under the proposed IPT Mandate are set out in Section 2.3 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

“The proposed IPT Mandate will apply to Interested Person Transactions (as described in Section 2.4 below) between any entity in the Group and the Pulppy Group (each an “Interested Person”).

NTPVN is a company incorporated in Vietnam, which owns and operates a tissue paper mill located in Vietnam. NTPVN presently carries on the business of producing and selling jumbo reels and finished goods.

NTPHK is a company incorporated in Hong Kong. NTPHK presently carries on the business of marketing and selling jumbo reels and finished goods produced by NTPVN.

As at the Latest Practicable Date, NTPVN is a wholly-owned subsidiary of NTPHK. NTPHK's share capital comprises 5,000,000 issued shares of which 4,999,999 shares are held by Greeting Tomt Limited ("GTL") and the remaining 1 share by Mr Yen Wen Hwa. GTL is an investment holding company incorporated in Hong Kong. As at the Latest Practicable Date, GTL is held equally by Mr Yen Wen Hwa and his two children, Mr Gary Yen ("Gary") and Mrs Evelyn Lee An Thien ("Evelyn"), i.e. each holds one-third of GTL. Mr Yen Wen Hwa and Gary are also directors of GTL and NTPHK. Mr Yen Wen Hwa is the Executive Chairman and Controlling Shareholder of the Company. As Mr Yen Wen Hwa and his immediate family (ie. Gary and Evelyn) together has an interest of more than 30% in NTPVN and NTPHK (together, the "Pulppy Group"), the entities in the Pulppy Group are Associates of Mr Yen Wen Hwa and are deemed to be interested persons for the purpose of Chapter 9 of the Listing Manual. Accordingly, transactions entered into between an entity in the Group and NTPVN or NTPHK will be regarded as interested person transactions and will be subject to Chapter 9 of the Listing Manual."

3.3 Categories of Interested Person Transactions under the proposed IPT Mandate

The categories of Interested Person Transactions under the proposed IPT Mandate are set out in Section 2.4 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

"The following are the types of transactions to be carried out by the Group in its ordinary course of business with the Interested Persons pursuant to the proposed IPT Mandate ("Interested Person Transactions"). To-date, the Group has carried out the Interested Person Transactions including those disclosed under the sub-heading "Previous Transactions with the Pulppy Group in FY2020 and from 1 January 2021 to 30 June 2021" in this Section 2.4.

(a) *Sale of virgin pulp by a Group Entity to an Interested Person*

The Pulppy Group intends to continue purchasing virgin pulp from the Group to make jumbo reels. The Group will continue tapping into its supply network to source for virgin pulp and supplying it to the Pulppy Group.

(b) *Sale of jumbo reels by a Group Entity to an Interested Person*

As its production capacity for jumbo reels is limited, the Pulppy Group intends to continue purchasing jumbo reels from the Group. The Group will continue tapping into its supply network to source for jumbo reels and supplying them to the Pulppy Group.

(c) *Purchase of Finished Goods by a Group Entity from an Interested Person*

The Group intends to continue purchasing Finished Goods from the Pulppy Group and selling them to third parties."

3.4 Guidelines and review procedures under the proposed IPT Mandate

The guidelines and review procedures for the Interested Person Transactions are set out in Sections 2.7 and 2.8 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

"The guiding principle is that all Interested Person Transactions shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins or prices extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Interested Person compared to those extended to or received from unrelated third parties and/or are in accordance with published or prevailing rates/prices or applicable industry norms after taking into account all pertinent factors such as, but not limited to the purchase price, order quantity, product quality, standard of services, reliability, experience

and expertise, customer requirements, product specifications, delivery schedule, track record, potential for future repeat business, contract duration, credit term, discounts and rebates and fluctuations in foreign exchange rates. The Company will use its reasonable endeavours to make comparisons with at least two other comparable quotes from unrelated third parties, wherever possible for the same or substantially similar type of transactions.

The following guidelines and review procedures (“Guidelines and Review Procedures”) will be implemented by the Group to ensure that all Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders:

2.7.1 Review Procedures

Before entering into any Interested Person Transaction, the Group will follow the review procedures set out below:

(c) Sale of virgin pulp or jumbo reels by a Group Entity to an Interested Person

(iii) with regard to the sale of virgin pulp or jumbo reels by a Group Entity to an Interested Person, the price and other terms in respect of completed transactions with at least two unrelated third parties in relation to the same or substantially the same type of virgin pulp or jumbo reels (as the case may be) will be used as comparison where possible. While other factors as set out in Section 2.7.1(a)(ii) will be taken into consideration, the price to be charged by the Group Entity to the Interested Person will be no lower than the price charged by the Group Entity to the unrelated third parties, and other terms to be extended by the Group Entity to the Interested Person will be no more favourable than other terms extended by the Group Entity to the unrelated third parties; or

(iv) where it is not possible to obtain or compare against the price and other terms of transactions or quotations with unrelated third parties or where the purported comparable quotes may not be directly comparable (i.e. in terms of the geography of operations), the Interested Person Transaction will be assessed by the General Manager of the relevant Group Entity, who will submit a report to the Chief Financial Officer of the Company or in the absence of the Chief Financial Officer, the Group Chief Executive Officer (each of whom does not have any interests, whether direct or deemed, in relation to the Interested Person or to the Interested Person Transaction) for his/her review, such assessment and review will be in accordance with the Group’s business practices and policies and on terms which the General Manager, Chief Financial Officer, Group Chief Executive Officer and/or the Audit Committee (where relevant) considers to be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. The Group entity’s pricing and other terms for such products to be sold to the Interested Persons shall be determined based on the Group’s business practices and experience in relation to the products previously sold, which are as comparable as possible to the product to be sold and may include, but not limited to, potential gross profit margin, quality, quantity, track record, country in which the customer or supplier is located, transportation cost, requirement and specification compliance, delivery time, experience and expertise, payments and credit terms and where applicable, preferential rates, discounts or rebates accorded for bulk purchases.

(d) Purchase of Finished Goods by a Group Entity from an Interested Person

(i) with regard to the purchase of Finished Goods by a Group Entity from an Interested Person, the price and other terms from at least two unrelated third parties in relation to the same or substantially the same type of Finished Goods

will be used as comparison where possible. While other factors as set out in Section 2.7.1(b)(ii) will be taken into consideration, the price to be paid by the Group Entity to the Interested Person will be no higher than the price paid by the Group Entity to the unrelated third parties, and other terms to be extended to the Group Entity by the Interested Person will be no less favourable than other terms extended by the unrelated third parties to the Group Entity; or

(iii) where it is not possible to obtain or compare against the price and other terms of transactions or quotations with unrelated third parties or where the purported comparable quotes may not be directly comparable (i.e. in terms of the geography of operations), the Interested Person Transaction will be assessed by the General Manager of the relevant Group Entity, who will submit a report to the Chief Financial Officer of the Company or in the absence of the Chief Financial Officer, the Group Chief Executive Officer (each of whom does not have any interests, whether direct or deemed, in relation to the Interested Person or to the Interested Person Transaction) for his/her review, such assessment and review will be in accordance with the Group's business practices and policies and on terms which the General Manager, Chief Financial Officer, Group Chief Executive Officer and/or the Audit Committee (where relevant) considers to be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In determining whether the price and other terms offered to or by the Interested Person in respect of a transaction are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, factors such as quantity, quality, track record, delivery time, experience and expertise, country in which the customer or supplier is located, transportation cost, requirement and specification compliance, payment and credit terms and preferential rates, discounts or rebates accorded for bulk purchases will be taken into consideration.

2.7.2 Approval Limits

In addition to the review procedures as set out in Section 2.7.1 of the Circular, the Group will apply the following approval limits to the Interested Person Transactions:

Transaction	Approval Limits
Sale of virgin pulp by a Group Entity to an Interested Person	<p>(c) where the value of an Interested Person Transaction is below S\$1,400,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(d) where the value of an Interested Person Transaction is equal to or more than S\$1,400,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Audit Committee.</p>
Sale of jumbo reels by a Group Entity to an Interested Person	<p>(c) where the value of an Interested Person Transaction is below S\$2,000,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p>

	(d) where the value of an Interested Person Transaction is equal to or more than S\$2,000,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Audit Committee.
Purchase of Finished Goods by a Group Entity from an Interested Person	<p>(c) where the value of an Interested Person Transaction is below S\$1,200,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(d) where the value of an Interested Person Transaction is equal to or more than S\$1,200,000, the Interested Person Transaction will, prior to entry, be reviewed and approved by the Audit Committee.</p>

In addition to and without prejudice to the above, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company is equal to or more than 30% of the Company's latest audited consolidated NTA, all subsequent Interested Person Transactions with the same Interested Persons in the current financial year of the Company will, prior to entry, be reviewed and approved by the Audit Committee. Please refer to Section 2.8.1 of this Circular for details on how the Company will be monitoring the foregoing 30% threshold.

Notwithstanding the above, no person will participate or be involved in any review or approval of any Interested Person Transaction if he or she or any of their Associates is interested, directly or indirectly, in the transaction.

In setting the above approval limits, the Company took into account, inter alia, the nature, volume, frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The approval limits are arrived at with the view to strike a balance between maximising the operational efficiency of the day-to-day operations of the Group and maintaining adequate internal controls and governance in relation to the Interested Person Transactions. The approval limits are intended to act as an additional safeguard to supplement the review procedures as set out above."

"In addition to the review procedures set out in Section 2.7 of this Circular, the Group will implement the following procedures:

2.8.1 Register of Interested Person Transactions

The Company will maintain a list of Interested Persons and a register of all Interested Person Transactions which are entered into by the Group, recording the transaction prices and the bases for evaluating the transactions and determining their prices such as quotations obtained from unrelated third parties, including information and/or supporting documents on the value/size of the transactions ("IPT Register"). The relevant subsidiaries and associated companies of the Company will be required to furnish information concerning the Interested Person Transactions entered into by them ("IPT Data") to the Company by the 5th day of the following month. Upon receiving the IPT Data, the IPT Register will be prepared or updated, maintained and monitored by the Chief Financial Officer or any other officer of the finance department of the Company

duly delegated to do so by the Audit Committee, and who must not be interested in any of the Interested Person Transactions. Any discrepancies or significant variances (as determined by the Audit Committee) from the Group's usual business practices and pricing policies will be highlighted to the Audit Committee.

In addition, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company amounts to 20% of the Company's latest audited consolidated NTA in any month, the relevant subsidiaries and associated companies must submit their IPT Data to the Company on a weekly basis. Subsequently, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company amounts to 25% of the Company's latest audited consolidated NTA, the relevant subsidiaries and associated companies must obtain the approval of the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee for each Interested Person Transaction before proceeding with it.

Where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company is equal to or more than 30% of the Company's latest audited consolidated NTA, all subsequent Interested Person Transactions with the same Interested Persons in the current financial year of the Company will, prior to entry, be reviewed and approved by the Audit Committee.

2.8.2 Review by the Audit Committee

The Audit Committee will review the Interested Person Transactions on a quarterly basis to ensure that all Interested Person Transactions are on normal commercial terms and carried out in accordance with the Guidelines and Review Procedures under the proposed IPT Mandate. Such review includes the examination of the transaction(s) and its supporting documents or such other supporting documents deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and their implementation pertaining to the Interested Person Transactions under review. The Group's internal and external auditors shall assist the Audit Committee in such review and carry out such tests as they deem necessary.

2.8.3 Review of the adequacy of Guidelines and Review Procedures by the Audit Committee

In addition, the Audit Committee shall also review the Guidelines and Review Procedures at least annually to determine if they are adequate and/or commercially practicable in ensuring that all Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If during such review the Audit Committee is of the view that the Guidelines and Review Procedures, including the approval limits for the Interested Person Transactions, are no longer sufficient or appropriate, to ensure that the transactions with the Interested Persons will be carried out on normal commercial terms and/or will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek Shareholders' approval for a fresh mandate based on new guidelines and review procedures for transactions with the Interested Persons. During the period prior to obtaining such fresh mandate from the Shareholders, all transactions with the Interested Persons will be subject to prior review and approval by the Audit Committee.

2.8.4 Review by internal auditors

The Company's internal auditors will review periodically (based on the internal audit plan as approved by the Audit Committee, and subject to adjustment in frequency, depending on factors such as, inter alia, the substantial increment of aggregate transactional value) the Interested Person Transactions to ensure that the Guidelines and Review Procedures have been adhered to. The internal auditors will report all findings directly to the Audit Committee.

2.8.5 Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee (where applicable) or any of his or her Associates is interested (directly or indirectly) in an Interested Person Transaction, he or she will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee."

3.5 Validity period of the proposed IPT Mandate

The validity period of the proposed IPT Mandate is set out in Section 2.6 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

"The proposed IPT Mandate will take effect from the passing of the ordinary resolution at the EGM and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier. Approval from Independent Shareholders will be sought for the renewal of the proposed IPT Mandate at the next AGM and at each subsequent AGM or the date by which the next or subsequent AGM is required by law to be held, subject to satisfactory review by the Audit Committee of its continued relevance and application and the sufficiency of the guidelines and review procedures under the proposed IPT Mandate to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders."

3.6 Disclosure

The guideline on the disclosures of the Interested Person Transactions conducted pursuant to the Proposed IPT Mandate is set out in Section 2.9 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

"Pursuant to Rule 920(1)(a) of the Listing Manual, the Company will disclose the IPT Mandate in the annual reports of the Company, giving details of the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year. In addition, the Company will disclose the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate in the half-year and full-year financial result announcements, pursuant to Rule 705 of the Listing Manual.

The disclosures of the Interested Person Transactions conducted pursuant to the IPT Mandate will be presented in the form set out in Rule 907 of the Listing Manual as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)"
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3.7 Abstention from voting

The Shareholders who will abstain from voting on the Proposed IPT Mandate is set out in Section 7 of the Circular and are set out in italics below. Shareholders are advised to read the information carefully.

"In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mr Yen Wen Hwa will abstain, and has undertaken to ensure that his Associates will abstain, from voting on the ordinary resolution approving the proposed IPT Mandate as set out in the notice of EGM. Further, Mr Yen Wen Hwa will decline, and has undertaken to ensure that his Associates will decline, appointment to act as proxies for other Shareholders to vote at the EGM in respect of the ordinary resolution approving the proposed IPT Mandate."

4. OUR OPINION

Having considered, *inter alia*, the rationale and benefits of the proposed IPT Mandate, the guidelines and review procedures of the Company for determining the transaction prices of the Interested Person Transactions, the role of the Audit Committee of the Company in enforcing the proposed IPT Mandate, and subject to the qualifications and assumptions set out herein, we are of the opinion that the guidelines and review procedures for determining transaction prices of the Interested Person Transactions as set out in Sections 2.7 and 2.8 of the Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion has been prepared pursuant to Rule 920(1)(b)(v) and Rule 921(4)(a) of the Listing Manual, as well as for the use and benefit of the Non-Interested Directors in connection with and for the purpose of their consideration of the proposed IPT Mandate and for the inclusion in the Circular. The recommendation to be made by the Non-Interested Directors to the Independent Shareholders shall remain the sole responsibility of the Non-Interested Directors.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital Private Limited in each specific case, except for the purposes of any matter relating to the proposed IPT Mandate.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Bernard Lim
Executive Director

Carin Tan
Manager

NEW TOYO INTERNATIONAL HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199601387D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise defined, all capitalised terms used in this notice shall have the same meanings as in the circular to shareholders dated 7 July 2021 issued by New Toyo International Holdings Ltd (“Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of New Toyo International Holdings Ltd (“**Company**”) will be held by way of electronic means* on 22 July 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:

(*Important: Please read the information set out under the heading “Important Notes” in this notice.)

ORDINARY RESOLUTION

Proposed adoption of IPT Mandate

That:

- (a) pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for each of the Company and its subsidiaries and associated companies that is an “entity at risk” (as defined in Chapter 9 of the Listing Manual) to enter into any of the Interested Person Transactions with any of the Interested Persons, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and are conducted in accordance with the guidelines and procedures for the Interested Person Transactions as set out in the Circular;
- (b) the directors of the Company and each of them be and are hereby authorised to do all such acts and things (including but not limited to negotiating, amending, signing, executing and delivering all documents) as they or he may consider necessary, desirable or expedient to give effect to this resolution; and
- (c) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

By Order of the Board
Lee Wei Hsiung
Company Secretary
7 July 2021

Important Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, this Extraordinary General Meeting of the Company (“**EGM**”) will be conducted solely by way of electronic means. Printed copies of this notice of EGM (“**Notice of EGM**”) and the proxy form (“**Proxy Form**”) will not be sent to members of the Company. Instead, this Notice of EGM and the Proxy Form are made available to members via publication on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company’s website at <http://newtoyo.com/stockrelease.htm>.
2. This EGM will be conducted solely via a live audio-video webcast and a live audio-only stream. Members of the Company will not be able to attend the EGM in person. Members may however participate in the EGM by observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream, submitting questions in advance of the EGM and appointing the chairman of the EGM (“**Chairman of the Meeting**”) as proxy to attend and vote on their behalf at the

EGM. Details of the steps for pre-registration, submission of questions and voting at the EGM are set out below.

3. Procedures for members who wish to observe and/or listen to the EGM proceedings

(a) Members who wish to observe and/or listen to the EGM proceedings must complete the following steps:

- (i) Members must pre-register at the website <https://conveneagm.com/sg/newtoyo> by **10.00 a.m. on 19 July 2021**. Pre-registration will open at 10.00 a.m. on 7 July 2021.
- (ii) The Company will verify the members' shareholding status after the close of pre-registration. Only members who pre-register by 10.00 a.m. on 19 July 2021 and have ordinary shares in the Company in their names as at 10.00 a.m. on 19 July 2021 ("**Participating Members**") may observe and/or listen to the EGM proceedings.
- (iii) The Company will send to the Participating Members an email containing login and dial-in details (including a weblink and a telephone number) to access the EGM proceedings ("**Confirmation Email**").

(b) If a member pre-registers by 10.00 a.m. on 19 July 2021 but does not receive the Confirmation Email by 10.00 a.m. on 21 July 2021, the member should call the Company's Share Registrar, Tricor Barbinder Share Registration Services at +65 6236 3550 / +65 6236 3555.

4. Procedures for members who wish to submit questions relating to the resolution to be tabled at the EGM

(a) Members will not be able to ask questions during the live audio-video webcast or the live audio-only stream of the EGM proceedings. Members who pre-register to observe and/or listen to the EGM proceedings may submit questions relating to the resolution to be tabled at the EGM to the Chairman of the Meeting via the website <https://conveneagm.com/sg/newtoyo> by 10.00 a.m. on 19 July 2021.

(b) The Board of Directors of the Company ("**Board**") will endeavour to address, during the EGM, substantial and relevant questions (as determined by the Board in its sole opinion) submitted by Participating Members. However, there may not be sufficient time to address all such questions.

5. Procedures for members who wish to vote at the EGM

(a) Members who wish to vote on the resolution to be tabled at the EGM must submit in advance the Proxy Form, appointing the Chairman of the Meeting as their proxy and directing him to vote for or vote against the resolution at the EGM by indicating such instructions in the Proxy Form. Members may submit the Proxy Form via email or by post.

(b) The duly completed and signed Proxy Form must be submitted in the following manner:

- (i) if via email, please scan and email a PDF copy of the duly completed and signed Proxy Form to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.NEWTOYOproxy@sg.tricorglobal.com.
- (ii) if by post, please send the duly completed and signed Proxy Form to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898.

(c) Given the restriction orders and elevated safe distancing measures to deal with the COVID-19 situation in Singapore, members are strongly encouraged to submit the duly completed and signed Proxy Form via email.

(d) The duly completed and signed Proxy Form, whether sent via email or by post, must be received by the Company's Share Registrar by 10.00 a.m. on 19 July 2021.

6. Persons who hold shares through relevant intermediaries

(a) Persons who hold shares through relevant intermediaries (as defined in Section 181(6) of the Companies Act, Chapter 50), including an investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**"), and who wish to participate in the EGM by (i) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream; (ii) submitting questions in advance of the EGM; and/or (iii) appointing the Chairman of the Meeting as proxy to attend and vote on their behalf at the EGM, should contact the relevant intermediaries (which would include, in the case of CPF Investors and SRS Investors, their respective CPF agent banks and SRS operators) through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

(b) CPF Investors or SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m. on 9 July 2021.

(c) The Proxy Form is not valid for use by CPF Investors or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

7. The proxy, who is the Chairman of the Meeting, need not be a member of the Company.

8. The Proxy Form shall be under the hand of the member or by his/her attorney duly authorised in writing, or if the member is a corporation, under seal or under the hand of its attorney duly authorised in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), shall be attached to the instrument of proxy.

9. The duly executed Proxy Form must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time fixed for holding the EGM in order for the proxy to be entitled to attend and vote at the EGM.

10. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited 72

hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

11. As there may be new measures (including new guidance or requirements for the holding or conduct of meetings) to deal with the evolving COVID-19 situation in Singapore, the Company may have to change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNet at <https://www.sgx.com/securities/company-announcements> and its website at <https://www.newtoyo.com>. Members are advised to check the SGXNet and the Company's website regularly for updates on the EGM.

Personal Data Privacy:

Where a member of the Company submits (a) an application to pre-register to observe and/or listen to the EGM proceedings, (b) questions relating to the resolution to be tabled at the EGM, and/or (c) a Proxy Form to vote at the EGM, the member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purposes of (aa) processing the member's application to pre-register to observe and/or listen to the EGM proceedings and providing the member with any technical assistance where possible, (bb) addressing any selected questions submitted by the member and following up with the member where necessary, (cc) the processing and administration by the Company (or its agents) of the proxy appointed for the EGM (including any adjournment thereof), and (dd) the preparation and compilation of various lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's action or omission in relation thereto.

NEW TOYO INTERNATIONAL HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199601387D)

EXTRAORDINARY GENERAL MEETING (“EGM”)

PROXY FORM

Personal Data Privacy:

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the notice of EGM dated 7 July 2021.

Important:

1. Due to the current Covid-19 situation in Singapore, a member will not be able to attend the EGM in person. Members must appoint the Chairman of the Meeting as proxy to attend and vote on their behalf at the EGM if such members wish to exercise their rights at the EGM.
2. Please read the important notes on the next page which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member’s proxy to attend and vote on his/her/its behalf at the EGM.
3. Persons who hold shares through relevant intermediaries (as defined in Section 181(6) of the Companies Act, Chapter 50), including an investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investor”), and who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m. on 9 July 2021.
4. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

IMPORTANT: PLEASE READ NOTES ON THE NEXT PAGE BEFORE COMPLETING THIS PROXY FORM

I/We (Name) _____

(*NRIC/Passport/Company Registration No.) _____

of (Address) _____

being a member of **NEW TOYO INTERNATIONAL HOLDINGS LTD (“Company”)** hereby appoint the Chairman of this EGM as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means on 22 July 2021 at 10.00 a.m. and at any adjournment thereof. *I/We direct the Chairman of this EGM to vote for or against or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder. In the absence of specific direction in respect of the resolution, the appointment of the Chairman of this EGM as *my/our proxy for that resolution will be treated as invalid.

ORDINARY RESOLUTION	For**	Against**	Abstain**
To approve and adopt the IPT Mandate			

Note:

* Please delete accordingly.

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick “✓” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2021

Total number of Shares being held	
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Signature or Common Seal of Member

Important Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM of the Company will be conducted solely via a live audio-video webcast and a live audio-only stream. Members of the Company will not be able to attend the EGM in person. For more details on how members may access the EGM proceedings, please refer to the notice of EGM made available on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's website at <http://newtoyo.com/stockrelease.htm>.
2. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM ("**Chairman of the Meeting**") as proxy to attend and vote on his/her/its behalf at the EGM. A member who wishes to submit this proxy form ("**Proxy Form**") must complete and sign it and submit the duly completed and signed Proxy Form in the following manner:
 - (i) if via email, please scan and email a PDF copy of the duly completed and signed Proxy Form to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.NEWTOYOproxy@sg.tricorglobal.com.
 - (ii) if by post, please send the duly completed and signed Proxy Form to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898.

Given the restriction orders and elevated safe distancing measures to deal with the COVID-19 situation in Singapore, members are strongly encouraged to submit the duly completed and signed Proxy Form via email.
3. The duly completed and signed Proxy Form, whether sent via email or by post, must be received by the Company's Share Registrar not less than 72 hours before the time set for the EGM, that is, by 10.00 a.m. on 19 July 2021.
4. The proxy, who is the Chairman of the Meeting, need not be a member of the Company.
5. Please insert the total number of shares in the Company ("Shares") held by you. If you have Shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the register of members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the register of members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this Proxy Form will be deemed to relate to all the Shares held by you.
6. The Proxy Form must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Company shall be entitled to reject the Proxy Form, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject the Proxy Form if a member of the Company, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to vote at the EGM unless his/her/its name appears on the Depository Register 72 hours before the time set for the EGM.