NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

ANNOUNCEMENT OF INTERESTED PERSON TRANSACTIONS PURSUANT TO RULE 905(2) OF THE LISTING MANUAL - UPDATE

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1. Introduction

1.1 The Board of Directors ("**Directors**") of New Toyo International Holdings Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement made by the Company on 28 August 2020 (the "**IPT Announcement**"), where the Company disclosed that the Group enters into interested person transactions from time to time in the ordinary course of business with certain associates of Mr Yen Wen Hwa (the Non-Executive Chairman and controlling shareholder of the Company), namely, New Toyo Pulppy (Vietnam) Co., Ltd. ("**NTPVN**") and New Toyo Pulppy (Hong Kong) Ltd ("**NTPHK**") (together, the "**Pulppy Group**") as well as Madam Lu Le Nhi ("**Mdm Lu**").

1.2 Rule 905(2) of the Listing Manual of The Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**") provides that if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets, the Company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

1.3 Rule 905(3) states *inter alia* that Rule 905(2) does not apply to any transaction below S$100,000. However, Rule 905(5) provides that while transactions below S$100,000 are not normally aggregated under Rule 905(3), the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

1.4 In the IPT Announcement, the Company represented that it will announce any future IPTs entered into by the Group with the Pulppy Group and/or Mdm Lu in the current financial year on a monthly basis or earlier where necessary.

2. Details of the Interested Persons

2.1 <u>Pulppy Group</u>

2.1.1 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.

2.1.2 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.

2.1.3 As at the date of this announcement, NTPVN is a wholly-owned subsidiary of NTPHK, which is in turn a subsidiary of Greeting Tomt Limited ("**GTL**"), an investment holding company incorporated in Hong Kong. GTL is held by Mr Yen Wen Hwa and his

children. Mr Yen Wen Hwa and his son are also directors of GTL and NTPHK. As Mr Yen Wen Hwa and his immediate family (ie. his children) together has an interest of more than 30% in NTPVN, NTPVN is an associate of Mr Yen Wen Hwa under the Listing Manual and is deemed to be an interested person for the purposes of Chapter 9 of the Listing Manual. Accordingly, transactions entered into between the Group and Pulppy Group are regarded as interested person transactions and are subject to Chapter 9 of the Listing Manual.

2.2 Mdm Lu

Mdm Lu is the wife of Mr Yen Wen Hwa. As Mdm Lu is a member of the immediate family of Mr Yen Wen Hwa, Mdm Lu is an associate of Mr Yen Wen Hwa under the Listing Manual and is deemed to be an interested person for the purposes of Chapter 9 of the Listing Manual. Accordingly, transactions entered into between the Group and Mdm Lu are regarded as interested person transactions and are subject to Chapter 9 of the Listing Manual.

3. Details of the Interested Person Transactions

3.1 The Company wishes to update that the Group has entered into the following interested persons transactions with the Pulppy Group and Mdm Lu from 1 January 2020 to 30 September 2020 ("**YTD-IPTs**"):

Item	**Interested Person**	**Details of YTD-IPTs**	**Aggregate value of YTD-IPTs (S$'000)**		
			1 January 2020 to 19 August 2020 (As per IPT Announcement)	20 August 2020 to 30 September 2020	1 January 2020 to 30 September 2020
I	NTPVN	Sale of jumbo reels by a Group entity to NTPVN.	875	-	875
II	NTPVN	Purchase of finished goods by a Group entity from NTPVN.	2,721	128	2,849
III	NTPVN	Sale of chipboard, duplex board and core by a Group entity to NTPVN.	396	62	458
IV	NTPVN	Sale of corrugated boxes by a Group entity to NTPVN.	308	55	363
V	NTPHK	Leasing of warehouse by a Group entity to NTPHK.	194	-	194
VI	Mdm Lu	Provision of	162	-	162

		advisory services by Mdm Lu to a Group entity.			
		Total	**4,656**	**245**	**4,901**

3.2 The aggregate value of the YTD-IPTs is approximately S$4,901,000 ("**YTD-IPT Value**"), representing approximately 3.93% of the Group's latest audited net tangible assets ("**NTA**") of approximately S$124,737,000 as at 31 December 2019. The YTD-IPT Value exceeds 3% but does not exceed 5% of the Group's NTA. As such, the Company is not required to seek shareholder approval for the YTD-IPTs under Rule 906(1) of the Listing Manual. This announcement is being made pursuant to Rule 905(2) of the Listing Manual.

3.3 The aggregate value of all the interested person transactions (including the YTD-IPTs but excluding any non-aggregated transaction below S$100,000 in value) entered into by the Group in the current financial year to-date is S$4,901,000 ("**Total Value**"). The aggregate value of all the interested person transactions entered into by the Group with the Pulppy Group in the current financial year to-date constitutes 3.80% of the Total Value. The aggregate value of all the interested person transactions entered into by the Group with Mdm Lu in the current financial year to-date constitutes 0.13% of the Total Value.

4. Rationale for the Interested Person Transactions and benefits to the Group

4.1 Items I in paragraph 3.1 of this announcement

The Company's subsidiary, Sen Yang Enterprise Co., Ltd ("Senyang") ceased production of tissue paper on 6th September 2019. Senyang continued to sell the remaining stocks to overseas and local markets including NTPVN till 1st quarter 2020.

NTPVN continues to purchase jumbo reels from the Group as its business volume has increased and the Group is able to meet the quality of jumbo reels required. The prices paid by NTPVN to the Group were higher than those paid by the Group's other existing customers for the same or substantially the same products and are therefore in the commercial interests of the Group. Such transactions with NTPVN provide additional revenue to the Group and expand its customer base.

4.2 Item II in paragraph 3.1 of this announcement

The Group purchases finished goods from the Pulppy Group and sells them to third parties. The prices paid by the Group to NTPVN were no higher than the price paid or to be paid by the Group to unrelated third parties for the same or substantially the same products. Such transactions with NTPVN enable the Group to sell finished goods to third parties and such sales generate additional revenue for the Group.

4.3 Item III in paragraph 3.1 of this announcement

The Group's core business includes the provision of specialty packaging materials such as chipboard, duplex board and core. Sales of these materials to NTPVN yield a higher gross profit margin than those to other customers of the Group and are therefore in the commercial interests of the Group. Such transactions with NTPVN provide additional revenue to the Group and expand its customer base.

4.4 Item IV in paragraph 3.1 of this announcement

The Group also manufactures and sells corrugated boxes and sheets in the ordinary course of its business. The prices paid by NTPVN to the Group were similar to those paid by the Group's other existing customers for the same or substantially the same products and are therefore in the commercial interests of the Group. Such transactions with NTPVN provide additional revenue to the Group and expand its customer base.

4.5 Item V in paragraph 3.1 of this announcement

The Group's wholly-owned entity, Pacific Eagle Investment Limited ("PEIL"), owns a warehouse in Hong Kong. PEIL lets the warehouse to NTPHK for two years from 1 April 2020 to 31 March 2022 at market rates. The leasing of the warehouse provides additional revenue to the Group.

4.6 Item VI in paragraph 3.1 of this announcement

Mdm Lu was the co-founder and managing director of New Toyo Aluminium Paper Product Co. (Pte) Ltd ("**NTA**"), a wholly-owned principal subsidiary of the Company. Mdm Lu played a pivotal role in the growth and management leadership of NTA. In view of Mdm Lu's more than 40 years of experience in the packaging industry and her working relationship with customers and suppliers, NTA retains the services of Mdm Lu as an advisor to provide strategic advice and guidance to its management.

5. Audit Committee's Statement

Having reviewed the salient terms of the YTD-IPTs, the rationale for the YTD-IPTs and the benefits to the Group, the Audit Committee of the Company is of the view that the YTD-IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

6. Interest of Directors and Substantial Shareholders

Save as disclosed in this announcement and other than through their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the YTD-IPTs.

By Order of the Board

Lee Wei Hsiung
Company Secretary
6 October 2020