NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

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

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 8 April 2021 (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 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**").

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 in the current financial year on a monthly basis or earlier where necessary.

2. Details of the Interested Persons

2.1 Pulppy Group

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.

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 from 1 January 2021 to 30 April 2021 ("**YTD-IPTs**"):

Item	**Interested Person**	**Details of YTD-IPTs**	**Aggregate value of YTD-IPTs (S$'000)**		
			1 January 2021 to 31 March 2021	1 to 30 April 2021	1 January 2021 to 30 April 2021
I	NTPVN	Sale of chipboard, duplex board and core by a Group entity to NTPVN.	98	39	137
II	NTPVN	Sale of corrugated boxes by a Group entity to NTPVN.	137	43	180
III	NTPVN	Sale of pulp by a Group entity to NTPVN.	4,428	78	4,506
IV	NTPVN	Sale of tissue finished goods by a Group entity to NTPVN	-	761	761
		Total	**4,663**	**921**	**5,584**

3.2 The aggregate value of the YTD-IPTs is approximately S$5,584,000 ("**YTD-IPT Value**"), representing approximately 4.52% of the Group's latest audited net tangible assets ("**NTA**") of approximately S$123,521,000 as at 31 December 2020. 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$5,584,000 ("**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 100% of the Total Value.

3.4 The YTD-IPTs were entered into by the parties on a willing buyer-willing seller basis on normal commercial terms and the terms extended (including prices charged) by the Group to NTPVN were no more favourable than the terms extended by the Group to unrelated third parties, and these terms were arrived at based on factors like quantity, quality, specifications, market rates and/or gross profit margin to the Group.

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

4.1 Item I 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.

4.2 Item II 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.

4.3 Item III and IV in paragraph 3.1 of this announcement

The Group's core business includes the sale of raw materials and paper products. Sales of these materials and products to NTPVN yield a gross profit margin similar to those obtained from 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.

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
7 May 2021