NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

ACQUISITION OF NEW SUBSIDIARY

The Board of Directors ("**Board**") of New Toyo International Holdings Ltd ("**Company**" or "**NTIH**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary in Malaysia, Toyoma Non-Carbon Paper Manufacturer Sdn Bhd ("**TNCP**"), has acquired all the shares in New Ocean Beijing Duck Sdn. Bhd. ("**NOBD**") from New Ocean World Fine Food City Sdn. Bhd. ("**NOWFFC**") and Mr Yen Wen Hwa for an aggregate consideration of Two Malaysian Ringgit (MYR2.00) (approximately S$0.57) (the "**Acquisition**").

Background of NOBD

NOBD is principally set up to operate restaurants, and plans to operate a restaurant specialising in serving Peking Duck in addition to other dishes (the "**Restaurant**"). The Restaurant will be located in a food and beverage mall known as "New Ocean World Fine Food City" ("**F&B Mall**") which is situated at 15, Jalan 19/1, 46300 Petaling Jaya, Selangor, Malaysia. The land and building occupied by the F&B Mall is owned by Toyoma Aluminium Foil Packaging Sdn Bhd ("**TAF**").

Rationale for the Acquistion

The Acquisition presents an opportunity to the Group to explore the food and beverage business, which is in line with the Group's corporate strategy to seek new areas to expand its earning streams whilst remaining focused on its core businesses. NOBD has identified a chef team that has the expertise and experience in preparing the Peking Duck dish and the Restaurant will be located in Petaling Jaya, an area which the Group is familiar with given its years of operating its core businesses there.

The consideration of S$0.57 for the Acquisition was arrived at on a willing-buyer and willing-seller basis, taking into account, among others, the financial condition and performance of NOBD and the book value of the Acquired Shares. The consideration has been fully paid by TNCP in cash upon the completion of the Acquisition.

Based on the unaudited financial statements of NOBD for the period ended 30 November 2023, NOBD recorded net profit before tax of approximately S$20,400, after the Vendors waived a debt of approximately S$21,300, and the net assets value was approximately negative S$222. Excluding the debt waiver, NOBD would have recorded a loss of S$900.There is no market value as the shares of NOBD are not publicly traded and no valuation of NOBD was undertaken.

Pursuant to the completion of the Acquisition, NOBD has become a wholly-owned subsidiary of the Group, with TNCP holding 330,001 issued ordinary shares of NOBD.

Financial Effects

The Acquisition is funded by internal resources of the Group and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2023.

Post-Completion

Subsequent to the completion of the Acquisition, the Company will make further investment of MYR6.26 million (approximately S$1.79 million) (the "Capex") to fund the capital expenditure and working capital needs of the Restaurant.

The Company intends to use its internal cash resources to finance the Capex.

Chapter 9 of the SGX-ST Listing Manual

The shareholders and their shareholdings in NOBD are NOWFFC (99.999%) and Mr Yen Wen Hwa (< 0.001%). The shareholders and their shareholdings in NOWFFC are Mr Yen Wen Hwa (99.999%) and Wan Bao Sdn Bhd (< 0.001%), which is held equally by Mr Yen Wen Hwa and Ms Yang Si Yi (an unrelated party). The shareholders and their shareholdings in TAF are Mr Yen Wen Hwa (71.02%), Ms Tan Lee Lian (13.88%), Tengku Mahaleel bin Tengku Ariff (8.63%) and the Company (6.47%). Ms Tan Lee Lian is the daughter-in-law of Mr Yen Wen Hwa.

As at the date hereof, Tengku Mahaleel bin Tengku Ariff is the non-executive non-independent director of the Company, and Mr Yen Wen Hwa, is the Executive Chairman and a controlling shareholder of the Company, holding a direct and deemed interest in 139,959,164 and 87,910,517 ordinary shares in the share capital of the Company respectively. Mr Yen Wen Hwa is also a director and shareholder of NOWFFC and NOBD, and he is regarded as an interested person under the Listing Manual of the Singapore Exchange Securities Trading Limited. Accordingly, the Acquisition constitutes an interested person transaction (the "**IPT**") under Chapter 9 of the Listing Manual. As the total value of the IPT (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) to be below 3%, no announcement of the Acquisition is required to be made under Chapter 9 of the SGX-ST Listing Manual.

Chapter 10 of the SGX-ST Listing Manual

As the relative figures computed on the applicable bases set out in Rule 1006(b) and Rule 1006(c) of the Singapore Exchange Securities Trading Limited Listing Manual do not exceed 5%, the Acquisition constitutes a "non-discloseable transaction" under Chapter 10 of the Listing Manual. Notwithstanding that the profits test under Rule 1006(b) of the Listing Manual involves negative figures in the numerator, no announcement and shareholders' approval of the Acquisition is required under Chapter 10 of the Listing Manual pursuant to paragraph 4.3(a) of Practice Note 10.1 of the Listing Manual.

Interests of Directors and Controlling Shareholders

Save as disclosed in this announcement, none of the directors or controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

Caution in Trading

Shareholders, investors and other persons are advised to exercise caution in trading the securities of the Company. There is no certainty or assurance as at the date of this announcement that NOBD will be successful or that no changes will be made to the various matters disclosed in this announcement or the terms thereof after the Acquisition. The Company will make the necessary announcement(s) if there are any further material developments on the Acquisition. Shareholders, investors and other persons are advised to read this announcement and any further announcement(s) by the Company carefully. They should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Lee Wei Hsiung
Company Secretary
29 December 2023