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 26 August 2019 (the "**IPT Announcement**") and the monthly update announcements dated 4 October 2019, 11 November 2019 and 18 December 2019, where the Company disclosed that the Group enters into interested person transactions from time to time with New Toyo Pulppy (Vietnam) Co., Ltd. ("**NTPVN**") in the ordinary course of business. Unless otherwise stated, capitalized terms used in this announcement shall have the same meaning ascribed to them in the IPT Announcement.

1.2 Rule 905(2) of the Listing Manual of The Singapore Exchange Securities Trading Limited ("**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. Rule 905(3) states *inter alia* that Rule 905(2) does not apply to any transaction below S$100,000.

1.3 In the IPT Announcement, the Company undertook to provide updates to its shareholders on any future IPTs entered into by the Group with the NTPVN on a monthly basis or earlier where necessary.

2. Details of the Interested Persons

2.1 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.

2.2 As at the date of this announcement, NTPVN is a wholly-owned subsidiary of New Toyo Pulppy (Hong Kong) Ltd ("**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. Mr Yen Wen Hwa is the Non-Executive Chairman and controlling shareholder of the Company. 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 NTPVN are regarded as interested person transactions and are subject to Chapter 9 of the Listing Manual.

3. Update on the Interested Person Transactions

3.1 The Company wishes to update that the Group has entered into the following interested persons transactions with NTPVN from 1 January 2019 to 31 December 2019 ("**YTD-IPTs**"):

Item	Interested Person	Details of YTD-IPTs	Aggregate value of YTD-IPTs (S$'000)		
			1 January 2019 to 30 November 2019 (As per monthly update announcement)	**1 December 2019 to 31 December 2019**	**1 January 2019 to 31 December 2019**
I	NTPVN	Sale of jumbo reels by a Group entity to NTPVN.	4,810	-	4,810
II	NTPVN	Provision of contract manufacturing services by a Group entity to produce jumbo reels for NTPVN.	1,226	-	1,226
III	NTPVN	Sale of chipboard, duplex board and core by a Group entity to NTPVN.	459	43	502
IV	NTPVN	Sale of corrugated boxes by a Group entity to NTPVN.	326	53	379
		Total	**6,821**	**96**	**6,917**

3.2 The aggregate value of the YTD-IPTs is approximately S$6,917,000 ("**YTD-IPT Value**"), representing approximately 4.80% of the Group's latest audited net tangible assets ("**NTA**") of approximately S$144,003,000 as at 31 December 2018. 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 transaction below S$100,000 in value) entered into by the Group in the current financial year to-date is S$6,917,000 ("**Total Value**"). The YTD-IPT Value 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 Items I and II in paragraph 3.1 of this announcement

As announced on 27 February 2018, the Company's subsidiary, Sen Yang Enterprise (Xiamen) Co., Ltd ("**Senyang**"), leased a tissue paper mill in Xiamen, The People's Republic of China ("**Senyang Paper Mill**"). The leasing of the Senyang Paper Mill was part of the Company's plans to enhance value for its shareholders by having more revenue streams. The Senyang Paper Mill enabled the Group to, *inter alia*, manufacture and sell tissue paper products such as jumbo reels and provide contract manufacturing services for customers including NTPVN. The Senyang Paper Mill ceased production of tissue paper on 6th September 2019. With the cessation, Senyang ceased to provide contract manufacturing services to NTPVN and the remaining shipments and billings for stocks were completed in October 2019. Senyang will continue to sell the remaining stocks to overseas and local markets including NTPVN.

NTPVN is purchasing jumbo reels from the Group as its business volume has increased and Senyang is able to meet the volume and 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. The transactions with NTPVN provide additional revenue to the Group and expand its customer base.

4.2 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.

4.3 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.

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
23 January 2020