

NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

TERMINATION OF THE PROPOSED ACQUISITION OF BENLINE INVESTMENT HOLDINGS PTE. LTD.

The Board of Directors of New Toyo International Holdings Ltd (the “**Company**”) refers to the announcement of the Company dated 2 October 2019 in relation to the Proposed Acquisition of all the shares in Benline Investment Holdings Pte. Ltd. (the “**First Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings given to them in the First Announcement.

In light of the ongoing Covid-19 pandemic, the Company has reconsidered the Proposed Acquisition and discussed with Asia Regal the cessation of the proposed transaction. As a result, the Company and Asia Regal have mutually agreed to terminate the Proposed Acquisition (the “**Termination**”).

Under the termination agreement entered into by the Company and Asia Regal in respect of the Termination, Asia Regal shall return to the Company the Deposit of US\$2,000,000 in three (3) instalments plus a late charge on each instalment amount at the rate of 1.90% per annum commencing from 01 January 2021 (being the date mutually agreed by both parties) to the date of return of the instalment amount (“**Late Charge**”) as follows:

Instalment	Date of Return	Instalment amount of Deposit	Instalment amount of Deposit plus Late Charge
		US\$	US\$
First	31 March 2021	500,000.00	502,375.00
Second	30 April 2021	800,000.00	805,066.67
Final	31 May 2021	700,000.00	705,578.61
Total		2,000,000.00	2,013,020.28

Asia Regal warrants to the Company that:

- (a) prior to the Company’s receipt of the Deposit and Late Charge in full, Benline will continue to be the sole legal and beneficial owner of all the shares in Fuji Paper (“**Fuji Shares**”) and Fuji Paper will continue to be the sole legal and beneficial owner of the Property and no mortgage, charge, lien, encumbrance, option or right will be created or granted over any of the Fuji Shares or the Property; and
- (b) the prior written approval of the Company will be obtained for any sale, transfer or disposal of or any agreement to sell, transfer or dispose of any of the Fuji Shares or the Property and the proceeds from such sale, transfer or disposal will first be used to pay to the Company the outstanding Deposit and Late Charge in full.

Upon the Company’s receipt of the Deposit and Late Charge in full, the Company will transfer the Sale Shares back to Asia Regal. Asia Regal will bear all costs (including stamp duties) relating to the aforesaid transfer of the Sale Shares.

The Termination is not expected to have any material effect on the earnings per share or the net tangible assets per share of the Company for the financial year ending 31 December 2021.

By Order of the Board

Lee Wei Hsiung
Company Secretary
19 March 2021