

## NEW TOYO INTERNATIONAL HOLDINGS LTD

Company Registration No.: 199601387D

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### PROPOSED ACQUISITION OF THE REMAINING 51% SHAREHOLDING IN PAPER BASE CONVERTING SDN BHD

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#### INTRODUCTION

Pursuant to Rule 704(15)(c) of the SGX-ST Listing Manual, the Board of Directors (the "**Board**") of New Toyo International Holdings Ltd (the "**Company**") hereby announces that the Company's wholly-owned subsidiary, New Toyo Lamination (M) Pte. Ltd. ("**NTL**"), has on 8 September 2008 entered into a share sale agreement (the "**SSA**") with Tien Wah Press Holdings Berhad (the "**Vendor**") pursuant to which the Vendor will sell its entire 51% shareholding in Paper Base Converting Sdn Bhd ("**PBC**") to NTL (the "**Proposed Acquisition**").

The Company, through NTL, presently has a 49% shareholding in PBC. Upon completion of the Proposed Acquisition, the Company will own 100% of PBC through NTL.

#### CONSIDERATION

The purchase consideration payable for the remaining 51% shareholding in PBC is RM5,218,830 (Ringgit Malaysia) less any dividends paid to shareholders during the period from the signing of the SSA to the completion of the Proposed Acquisition (the "**Purchase Price**"). The Purchase Price will be paid in cash and was based on the net tangible asset value of PBC of RM10,233,000 as at 30 June 2008.

The Company intends to use its internal funds and external borrowings to finance the Proposed Acquisition.

#### RATIONALE

The Proposed Acquisition is part of the strategy to consolidate all the specialty paper companies in the Group (including PBC) under the Company so as to enjoy the synergies and economies of scale, potential cost savings and the sharing of know how. The Company has been in the specialty paper business for more than 30 years.

#### CONDITIONS PRECEDENT

Completion of the Proposed Acquisition is conditional upon:

- (i) NTL obtaining with the assistance of the Vendor such consents or approvals as may be required of any third party or governmental, regulatory body or competent authority having jurisdiction over any transaction contemplated under the SSA;
- (iii) the respective approvals of the shareholders and directors of the Vendor and NTL being obtained; and
- (iv) NTL being satisfied by the due diligence conducted by its lawyers that the Vendor has good title to the 51% shareholding in PBC and the Vendor is capable of transferring the same free of any encumbrances to NTL.

If any of the Conditions Precedent is not fulfilled by 31 December 2008 or such later date as may be mutually agreed to by both parties in writing (save in respect of any Condition Precedent which has been waived by NTL), either party may terminate the SSA in accordance with the provisions therein.

#### INFORMATION ON THE VENDOR

The Vendor is a public listed company whose shares are listed and quoted on the Bursa Malaysia Securities Berhad. The Vendor is principally engaged in the manufacture and sale of printed tobacco cartons and, through PBC, specialty paper. The Company holds an aggregate 53.88% shareholding in the Vendor.

**INFORMATION ON PBC**

PBC is a private limited company incorporated in Malaysia. The principal activity of PBC is the manufacture and sale of specialty paper, such as laminated foil board for consumer goods packaging.

**INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

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 Proposed Acquisition.

By Order of the Board  
Gary Yen  
Executive Director and Chief Executive Officer  
8 September 2008