

TAT SENG PACKAGING GROUP LTD

(Company No. 197702806M)
(Incorporated in the Republic of Singapore)
(the "Company")

UPDATE TO THE ACQUISITION OF LAND IN TONGZHOU DISTRICT, NANTONG, JIANGSU PROVINCE

The Board of Directors of the Company refers to the Company's announcement dated 26 February 2018 relating to the acquisition of land in Tongzhou District, Nantong, Jiangsu Province (the "**Property**") and wishes to announce that its subsidiary, Nantong Tat Seng Packaging Co., Ltd. ("**Nantong Tat Seng**"), had entered into an agreement (the "**Agreement**") with the People's Government of Xiting Town, Tongzhou District, Nantong (the "**Tongzhou District Government**" or "**Vendor**") and this transaction shall hereinafter be referred to as the "**Acquisition**").

Further details on the Acquisition are set out below.

1. Description of the Property

The Property comprises a 50 year leasehold land with a land area of approximately 74,115 sqm (approximately 111.2 mu). Upon completion of the Acquisition, Nantong Tat Seng plans to build a new factory with a built-up area of 35,000 sqm together with a new production line to meet the Group's expansion business.

2. Rationale for the Acquisition

The land is to use for building a new factory and expanding Nantong Tat Seng's existing business in the same geography area of Nantong to support the continued growth of its existing business.

3. Salient terms of the Agreement

The salient terms of the Agreement include, *inter alia*, the following:

- (a) **Purchase Consideration.** The total purchase consideration of the Property is RMB21.86 million, equivalent to S\$4.53 million based on an exchange rate of S\$1: RMB4.826.
- (b) **Closing Conditions and the Expected Completion Date.** The completion of the Acquisition is conditional upon customary closing conditions and is expected to be completed by 26 July 2018.

4. Financial Effects

The Acquisition will be funded by internal resources and borrowings. The Acquisition is not expected to have any material impact on the net earnings per share or the net tangible assets per share of the Group for the financial year ending 31 December 2018.

5. Further Information

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the Acquisition, save for their respective shareholdings in the Company.

By Order of the Board

Chew Kok Liang
Company Secretary

6 March 2018