

TAT SENG PACKAGING GROUP LTD
(Company Registration No. 197702806M)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2025
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM
SHAREHOLDERS

The Board of Directors of Tat Seng Packaging Group Ltd (the “**Company**”) refers to the publishing of its Annual General Meeting (“**AGM**”) related documents on the SGXNet on 8 April 2025. The Company would like to thank its shareholders for submitting their questions in advance of the Company’s AGM which will be held on 25 April 2025 at 1.30 p.m. (Singapore time).

Responses to substantial and relevant questions raised by the Company’s shareholders

Please see Appendix 1 for the Company’s responses to the substantial and relevant questions received from its shareholders.

It is important to note that these questions and responses should be read in conjunction with the Company’s Annual Report for the financial year ended 31 December 2024 (the “**Annual Report**”) and the Company’s previous announcements released on SGXNet.

BY ORDER OF THE BOARD

Tan Zhi Wei
Company Secretary

19 April 2025

APPENDIX 1
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM
SHAREHOLDERS

- 1. Can management give an update on the status of the arrest of the general manager of the China subsidiary, Hefei Dansun Packaging Co., Ltd. (“HFDP”) and the investigation of meter readings of steam energy supplies by the state government?**

Please refer to page 108 of Annual Report 2024 (“AR2024”) on the update of subsequent event. On 4 March 2025, a settlement agreement between HFDP and Hefei Thermoelectricity Group Co., Ltd. (“HFTG”) has been executed (the “Settlement Agreement”). Pursuant to the Settlement Agreement, HFDP shall make a one-time compensation amount of RMB 13 million (approximately S\$2.4 million) to HFTG, as full and final settlement of all claims, disputes and liabilities arising from the Matter (refer to page 87 (Note 18) of AR2024). The Group paid S\$2.4 million for the compensation on the date of the Settlement Agreement.

Subsequent to update as per above-mentioned, the Company will make the necessary announcement to update the Shareholders, if any.

- 2. Has the business of HFDS adversely impacted by the arrest?**

The business of HFDS was not adversely impacted by the arrest.

- 3. Does the management expect any potential negative impact on the demand for Tat Seng's products from the removal of De Minimis exemption by the US government when implemented (it has been delayed)?**

On the flipside, China is expected to stimulate consumer spending. Does management expect to benefit from any government stimulus?

The Company does not expect any material or significant negative impact on the demand for Tat Seng's products from the removal of De Minimis exemption by the US government when implemented. Nevertheless, the Management remains committed to actively growing the business by engaging both new and existing customers, expanding the customer base and mitigating concentration risks.

If the Chinese government succeed in stimulating consumer spending, the Group is likely to benefit from the growth.

- 4. Can the management provide any estimate as to much of its products are used by customers for online vs offline purchases and for exports vs domestic demand?**

We do not have available data on whether our customers' purchases are ultimately used for exports or local consumption, nor tracked whether our packaging products are used for online or offline purchases. However, we note that products sold to customers of Singapore segment are primarily used to support export demand.

- 5. How much is energy cost as a percentage of direct operating cost?**

How much cost savings does management expect from the new corrugator machine which the group will be investing in?

Energy costs account for approximately 3% of the Group's direct operating costs.

The Management is of the view that the expected cost savings should not be disclosed in light of the commercial sensitivity. It is our business strategies to continue to invest in new machineries with advance technology and upgrade existing equipment to enhance production efficiency and product quality. These efforts are intended to sustain our competitive edge and support the Group's objectives of stable growth and enhanced profitability.