

TAI SIN ELECTRIC LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 198000057W)

ANNUAL GENERAL MEETING TO BE HELD ON 29 OCTOBER 2026 – RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS

The Board of Directors (the “Board”) of Tai Sin Electric Limited (the “Company”, and together with its subsidiaries, the “Group”) refers to the Company’s Notice of Annual General Meeting (“AGM”) dated 12 October 2026.

The Company would like to thank the shareholders for submitting the questions in advance of the AGM to be held physically, at Raffles Marina, Theatre, Level 2, 10 Tuas West Drive, Singapore 638404 on 29 October 2026 at 10.00 a.m.. Below are the Company’s responses to the questions received.

Question 1

If we exclude the S\$23.14 million onerous-contract charge in FY2026 and the S\$3.32 million provision reversal in FY2025, the Cable & Wire segment's result appears to have improved from approximately S\$25.19 million to S\$30.16 million.

- a) Is this a fair indication of the underlying business improvement?
- b) How sustainable is that level of profitability in FY2027?

Company’s Response to Question 1

- a) As disclosed in Note 41 - Segment Information of the Company’s Annual Report for the financial year ended 30 June 2026 (“FY2026”) (“2026 Annual Report”), the Cable & Wire (“C&W”) segment recorded segment results of S\$7.021 million and S\$28.508 million for FY2026 and FY2025, respectively.

Excluding the provision for onerous contracts of S\$23.139 million recognised in FY2026 and the reversal of provision of S\$3.322 million recognised in FY2025, the adjusted segment results would have been S\$30.160 million and S\$25.186 million, respectively.

On this basis, the adjusted segment results indicate an improvement in the operating performance of the C&W segment in FY2026 compared with FY2025. However, shareholders should note that these adjusted figures are provided purely for comparison purposes only and do not represent the reported segment results, which include the impact of the provisions for onerous contracts.

- b) The sustainability of the C&W segment's profitability in FY2027 will depend on various factors, including movements in copper prices, the timing and delivery of orders and projects on hand, and the prevailing economic and business conditions in the markets in which the segment operates.

In particular, future movements in copper prices and the timing of deliveries under existing fixed-price contracts may affect the assessment of provisions for onerous contracts, including any additional provisions or reversals that may be required. The timing of project execution and delivery of orders on hand will also influence the recognition of revenue and the utilisation of existing provisions, where applicable.

Accordingly, the adjusted profitability achieved in FY2026 should not necessarily be taken as an indication of the level of profitability that will be achieved in FY2027.

Question 2

Management has identified data centre development as a growth driver for both Cable & Wire and Industrial Material Distribution.

- a) Can you indicate roughly how much revenue currently comes from this sector?
b) Are data centre projects more profitable than conventional building projects, and is the order pipeline strengthening for FY2027 and FY2028?

Company's Response to Question 2

- a) The Group serves customers across various industries and sectors, including data centre developments, through its C&W and Industrial Material Distribution ("IMD") (formerly known as Electrical Material Distribution) segments.

The Group does not separately disclose revenue contributions from individual end-user sectors, including data centres, due to commercial sensitivity and competitive considerations.

- b) It would not be appropriate to generalise that data centre projects are necessarily more profitable than conventional building projects, as profitability depends on various factors, including the nature and specifications of the products supplied, pricing, costs and prevailing market competition.

Nevertheless, data centres are generally power-intensive and require sophisticated electrical infrastructure, including redundancy systems, which may translate into greater demand for specialised, high-specification cable and wire products. Additionally, the power distribution, backup power and cooling requirements of data centres will provide business opportunities for the range of products distributed by the Group's IMD segment.

While the Group continues to participate in business opportunities arising from data centre developments, it does not disclose its order pipeline by individual business sector due to commercial and competitive considerations. The timing and conversion of potential projects into actual orders and subsequently into recognised revenue are also subject to various factors, including customers' project schedules and market conditions.

The Group continues to pursue opportunities arising from the development of digital infrastructure across the region.

Question 3

The acquired renewable-energy businesses contributed S\$59.83 million in revenue and S\$2.74 million in pre-tax profit from November 2025 to June 2026.

- a) Given the encouraging start, what do you see as the sustainable profit potential of this business over the next two or three years?
- b) Could energy storage solutions become a significant additional growth driver?

Company's Response to Question 3

As disclosed in Note 41 - Segment Information of the 2026 Annual Report, the Renewable Energy Solutions ("RES") segment recorded revenue of S\$59.827 million and a segment result of S\$2.849 million for the eight-month period ended 30 June 2026 ("8MFY2026").

After taking into account the relevant items, including the fair value adjustments of inventories arising from the acquisition of subsidiaries and interest expenses, the segment's profit before income tax for 8MFY2026 was approximately S\$1.357 million.

- a) The sustainability of the RES segment's profitability over the next two to three years will depend on various factors, including the adoption of and demand for solar photovoltaic (PV) systems and related products in the markets in which it operates, prevailing market conditions and the level of competition.

The increasing emphasis on sustainability, energy efficiency, and the adoption of renewable energy solutions may create opportunities for the RES segment.

While the Group sees opportunities in the renewable energy sector, the RES segment's future profitability will also depend on its ability to remain competitive and respond to developments in its operating markets.

- b) Battery Energy Storage Systems ("BESS") are already part of the RES segment's existing product portfolio. As the adoption of solar PV systems increases, energy storage solutions can play an important role in managing the intermittency of solar power generation, improving energy management, supporting grid stability and enabling electricity price by storing electricity during periods of lower prices for use during periods of higher prices.

The Group recognises the potential growth opportunities arising from the increasing adoption of BESS and intends to further develop this product area as part of the RES segment's business development efforts.

However, the extent and timing of its contribution to the RES segment's future growth will depend on market demand, customer adoption and prevailing industry conditions.

Question 4

This "provision for onerous contracts" appears to be a recurring theme in recent year financials, causing significant swings in profitability - both when incurred or provided for, then when written back - for this FY an extremely high provision of \$23.14m has been recognised. This appears primarily driven by fluctuations in copper prices, and the exposure if I am reading the audit report correctly (P 81 of the Annual Report, Key Audit Matters) indicates exposure to these "onerous contracts" ie deliveries are expected for another 1 to 3.5 years in the future.

What, if anything, is the company doing to hedge and/or manage this exposure to copper prices especially since this is a major component of input prices? How much of this exposure is hedged, or if unhedged, why not?

Company's Response to Question 4

Copper is a major raw material used in the manufacturing of cable and wire products. Accordingly, the Group adopts copper hedging practices as part of its risk management measures to manage exposure to fluctuations in copper prices.

The Group manages its copper price exposure through a combination of physical forward purchases from suppliers and copper derivative financial instruments. The Group has an established hedging policy governing its activities involving derivative financial instruments, with hedging transactions undertaken within prescribed limits and supported by underlying copper requirements associated with fixed-price contracts.

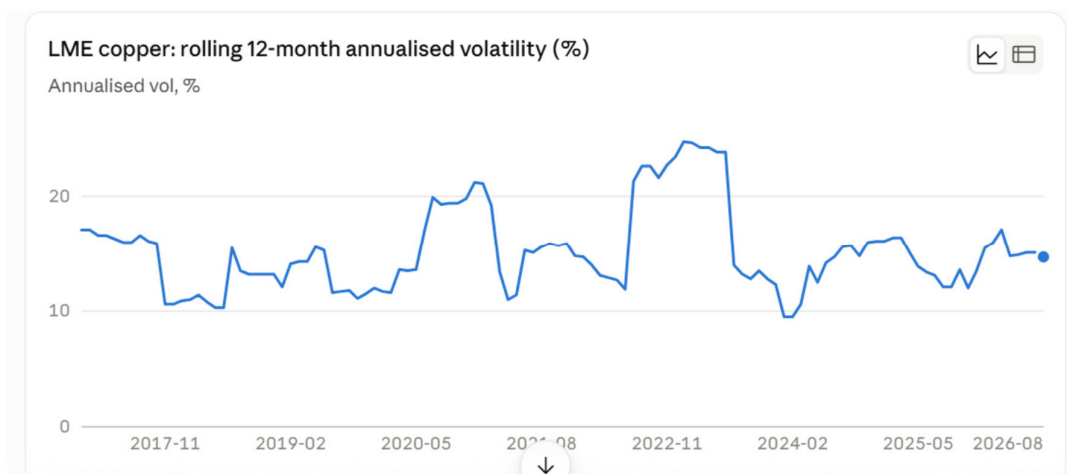
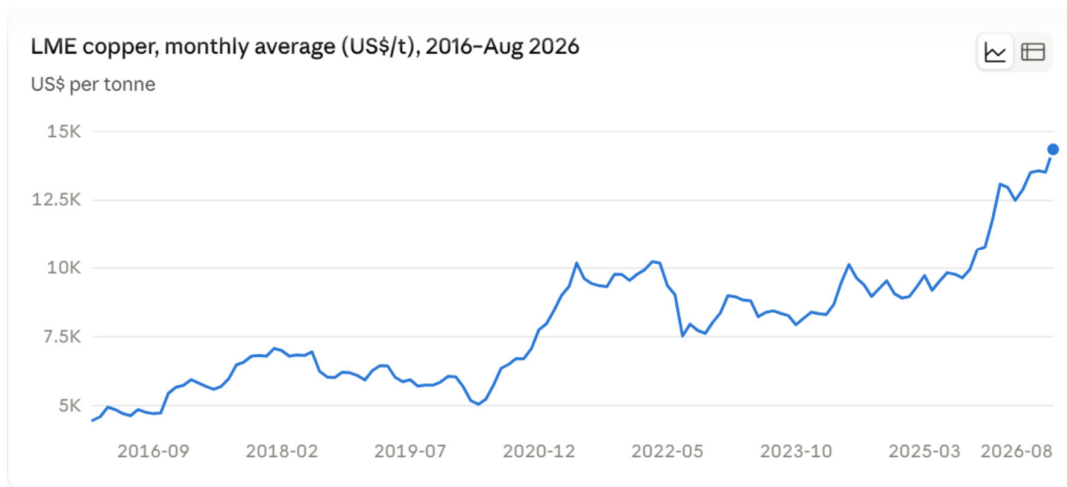
However, the effectiveness and timing of hedging activities depend on various factors, including the availability and certainty of information relating to the quantities and delivery schedules of customers' orders and projects. As these delivery schedules may only become clearer closer to project execution, the timing of hedging activities may need to be aligned with the availability of such information. Furthermore, sudden and significant movements in copper prices may also affect the timing and effectiveness of hedging activities.

Consequently, while the Group adopts hedging measures to manage copper price fluctuations, such measures may not fully eliminate its exposure to copper price movements, particularly sudden and significant fluctuations, in relation to long-term fixed-price contracts. The Group continues to monitor copper price movements and reviews its hedging activities in accordance with its established risk management policy.

The Group does not disclose the proportion of its copper exposure that is hedged or unhedged due to commercial sensitivity and competitive considerations.

Question 5

The FY2026 results include an onerous contract provision of about S\$23.9 million arising from fixed price cable contracts, as copper costs rose above contracted prices. Based on publicly available LME monthly average cash prices, copper rose from about US\$9,950/t in September 2025 to about US\$14,350/t in August 2026, an increase of roughly 44%. Percentage volatility has been broadly similar to 2016–2019, but because the price level is now more than twice as high, a typical one standard-deviation annual move is now about US\$1,900–2,000 per tonne, compared with about US\$830 per tonne in 2016–2019. The same unhedged tonnage therefore carries more than twice the dollar risk it did a few years ago.



- Hedging policy:** What is the Group's board-approved policy for hedging copper price exposure on fixed-price contracts? Specifically, what percentage of copper content is hedged when a fixed-price contract is awarded, which instruments are used (LME futures, supplier forward purchases, or others), and what limits apply to unhedged exposure?
- Exposure as at year end and today:** As at 30 June 2026, and as at the latest practicable date, how many tonnes of copper are committed under fixed-price customer contracts without a matching hedge or forward purchase? What is the weighted average remaining duration of these contracts?

- c) Provision assumptions and sensitivity: What copper price was used to measure the S\$23.9 million onerous contract provision? What is the estimated profit impact of each US\$1,000/t change in the LME copper price on the remaining fixed-price order book?
- d) Current financial year: LME copper averaged about US\$14,350/t in August 2026, above the levels prevailing around the June 2026 year end. Does management expect further onerous contract provisions in 1H FY2027? If so, can the Board indicate the order of magnitude?
- e) Contract terms going forward: What proportion of new orders secured since 1 July 2026 include copper price adjustment or pass-through clauses linked to LME? Has the Group changed its tendering practice for long-duration project contracts, such as data centre and infrastructure projects, after the FY2026 losses?
- f) Reasons for not hedging: If copper exposure was left largely unhedged, what was the reason (hedging cost, margin call and liquidity requirements, hedge accounting complexity under SFRS(I) 9, or a view on copper prices)? Will the Board review this policy and disclose the hedge ratio in future reports?
- g) Dividend sustainability: Given the higher working capital needed to carry copper inventory at current prices, and the possibility of margin calls if hedging is expanded, does the Board consider the current dividend payout ratio sustainable?

Company's Response to Question 5

- a) Please refer to our response to Question (4) above.
- b) Due to commercial sensitivity and competitive considerations, the Group does not disclose the quantity of copper committed under fixed-price customer contracts that is not covered by corresponding hedging arrangements or forward purchases, whether as at 30 June 2026 or at the latest practicable date.

Similarly, the Group does not disclose the weighted average remaining duration of its outstanding fixed-price contracts, as such information relates to the Group's underlying contractual commitments and commercially sensitive order book.

- c) As disclosed in Note 24 - Provision For Onerous Contracts of the 2026 Annual Report, the provision was determined based on prevailing copper prices as at 30 June 2026.

The determination of the provision for onerous contracts involves management's judgement and assessment of the estimated costs and obligations associated with the relevant contracts, taking into consideration various factors, including prevailing copper prices, committed selling prices, outstanding copper quantities, estimated costs of fulfilling the contracts, hedged copper quantities, inventories available for fulfilling the contracts and anticipated delivery schedules. The Group does not disclose the specific copper price assumptions used in determining the provision owing to commercial sensitivity and competitive considerations.

Accordingly, the financial impact of movements in copper prices on the remaining fixed-price contracts would depend on these factors. As such, providing a single estimated profit impact for every US\$1,000 per tonne movement in LME copper prices may not appropriately reflect the Group's overall exposure.

- d) The provision for onerous contracts is determined based on management's assessment of the estimated costs of fulfilling the Group's outstanding contractual obligations relative to the expected economic benefits from those contracts, taking into consideration relevant factors, including committed selling prices, estimated production costs, prevailing copper prices and anticipated delivery schedules.

Future movements in copper prices and changes in the timing of deliveries under existing fixed-price contracts may affect the assessment of provisions for onerous contracts, including any additional provisions or reversals that may be required. The timing of project execution and delivery of outstanding orders will also influence the utilisation of existing provisions, where applicable.

The Group will reassess the adequacy of its provisions at each reporting date based on the relevant circumstances and information available at that time.

Accordingly, the Group is not in a position to provide a reliable estimate of any additional provision or reversal that may be required for 1H FY2027 at this juncture.

- e) The Group is unable to disclose the proportion of new orders secured since 1 July 2026 that contain copper price adjustment or pass-through clauses due to commercial sensitivity and competitive considerations.

Fixed-price contracts are common in the C&W industry, particularly for construction projects where customers require pricing certainty over the duration of their projects.

The feasibility of incorporating copper price adjustment clauses or pass-through clauses linked to LME depends on customers' tender requirements, prevailing industry practices and market competition. As fixed-price contracts are common in the industry, adopting alternative pricing arrangements may affect the Group's competitiveness in securing contracts.

Where fixed pricing is required for long-duration projects, the Group assesses the potential exposure to copper price fluctuations when determining its tender prices, taking into account prevailing copper prices, anticipated delivery schedules, estimated production costs, anticipated gross margins, available hedging arrangements and market competition.

The Group continually reviews its pricing practices and contractual arrangements to manage copper price volatility.

- f) As explained in our response to Question (4) above, the Group adopts hedging measures to manage its exposure to copper price fluctuations. However, the timing and effectiveness of such measures depend on various factors, including the availability and certainty of information relating to the quantities and delivery schedules of customers' orders and projects.

The Group continues to monitor copper price movements and review its hedging activities in accordance with its established risk management policy.

The Group does not currently disclose its hedging ratio or the proportion of copper exposure that is hedged or unhedged due to commercial sensitivity and competitive considerations.

- g) The Board recognises that higher copper prices may result in increased working capital requirements, particularly in relation to inventory purchases and trade receivables. However, such working capital requirements are managed as part of the Group's normal operating cash conversion cycle, whereby collections from customers are utilised to support the Group's ongoing operational and working capital needs.

Notwithstanding the increase in copper prices and the corresponding higher working capital requirements, the Group generated positive net cash from operating activities of S\$16.759 million in FY2026, compared with net cash used in operating activities of S\$5.196 million in FY2025.

In addition, as disclosed in Note 24 - Provision For Onerous Contracts of the 2026 Annual Report, the provision recognised relates to fixed-price contracts with deliveries expected over the next one to three and a half years. While the estimated losses have been recognised in the financial statements as at 30 June 2026, the associated cash flow impact is expected to arise progressively as the relevant contracts are fulfilled.

When determining dividend payouts to shareholders of the Company, the Board will take into consideration factors such as the Company's earnings, financial condition, capital requirements, business expansion plans and cash flow. The Board will continue to assess the sustainability of dividend payments, having regard to the Company's prevailing financial circumstances and business requirements.

By Order of the Board

Hazel Chia
Company Secretary

23 October 2026