

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

ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2024
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 2024. 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 2024 at 10.00 a.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 2023 (the "**Annual Report**") and the Company's previous announcements released on SGXNet.

BY ORDER OF THE BOARD

Siau Kuei Lian
Company Secretary

19 April 2024

APPENDIX 1
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS
RECEIVED FROM SHAREHOLDERS

- (1) Pg 6 of FY 2023 Annual Report - Net debt/equity 4.4%. How is the 4.4% figure derived? From what I can see from the balance sheet, the group should be in a net cash position?**

The formula of net debt to equity ratio are as follow:

Net debt* = (Trade and other payables + Loan and borrowings + Lease liabilities – Cash on hand and in banks)

Net debt to equity ratio = Net debt* / Total equity
= (37,467 + 68,890 + 6,835 – 104,240) / 202,817
= 4.4%

Above figures can be found in statements of financial position in page 45 of Annual Report 2023.

- (2) In 2021, the group explored the possibility of listing the china business on the HK/China stock exchanges but the plan was shelved due to volatile Chinese market conditions back then. Is the group considering a similar move at this moment given that stock market sentiment has improved recently?**

There is no existing plan to explore the possibility of listing its China subsidiaries on the HK/China stock exchanges.

If the Company decides to evaluate the feasibility of a possible listing of its China subsidiaries on the HK/China stock exchanges, it will make the necessary announcement(s) and seek shareholders' approval in accordance with the SGX requirements.

Please refer to Company's announcements that published on the SGXNet dated 25 February 2021 and 12 August 2021.

- (3) Lumber and pulp prices have risen in 2024 even though the price increases have not been as significant as those of other commodities. As mentioned in the FY 2023 Annual Report, management has reduced the inventory level last year. Has the Group been adversely affected by the upswing in raw material costs? Going forward, does the management intend to continue to keep the inventory low?**

The Group proactively and constantly manage its inventory level at all times. Overall, we aim to achieve an optimal balance between the raw material supply situation and pricing trends with our operational requirements.

(4) Why has the board cut the final year dividend considering the 2H 2023 earnings is higher yoy?

The Board recommended a final dividend of 2 cents for FY2023, which is subjected to shareholders' approval at the upcoming Annual General Meeting. If approved, the total declared dividend (interim and final) will increase by 0.5 cents from 4 cents in FY2022 to 4.5 cents in FY2023.

(5) The stock is very illiquid. Is there any plan to improve the trading liquidity of the stock?

The Company does not have specific plan to improve the trading liquidity of its shares. The trading liquidity is affected by many market factors that are not within the control of the Company.

(6) Is there any capacity expansion plan this year?

It is our business strategy to continue to invest in new machineries with advance technology and upgrade existing machineries in order to enhance our production efficiency and product quality. It will also ensure that we maintain our competitive edge and the long-term sustainability for both Singapore and China's operations.

(7) What is the capital expenditure for this year?

Please refer to page 90 (Note 30) of Annual Report 2023 for the committed capital expenditure.