Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Tat Seng Packaging Group Ltd.

Stock code: T12

Meeting details:
Date: 29 April 2021
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q1. Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

(i) **Manpower: Can management help shareholders understand the challenges in staff recruitment, especially in China? Is staff retention a significant problem in the past year with the pandemic?**

(ii) **Safe management measures: What are the safe management measures put in place in the group's plants in China? How is management ensuring compliance with the health and safety practices required by the local governments?**

(iii) **Raw material: From what other sources is the group importing its paper sources/raw material? Should raw material costs increase significantly due to China's import ban of solid waste, does the group have the ability to pass on cost increases to its customers to protect the profit margin?**

(iv) **Utilisation: Does management have an estimate of the utilisation of the group's plants? Does the addition of new machines increase the capacity of the plants?**

(v) **Sales volume:** It is noted that total sales volume increased for operations in both Singapore and China. **Were the increases in sales volume due to the pent-up demand by customers? Does management expect sales volume to be sustained over time?**

(vi) **Capital investments: What are the other major capital expenditure planned for the group?**

(vii) **Net foreign exchange loss:** The group recognised a relatively large net foreign exchange loss of $1.03 million in FY2020. **What was the reason for this loss? Did the group engage in any foreign currency speculation?**

Q2. On 25 February 2021, the company announced that it was evaluating the feasibility of a possible spin-off and listing of Tat Seng Packaging (Suzhou) Co., Ltd. and the other subsidiaries of the group on a suitable stock exchange to be determined by the company.

The company stated that the proposed spin-off and listing will, inter alia:

(a) Enable management's focus on the businesses in the respective geographical segments;
(b) Reduce the impact of market and economic conditions in the PRC on the Group's operating businesses in Singapore; and
(c) Allow the PRC Business to be financially independent and have direct access to capital markets, without relying on the Group for financing or financial support.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

(i) **Can management help shareholders understand the capital needs to support Tat Seng Packaging (Suzhou) and other subsidiaries in China?**

(ii) **Given that the Singapore business environment has been extremely challenging and stagnant for years, would the spin-off of the Chinese operations impair the growth prospects of the company?**

(iii) **Are there plans for the company to diversify into new businesses?**

(iv) **What would be left in the Singapore listed company if the company successfully spins off the China subsidiaries?**

Q3. On 24 September 2020, the company announced the cessation of Dr Allan Yap as executive chairman.

The holding company informed the company that Dr Allan Yap has been adjudged a bankrupt by the High Court of Hong Kong on 3 August 2020. The holding company added that Dr Allan Yap expressed his apology on his oversight to notify his updated status to the company since he has been extremely busy engaged on his other personal commitments. He also offered his resignation as executive chairman of both the holding company, Hanwell, and Tat Seng with immediate effect.

Dr Allan Yap also confirmed that he has no disagreement with the board and there are no matters to be brought to the attention of shareholders.

(i) **Can the company, the company secretary and the directors help shareholders understand their communications with Dr Allan Yap prior to 3 August 2020 and from 3 August 2020 to 24 September 2020?** Prior to his resignation, Dr Allan Yap held the executive chairman appointment.

At the annual general meeting scheduled to be held on 29 April 2021, Dr Tang Cheuk Chee is retiring pursuant to Regulation 91 of the company's constitution and Dr Tang will be seeking her re-election.

(ii) **How did the board, especially the nominating committee, review the nomination of Dr Tang for re-election?**

Did Dr Tang discharge her fiduciary duties to the company as a director in the above-mentioned matter relating to Dr Allan Yap who is her spouse (as reported in the annual report)?

Was Dr Tang in a position to know that Dr Allan Yap was adjudged a bankrupt by the High Court of Hong Kong on 3 August 2020? If so, did Dr Tang have a duty to inform the company and the company secretary?

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)