

RESPONSE TO SGX QUERIES::

Issuer & Securities

Issuer/ Manager

TAT SENG PACKAGING GROUP LTD

Securities

TAT SENG PACKAGING GROUP LTD - SG1K31894969 - T12

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No

Announcement Details

Announcement Title

Response to SGX Queries

Date &Time of Broadcast

26-Apr-2021 18:13:53

Status

New

Supplementary Title

On Annual Reports

Announcement Reference

SG210426OTHR2J45

Submitted By (Co./ Ind. Name)

Siau Kuei Lian

Designation

Company Secretary

Description (Please provide a detailed description of the change in the box below)

Please refer to the attachment.

Attachments

[Response to SGX Queries.pdf](#)

Total size =273K MB

**RESPONSE TO SGX QUERIES ON THE ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Tat Seng Packaging Group Ltd (the “**Company**”, and together with its subsidiaries collectively the “**Group**”) has received the queries from Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) regarding the Annual Report for the financial year ended 31 December 2020 announced on 13 April 2021. The Company’s response to the query of SGX-ST is set out below:

SGX Query (i)

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company is not in compliance with Provision 2.1 of the Code as there was no disclosure of the rigorous review by the board explaining why the directors that have served for 9 (Nine) years should be considered independent, and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence in its composition to enable it to make decisions in the best interest of the Company.

Company Response to SGX Query (i)

The NC has conducted a rigorous review for Dr John Chen Seow Phun (“**Dr John Chen**”) and Mr Lien Kait Long (“**Mr Lien**”), who have been on the Board for more than nine (9) years, the NC with the concurrence of the Board is satisfied that Dr John Chen and Mr Lien have been able to objectively guide and oversee the Management of the Group, provide the check and balance and exercise independent business judgement to the best interests of the Group and its stakeholders. Dr John Chen and Mr Lien have at all times, expressed their individual viewpoints, objectively debated issues brought up at meetings of the Board and/or Board Committees and closely scrutinised Board matters and Board Committee matters. Dr John Chen and Mr Lien have no relationship with the Company, its related corporation, its substantial shareholders which could interfere or be reasonably perceived to interfere with the exercise of their independent business judgement in the best interest of the company. They had sought clarification and advice, as and when they considered necessary, from Management and external advisors, and exercised strong independence in character and impartial judgment whilst discharging their duties as a member of the Board and Board Committees. In reviewing the independence of Dr John Chen and Mr Lien, the NC has taken into the consideration the factors as set out in page 26 of the Company’s Annual Report FY2020. In view of the foregoing, the Company believes that the practices it had adopted are consistent with the intent of the Principle 2 of the Code.

SGX Query (ii)

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration for each individual director and the CEO. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company Response to SGX Query (ii)

As disclosed in page 31 of the Company's Annual Report FY2020, the Company has decided to disclose the remuneration of each of the Directors in bands of S\$250,000 which is a deviation from Provision 8.1 of the Code. In arriving at its decision, the Company took into consideration the confidential and prevention of upward pressure on remuneration due to the market competition of remuneration matters.

The Company is of the view that the disclosure of the indicative range of the Directors' remuneration provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors. Save for the Directors who are also the key management personnel, there are no key management personnel who is not a Director or the CEO during the financial year ended 31 December 2020. The fees to the Independent Directors are put forward to shareholders for approval on an annual basis at the Company's Annual General Meeting.

In view of the foregoing, the Company believes that the intent of the Principle 8 of the Code has been met.

SGX Query (iii)

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 9.2(b) of the Code with regard to the disclosure in the annual report that the Board has received assurance from the CEO and other key management person who are responsible, regarding the adequacy and effectiveness of the issuer's risk management and internal control system. Please let us have the Board's confirmation that it has received such assurance and if not, please provide the reason for the deviation and explain how the Company's practices are consistent with the intent of Principle 9 of the Code.

Company Response to SGX Query (iii)

As disclosed in page 33 of the Company's Annual Report FY2020, the Board has received assurances from Mr Loh (Managing Director/CEO), Dr Tang (Executive Director) and Madam Cheong (Executive Director, presently subsumed the function of the CFO of the Group), that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the CEO and other key management personnel who are responsible regarding the adequacy and effectiveness of the Group's risk management and internal control systems in addressing the financial, operational, compliance and information technology risks.

In addition, we would like to highlight the disclosure in page 32 of the Company's Annual Report FY2020, save for the Directors who are also the key management personnel, there are no key management personnel who is not a director or the CEO during the financial year ended 31 December 2020.

BY ORDER OF THE BOARD

Chew Kok Liang / Siau Kuei Lian
Joint Company Secretaries

26 April 2021