

# FUJI OFFSET PLATES MANUFACTURING LTD

## Unaudited Half-Year Financial Statement And Related Announcement

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

#### 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

		S\$'000	S\$'000	%
	Note	30.06.16	30.06.15	Increase/ (Decrease)
Revenue		3,110	2,921	6
Cost of sales		(1,748)	(1,798)	(3)
<b>Gross profit</b>		<u>1,362</u>	<u>1,123</u>	21
Other operating income	1	86	8,265	(99)
Distribution expenses		(222)	(238)	(7)
Administrative expenses		(1,053)	(1,096)	(4)
<b>Profit from operating activities</b>		<u>173</u>	<u>8,054</u>	(98)
Finance income	2	109	434	(75)
Finance expense	2	(267)	-	NM
<b>Net finance (expense)/income</b>		<u>(158)</u>	<u>434</u>	NM
Share of results of associate		<u>15</u>	<u>-</u>	NM
<b>Profit before taxation</b>	3	<u>30</u>	<u>8,488</u>	(100)
Income tax expense		(138)	(747)	(82)
<b>(Loss)/profit for the period, net of tax</b>		<u>(108)</u>	<u>7,741</u>	NM
<b>Other comprehensive income</b>				
Foreign currency translation gain/(loss)		<u>331</u>	<u>(1,410)</u>	NM
<b>Other comprehensive income for the period, net of tax</b>		<u>331</u>	<u>(1,410)</u>	NM
<b>Total comprehensive income for the period</b>		<u><u>223</u></u>	<u><u>6,331</u></u>	(96)
<b>(Loss)/profit for the period attributable to:</b>				
Owners of the Company		(237)	7,589	NM
Non-controlling interests		<u>129</u>	<u>152</u>	(15)
<b>(Loss)/profit for the period, net of tax</b>		<u>(108)</u>	<u>7,741</u>	NM
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		49	6,348	(99)
Non-controlling interests		<u>174</u>	<u>(17)</u>	NM
<b>Total comprehensive income for the period</b>		<u><u>223</u></u>	<u><u>6,331</u></u>	(96)

**Notes:**

	S\$'000	S\$'000	%
	30.06.16	30.06.15	Increase/ (Decrease)
(1) Other operating income includes:			
Gain on disposal of investment property	-	8,127	NM
Gain on disposal of property, plant and equipment	11	53	(79)
Income from sales of scrap	3	74	(96)
Others	72	11	>100
	<u>86</u>	<u>8,265</u>	(99)

	S\$'000	S\$'000	%
	30.06.16	30.06.15	Increase/ (Decrease)
(2) Finance income/(expense) include:			
Hire purchase interest	(4)	-	NM
Foreign exchange loss	(263)	-	NM
<b>Finance expense</b>	<u>(267)</u>	<u>-</u>	NM
Interest income from banks	109	289	(62)
Foreign exchange gain	-	145	NM
<b>Finance income</b>	<u>109</u>	<u>434</u>	(75)
<b>Net finance (expense)/income</b>	<u>(158)</u>	<u>434</u>	NM

(3) The following items have also been included in arriving at profit before taxation:

	S\$'000	S\$'000	%	
	Note	30.06.16	30.06.15	Increase/ (Decrease)
Depreciation charge	5	263	293	(10)
Amortisation charge		15	17	(12)

(4) NM denotes not meaningful

(5) Depreciation charge was lower mainly because certain assets have been fully depreciated.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

		Group		Company	
	Note	S\$'000	S\$'000	S\$'000	S\$'000
		30.06.16	31.12.15	30.06.16	31.12.15
<b>Non-current assets</b>					
Property, plant and equipment	1	5,521	5,699	3	28
Investment properties	1	979	965	-	-
Subsidiaries		-	-	9,231	9,231
Long-term prepayments	2	520	527	-	-
Investment in associate	3	6,781	61	-	-
Amount/long-term loan due from associate	4	90	3,327	-	-
Other receivable	5	5,823	6,022	5,823	6,022
		<u>19,714</u>	<u>16,601</u>	<u>15,057</u>	<u>15,281</u>

	Note	Group		Company	
		S\$'000 30.06.16	S\$'000 31.12.15	S\$'000 30.06.16	S\$'000 31.12.15
<b>Current assets</b>					
Inventories	6	754	679	3	10
Trade receivables	7	2,100	1,484	2	-
Amounts due from related parties (trade)		-	16	-	1
Amounts due from a subsidiary		-	-	163	102
Other receivables, deposits and prepayments	8	621	148	8	4
Tax recoverable	9	427	355	-	-
Cash and cash equivalents		7,009	11,536	1,274	1,962
		<u>10,911</u>	<u>14,218</u>	<u>1,450</u>	<u>2,079</u>
<b>Total assets</b>		<u>30,625</u>	<u>30,819</u>	<u>16,507</u>	<u>17,360</u>
<b>Equity</b>					
Share capital		14,807	14,807	14,807	14,807
Reserves		11,540	11,641	1,579	2,345
Equity attributable to owners of the Company		<u>26,347</u>	<u>26,448</u>	<u>16,386</u>	<u>17,152</u>
Non-controlling interests		2,837	2,663	-	-
Total equity		<u>29,184</u>	<u>29,111</u>	<u>16,386</u>	<u>17,152</u>
<b>Non-current liabilities</b>					
Loans and borrowings		121	136	-	-
Deferred tax liabilities		718	726	-	-
		<u>839</u>	<u>862</u>		
<b>Current liabilities</b>					
Trade and other payables	10	539	784	110	198
Loans and borrowings		35	34	-	-
Provision		27	28	10	10
Amount due to related party (trade)		1	-	1	-
		<u>602</u>	<u>846</u>	<u>121</u>	<u>208</u>
<b>Total liabilities</b>		<u>1,441</u>	<u>1,708</u>	<u>121</u>	<u>208</u>
<b>Total equity and liabilities</b>		<u>30,625</u>	<u>30,819</u>	<u>16,507</u>	<u>17,360</u>

**Notes:**

- (1) The movements in property, plant and equipment and investment properties were mainly due to the translation gain arising from the stronger Malaysian Ringgit ("RM") versus Singapore Dollar ("S\$") at period-end, less depreciation charge.
- (2) Long-term prepayments were lower mainly due to amortisation charge for the period less translation gain resulting from the stronger RM versus S\$.
- (3) The increase in investment in associate was due to the capitalisation of the Group's shareholder's loan to IPark Development Sdn Bhd ("IPark") to ordinary and non-cumulative redeemable preference shares ("NCRPS") and the additional subscription of NCRPS.
- (4) The decrease in amount/long-term loan due from associate pertains to the capitalisation of the shareholder's loan to IPark in note 3 above. The balance amount as at 30 June 2016 is in respect of interest receivable on the loan prior to its capitalisation.
- (5) The decrease in other receivable, pertaining to the Company's share of loan to Star City, was due to the unfavourable exchange rate fluctuations between the US Dollar ("US\$") versus S\$.
- (6) Inventories were higher mainly due to a build-up of raw materials for printing cylinders in line with higher sales revenue.

- (7) Trade receivables were higher mainly due to higher sales of printing cylinders in 2Q2016 as compared with 4Q2015. The Company does not foresee any issue with the collectibility of these outstanding receivables.
- (8) Other receivables, deposits and prepayments were higher mainly due to the deposits for the purchase of plant and machinery for printing cylinders.
- (9) Tax recoverable were higher mainly due to an over-payment of 2015 taxes in January 2016.
- (10) Trade and other payables were substantially lower mainly due to the settlement of amount due to a trade supplier, coupled with the settlement in 1H2016 of expense accruals made at year-end 2015

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

#### Amount repayable in one year or less, or on demand

As at 30/06/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
35	-	34	-

#### Amount repayable after one year

As at 30/06/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
121	-	136	-

#### Details of any collateral

The collateral in respect of secured borrowings is by way of legal charges over certain property, plant and equipment of a subsidiary held under hire purchase arrangements.

### 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	S\$'000	S\$'000
	30.06.16	30.06.15
<b>Operating activities</b>		
Profit before taxation	30	8,488
Adjustments for:		
Depreciation of property, plant and equipment	263	293
Gain on disposal of investment property	-	(8,127)
Gain on disposal of property, plant and equipment	(11)	(53)
Amortisation of long-term prepayments	15	17
Share of results of associate	(15)	-
Interest expense	4	-
Interest income	(109)	(289)
Operating cash flow before changes in working capital	177	329
Changes in working capital:		
Inventories	(57)	(155)
Trade receivables	(599)	(303)
Related parties balances	17	8
Other receivables, deposits and prepayments	(478)	(115)
Trade and other payables	(339)	(190)
Cash used in operations	(1,279)	(426)
Income taxes paid	(130)	(121)
Interest received	109	289
<b>Cash flows used in operating activities</b>	<b>(1,300)</b>	<b>(258)</b>

**Investing activities**

Purchase of property, plant and equipment	(22)	(98)
Proceeds from disposal of investment property (balance)	-	11,527
Proceeds from disposal of property, plant and equipment	11	53
Proceeds from liquidation of associate	-	481
Investment in associate	(3,387)	-
<b>Cash flows (used in)/generated from investing activities</b>	<b>(3,398)</b>	<b>11,963</b>

**Financing activities**

Interest paid	(4)	-
Dividends paid to owners of the Company	(150)	(150)
Payments to hire purchase creditors	(18)	-
Amounts due from associate	(59)	-
<b>Cash flows used in financing activities</b>	<b>(231)</b>	<b>(150)</b>

Net (decrease)/increase in cash and cash equivalents	(4,929)	11,555
Cash and cash equivalents at beginning of the year	11,536	11,487
Effect of exchange rate changes on balances held in foreign currency	402	(937)
Cash and cash equivalents at end of the period	<u>7,009</u>	<u>22,105</u>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

The Group	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2016	14,807	(8,969)	1,496	19,114	26,448	2,663	29,111
Loss net of tax for the period	-	-	-	(237)	(237)	129	(108)
Foreign currency translation, represents other comprehensive income for the period	-	286	-	-	286	45	331
Total comprehensive income for the period	-	286	-	(237)	49	174	223
Dividends	-	-	-	(150)	(150)	-	(150)
At 30 June 2016	<u>14,807</u>	<u>(8,683)</u>	<u>1,496</u>	<u>18,727</u>	<u>26,347</u>	<u>2,837</u>	<u>29,184</u>
At 1 January 2015	14,807	(6,691)	995	12,101	21,212	2,776	23,988
Income net of tax for the period	-	-	-	7,589	7,589	152	7,741
Foreign currency translation, represents other comprehensive income for the period	-	(1,241)	-	-	(1,241)	(169)	(1,410)
Total comprehensive income for the period	-	(1,241)	-	7,589	6,348	(17)	6,331
Dividends	-	-	-	(150)	(150)	-	(150)
At 30 June 2015	<u>14,807</u>	<u>(7,932)</u>	<u>995</u>	<u>19,540</u>	<u>27,410</u>	<u>2,759</u>	<u>30,169</u>

The Company	Share capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
At 1 January 2016	14,807	2,345	17,152
Loss net of tax, represents total comprehensive income for the period	-	(616)	(616)
Dividends	-	(150)	(150)
At 30 June 2016	<u>14,807</u>	<u>1,579</u>	<u>16,386</u>
At 1 January 2015	14,807	3,407	18,214
Loss net of tax, represents total comprehensive income for the period	-	(472)	(472)
Dividends	-	(150)	(150)
At 30 June 2015	<u>14,807</u>	<u>2,785</u>	<u>17,592</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes to the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles and the Company did not hold any treasury shares as at 30 June 2015 and 30 June 2016 respectively.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

<b>Company</b>	<b>30.06.16</b>	<b>31.12.15</b>
Total number of issued shares excluding treasury shares	49,912,500	49,912,500

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company does not have any treasury shares at the beginning and end of the current financial period.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with those of the audited financial statements as at 31 December 2015 except for the adoption of new or amended Singapore Financial Reporting Standards ("FRS") and interpretations to FRS ("INT FRS"), which took effect from financial year beginning on or after 1 January 2016.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted the new and revised FRS that are mandatory for financial years beginning on and after 1 January 2016, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings and financial position of the Group as at 30 June 2016.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

<b>Group</b>	<b>30.06.16</b>	<b>30.06.15</b>
Based on weighted average number of ordinary shares in issue (cents)	(0.47)	15.20
Based on a fully diluted basis (cents)	(0.47)	15.20

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.16</b>	<b>31.12.15</b>	<b>30.06.16</b>	<b>31.12.15</b>
Net Asset Value per ordinary share (cents)	52.79	52.99	32.83	34.36

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Revenue**

Total Group revenue amounted to S\$3.11 million for 1H2016 as compared with S\$2.92 million for 1H2015, an increase of S\$0.19 million or about 6%. The higher revenue was mainly due to higher sales of printing cylinders in Malaysia.

**Costs**

Cost of sales, however, declined by about 3% or S\$0.05 million, from S\$1.80 million for 1H2015 to S\$1.75 million for 1H2016 mainly due to the lower average costs of raw materials used in the production of printing cylinders, particularly seamless steel pipes and copper.

**Gross profit**

As a result of the higher revenue and lower costs of sales, gross profit for the period improved from S\$1.12 million for 1H2015 to S\$1.36 million for 1H2016, an increase of S\$0.24 million or about 21%. Consequently, gross profit margin improved from 38% for 1H2015 to 44% for 1H2016.

Distribution expenses declined by about 7% or S\$0.02 million, from S\$0.24 million for 1H2015 to S\$0.22 million for 1H2016. Administrative expenses also declined from S\$1.10 million for 1H2015 to S\$1.05 million for 1H2016, representing a drop of S\$0.04 million or about 4% mainly due to the lower average RM to S\$ exchange rate in 1H2016 as compared to 1H2015.

**Other Operating Income**

For 1H2016, other operating income amounted to S\$0.09 million as compared with S\$8.27 million for 1H2015, a decline of S\$8.18 million, mainly due to non-recurring gain on disposal of the Group's investment property at Senai and lower income from sales of scrap, partially offset by other interest income from the shareholder's loan to IPark prior to its capitalisation.

## Operating Profit

On the basis of the above factors, the Group recorded an operating profit of S\$0.17 million for 1H2016 as compared with S\$8.05 million for 1H2015. The significant decline of S\$7.88 million in operating performance over the two periods is due mainly to the following factors:

- i) non-recurring gain on disposal of the Group's investment property at Senai in 1H2015 – S\$8.13 million; partially offset by
- ii) improvement in operating profit of printing plates and cylinders business segment – S\$0.32 million.

Net finance expense amounted to S\$0.16 million for 1H2016 compared with an net finance income of S\$0.43 million for 1H2015. The decline of about S\$0.59 million was mainly due to a lower interest income from banks and unfavourable exchange rate fluctuations between the S\$ and RM and between the US\$ and S\$ during 1H2016.

Share of results of associate (net of tax) amounted to S\$0.15 million for 1H2016 mainly due to interest income from banks.

Income tax expense was substantially lower at S\$0.14 million for 1H2016 as compared with S\$0.75 million for 1H2015, the latter arising from taxes on the gain on the Group's disposal of investment property at Senai.

Based on the above factors, the Group recorded a loss after tax of S\$0.11 million for 1H2016 as compared with a profit after tax of S\$7.74 million for 1H2015.

## Cash Flow

For 1H2016, the Group incurred a net cash deficit from operations of S\$1.30 million resulting mainly from increases in working capital of S\$1.46 million and the payment of income taxes of S\$0.13 million, partially offset by interest income of S\$0.11 million and operating cash flow before working capital changes of S\$0.18 million.

Cash flows used in investing activities amounting to S\$3.40 million for 1H2016 was in respect of the Group's subscription of additional NCRPS in IPark.

Cash flows used in financing activities of S\$0.23 million was mainly for payment of dividends to members of the Company and amounts due from an associate.

As a result of the above factors, cash and cash equivalents decreased by about S\$4.93 million and the Group's cash and cash equivalents stood at S\$7.01 million as at 30 June 2016.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement was disclosed to shareholders previously.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Board of Directors is of the opinion that the outlook for the next 12 months for printing plates and cylinders business segment will continue to remain challenging due to keen competition.

In the investment holding business segment, the Group's performance may be influenced by the economic environment in South East Asia and China in general, and Malaysia and Cambodia in particular. According to the Organisation for Economic Cooperation and Development ("OECD"), ASEAN and China are forecasted to grow annually at 4.9% and 6.5% respectively in 2016 and 5.2% and 6.0% respectively over the next five years.



**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not Applicable

**(d) Books closure date**

Not Applicable

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for the financial period ended 30 June 2016.

**13. Interested Person Transactions (January – June 2016)**

Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Adrian Teo Kee Tiong: - sales of printing cylinders from Fuji Roto Gravure Sdn Bhd (FRG), a subsidiary of the Group and a company in which he has an interest to another subsidiary in the Group, the provision of technical services by a subsidiary to FRG and the lease of premises by a subsidiary of the Group to FRG	Nil	S\$211,580

**14. Negative Assurance on Interim Financial Statements**

Confirmation by the Board Pursuant to Catalist Rule 705(5).

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the financial results of the Group and the Company for the first half-year ended 30 June 2016 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers as set out in Appendix 7H under Rule 720(1).

**BY ORDER OF THE BOARD**

Kim Yi Hwa  
Company Secretary

11 August 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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