



FUJI OFFSET PLATES MANUFACTURING LTD
(Company Registration No. 198204769G)
(Incorporated in Singapore)

PROPOSED DISPOSAL OF PROPERTY

Introduction

The Board of Directors ("**Directors**") of Fuji Offset Plates Manufacturing Ltd (the "**Company**", together with all its subsidiaries, collectively the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Fujiplates Manufacturing Sdn Bhd ("**FPM**" or "**Vendor**") had on 27 June 2023 entered into a sale and purchase agreement (the "**SPA**") with Sunray Construction & Interior Sdn. Bhd. (the "**Purchaser**"), an unrelated party, in respect of the sale of a 2-storey leasehold factory warehouse cum office building wholly-owned by the Group (the "**Proposed Disposal**") located at PLO 210, Jalan Angkasa Mas Utama, Tebrau II Industrial Estate in Johor Bahru, Johor, Malaysia (hereinafter referred to as the "**Property**").

Prior to the entry into the SPA, the Vendor had on 10 February 2023 obtained letter of offer to purchase the Property ("**OTP**") from Mr Leong Chao Wei, who is the shareholder and director of the Purchaser. The Vendor had accepted the OTP on 21 February 2023, being the date when the Vendor and Purchaser both signed the OTP.

As at the date of this announcement, the Proposed Disposal has not been completed and is still subject to fulfilment of a condition precedent, being the Vendor having to obtain written consent from Perbadanan Johor (Johor Corporation) (the "**Proprietor**").

The reason for the late announcement was due to an oversight in the subsidiary and was spotted when a Real Property Gains Tax ("**RPGT**") payment had to be made under the SPA on 4 October 2023.

The Company will get its Internal Auditor to review its internal controls and information systems whilst immediately implement, *inter alia*, the following control measures to ensure timely information flow and to prevent a recurrence of such events:

- 1) Disseminate a copy of the Catalist Rules to the subsidiaries and emphasise to them the Company's responsibility to make prompt and timely announcements to Shareholders of discloseable major and any material transactions affecting the Group;
- 2) Request subsidiaries to report likely discloseable, major and any material transactions being discussed or planned on a quarterly basis;
- 3) Request subsidiaries to provide the Company two to three days advance notice before agreements for such transactions are to be executed; and
- 4) Circulate and obtain prior approval from the Group's Executive Directors and the Financial Controller before entering into any agreement relating to discloseable, major and any material transactions.

The Company confirmed that save for reclassification of the Property from Investment Property to asset held for sale, the acceptance of the OTP and the entry into the SPA will not have any significant and material changes to the Group's (unaudited or audited, as the case may be) financial statements for financial year ended 31 December 2022 and 6 months period ended 30 June 2023.

Information on the Property

Description & Location	Effective Group Interest	Site Area (Sq Meters)	Built-up Area (Sq Meters)	Remaining Tenure
2-storey leasehold factory warehouse cum office building located at PLO 210, Jalan Angkasa Mas Utama, Tebrau II Industrial Estate in Johor Bahru, Johor, Malaysia	100%	8,094	5,248	30 years

The Property is currently leased out by the Group to ATA Industrial (M) Sdn Bhd., a company which is neither related to the Vendor nor the Purchaser.

Information on the Purchaser

The Purchaser operates in the construction works and interior design services industry.

The Purchaser is an independent 3rd party which is neither related to the Company nor the Vendor and their respective directors and controlling shareholders.

Details of the Purchaser are as follows:

Date and Place of Incorporation: 24 February 2012 in Malaysia

Shareholders: 1) Leong Chao Wei (20.0%); 2) Ng Wai Hong (39.2%); and 3) Sunray Asia Pte Ltd (40.8%)

Directors: 1) Tan Kok Keng (Chen GuoQing); 2) Tan Wu Hao (Chen WuHao); and 3) Leong Chao Wei

To the best knowledge of the Company, the Purchaser and their respective directors and shareholders do not hold any Shares in the Company or have had any previous business, commercial, trade dealings with the Company, and its directors or substantial shareholders.

Consideration

The sales price of the Property is RM8.0 million (approximately S\$2.3 million based on the exchange rate of S\$0.2892 to RM1.00 as at 27 June 2023) (the **"Selling Price"**). The Selling Price is arrived at on a willing buyer willing seller basis, after taking into consideration current market conditions, the prevailing transacted prices in the vicinity of the Property and the market value in the Valuation Report (as defined below).

The Company had commissioned an independent valuer, IPC Island Property Consultants Sdn Bhd (the "Valuer") to conduct an independent valuation of the Property for year-end accounting purpose. The Valuer assessed the Property's market value at RM8.0 million in its valuation report dated 28 December 2022 (the **"Valuation Report"**). The valuation was based on estimated marketable price of the factory and industrial land assessed by the Valuer. Despite the time lapse, the Directors are of the opinion that the market value based on the Valuation Report is reflective of the current market price as the market is relatively stable since then.

The Selling Price shall be paid in the following manner:

- (a) The sum of RM0.8 million (the **"Deposit"**) (equivalent to 10% of the Selling Price) shall be paid by the Purchaser to the Vendor's Solicitors upon execution of the SPA as stakeholder and shall be released by the Vendor's Solicitors to the Vendor after the fulfilment of the Conditions Precedent below; and
- (b) The balance of the Selling Price of RM7.2 million (equivalent to 90% of the Selling Price) shall be paid upon completion of the sale of the Property to the Vendor's Solicitors.

The Deposit was paid by the Purchaser in February 2023 as follows:

1. Earnest deposit money of RM160,000 was received by the Vendor on 10 February 2023;
2. Purchaser paid RM240,000 directly to Malaysia's Inland Revenue Board as RPGT retention sum; and
3. RM400,000 was received by the Vendor's Solicitor's.

Conditions Precedent

The sale and purchase of the Property is subject to and conditional upon the following:

- (a) The Vendor having obtained the written consent from the Proprietor ("**Proprietor's Consent**"); and
- (b) The Vendor having obtained the consent from the State Authority for the transfer of the Property from the Vendor to the Purchaser ("**State Authority's Consent**"), if applicable and
- (c) The Vendor having obtained the original Document of Title from the Proprietor.

Save for the aforementioned, there are no material conditions attaching to the transaction including a put, call or other option and details thereof.

Existing Tenancy

The Property is sold subject to existing tenancy and on an "as is, where is" condition. The Property is currently tenanted to ATA Industrial (M) Sdn Bhd under a Tenancy Agreement dated 27 December 2022 for two years from 1 January 2023 to 31 December 2024.

Completion Period

The completion period for the sale and purchase of the Property shall take place within three (3) months from the date on which the Purchaser's Solicitors are in receipt of a copy of the Proprietor's Consent and State Authority's Consent, if applicable, together with a letter of confirmation from the Vendor's Solicitors that the original Document of Title is in their custody ("**Effective Date**").

As at the date of this announcement, the Proprietor's Consent to the sale and purchase of the Property is still pending, while the State Authority's Consent is not applicable and the Vendor is in possession of the original Document of Title from the Proprietor.

The Company will make further announcement(s) in the event there are material development in respect of the Proposed Disposal.

Rationale for the Proposed Disposal

The Directors consider it an appropriate time to dispose of and unlock the value of the Property given the leasehold nature of the Property, the current stable outlook of the industrial property market in Johor and the gain from the Proposed Disposal of S\$592 thousand (based on the net book value of the Property as at 30 June 2022) or S\$526 thousand (based on the net book value of the Property as at 31 December 2023) or S\$558 thousand (based on the net book value of the Property as at 30 June 2023).

Use of Sale Proceeds

The Company expects to receive net proceeds of approximately RM7.38 million (or approximately S\$2.1 million) from the Proposed Disposal (after deducting estimated transactional expenses of approximately S\$178 thousand to be incurred in connection with the Proposed Disposal). The Group currently intends to use the sale proceeds for investment opportunities as and when they arise.

Pending deployment of the proceeds from the Proposed Disposal for such purposes, the proceeds may be placed in deposits with banks or financial institutions as the Directors may, in their absolute discretion, deem fit.

Relative Figures under Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited

		S\$'000 (A)	S\$'000 (B)	Relative Figures (A)/(B) in (%)
Rule 1006(a)	Net assets value of assets to be disposed of (A), compared with the net assets value of the Group (B) ⁽¹⁾	1,609	33,510	4.8
Rule 1006(b)	The net profits attributable to the assets acquired or disposed of (A), compared with the consolidated net profits of the Group (B) ⁽²⁾	90	4,227	2.1
Rule 1006(c)	The aggregate value of the consideration given or received (A), compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares (B) ⁽²⁾⁽³⁾	2,314	16,471	14.0
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the Disposal (A), compared with the number of equity securities previously in issue (B)	-	-	Not applicable
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of (A), compared with the aggregate of the Group's proven and probable reserves (B)	-	-	Not applicable

Notes:-

- (1) Based on the net book value of the Property and the net asset value of the Group as at 31 December 2022 (being the latest announced consolidated account of the Group prior to the execution of the SPA).

In the event the net book value of the Property and the net asset value of the Group as at 30 June 2022 (being the latest announced consolidated account of the Group prior to the receipt and acceptance of the OTP) of approximately S\$1.6 million, and S\$30.4 million respectively are used, the relative figure pursuant to Rule 1006(a) is 5.4%.

In the event the net book value of the Property and the net asset value of the Group as at 30 June 2023 (being the latest announced consolidated account of the Group prior to this announcement) of approximately S\$1.6 million and S\$33.1 million respectively are used, the relative figure pursuant to Rule 1006(a) is 4.8%.

In the event the market value of the Property as at 22 December 2022 ascribed by IPC Island Property Consultants Sdn Bhd and the net asset value of the Group as at 31 December 2022 are used, the relative figure pursuant to Rule 1006(a) is 6.9%.

The excess of the net proceeds of the Property to be disposed of over the net book value of the Property as at 30 June 2022, 31 December 2022 and 30 June 2023 is S\$592 thousand, S\$526 thousand and S\$558 thousand respectively.

- (2) The net profit means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. The Group recorded a profit before income tax and non-controlling interest of approximately S\$4.2 million for FY2022 and the profit before income tax and non-controlling interest attributable to the Property is approximately S\$90 thousand for FY2022.

In the event the profit before income tax and non-controlling interest attributable to the Property and the Group's profit before income tax and non-controlling interest for 6 months period ended 30 June 2022 (being the latest announced consolidated account of the Group prior to the receipt and acceptance of the OTP) of approximately S\$59 thousand and S\$794 thousand respectively are used, the relative figure pursuant to Rule 1006(b) is 7.5%.

In the event the profit before income tax and non-controlling interest attributable to the Property and the Group's profit before income tax and non-controlling interest for 6 months period ended 30 June 2023 (being the latest announced consolidated account of the Group prior to this announcement) of approximately S\$57 thousand and S\$1.0 million respectively are used, the relative figure pursuant to Rule 1006(b) is 5.4%.

- (3) The Company's market capitalisation of approximately S\$16.47 million is computed based on the Company's existing issued share capital of 49,912,500 shares multiplied by the volume weighted average price of the Company's shares of S\$0.330 per Share on 14 June 2023, being the latest available market day where the shares were traded preceding the date of signing of the SPA.

In the event the Selling Price of RMB8.0 million (or approximately S\$2.4 million based on the exchange rate of S\$0.3023 to RM1.00 as at 21 February 2023, being the date of the signing of the OTP) and the Company's market capitalisation of approximately S\$16.22 million (which is computed based on the Company's existing issued share capital of 49,912,500 shares multiplied by the volume weighted average price of the Company's shares of S\$0.325 per Share on 20 February 2023, being the latest available market day where the shares were traded preceding the date of execution of the OTP) are used, the relative figure pursuant to Rule 1006(c) is 14.9%.

Based on the relative figures above, the Proposed Disposal of the Property constitutes a discloseable transaction under Chapter 10 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules").

Financial Effects of the Proposed Disposal

The financial effects of the Proposed Disposal on the Group set out below are theoretical in nature and for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group immediately after the Proposed Disposal and are based on the latest audited financial statements of the Group for FY2022.

Net tangible assets ("NTA") per Share

For illustrative purposes only, assuming the Proposed Disposal had been effected on 31 December 2022 (being the end of the latest announced audited financial year for the Group), the pro-forma financial effect of the Proposed Disposal on the Group's NTA per Share would be as follows:-

NTA	Before the Proposed Disposal)	After the Proposed Disposal
NTA attributable to Owners of the Group (S\$'000)	33,508	34,034
Number of issued shares	49,912,500	49,912,500
NTA per share (Singapore cents)	67.13	68.19

For illustrative purposes only, the proforma financial effects of the Proposed Disposal on the consolidated earnings of the Group, based on the audited financial statements of the Group for FY2022 and on the assumption that the Proposed Disposal had been effected at the beginning of FY2022, being 1 January 2022, the EPS of the Group after the Proposed Disposal are set out below:

Earnings per Share ("EPS")

EPS	Before the Proposed Disposal)	After the Proposed Disposal
Profit attributable to Owners of the Group (S\$'000)	4,508	4,965
Weighted average number of issued shares	49,912,500	49,912,500
EPS per share (Singapore cents)	9.03	9.95

Directors' Service Contracts

No Directors are proposed to be appointed to the Company in connection with the Proposed Disposal. Accordingly there are no service contracts to be entered into.

Interests of Directors or Controlling Shareholders

Save for the shareholdings in the Company, none of the Directors or the controlling shareholders of the Company or associates of such Directors or controlling shareholders has any interest, direct or indirect, in the Proposed Disposal.

Documents for inspection

A copy each of the Sale and Purchase Agreement and Valuation Report is available for inspection at the Company's registered office at 2 Jalan Rajah, #06-28 Golden Wall Flatted Factory, Singapore 329134 for a period of three (3) months from the date of this announcement.

Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

By Order of the Board

David Teo Kee Bock
Chairman
9 October 2023

*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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