



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

LOAN AND INVESTMENT AGREEMENT WITH STAR CITY PROPERTY DEVELOPMENT CO., LTD.
- UPDATE

I. Introduction

Reference is made to the announcement of Fuji Offset Plates Manufacturing Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") dated 26 February 2016 ("**February Announcement**") in relation to the loan and investment agreement made between the Company, Star City Property Development Co., Ltd. ("**SCD**"), and Lok Oknha Sear Rithy ("**Sear**"), Tsoi Wing Sing ("**Tsoi**") and Ge Jianming ("**Ge**") in connection with a joint venture of the property development project located at Sothearos Boulevard, Sangkat Tonle Basac, Khan Chamkar Mon, Phnom Penh, Cambodia (Land Plot No. 12010108-0356 and 12010108-0357) ("**Property**") ("**Project**").

II. Agreement

Subsequent to the February Announcement, the Company had on 20 July 2016 entered into a definitive agreement with SCD ("**Agreement**") whereby the Company and SCD have agreed that of the US\$4,499,990 (approximately S\$6,093,886)^{1, 2} ("**Company Amount**") which the Company had committed to the Project and disbursed to SCD to-date:

- (a) US\$500 (approximately S\$677) will constitute 10% of the registered capital of SCD, representing 100 ordinary shares at US\$5 each in the capital of SCD, which shares are held by Tsoi on trust for the Company pursuant to a declaration of trust between the Company and Tsoi dated 20 July 2016; and
- (b) US\$4,499,490 (approximately S\$6,093,209) will constitute a loan to SCD ("**Company Loan**"), comprising US\$4,195,488 (approximately S\$5,681,530) allocated for land purchase and US\$304,002 (approximately S\$411,679) allocated for operating expenditures of SCD.

Pursuant to commercial negotiations, the Company Loan is made on a non-interest bearing and unsecured basis, and has no fixed term of repayment. The Company Loan ranks *pari passu* with other liabilities of SCD. There are no other material conditions attached to the Agreement. The Agreement will be registered with the Cambodian tax authority. The Company Loan was determined based on the funds required for purchase of the Property, priced at US\$41,958,360, as well as SCD's working capital and operating expenditure, including but not limited to the Project's design, approval applications and soil investigations.

Sear, and Tsoi had also extended financing to SCD for the Project on a non-interest bearing and unsecured basis, with no fixed term of repayment, and ranking *pari passu* with other liabilities of SCD. Sear and Tsoi are registered shareholders of SCD, with Sear holding 51% and Tsoi holding 49% of the registered capital, respectively. In Tsoi's case, 10% of the registered capital is held on trust for the Company. SCD will

¹ For purposes of conversion to S\$, the exchange rates of US\$1:S\$1.3542 and S\$0.3352:RM1 have been applied throughout this announcement.

² Further to the February Announcement, the Company had extended a further loan amount of US\$200,000 (approximately S\$270,840) to SCD on 26 July 2016 in connection with the Project for purposes of SCD's operating expenditure.

submit the application to the Cambodian authority to transfer 10% of shares held by Tsoi in SCD to the Company.

III. Rationale

The Board is of the view that the Company's investment in the Project represents a good opportunity for the Group to enter the Cambodian property market and to participate in the growth potential of the Cambodian real estate market. In addition, the Project is expected to grow the asset base of the Group and enhance shareholder value in the future.

After taking into consideration the factors above, the declining performance of the Group's existing core businesses, the financial position of the Group, as well as the potential returns of the Project, working capital requirements of SCD, coupled with other potential participation opportunities with the local Cambodian partners in subsequent property development projects (if any), the Board is of the view that the Company's participation in the Project (including the disbursement of the Company Loan which is interest-free, unsecured with no fixed term of repayment), is in the best interests of the Company and its minority shareholders.

IV. SCD

SCD was incorporated in Cambodia on 24 August 2015 in connection with the Project. As at the date of this announcement, SCD's registered capital amounts to 20,000,000 Riel (approximately US\$5,000 based on the exchange rate of 4,000 Riel:US\$1), comprising 1,000 ordinary shares of 20,000 Riel (approximately US\$5) each. SCD's sole business is to own and develop the Property.

The Property has a combined area of 12,057 square metres comprising 6,808 square metres for Land Plot No. 12010108-0356 and 5,249 square metres for Land Plot No. 12010108-0357. The development plan for the Project has been submitted to the Ministry of Land, Cambodia, in May 2016 and SCD expects to obtain the requisite construction permit by end August 2016 and commence construction thereafter.

The Property is intended to be developed into residential and commercial units for sale and lease, and the Project is principally managed by Tsoi and Sear.

Sear is the Chairman of a well-established real estate company in Cambodia, specialising in a wide range of property services, such as sale and rental of all types of properties and professional property valuation services while Tsoi is a Director of an investment company as well as a real estate developing company in China.

The book value of SCD as at 31 July 2016 amounts to approximately negative US\$309,000 due to its low equity base of US\$5,000. SCD recorded a net loss of approximately US\$190,000 (approximately S\$257,300) for the six months period ended 30 June 2016, mainly due to its start-up expenses.

V. Source of Funding

The Company Amount was funded by the internal resources of the Company via cash.

VI. Financial Effects

The pro forma financial effects of the Company Amount on the Group presented below are strictly for illustrative purposes only and do not reflect the actual financial effects or future financial performance and condition of the Company and/or the Group following the disbursement of the Company Amount.

The pro forma financial effects of the Company Amount are calculated based on the latest audited financial statements of the Group for the financial year ended 31 December 2015 ("FY2015") and the following assumptions:

- (a) that the Company Amount was disbursed on 31 December 2015 for purposes of the financial effect on the net tangible assets ("**NTA**") per share in the capital of the Company ("**Share**"); and
- (b) that the Company Amount was disbursed on 1 January 2015 for purposes of the financial effect on the earnings per Share ("**EPS**").

NTA per Share:

	Before the Company Amount	After the Company Amount
NTA (S\$'000)	26,448,000	26,448,000
Number of Shares	49,912,500	49,912,500
NTA per Share (cents)	52.99	52.99

EPS:

	Before the Company Amount	After the Company Amount
Profit after tax attributable to the shareholders (S\$'000)	7,163,000	7,163,000
Weighted average number of Shares (excluding treasury Shares)	49,912,500	49,912,500
EPS (cents)	14.35	14.35

VII. Relative Figures under Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Catalist Rules")

The relative figures for the Company Amount computed on the bases set out in Rule 1006 of the Catalist Rules, based on the unaudited financial statements of the Group for the financial period ended 30 June 2016 ("**HY2016**") are as follows:

		(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
Rule 1006(a)	Net assets value of assets to be disposed of (A), compared with the net assets value of the Group (B)	-	-	Not applicable
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)	-	-	Not meaningful ⁽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)	6,093,886	14,973,750	40.70 ⁽²⁾

		(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the Subscription (A), compared with the number of equity securities previously in issue (B)	-	-	Not applicable ⁽³⁾
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) For the six months period ended 30 June 2016, SCD recorded a net loss of approximately US\$190,000 (approximately S\$257,300). Nevertheless, net loss attributable to the Company's 10% interest in SCD of approximately US\$31,000 (approximately S\$41,980) will not impact the income statement of the Group as SCD is neither an associate nor subsidiary of the Group.
- (2) The relative figure of 40.70% is computed based on the Company Amount, divided by the Company's market capitalisation of S\$14,973,750, based on the Company's existing issued share capital of 49,912,500 Shares multiplied by the volume weighted average price of the Shares of S\$0.30 per Share on 12 July 2016, being the last market day when the shares were traded preceding the date of this announcement ("**Market Capitalisation**").
- (3) No new Shares will be issued.

The Group had also earlier entered into a joint venture investment with AME Properties Sdn Bhd in IPark Development Sdn Bhd ("**IPark**") in connection with the acquisition and development of three parcels of land located in Johor Bahru, Malaysia ("**IPark JV**"), as set out in the Company's announcements dated 6 October 2015 ("**October 2015 Announcement**") and 8 July 2016 ("**July 2016 Announcement**").

Pursuant to Rule 1005 of the Catalist Rules, the Agreement is aggregated with the IPark JV (collectively "**Aggregated Investments**") for the purposes of determining the relative figures under Rule 1006 of the Catalist Rules. Based on the unaudited financial statements of the Group for HY2016, the relative figures for the Aggregated Investments computed on the bases set out in Rule 1006 of Catalist Rules are as follows:

		(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
Rule 1006(a)	Net assets value of assets to be disposed of (A), compared with the net assets value of the Group (B)	-	-	Not applicable
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)	-	-	Not meaningful ⁽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)	12,863,036	14,973,750	85.90 ⁽²⁾

		(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the Subscription (A), compared with the number of equity securities previously in issue (B)	-	-	Not applicable ⁽³⁾
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) For the six months period ended 30 June 2016, SCD recorded a net loss of US\$190,000 (approximately S\$257,300). Nevertheless, net loss attributable to the Company's 10% interest in SCD of approximately US\$31,000 (approximately S\$41,980) will not impact the income statement of the Group as SCD is neither an associate nor subsidiary of the Group.

IPark had yet to commence operations when the IPark JV was entered into as set out in the October 2015 Announcement. There was no change in the Group's percentage shareholding interest in IPark for the Group's subsequent additional subscription as set out in the July 2016 Announcement and the Company's share of profit of IPark of approximately S\$15,000 had been accounted for in the Group's financial statements for HY2016. Hence, computation for the relative figure is not meaningful.

- (2) The relative figure of 85.90% is computed based on the Group's total contribution towards IPark of approximately S\$6,769,150 and the Company Amount, divided by the Market Capitalisation.
- (3) No new Shares will be issued.

As the aggregate relative figure computed based on Rule 1006(c) of the Catalist Rules exceeds 75% but is less than 100%, the Agreement constitutes a "major transaction" pursuant to Rule 1014 of the Catalist Rules, for which the Company will be seeking shareholders' approval and ratification at an extraordinary general meeting to be convened ("**EGM**"). The Company will also seek shareholders' approval at the EGM to include property development as an additional core business of the Company ("**Business Diversification**").

In this regard, the Company has obtained written undertakings from Mr David Teo Kee Bock, Mr Steven Teo Kee Chong and Mdm Ang Kim Ton (who directly and indirectly hold Shares aggregating approximately 62.82% of all issued Shares) to vote in favour of the Agreement and the Business Diversification at the EGM.

VIII. Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Agreement.

IX. Interests of Directors and Controlling Shareholders

Save as disclosed, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Agreement (other than their direct or indirect shareholdings in the Company).

X. Shareholders' Circular

A circular setting out more details of the Agreement and the Business Diversification ("**Proposals**") will be despatched by the Company to shareholders in due course.

XI. 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 Proposals and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 this announcement in its proper form and context.

XII. Document Available For Inspection

A copy of the Agreement and the declaration of trust will be made available during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

David Teo Kee Bock
Chairman
29 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 (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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.

The contact person for the Sponsor is Mr Ong Hwee Li (Tel: 65-6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.