ANNUAL REPORT 2015

FUJI OFFSET PLATES MANUFACTURING LTD

F.O.P.

CONTENTS

This Annual Report 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 "SGX-ST"). The Company's Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Tan Pei Woon (tel: 65-6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Teo Kee Bock (Chairman)
Teo Kee Chong (Managing Director)

Non-Executive:
Ang Kim Ton
Lim Tee Kit (Lead Independent Director)
Tan Keh Eyo (Independent Director)
Lim Kang San (Independent Director)

AUDIT COMMITTEE
Lim Kang San (Chairman)
Tan Keh Eyo
Lim Tee Kit

NOMINATING COMMITTEE
Tan Keh Eyo (Chairman)
Lim Tee Kit
Lim Kang San

REMUNERATION COMMITTEE
Lim Tee Kit (Chairman)
Tan Keh Eyo
Lim Kang San

SECRETARY
Kim Yi Hwa

REGISTERED OFFICE

2 Jalan Rajah #06-28
Golden Wall Flatted Factory
Singapore 329134
Tel: (65) 6265-9111
Fax: (65) 6268-2300
Email: contact@fopgroup.com
Website: http://www.fopgroup.com

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623

AUDITORS

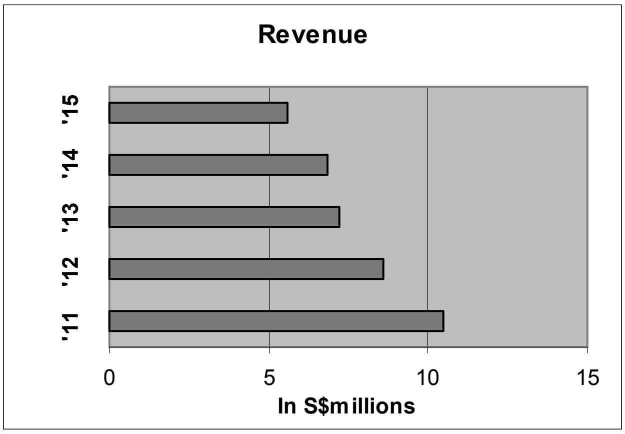
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

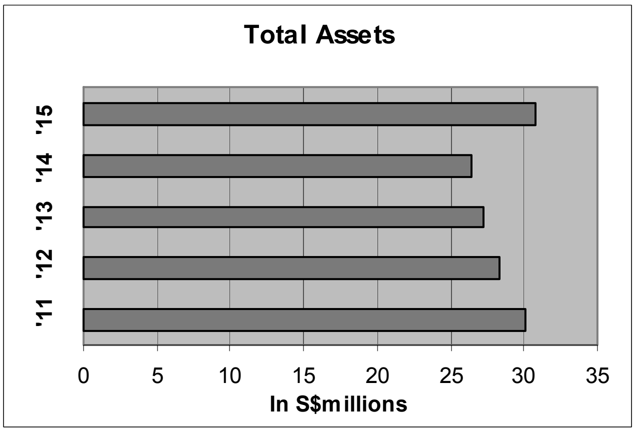
AUDIT PARTNER-IN-CHARGE
Ms Lee Lai Hiang
(Appointed since the financial year ended 31 December 2013)

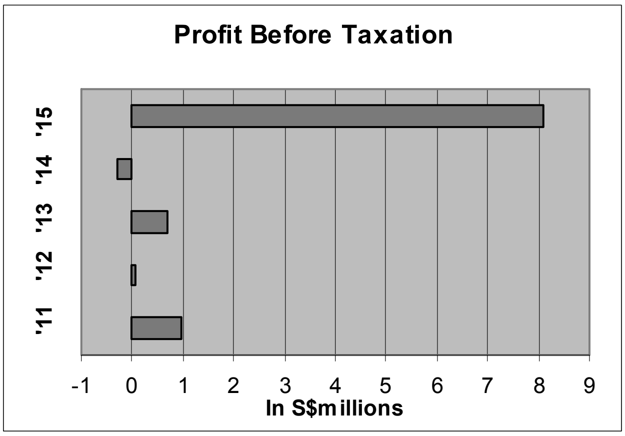
SPONSOR
SAC Capital Private Limited
1 Robinson Road, #21-02 AIA Tower
Singapore 048542

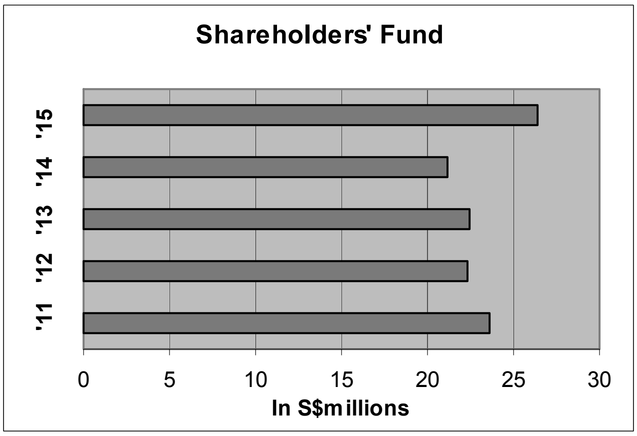
FINANCIAL HIGHLIGHTS

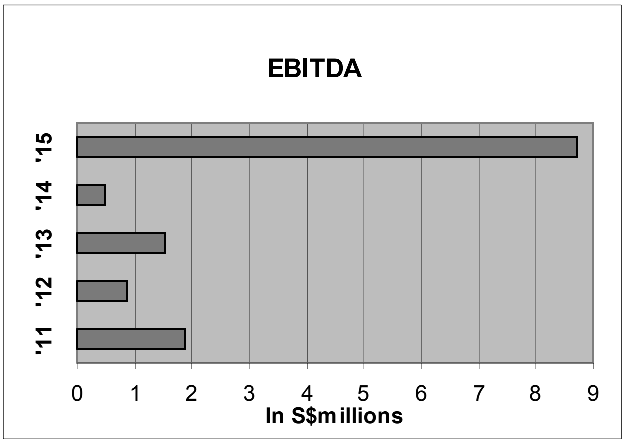
Continuing Operations	2011 S$'000	2012 S$'000	2013 S$'000	2014 S$'000	2015 S$'000
Revenue	10,461	8,573	7,206	6,859	5,585
Profit/(Loss) Before Taxation	987	48	709	(291)	8,110
Total Assets	30,100	28,378	27,297	26,400	30,819
Shareholders' Fund	23,636	22,286	22,424	21,212	26,448
EBITDA	1,890	856	1,533	474	8,709
Net Cash Flows from/(used in) Operating Activities	2,983	2,702	1,303	1,120	(928)

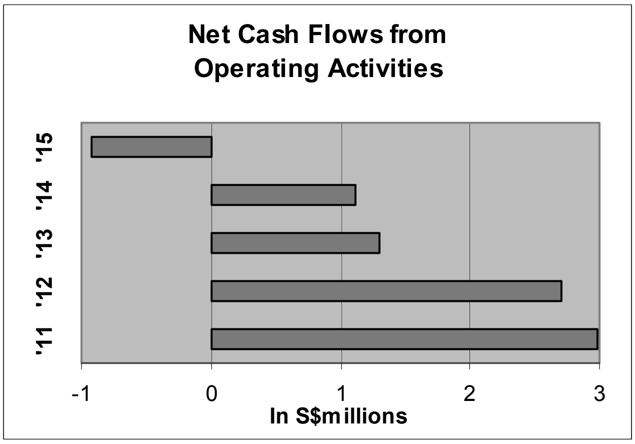












CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Group's Annual Report for the financial year ended 31 December 2015 ("FY2015").

For the year in review, the Group achieved a profit after tax of S$7.43 million as compared with a loss of S$0.65 million for the financial year ended 31 December 2014 ("FY2014"). The profit after tax was mainly attributable to the disposal of the Group's investment property at Lot 2592, Mukim Senai, Kulaijaya, Senai Industrial Estate, Johor ("Senai"). As a result, the Group recorded a profit after tax, attributable to owners of the Company, of S$7.16 million for FY2015 as compared with a loss after tax of S$0.92 million for FY2014.

Consequently, the Group's earnings per share was 14.35 Singapore cents for FY2015 as compared with a loss per share of 1.83 Singapore cents for FY2014. Net asset value per share also increased from 42.50 Singapore cents as at 31 December 2014 to 52.99 Singapore cents as at 31 December 2015 while EBITDA improved from S$0.47 million for FY2014 to S$8.71 million for FY2015.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For FY2015, total Group revenue amounted to S$5.59 million, representing a decline of about S$1.27 million or 19% as compared with S$6.86 million for FY2014. The lower revenue was mainly due to:

1) Lower sales of printing cylinders of S$4.87 million for FY2015 as compared with S$5.63 million for FY2014, a decline of about S$0.76 million or 13.5%, as a result of lower sales to Singapore and Malaysia due to keen competition in both countries and

2) Lower rental income of S$0.11 million for FY2015 as compared with S$0.68 million for FY2014, a decline of about S$0.57 million or 83.8%, after the disposal of the Group's investment property at Senai in January 2015.

While sales revenue decreased by 19% for FY2015 as compared with FY2014, cost of sales declined by about 10%, from S$3.80 million for FY2014 to S$3.43 million for FY2015 mainly due to the higher average costs of raw materials, mainly seamless steel pipes, used in the production of printing cylinders, resulting from the weaker Malaysian Ringgit and offset by lower contributions from investment properties after the disposal of the Group's investment property at Senai in January 2015.

As a result, gross profit declined by about S$0.90 million or 29%, from S$3.06 million for FY2014 to S$2.16 million for FY2015 and gross profit margin from about 45% for FY2014 to 39% for FY2015.

For FY2015, other operating income amounted to S$8.03 million as compared with S$0.09 million for FY2014, an increase of S$7.94 million, mainly due to the gain on disposal of the Group's investment property at Senai of S$7.77 million.

Distribution expenses were lower at S$0.47 million for FY2015 as compared with S$0.49 million for FY2014 in line with lower revenue and the weaker Malaysian Ringgit. Administrative expenses also declined from S$2.35 million for FY2014 to S$2.15 million for FY2015, about 8% or S$0.20 million, mainly due to the impact of the weaker Malaysian Ringgit. Other expenses declined from S$0.83 million for FY2014 to nil for FY2015 due to non-recurring provision for impairment loss on other receivables due from Fong Kah Kuen @ Foong Kah Kuen ("FKK") in FY2014.

CHAIRMAN'S STATEMENT

Net finance income amounted to S$0.55 million for FY2015 as compared with S$0.23 million for FY2014 mainly due to higher interest income from banks arising from fixed deposits from proceeds from the disposal of the Group's investment property at Senai in January 2015.

Income tax expense increased from S$0.36 million for FY2014 to S$0.69 million for FY2015, an increase of about S$0.33 million or 92% mainly due to tax on gain on disposal of the Group's industrial property at Senai, after offsetting capital allowances and current year's business loss.

As a result of the gain on disposal of the Group's investment property at Senai, the Group achieved a profit before tax of S$8.11 million for FY2015 as compared with a loss before tax of S$0.29 million for FY2014, the latter attributable to the provision for impairment loss on other receivables due from FKK. Correspondingly, profit after tax amounted to S$7.43 million for FY2015 as compared with a loss after tax of S$0.65 million for FY2014.

FINANCIAL POSITION

The Group's financial position remains healthy with total assets increasing from S$26.40 million as at 31 December 2014 to S$30.82 million as at 31 December 2015. The higher total assets is mainly due to the disposal of the Group's investment property at Senai in January 2015 which was partially utilized for a 20% equity interest in IPark Development Sdn Bhd, Johor, Malaysia ("IPark") and a loan and investment agreement with Star City Property Development Co., Ltd., Cambodia ("Star City").

Mainly as a result of the Group's investments in IPark and Star City, net current assets were lower at S$13.37 million as at 31 December 2015 compared with S$17.31 million as at 31 December 2014.

CASH POSITION

For FY2015, the Group's net cash flows used in operating activities amounted to S$0.93 million, contributed mainly by net profit before taxation and adding back of gain on disposal investment property, depreciation and amortization, changes in working capital and income taxes paid.

Cash flows from investing activities amounted to S$12.05 million mainly due to the balance of proceeds from disposal of the Group's investment property in Senai.

Cash flows used in financing activities of S$9.78 million were mainly for the loans to IPark and Star City and to pay dividends to member shareholders of the Company.

As a result, the Group recorded a net increase in cash and cash equivalents of S$1.34 million for FY2015 while cash and cash equivalents stood at S$11.54 million as at 31 December 2015.

CHAIRMAN'S STATEMENT

SEGMENTAL REVIEW

Printing Plates and Cylinders Business Segment

For FY2015, Group sales revenue from printing plates and cylinders totaled S$5.48 million, representing a drop of about S$0.70 million or 11% as compared with S$6.18 million for FY2014.

For printing plates, sales revenue increased from S$0.55 million for FY2014 to S$0.61 million for FY2015, representing an increase of S$0.06 million or about 11% due mainly to a pick-up in sales in Malaysia.

Sales revenue from printing cylinders, however, declined from S$5.63 million for FY2014 to S$4.87 million for FY2015, representing a drop of about S$0.76 million or about 13% due mainly to lower sales in Singapore and Malaysia. Gross margins from printing cylinders also declined from 39% for FY2014 to 37% for FY2015 due mainly to the higher average costs of raw materials, mainly seamless steel pipes, resulting from the weaker Malaysian Ringgit.

On the basis of the above, total gross margins for the printing plates and cylinders business segment declined from 39% for FY2014 to about 36% for FY2015. Despite this, the segment recorded a marginally lower loss of S$0.04 million for FY2015 as compared with a loss of S$0.10 million for FY2014 due to higher other operating income.

Investment Holding Business Segment

Total revenue from the investment holding business segment declined from S$0.68 million for FY2014 to S$0.11 million for FY2015, representing an reduction S$0.57 million or about 84%, due to the disposal of the Group's investment property at Senai in January 2015.

As a result of the disposal of the Group's investment property at Senai, the investment holding business segment recorded a profit of S$8.30 million for FY2015 as compared with a loss of S$0.08 million for FY2014 due mainly to the provision for impairment loss on other receivables for FKK.

DIVIDEND

The Board is pleased to announce a first and final dividend of 0.3 Singapore cents per ordinary share, tax exempt (one-tier), amounting to S$150,000 for FY2015, unchanged from FY2014.

CHAIRMAN'S STATEMENT

FUTURE PROSPECTS

Going forward, the prospects for the printing plates and cylinders business segment continue to remain challenging due to the keen competitive business environment. The Group will continue with the trading of printing plates, sourced from imports, mainly through its 60%-owned subsidiary in Malaysia, Fuji Offset Plates (Malaysia) Sdn Bhd. For printing cylinders, the Group will continue to optimize its production by seeking out cheaper alternative sources of supply of raw materials, where available.

In the investment holding business segment, the Group had taken a 20% equity interest in IPark, and entered into a loan and investment agreement with Star City, Cambodia, for the purpose of purchasing certain land parcels in Johor and Cambodia respectively and carrying out development on the land parcels. Both projects are in their early planning stages. The Group will provide shareholders with further details on the progress relating to the investments when there are material developments.

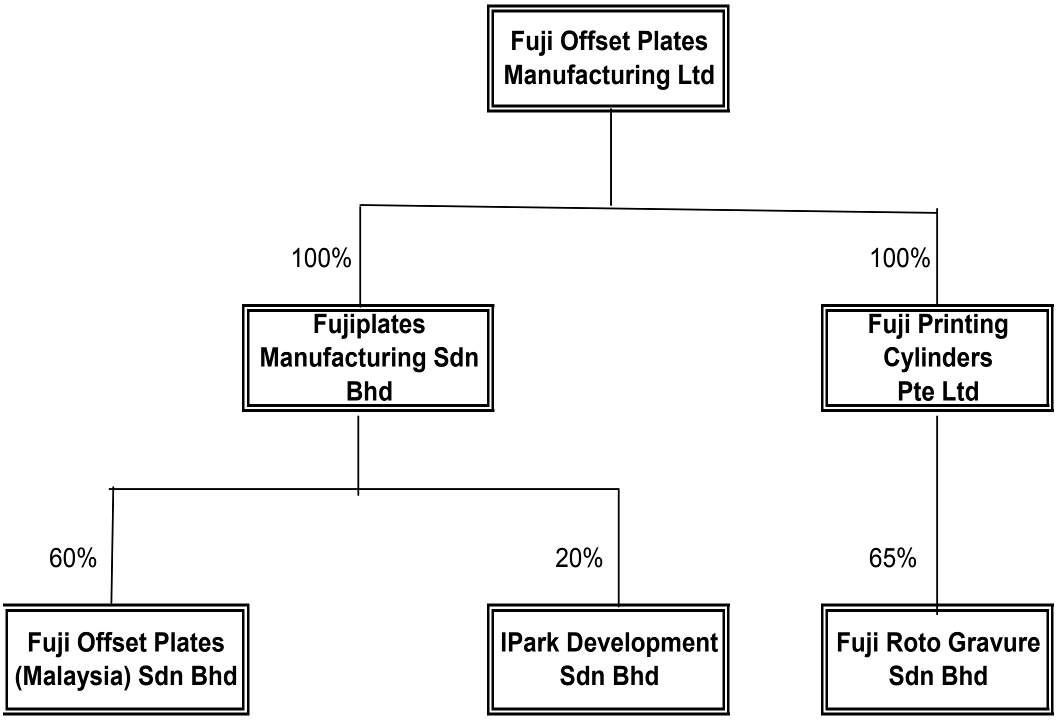
Meanwhile, the Group will continually seek to optimize the rental of its available investment properties, where feasible, to generate additional rental income.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to express my heartfelt appreciation to all our shareholders, customers, business associates and partners for their continued support and confidence in the Group. I would also like to thank the management and staff for their dedication, hard work and contributions to the Group and to our Directors for their valuable contributions and guidance.

David Teo Kee Bock
Chairman

CORPORATE STRUCTURE



DIRECTORS' PROFILE

David Teo Kee Bock, Executive Chairman

Mr Teo is the founder of the Company and has been an Executive Director and Chairman of the Company since 18 November 1982. Mr Teo has been involved in the printing industry for more than 30 years and has been the main driving force behind the growth of the Company. His areas of responsibilities include business development, strategic planning and marketing. He is currently the Chairman and Managing Director of Super Group Ltd, a company listed on the mainboard of the SGX-ST.

Steven Teo Kee Chong, Managing Director

Mr Teo has been an Executive Director of the Company since 18 November 1982 and was appointed Managing Director on 19 May 1994. Mr Teo has been involved in the printing industry for more than 30 years. As the Managing Director of the Company, Mr Teo is responsible for the day-to-day operations and management of the Group. Mr Teo is also a Director of the subsidiaries of the Group.

Lim Tee Kit, Lead Independent Director

Mr Lim was appointed as a Director of the Company on 7 March 1991 and was subsequently appointed as the Lead Independent Director on 12 February 2010. He is currently the Chairman of the Remuneration Committee and also serves as a member of the Nominating and Audit Committees. Mr Lim has a Diploma in Personnel Management from National Productivity Board and a Diploma in Industrial Relations from the Singapore Institute of Labour Studies. Mr Lim has many years of experience in Industrial Relations and Human Resources. Currently, he is a sole proprietor of a Wellness company.

Tan Keh Eyo, Independent Director

Mr Tan was appointed as a Director of the Company on 18 November 1997. He is the Chairman of the Nominating Committee and is also a member of the Audit and Remuneration Committees. Mr Tan graduated with a Bachelor degree in Commerce from the Nanyang University, Singapore, in 1979. Ever since, he has been active in the Industrial Chemical Industries within the Asian region. Currently, he is a Marketing Consultant in his own company.

Lim Kang San, Independent Director

Mr Lim was appointed as a Director of the Company on 28 June 2002. He is currently the Chairman of the Audit Committee and also serves as a member of the Remuneration and Nominating Committees. Mr Lim graduated from Monash University, Australia, with a Bachelor's Degree majoring in Accounting in 1985 and a Bachelor's Degree in Law in 1986. He runs his own business in Malaysia. Mr Lim is a Director of several private companies and a business consultant to several other companies. He is also an independent director of Super Group Ltd.

Ang Kim Ton, Non-Executive Director

Mdm Ang was re-appointed as a Director of the Company on 27 April 2015. She was a Director of the Company from 1982 until her retirement in April 2008. She came out of retirement and was appointed on 28 April 2011 and has been re-appointed every year since.

KEY EXECUTIVES' PROFILE

Adrian Teo Kee Tiong
Managing Director of Fuji Roto Gravure Sdn Bhd

Mr Teo was appointed as the Managing Director of Fuji Roto Gravure Sdn Bhd ("FRG"), an indirect 65%-owned subsidiary of the Group, on 2 December 1999. He has been with FRG as its Executive Director and minority shareholder since its inception in 1995. Prior to that, Mr Teo was with Fuji Printing Cylinders Pte Ltd, the holding company of FRG, as its General Manager/Assistant to the Chairman from 1992 to 2004. Mr Teo graduated with a Bachelor degree in Business Administration from the National University of Singapore.

Lim Jit Toong
Executive Director of Fuji Offset Plates (M) Sdn Bhd,
Director of Fujiplates Manufacturing Sdn Bhd

Mr Lim was appointed as an Executive Director of Fuji Offset Plates (M) Sdn Bhd ("FOPM"), an indirect 60%-owned subsidiary of the Group, on 1 January 2009. He is also a minority shareholder of FOPM. Prior to his appointment, Mr Lim was with Fujiplates Sdn Bhd, a related company of the Group, as its Executive Director from its inception in 1984 to its dissolution in December 2008.

Mr Lim has been involved in the printing industry for more than 30 years. His main areas of responsibilities include the business development, sales and marketing of the Group's conventional offset and computer-to-plate ("CTP") printing plates in Malaysia.

Mr Lim is also a Director of the Company's wholly-owned subsidiary, Fujiplates Manufacturing Sdn Bhd, the holding company of FOPM.

Chua Thiam Chye
Group Financial Controller

Mr Chua was appointed as the Group Financial Controller on 1 January 2003. He graduated with a degree in Business Administration from the University of Singapore. He has had extensive experience in various functions, mainly accounting and finance, from a multi-national company.

Eddie Teo Kwei Chieh
Assistant General Manager of Fujiplates Manufacturing Sdn Bhd

Mr Teo joined the Group on 19 July 1994 as the Financial Controller of Fujiplates Manufacturing Sdn Bhd ("FPM"), a direct wholly-owned subsidiary of the Company, and is currently the Assistant General Manager of FPM. He has more than 16 years of working experience in banking operations and finance with a local bank as well as in manufacturing, business set-up and management. He graduated with a Bachelor of Science degree in Finance and Management Information Systems from the Ohio State University.

Teo Weixian
Business Development Manager of the Company

Mr Teo was appointed as the Business Development Manager of the Company on 1 May 2008. He holds a Bachelor of Commerce degree from the University of New South Wales. Mr Teo's main responsibilities include assisting the Managing Director of the Company in the smooth running of its business operations and developing, planning and implementing policies and activities for the Group's diversification and development.

CORPORATE GOVERNANCE

The Directors and Management of Fuji Offset Plates Manufacturing Ltd (the "Company") are committed to high standards of corporate governance. The Board adopts practices based on the Code of Corporate Governance 2012 (the "Code"). All references to the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") shall mean the Listing Manual Section B: Rules of Catalist of the SGX-ST.

Board's Conduct of its Affairs – Principle 1
Board Composition and Guidance – Principle 2

The Board sets the overall strategy and policies of the Group on matters such as financial control, financial performance and risk management procedures. These functions are carried out either directly or delegated to Board committees, namely the Audit Committee (the "AC"), Nominating Committee (the "NC") and Remuneration Committee (the "RC").

The Board has adopted internal guidelines for matters requiring Board approval, including but not limited to the appointment of Directors (as recommended by the NC) and their remuneration packages (as recommended by the RC), Board sub-committees and material transactions, including investment in and disposal of securities, subsidiaries and associates, operation of banking accounts, credit facilities, bank deposits, provision of corporate guarantees and the provision, capitalization, and denomination of loans to subsidiaries. The Board also approves the half year and full year results announcements, Interested Person Transactions and Annual Reports of the Company.

During the financial year ended 31 December 2015 ("FY2015"), the Board consists of two executive Directors and four non-executive Directors, three of whom are independent. Notwithstanding the fact that Mr Lim Kang San, Mr Tan Keh Eyo and Mr Lim Tee Kit has each served on the Board beyond nine years, the NC and the Board considers each of them to be independent as they do not hold any shares in the Company, receive only a fixed fee income from the Company, and are independent in character and judgement, and do not have any relationships that could interfere with the exercise of the directors' independent business judgement. The above Directors have exercised independence in their views and judgement in the Board and Board Committee meetings, and have displayed characteristics expected of independent directors.

The Board meets at least twice a year. Ad-hoc Board meetings will be held as and when necessary. A total of two Board meetings were held in FY2015. Directors may participate in a meeting of the Board by means of telephone conference, videoconferencing, audio visual or other similar communications equipment under the Company's Constitution.

The composition of the Board and Board committees are as follows:

Director	**Designation**	**Committee Membership**		
		Audit	**Nominating**	**Remuneration**
David Teo Kee Bock	Executive Chairman	-	-	-
Steven Teo Kee Chong	Managing Director	-	-	-
Ang Kim Ton	Non-Executive Director	-	-	-
Lim Kang San	Independent Director	Chairman	Member	Member
Tan Keh Eyo	Independent Director	Member	Chairman	Member
Lim Tee Kit	Lead Independent Director	Member	Member	Chairman

CORPORATE GOVERNANCE

The attendance of the Directors at the Board and Board committees meetings held in FY2015 are as follows:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Name of Directors								
David Teo Kee Bock	2	2	NA	NA	NA	NA	NA	NA
Steven Teo Kee Chong	2	2	NA	NA	NA	NA	NA	NA
Ang Kim Ton	2	1	NA	NA	NA	NA	NA	NA
Lim Kang San	2	2	2	2	1	1	1	1
Tan Keh Eyo	2	2	2	2	1	1	1	1
Lim Tee Kit	2	2	2	2	1	1	1	1

NA denotes Not Applicable

Where appropriate, the Directors receive relevant briefings from time to time on new updates in relation to regulatory changes to accounting standards, Listing Manual, corporate governance and other regulations or statutory requirements. In FY2015, the Directors were briefed by external auditors and the company secretary on changes in accounting standards and key changes to the Companies (Amendment) Act 2014, the Financial Reporting Surveillance Program and other regulatory requirements.

The Board comprises Directors who provide core competencies in accounting and finance, business experience, industry knowledge, strategic planning, legal knowledge and customer based experience and knowledge. Key information such as academic, professional and commercial qualifications of each Director is set out on page 8 of this Annual Report.

Chairman and Managing Director – Principle 3

Mr David Teo Kee Bock is the Chairman and Mr Steven Teo Kee Chong is the Managing Director. Both are executive Directors and are siblings.

Notwithstanding the above, there is a clear separation of the roles and responsibilities of the Chairman and Managing Director.

As the Chairman of the Company, Mr David Teo Kee Bock assumes responsibility for the workings of the Board, schedules meetings, prepares meeting agendas in consultation with the Managing Director, exercises control of the quantity, quality and timeliness of the flow of information between the Management and the Board and assists in ensuring compliance with the Group's guidelines on corporate governance. At the same time, the Chairman is also involved with providing the strategic direction of the Group, business development and enhancing ties with the Group's customers.

As the Managing Director of the Company, Mr Steven Teo Kee Chong is responsible for the day-to-day operations and management of the Group.

In view of the relationship between Mr David Teo Kee Bock and Mr Steven Teo Kee Chong, Mr Lim Tee Kit was appointed as the Lead Independent Director of the Company on 12 February 2010 and will be available to shareholders where they have concerns which cannot be resolved through the normal channel of the Chairman, Managing Director or Group Financial Controller or for which such contact is inappropriate. Also, the Independent Directors make up half the Board members. After meeting with shareholders or when there are issues to be discussed, the Lead Independent Director will lead meetings with other Independent Directors and provide feedback, where appropriate, to the Chairman after such meetings.

CORPORATE GOVERNANCE

Board Membership – Principle 4
Board Performance - Principle 5

The NC comprises three non-executive independent Directors and its Terms of Reference govern the responsibilities and administration of the NC. The Terms of Reference were formulated with guidance from the Code.

The members of the NC are as follows:

Tan Keh Eyo (Chairman, independent/non-executive Director)
Lim Tee Kit (Lead independent/non-executive Director)
Lim Kang San (Independent/non-executive Director)

The responsibilities of the NC include the following:

(a) identify and nominate candidates to the Board for the appointment of new Directors;
(b) review the Board structure, size and composition;
(c) review and recommend to the Board the continuation in services of any Director who has reached the age of 70 and over, pursuant to Section 153(6) the Companies Act, Chapter 50 of Singapore (which was then in force);
(d) review and recommend to the Board the retirement and re-election of Directors in accordance with the Company's Constitution at each Annual General Meeting ("AGM");
(e) review the independence of Board members and assess the adequacy of the Board members with multiple board representations;
(f) assess the effectiveness of the Board and the contributions of the Board members;
(g) review of board succession plan for directors; and
(h) review of training and professional development programmes for the Board.

Director	Age	Designation	Date of Initial Appointment	Date of Last Re-election/ Re-appointment	Present Directorships in listed companies	Past Directorships in listed companies for the preceding three (3) years
David Teo Kee Bock	65	Executive Chairman	18 November 1982	27 April 2015	Super Group Ltd	-
Steven Teo Kee Chong	62	Managing Director	18 November 1982	27 April 2015	-	-
Ang Kim Ton[1]	87	Non-Executive Director	28 April 2011	27 April 2015	-	-
Lim Tee Kit	65	Lead Independent Director	7 March 1991	28 April 2014	-	-
Tan Keh Eyo	61	Independent Director	18 November 1997	28 April 2014	-	-
Lim Kang San	54	Independent Director	28 June 2002	26 April 2013	Super Group Ltd	-

Note:

[1]Mdm Ang was first appointed as non-executive Director on 18 November 1982 until her retirement in April 2008. She came out of retirement and was appointed on 28 April 2011 and has been re-appointed every year since in accordance with the Section 153(6) of the Companies Act, Chapter 50 of Singapore which was repealed with effect from 3 January 2016.

CORPORATE GOVERNANCE

The NC has reviewed and confirmed the independence of Mr Lim Tee Kit, Mr Tan Keh Eyo and Mr Lim Kang San as noted on page 10.

In the event of a vacancy or where it is considered that the Board will benefit from the services of a new Director with particular skills, the NC will, in consultation with the Board, determine the selection criteria and select new Directors based on their experience and expertise.

Based on this criteria, the NC may approach external institutions, e.g. the Singapore Institute of Directors, search consultants or via open advertisements in the search for suitable candidates. The search for suitable candidates may also be from the contacts and network of existing Directors and management. Next, the NC will conduct formal interviews with shortlisted candidates to assess their suitability and ensure that the candidates meet its criteria and expectations. After the selection process, the NC will make the necessary recommendation to the Board for approval. The new Directors will undergo an orientation programme to provide them with background information on the Company to gain a better understanding of the Group's business.

Pursuant to the Company's Constitution, all Directors submit themselves for re-election at least once every three years. In accordance with Article 106 of the Constitution, one-third of the Directors shall retire from office at every AGM. Mr Lim Tee Kit and Mr Lim Kang San will retire under Article 106 of the Constitution at the forthcoming AGM and will be offering themselves for re-election. The NC has recommended the re-elections of Mr Lim Tee Kit and Mr Lim Kang San as Directors of the Company. Mr Lim Tee Kit, upon re-election as a Director of the Company, remain as Lead Independent Director, Chairman of the RC and a member of the AC and NC while Mr Lim Kang San will, upon re-election as a Director of the Company, remain as Chairman of the AC and a member of the RC and NC. Mr Lim Tee Kit and Mr Lim Kang San do not have any relationship with any of the Directors, the Company and its 10% shareholders.

Mdm Ang Kim Ton was re-appointed as a Director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore at the last AGM (as Section 153 was then still in force) which y permit her re-appointment as a Director, being over 70 years of age, to hold office as Director of the Company until the forthcoming AGM. Her re-appointment at the forthcoming AGM is to authorise her continuation as a Director of a Company, from the date of the forthcoming AGM onwards without limitation in tenure save for the prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. This is consequent upon the repeal of Section 153(6) of the Companies Act, Cap. 50 of Singapore with effect from 3 January 2016. Mdm Ang Kim Ton has offered herself for re-appointment as a Director of the Company. The NC has recommended the re-appointment of Mdm Ang Kim Ton as a Director at the forthcoming AGM. Mdm Ang Kim Ton will, upon re-appointment as a Director of the Company, remain as a non-executive and non-independent Director. Mdm Ang is a controlling shareholder of the Company, the mother of Mr David Teo Kee Bock, the Executive Chairman of the Company, and Mr Steven Teo, its Managing Director, both are also the controlling shareholders of the Company.

Please refer to the table on page 12 above and page 8 – Directors' profile for the other directorships and principal commitments of Mr Lim Tee Kit, Mr Lim Kang San and Mdm Ang Kim Ton.

The evaluation of re-appointment of a director takes into consideration, amongst other factors, the composition of the Board and each director's competencies, commitment, contribution and performance.

The NC is of the view that the current Board comprises members with diverse competencies, experience and skills that match the demands facing the Group. The NC is also of the opinion that the size of the Board is appropriate taking into account the size, scope and nature of the operations of the Group. The NC has established a self-assessment process to evaluate the performance of the Board and its Board committees as a whole during FY2015 given the complementary and collective nature of the Directors' contributions. The self-assessment process involves the evaluation of the performance of the Board and its Board committees as a whole, by each individual Director through completing a set of questionnaire, based on factors such as

CORPORATE GOVERNANCE

board structure, board process, board accountability and standards of conduct. Currently, none of the Board members hold more than two listed company's board representations and, in the interest of good corporate governance and in accordance with the requirement of the Code, each individual Director may hold not more than four listed company directorships.

Access to Information – Principle 6

Board members are provided with adequate information, including half-yearly financial management reports, prior to Board meetings and on an on-going basis. The Board has separate and independent access to senior management and the Company Secretary.

The Company Secretary and/or her nominee attends all meetings of the Board, the AC, the NC and the RC. The Directors have separate and independent access to the Company Secretary who assists the Board in ensuring that the Board procedures are followed and rules and regulations under the Listing Manual and the Companies Act are complied with. The Company Secretary prepares the minutes after each meeting.

Should Directors, whether as a group or individually, require independent professional advice, the Company will bear the expenses incurred if such advice is required to enable the Directors to discharge their duties professionally.

The Board is involved in the appointment and removal of the Company Secretary.

Procedures for Developing Remuneration Process – Principle 7
Level and Mix of Remuneration – Principle 8
Disclosure of Remuneration – Principle 9

The RC's Terms of Reference were formulated with guidance from the Code that governs the RC's responsibilities and administration. The RC comprises all non-executive independent Directors as follows:-

Lim Tee Kit	(Chairman, Lead independent/non-executive Director)
Tan Keh Eyo	(Independent/non-executive Director)
Lim Kang San	(Independent/non-executive Director)

The responsibilities of the RC include the following:

(a) recommend to the Board a framework of remuneration for Board members and key executives;
(b) determine remuneration packages for each executive Director and the Managing Director;
(c) review the remuneration packages of key executives of the Group to ensure that they are comparable within the industry and comparable companies, including performance-related elements; and
(d) review non-executive Directors' remuneration.

No Director is involved in determining his own remuneration. The RC and the Board are of the view that the remuneration packages of the executive Directors and key executives, which include a fixed component and a variable component linked to the Company's performance, is aligned to the interest of shareholders and are not excessive. The variable portion is linked to performance, and is dependent on the performance of the Group, as well as the contribution of the individual to the Group's performance. Non-executive Directors are paid a fixed fee appropriate to their level of contribution, taking into account factors such as effort, time spent and their responsibilities. Non-executive Directors' fees are tabled for shareholders' approval at every AGM. When required, the RC may seek advice, at the Company's expense, from external professionals in the field of executive compensation and related matters.

Executive Directors have service contracts which are subject to renewal every three years. The RC is of the view that the Directors' service contracts are not excessively long or with onerous removal clauses.

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Apart from the above, the Company does not have any long-term incentives, including share option schemes in place.

The following table shows a breakdown of the remuneration of Directors and key executives (in percentage terms):

Remuneration Bands	Salary	Bonus	Directors' Fees	Allowance & Other Benefits	Total Compensation
	%	%	%	%	%
Directors					
Below S$250,000					
David Teo Kee Bock	52	7	8	33	100
Steven Teo Kee Chong	58	7	9	26	100
Ang Kim Ton	-	-	100	-	100
Lim Tee Kit	-	-	100	-	100
Tan Keh Eyo	-	-	100	-	100
Lim Kang San	-	-	100	-	100
Key Executives					
Below S$250,000					
Adrian Teo Kee Tiong	49	19	-	32	100
Lim Jit Toong	82	7	-	11	100
Chua Thiam Chye	83	10	-	7	100
Eddie Teo Kwei Chieh	80	-	-	20	100
Teo Weixian	76	10	-	14	100

In view of the sensitive and confidential nature of their remuneration packages, the Company is of the view that it is in the best interest of the Company to disclose the remuneration paid to the Directors and key executives in bands of S$250,000. The aggregate total remuneration paid to the top five key executives (who are not directors or the Managing Director) is S$454,000.

The remuneration of employees who are immediate family members of a Director, and whose remuneration exceeds S$50,000 during the year are as follows:

	Relationship
S$200,000-S$250,000 Adrian Teo Kee Tiong	Brother of Mr David Teo Kee Bock and Mr Steven Teo Kee Chong, all of whom are the sons of Mdm Ang Kim Ton
S$50,000-S$100,000 Teo Weixian	Son of Mr Steven Teo Kee Chong, nephew of Mr David Teo Kee Bock and grandson of Mdm Ang Kim Ton

The remuneration disclosed is computed based on gross salaries, allowances and other benefits accruing during FY2015.

The Company does not have any termination or retirement benefits that may be granted to Directors, the Managing Director and top five key executives.

CORPORATE GOVERNANCE

Accountability – Principle 10

The Board provides shareholders with a balanced and understandable assessment of the Group's performance, position and prospects on a half-yearly basis. The Company's management currently provides the Board with the appropriate management accounts of the Group's performance, position and prospects on a half-yearly basis.

As the Company's market capitalisation was below the S$75 million threshold limit as at 31 December 2015, it is not mandatory for the Company to announce its quarterly results. In view of limited resources and costs, the Board has decided not to volunteer announcing quarterly results for the time being. The Board will continue to assess the situation for compliance with quarterly reporting. In the meantime, the Company will continue to comply with the half-year and full-year announcements of its financial results and other price sensitive information, as and when necessary, in compliance with the requirements under the Listing Manual.

Risk Management and Internal Controls – Principle 11
Audit Committee ("AC") – Principle 12
Internal Audit – Principle 13

The AC has its own Terms of Reference, which were formulated with guidance from the Companies Act and the Code. The AC currently comprises three non-executive members, all of whom are independent pursuant to Rule 704(7) of the Listing Manual:

Lim Kang San	(Chairman, independent/non-executive Director)
Tan Keh Eyo	(Independent/non-executive Director)
Lim Tee Kit	(Lead independent/non-executive Director)

Two members of the AC have accounting or related financial management expertise or experience. Besides performing the functions of the AC laid down in Section 201B(5) of the Companies Act, Chapter 50 of Singapore, the AC's duties and responsibilities include the following:

(a) reviewing the financial statements, accounting policies and system of internal accounting controls, which are the responsibility of the Board of Directors acting through the AC. The AC meets periodically with management and performs the functions specified in the Companies Act. The AC held two meetings during FY2015. In performing its functions, the AC reviewed the overall scope of internal and external audit. The AC met with the Company's internal and external auditors to discuss the scope of their work, the results of their examinations and evaluation of the Company's system of internal controls. The AC also reviewed the assistance provided by the Company's officers to the internal and external auditors;

(b) reviewing the Group's interim and annual announcements and reports before submission to the Board for approval. The AC reviewed the consolidated financial statements and the financial statements of the Company for FY2015 as well as the auditors' report thereon prior to their submission to the Board of Directors for adoption;

(c) reviewing procedures set up by the Group and the Company to identify, report and, where necessary, seek approval for related party and interested person transactions (as defined in Chapter 9 of the Listing Manual) in order to discharge the responsibilities specified in the requirements;

(d) reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes (including financial, operational, compliance and information technology controls) and any reports received from regulators;

(e) reviewing the independence of the external auditors annually and recommendation to the Board of Directors on the re-appointment of external auditors at the AGM of the Company; and

(f) reviewing the adequacy of the Group's risk management policies and systems.

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During the financial year, any changes in accounting standards and any issues which may have an impact on the Group's financial statements are highlighted to the AC by the external auditors, ensuring that the Board, through the AC, is kept abreast of such changes. The AC had conducted two meetings during the year and the duties as described above were carried out.

The AC meets with the external auditors, without the presence of the Company's management, on an annual basis. The AC had met with the external auditors once, without the presence of the Company's management, during the financial year.

Non-audit fees paid to the auditors of the Company for FY2015 amounted to S$16,000 for tax planning and compliance work. The AC has undertaken a review of all non-audit services provided by the auditors and is of the opinion that such services would not affect the independence and objectivity of the auditors. Audit fees paid to auditors of the Company for FY2015 totaled S$81,000.

The Company confirms that it has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its external auditors.

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any Director or executive officer to attend its meetings.

The Directors are responsible for the Group's system of internal controls. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal controls are designed to provide reasonable assurance that assets are safeguarded, the proper accounting records are maintained, and financial information used within the business and for publication is reliable. In designing these controls, the Directors have given regard to the risks to which the businesses are exposed, the likelihood of such risks occurring and the costs of protecting against them.

Based on the work performed by the internal and external auditors, and having reviewed the effectiveness of the Group's system of internal controls established and maintained by the Group, the Board, with the concurrence of the AC, is of the opinion that the existing internal controls addressing the financial, operational, compliance, and information technology risks, and the risk management systems are adequate and effective as at 31 December 2015.

The Board has also received assurance from the Managing Director and the Group Financial Controller that:

(a) the financial records have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Company's operations and finances; and
(b) the Company's risk management and internal control systems are adequate and effective throughout the financial year.

The Company outsources its internal audit function to an independent accountancy firm, M.S. Wong & Co. from Johor Bahru, Johor, Malaysia. The scope of the audit generally covers operational, financial controls, risk management and information technology of the main manufacturing subsidiary of the Group, i.e. Fuji Roto Gravure Sdn Bhd ("FRG"). The internal auditors reports their findings and recommendations to the AC and follow up on actions implemented in their next audit review. The AC reviews the scope and results of the internal audit annually and ensures that the internal audit function is adequately resourced. Following the review of the internal audit plan for FY2015 and their evaluation of the system of internal controls, the AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group.

The AC has adopted a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees may raise concerns about possible improprieties in matters of financial reporting or other matters such as the encounter of any improper conduct within the Group. The AC did not receive any complaint during FY2015. Procedures are in place for the proper follow-up and investigations of such whistle-blowing incidents, as and when they arise. The Group plans to extend the whistle-blowing policy to members of the public as well, and the Company will amend the policy and make the necessary public disclosure in due course.

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Shareholders Rights – Principle 14
Communication with Shareholders – Principle 15
Conduct of Shareholder Meetings – Principle 16

The Company endeavors to maintain regular and effective communication with shareholders through timely and comprehensive announcements. It has adopted a policy of making all necessary disclosures in public announcements via the SGXNET. The annual report is sent to all shareholders on a timely basis and notices of all general meetings are advertised in newspapers and announced via the SGXNET.

The Company will have separate resolutions at general meetings on each distinct issue.

At general meetings, shareholders are given the opportunity to air their views and direct questions to the Board on any matter in relation to the Group's business and operations. The Company's Constitution allow a member to appoint up to two proxies to attend and vote in his stead at general meetings.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" under Section 181(1C) of the Companies Act, Chapter 50, to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes person or corporation holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

As this legislative amendment is in favour to the Company's shareholders, the Company will adopt this new legislation in the forthcoming AGM. The Company will, in due course, seek shareholders' approval formally via special resolution for the amendment of the Constitution following the full implementation of the legislative changes under Companies Act, Chapter 50.

All Directors are encouraged to be present and available at general meetings to address shareholders' queries. The external auditors will also be present at the AGM of the Company to address any relevant queries raised by the shareholders.

In considering dividend payments, the Company takes into account, amongst other factors, current cash position, future cash requirements, profitability, retained earnings and business outlook. In this regard, the Company does not have a fixed dividend policy as having one will jeopardize the Company in times of adverse changes in market conditions. Nevertheless, it has been making dividend payments of 0.3 Singapore cents every year for the last five years. For FY2015, the Company is recommending a first and final one-tier tax-exempt dividend of 0.30 cents per share subject to shareholders' approval at the forthcoming AGM.

Dealings in Securities

The Company has established guidelines and a system of controls in monitoring the dealings in its securities by the Directors and key employees. In particular, it covers the identification of the parties subject to the control system, the reporting of securities dealings by the parties and the review of such reports by the AC. This is executed by monitoring the monthly shareholders listing to track share transactions by the Directors and key employees.

In addition, the Company has implemented a policy whereby Directors and relevant executives are prohibited from dealing in the shares of the Company commencing one month prior to the release of the half-year and full-year announcements of the Company's financial results and ending on the date of announcement of the relevant results. They are also discouraged from dealing in the Company's securities on short-term considerations.

CORPORATE GOVERNANCE

Interested Person Transactions

The Company has adopted an internal policy with regards to transactions with interested persons and has set out procedures for the review and approval of the Group's interested person transactions to ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The transactions during FY2015, for which the renewed general mandate was approved by shareholders at the AGM held on 27 April 2015, are provided below:

Name of interested person	Aggregate value of all interested person transactions during the financial year 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 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 to Fuji Printing Cylinders Pte Ltd (FPC), the provision of technical services by the Group to FRG and the lease of premises by Fujiplates Manufacturing Sdn Bhd to FRG	-	S$450,600

Risk Management

The Company does not have a separate risk management committee. Risk management oversight is through the AC while the Board is collectively responsible for the management of risks and sets the direction for the Group in the way risks are managed. The Board has ultimate responsibility for approving the strategy of the Group in addressing shareholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. Details of the Group's financial risk management objectives and policies are set out in pages 81 to 85 of this Annual Report.

Material Contracts

Save for the service contracts mentioned under the section on "Remuneration Committee" and transactions as disclosed in the "Interested Person Transactions" section above, there were no material contracts entered into by the Group involving the interests of the Directors or controlling shareholders, either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fee

There was no non-sponsor fee paid to the Sponsor, SAC Capital Private Limited for FY2015.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Fuji Offset Plates Manufacturing Ltd (the Company) and its subsidiaries (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Teo Kee Bock
Teo Kee Chong
Ang Kim Ton
Lim Tee Kit
Tan Keh Eyo
Lim Kang San

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		**Deemed interest**	
	At the beginning of financial year	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Company				
Ordinary shares				
Teo Kee Bock	11,980,250	11,980,250	10,500	10,500
Teo Kee Chong	10,884,500	10,884,500	–	–
Ang Kim Ton	8,480,000	8,480,000	–	–

DIRECTORS' STATEMENT (cont'd)

Directors' interest in shares or debentures (cont'd)

By virtue of Section 7 of the Act, Messrs Teo Kee Bock and Teo Kee Chong are deemed to have interests in the subsidiaries of Fuji Offset Plates Manufacturing Ltd, at the beginning and at the end of the financial year.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

As disclosed in Note 25 of the accompanying financial statements, the Company and its related corporations have, in the normal course of business, entered into various transactions with two directors, and a company in which a director has substantial financial interests. However, the directors have neither received nor become entitled to receive any benefit arising out of these transactions other than those to which they are ordinarily entitled to as shareholders of these companies.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit Committee

The Audit Committee (the "AC") comprises three members, all of whom are non-executive directors. All of its members, including the Chairman, are independent.

The AC met as necessary and carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter. 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half yearly announcement and annual financial statements and the auditors' report on the annual financial statements before submission to the board of directors;
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

DIRECTORS' STATEMENT (cont'd)

Audit Committee (cont'd)

- Reviewed the cost effectiveness and independence and objectivity of the external auditors; and
- Recommends to the board of directors the external auditors to be nominated and reviewed the scope and results of the audit.

The Board of Directors and the Audit Committee have reviewed the adequacy of the Group's internal controls, including financial, operational, compliance, information technology risk and risk management systems. The Board of Directors with the concurrence of the Audit Committee is of the opinion that the system of internal controls in place are adequate in meeting the current scope of the Group's business operations.

Further information regarding the AC is disclosed in the Report on Corporate Governance.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors:

Teo Kee Chong
Director

Teo Kee Bock
Director

Singapore
31 March 2016

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2015

Independent Auditor's Report to the Members of Fuji Offset Plates Manufacturing Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Fuji Offset Plates Manufacturing Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 25 to 89, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2015 (cont'd)

Independent Auditor's Report to the Members of Fuji Offset Plates Manufacturing Ltd (cont'd)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Revenue	3	5,585	6,859
Cost of sales		(3,426)	(3,802)
Gross profit		2,159	3,057
Other income		8,029	90
Distribution expenses		(468)	(488)
Administrative expenses		(2,152)	(2,345)
Other expenses		–	(831)
Results from operating activities		7,568	(517)
Finance income (net)	4	547	226
Share of results of associate (net of tax)		(5)	–
Profit/(loss) before tax	6	8,110	(291)
Income tax expense	5	(685)	(356)
Profit/(loss) for the year		7,425	(647)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Revaluation of property		501	–
Foreign currency translation		(2,653)	(221)
Other comprehensive income for the year, net of tax		(2,152)	(221)
Total comprehensive income for the year		5,273	(868)
Attributable to:			
Owners of the Company		5,386	(1,062)
Non-controlling interests		(113)	194
Total comprehensive income for the year		5,273	(868)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Attributable to:			
Owners of the Company		7,163	(915)
Non-controlling interests		262	268
Profit/(loss) for the year		7,425	(647)
Earnings/(loss) per share attributable to owners of the Company			
Basic and diluted (cents per share)	22	14.35	(1.83)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	7	5,699	5,347	28	100
Intangible asset	8	–	–	–	–
Investment properties	9	965	1,115	–	–
Subsidiaries	10	–	–	9,231	14,786
Long-term prepayments	12	527	638	–	–
Investment in associate	11	61	–	–	–
Long-term loan due from associate	14	3,327	–	–	–
Other receivable	14	6,022	–	6,022	–
		16,601	7,100	15,281	14,886
Current assets					
Investment property held for sale	9	–	4,504	–	–
Investment in associate	11	–	482	–	482
Inventories	13	679	811	10	5
Prepayments		56	46	–	–
Trade and other receivables	14	1,592	1,858	107	120
Tax recoverable		355	112	–	–
Cash and cash equivalents	15	11,536	11,487	1,962	2,907
		14,218	19,300	2,079	3,514
Total assets		30,819	26,400	17,360	18,400
Current liabilities					
Trade and other payables	16	784	1,911	198	174
Loans and borrowings	17	34	–	–	–
Provision		28	34	10	12
Current tax payable		–	42	–	–
		846	1,987	208	186
Non-current liabilities					
Loans and borrowings	17	136	–	–	–
Deferred tax liabilities	19	726	425	–	–
		862	425	–	–
Total liabilities		1,708	2,412	208	186

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

BALANCE SHEETS
As at 31 December 2015(cont'd)

	Note	Group		Company	
		2015	**2014**	**2015**	**2014**
		$'000	$'000	$'000	$'000
Equity attributable to owners of the Company					
Share capital	20	14,807	14,807	14,807	14,807
Reserves	21	11,641	6,405	2,345	3,407
		26,448	21,212	17,152	18,214
Non-controlling interests		2,663	2,776	–	–
Total equity		29,111	23,988	17,152	18,214
Total equity and liabilities		30,819	26,400	17,360	18,400

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2015

Group	Share capital $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company						
At 1 January 2015	14,807	(6,691)	995	12,101	21,212	2,776	23,988
Profit for the year	–	–	–	7,163	7,163	262	7,425
Other comprehensive income							
Net surplus on revaluation of leasehold buildings	–	–	501	–	501	–	501
Foreign currency translation	–	(2,278)	–	–	(2,278)	(375)	(2,653)
Total comprehensive income for the year	–	(2,278)	501	7,163	5,386	(113)	5,273
Dividends on ordinary shares (Note 23)	–	–	–	(150)	(150)	–	(150)
At 31 December 2015	14,807	(8,969)	1,496	19,114	26,448	2,663	29,111
At 1 January 2014	14,807	(4,820)	995	11,442	22,424	3,574	25,998
(Loss)/profit for the year	–	–	–	(915)	(915)	268	(647)
Other comprehensive income							
Foreign currency translation	–	(147)	–	–	(147)	(74)	(221)
Functional currency change in subsidiary	–	(1,724)	–	1,724	–	–	–
Total comprehensive income for the year	–	(1,871)	–	809	(1,062)	194	(868)
Dividends on ordinary shares (Note 23)	–	–	–	(150)	(150)	–	(150)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	(992)	(992)
At 31 December 2014	14,807	(6,691)	995	12,101	21,212	2,776	23,988

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2015 (cont'd)

Company	**Share capital** $'000	**Retained earnings** $'000	**Total** $'000
At 1 January 2015	14,807	3,407	18,214
Profit for the year	–	(912)	(912)
Total comprehensive income for the year	–	(912)	(912)
Dividends on ordinary shares (Note 23)	–	(150)	(150)
At 31 December 2015	14,807	2,345	17,152
At 1 January 2014	14,807	2,770	17,577
Profit for the year	–	787	787
Total comprehensive income for the year	–	787	787
Dividends on ordinary shares (Note 23)	–	(150)	(150)
At 31 December 2014	14,807	3,407	18,214

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Operating activities			
Profit/(loss) before tax		8,110	(291)
Adjustments for:			
Depreciation of property, plant and equipment	7	556	646
Depreciation of investment properties	9	8	84
Gain on disposal of investment property	6	(7,771)	–
Impairment loss on property, plant and equipment	6	–	50
Gain on disposal of property, plant and equipment	6	(132)	(14)
Inventory written off		–	30
Write back of doubtful debts	14	–	(20)
Amortisation of long-term prepayments	12	32	35
Share of results of associate		5	–
Impairment loss on other receivables	6	–	831
Interest expense		3	–
Interest income	4	(453)	(124)
Operating cash flows before changes in working capital		358	1,227
Changes in working capital:			
Decrease/(increase) in inventories		32	(30)
Decrease in trade and other receivables		74	85
(Increase)/decrease in prepayments		(10)	11
(Decrease)/increase in trade and other payables		(987)	75
Cash flows (used in)/generated from operations		(533)	1,368
Income taxes paid		(848)	(372)
Interest received		453	124
Net cash flows (used in)/generated from operating activities		(928)	1,120
Investing activities			
Purchase of property, plant and equipment	7	(512)	(120)
Proceeds from disposal of investment property		12,015	–
Proceeds from disposal of property, plant and equipment		132	14
Proceeds from liquidation of associate		482	–
Investment in associate		(71)	–
Proceeds from partial settlement of other receivables		–	119
Deposit received on sale of investment property		–	1,085
Net cash flows generated from investing activities		12,046	1,098

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2015 (cont'd)

	Note	2015 $'000	2014 $'000
Financing activities			
Interest paid		(3)	–
Dividends paid to owners of the Company	23	(150)	(150)
Dividends paid to non-controlling interests of a subsidiary		–	(992)
Payments to hire purchase creditors		(15)	–
Loan to associate	14	(3,593)	–
Increase in other receivables	14	(6,022)	–
Net cash flows used in financing activities		(9,783)	(1,142)
Net increase in cash and cash equivalents		1,335	1,076
Effect of exchange rate changes on cash and cash equivalents		(1,286)	(164)
Cash and cash equivalents at 1 January		11,487	10,575
Cash and cash equivalents at 31 December		11,536	11,487

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

1. Corporate information

Fuji Offset Plates Manufacturing Ltd (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 2 Jalan Rajah #06-28, Golden Wall Flatted Factory, Singapore 329134.

The principal activities of the Company are those relating to the sale of aluminium offset plates, trading of related industrial chemicals for the printing industry and investment holding.

The principal activities of the subsidiaries and associates are disclosed in Note 10 and 11 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on 1 January 2015. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards that have been issued but are not yet effective:

Description	*Effective for annual periods beginning on or after*
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisition of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendment to FRS 19 *Employee Benefits*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale for Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entity: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

<u>FRS 115 *Revenue from Contracts with Customers*</u>

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 115 *Revenue from Contracts with Customers* *(cont'd)*

Either a full or modified retrospective application is required for annual periods beginning on 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 ***Basis of consolidation***

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.4 ***Basis of consolidation (cont'd)***

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.4 ***Basis of consolidation (cont'd)***

(b) Business combinations and goodwill (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 ***Foreign currency***

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2. Summary of significant accounting policies (cont'd)

2.6 ***Foreign currency (cont'd)***

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The Group has elected to recycle the accumulated exchange differences in the separate component of other comprehensive income that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the buildings at the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.7 ***Property, plant and equipment (cont'd)***

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold buildings	-	30 to 60 years
Plant and machinery	-	2 to 10 years
Renovations	-	2 to 10 years
Office equipment, furniture and fittings	-	2 to 10 years
Motor vehicles	-	6 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 ***Intangible assets***

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.9 ***Long-term prepayments***

Long-term prepayments represents premium paid on leasehold land. Long-term prepayments are stated at cost less accumulated amortisation and impairment losses. They are amortised in profit or loss using the straight-line method over their lease terms ranging from 30 to 60 years.

2.10 ***Investment properties***

Investment properties are properties that are either owned by the Group or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met and they are accounted for as finance leases.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at cost less depreciation and accumulated impairment losses.

Depreciation is provided on the straight-line basis so as to write-off the cost of the investment property over its estimated useful life of 50 years.

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment properties.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.11 ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.12 ***Associates***

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate profit or loss in the period in which the investment is acquired.

Under the method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Summary of significant accounting policies (cont'd)

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 ***Financial instruments***

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group has not designated any financial asset initial recognition at fair value through profit or loss.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. Summary of significant accounting policies (cont'd)

2.14 ***Financial instruments (cont'd)***

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of other financial liabilities, not at fair value through profit or loss, directly attributable transaction costs.

The Group has not designated any financial liability upon initial recognition at fair value through profit or loss.

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (cont'd)

2.15 ***Impairment of financial assets (cont'd)***

(a) Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (cont'd)

2.16 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.17 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average cost basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 ***Employee benefits***

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. As for the companies in Malaysia, the companies make contributions to the Employee Provident Fund Scheme in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Summary of significant accounting policies (cont'd)

2.20 ***Employee benefits (cont'd)***

(b) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.21 ***Leases***

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(b). Contingent rents are recognised as revenue in the period in which they are earned.

2. Summary of significant accounting policies (cont'd)

2.22 ***Non-current assets held for sale***

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Investment properties once classified as held for sale are not depreciated or amortised.

2.23 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements except for a subsidiary which is acting as an agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2. Summary of significant accounting policies (cont'd)

2.24 ***Taxes***

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.24 ***Taxes (cont'd)***

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.25 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.27 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (cont'd)

2.28 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. Summary of significant accounting policies (cont'd)

2.29 *Significant accounting judgments and estimates*

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

2.29.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has not made any significant judgment, apart from those involving estimations.

2.29.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant in delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 14 to the financial statements.

(b) Income taxes

The Group has exposure to income taxes in 2 jurisdictions. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax recoverable, income tax payable and deferred tax liabilities at the balance sheet date was $355,000 (2014:$112,000), Nil (2014: $42,000) and $726,000 (2014: $425,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

3. Revenue

	Group 2015 $'000	Group 2014 $'000
Sales of goods	5,480	6,178
Rental income	105	681
	5,585	6,859

Revenue represents the net invoiced value of goods sold and services rendered in the normal course of business. All inter-company transactions have been eliminated in arriving at the Group's revenue.

4. Finance income (net)

	Group 2015 $'000	Group 2014 $'000
Interest income on bank deposits	453	124
Exchange gain, net	97	102
	550	226
Hire purchase interest	(3)	–
	547	226

5. Income tax expense

	Group 2015 $'000	Group 2014 $'000
Current tax expense		
Current year	502	319
Underprovision in respect of prior years	26	82
	528	401
Deferred tax expense (Note 19)		
Movement in temporary differences	163	(25)
Overprovision in respect of prior years	(6)	(20)
	157	(45)
Income tax expense recognised in profit or loss	685	356

5. Income tax expense (cont'd)

Reconciliation of effective tax rate

Relationship between tax expense and profit/(loss) before tax

The reconciliation between tax expense and the product of profit/(loss) before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 is as follows:

	Group	
	2015	**2014**
	$'000	$'000
Profit/(loss) before tax	8,110	(291)
Tax at the domestic rates applicable to profits in the countries where the Group operates	2,091	50
Income not subject to taxation	(1,589)	–
Expenses not deductible for tax purposes	38	181
Deferred tax assets not recognized	142	106
Benefits from previously unrecognized tax losses	(23)	
Tax incentive	(8)	(12)
Share of results of associate	1	–
Underprovision in respect of prior years	20	62
Others	13	(31)
	685	356

The corporate income tax rate applicable to Singapore companies of the Group is 17% (2014: 17%).

Malaysian subsidiaries current income tax is calculated at the statutory rate of 25% (2014: 25%) of the estimated assessable profit for the years.

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

6. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2015	**2014**
	$'000	$'000
Other income		
Gain on disposal of investment property	(7,771)	–
Gain on disposal of property, plant and equipment	(132)	(14)
Other income arising from sale of aluminum scrap	(72)	(24)
Cost of sales and expenses		
Allowance for doubtful receivables	–	1
Write back of allowance for doubtful receivables	–	(21)
Allowance for doubtful other receivables	–	831
Impairment loss on property, plant and equipment	–	50
Amortisation of long-term prepayments (Note 12)	32	35
Depreciation of property, plant and equipment (Note 7)	556	646
Depreciation of investment properties (Note 9)	8	84
Audit fees paid to:		
Auditors of the Company	58	58
Other auditors	23	24
Non-audit fees paid to:		
Auditors of the Company	10	10
Other auditors	6	5
Operating lease expenses	52	53
Employee benefits expenses (Note 18)	1,965	2,172
Inventories recognised as an expense in cost of sales (Note 13)	1,667	1,543

NOTES TO THE FINANCIAL STATEMENTS
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7. Property, Plant and Equipment

Group	At valuation Leasehold buildings $'000	At cost Plant and machinery $'000	At cost Renovations $'000	At cost Office equipment, furniture and fittings $'000	At cost Motor vehicles $'000	Total $'000
Cost/valuation						
At 1 January 2014	3,595	16,078	290	2,136	1,490	23,589
Additions	–	85	–	27	8	120
Disposals	–	–	–	–	(60)	(60)
Translation difference	234	(982)	(24)	(210)	126	(856)
At 31 December 2014	3,829	15,181	266	1,953	1,564	22,793
Revaluation surplus	668	–	–	–	–	668
Elimination of accumulated depreciation on revaluation	(180)	–	–	–	–	(180)
Additions	–	154	–	83	474	711
Disposals	–	(146)	–	(71)	(398)	(615)
Translation difference	(303)	(1,458)	(20)	(239)	(129)	(2,149)
At 31 December 2015	4,014	13,731	246	1,726	1,511	21,228
Accumulated depreciation and impairment losses						
At 1 January 2014	62	14,399	219	2,091	1,135	17,906
Depreciation for the year	71	345	7	37	186	646
Impairment loss	–	26	–	24	–	50
Disposals	–	–	–	–	(60)	(60)
Translation difference	8	(947)	(1)	(273)	117	(1,096)
At 31 December 2014	141	13,823	225	1,879	1,378	17,446
Depreciation for the year	65	305	6	39	141	556
Elimination of accumulated depreciation on revaluation	(180)	–	–	–	–	(180)
Disposals	–	(146)	–	(71)	(398)	(615)
Translation difference	(26)	(1,327)	(14)	(225)	(86)	(1,678)
At 31 December 2015	–	12,655	217	1,622	1,035	15,529
Net carrying amount						
At 31 December 2014	3,688	1,358	41	74	186	5,347
At 31 December 2015	4,014	1,076	29	104	476	5,699

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

7. Property, plant and equipment (cont'd)

Company	**Plant and machinery**	**Renovations**	**Office equipment, furniture and fittings**	**Motor vehicles**	**Total**
	$'000	$'000	$'000	$'000	$'000
Cost/valuation					
At 1 January 2014, 1 January and 31 December 2015	12	114	96	606	828
Accumulated depreciation					
At 1 January 2014	11	114	87	447	659
Depreciation for the year	1	–	6	102	109
Disposals	–	–	–	(40)	(40)
At 31 December 2014	12	114	93	509	728
Depreciation for the year	–	–	2	70	72
Disposals	–	–	–	–	–
At 31 December 2015	12	114	95	579	800
Net carrying amount					
At 31 December 2014	–	–	3	97	100
At 31 December 2015	–	–	1	27	28

Revaluation of leasehold buildings

The Group's leasehold buildings at PLO 210, Jalan Angkasa Mas Utama, Tebrau II Industrial Estate 81100 Johor Bahru, Johor, Malaysia and PLO 158, Jalan Angkasa Mas 6, Tebrau II Industrial Estate 81100 Johor Bahru, Johor, Malaysia are stated based on an independent professional valuation carried out on 31 December 2015 by PA International Property Consultants Sdn Bhd based on most recent construction cost of similar industrial building less certain allowances to reflect the building's existing condition. Details of valuation techniques and inputs used are disclosed in Note 27.

If the leasehold buildings were measured using the cost model, the carrying amount would have been $1,907,000 (2014: $2,256,000).

7. Property, plant and equipment (cont'd)

Assets held under hire purchase

The carrying amount of motor vehicles held under hire purchase at the balance sheet date is $320,000 (2014: Nil).

In 2015, the Group acquired property, plant and equipment with an aggregate cost of $711,000 (2014: $120,000) of which $199,000 (2014: Nil) was financed under hire purchase arrangements. Cash payments of $512,000 (2014: $120,000) were made to purchase property, plant and equipment.

Assets pledged as security

The Group's leasehold buildings with a carrying amount of $4,014,000 (2014: $3,688,000) are pledged to secure banking facilities granted to a subsidiary.

8. Intangible asset

Group	**Technical know-how** $'000
Cost	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	110
Accumulated amortisation	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	110
Net carrying amount	
At 31 December 2014 and 31 December 2015	–

9. Investment properties

	Group	
	2015	**2014**
	$'000	$'000
Balance Sheet:		
Cost		
At 1 January	1,444	7,193
Transfer to investment property held for sale	–	(5,539)
Translation difference	(189)	(210)
At 31 December	1,255	1,444
Accumulated depreciation		
At 1 January	329	1,173
Transfer to investment property held for sale	–	(1,035)
Depreciation for the year	8	84
Translation difference	(47)	107
At 31 December	290	329
Net carrying amount		
At 1 January	1,115	6,020
At 31 December	965	1,115
Valuation of investment properties	1,911	2,191
Income Statement:		
Rental income from investment properties:		
- Minimum lease payments	105	681
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	9	91

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

The fair value of the investment properties is based on valuations performed by Vest Land Real Estate Agency, an independent valuer with recent experience in the location and category of the properties being valued. The valuations are based on estimated marketable price of the factory and industrial land by the independent valuer. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

9. Investment properties (cont'd)

Properties pledged as security

Investment properties amounting to $401,000 (2014: $467,000) were mortgaged to secure banking facilities granted to a subsidiary.

The investment properties held by the Group as at 31 December 2015 are as follows:

Description and Location	Existing Use	Tenure
PTD 62910, Mukim Tebrau	Industrial	Freehold
Lots 4070 and 4078, Mukim of Tebrau	Industrial	Freehold

Investment property held for sale

The Group has entered into a sale and purchase agreement with K-Fix Production Sdn. Bhd., an unrelated party on 29 August 2014, in respect of the investment property located at Lot 2592, Jalan Perindustrian 3, Senai Industrial Estate II, Senai with a carrying value of $4,504,000 as of 31 December 2014.

The purchase consideration of the investment property was $13,671,000. The purchase consideration was based on the valuation performed as at 2 September 2014 by an independent valuer with consideration of current market conditions with the prevailing transacted prices in the vicinity of the investment property held for sale.

The sale of this investment property was completed on 20 January 2015. A gain on disposal of the investment property amounting to $7,771,000 is recognized as other income in the consolidated statement of comprehensive income for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS
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10. Subsidiaries

	Company 2015	Company 2014
	$'000	$'000
Shares, at cost	5,758	5,758
Long-term loan to a subsidiary	3,473	9,028
	9,231	14,786

The long-term loan to a subsidiary is non-trade in nature, unsecured and interest-free. Accordingly, the fair value of the loan is not determinable as the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is, in substance, a part of the entity's net investment in the subsidiary, it is stated at cost.

(a) Composition of the Group

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2015 %	2014 %
Held by the Company:				
Fuji Printing Cylinders Pte Ltd *	Singapore	Trading in printing cylinders and its related products	100	100
Fujiplates Manufacturing Sdn. Bhd. **	Malaysia	Sale of offset printing plates and materials in printing industries and letting of properties	100	100
Held through Fuji Printing Cylinders Pte Ltd:				
Fuji Roto Gravure Sdn. Bhd. **	Malaysia	Manufacture and sale of gravure printing cylinders and related services in the printing industry	65	65
Held through Fujiplates Manufacturing Sdn Bhd:				
Fuji Offset Plates (M) Sdn Bhd. **	Malaysia	Sale of offset printing plates and materials in printing industries	60	60

* Audited by Ernst & Young LLP Singapore.
** Audited by member firm of Ernst & Young Global in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

10. Subsidiaries (cont'd)

(b) Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
		%	$'000	$'000	$'000
31 December 2015:					
Fuji Roto Gravure Pte Ltd	Malaysia	35	285	2,438	–
31 December 2014:					
Fuji Roto Gravure Pte Ltd	Malaysia	35	298	1,501	992

(c) Summarised financial information about a subsidiary with material NCI

Summarised financial information before intercompany eliminations of a subsidiary with material NCI are as follows:

	Fuji Roto Gravure Pte Ltd	
	2015	**2014**
	$'000	$'000
Summarised statement of financial position		
Current		
Assets	6,087	6,362
Liabilities	(426)	(570)
Net current assets	5,661	5,792
Non-current		
Assets	1,515	1,417
Liabilities	(210)	(88)
Net non-current assets	1,305	1,329
Net assets	6,966	7,121

NOTES TO THE FINANCIAL STATEMENTS
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10. Subsidiaries (cont'd)

	Fuji Roto Gravure Pte Ltd 2015 $'000	Fuji Roto Gravure Pte Ltd 2014 $'000
Summarised statement of comprehensive income		
Revenue	4,757	5,498
Profit before taxation	1,050	1,118
Profit for the year	815	852
Other comprehensive income	–	–
Total comprehensive income	815	852
Other summarised information		
Net cash flows from operating activities	914	1,035
Acquisition of property, plant and equipment	(514)	(103)

11. Investment in associate

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Shares, at cost	66	1,000	–	1,000
Less:				
Share of results	(5)	(326)	–	–
Provision for impairment loss	–	(192)	–	(518)
	61	482	–	482

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2015 %	Proportion (%) of ownership interest 2014 %
Pioneer Membrane Pte Ltd (formerly known as JSE Engineering Pte Ltd)*	Singapore	Research of membrane applications, membrane manufacturing & other manufacturing works	–	40
IPark Development Sdn Bhd	Malaysia	Property development and letting of properties	20	–

* The company was dissolved in November 2015.

11. Investment in associate (cont'd)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2015	**2014***
	$'000	$'000
Assets and liabilities:		
Total assets	16,312	786
Total liabilities	16,008	–
Results:		
Loss for the year	24	–

* The associate, Pioneer Membrane Pte Ltd, was dissolved in November in 2015.

12. Long-term prepayments

	Group	
	2015	**2014**
	$'000	$'000
Premium paid on leasehold land, at cost	1,217	1,512
Effect in change in functional currency	–	(295)
	1,217	1,217
Less:		
Accumulated amortisation		
At 1 January	539	579
Effect in change in functional currency	–	(75)
Amortisation charge for the year	32	35
At 31 December	571	539
	646	678
Translation differences	(119)	(40)
Net carrying amount	527	638

The long-term prepayments are mortgaged to secure banking facilities granted to a subsidiary.

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13. Inventories

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Balance sheet:				
Raw materials	415	612	–	–
Work-in-progress	83	95	–	–
Finished goods	181	104	10	5
	679	811	10	5
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales (Note 6)	1,667	1,543	13	50
Inventories recognised as an expense in administrative expenses	–	30	–	–

14. Trade and other receivables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Current:				
Trade receivables	1,484	1,687	–	14
Deposits	15	16	3	3
Other receivables	77	127	1	3
Amounts due from related parties (trade)	16	28	1	12
Amounts due from a subsidiary	–	–	102	88
	1,592	1,858	107	120
Non-current:				
Long-term loan due from associate	3,327	–	–	–
Other receivable	6,022	–	6,022	–
Total trade and other receivables (current and non-current)	10,941	1,858	6,129	120
Add:				
Cash and cash equivalent (Note 15)	11,536	11,487	1,962	2,907
Total loans and receivables	22,477	13,345	8,091	3,027

Trade and other receivables (current)

Trade receivables and amounts due from related parties and amounts due from a subsidiary are non-interest bearing, generally on 30 to 90 days' terms and to be settled in cash. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

14. Trade and other receivables (cont'd)

Long-term loan due from associate (non-current)

Long-term loan due from associate is unsecured and bears interest at 6 month Kuala Lumpur Interbank Offered Rate (KLIOR) + 0.5% per annum. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. This loan is for the purpose of purchasing and carrying out development on three parcels of land in Malaysia by the associate.

Other receivable (non-current)

Other receivable relates to amounts advanced to a company in Cambodia, Star City Property Development Co., Ltd (“Star City”). The advance is for purpose of purchasing and carrying out development of residential and commercial units for sale on two parcels of land in Cambodia (“Property”) by Star City. The Company and Star City have been in discussions on the Company participating as an equity holder in a joint venture involving the Property. The amount is proposed to be partly capitalized as the Company’s equity participation in Star City and is unsecured and non-interest bearing. Accordingly, the advance is recorded as non-current other receivables. If the mutual agreement and definitive agreements relating to equity participation is not executed by August 2016, Star City shall make full repayment of the advance to the Company.

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables (including amounts due from related parties) amounting to $683,000 (2014: $866,000) and Nil (2014: $9,000) respectively, that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

Group	**Gross**	
	2015	**2014**
	$’000	$’000
Past due 0 – 30 days	266	265
Past due 31 – 90 days	312	503
More than 90 days	105	98
	683	866
Company		
Past due 0 – 30 days	–	3
Past due 31 – 90 days	–	1
More than 90 days	–	5
	–	9

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due up to 90 days. These receivables are mainly due from customers that have a good payment record with the Group.

14. Trade and other receivables (cont'd)

(a) Trade receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Trade receivables – nominal amounts	177	185	–	7
Less: Allowance for doubtful amounts	(72)	(87)	–	(2)
	105	98	–	5
Movement in allowance accounts:				
At 1 January	(87)	(107)	(2)	(2)
Allowance for doubtful receivables	–	(1)	–	–
Impairment loss reversed	–	21	–	–
Written off	3	–	2	–
Exchange differences	12	–	–	–
At 31 December	(72)	(87)	–	(2)

Amounts due from related parties are unsecured. There is no allowance for doubtful debts on these outstanding balances.

(b) Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Other receivables – nominal amounts	831	831	831	831
Less: Allowance for doubtful amounts	(831)	(831)	(831)	(831)
	–	–	–	–

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14. Trade and other receivables (cont'd)

(b) Other receivables that are impaired (cont'd)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Movement in allowance accounts:				
At 1 January	(831)	–	(831)	–
Allowance for doubtful receivables	–	(831)	–	(831)
At 31 December	(831)	(831)	(831)	(831)

Trade and other receivables denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
United States Dollar	6,022	–	–	–
Ringgit Malaysia	4,658	1,344	–	–

15. Cash and cash equivalents

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Cash at banks and in hand	4,072	5,274	962	907
Fixed deposits with banks	7,464	6,213	1,000	2,000
Cash and cash equivalents	11,536	11,487	1,962	2,907

As at 31 December 2015, the Group does not have any outstanding bank overdraft balance. The Group's bank overdraft facilities are secured by the leasehold buildings and investment properties of a subsidiary with net carrying values of approximately $4,014,000 (2014: $3,688,000) and $401,000 (2014: $467,000) respectively.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates.

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15. Cash and cash equivalents (cont'd)

The weighted average effective interest rates per annum for the financial year are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	%	%	%	%
Cash at banks	0.10	0.10	0.10	0.10
Fixed deposits with banks	0.40-4.18	0.17-4.05	0.47-1.00	0.47

Interest rates are repriced at interval of not more than twelve months.

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
United States Dollar	134	1,595	96	37
Ringgit Malaysia	7,649	5,805	–	–

16. Trade and other payables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Trade payables	155	188	–	–
Accrued operating expenses	410	457	198	171
Deposits received	50	1,112	–	–
Other payables	169	154	–	3
Total trade and other payables	784	1,911	198	174
Add:				
- Loans and borrowings (Note 17)	170	–	–	–
Trade and other payables representing total financial liabilities carried at amortised cost	954	1,911	198	174

Included in deposits received as at 31 December 2014 is an amount of $1,058,000 as deposit received for the sale of the investment property located at Senai (Note 9).

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For the financial year ended 31 December 2015

16. Trade and other payables (cont'd)

Trade and other payables denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
United States Dollar	4	–	–	–
Ringgit Malaysia	315	255	–	–
	319	255	–	–

17. Loans and borrowings

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Current:				
Obligations under finance leases (Note 24)	34	–	–	–
Non-current:				
Obligations under finance leases (Note 24)	136	–	–	–
Total loans and borrowings	170	–	–	–

These obligations are secured by a charge over the leased assets (Note 7). The effective interest rate per annum at the balance sheet date is 4.5% (2014: Not applicable) for the Group.

18. Employee benefits

	Group	
	2015	**2014**
	$'000	$'000
Employee benefits expenses (including directors) (Note 6):		
Staff costs	1,822	1,989
Defined contribution pension schemes	137	149
Movement in liability for short-term accumulating compensated absences	6	34
	1,965	2,172

19 Deferred Tax

Movements in deferred tax liabilities during the year are as follows:

Group	At 1/1/2014	Recognised in profit or loss (Note 5)	Exchange differences	At 31/12/2014	Recognised in profit or loss (Note 5)	Recognised in equity	Exchange differences	At 31/12/2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities								
Differences in depreciation of property, plant and equipment for tax purposes	(134)	45	2	(87)	(157)	–	23	(221)
Revaluation to fair value: Leasehold buildings	(338)	–	–	(338)	–	(167)	–	(505)
	(472)	45	2	(425)	(157)	(167)	23	(726)

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group 2015	Group 2014	Company 2015	Company 2014
	$'000	$'000	$'000	$'000
Deferred tax assets:				
Tax losses	10,844	10,141	10,968	10,141
Others	12	12	12	12
	10,856	10,153	10,980	10,153

There are no temporary differences relating to investment in subsidiaries at the end of the reporting period.

Unrecognised tax losses

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group or the Company can recognise the benefits.

The recognised tax losses and investment tax allowances are available for set off against future taxable profits subject to agreement by the tax authority and compliance with the tax regulations of the respective tax jurisdiction.

There are no income tax consequences (2014: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 23).

20. Share capital

	Group and Company			
	2015		**2014**	
	No. of shares ’000	$’000	**No. of shares** ’000	$’000
Issued and fully paid ordinary shares				
At 1 January and 31 December	49,913	14,807	49,913	14,807

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

21. Reserves

	Group		Company	
	2015 $’000	**2014** $’000	**2015** $’000	**2014** $’000
Foreign currency translation reserve	(8,969)	(6,691)	–	–
Revaluation reserve	1,496	995	–	–
Retained earnings	19,114	12,101	2,345	3,407
	11,641	6,405	2,345	3,407

Foreign currency translation reserve

The foreign currency translation reserve comprises:

(a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group’s presentation currency; and

(b) the exchange differences on monetary items which form part of the Group’s net investment in foreign operations, provided certain conditions are met.

Revaluation reserve

The revaluation reserve comprises the net cumulative increase in the fair value of the leasehold buildings, net of tax.

22. Earnings/(loss) per share

Basic and diluted earnings per share are calculated by dividing profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	**2014**
	$'000	$'000
Profit/(loss) per share is based on:		
Profit/(loss) for the year attributable to owners of the Company	7,163	(915)

	No. of shares	
	2015	**2014**
Weighted average number of shares in issue during the year	49,912,500	49,912,500

Diluted earnings/(loss) per share is similar to basic earnings/(loss) per share as there are no potential dilutive ordinary shares.

23. Dividends

	Group and Company	
	2015	**2014**
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- final tax exempted (one-tier) dividend of 0.3 cents per share (2014: 0.3 cents per share)	150	150
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholder's approval at the AGM:		
Proposed final tax exempted (one-tier) dividend of 0.3 cents per share (2014: 0.3 cents per share)	150	150

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For the financial year ended 31 December 2015

24. Commitments

(a) Operating lease commitments – as lessee

(i) On 1 August 2008, the Company entered into a lease for the Company's office at Jalan Rajah with a renewal option. The lease was renewed for another 2 years with effect from 1 August 2015 at the same rental rate.

On 1 January 2010, Fuji Offset Plates (M) Sdn Bhd, a subsidiary of Fujiplates Manufacturing Sdn Bhd, a subsidiary of the Company, entered into a 3-year lease for the Company's office in Kuala Lumpur with a renewal option. The lease expired on 31 December 2012 and continued on a monthly basis with effect from 1 January 2013 at the same rental rate.

The amount paid under the leases for 2015 was $52,000 (2014: $53,000).

(ii) The future minimum lease payments under the non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Not later than 1 year	30	18
Later than 1 year but not later than 5 years	18	–
	48	18

(b) Operating lease commitments – as lessor

The Group leases out its investment properties. The non-cancellable leases have remaining lease terms not more than three years. Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Not later than 1 year	71	82
Later than 1 year but not later than 5 years	30	116
	101	198

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24. Commitments (cont'd)

(c) Finance lease commitments

The Group has finance leases for certain item of motor vehicles. These leases do not have terms of renewal, purchase options or escalation clauses. The lease term is for 5 years (2014: not applicable). The effective interest rate is 4.48% (2014: not applicable). The interest rate is fixed at contract date, and does not expose the Group to fair value interest rate risk. The lease is on a fixed repayment basis and no arrangement has been entered into for contingent rental payable. The Group's obligations under the finance lease is secured by the lessor's title to the leased asset.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		**Group**	
	Minimum lease payments 2015 $'000	**Present value of payments (Note 17) 2015** $'000	**Minimum lease payments 2014** $'000	**Present value of payments (Note 17) 2014** $'000
Not later than 1 year	41	34	–	–
Later than 1 year and not later than 5 years	147	136	–	–
Total minimum lease payments	188	170	–	–
Less: future finance charges	(18)	–	–	–
Present value of minimum lease payments	170	170	–	–

25. Related party transactions

(a) Compensation of key management personnel

Key management personnel of the Group and Company are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Group and Company.

25. Related party transactions (cont'd)

(a) Compensation of key management personnel (cont'd)

Key management personnel compensation comprised:

	Group 2015 $'000	Group 2014 $'000
Directors' fees	90	90
Central Provident Fund contributions	12	11
Short-term employee benefits	406	423
	508	524

Key management personnel compensation comprised:

	Group 2015 $'000	Group 2014 $'000
Directors of the Company	508	524

(b) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group 2015 $'000	Group 2014 $'000
Company in which a director of the Company have substantial financial interests		
Rental income	–	21
Sales	18	42
Printing expenses	4	4
Two directors of the Company		
Rental expenses	52	53

26. Contingent liabilities (unsecured)

Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities granted to subsidiaries amounting to $5,305,000 (2014: $6,083,000). At 31 December 2015, the amount of banking facilities utilised was Nil (2014: Nil). The financial guarantees will expire when the banking facilities are no longer available to the subsidiaries.

27. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	2015			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Non-financial assets:				
Property, plant and equipment				
Leasehold buildings	–	–	4,014	4,014

	2014			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Non-financial assets:				
Property, plant and equipment				
Leasehold buildings	–	–	3,829	3,829

27. Fair value of assets and liabilities (cont'd)

(c) Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December $'000	Valuation technique	Unobservable inputs	Range (weighted average)
2015				
Leasehold buildings	4,014	Depreciated replacement cost (DRC)	Replacement cost - New (price per square metre)	NA
2014				
Leasehold buildings	3,829	Depreciated replacement cost (DRC)	Replacement cost - New (price per square metre)	NA

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (depreciated replacement cost or DRC) approach. The valuation of leasehold buildings is based on most recent construction cost of similar industrial buildings less certain allowances to reflect the buildings' condition.

Level 3 fair value measurements - sensitivity of inputs

A significant increase/(decrease) in the unobservable input would result in a significantly lower/(higher) fair value measurement.

The following table presents the reconciliation for assets measured at fair value based on significant unobservable inputs (Level 3):

	2015	**2014**
	$'000	$'000
Group		
At 1 January	3,829	3,595
Revaluation surplus	668	–
Elimination of accumulated depreciation on revaluation	(180)	–
Translation differences	(303)	234
At 31 December	4,014	3,829

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27. Fair value of assets and liabilities (cont'd)

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's asset not measured at fair value at 31 December 2015 but for which fair value is disclosed:

	2015				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices** (Level 2)	**Significant unobservable inputs** (Level 3)	**Total**	**Carrying Amount**
	$'000	$'000	$'000	$'000	$'000
Non-current assets					
Investment properties	–	–	1,911	1,911	965

	2014				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices** (Level 2)	**Significant unobservable inputs** (Level 3)	**Total**	**Carrying Amount**
	$'000	$'000	$'000	$'000	$'000
Non-current assets					
Investment properties	–	–	2,191	2,191	1,115
Current assets					
Investment property held for sale	–	–	13,671	13,671	4,504

<u>Determination of fair value</u>

The fair values as disclosed in the table above are based on estimated marketable price of the factory and industrial land by independent valuer.

27. Fair value of assets and liabilities (cont'd)

(e) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents (Note 15), trade and other receivables-current (Note 14), long term loan due from associate (Note14), loans and borrowings (Note 17) and trade and other payables (Note 16).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their relatively short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair value of non-current other receivables is not materially different from its carrying amounts as at end of the reporting period.

28. Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, interest risk and foreign currency risk.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group has established credit limits for customers and monitors their balances. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

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28. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

At the end of the reporting period, approximately 35% (2014: 13%) of the Group's trade receivable was due from a major customer in the printing plates and cylinders business segment.

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 (Trade and other receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group and the Company ensure that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations which excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

			Cash flows	
Group	**Note**	**Within 1 year**	**2 to 5 years**	**Total**
2015		$'000	$'000	$'000
Financial assets:				
Trade and other receivables	14	1,592	9,872	11,464
Cash and cash equivalents	15	11,536	–	11,536
Total undiscounted financial assets		13,128	9,872	23,000
Financial liabilities:				
Trade and other payables	16	784	–	784
Loans and borrowings	24	41	147	188
Total undiscounted financial liabilities		825	147	972
Total net undiscounted financial assets		12,303	9,725	22,028

28. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group 2014	**Note**	**Cash flows** Within 1 year $'000	2 to 5 years $'000	Total $'000
Financial assets:				
Trade and other receivables	14	1,858	–	1,858
Cash and cash equivalents	15	11,487	–	11,487
Total undiscounted financial assets		13,345	–	13,345
Financial liabilities:				
Trade and other payables	16	1,911	–	1,911
Total undiscounted financial liabilities		1,911	–	1,911
Total net undiscounted financial assets		11,434	–	11,434

Company 2015	**Note**	**Cash flows** Within 1 year $'000	2 to 5 years $'000	Total $'000
Financial assets:				
Trade and other receivables	14	107	–	107
Cash and cash equivalents	15	1,962	–	1,962
Total undiscounted financial assets		2,069	–	2,069
Financial liabilities:				
Trade and other payables	16	198	–	198
Total undiscounted financial liabilities		198	–	198
Total net undiscounted financial assets		1,871	–	1,871

28. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company **2014**	**Note**	**Cash flows** **Within 1 year** $'000	**2 to 5 years** $'000	**Total** $'000
Financial assets:				
Trade and other receivables	14	120	–	120
Cash and cash equivalents	15	2,907	–	2,907
Total undiscounted financial assets		3,027	–	3,027
Financial liabilities:				
Trade and other payables	16	174	–	174
Total undiscounted financial liabilities		174	–	174
Total net undiscounted financial assets		2,853	–	2,853

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their variable rate bank deposits and long term loan due from associate.

Sensitivity analysis

For variable rate bank deposits and floating rate loan due from associate, a change of 100 basis points ("bp") in interest rate at the end of the year ends would increase/(decrease) the statement of comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Group **2015**	**100 bp increase** $'000	**100 bp decrease** $'000
Variable rate bank deposits	69	(69)
Floating rate loan due from associate	1	(1)
2014		
Variable rate bank deposits	57	(57)
Floating rate loan due from associate	–	–

28. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

Company	**100 bp increase**	**100 bp decrease**
2015	$'000	$'000
Variable rate bank deposits	16	(16)
Floating rate loan due from associate	1	(1)
2014		
Variable rate bank deposits	10	(10)
Floating rate loan due from associate	–	–

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar and Ringgit Malaysia. Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

Sensitivity analysis

A 10% strengthening of Singapore Dollar against the following currencies at the reporting date would increase the profit/(loss) before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before tax 2015	**Loss before tax 2014**
	$'000	$'000
Group		
United States Dollar	615	(159)
Ringgit Malaysia	1,180	(687)
Company		
United States Dollar	612	(4)

A 10% weakening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

29. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

There were no changes in the Group's approach to capital management during the year. The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, loans and borrowings, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserve.

	Group	
	2015	**2014**
	$'000	$'000
Trade and other payables (Note 16)	784	1,911
Loans and borrowings (Note 17)	170	
Less: Cash and cash equivalents (Note 15)	11,536	11,487
Net debt	–	–
Equity attributable to the owners of the Company	26,448	21,212
Total capital	26,448	21,212
Capital and net debt	26,448	21,212
Gearing ratio	–	–

30. Segment reporting

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

(i) Printing plates and cylinders is the manufacture and sale of aluminium offset plates and printing cylinders and trading of related industrial chemicals for the printing industry;

(ii) Investment holding.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2015

30 Segment Reporting (cont'd)

	Printing plates and cylinders		Investment holding		Adjustments and eliminations		Notes	Total operations	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**		**2015**	**2014**
	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000
Revenue:									
External customers	5,480	6,178	105	681	–	–		5,585	6,859
Inter-segment revenue	–	–	242	222	(242)	(222)	A	–	–
Total revenue	5,480	6,178	347	903	(242)	(222)		5,585	6,859
Results:									
Segment profit/(loss)	(40)	(95)	8,300	(76)	(150)	(120)	B	8,110	(291)
Depreciation of property, plant and equipment	491	576	65	70	–	–		556	646
Depreciation of investment properties	8	84	–	–	–	–		8	84
Amortisation of long-term prepayments	32	35	–	–	–	–		32	35
Impairment loss on other receivables	–	–	–	831	–	–		–	831
Impairment loss on property, plant and equipment	–	50	–	–	–	–		–	50
Interest income	62	78	391	46	–	–		453	124
Interest expense	(3)	–	–	–	–	–		(3)	–
Inventories written off	–	30	–	–	–	–		–	30
Gain on disposal of investment property	–	–	(7,771)	–	–	–		(7,771)	–
Assets and Liabilities									
Segment assets	20,056	20,149	10,408	6,139	355	112		30,819	26,400
Capital expenditure – property, plant and equipment	711	120	–	–	–	–		711	120
Segment liabilities	762	1,885	49	60	897	467	C	1,708	2,412

Notes:

(A) Inter-segment revenues are eliminated on consolidation.

(B) The following items are (deducted from)/added to segment profit/(loss) to arrive at "profit/(loss) before tax" presented in the consolidated statement of comprehensive income:

	2015	**2014**
	S$'000	S$'000
Profit from inter-segment sales	(242)	(222)
Unallocated finance costs	97	102
Share of results of associate	(5)	–
	(150)	(120)

(C) Unallocated segment liabilities in respect of hire purchase creditors and deferred tax liabilities.

30. Segment reporting (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2015	**2014**	**2015**	**2014**
	S$'000	S$'000	S$'000	S$'000
Singapore	1,293	1,644	28	100
Malaysia	4,139	5,149	10,551	7,000
Cambodia	–	–	6,022	–
Bangladesh	69	61	–	–
Sri Lanka	82	–	–	–
Other countries	2	5	–	–
	5,585	6,859	16,601	7,100

Information about a major customer

Revenue from one major customer amounted to $518,000 (2014: $581,000) arising from sales by the printing plates and cylinders business segment (2015) and from rental income by the investment holding business segment (2014) respectively.

31. Authorisation of financial statements

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 31 March 2016.

MAJOR PROPERTIES OF THE GROUP
As at 31 December 2015

Description & Location	Effective Group Interest	Site Area (Sq Metres)	Built-up Area (Sq Metres)	Remaining Tenure
2-storey factory warehouse cum office building at PLO 210, Jalan Angkasa Mas Utama Tebrau II Industrial Estate 81100 Johor Bahru Johor, Malaysia	100%	8,094	5,381	37 years
Industrial building at 10 Jalan Hasil Industrial Estate 81200 Johor Bahru Johor, Malaysia	100%	3,728	1,923	Freehold
Vacant industrial land at Lot 4070 & 4078 Taman Gembira, Johor Bahru Johor, Malaysia	100%	5,590	N/A	Freehold
2-storey factory warehouse cum office building at PLO 158, Jalan Angkasa Mas 6 Tebrau II Industrial Estate 81100 Johor Bahru Johor, Malaysia	100%	8,094	4,945	48 years

SHAREHOLDING STATISTICS
As at 21 March 2016

Number of issued and paid-up shares (excluding treasury shares) - 49,912,500 ordinary shares
Number/Percentage of treasury shares - Nil
Class of shares - Ordinary shares
Voting rights - 1 vote per ordinary share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	5	0.65	98	0.00
100 - 1,000	157	20.42	85,498	0.17
1,001 - 10,000	465	60.47	1,944,550	3.90
10,001 - 1,000,000	134	17.42	5,262,554	10.54
1,000,001 and above	8	1.04	42,619,800	85.39
Total	769	100.00	49,912,500	100.00

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Teo Kee Bock	11,980,250	24.00
2	Teo Kee Chong	10,884,500	21.81
3	Ang Kim Ton	8,480,000	16.99
4	UOB Kay Hian Private Limited	5,232,000	10.48
5	Phillip Securities Pte Ltd	2,321,000	4.65
6	Toh Boon Chuan	1,460,000	2.93
7	Lek San Construction Pte Ltd	1,159,000	2.32
8	CIMB Securities (Singapore) Pte. Ltd.	1,103,050	2.21
9	Chang Hin Chong	449,000	0.90
10	United Overseas Bank Nominees (Private) Limited	349,250	0.70
11	Oh Cher Kiat	300,000	0.60
12	Lim Yok Tiong	287,000	0.58
13	Poh Heng	192,000	0.38
14	Goh Kheng Sing	115,000	0.23
15	Koh Beng Han	100,000	0.20
16	Hoo Len Yuh	90,000	0.18
17	DBS Vickers Securities (Singapore) Pte Ltd	85,000	0.17
18	Bolsen Cement Products Pte Ltd	84,000	0.17
19	Sim Sing Chon	82,000	0.16
20	Lim Poh Fah Victor	81,000	0.16
	Total	44,834,050	89.82

Substantial Shareholders
(as recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Teo Kee Bock	11,980,250	24.00	10,500 (1)	0.02
Teo Kee Chong	10,884,500	21.81	-	-
Ang Kim Ton	8,480,000	16.99	-	-
OKG Construction & Trading Pte Ltd	-	-	7,528,000(2)	15.08

(1) Deemed interest in shares held by spouse and CPF Board Nominee.
(2) Deemed interest in shares held by Phillip Securities Pte Ltd and UOB Kay Hian Private Limited by virtue of Section 7 of the Companies Act, Cap. 50.

Approximately 22.0% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of FUJI OFFSET PLATES MANUFACTURING LTD ("the Company") will be held at Conference Room, 2 Jalan Rajah, #06-28, Golden Wall Flatted Factory, Singapore 329134 on Thursday, 28 April 2016 at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Financial Statements of the Company for the year ended 31 December 2015 together with the Auditors' Report thereon.
(Resolution 1)

2. To declare a first and final one-tier tax-exempt dividend of 0.30 cents per share for the year ended 31 December 2015 (2014: 0.30 cents per share).
(Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Article 106 of the Constitution of the Company:

Mr Lim Tee Kit **(Resolution 3)**
Mr Lim Kang San **(Resolution 4)**

Mr Lim Tee Kit will, upon re-election as a Director of the Company, remain as Chairman of Remuneration Committee and a member of the Audit and Nominating Committees and will be considered independent pursuant to Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST")("Catalist Rules").

Mr Lim Kang San will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees and will be considered independent pursuant to Rule 704(7) of the Catalist Rules.

4. To re-appoint Mdm Ang Kim Ton, a director of the Company, who will be retiring under the resolution passed at the last Annual General Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (which was then in force).
[See Explanatory Note (i)]
(Resolution 5)

Mdm Ang Kim Ton will, upon re-appointment as a Director of the Company, remain as a non-executive and non-independent Director.

5. To approve the payment of Directors' fees of S$90,000 for the year ended 31 December 2015 (2014: S$90,000).
(Resolution 6)

6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 7)

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 8)

9. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Catalist Rules:

(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Appendix to the Annual Report to Shareholders dated 13 April 2016 (the "Appendix") with any party who is of the class of Interested Persons described in the Appendix, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures of the Company for such Interested Person Transactions as set out in the Appendix (the "Shareholders' Mandate");

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and

(c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate as they may think fit.

[See Explanatory Note (iii)]

(Resolution 9)

By Order of the Board

Kim Yi Hwa
Secretary
Singapore, 13 April 2016

Explanatory Notes:

(i) The Ordinary Resolution 5 in item 4 above is for the re-appointment of a Director of the Company. The resolution is to approve and authorise the continuation of the Director in office, as Director of the Company, from the date of the Annual General Meeting onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. This is consequent upon the repeal of Section 153(6) of the Companies Act, Chapter 50 of Singapore with effect from 3 January 2016. The resolution passed pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore at the last Annual General Meeting (as Section 153 was then still in force) could only permit the re-appointment of Director, being over 70 years of age, to hold office as Director of the Company until this Annual General Meeting.

Mdm Ang Kim Ton is the mother of Teo Kee Bock and Teo Kee Chong, Directors and substantial shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(ii) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The Ordinary Resolution 9 proposed in item 9 above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member who is a relevant intermediary entitled to attend the Meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 2 Jalan Rajah, #06-28, Golden Wall Flatted Factory, Singapore 329134 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

FUJI OFFSET PLATES MANUFACTURING LTD
Company Registration No. 198204769G
(Incorporated In The Republic of Singapore)

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We, ... (Name)
of .... (Address)
being a member/members of Fuji Offset Plates Manufacturing Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Thursday, 28 April 2016 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For[1]	Number of Votes Against[1]
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2015		
2	Payment of proposed first & final one-tier tax-exempt dividend		
3	Re-election of Mr Lim Tee Kit as a Director		
4	Re-election of Mr Lim Kang San as a Director		
5	Re-appointment of Mdm Ang Kim Ton as a Director		
6	Approval of Directors' fees amounting to S$90,000		
7	Re-appointment of Ernst & Young LLP as Auditors		
8	Authority to issue shares		
9	Renewal of Shareholders' Mandate for Interested Person Transactions		

[1] *If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this .... day of 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

....
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 2 Jalan Rajah, #06-28, Golden Wall Flatted Factory, Singapore 329134 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2016.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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AFFIX
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THE COMPANY SECRETARY
Fuji Offset Plates Manufacturing Ltd
2 Jalan Rajah #06-28
Golden Wall Flatted Factory
Singapore 329134

FUJI OFFSET PLATES MANUFACTURING LTD (CO. REG. NO. 198204769G)
2, JALAN RAJAH # 06-28, GOLDEN WALL FLATTED FACTORY, SINGAPORE 329134
TEL: (65) 62659111 • **FAX**: (65) 62682300 • **WEB**: www.fopgroup.com • **EMAIL**: contact@fopgroup.com