



**ANNUAL
REPORT
2020**

CONTENTS

Corporate Information	....	1
Financial Highlights	....	2
Chairman's Statement	....	3
Corporate Structure	....	7
Directors' Profile	....	8
Key Executives' Profile	....	10
Corporate Governance	....	11
Directors' Statement	....	50
Independent Auditor's Report	....	53
Consolidated Statement of Comprehensive Income	....	59
Balance Sheets	....	60
Statements of Changes in Equity	....	62
Consolidated Cash Flow Statement	....	65
Notes to the Financial Statements	....	67
Major Properties of the Group	....	131
Shareholding Statistics	....	132
Notice of Annual General Meeting	....	133
Proxy Form		

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd., ("Sponsor"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("Exchange") Listing Manual Section B: Rules of Catalyst for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this document, including the accuracy, completeness or correctness of any of the figures used, statements or opinions made.

This document has not been examined or approved by the Exchange. The Sponsor and the Exchange assume no responsibility for the contents of this document including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this document.

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Telephone number: 6221 0271*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

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

Non-Executive:

Tan Keh Eyo (Lead Independent Director)
Lai Mun Onn (Independent Director)
Low Beng Tin (Independent Director)

AUDIT COMMITTEE

Tan Keh Eyo (Chairman)
Lai Mun Onn
Low Beng Tin

NOMINATING COMMITTEE

Low Beng Tin (Chairman)
Lai Mun Onn
Tan Keh Eyo

REMUNERATION COMMITTEE

Lai Mun Onn (Chairman)
Low Beng Tin
Tan Keh Eyo

SECRETARY

Kelly Kiar Lee Noi

REGISTERED OFFICE

2 Jalan Rajah
#06-28 Golden Well 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

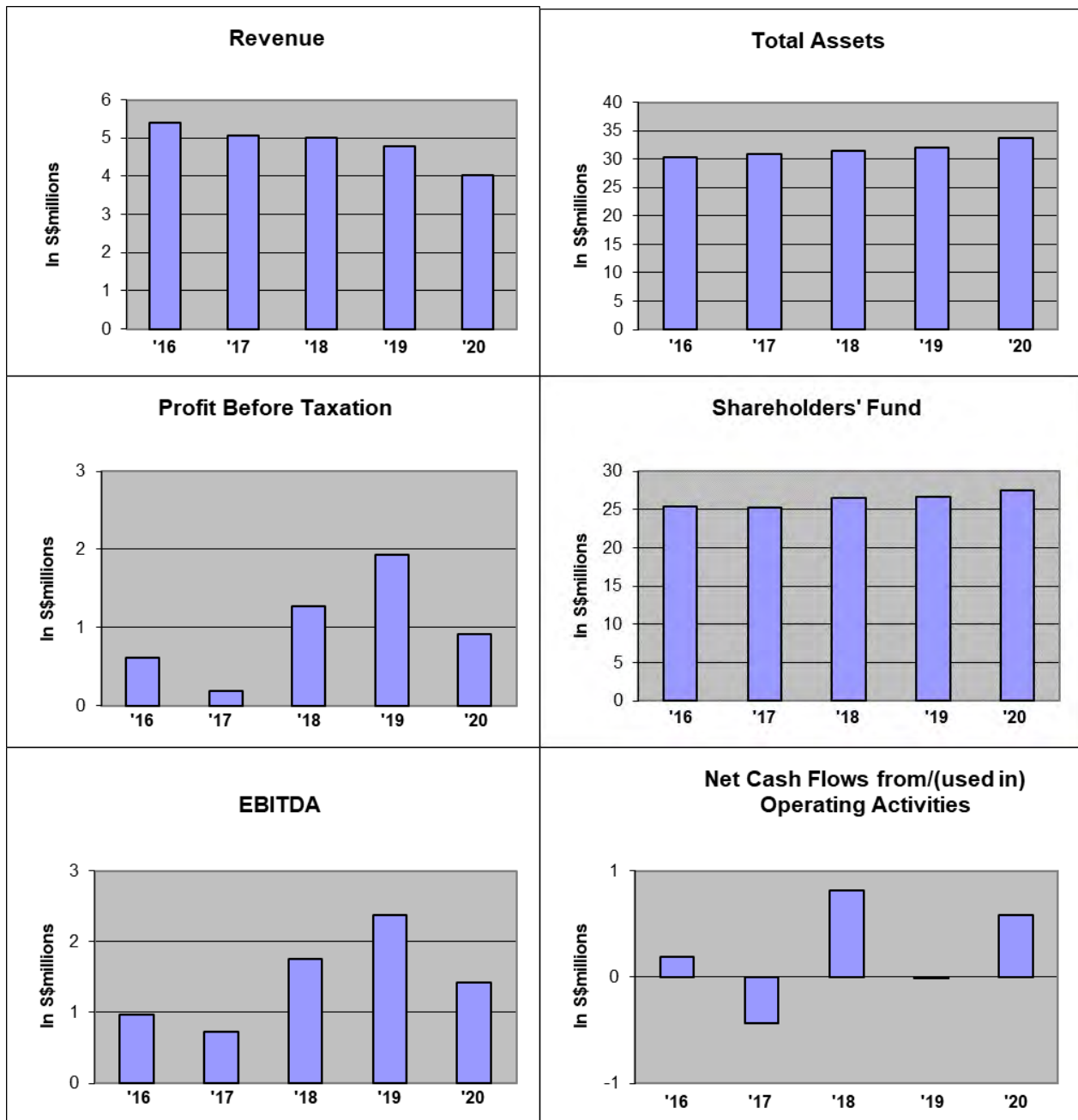
Tan Boon Leong
(Appointed since financial year ended 31 December 2019)

SPONSOR

Asian Corporate Advisors Pte. Ltd.
160 Robinson Road,
#21-05 SBF Center
Singapore 068914

FINANCIAL HIGHLIGHTS

	2016	2017	2018	2019	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	5,408	5,055	5,015	4,788	4,017
Profit Before Taxation	610	190	1,267	1,927	916
Total Assets	30,366	30,807	31,407	32,072	33,716
Shareholders' Fund	25,453	25,274	26,456	26,602	27,531
EBITDA	965	722	1,756	2,375	1,429
Net Cash Flows from/(used in) Operating Activities	191	(435)	810	(2)	578



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 2020 ("FY2020").

For the year in review, the Group recorded a profit after tax of S\$1.03 million as compared with S\$1.55 million for the financial year ended 31 December 2019 ("FY2019"). Consequently, the Group recorded a profit after tax, attributable to owners of the Company, of S\$1.08 million for FY2020 as compared with S\$1.42 million for FY2019.

As a result, the Group's earnings per share was 2.15 Singapore cents for FY2020 as compared with 2.85 Singapore cents for FY2019. Consequently, net asset value per share increased from 53.30 Singapore cents as at 31 December 2019 to 55.16 Singapore cents as at 31 December 2020.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For FY2020, the Group recorded total revenue of S\$4.02 million, a decline of about S\$0.77 million or 16% as compared with S\$4.79 million for FY2019. The lower revenue was mainly due to lower sales of printing cylinders in Malaysia mainly on account of the COVID-19 pandemic, the resulting economic fall-out and the intense competition.

In line with the lower Group revenue, cost of sales also declined by about 5% or S\$0.14 million, from S\$3.04 million for FY2019 to S\$2.90 million for FY2020. However, the decrease was lower compared with the decrease in revenue due to the keen competition which resulted in lower selling prices and gross profit margin.

As a result of the lower revenue and costs of sales, gross profit declined from S\$1.75 million for FY2019 to S\$1.12 million for FY2020, a drop of S\$0.63 million or about 36% due to the keen competition. Consequently, gross profit margin declined from 36.5% for FY2019 to 27.9% for FY2020.

For FY2020, Other operating income amounted to S\$0.62 million, marginally higher as compared with S\$0.60 million for FY2019.

In line with the lower Group revenue, distribution expenses were also lower by about 11% or S\$0.03 million, from S\$0.27 million for FY2019 to S\$0.24 million for FY2020.

Administrative expenses were, however, higher by about 9% or S\$0.16 million, from S\$1.70 million for FY2019 to S\$1.86 million for FY2020, mainly due to an adjustment for amortisation of long-term prepayment in prior years in FY2019.

Other operating expenses were entirely in respect of net foreign exchange loss on account of the weaker USD versus the SGD at 31 December 2020 versus 2019.

Net finance income amounted to S\$0.12 million for FY2020 as compared with S\$0.19 million for FY2019, a decline of about S\$0.07 million or 34% mainly due to lower investible funds, lower interest rates and other interest expense.

CHAIRMAN'S STATEMENT

For FY2020, share of results of associate (net of tax) amounted to a gain of S\$1.25 million as compared with S\$1.46 million in FY2019. The share of results is based on the percentage-of-completion basis where revenue is recognised on percentage of completion of each individual unit sold.

Income tax credit amounted to S\$0.12 million for FY2020 mainly due to write-back of deferred tax liabilities as compared with income tax expense of S\$0.37 million which was mainly due to underprovision of deferred tax liabilities for prior years.

Based on the above factors, the Group recorded a profit after tax of S\$1.03 million for FY2020 as compared with S\$1.55 million for FY2019.

FINANCIAL POSITION

The Group's financial position remains healthy with total assets of S\$33.72 million as at 31 December 2020 as compared with S\$32.07 million as at 31 December 2019.

The Group's working capital remains positive at S\$10.29 million as at 31 December 2020 as compared with S\$6.03 million as at 31 December 2019 due mainly to the reclassification of other receivables from Star City from non-current assets to current assets due to the passage of time. Excluding the reclassification, the Group's working capital would be lower at S\$4.82 million due mainly to lower trade and other receivables coupled with higher borrowings.

CASH POSITION

For FY2020, the Group recorded net cash generated from operating activities of S\$0.58 million. This was due mainly to an working capital inflow of S\$0.80 million and partially offset by operating cash outflow of S\$0.22 million before working capital changes. The working capital inflow was attributed to an increase in trade and other payable, decrease in prepayment, decrease in trade and other receivables, and receipt of interest income, which were offset by an increase in inventories as well as payment of tax expenses.

Cash flows used in investing activities, amounting to S\$0.81 million, were mainly for the purchase of property, plant and equipment.

Cash flows generated from financing activities of S\$0.53 million were mainly due to a loan from a Director and substantial shareholder of the Company, less payments of dividends to owners of the Company and lease liabilities.

As a result, the Group recorded a net increase in cash and cash equivalents of S\$0.30 million for FY2020 while cash and cash equivalents stood at S\$4.79 million as at 31 December 2020.

CHAIRMAN'S STATEMENT

SEGMENTAL REVIEW

Printing Cylinders Business Segment

For FY2020, Group sales revenue from printing cylinders totaled S\$3.86 million as compared with S\$4.67 million for FY2019, representing a decline of about S\$0.81 million or 17% mainly due to lower sales in Malaysia primarily on account of the COVID-19 pandemic, the resulting economic fall-out and the intense competition.

As a result, gross profit for the printing cylinders business segment declined from about S\$1.47 million for FY2019 to about S\$0.77 million for FY2020, a drop of about S\$0.70 million or 48%. Consequently, gross profit margin also declined from about 31% for FY2019 to 20% for FY2020 due to lower selling prices resulting from the keen competition.

As a result of the lower gross profit, the segment recorded a lower profit of S\$0.14 million for FY2020 as compared with S\$0.94 million for FY2019.

Investment Holding Business Segment

Total revenue from the investment holding business segment increased from S\$0.12 million for FY2019 to S\$0.16 million for FY2020 mainly due to the full-year impact of the lease rental of an investment property of the Group, less rental rebate of 30% a month for three months given due to the COVID-19 pandemic, as compared with eight-months for FY2019.

However, the segment recorded a lower profit of S\$0.05 million for FY2020 as compared with S\$0.06 million for FY2019 primarily due to adjustment for amortization of long-term prepayment in prior years, partially offset by lower administrative expenses and cost of sales.

Investment in Property Development Companies Business Segment

Under the Group's Investment in property development companies business segment, share of results (net of tax) of IPark amounted to a profit of S\$1.25 million for FY2020 as compared with S\$1.46 million for FY2019. The share of results is based on the percentage-of-completion basis where revenue is recognised on percentage of completion of each individual unit sold.

For Star City, the Group recognised fair value changes on its loans to Star City amounting to S\$0.49 million for FY2020 as compared with S\$0.46 million for FY2019. The fair value changes pertains to discount adjustments on the Company's loans to Star City.

On this basis, the segment recorded a profit of S\$1.84 million, as compared with S\$2.06 million for FY2019.

DIVIDEND

The Board is pleased to propose the payment of a first and final dividend of 0.3 Singapore cents per ordinary share, tax exempt (one-tier), amounting to S\$150,000 for FY2020, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

CHAIRMAN'S STATEMENT

FUTURE PROSPECTS

Looking ahead, the printing cylinders business segment will remain challenging due to the uncertain economic conditions resulting from the COVID-19 pandemic and the keen competition in Malaysia and Singapore. Aside from controlling costs to the extent possible, the Group will continue to optimize its production by seeking out cheaper alternative sources of supply and types of raw materials, where available, and leveraging on the acquisition of a new replacement plating machine to improve productivity and lower cost of production.

The COVID-19 pandemic will also pose a challenge to the Group's investment holding business segment and investment in property development companies business segment. The extent of the impact of the pandemic on the Group's performance will largely depend on the duration of the pandemic, going forward, and the economic recovery thereafter.

In the investment holding business segment, the Group will continue to optimize the lease rental income of its two investment/leasehold properties.

Under the Group's investment in property development companies business segment, for the Group's investment in IPark in Johor Bahru, Malaysia, property sales are ongoing since October 2016 (Parcels 1 and 2) and 2H2019 (Parcel 3). As at 31 December 2020, property sales to-date for IPark are as follows:

Parcel 1: Out of 9 units (after an amalgamation of 2 units into 1), 4 units were sold and 4 rented out.

Parcel 2: Out of 41 units, 28 units were sold and 11 units were rented out.

Parcel 3: Out of 36 units, 7 units were sold and 1 was rented out.

The units sold were based on sales and purchase agreements signed.

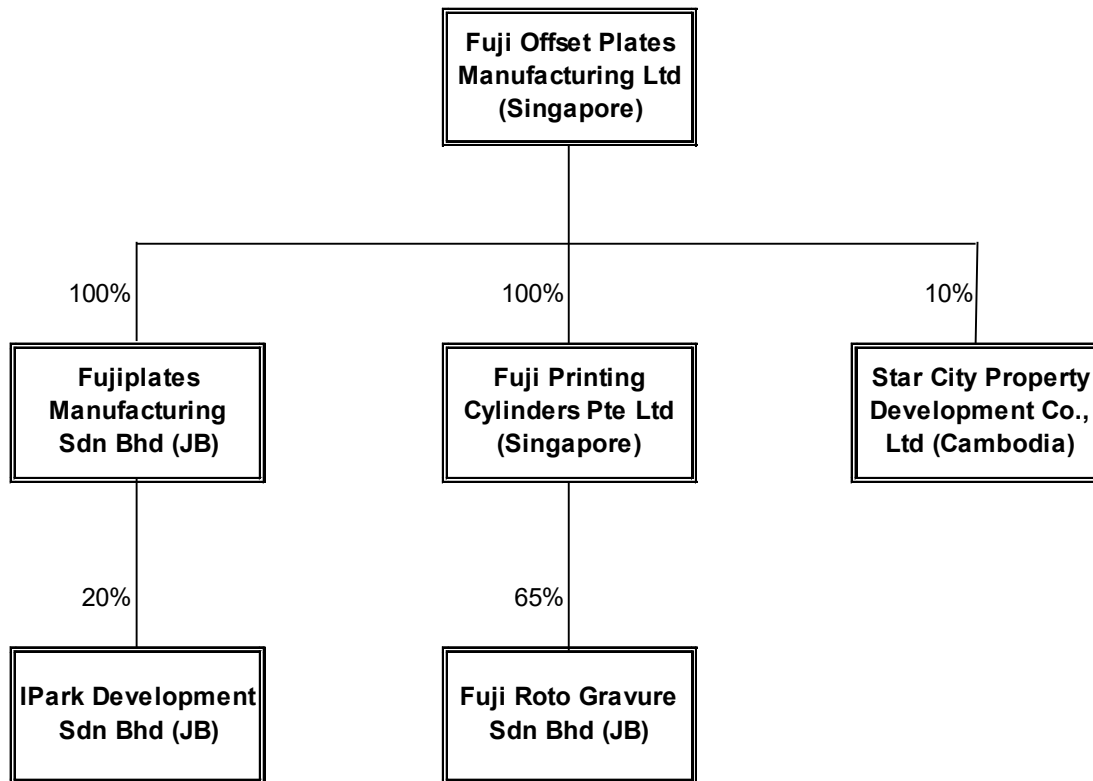
There were no new developments with regard to Star City and Star City's Directors and Management continue to proactively endeavour to sell the company's property assets.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would also 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. He was last re-elected on 26 June 2020.

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. Mr Teo is also a Director of two subsidiaries of the Group.

He is currently also the Chairman and Director of Apricot Capital Pte. Ltd.

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. He was last re-elected on 26 June 2020.

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.

He is currently also the Managing Director of Regent Printing (Singapore) Pte Ltd.

Tan Keh Eyo, Lead Independent Director

Mr Tan was appointed as an Independent Director of the Company on 18 November 1997 and was subsequently appointed as the Lead Independent Director on 3 May 2017. He was last re-elected on 25 April 2019. He is the Chairman of the Audit Committee and is also a member of both the Nominating and Remuneration Committees.

Mr Tan graduated with a Bachelor degree in Commerce from the Nanyang University, Singapore, in 1979. Since then, he had been active in the Industrial Chemical Industries within the Asian region.

Low Beng Tin, Independent Director

Mr Low was appointed as an Independent Director of the Company on 3 May 2017 and was last re-elected on 27 April 2018. He is the Chairman of the Nominating Committee and is also a member of both the Audit and Remuneration Committees.

Mr Low is the Chairman/Independent Director of CosmoSteel Holdings Limited and Independent Director of Lian Beng Group Ltd, both of which are listed on the SGX-ST. He is also an Independent Director of J.P Nelson Holdings Ltd which is listed in Taiwan. Mr Low is currently the Executive Director of Assimilated Technologies (S) Pte Ltd.

Mr Low has close to 40 years of engineering experience in the oil and gas, petrochemical, chemical and marine industries. In recognition of his contribution to the community, he was conferred the Pingat Bakti Masyarakat (The Public Service Medal) in 2004, the Bintang Bakti Masyarakat (The Public Service Star) in 2009 and the Bintang Bakti Masyarakat (Lintang) (The Public Service Star (Bar)) in 2019 by the President of Singapore.

Mr Low holds a Diploma in Electrical Engineering from Singapore Polytechnic, a Diploma in Management Studies from Singapore Institute of Management and has obtained a Masters in Business Administration (Chinese Programme) from the National University of Singapore.

DIRECTORS' PROFILE

Lai Mun Onn, Independent Director

Mr Lai Mun Onn was appointed as an Independent Director of the Company on 1 June 2018 and was last re-elected on 25 April 2019. He is the Chairman of the Remuneration Committee and is also a member of both the Audit and Nominating Committees.

Mr Lai is also an Independent Director of Koh Brothers Group Limited, a company listed on the SGX-ST since 30 July 1994.

Mr Lai is the Managing Partner of Lai Mun Onn & Co., a law firm in Singapore. He graduated from the University of London with a Bachelor of Laws with Honours and obtained his Barrister-at-Law from Lincoln's Inn. In 1982, he was admitted as an Advocate and Solicitor of the Supreme Court of Singapore. He is presently a Notary Public and Commissioner for Oaths, and a member of the Singapore Institute of Arbitrators.

Mr Lai is a member of the Governing Council of the Singapore Golf Association and the President of the Keppel Club.

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.

Chua Thiam Chye
Group Financial Controller

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

Mr Chua graduated with a degree in Business Administration from the then University of Singapore.

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 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. 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.

Mr Teo holds a Bachelor of Commerce degree from the University of New South Wales.

CORPORATE GOVERNANCE

The board of directors (the “**Board**” or “**Directors**”) and the management (“**Management**”) of Fuji Offset Plates Manufacturing Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) recognises the importance of corporate governance and are committed to ensuring the practices recommended in the revised Code of Corporate Governance 2018 (the “**Code**”) are practiced throughout the Group. The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment that will maximise long term shareholders’ value and protect the interests of shareholders.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2020 (“**FY2020**”), with specific reference made to the principles and the provisions of the Code and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Company has complied with the principles and provisions as set out in the Code and the Practice Guideline during FY2020, where applicable. In areas where the Company’s practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principles of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

I. BOARD MATTERS

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

Board’s Role and Duties

The Company is headed by an effective Board to lead and control its operations and affairs. The key responsibilities of the Board include charting and reviewing the Group’s overall business strategy, supervising Management of the Company and reviewing the Group’s financial performance and managerial performance while considering sustainability issues as part of its strategic formulation.

In addition, the Board is entrusted with the following responsibilities for the overall Management and corporate governance of the Group including:-

- (a) provide entrepreneurial leadership, set strategic objectives, which include appropriate focus on value creation, innovation and sustainability;
- (b) ensure that the necessary financial and human resources are in place for the Company to meet its strategic objectives;
- (c) Establish and maintain a framework of prudent and effective controls which enables risks to be assessed and managed, and to achieve an appropriate balance between risks and company performance;
- (d) constructively challenge Management and review Management’s performance;
- (e) identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- (f) set the Company’s values and standards (including ethical standards), and ensure that the obligations to shareholders and other stakeholders are understood and met; and
- (g) ensure transparency and accountability to key stakeholder group and consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

CORPORATE GOVERNANCE

Code of Business Conduct and Ethics

The Company strives to uphold the highest levels of business conduct and integrity in all transactions and interactions. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold Management accountable for performance.

The Board has thus put in place a Code of Business Conduct and Ethics which serves to guide the Directors on the areas of ethical risk and sets a framework where integrity and accountability are paramount. The Company is also committed to ensuring that its affairs are conducted with the highest standard of probity and in compliance with the law.

Conflicts of Interest

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. The Directors are cognizant of their fiduciary duties at law. When a potential conflict of interest situation arises, the affected Director will recuse himself or herself from the discussion and decisions involving the areas of potential conflict, unless the Board is of the opinion that his or her participation is necessary. Where such participation is permitted, the conflicted Director excuses himself or herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself or herself from the decision-making.

Pursuant to Section 156 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), each Director is to declare to the Company his or her interests (direct or indirect) in all transactions with the Company and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his or her knowledge. On an annual basis, each Director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions (“**IPTs**”).

Provision 1.2

Director Competencies

All Directors have a good understanding of the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

While the duties imposed by law are the same for all Directors, a listed Board will generally have different classes of directors with different roles:

- Executive Directors are usually members of Management who are involved in the day-to-day running of the business. Executive Directors are expected to:
 - (a) provide insights on the Company’s day-to-day operations, as appropriate;
 - (b) provide Management’s views without undermining Management accountability to the Board; and
 - (c) collaborate closely with Non-Executive Directors for the long-term success of the Company.
- Non-Executive Directors are not part of Management. They are not employees of the Company and do not participate in the Company’s day-to-day management. Non-Executive Directors are expected to:
 - (a) be familiar with the business and stay informed of the activities of the Company;
 - (b) constructively challenge Management and help develop proposals on strategy;

CORPORATE GOVERNANCE

- (c) review the performance of Management in meeting agreed goals and objectives; and
 - (d) participate in decisions on the appointment, assessment and remuneration of the Executive Directors and key management personnel (“KMP”) generally.
- Independent Directors are Non-Executive Directors who are deemed independent by the Board. Independent Directors have the duties of the Non-Executive Directors, and additionally provide an independent, and objective advice and insights to the Board and Management.

Directors are expected to develop their competencies to effectively discharge their duties and are provided with opportunities to develop and maintain their skills and knowledge at the Company’s expense.

Appointment Letter

Upon appointment of each Director, the Company shall provide a formal letter of appointment to the Director, setting out the Director’s the roles, obligations, duties and responsibilities, and the expectations of their contribution to the Company as a member of the Board.

Continuous Training and Development of Directors

The Company does not have a formal training program for the Directors but all incoming Directors will undergo a comprehensive and tailored induction on joining the Board. This includes his or her duties as a Director and how to discharge those duties, and an orientation programme to ensure that they are familiar with the Company’s business and governance practices. To get a better understanding of the Group’s businesses, the Directors will also be given the opportunity to meet with Management.

The Company will also arrange for first-time Directors to attend relevant training in relation to the roles and responsibilities of a Director of a listed company and in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

The Company encourages existing Directors to attend training courses organised by the Singapore Institute of Directors (“SID”) or other training institutions which are aimed at providing them with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group and/or the Directors in connection with their duties and responsibilities as a Director of a public-listed company in Singapore, and such training will be funded by the Company.

All Directors are provided with regular briefings from time to time on changes in the relevant laws and regulations in relation to accounting standards, Catalist Rules, corporate governance and other regulations or statutory requirements. In FY2020, the Directors were briefed by external auditors on changes in accounting standards and other regulatory updates.

Seminars and Trainings attended by Directors in FY2020

The details of updates provided to the Directors in FY2020 include developments in financial reporting and governance standards, where relevant, by the external auditors of the Company to the Audit Committee (the “AC”) and the Board. The Directors did not attend other courses in FY2020.

CORPORATE GOVERNANCE

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

The Board has adopted internal guidelines on matters which specifically require the Board's decision or approval, which has been clearly communicated to Management, including but not limited to the following:

- (a) appointment of Directors and key management (as recommended by the Nominating Committee (the "NC") and the remuneration packages of Directors and key management (as recommended by the Remuneration Committee (the "RC"));
- (b) any matters relating to general meetings, Board and Board committees;
- (c) material transactions, including investment in and disposal of securities, investment properties, subsidiaries, associates and property development companies;
- (d) operation of banking accounts, credit facilities, bank deposits and provision of corporate guarantees;
- (e) provision, capitalization, and denomination of loans to subsidiaries, associates and property development companies;
- (f) approval of announcements released via SGXNet, including financial results announcements and IPTs;
- (g) approval of annual and interim reports, financial statements, Directors' statement and annual report;
- (h) dividend matters; and
- (i) any matters relating to general meetings, Board and Board committees.

Provision 1.4

Delegation of Authority to Board Committees

To assist the Board in the execution of its responsibilities and to provide independent oversight of Management, the Board has established a number of Board committees, namely the AC, NC and RC (collectively, the "Board Committees"). Each of the Board Committees function within clearly defined terms of references and operating procedures endorsed by the Board, which are reviewed from time to time, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. The Board Committees will also review their terms of reference from time to time to ensure their continued relevance and the effectiveness of each Board Committee is also constantly reviewed by the Board. The composition and description of each Board Committee are set out in this report. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. The responsibilities and authority of the Board Committees set out in their respective terms of reference were revised for alignment with the Code.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Board Committees report its activities regularly to the Board. Minutes of the Board Committees are regularly provided to the Board and are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation by Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or senior management to attend their meetings.

CORPORATE GOVERNANCE

Provision 1.5

Meetings of Board and Board Committees

The schedule of all the Board and Board Committees meetings as well as the annual general meeting (“AGM”) of the Company for the next calendar year is planned well in advance. The Board meets at least twice a year. Ad-hoc and/or non-scheduled Board and/or Board Committees meetings may be convened to deliberate on urgent substantial matters. In addition to the scheduled meetings, the Board would have informal discussions on corporate events and/or actions, which would then be formally confirmed and approved by circulating resolutions in writing. The Board members also communicate frequently with Management to discuss the business operations of the Group.

Article 118 of the Company’s Constitution allows Board meetings to be conducted by means of conference telephone, videoconferencing, audio visual, or other similar communication by means of which all persons participating in the meeting can hear one another. Decisions of the Board and Board Committees may also be obtained through circular resolutions.

The attendance of the Directors at the Board and Board Committees meetings held in FY2020 is set out in the table below:

Name of Directors	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
Teo Kee Bock	2	2	NA	NA	NA	NA	NA	NA
Teo Kee Chong	2	2	NA	NA	NA	NA	NA	NA
Tan Keh Eyo	2	2	2	2	1	1	1	1
Low Beng Tin	2	2	2	2	1	1	1	1
Lai Mun Onn	2	2	2	2	1	1	1	1

“NA” denotes “not applicable” as he is not a member of the respective Board Committees

Multiple Board Representations

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge. When a Director has multiple board representations, and in considering the nomination of Directors for appointment, the NC will evaluate whether or not the Director is able to and has adequately carried out his or her duties as a Director of the Company, taking into consideration the Director’s number of listed company board representations and other principal commitments.

The NC has reviewed all of the declaration from the Directors and evaluated the competing time commitments faced by Directors serving on multiple boards during FY2020, and is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company, after taking into consideration each of the Directors’ number of listed company board representations and other principal commitments in FY2020. In view of this, the NC and the Board were of the views that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director of the Company, and believes that it would not be necessary to put a maximum limit on the number of listed company board representations that each individual Director may hold. The Board and the NC will review the requirement to determine the maximum number of listed company board representations as and when they deem fit.

CORPORATE GOVERNANCE

Provision 1.6

Access to Information

All Directors have unrestricted access to the Company's records and information. From time to time, they are provided with complete, adequate and timely information, on an on-going basis, in order for the Directors to discharge their duties efficiently and effectively.

Detailed Board papers are prepared and circulated to the Directors before each Board meeting. The Board papers include sufficient information on financial, budgets, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board meetings. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting.

The Board receive half-yearly financial management reports, annual budgets and explanation pertaining to the operational and financial performance of the Group, including updates on the Group's financial performance and position, cash flow position and operational performance of the Group's assets as well as quarterly management reports on the Group's receivables position. In respect of annual budgets, any material variance between the projections and actual results should also be disclosed and explained.

The Board will also be updated on the industry trends and developments surrounding the Group's various business segments to enable them to oversee the Group's operational and financial performance as well as risks faced by the Group.

Provision 1.7

Access to Management and Company Secretary

The Directors have separate and independent access to Management and the Company Secretary, who are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with, at all times through email, telephone and face-to-face meetings.

The Directors are also entitled to request for additional information and Management shall provide them on a timely basis. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.

The Company Secretary assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. The Company Secretary and/or her representatives attends all meetings of the Board and Board Committees. The Company Secretary prepares the minutes after each meeting and ensures that good information flows within the Board and its Board Committees and between Management and Non-Executive Directors. The Company Secretary also facilitates the orientation of the Board and Management and assists with professional development as and when required. The appointment and removal of the Company Secretary is decided by the Board as a whole.

Access to Independent Professional Advice

Should Directors, whether as a group or individually, require independent professional advice in furtherance of their duties and responsibilities, the cost of such professional advice will be borne by the Company.

CORPORATE GOVERNANCE

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1

Independence of Directors

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules of the SGX-ST. The Board considers an “independent” Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment with a view to the best interests of the Company.

The NC is responsible for reviewing the independence of each of the Independent Directors according to the Code and Rule 406(3)(d) of the Catalist Rules of the SGX-ST. The NC shall conduct the review annually and shall consider all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its finding and recommendations to the Board for approval.

For FY2020, the Independent Directors have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules of the SGX-ST. The Independent Directors did not own shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

Duration of Independent Directors’ Tenure

As at the date of this report, Mr Tan Keh Eyo has served on the Board beyond nine (9) years since the date of his first appointment. The NC and the Board have conducted rigorous review and consider all nature of relationships and circumstances that could influence the judgement and decisions of Mr Tan Keh Eyo before tabling its finding and recommendations to the Board for approval.

The Board concurred with the NC’s view that Mr Tan Keh Eyo has demonstrated strong independence character and judgement in the Board and Board Committees meetings over the years, in discharging his duties and responsibilities as Independent Director with the utmost commitment in upholding the interest of non-controlling shareholders. In addition, he does not hold any shares in the Company, receives only a fixed Director’s fee from the Company and does not have any relationships that could interfere with the exercise of his independent business judgement in the best interest of the Company. Mr Tan Kah Eyo has displayed characteristics expected of an Independent Director.

Taking into account of the above, the Board has affirmed Mr Tan Keh Eyo’s independence status and resolved that he continues to be considered Independent Director, notwithstanding he has served on the Board beyond nine (9) years from the date of his first appointment.

CORPORATE GOVERNANCE

Provision 2.2

Proportion of Independent Directors

During FY2020, the Board consists of two (2) Executive Directors and three (3) Independent Directors.

In view of the Chairman of the Board is an Executive Director, the Company has complied with and ensured that a majority of the Board, three (3) out of five (5) Directors on the Board are Independent Directors.

Provision 2.3

Proportion of Non-Executive Directors

A majority of three (3) out of five (5) Directors on the Board are Non-Executive Directors.

Provision 2.4

Composition and Size of the Board

As at the date of this report, the Board comprises the following five (5) Directors, two (2) of whom are Executive Directors and three (3) of whom are Independent Directors:

Executive Director

- | | |
|---------------|----------------------|
| Teo Kee Bock | - Executive Director |
| Teo Kee Chong | - Executive Director |

Non-Executive Directors

- | | |
|--------------|-----------------------------|
| Tan Keh Eyo | - Lead Independent Director |
| Lai Mun Onn | - Independent Director |
| Low Beng Tin | - Independent Director |

The NC is responsible for examining the composition and size of the Board and Board Committees to determine the impact of the composition and size on its effectiveness and deciding on what is considered as an appropriate composition and size for the Board and Board Committees to facilitate the effectiveness of the decision making.

The Board, in concurrence with the NC, satisfied that the existing composition and size of the Board and Board Committees effectively serve the Group, taking into account the size, scope and nature of the operations of the Group.

Board Diversity

The Board's policy in identifying nominees for directorship is primarily to have an appropriate mix of expertise with complementary skills, core competencies and experience for facilitating effective decision making. Each Director has been appointed based on his or her skills, experience and knowledge, and is expected to bring forth his or her experience and expertise to the Board for the continuous development of the Group.

CORPORATE GOVERNANCE

All Directors possess the right core competencies and diversity of experience that enable them to effectively contribute to the Board. Their varied experiences are particularly important in ensuring that the strategies proposed by Management are fully discussed and examined, taking into account the long-term interests of the Company, the Group and shareholders.

The NC is of the view that the current Board comprises members with diverse competencies, experience and skills that match the demands of the Group. 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.

Board Guidance

An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

The Directors, in particular the Non-Executive Directors, are kept informed of the Company's business and affairs as well as about the industry in which the Company operates in. This knowledge is essential for the Directors to engage in informed and constructive discussions. To ensure that Non-Executive Directors are well supported by accurate, complete and timely information, Non-Executive Directors have unrestricted access to Management. Besides receiving regular Board briefings on latest market developments and trends, and key business initiatives, periodic information papers, industry and market reports, the Non-Executive Directors are regularly briefed by Management on major decisions and prospective business deals.

Provision 2.5

Meetings of Independent Directors with Management

Although all Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and rigorously examined, assessing the performance of Management in meeting the agreed goals and objectives, as well as monitoring the reporting of performance.

The Independent Directors are encouraged to meet regularly without the presence of Management, so as to facilitate a more effective check on Management. During FY2020, the Independent Directors have met informally at least once without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of Directors and KMP. Thereafter, the Chairman of such meeting will provide feedback to the Board and/or Chairman of the Company as appropriate.

PRINCIPLE 3: CHAIRMAN AND MANAGING DIRECTOR

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

CORPORATE GOVERNANCE

Provision 3.1

Separation of the Roles of Chairman and Managing Director

The Chairman of the Board and the Managing Director (“MD”) should in principle be separate persons to maintain an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and Management responsible for managing the Group’s business operations. Mr Teo Kee Bock is the Executive Chairman and Mr Teo Kee Chong is the MD of the Company. Both of them are Executive Directors of the Company and are siblings.

Notwithstanding the above, there is a clear division of responsibilities between the leadership of Chairman and MD.

Provision 3.2

Role of Chairman and MD

As the Chairman of the Company, Mr Teo Kee Bock is responsible for the effective functioning of the Board and exercises control over the quality, quantity and timeliness of information flow between the Board and Management, effective communication with shareholders and leads the Board to ensure its effectiveness on all aspects of its role. In addition, Mr Teo Kee Bock also encourages constructive relations among the Directors and the Board’s interaction with Management, as well as facilitates effective contribution of Non-Executive Directors. At the same time, Mr Teo Kee Bock also involved with providing the strategic direction of the Group, business development and enhancing ties with the Group’s customers and business associates.

Responsibilities of Mr Teo Kee Bock as the Chairman in respect of the Board proceedings include:

- (a) in consultation with the MD, schedules meetings, setting the agenda (with the assistance of the Company Secretary and/or her representatives) and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues;
- (b) ensuring that all agenda items are adequately and openly debated at the Board meetings;
- (c) ensuring that all Directors receive complete, adequate and timely information; and
- (d) assisting in ensuring that the Group complies with the Code and maintains high standards of corporate governance.

As the MD of the Company, Mr Teo Kee Chong has full executive responsibilities in the business directions and operational efficiency of the Group. He oversees execution of the Group’s corporate and business strategies and is responsible for the day-to-day running of the business. All major proposals and decisions made by the MD are discussed and reviewed by the Chairman and the AC and recommended to the Board for its consideration and approval. The performance and remuneration package of the MD is reviewed periodically by the NC and the RC. As each of the AC, NC and RC consist of all Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

CORPORATE GOVERNANCE

Provision 3.3

Lead Independent Director

The Board has a Lead Independent Director, Mr Tan Keh Eyo, to provide leadership in situations where the Executive Chairman, who is not independent, is conflicted. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating a two-way flow of information between shareholders, the Chairman and the Board.

The Lead Independent Director's role may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Independent Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

In addition, the Lead Independent Director may also help the NC conduct annual performance evaluation and development succession plans for the Chairman and MD and help the RC design and assess the Chairman's remuneration.

The Lead Independent Director also makes himself available at all time when shareholders have concerns and for which contact through normal channels of the Chairman, MD or Group Financial Controller have failed to resolve or is inappropriate. The Lead Independent Director makes himself available to shareholders at the Company's general meeting.

There were no query or request on any matters which requires the Lead Independent Director's attention received in FY2020.

The Company has established a whistle blowing policy where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to the Lead Independent Directors. Details of the whistle blowing policies and arrangements have been made available to all employees and public at the Company's website.

Independent Director Meetings in Absence of Other Directors

After meeting with shareholders or when there are issues to be discussed, the Lead Independent Director will lead meetings with other Independent Directors, without the presence of other Directors, and provide feedback to the Chairman of the Board after such meetings, if it necessary.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

Roles and Duties of Nominating Committee

The Board established the NC with written terms of reference which clearly set out its authority and duties, and report to the Board directly.

CORPORATE GOVERNANCE

The terms of reference of the NC, which was revised and adopted for alignment with the Code and Catalist Rules of the SGX-ST, sets out its duties and responsibilities. Amongst them, the NC is responsible for:

- (a) regularly and strategically review the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees;
- (b) regularly review the training and professional development programmes for the Board and its Directors;
- (c) identify and nominate candidates to fill Board vacancies as they occur;
- (d) request nominated candidates to disclose any existing or expected future business interests that may lead to a conflict of interest. This disclosure is to be included in any recommendation to the Board;
- (e) send the newly-appointed Director a formal appointment letter which clearly sets out his or her roles and responsibilities, authority, and the Board's expectations in respect of his or her time commitment as a Director of the Company;
- (f) recommends the membership of the Board Committees to the Board;
- (g) review the independent status of Non-Executive Directors (in accordance with Catalist Rules 406(3)(d)(i), (ii), and (iii) of the SGX-ST, and the Provision 2.1 of the Code) and that of the alternate Director, if applicable, annually, or when necessary, along with issues of conflict of interest;
- (h) develops the performance evaluation framework for the Board, the Board Committees and individual Directors and propose objective performance criteria for the Board, the Board Committees and individual Directors;
- (i) recommend that the Board removes or reappoints a Non-Executive Director at the end of his or her term, and recommend the Directors to be re-elected under the provisions of the Company's Constitution on the policy of retirement by rotation. In making these recommendations, the NC should consider the Director's performance, commitment and his or her ability to continue contributing to the Board;
- (j) review other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his or her duties as a Director;
- (k) review and ensure that there is a clear division of responsibilities between the Chairman and MD of the Company in place;
- (l) review the Board with its succession plans for the Board Chairman, Directors, MD and KMP of the Company;
- (m) keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates; and
- (n) undertake such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules of the SGX-ST (where applicable).

Provision 4.2

Nominating Committee Composition

As at the date of this report, the NC comprises the following three (3) members, all of whom, including the NC Chairman, are Independent Directors and Lead Independent Director is a member of the NC:

Low Beng Tin	Chairman
Lai Mun Onn	Member
Tan Keh Eyo	Member

CORPORATE GOVERNANCE

Provision 4.3

Nomination and Selection of Directors

In the event of a vacancy arises pursuant to an expansion of the Board or such other circumstances as they may occur, 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 candidates based on their experience and expertise for the position.

The NC may approach relevant institutions, e.g. SID, search consultants or via open advertisements to search for suitable candidates. The search for suitable candidates may also draw from the contacts and network of the existing Directors and Management. Thereafter, the NC will identify candidates by conducting formal interviews with shortlisted candidates to assess their suitability and ensure that the candidates meet the criteria and expectations. After the selection process, the NC will make the necessary recommendation to the Board for approval. New Directors will be appointed after the NC makes the necessary recommendation to the Board for approval.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with the appropriate expertise and experience for the appointment as new Director. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy.

Re-election of Directors

Pursuant to the Company's Constitution, all Directors must submit themselves for re-election at least once every three (3) years. In accordance with Article 106 of the Company's Constitution, one-third of the Directors, or if their number is not in a multiple of three (3), the number nearest to but not less than one-third, shall retire from office at every AGM. In addition, Article 90 of the Company's Constitution provides that all newly appointed Directors shall hold office only until the next AGM and are eligible to offer themselves for re-election.

In this respect, the Board has accepted the NC's nomination for re-election of the following Directors, who will be retiring pursuant to Article 106 of the Company's Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST at the forthcoming AGM of the Company:

- (a) Mr Low Beng Tin (retiring under Article 106 of the Company's Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST); and
- (b) Mr Lai Mun Onn (retiring under Article 106 of the Company's Constitution).

Mr Low Beng Tin has given his consent for re-election and he will, upon re-election as a Director of the Company, remain as Chairman of the NC, and a member of the AC and RC.

Mr Lai Mun Onn has given his consent for re-election and he will, upon re-election as a Director of the Company, remain as Chairman of the RC, and a member of the AC and NC.

The Board has also accepted the NC's nomination on the continued appointment of Mr Tan Keh Eyo, who has served on the Board for an aggregate period of more than nine (9) years for shareholders' approval at the forthcoming AGM of the Company pursuant to Rule 406(3)(d)(iii) of the Catalist Rules of the SGX-ST. This takes effect on or after 1 January 2022 which stipulates that a director who has served on the Board for a cumulative period of 9 years will no longer be eligible to be designated as an independent director unless approval is sought from a two-tier voting in separate resolutions by (a) all shareholders; and (b) shareholders excluding Director, Chief Executive Officer and their associates, from shareholders present and voting at the general meeting prior to 1 January 2022. Such approvals will remain valid until the conclusion of the third AGM from such approvals.

CORPORATE GOVERNANCE

Mr Tan Keh Eyo has given his consent for re-appointment and he will, upon re-election as a Director of the Company, remain as Lead Independent Director, Chairman of the AC, and a member of the NC and RC.

In making the recommendation, the NC has considered the Directors' overall contributions and performance. Each member of the NC shall abstain from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a Director.

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules is disclosed on pages 45 to 49 of the Annual Report.

Alternate Director

During FY2020, there were no alternate Director on the Board.

Provision 4.4

Continuous Review of Directors' Independence

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board.

The NC reviews the independence of each Director annually in accordance with the definition of independence in the Code, Practice Guidance and Rule 406(3)(d) of the Catalist Rules of the SGX-ST. Each Independent Director has submitted their confirmation of independence for the NC's reviews on an annual basis. For FY2020, the NC has reviewed and confirmed the independence of the Independent Directors of the Company, namely Mr Tan Keh Eyo, Mr Low Beng Tin and Mr Lai Mun Onn, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code, Rule 406(3)(d) of the Catalist Rules of the SGX-ST and any other salient factors.

Provision 4.5

Directors' Time Commitments

In addition to the current procedures for the review of the attendance records and analysis of directorships, a policy has also been put in place for Directors to notify the Board of any changes in their external appointments. This would allow the Director to review his or her time commitments with the proposed new appointment and in the case of an Independent Director, to also ensure that his or her independence would not be affected.

CORPORATE GOVERNANCE

Name of Director	Date of last re-election/ appointment	Nature of appointment	Functions/ Board Committee served	Academic and professional qualifications	Directorships or Chairmanships both present in other listed companies and other principal commitments
Teo Kee Bock	26 June 2020	Executive	Executive Chairman	None	<u>Other Principal Commitment</u> Apricot Capital Pte. Ltd. <u>Present Directorship</u> None
Teo Kee Chong	26 June 2020	Executive	MD	None	<u>Other Principal Commitment</u> Regent Printing (Singapore) Pte Ltd <u>Present Directorship</u> None
Tan Keh Eyo	25 April 2019	Non-Executive and Lead Independent	Chairman, AC Member, NC and RC	<ul style="list-style-type: none"> Bachelor of Commerce 	<u>Other Principal Commitment</u> None <u>Present Directorship</u> None
Lai Mun Onn	25 April 2019	Non-Executive and Independent	Chairman, RC Member, AC and NC	<ul style="list-style-type: none"> Bachelor of Laws Barrister-at-Law 	<u>Other Principal Commitment</u> Managing Partner of Lai Mun Onn & Co Club President of The Keppel Club Member of Governing Council of Singapore Golf Association <u>Present Directorships</u> Koh Brothers Group Limited
Low Beng Tin	27 April 2018	Non-Executive and Independent	Chairman, NC Member, AC and RC	<ul style="list-style-type: none"> Diploma in Electrical Engineering Diploma in Management Studies Masters in Business Administration (Chinese Programme) 	<u>Other Principal Commitment</u> Executive Director of Assimilated Technologies (S) Pte Ltd <u>Present Directorships</u> CosmoSteel Holdings Limited Lian Beng Group Ltd JP Nelson Holdings (Caymen Islands)

Information of the interests of the Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the Directors' Statement on page 50 of this annual report.

CORPORATE GOVERNANCE

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

Performance Criteria

The Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. It has also ensured that each Director, with his or her special contributions, brings the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC has been tasked to assist the Board to develop a performance evaluation framework for the Board, Board Committees and individual Directors, proposed performance criteria and assist in the conduct of the evaluation, analyses the findings and reports the results to the Board.

The NC, together with the Board, has established a formal process setting out the performance criteria for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each individual Director to the effectiveness of the Board to align with the applicable principles and provisions set out in the Code.

The assessment parameters for each Director include his or her knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

On an annual basis, all the Directors are required to complete the following:

- Board Performance Evaluation Questionnaire;
- AC Performance Evaluation Questionnaire;
- NC Performance Evaluation Questionnaire;
- RC Performance Evaluation Questionnaire; and
- Individual Director Self-Assessment Form.

For FY2020, the NC conducted a formal review of the performance evaluation of the Board, Board Committees and individual Directors, by way of circulating the questionnaires to the Board and Board Committees and self-assessment form to each individual Director for completion. The summary of findings of each evaluation together with the feedback and recommendations from the Board, Board Committees and each individual Director had been discussed and reviewed by the NC.

The NC recommends that, for the Board's approval, the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.

CORPORATE GOVERNANCE

Board Evaluation Process

The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

- (a) Board composition;
- (b) Board conduct of affairs;
- (c) Internal controls and risk management;
- (d) Board accountability;
- (e) MD; and
- (f) Standards of conduct.

Based on the summary of findings of the evaluation for FY2020 together with the feedback and recommendations from each Director, the NC is satisfied that the Board as a whole had met its performance objective in FY2020.

Board Committees Evaluation Process

The evaluation serves to assess the effectiveness of the Board Committees on the following parameters:

Audit Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Financial reporting;
- (e) Risk management and internal control systems;
- (f) Internal audit process;
- (g) External audit process;
- (h) Compliance;
- (i) Anti-fraud;
- (j) Whistle-blowing;
- (k) IPTs and related party transactions;
- (l) Reporting;
- (m) Standards of conduct; and
- (n) Communication with shareholders.

Nominating Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Reporting;
- (e) Process for selection and appointment of new Directors;
- (f) Board diversity;
- (g) Nomination of Directors for re-election;
- (h) Independence of Directors;
- (i) Board performance evaluation;
- (j) Succession planning;
- (k) Multiple Board Representations;
- (l) Chairman and MD;
- (m) Standards of conduct; and
- (n) Communication with shareholders.

CORPORATE GOVERNANCE

Remuneration Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Remuneration framework;
- (e) Reporting;
- (f) Standards of conduct; and
- (g) Communication with shareholders.

Based on the summary of the evaluation for FY2020 together with the feedback and recommendations from members of the respective Board Committees, the NC is satisfied that each of the Board Committees had met its performance objective in FY2020.

The primary objective of the Board evaluation exercise is to create a platform for the Board and Board Committees members to provide constructive feedback on the Board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

The NC has, without the engagement of external facilitator, assessed the Board and Board Committees overall performance to-date and is of the view that the performance of the Board as a whole and Board Committees were satisfactory.

Individual Directors Evaluation Process

The evaluation serves to assess the effectiveness of each of the individual Directors on the following parameters:

- (a) Attendance at Board and related activities;
- (b) Adequacy of preparation for Board meetings;
- (c) Contribution;
- (d) Initiative;
- (e) Knowledge of the senior management's job scope;
- (f) Knowledge of the Company's business;
- (g) Participation in constructive debate/discussion;
- (h) Maintenance of independence;
- (i) Disclosure of IPTs; and
- (j) Declaration of conflicts of interest.

Based on the summary of the evaluation for FY2020 together with the feedback and recommendations from the respective individual Directors, the NC is satisfied that each of the individual Directors had met its performance objective in FY2020.

The individual Director evaluation exercise assists the NC in determining whether to re-nominate Directors who are due for retirement at the forthcoming AGM of the Company, and in determining whether Directors with multiple board representations are able to and have adequately discharged their duties as Directors of the Company.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or his re-nomination as Director.

CORPORATE GOVERNANCE

II. REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1

Roles and Duties of Remuneration Committee

The Board established the RC with written terms of reference which clearly set out its authority and duties, and report to the Board directly.

The terms of reference of the RC, which was revised and adopted for alignment with the Code and Catalist Rules of the SGX-ST, sets out its duties and responsibilities. Amongst them, the RC is responsible for:

- (a) determining the Company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;
- (b) ensure that the level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Company;
- (c) set the remuneration policy for Directors (both Executive Directors and Non-Executive Directors) and KMP;
- (d) recommend proposed Non-Executive Directors' fees for shareholders' approval;
- (e) monitor the level and structure of remuneration for KMP relative to the internal and external peers and competitors;
- (f) review and make recommendations to the Board on the specific remuneration packages for each Director as well as for KMP;
- (g) ensure that the remuneration of the Non-Executive Directors is appropriate to the level of contribution;
- (h) review the remuneration of employees related to the Directors, MD or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (i) review the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);
- (j) obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants;
- (k) oversee any major changes in employee benefits or remuneration structures;
- (l) review the design of all long-term and short-term incentive schemes for approval by the Board and shareholders;
- (m) ensure that the contractual terms and any termination payments are fair to the individual and the Company. Poor performance should not be rewarded;
- (n) set performance measures and determine targets for any performance-related pay schemes operated by the Company;
- (o) ensure that a significant and appropriate proportion of Executive Directors' and KMP remuneration is structured so as to link rewards to corporate and individual performance;
- (p) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and
- (q) undertake such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules of the SGX-ST (where applicable).

CORPORATE GOVERNANCE

Provision 6.2

Remuneration Committee Composition

As at the date of this report, the RC comprises the following three (3) members, all of whom, including the RC Chairman, are Independent Non-Executive Directors:

Lai Mun Onn	Chairman
Low Beng Tin	Member
Tan Keh Eyo	Member

Provision 6.3

Remuneration Packages and Framework

The RC reviews and recommends a framework to the Board and the remuneration packages or policies for the Executive Director/MD and the KMP based on the performance of the Group, the individual Director and the KMP. No Director individually decides or is involved in the determination of his or her own remuneration. The RC's recommendations are submitted for endorsement by the Board.

The RC will also review the Company's obligations under the service agreement entered into with the Executive Director and KMP that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

Provision 6.4

Engagement of Remuneration Consultants

The RC has access to advice from the internal human resource department and, if necessary, the RC may seek advice from external professionals in the field of executive compensation and related matters of which the expenses will be borne by the Company. No external consultant was engaged by the Company in FY2020.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3

Remuneration of Executive Directors and KMPs

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and to attract, retain and motivate the Directors and KMP. It also motivates the Directors to provide good stewardship of the company and KMP to successfully manage the Company for the long term. The remuneration packages take into account the performance of the Group, the individual Directors and individual KMP.

CORPORATE GOVERNANCE

The remuneration structure of the Executive Directors and KMP comprises both fixed and variable components. The variable component is linked to the Group/Company's performance as well as the performance of the individual personnel. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

No Director is involved in determining his own remuneration. The remuneration of Mr Teo Kee Bock and Mr Teo Kee Chong, Executive Directors of the Company are governed by their respective service contracts which are subject to renewal every three (3) years. The respective service contracts expired on 30 April 2019 and their respective service contracts had been renewed in FY2019. The RC and the Board has reviewed and approved the service agreements without any changes to the remuneration packages.

Having reviewed and considered the variable components in the remuneration packages of the Executive Directors and KMP, the RC is of the view that the remuneration packages of the Executive Directors and KMP, 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 individual performance, and is dependent on the performance of the Group, as well as the contribution of the individual to the Group's performance.

Apart from the above, the Company does not have any long-term incentives, including share option schemes, nor contractual provisions to reclaim incentive components of remuneration from Executive Directors and KMP as the incentives do not make up a significant percentage of their remuneration.

Provision 7.2

Remuneration of Non-Executive Directors

The Board comprises of three (3) Non-Executive Directors who are independent. The Independent Directors are paid a fixed remuneration appropriate to their level of contribution, taking into account factors such as effort, time spent and their responsibilities. No Director is involved in deciding his or her own remuneration. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The total fees of the Directors is recommended for shareholders' approval at each AGM of the Company. Directors' fees of S\$106,247 for FY2019 had been approved by shareholders at the last AGM of the Company held on 26 June 2020. Directors' fees of S\$100,000 for FY2020 have been recommended by the Board and will be tabled for approval by shareholders at the forthcoming AGM of the Company.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

Remuneration Criteria

The compensation packages for employees including the Executive Directors and the KMP comprised a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

CORPORATE GOVERNANCE

An annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Directors and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors and MD (together with other KMPs) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Disclosure on Fees and Remuneration of Directors and MD

A breakdown showing the level and mix of the remuneration payable to each individual Directors for FY2020 is as follow

Name of Director	Salary ⁽¹⁾	Bonus ⁽¹⁾	Directors' Fees	Allowance & Other Benefits	Total
	%	%	%	%	%
Below S\$250,000					
Teo Kee Bock	53	7	8	32	100
Teo Kee Chong	56	7	9	28	100
Tan Keh Eyo	-	-	100	-	100
Low Beng Tin	-	-	100	-	100
Lai Mun Onn	-	-	100	-	100

Notes:

(1) The salary and bonus shown are inclusive of Singapore Central Provident Fund contributions.

Disclosure on Remuneration of Key Management Personnel

There are only four (4) KMPs in the Company during the financial year ended 31 December 2020. A breakdown of the remuneration bands payable to the four (4) KMPs (who are not Directors or the MD), including the immediate family members of a Director or the MD exceeding S\$100,000 for FY2020, is as follows:

Name of KMP	Salary ⁽¹⁾	Bonus ⁽¹⁾	Allowance & Other Benefits	Total
	%	%	%	%
Below S\$250,000				
Adrian Teo Kee Tiong ⁽²⁾	56	9	35	100
Chua Thiam Chye	89	11	-	100
Eddie Teo Kwei Chieh	89	11	-	100
Teo Wei Xian	89	11	-	100

Notes:

(1) The salary and bonus shown are inclusive of Singapore Central Provident Fund contributions.

(2) Brother of Mr Teo Kee Bock and Mr Teo Kee Chong, all of whom are the sons of Mdm Ang Kim Ton, substantial shareholder of the Company.

CORPORATE GOVERNANCE

The RC will review the remuneration of the Directors and the KMP from time to time.

Save as disclosed above, the Code recommends that:

- (a) the Company should fully disclose the remuneration of each individual Director and the MD on a named basis;
- (b) the Company should disclose the details of the remuneration of employees who are immediate family members of a Director or the MD, in incremental bands of S\$100,000; and
- (c) the Company should disclose in aggregate the total remuneration paid to the top five (5) KMP (who are not Directors or the MD).

In view of the sensitive and confidential nature of the remuneration packages for Directors and KMP, the Board has decided not to disclose the aforesaid detail as recommended by the Code. The total remuneration of the top five (5) KMP (who are not Directors or the MD), including the immediate family member of a Director or MD, was not disclosed to prevent poaching of KMP.

As the Company is a small and tightly-knit team, such disclosure will be disadvantageous to the Company. The Board is of the view that it is in the best interest of the Company to disclose the remuneration paid to the Directors and KMP in bands of S\$250,000. The aggregate total remuneration paid to the top four (4) KMPs (who are not Directors or the MD) in FY2020 is S\$368,000.

All Directors and KMP are remunerated on an earned basis and there were no termination, retirement and post-employment benefits granted during FY2020.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

Provision 8.2

Disclosure on Remuneration of Employee related to Directors/MD/Substantial Shareholders

Save as disclosed above, there were no other employees who are substantial shareholders of the Company, or are immediate family members of a Director, the MD or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2020.

Provision 8.3

Long-Term Incentive Schemes

The Company had no long-term incentive schemes in place during FY2020.

III. ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

CORPORATE GOVERNANCE

Provision 9.1

Nature and Extent of Risks

The Board oversees the company's risk management framework and policies, and ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

The Board has determined the Group's levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

Risk Management

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.

As the Group does not have a risk management committee, the AC assumes the responsibility of the risk management function. The Board monitors the Group's risks through the AC, internal and external auditors. Having considered the size and scale of the Group's business operations as well as its existing internal controls and risk management systems, the Board is of the view that a separate risk committee is not required at the moment.

Internal Controls

The Board acknowledge that it is responsible for establishing, maintaining and reviewing the effectiveness of the Company's overall internal control framework. The Board also recognises that an effective internal control will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not 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.

Provision 9.2

Assurance from the MD, Financial Controller and KMPs

The Board and the AC has reviewed, with the assistance of the internal and external auditors, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems annually.

The Board has received written assurance from the MD and Group Financial Controller that, as at 31 December 2020, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received written assurance from the Executive Chairman and MD that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 31 December 2020 to address the risks that the Group considers relevant and material to its business operations.

CORPORATE GOVERNANCE

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, as well as the said assurance set out above, the Board is satisfied and the AC concurs with the Board that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2020 to address the risks that the Group considers relevant and material to its business operations.

The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonable foreseen as it strives to achieve its business objectives. However, the Board notes that no system of internal controls and risk management systems can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1

Roles and Duties of the AC

The Board established the AC with written terms of reference which clearly set out its authority and duties, and report to the Board directly.

The terms of reference of the AC, which was revised and adopted for alignment with the Code and Catalist Rules of the SGX-ST, sets out its duties and responsibilities. Amongst them, the AC is responsible for:

- (a) review the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommend changes;
- (b) oversee and review the adequacy and effectiveness of the Company's risk management function;
- (c) overseeing Management in establishing the risk management framework of the Company;
- (d) review and report to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;
- (e) reviewing the assurance of the MD and Group Financial Controller on the Company's financial records and financial statements;
- (f) review the adequacy, effectiveness, independence, scope and results of the Company's external audit and internal audit function;
- (g) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (h) recommend to the Board the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement;
- (i) ensure that the Company complies with the requisite laws and regulation;
- (j) ensure that the Company has programmes and policies in place to identify and prevent fraud;
- (k) oversee the establishment and operation of the whistleblowing process in the Company;
- (l) review all IPTs and Related Party Transactions; and
- (m) undertake such other functions and duties as may be required by the Board under the Code, statute or Catalist Rules of the SGX-ST (where applicable).

CORPORATE GOVERNANCE

The AC has explicit authority to investigate any matters within its terms of reference. The AC also has full access to, and the co-operation of, Management and full discretion to invite any Director or senior management to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

Provisions 10.2 and 10.3

Audit Committee Composition

As at the date of this report, the AC comprises the following three (3) members, all of whom, including the AC Chairman, are Independent Non-Executive Directors:

Tan Keh Eyo	Chairman
Lai Mun Onn	Member
Low Beng Tin	Member

The Board is of the view that the members of the AC are appropriately qualified and possess the recent and relevant accounting or related financial management expertise or experience to discharge their responsibilities. All AC members have many years of experience in accounting, finance and/or legal related expertise and experience.

None of the AC members were previous partners or directors of the Company's existing auditing firms and none of the AC members hold any financial interest in the auditing firms.

Provision 10.4

Internal Audit Function

The current size of the operations of the Group does not warrant the Group to have an in-house internal audit function. The Company outsources its internal audit function to an independent assurance services consultancy firm, Virtus Assure Pte. Ltd.. The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

The internal auditors report their findings and recommendations primarily to the AC and the AC is empowered to review any of the accounting, auditing and financial practices of the Company and the Group. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the AC.

The internal auditors will submit their annual audit planning for approval by the AC and report their findings to the AC. In FY2020, the scope of the audit primarily covers the operational, financial controls, risk management and information technology of the Group's sole manufacturing subsidiary, Fuji Roto Gravure Sdn. Bhd. During the internal audit which was conducted virtually due to the ongoing Covid-19 pandemic and Movement Control Order restrictions in Johor, the internal auditors carried out the review which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors on certain key areas to assess and evaluate:

- (a) whether adequate systems of internal controls are in place;
- (b) whether operations of the business processes under review are conducted efficiently and effectively; and
- (c) internal control improvement opportunities.

CORPORATE GOVERNANCE

The AC has reviewed with the internal auditors their audit plan and their evaluation of the system of internal controls and has evaluated their audit findings and Management's responses to those findings, the effectiveness of material internal controls, including financial, operational, compliance and information technology controls and overall risk management of the Company and the Group for FY2020. The AC is satisfied that the outsourced internal audit function is adequately resourced, effective and independent. The outsourced internal audit function has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualifications and experience and adheres to professional standards including those promulgated by The Institute of Internal Auditors.

The annual audits conducted by the internal auditors aim to assess the effectiveness of the Group's internal control procedures and to provide reasonable assurances to the AC and Management that the Group's risk management, controls and governance processes are adequate and effective.

On an annual basis, the AC reviews the adequacy and effectiveness of the internal audit function.

External Audit Function

The AC reviews the scope and results of the audit carried out by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors. It always seeks to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money professional services. The AC confirms that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the AC's opinion, affect the independence of the auditors.

Messrs Ernst & Young LLP ("EY") was re-appointed as the external auditors on 26 June 2020 until the conclusion of the forthcoming AGM of the Company. Non-audit fees paid to auditors of the Company for FY2020 amounted to S\$10,000 for tax planning and compliance work. Audit fees paid to auditors of the Company for FY2020 was S\$63,000.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to shareholders' approval at the AGM of the Company.

In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2020, the AC has considered the adequacy of the resources, experience and competence of EY, and has taken into account the Audit Quality Indicators relating to EY firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The Board also considered the audit team's ability to work in a cooperative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

On the basis of the above, the AC and the Board are satisfied with the standard and quality of work performed by EY and have recommended the nomination of EY for re-appointment as external auditors for the ensuing year be tabled for shareholders' approval at the forthcoming AGM of the Company.

For FY2020, the Company confirms that it has complied with Rule 712 and Rule 716 of the Catalist Rules of the SGX-ST in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent auditors, other than those of the Company.

CORPORATE GOVERNANCE

The Group has appointed different auditors for its overseas subsidiary corporations. The Company's Board and Audit Committee are satisfied that the appointment of different audit firm for IPark, a significant associate of the Group, would not compromise the standard and effectiveness of the audit of the Company as the auditor of the Company is Ernst & Young LLP Singapore and IPark is audited by a member of Ernst & Young in Malaysia for Group reporting purposes.

Provision 10.5

Meeting with Internal and External Auditors without the Management

In performing its function, the AC meets with both the internal and external auditors to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audits. The AC also meets regularly with Management, the Group Financial Controller, and external and internal auditors to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements. At least once a year and as and when required, the AC meets with the external and internal auditors without the presence of Management, to review any matters that might be raised privately.

The AC had separately met with the internal and external auditors once without the presence of the Management for FY2020.

Whistle-blowing Policy

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. Procedures are in place for the proper follow-up and investigations of such whistle-blowing incidents, as and when they arise. The Group also extended the whistle-blowing policy to members of the public as well by means of the Company's website with effect from July 2016.

The AC oversees the administration of the policy. Where a complaint has been made, a report will be submitted to the AC for investigation and follow-up.

The AC did not receive any report during FY2020.

Audit Committee Activities

In FY2020, the AC had, among others, carried out the following activities:

- (a) reviewed the half-year and full-year financial statements announcements of the Group, and recommended to the Board for approval and release to the SGX-ST via SGXNet;
- (b) reviewed the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (c) reviewed IPTs of the Group;
- (d) reviewed and approved the annual audit plan of the external auditors;
- (e) reviewed and approved the internal audit plan of the internal auditors, having considered the scope of the internal audit procedures;
- (f) reviewed the effectiveness of the Group's internal audit function;
- (g) reviewed the audit findings of the internal auditors and Management's responses to those findings;
- (h) reviewed the independence of the external auditors;
- (i) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for the Board's approval; and
- (j) met with the internal and external auditors once without the presence of Management.

CORPORATE GOVERNANCE

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

Shareholders' Participation in General Meetings

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNet.

In order to provide ample time for the shareholders to review, the notice of AGM, together with the Annual Report 2020, is distributed to all shareholders fourteen (14) days before the scheduled AGM date. Shareholders are encouraged to attend the general meetings to ensure a high level of participation and accountability.

The Company may consider providing longer notice of meetings, especially when dealing with complex transactions. The Company would also use its best endeavours to avoid scheduling meetings during peak periods.

If a shareholder is not able to attend in person, the shareholder is generally able to appoint one (1) or two (2) proxies to attend and vote in his or her stead at general meetings. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirements. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund Board which purchases shares on behalf of the Central Provident Fund investors. A proxy need not be a member of the Company.

Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

Shareholders are also informed of the voting procedures prior to the commencement of voting by poll. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

Provision 11.2

Conduct of Resolutions and Voting

The resolutions tabled at the general meetings are on each substantially separate issue, Unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, it is the Company's current intention to explain the reasons and material implications in the notice of meeting.

The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each item in the AGM/Extraordinary General Meeting ("EGM") agenda is provided in the explanatory notes to the Notice of AGM/EGM in the annual report.

CORPORATE GOVERNANCE

Provision 11.3

Interaction with Shareholders

Directors and Management are encouraged to be present and available at general meetings to address shareholders' queries relating to the Company's business or performance. Management is also encouraged to make a presentation to shareholders to update them on the Company's performance, position and prospects at general meetings. Presentation materials should also be made available on SGXNet and the Company's website for the benefit of shareholders.

The respective Chairperson of the AC, NC and RC are present to assist the Directors in addressing any relevant queries raised by shareholders. The external auditors will also be present at the AGM of the Company to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

In view of the COVID-19 situation, the last AGM of the Company was conducted electronically on 26 June 2020 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements ("**Alternative Meeting Arrangements**") relating to, inter alia, attendance at the forthcoming AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, will be put in place for the forthcoming AGM.

Responses to shareholders' substantial and relevant questions were published on the Company's website and on SGXNet prior to the AGM

During the AGM, Management, as well as the respective Chairperson of the Board, AC, RC and NC were present. The external auditors of the Company was also present at the AGM.

Save for the last AGM of the Company held on 26 June 2020, there were no other general meetings of the Company held during FY2020.

In view of the current COVID-19 situation, the forthcoming AGM of the Company will also be held electronically on 29 April 2021 pursuant to the Alternative Meeting Arrangements for the conduct of the AGM during this period.

The Company will endeavor, as best as it can, to avoid scheduling meetings during periods when the meetings may coincide with those of other companies. As the Company does not have a large shareholder base, it is of the opinion that its present avenue of engaging shareholders is appropriate.

Provision 11.4

Absentia Voting

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

CORPORATE GOVERNANCE

Provision 11.5

Minutes of General Meetings

The Company prepares minutes of general meetings which incorporate substantial comments and queries from shareholders and responses from the Board and Management. These minutes are made available upon request by shareholders.

In accordance with the Alternative Meeting Arrangements, the minutes of the forthcoming AGM will be published on the Company's website at www.fopgroup.com and via SGXNET within one month from the date of the AGM.

Provision 11.6

Dividend Policy

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 per share every year for the last five (5) years. For FY2020, the Company is recommending a first and final one-tier tax-exempt dividend of 0.30 Singapore cents per share subject to shareholders' approval at the forthcoming AGM of the Company.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1

Communication with Shareholders

The AGM is the principal forum for dialogue with shareholders. The Company recognises the value of feedback from shareholders. During the general meetings, shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the AGMs and EGMs, and shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues.

Provisions 12.2 and 12.3

Investor Relations Policy

The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules of the SGX-ST and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

CORPORATE GOVERNANCE

Disclosures of Information

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 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 does not practice selective disclosure of material information.

Communication to shareholders is normally made through:

- (a) annual reports that are prepared and issued to all shareholders;
- (b) annual and half-year financial statements announcements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices and explanatory memoranda for general meetings;
- (d) disclosures to the SGX-ST via SGXNet; and
- (e) press/media releases.

The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Outside of the financial announcement periods, when necessary and appropriate, the Non-Executive Chairman and/or the MD will meet all stakeholders, shareholders, analysts and media who wish to seek a better understanding of the Group's operations.

V. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2

Stakeholders' Engagement

The Company and the Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Six (6) stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, shareholders, suppliers, customers, management and employees.

The Company and the Group have undertaken a process to determine the economic, environmental, social and governance issues, which important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Detailed approach to the stakeholder engagement and materiality assessment (including commitments, key areas of focus and activities) will be disclosed in the Sustainability Report, which will be issued by May 2021.

CORPORATE GOVERNANCE

Provision 13.3

Corporate Website

To promote regular, effective and fair communication with shareholders, the Company maintains a current corporate website, www.fopgroup.com, through which shareholders are able to access up-to-date information on the Group. The website provides annual reports, financial information, profiles of the Group and contact details of the investor relations of the Group.

VI. INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy with regard to transactions with interested persons and has set out procedures for the review and approval of the Group's IPTs 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 FY2020, for which the renewed general mandate was approved by shareholders at the AGM of the Company held on 26 June 2020, are provided below:

Name of Interested Person	Nature of Relationship	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 during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Adrian Teo Kee Tiong	<p>Brother of Teo Kee Bock and Teo Kee Chong, Directors and substantial shareholders of the Company, and son of Mdm Ang Kim Ton, substantial shareholder of the Company.</p> <p>Fuji Printing Cylinders Pte Ltd, a wholly-owned subsidiary of the Group,</p> <p>Fuji Roto Gravure Sdn.Bhd., where Fuji Printing Cylinders Pte Ltd owns 65% and Adrian Teo Kee Tiong owns 35%. Adrian Teo Kee Tiong is also a director of Fuji Roto Gravure Sdn. Bhd.</p> <p>IPTs Supply of printing cylinders by Fuji Roto Gravure Sdn. Bhd. to Fuji Printing Cylinders Pte Ltd.</p> <p>Provision of technical services by the Group to Fuji Roto Gravure Sdn. Bhd.</p> <p>Lease of premises by Fujiplates Manufacturing Sdn. Bhd. to Fuji Roto Gravure Sdn. Bhd.</p>	Nil	S\$384,284

CORPORATE GOVERNANCE

VII. MATERIAL CONTRACTS

Save for the service contracts and loan between the Executive Directors and/or the MD and the Company, transactions as disclosed in the “Interested Person Transactions” section above and the Directors’ Statement and Financial Statements, there were no material contracts entered into by the Group involving the interests of the Directors or controlling shareholders which are either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

During the year, the Company entered into a loan agreement with Mr David Teo Kee Bock, Executive Chairman and Director and controlling shareholder of the Company, pursuant to which Mr Teo agrees to grant an unsecured loan of \$1,000,000 to the Company at an interest rate of 2% per annum for a term of one year with effect from 25 February 2020 to 24 February 2021. The loan is partly to pay an earlier interest-free loan of S\$200,000 from Mr Teo.

Subsequent to year-end, the principal and interest amount of the above loan totalling S\$1,020,000 due on 24 February 2021 was rolled over for a further term of one year from 25 February 2021 to 24 February 2022 at the same interest rate of 2% per annum and on the same terms and conditions. The rollover principal and interest amount of S\$1,040,400 will be repaid on 24 February 2022. In the event, the rollover amount is repaid earlier, either partially or in full, the interest thereon will be computed on a pro-rated basis.

VIII. DEALINGS IN SECURITIES

The Company has complied with Rule 1204(19) of the Catalist Rules of the SGX-ST in relation to the best practices on dealings in the securities. The Company has established guidelines and a system of controls in monitoring the dealings in its securities by Directors and its officers, by monitoring the monthly shareholders listing to track share transactions by the Directors and its officers.

In addition, the Company has implemented a policy whereby Directors and its officers are prohibited from dealing in the Company’ securities during the period commencing one (1) 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. In addition, Directors and its officers are also discouraged from dealing in the Company’s securities on short-term considerations.

IX. NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules of the SGX-ST, there was no non-sponsorship fees payable or paid to the Company’s Sponsor, Asian Corporate Advisors Pte. Ltd., for FY2020.

CORPORATE GOVERNANCE

The information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

Name of Director	Low Beng Tin	Lai Mun Onn	Tan Keh Eyo
Date of Appointment	3 May 2017	1 June 2018	18 November 1997
Date of last re-appointment (if applicable)	27 April 2018	25 April 2019	25 April 2019
Age	71	72	66
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Low has continued to discharge his duties well and contributes positively to the Company.	Mr Lai has continued to discharge his duties well and contributes positively to the Company.	Mr Tan has continued to discharge his duties well and contributes positively to the Company. The Board concurs with NC's view that Mr Tan has demonstrated strong, independent character and judgement at meetings of the Board and Board Committees over the years and discharge his duties and responsibilities as Independent Director with the utmost commitment in upholding the interest of non-controlling shareholders. In addition, Mr Tan does not hold any shares in the Company, receives only a fixed Director's fee from the Company and has no relationships that could interfere with the exercise of his independent business judgement in the best interest of the Company. Mr Tan has displayed characteristics expected of an Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	Independent Director Chairman, NC Member, AC and RC	Independent Director Chairman, RC Member, AC and NC	Lead Independent Director Chairman, AC Member, RC and NC
Professional qualifications	Diploma in Electrical Engineering, Singapore Polytechnic Diploma in Management Studies, Singapore Institute of Management Masters in Business Administration (Chinese Programme), National University of Singapore	Bachelor of Law (Honours), University of London, Barrister-at-Law (Lincoln's Inn)	Bachelor of Commerce, Nanyang University

Fuji Offset Plates Manufacturing Ltd and its subsidiaries

Name of Director	Low Beng Tin	Lai Mun Onn	Tan Keh Eyo
Working experience and occupation(s) during the past 10 years	1 June 2015-present Managing Director, Assimilated Technologies (S) Pte Ltd September 1984-18 October 2016 Managing Director, OEL (Holdings) Limited (formerly Oakwell Engineering Limited) 31 May 2013-31 May 2015 Managing Director, Oakwell Distribution (S) Pte Ltd	March 1985-present Managing Partner, Lai Mun Onn & Co,	NA
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	Datapulse Technology Limited China Yongsheng Limited OEL (Holdings) Limited	Super Group Ltd (now known as Jacobs Douwe Egberts HLD SGP SG PTE LTD	No
Present	Lian Beng Group Ltd CosmoSteel Holdings Limited AA Vehicle Inspection Centre Pte. Ltd Assimilated Technologies (S) Pte Ltd Autoswift Recovery Pte Ltd SMF Centre For Corporate Learning Pte. Ltd Singapore Innovation and Productivity Institute Pte Ltd Res Q Me Pte. Ltd. JP Nelson Holdings	Koh Brothers Group Limited	No

Fuji Offset Plates Manufacturing Ltd and its subsidiaries

Name of Director	Low Beng Tin	Lai Mun Onn	Tan Keh Eyo
Information required pursuant to Catalist Rules 704(6) and/or 704(7)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Mr Low was a director of OSEC Shipyard Pte Ltd ("OSEC") from 12 January 2007 to 15 December 2014. Oceanfront Trading Ltd, a company incorporated in the British Virgin Islands ("Oceanfront"), had on 12 December 2016 filed an application with the Singapore High Court to wind up OSEC on the basis that OSEC had failed to pay or satisfy a sum of US\$562,464.00 arising from a settlement agreement dated 6 March 2014 entered into between Oceanfront and OSEC, which represented the unpaid sum owing by OSEC to Oceanfront under the term of the said settlement agreement.	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Fuji Offset Plates Manufacturing Ltd and its subsidiaries

Name of Director	Low Beng Tin	Lai Mun Onn	Tan Keh Eyo
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Fuji Offset Plates Manufacturing Ltd and its subsidiaries

Name of Director	Low Beng Tin	Lai Mun Onn	Tan Keh Eyo
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>	<p>No</p>	<p>No</p>

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 2020.

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 2020 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
Low Beng Tin
Tan Keh Eyo
Lai Mun Onn

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				
<i>Ordinary shares</i>				
Teo Kee Bock	13,850,950	13,850,950	151,200	151,200
Teo Kee Chong	7,884,500	7,884,500	–	–

DIRECTORS' STATEMENT

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 other above-mentioned interests in the Company between the end of the financial year and 21 January 2021.

Except as disclosed in this statement, 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.

As disclosed in Note 26 of the accompanying financial statements, the Company and its related corporations have, in the normal course of business, entered into various transactions with one director, 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.

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 external auditors of the Group and the Company, and reviewed 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 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;

DIRECTORS' STATEMENT

Audit Committee (cont'd)

- 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;
- 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 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. The Group's internal controls (including financial, operational, compliance, information technology risk) and risk management systems are adequate and effective.

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

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Teo Kee Chong
Director

Teo Kee Bock
Director

Singapore
5 April 2021

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2020

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fuji Offset Plates Manufacturing Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2020

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

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Investment in Star City Property Development Co Ltd

As at 31 December 2020, the Group has equity interest in and a loan made to Star City Property Development Co Ltd, a property developer that has invested in a land plot in Cambodia (the "investee"). The carrying amounts of these investments as at 31 December 2020 are \$1,286,000 and \$5,473,000 respectively, representing collectively 20% of the Group's total assets.

The Group is required to measure its equity interest in the investee at fair value through other comprehensive income and the fair value on the loan made to the investee that is carried at fair value through profit and loss ("FVTPL") as at year end. These measurements and assessments are primarily based on management's considerations of the marketability and valuation of the investee's land plot that is performed by an external valuation specialist and the net assets value of the investee that is based on management's assessment of the changes in market and economic conditions. We determined these assessments to be a key audit matter due to the magnitude of the investments and the significant management judgements required.

As part of the audit, amongst others, we obtained an understanding of management's basis, approach and sources of information for determining the fair value of the equity interest and the loan made to the investee. We assessed the objectivity and competence of the external valuation specialist who performed the valuation. We involved our internal valuation specialist to assist us in assessing the appropriateness of the valuation model, assumptions and market data such as recent prices of comparable transactions used by the external valuation specialist. We evaluated management's assessment of the marketability of the investee's land plot by corroborating against our understanding and observations of the relevant property market, recent comparable transactions and economic outlook in Cambodia, taking into consideration any uncertainty arising from the COVID-19 pandemic. We also assessed the adequacy of the disclosures relating to these investments in Notes 13, 16 and 28 to the financial statements.

Investment in an associate

As at 31 December 2020, the Group has 20% equity interest in and a loan made to an associate company, IPark Development Sdn Bhd, a private company in Malaysia that is engaged in property development (the "associate"). The carrying amounts of these investments as at 31 December 2020 are \$9,562,000 and \$3,685,000 respectively and represent collectively 39% of the Group's total assets.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2020

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

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Investment in an associate (cont'd)

The Group is required to assess whether there is any objective evidence that its investment in the associate is impaired and the amount of expected credit loss on the loan made to the associate that is carried at amortised cost as at year end. These assessments are primarily based on management's considerations and analyses of the historical and expected operating and financial performance of the associate's property development activities, as well as the prevailing market conditions and economic outlook that may impact the profitability of the development. Based on its assessments, management has concluded that there was no objective evidence of impairment or material expected credit loss allowance in respect of the investments in the associate as at 31 December 2020. We determined these assessments to be a key audit matter due to the magnitude of the investments and the significant management judgements required.

As part of the audit, amongst others, we obtained an understanding of management's basis, approach and sources of information for determining whether there is any objective evidence of impairment, whether there has been significant increase in the loan's credit risk since initial recognition, and whether the expected credit loss is material to the financial statements. We had discussions with the development project manager to obtain an understanding of the development progress. We obtained the latest property development cost budget prepared by the third-party developer who is the major investor and evaluated the budget by corroborating key budgeted items to supporting agreements. We reviewed the associate's sales performance reports and projections by discussing with the project sales manager and comparing them against recent transacted sales prices of the development as well as historical sales and margins trends. We considered management's assessment of the prevailing and expected economic conditions including the relevant business and property market outlook and industry default rates indicated from external information sources, while taking into consideration the specific circumstances of the property development activities and the business implications from the COVID-19 pandemic. We also assessed the adequacy of the disclosures relating to the investment in Notes 12 and 16 to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2020

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

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors 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 Act and SFRS(I), 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2020

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

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2020

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

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 those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Boon Leong.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
5 April 2021

Consolidated Statement of Comprehensive Income
For the financial year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Revenue	4	4,017	4,788
Cost of sales		(2,896)	(3,041)
Gross profit		1,121	1,747
Other income		615	599
Distribution expenses		(243)	(272)
Administrative expenses		(1,858)	(1,700)
Other operating expenses		(89)	(97)
(Loss)/profit from operating activities		(454)	277
Finance income (net)	5	123	187
Share of results of associate (net of tax)		1,247	1,463
Profit before tax	7	916	1,927
Income tax credit/(expense)	6	116	(374)
Profit for the year		1,032	1,553
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value loss on equity instrument, at FVOCI		(25)	(1,067)
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation		34	(68)
Other comprehensive income/(loss) for the year, net of tax		9	(1,135)
Total comprehensive income for the year		1,041	418
Profit for the year attributable to:			
Owners of the Company		1,075	1,424
Non-controlling interests		(43)	129
Profit for the year		1,032	1,553
Total comprehensive income attributable to:			
Owners of the Company		1,079	296
Non-controlling interests		(38)	122
Total comprehensive income for the year		1,041	418
Earnings per share attributable to owners of the Company			
Basic and diluted (cents per share)	24	2.15	2.85

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

Balance Sheets

As at 31 December 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-current assets					
Property, plant and equipment	8	4,237	3,303	140	1
Intangible assets	9	15	29	–	–
Investment properties	10	1,808	1,864	–	–
Subsidiaries	11	–	–	7,809	7,809
Right-of-use assets	14	737	1,092	297	544
Investment in an associate	12	9,562	8,623	–	–
Long-term loan due from associate	16	3,685	3,580	–	–
Other investment	13	1,286	1,311	1,286	1,311
Other receivable	16	–	5,071	–	5,071
		21,330	24,873	9,532	14,736
Current assets					
Inventories	15	761	524	–	–
Prepayments		28	44	1	1
Trade and other receivables	16	6,650	2,144	6,688	1,185
Tax recoverable		153	12	–	–
Cash and cash equivalents	17	4,794	4,475	262	108
		12,386	7,199	6,951	1,294
Total assets		33,716	32,072	16,483	16,030
Current liabilities					
Trade and other payables	18	2,003	1,018	2,225	1,578
Interest-bearing loans and borrowings	19	35	116	35	93
Provision		56	36	19	14
		2,094	1,170	2,279	1,685
Non-current liabilities					
Interest-bearing loans and borrowings	19	110	144	110	144
Deferred tax liabilities	21	828	965	–	–
		938	1,109	110	144
Total liabilities		3,032	2,279	2,389	1,829

Balance Sheets
As at 31 December 2020 (cont'd)

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Equity attributable to owners of the Company					
Share capital	22	14,807	14,807	14,807	14,807
Reserves	23	12,724	11,795	(713)	(606)
		27,531	26,602	14,094	14,201
Non-controlling interests		3,153	3,191	–	–
Total equity		30,684	29,793	14,094	14,201
Total equity and liabilities		33,716	32,072	16,483	16,030

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 2020

Group	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 January 2020	14,807	254	(713)	12,254	26,602	3,191	29,793
Profit for the year	–	–	–	1,075	1,075	(43)	1,032
<u>Other comprehensive income</u>							
Fair value loss on equity instrument, at FVOCI	–	–	(25)	–	(25)	–	(25)
Foreign currency translation	–	29	–	–	29	5	34
Total comprehensive income for the year	–	29	(25)	1,075	1,079	(38)	1,041
Dividends on ordinary shares (Note 25)	–	–	–	(150)	(150)	–	(150)
At 31 December 2020	14,807	283	(738)	13,179	27,531	3,153	30,684

Statements of Changes in Equity
For the financial year ended 31 December 2020 (cont'd)

Group	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 January 2019	14,807	315	354	10,980	26,456	3,069	29,525
Profit for the year	-	-	-	1,424	1,424	129	1,553
<u>Other comprehensive income</u>							
Fair value loss on equity instrument, at FVOCI	-	-	(1,067)	-	(1,067)	-	(1,067)
Foreign currency translation	-	(61)	-	-	(61)	(7)	(68)
Total comprehensive income for the year	-	(61)	(1,067)	1,424	296	122	418
Dividends on ordinary shares (Note 25)	-	-	-	(150)	(150)	-	(150)
At 31 December 2019	14,807	254	(713)	12,254	26,602	3,191	29,793

Statements of Changes in Equity
For the financial year ended 31 December 2020 (cont'd)

Company	Share capital \$'000	Fair value adjustment reserve \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000
At 1 January 2020	14,807	(713)	107	14,201
Profit for the year	–	–	68	68
<u>Other comprehensive income</u> Fair value gain on equity instrument, at FVOCI	–	(25)	–	(25)
Total comprehensive income for the year	–	(25)	68	43
Dividends on ordinary shares (Note 25)	–	–	(150)	(150)
At 31 December 2020	14,807	(738)	25	14,094
At 1 January 2019	14,807	354	(441)	14,720
Profit for the year	–	–	698	698
<u>Other comprehensive income</u> Fair value gain on equity instrument, at FVOCI	–	(1,067)	–	(1,067)
Total comprehensive income for the year	–	(1,067)	698	(369)
Dividends on ordinary shares (Note 25)	–	–	(150)	(150)
At 31 December 2019	14,807	(713)	107	14,201

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 2020

	Note	2020 \$'000	2019 \$'000
Operating activities			
Profit before tax		916	1,927
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	8	417	435
Depreciation of investment properties	10	58	57
Depreciation of right-of-use assets	14	147	119
Gain on disposal of property, plant and equipment	7	(2)	(49)
Amortisation of intangible assets	9	14	24
Adjustment for long-term prepayments		–	(165)
Share of results of associate		(1,247)	(1,463)
Fair value changes on loan	7	(492)	(462)
Interest expense	5	26	7
Interest income	5	(149)	(194)
Foreign exchange loss		89	93
		(223)	329
Operating cash flows before changes in working capital			
<u>Changes in working capital:</u>			
Inventories		(237)	127
Trade and other receivables		967	(691)
Prepayments		16	1
Trade and other payables		168	(36)
		691	(270)
Cash flows from/(used in) operations			
Income taxes (paid)/refunded		(164)	210
Interest received		51	58
		578	(2)
Net cash flows from/(used in) operating activities			
Investing activities			
Purchase of property, plant and equipment		(1,137)	(90)
Acquisition of right-of-use assets		–	(180)
Acquisition of intangible assets		–	(8)
Proceeds from disposal of property, plant and equipment		3	49
Dividend received from associate		328	–
		(806)	(229)
Net cash flows used in investing activities			

Consolidated Cash Flow Statement
For the financial year ended 31 December 2020 (cont'd)

	Note	2020 \$'000	2019 \$'000
Financing activities			
Payments of lease liabilities	19	(124)	(107)
Loan from Director/substantial shareholder	19	800	200
Dividends paid	25	(150)	(150)
		526	(57)
Net cash flows from/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents		298	(288)
Effect of exchange rate changes on cash and cash equivalents		21	(8)
Cash and cash equivalents at 1 January		4,475	4,771
		4,794	4,475
Cash and cash equivalents at 31 December	17	4,794	4,475

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 2020

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 investments in commercial, industrial, hospitality, residential and/or mixed development properties and investment holding.

The principal activities of the subsidiaries and associate are disclosed in Notes 11 and 12 respectively to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

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 Standards issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on</i>
<i>Amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, SFRS(I) 7 Financial Instruments: Disclosures, SFRS(I) 4 Insurance Contracts, SFRS (I) 16 Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
<i>Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
<i>Annual Improvements to SFRSs 2018-2020</i>	1 January 2022
<i>Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<i>Date to be determined</i>

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

**Notes to the Financial Statements
For the financial year ended 31 December 2020**

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

2.3 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.

Change in the ownership interest of a subsidiary, without 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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.3 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.

2.4 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.

2.5 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.5 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.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial 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 2.20. 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.

Freehold land has an unlimited useful life and therefore is not depreciated.

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

Buildings	-	50 to 60 years
Plant and machinery	-	2 to 10 years
Renovations	-	2 to 10 years
Office equipment, furniture and fittings	-	2 to 10 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.7 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

2.8 Long-term prepayments

Long-term prepayments represent 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 the lease term of 60 years. Subsequent to 1 January 2019, the long-term prepayments are reclassified as right-of-use assets.

2.9 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 for sales in the ordinary course of business.

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 30-50 years. Freehold land is not depreciated.

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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.9 Investment properties (cont'd)

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.

2.10 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.

2.11 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 associate 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 equity method, the investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associates. Distributions received from the associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, 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 associate.

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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.11 Associates (cont'd)

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 an 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 associate 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.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, 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.

2.13 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.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the financial assets do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

De-recognition

A financial asset is de-recognised 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 for debt instruments is recognised in profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.13 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.

Subsequent measurement

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, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, 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.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.14 Impairment of financial assets (cont'd)

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 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 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.19 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.

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Motor vehicles	-	6 years
Long-term prepayments	-	60 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.20 Leases (cont'd)

(a) As lessee (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.21 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sales of goods is recognised when the Group satisfies the performance obligation at a point in time, which is when the control of the promised goods has been transferred to the customer, depending on the contractual terms and the practices in the legal jurisdictions. 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.

2.22 Interest income

Interest income is recognised using the effective interest method.

2.23 Dividend income

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

2.24 Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income is presented as a credit in profit or loss under "Other income".

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.25 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 and associate, 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.25 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.

2.26 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

2.27 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.

2.28 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.

2.29 Reclassification of comparative figures

Fair value changes on loan to Star City has been reclassified from finance income to other income in the consolidated statement of comprehensive income of the Group to conform to current year's presentation. The reclassification did not have any material impact to the comparative figures.

3. 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

3. Significant accounting judgments and estimates (cont'd)

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment assessment of investment in and loan to associate

The Group has a 20% equity interest in IPark Development Sdn Bhd, a private company in Malaysia that is engaged in property development (Note 12). When objective evidence of impairment is identified, management estimates the recoverable amount of the Group's investment in IPark on a value in use basis using a discounted cash flow model. The assessment of whether any objective evidence of impairment exists requires management judgement. When making the assessment, management considers factors such as actual performance of the underlying property development relative to its budget, its expected future performance, as well as prevailing market conditions and economic outlook that may impact the profitability of the development. Based on its assessment, management has concluded that there were no objective evidence of impairment in respect of the investment in and loan to the associate at year end.

3.2 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) Fair value of equity investment and loan to an investee company

As at 31 December 2020, the Group has investment in and loan to an investee company, Star City Property Development Co Ltd, amounting to \$1,286,000 (2019: \$1,311,000) and \$5,473,000 (2019: \$5,071,000) respectively. The investment in and loan to this investee company represent 20% (2019: 20%) of the Group's total assets. In determining the fair values, the Group considers the marketability and valuation of the investee's land plot that is performed by an external valuation specialist and the net assets value of the investee that is based on the Group's assessment. The key assumptions used to determine the fair value of the investment and the loan and the sensitivity analysis are provided in Note 27(c).

Notes to the Financial Statements
For the financial year ended 31 December 2020

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. Revenue

	Group	
	2020	2019
	\$'000	\$'000
Sales of goods	3,858	4,668
Rental income	159	120
	4,017	4,788
<u>Timing of transfer of goods or services</u>		
At a point in time	3,858	4,668
Over time	159	120
	4,017	4,788

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.

Information about the disaggregation of the Group's revenue is detailed in Note 30.

Notes to the Financial Statements
For the financial year ended 31 December 2020

5. Finance income (net)

	Group	
	2020	2019
	\$'000	\$'000
Interest income on bank deposits	51	58
Interest income from loan to associate	98	136
	149	194
Interest expense on lease liabilities	(9)	(7)
Other interest expense	(17)	-
	123	187

6. Income tax (credit)/expense

	Group	
	2020	2019
	\$'000	\$'000
Current tax expense		
Current year	32	191
(Over)/underprovision in respect of prior years	(9)	24
	23	215
Deferred tax credit (Note 21)		
Movement in temporary differences	(10)	(25)
(Over)/underprovision in respect of prior years	(129)	184
	(139)	159
Income tax (credit)/expense recognised in profit or loss	(116)	374

Notes to the Financial Statements
For the financial year ended 31 December 2020

6. Income tax (credit)/expense (cont'd)

Reconciliation of effective tax rate

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

A reconciliation between tax (credit)/expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 is as follows:

	Group	
	2020	2019
	\$'000	\$'000
Profit before tax	916	1,927
Tax at the domestic rates applicable to profits in the countries where the Group operates	209	449
Income not subject to taxation	(188)	(167)
Expenses not deductible for tax purposes	178	54
Deferred tax assets not recognised	–	129
Tax incentive	8	–
Share of results of associate	(221)	(351)
(Over)/underprovision in respect of prior years	(138)	208
Others	36	52
Income tax (credit)/expense recognised in profit or loss	(116)	374

The corporate income tax rate applicable to Singapore companies of the Group is 17% (2019: 17%).

Malaysian subsidiaries' current income tax is calculated at the statutory rate of 24% (2019: 24%) of estimated assessable profit.

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 2020

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2020	2019
	\$'000	\$'000
<u>Other income</u>		
Gain on disposal of property, plant and equipment	(2)	(49)
Other income arising from sale of scrap	(29)	(41)
Government grants*	(82)	–
Fair value changes on loan	(492)	(462)
 <u>Cost of sales and expenses</u>		
Employee benefits expenses (Note 20)	1,492	1,601
Inventories recognised as an expense in cost of sales (Note 15)	989	1,131
Depreciation of property, plant and equipment (Note 8)	417	435
Depreciation of investment properties (Note 10)	58	57
Depreciation of right-of-use assets (Note 14)	147	119
Amortisation of intangible assets (Note 9)	14	24
Operating lease expenses relating to cancellable leases	30	30
Foreign exchange loss	89	93
Audit fees paid to:		
Auditors of the Company	63	63
Other auditors	35	38
Non-audit fees paid to:		
Auditors of the Company	10	10
Other auditors	3	3
	(492)	(462)

* Government grants were received by certain subsidiaries in connection with employment of Singaporean workers under Job Support Scheme (2019: Nil). There were no unfulfilled conditions or contingencies relating to these grants.

Notes to the Financial Statements
For the financial year ended 31 December 2020

8. Property, plant and equipment

Group	Freehold land \$'000	Buildings \$'000	Plant and machinery \$'000	Renovations \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 January 2019	81	1,923	7,987	268	722	742	11,723
Additions	–	–	61	14	15	–	90
Disposals	–	–	(134)	–	(196)	(290)	(620)
Translation difference	–	–	(17)	–	(2)	(2)	(21)
At 31 December 2019	81	1,923	7,897	282	539	450	11,172
Additions	–	–	1,062	32	10	33	1,137
Disposals	–	–	(75)	–	(1)	–	(76)
Translation difference	–	–	20	1	1	2	24
Reclassification*	–	–	–	–	–	205	205
At 31 December 2020	81	1,923	8,904	315	549	690	12,462

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

Group	Freehold land \$'000	Buildings \$'000	Plant and machinery \$'000	Renovations \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
Accumulated depreciation							
At 1 January 2019	–	80	6,449	236	637	665	8,067
Depreciation for the year	–	41	335	7	28	24	435
Disposals	–	–	(134)	–	(196)	(290)	(620)
Translation difference	–	–	(13)	–	(1)	1	(13)
At 31 December 2019	–	121	6,637	243	468	400	7,869
Depreciation for the year	–	40	288	10	26	53	417
Disposals	–	–	(74)	–	(1)	–	(75)
Translation difference	–	–	12	–	1	1	14
At 31 December 2020	–	161	6,863	253	494	454	8,225
Net carrying amount							
At 31 December 2019	81	1,802	1,260	39	71	50	3,303
At 31 December 2020	81	1,762	2,041	62	55	236	4,237

* Reclassification pertains to the reclassification of motor vehicles from right-of-use assets to plant, property and equipment, as the lease liabilities of these motor vehicle vehicles have been fully paid for during the year and the Group has full ownership of these assets.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

Company	Plant and machinery \$'000	Renovations \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
Cost					
At 1 January 2019	12	114	99	290	515
Disposal	–	–	–	(290)	(290)
At 31 December 2019	12	114	99	–	225
Addition	–	–	1	–	1
Disposal	–	–	(1)	–	(1)
Reclassification*	–	–	–	139	139
At 31 December 2020	12	114	99	139	364
Accumulated depreciation					
At 1 January 2019	12	114	97	290	513
Depreciation for the year	–	–	1	–	1
Disposal	–	–	–	(290)	(290)
At 31 December 2019	12	114	98	–	224
Depreciation for the year	–	–	1	–	1
Disposal	–	–	(1)	–	(1)
At 31 December 2020	12	114	98	–	224
Net carrying amount					
At 31 December 2019	–	–	1	–	1
At 31 December 2020	–	–	1	139	140

Notes to the Financial Statements
For the financial year ended 31 December 2020

9. Intangible assets

Group	Technical know-how \$'000	Computer software \$'000	Total \$'000
Cost			
At 1 January 2019	110	347	457
Additions	–	8	8
Disposals	–	(209)	(209)
Translation difference	–	(1)	(1)
At 31 December 2019 and 2020	110	145	255
Accumulated amortisation			
At 1 January 2019	110	302	412
Amortisation charge for the year	–	24	24
Disposals	–	(209)	(209)
Translation difference	–	(1)	(1)
At 31 December 2019	110	116	226
Amortisation charge for the year	–	14	14
At 31 December 2020	110	130	240
Net carrying amount			
At 31 December 2019	–	29	29
At 31 December 2020	–	15	15

Notes to the Financial Statements
For the financial year ended 31 December 2020

10. Investment properties

	Group	
	2020	2019
	\$'000	\$'000
Balance sheet:		
Cost		
At 1 January	2,225	2,269
Translation difference	1	(44)
	2,226	2,225
Accumulated depreciation		
At 1 January	361	286
Depreciation for the year	58	57
Translation difference	(1)	18
	418	361
Net carrying amount		
At 31 December	1,808	1,864
Valuation		
At 31 December	1,905	1,956
Statement of comprehensive income:		
Rental income from investment properties:		
	159	120
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	9	26

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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

10. Investment properties (cont'd)Valuation of investment properties

The fair values of the investment properties as at 31 December 2020 and 31 December 2019 were based on directors' valuations.

The last independent valuation was performed in 2016 by Vest Land Real Estate Agency, an independent valuer with recent experience in the location and category of the properties being valued. The valuations were based on estimated marketable price of the factory and industrial land assessed by the independent valuer. In relying on the valuation reports, management had exercised its judgement and was satisfied that the valuation methods and estimates are reflective of then prevailing market conditions. Details of valuation techniques and inputs are disclosed in Note 27(d).

The investment properties held by the Group as at 31 December 2020 are as follows:

Description and Location	Existing Use	Tenure
Lot 6680, Mukim of Tebrau	Industrial	Freehold
PL0 210, Jalan Angkasa Mas Utama, Johor Darul Ta'zim	Industrial	Leasehold

Properties pledged as security

As the Group does not have any requirement for credit facilities, there are no investment properties being mortgaged as securities at 31 December 2019 and 2020.

11. Subsidiaries

	Company	
	2020 \$'000	2019 \$'000
Shares, at cost	5,758	5,758
Long-term loan to a subsidiary	2,051	2,051
	7,809	7,809

The long-term loan to a subsidiary is non-trade in nature, unsecured and interest-free. Management has assessed the loan to be, in substance, a part of the Company's net investment in the subsidiary.

Notes to the Financial Statements
For the financial year ended 31 December 2020

11. Subsidiaries (cont'd)

(a) Composition of the Group

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2020 %	2019 %
<i>Held by the Company:</i>				
Fuji Printing Cylinders Pte. Ltd. *	Singapore	Trading in printing cylinders and its related products	100	100
Fujiplates Manufacturing Sdn. Bhd. **	Malaysia	Letting of properties and investment holding	100	100
<i>Held through Fuji Printing Cylinders Pte Ltd:</i>				
Fuji Roto Gravure Sdn. Bhd. **	Malaysia	Manufacture and sale of gravure printing cylinders and related services in the printing industry	65	65

* Audited by Ernst & Young LLP Singapore.

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

(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 \$'000	Accumulated NCI at the end of reporting period \$'000	Dividends paid to NCI \$'000
31 December 2020:					
Fuji Roto Gravure Sdn. Bhd.	Malaysia	35	(43)	3,153	—
31 December 2019:					
Fuji Roto Gravure Sdn. Bhd.	Malaysia	35	129	3,191	—

Notes to the Financial Statements
For the financial year ended 31 December 2020

11. Subsidiaries (cont'd)

(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 Sdn Bhd	
	2020	2019
	\$'000	\$'000
Summarised balance sheet		
Current		
Assets	7,456	8,134
Liabilities	(792)	(610)
	6,664	7,524
Net current assets		
Non-current		
Assets	4,059	3,512
Liabilities	(1,714)	(1,920)
	2,345	1,592
Net non-current assets		
	9,009	9,116
Net assets		
Summarised statement of comprehensive income		
Revenue	3,783	4,590
(Loss)/profit before taxation	(158)	510
(Loss)/profit for the year	(123)	368
Other comprehensive income	5	(7)
	(118)	361
Total comprehensive income		
Other summarised information		
Net cash flows from operating activities	1,467	769
	(1,136)	(88)
Acquisition of property, plant and equipment		

Notes to the Financial Statements
For the financial year ended 31 December 2020

12. Investment in an associate

	Group	
	2020 \$'000	2019 \$'000
Shares, at cost	6,748	6,748
Share of results	2,870	1,963
Translation differences	(56)	(88)
	9,562	8,623

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2020	2019
			%	%
IPark Development Sdn Bhd*	Malaysia	Property development	20	20

* Audited by KPMG PLT in Johor Bahru, Malaysia.

There were dividends of \$328,000 (2019: \$Nil) received from the associate during the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2020

12. Investment in an associate (cont'd)

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

Summarised balance sheet	IPark Development Sdn Bhd	
	2020 \$'000	2019 \$'000
Current		
Assets	116,016	103,790
Liabilities	(40,265)	(41,902)
Net current assets	75,751	61,888
Non-current		
Assets	46,888	46,539
Liabilities	(76,263)	(65,080)
Net non-current liabilities	(29,375)	(18,541)
Net assets	46,376	43,347
Proportion of the Group's ownership	20%	20%
Group's share of net assets	9,275	8,669
Other adjustments	287	(46)
Carrying amount of the investment	9,562	8,623
Summarised statement of comprehensive income		
Profit for the year	6,235	7,315

13. Other investment

	Group and Company	
	2020 \$'000	2019 \$'000
Non-current:		
<i>Financial asset</i>		
Equity shares (US\$500)	1	1
Unquoted equity instrument, at FVOCI	1,285	1,310
	1,286	1,311

The investment relates to the Group's 10% (2019: 10%) equity interest in a company in Cambodia, Star City Property Development Co Ltd ("Star City"). Since 2016, The Group, in its shareholder capacity, made interest-free advances to Star City. On initial recognition, the differences between the fair value of the loan and the amount extended is recognised as additional shareholder contribution into the Group's investment in Star City.

The investment was irrevocably designated at FVOCI as the Group considers the investment to be strategic in nature.

Notes to the Financial Statements
For the financial year ended 31 December 2020

14. Right-of-use assets

Group	Long-term prepayments \$'000	Motor vehicles \$'000	Total \$'000
Cost			
At 1 January 2019	660	624	1,284
Additions	–	363	363
Translation differences	(2)	1	(1)
At 31 December 2019	658	988	1,646
Translation difference	1	–	1
Reclassification	–	(205)	(205)
At 31 December 2020	659	783	1,442
Accumulated depreciation			
At 1 January 2019	361	240	601
Adjustments	(165)	–	(165)
Depreciation charge for the year	11	108	119
Translation difference	1	(2)	(1)
At 31 December 2019	208	346	554
Depreciation charge for the year	11	136	147
Translation difference	–	4	4
At 31 December 2020	219	486	705
Net carrying amount			
At 31 December 2019	450	642	1,092
At 31 December 2020	440	297	737

Notes to the Financial Statements
For the financial year ended 31 December 2020

14. Right-of-use assets (cont'd)

Company	Motor vehicles \$'000
Cost	
At 1 January 2019	284
Additions	363
	647
At 31 December 2019	647
Reclassification	(139)
	508
At 31 December 2020	508
Accumulated depreciation	
At 1 January 2019	51
Depreciation charge for the year	52
	103
At 31 December 2019	103
Depreciation charge for the year	108
	211
At 31 December 2020	211
Net carrying amount	
At 31 December 2019	544
	544
At 31 December 2020	297
	297

Long-term prepayments of the Group relates to premium paid on its leasehold land.

As the Group does not have any requirement for credit facilities, there are no long-term prepayments being mortgaged as securities at 31 December 2019 and 2020.

The carrying amount of motor vehicles held by the Group under lease liabilities as at 31 December 2020 is \$297,000 (2019: \$642,000). The carrying amount of motor vehicles held under lease liabilities by the Company as at 31 December 2020 is \$297,000 (2019: \$544,000).

In 2020, the Group acquired motor vehicles with an aggregate cost of \$33,000 (2019: \$363,000) of which \$Nil (2019: \$180,000) was financed under a finance lease arrangement. Cash payments of \$33,000 (2019: \$273,000) were made to purchase motor vehicles.

Notes to the Financial Statements
For the financial year ended 31 December 2020

15. Inventories

	Group	
	2020 \$'000	2019 \$'000
Balance sheet:		
Raw materials	658	408
Work-in-progress	81	82
Finished goods	22	34
	761	524
Statement of comprehensive income:		
Inventories recognised as an expense in cost of sales (Note 7)	989	1,131
	989	1,131

16. Trade and other receivables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<u>Current:</u>				
Trade receivables	1,110	1,479	–	–
Deposits	10	13	2	2
Other receivables	5,520	652	5,473	–
Government grants receivable	10	–	10	–
Amount due from a subsidiary	–	–	1,203	1,183
	6,650	2,144	6,688	1,185
<u>Non-current:</u>				
Long-term loan due from associate	3,685	3,580	–	–
Other receivable	–	5,071	–	5,071
	3,685	8,651	–	5,071
Total trade and other receivables (current and non-current)	10,335	10,795	6,688	6,256
Add:				
Cash and cash equivalents (Note 17)	4,794	4,475	262	108
Less:				
Other receivable	(5,473)	(5,071)	(5,473)	(5,071)
	(5,473)	(5,071)	(5,473)	(5,071)
Total financial assets carried at amortised cost	9,656	10,199	1,477	1,293

Trade and other receivables (current)

Trade receivables and amount 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

16. Trade and other receivables (cont'd)Government grants receivable (current)

Government grants receivable consists mainly of government assistance under the Job Support Scheme program funded by the Singapore Government.

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

The loan is unsecured and bears interest at 6-month Kuala Lumpur Interbank Offered Rate (“KLIOR”) + 0.5% per annum. The loan is granted by shareholders to the investee in proportion of their respective shareholdings in the investee entity for purpose of funding development costs. It is denominated in Malaysian Ringgit and any repayment of the loan by the associate, whether in whole or in part, shall be decided by a majority of its board of directors and shall at all times be in proportion to the outstanding loan amounts owed to each of the shareholders.

Long-term loan due from associate as at 31 December 2020 and 2019 were in respect of interest receivable on the loan as well as an earlier loan prior to the loan’s capitalisation into ordinary and non-cumulative redeemable preference shares in 2016 and recorded as investment in an associate in Note 12.

Other receivable (non-current)

Other receivable relates to USD-denominated amounts advanced to 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 by Star City. The amount is unsecured, non-interest bearing and expected to be repaid when there is income from the development. As other receivable’s cash flows do not represent solely payments of principal and interest, it is carried at fair value through profit or loss. As the balance is expected to be fully repaid by 21 December 2021, it has been reclassified from non-current to current accordingly.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

2020	Trade receivables \$'000
Trade receivables – nominal amounts	30
Less: Allowance for impairment	(4)
	26

There is no movement in the allowance account during the year.

Notes to the Financial Statements
For the financial year ended 31 December 2020

16. Trade and other receivables (cont'd)Expected credit losses (cont'd)

2019	Trade receivables \$'000
Trade receivables – nominal amounts	67
Less: Allowance for impairment	(4)
	63
<u>Movement in allowance account:</u>	
At 1 January	71
Written off	(68)
Exchange differences	1
	4
At 31 December	4

There is no expected credit loss noted on the other receivables of the Group.

Trade and other receivables denominated in foreign currency at the end of reporting are as follows:

	Group and Company	
	2020	2019
	\$'000	\$'000
United States Dollar	6,816	6,940

17. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	3,200	2,789	262	108
Fixed deposits with banks	1,594	1,686	–	–
Cash and cash equivalents	4,794	4,475	262	108

As at 31 December 2020 and 2019, the Group does not have any outstanding bank overdraft balance.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposits relate to short-term deposits 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

17. Cash and cash equivalents (cont'd)

The weighted average effective interest rates per annum as at the end of the reporting period are as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Cash at banks	0.10	0.10	0.10	0.10
Fixed deposits with banks	0.15 - 2.70	0.50 - 4.08	–	–

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

Cash and cash equivalents denominated in foreign currencies at the end of the reporting period are as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
United States Dollar	20	25	11	16

18. Trade and other payables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables	203	106	–	–
Accrued operating expenses	454	472	246	277
Deposits received	83	83	–	–
Other payables	236	157	11	1
Deferred grant income	10	–	10	–
Amounts due to related companies	–	–	941	1,100
Amount due to Director/ substantial shareholder	1,017	200	1,017	200
Total trade and other payables	2,003	1,018	2,225	1,578
Add:				
Interest-bearing loans and borrowings (Note 19)	145	260	145	237
Less:				
Deferred grant income	(10)	–	(10)	–
Total financial liabilities carried at amortised cost	2,138	1,278	2,360	1,815

Notes to the Financial Statements
For the financial year ended 31 December 2020

18. Trade and other payables (cont'd)Trade payables/other payables

These amounts are non-interest bearing. Trade payables are normally settled on 60-day term while other payables have an average term of six months.

Deferred grant income

Deferred grant income relates mainly to government assistance under the Job Support Scheme program funded by the Singapore Government.

Amounts due to related companies

These amounts are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Amount due to Director/substantial shareholder

This amount is non-trade related, unsecured and non-interest bearing. It is to be repaid within 3 months and are to be settled from the proceeds of a new loan, which is to be entered after the financial year (Note 31).

Trade and other payables denominated in foreign currencies as at the end of reporting period are as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
United States Dollar	91	4	–	–

19. Interest-bearing loans and borrowingsGroup and Company as a lessee

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current:				
Lease liabilities	35	116	35	93
Non-current:				
Lease liabilities	110	144	110	144
Total interest-bearing loans and borrowings	145	260	145	237

These are secured by a charge over the leased assets (Note 8). The interest rates per annum at the balance sheet date is 4.3% (2019: 4.3% to 4.7%) per annum for the Group and 4.3% (2019: 4.3% to 4.7%) per annum for the Company.

Notes to the Financial Statements
For the financial year ended 31 December 2020

19. Interest-bearing loans and borrowings (cont'd)*Group and Company as a lessee (cont'd)*

A reconciliation of liabilities arising from financing activities is as follows:

Group	31.12.2019	Cash flows	Non-cash changes			31.12.2020
			Additions	Accretion of interest	Reclassification*	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities						
Current	116	(124)	–	9	34	35
Non-current	144	–	–	–	(34)	110
Total lease liabilities	260	(124)	–	9	–	145
Amount due to Director/ substantial shareholder	200	800	–	17	–	1,017

Group	31.12.2018	Cash flows	Non-cash changes			31.12.2019
			Additions	Accretion of interest	Reclassification*	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities						
Current	96	(107)	36	7	84	116
Non-current	84	–	144	–	(84)	144
Total lease liabilities	180	(107)	180	7	–	260
Amount due to Director/ substantial shareholder	–	200	–	–	–	200

Notes to the Financial Statements
For the financial year ended 31 December 2020

19. Interest-bearing loans and borrowings (cont'd)

Group and Company as a lessee (cont'd)

Company	31.12.2019	Cash flows	Non-cash changes			31.12.2020
			Additions	Accretion of interest	Reclassification*	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities						
Current	93	(101)	–	9	34	35
Non-current	144	–	–	–	(34)	110
Total lease Liabilities	237	(101)	–	9	–	145
Amount due to Director/ substantial shareholder	200	800	–	17	–	1,017
Company						
	31.12.2018	Cash flows	Non-cash changes			31.12.2019
	\$'000	\$'000	Additions	Accretion of interest	Reclassification*	\$'000
Lease liabilities						
Current	57	(65)	36	6	59	93
Non-current	59	–	144	–	(59)	144
Total lease Liabilities	116	(65)	180	6	–	237
Amount due to Director/ substantial shareholder	–	200	–	–	–	200

* The “reclassification” column relates to reclassification of non-current portion of lease liabilities due to passage of time.

Notes to the Financial Statements
For the financial year ended 31 December 2020

19. Interest-bearing loans and borrowings (cont'd)*Group as a lessor*

The Group leases out its investment properties. Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Not later than 1 year	177	177
Later than 1 year but not later than 5 years	59	236
	177	236

20. Employee benefits

	Group	
	2020	2019
	\$'000	\$'000
Employee benefits expenses (including directors)		
(Note 7):		
Staff costs	1,371	1,482
Defined contribution pension schemes	121	119
	1,492	1,601

Notes to the Financial Statements
For the financial year ended 31 December 2020

21. Deferred tax

Movements in deferred tax liabilities during the reporting periods are as follows:

Group	At 1.1.2019 \$'000	Recognised in profit or loss (Note 6) \$'000	Exchange differences \$'000	At 31.12.2019 \$'000	Recognised in profit or loss (Note 6) \$'000	Exchange differences \$'000	At 31.12.2020 \$'000
Deferred tax liabilities							
Differences in depreciation of property, plant and equipment for tax purposes	(308)	(159)	1	(466)	139	(2)	(329)
Revaluation to fair value: Freehold land and buildings*	(499)	–	–	(499)	–	–	(499)
	(807)	(159)	1	(965)	139	(2)	(828)

* Relates to deferred tax effects on cumulative fair value adjustments on freehold land and buildings.

Notes to the Financial Statements
For the financial year ended 31 December 2020

21. Deferred tax (cont'd)

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

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Tax losses	13,410	13,582	12,922	12,931
	13,410	13,582	12,922	12,931

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 tax losses 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 (2019: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 25).

22. Share capital

	Group and Company			
	2020			2019
	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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

23. Reserves

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Foreign currency translation reserve	283	254	–	–
Fair value adjustment reserve	(738)	(713)	(738)	(713)
Retained earnings	13,179	12,254	25	107
	12,724	11,795	(713)	(606)

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

Fair value adjustment reserve

The fair value adjustment reserve relates to fair value adjustment arising from equity instruments measured at fair value through other comprehensive income.

24. Earnings per share

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

	Group	
	2020 \$'000	2019 \$'000
Earnings per share is based on:		
Profit for the year attributable to owners of the Company	1,075	1,424
	No. of shares	No. of shares
	2020	2019
Weighted average number of shares in issue during the year	49,912,500	49,912,500

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

Notes to the Financial Statements
For the financial year ended 31 December 2020

25. Dividends

	Group and Company	
	2020	2019
	\$'000	\$'000
Declared and paid during the financial year:		
<i>Dividends on ordinary shares:</i>		
- final tax exempt (one-tier) dividend of 0.3 cent per share for 2019 (2019: 0.3 cent per share for 2018)	150	150
	150	150
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholder's approval at the AGM:</i>		
Proposed final tax exempt (one-tier) dividend of 0.3 cent per share for 2020 (2019: 0.3 cent per share for 2019)	150	150
	150	150

26. 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.

Key management personnel compensation comprised:

	Group	
	2020	2019
	\$'000	\$'000
Directors' fees	100	106
Central Provident Fund contributions	13	15
Short-term employee benefits	430	399
	543	520
	543	520
Key management personnel compensation comprised:		
Directors of the Company	543	520
	543	520
	543	520

Notes to the Financial Statements
For the financial year ended 31 December 2020

26. Related party transactions (cont'd)**(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	
	2020	2019
	\$'000	\$'000
Company in which a director of the Company has substantial financial interests		
Printing expenses	4	4
	4	4
One director of the Company (2019: One)		
Rental expenses	30	30
Loan to Company	1,000	200
	1,000	200

27. Fair value of assets and liabilities**(a) Fair value hierarchy**

The Group categorises 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 than 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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	Relationship of unobservable inputs to fair value	Sensitivity of the input to fair value
2020					
Loan to Starcity, at FVTPL	5,473	Discounted cash flow	Discount rate	The higher the discount rate, the lower the fair value	A 2% increase in the discount rate would result in a decrease in fair value by \$114,000, and a 2% decrease in the discounted rate would result in an increase in fair value by \$118,000
Unquoted equity security, at FVOCI	1,286	Net assets value	Capital value per square metre of land area	The higher the capital value, the higher the fair value	A 10% increase/decrease in the capital value would result in an increase/decrease in fair value by \$660,000.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(c) Level 3 fair value measurements (cont'd)

Description	Fair value as at 31 December \$'000	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value	Sensitivity of the input to fair value
2019					
Loan to Starcity, at FVTPL	5,071	Discounted cash flow	Discount rate	The higher the discount rate, the lower the fair value	A 2% increase in the discount rate would result in a decrease in fair value by \$211,000, and a 2% decrease in the discounted rate would result in an increase in fair value by \$223,000
Unquoted equity security, at FVOCI	1,311	Net assets value	Capital value per square metre of land area	The higher the capital value, the higher the fair value	A 10% increase/decrease in the capital value would result in an increase/decrease in fair value by \$672,000.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(c) Level 3 fair value measurements (cont'd)

Reconciliation of the fair value measurement of other receivable designated at FVTPL:

	Other receivable \$'000
As at 1 January 2019	4,672
Add:	
Fair value changes	462
Foreign exchange difference	(63)
	5,071
As at 31 December 2019 and 1 January 2020	5,071
Add:	
Fair value changes	492
Less:	
Foreign exchange difference	(90)
	5,473

Reconciliation of the fair value measurement of other investment designated at FVOCI:

	Other investment \$'000
As at 1 January 2019	2,378
Add:	
Fair value loss	(1,067)
	1,311
As at 31 December 2019 and 1 January 2020	1,311
Less:	
Fair value loss	(25)
	1,286

Notes to the Financial Statements
For the financial year ended 31 December 2020

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 the end of the reporting period but for which fair value is disclosed:

	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical asset (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2020					
Non-current assets					
Investment properties (Note 10)	–	–	1,905	1,905	1,808
31 December 2019					
Non-current assets					
Investment properties (Note 10)	–	–	1,956	1,956	1,864

Determination of fair value

The fair values as at 31 December 2020 and 31 December 2019 as disclosed in the table above are based on estimated marketable price of the factory and industrial land by directors and contracted sale prices.

(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 17), trade and other receivables-current (Note 16), long-term loan due from associate (Note 16), interest-bearing loans and borrowings (Note 19) and trade and other payables (Note 18).

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 difference between the carrying value and fair value of fixed rate instruments is assessed to be not significant.

**Notes to the Financial Statements
For the financial year ended 31 December 2020**

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 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, and long-term loan from associate. 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's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and Company's exposure to bad debts is not significant.

The Group and the Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's and the Company's historical information.

The Group and the Company provide for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's and the Company's historical observed default rates analysed in accordance to days past due by relevant grouping of customers. The expected credit losses assessment also incorporates forward looking information such as forecast of economic conditions. Trade and other receivables, and long-term loan from associate that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank deposits are entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(a) Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Debt instruments and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. The Group assesses the qualitative and quantitative factor that are indicative of the risk of default based on experienced credit judgement. The Group compute expected credit losses for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward-looking macroeconomic data such as GDP growth and central bank base rates.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

The Group assessed the qualitative and quantitative factor that are indicative of the risk of default based on experienced credit judgement. These exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis.

Notes to the Financial Statements
For the financial year ended 31 December 2020

28. Financial risk management objectives and policies (cont'd)**(a) Credit risk (cont'd)**Debt instruments and loans at amortised cost (cont'd)

The gross carrying amount of trade receivables of the Group are disclosed in Note 16.

The gross carrying amount of debt instruments and loans of the Group and Company as at 31 December 2020, without taking into account of any collaterals held of other credit enhancements which represents the maximum exposure to loss is \$4,862,000 (2019: \$5,724,000).

At the end of the reporting period, approximately 15% (2019: 23%) of the Group's trade receivable was due from a major customer in the printing cylinders business segment.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix, grouped by geographical market:

Malaysia:

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	530	155	74	71	830
Less: Allowance for impairment	–	–	–	(4)	(4)
Net carrying amount	530	155	74	67	826

Singapore:

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	214	69	1	–*	284
Less: Allowance for impairment	–	–	–	–	–
Net carrying amount	214	69	1	–*	284

* Less than 1,000

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(a) Credit risk (cont'd)

Debt instruments and loans at amortised cost (cont'd)

Malaysia:

31 December 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	1,000	102	76	61	1,239
Less: Allowance for impairment	–	–	–	(4)	(4)
Net carrying amount	1,000	102	76	57	1,235

Singapore:

31 December 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	217	19	2	6	244
Less: Allowance for impairment	–	–	–	–	–
Net carrying amount	217	19	2	6	244

Exposure to credit risk

As at the end of the reporting period, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets. The Group and Company mainly trades with recognised and creditworthy third parties.

Financial assets that are neither past due nor impaired

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 16 (Trade and other receivables).

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(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.

Group 31 December 2020	Note	Cash flows		
		Within 1 year \$'000	2 to 5 years \$'000	Total \$'000
Financial assets:				
Trade and other receivables	16	7,993	3,685	11,678
Cash and cash equivalents	17	4,794	–	4,794
<hr/>				
Total undiscounted financial assets		12,787	3,685	16,472
<hr/>				
Financial liabilities:				
Trade and other payables	18	1,993	–	1,993
Interest-bearing loans and borrowings	19	40	117	157
<hr/>				
Total undiscounted financial liabilities		2,033	117	2,150
<hr/>				
Total net undiscounted financial assets		10,754	3,568	14,322

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group 31 December 2019	Note	Cash flows		
		Within 1 year \$'000	2 to 5 years \$'000	Total \$'000
Financial assets:				
Trade and other receivables	16	2,144	10,520	12,664
Cash and cash equivalents	17	4,475	–	4,475
Total undiscounted financial assets		6,619	10,520	17,139
Financial liabilities:				
Trade and other payables	18	1,018	–	1,018
Interest-bearing loans and borrowings		125	157	282
Total undiscounted financial liabilities		1,143	157	1,300
Total net undiscounted financial assets		5,476	10,363	15,839
Company				
31 December 2020	Note	Within 1 year \$'000	2 to 5 years \$'000	Total \$'000
Financial assets:				
Trade and other receivables	16	8,031	–	8,031
Cash and cash equivalents	17	262	–	262
Total undiscounted financial assets		8,293	–	8,293
Financial liabilities:				
Trade and other payables	18	2,225	–	2,225
Interest-bearing loans and borrowings		40	117	157
Total undiscounted financial liabilities		2,265	117	2,382
Total net undiscounted financial (liabilities)/assets		6,028	(117)	5,911

Notes to the Financial Statements
For the financial year ended 31 December 2020

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company 31 December 2019	Note	Cash flows		
		Within 1 year \$'000	2 to 5 years \$'000	Total \$'000
Financial assets:				
Trade and other receivables	16	1,185	6,940	8,125
Cash and cash equivalents	17	108	–	108
Total undiscounted financial assets		1,293	6,940	8,233
Financial liabilities:				
Trade and other payables	18	1,578	–	1,578
Interest-bearing loans and borrowings		101	157	258
Total undiscounted financial liabilities		1,679	157	1,836
Total net undiscounted financial (liabilities)/assets		(386)	6,783	6,397

(c) 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 Malaysia Ringgit. Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

Notes to the Financial Statements
For the financial year ended 31 December 2020

28. Financial risk management objectives and policies (cont'd)**(c) Foreign currency risk (cont'd)***Sensitivity analysis*

A 10% (2019: 10%) strengthening of Singapore Dollar against the following currency at the reporting date would decrease the profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Group	Profit before tax 2020 \$'000	Profit before tax 2019 \$'000
United States Dollar	540	509
<hr/>		
Company		
United States Dollar	548	508
<hr/>		

A 10% (2019: 10%) weakening of Singapore Dollar against the above currency 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

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 2020 and 31 December 2019.

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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

30. Segment reporting

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

- (i) Printing cylinders is the manufacture and sale of gravure printing cylinders and related services in the printing industry;
- (ii) Investment holding;
- (iii) Investment in property development companies.

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 2020

30. Segment reporting (cont'd)

	Printing cylinders		Investment holding		Investment in property development companies		Adjustments and eliminations		Notes	Total operations	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
Revenue:											
External customers	3,858	4,668	159	120	–	–	–	–		4,017	4,788
Inter-segment revenue	–	–	213	231	–	–	(213)	(231)	A	–	–
Total revenue	3,858	4,668	372	351	–	–	(213)	(231)		4,017	4,788
Results:											
Segment profit/(loss)	142	935	46	59	1,838	2,061	(1,110)	(1,128)	B	916	1,927
Depreciation of property, plant and equipment	374	381	42	53	–	–	1	1		417	435
Depreciation of investment properties	–	–	58	57	–	–	–	–		58	57
Depreciation of right-of-use assets	28	55	11	11	–	–	108	53		147	119
Amortisation of intangible assets	14	24	–	–	–	–	–	–		14	24
Fair value changes on loan	–	–	–	–	(492)	(462)	–	–		(492)	(462)
Interest income	(46)	(53)	(5)	(5)	(98)	(136)	–	–		(149)	(194)
Interest expense	–	2	–	–	–	–	26	5		26	7

Notes to the Financial Statements
For the financial year ended 31 December 2020

30. Segment reporting (cont'd)

	Printing cylinders		Investment holding		Investment in property development companies		Adjustments and eliminations		Notes	Total operations	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
Assets and Liabilities											
Segment assets	8,620	8,463	4,225	2,919	20,007	20,022	864	668		33,716	32,072
Capital expenditure – property, plant and equipment/intangible assets	1,136	89	–	1	–	–	1	183		1,137	273
Segment liabilities	662	457	106	105	–	–	2,264	1,717	C	3,032	2,279

Notes:

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

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

	2020 \$'000	2019 \$'000
Loss from inter-segment sales	(213)	(231)
Unallocated finance costs	(89)	(97)
Unallocated corporate expenses	(808)	(800)
	<u>(1,110)</u>	<u>(1,128)</u>

(C) Unallocated segment liabilities in respect of lease liabilities and deferred tax liabilities and current tax payable.

Notes to the Financial Statements
For the financial year ended 31 December 2020

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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Singapore	838	874	437	545
Malaysia	3,176	3,908	19,607	17,946
Cambodia	–	–	1,286	6,382
Sri Lanka	–	3	–	–
Other countries	3	3	–	–
	4,017	4,788	21,330	24,873
	4,017	4,788	21,330	24,873

Information about a major customer

Revenue from one major customer amounted to \$513,000 (2019: \$836,000) arising from sales by the printing cylinders business segment.

31. Events occurring after the reporting period

Subsequent to year-end, the Company rolled over the principal and interest amount of the unsecured loan with Mr David Teo Kee Bock totalling S\$1,020,000 due on 24 February 2021 for a further term of one year from 25 February 2021 to 24 February 2022 at the same interest rate of 2% per annum and on the same terms and conditions.

32. Authorisation of financial statements

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 5 April 2021.

MAJOR PROPERTIES OF THE GROUP
As at 31 December 2020

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	32 years
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	43 years

SHAREHOLDING STATISTICS

As at 19 March 2021

Issued and fully paid-up share capital	- S\$14,807,000
Number of issued and paid-up shares (excluding treasury shares and subsidiary holdings)	- 49,912,500 ordinary shares
Number/Percentage of treasury shares and subsidiary holdings	- Nil
Class of shares	- Ordinary shares
Voting rights	- 1 vote per ordinary share

Distribution of Shareholdings

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 – 99	6	0.85	148	0.00
100 - 1,000	148	20.93	77,475	0.15
1,001 - 10,000	416	58.84	1,714,950	3.44
10,001 - 1,000,000	130	18.39	7,317,105	14.66
1,000,001 and above	7	0.99	40,802,822	81.75
Total	707	100.00	49,912,500	100.00

Twenty Largest Shareholders

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	Teo Kee Bock	13,850,950	27.75
2	Ang Kim Ton	8,480,000	16.99
3	Teo Kee Chong	7,884,500	15.80
4	OKG Construction & Trading Pte Ltd	7,531,000	15.09
5	CGS-CIMB Securities (Singapore) Pte. Ltd.	1,043,372	2.09
6	Teo Chin Wen (Zhang JingWen)	1,010,000	2.02
7	Teo WeiXian (Zhang WeiXian)	1,003,000	2.01
8	Teo Jue Ren	1,000,000	2.00
9	Toh Boon Chuan	699,200	1.40
10	Lek San Construction Pte Ltd	513,500	1.03
11	Chang Hin Chong	449,000	0.90
12	Khua Hock Leong	313,100	0.63
13	Oh Cher Kiat	300,000	0.60
14	Poh Heng	192,000	0.38
15	OCBC Nominees Singapore Private Limited	174,450	0.35
16	Kor Beng Shien	158,000	0.32
17	Goh Kheng Sing	115,000	0.23
18	Raffles Nominees (Pte.) Limited	98,900	0.20
19	Hoo Len Yuh	90,000	0.18
20	DBS Vickers Securities (Singapore) Pte Ltd	85,000	0.17
	Total	44,990,972	90.14

Substantial Shareholders

(as recorded in the Register of Substantial Shareholders)

<u>Name</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
Teo Kee Bock	13,850,950	27.75	151,200 ⁽¹⁾	0.30
Ang Kim Ton	8,480,000	16.99	-	-
Teo Kee Chong	7,884,500	15.80	-	-
OKG Construction & Trading Pte Ltd	7,531,000	15.09	-	-

(1) Deemed interest in shares held by spouse and CPF Board Nominee.

Approximately 17.9% 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 Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

FUJI OFFSET PLATES MANUFACTURING LTD

(Company Registration No.: 198204769G)

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**” or the “**Meeting**”) of Fuji Offset Plates Manufacturing Ltd (the “**Company**”) will be held by way of electronic means via “live” audio-visual webcast and “live” audio-only stream on Thursday, 29 April 2021, at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2020, together with the Independent Auditors’ Report thereon.

(Resolution 1)

2. To declare a first and final one-tier tax-exempt dividend of 0.3 Singapore cents per share for the financial year ended 31 December 2020 (2019: 0.3 Singapore cents per share).

(Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to the Article 106 of the Constitution of the Company and Rule 720(4) of the Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”):-

Mr Low Beng Tin (retiring under Article 106 and Rule 720(4))

(Resolution 3)

Mr Lai Mun Onn (retiring under Article 106)

(Resolution 4)

Mr Low Beng Tin will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees respectively, and will be considered independent pursuant to Rule 704(7) of the Catalist Rules of the SGX-ST.

Mr Lai Mun Onn will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees respectively, and will be considered independent pursuant to Rule 704(7) of the Catalist Rules of the SGX-ST.

Detailed information on each of the abovementioned Directors of the Company as required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST is on pages 45 to 49 of the annual report.

4. To approve the payment of Directors’ fees of S\$100,000 for the financial year ended 31 December 2020 (2019: S\$106,247).

(Resolution 5)

5. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)

6. 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:

7. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and 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), 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 (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which 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 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 (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of 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 percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 the Instruments or any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with (a) and (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (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), all applicable legal requirements under the Companies Act, and otherwise, the Constitution of the Company for the time being; and
- (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 (i)]

(Resolution 7)

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

That for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST:

- (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 [14 April 2021] (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 (ii)]

(Resolution 8)

9. **Approval for the continued appointment of Mr Tan Keh Eyo, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST**

That, subject to and contingent upon the passing of Resolution 10:

- (a) the continued appointment of Mr Tan Keh Eyo, as an Independent Director, for purposes of 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Tan Keh Eyo as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted by all shareholders of the Company by appointing the Chairman of the meeting as proxy to vote at the AGM.

[See Explanatory Note (iii)]

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

10. **Approval for the continued appointment of Mr Tan Keh Eyo, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST**

That subject to and contingent upon the passing of Resolution 9:

- (a) the continued appointment of Mr Tan Keh Eyo, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Tan Keh Eyo as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted by shareholders of the Company, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Catalist Rules of the SGX-ST) by appointing the Chairman of the meeting as proxy to vote at the AGM.

[See explanatory note (iii)]

(Resolution 10)

In compliance with Rule 406(3)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 10.

By Order of the Board

Kelly Kiar Lee Noi
Secretary
Singapore, 14 April 2021

Explanatory Notes:

- (i) The Ordinary Resolution 7 in item 7 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, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (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 percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution 7 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 and any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

- (ii) The Ordinary Resolution 8 in item 8 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.
- (iii) Ordinary Resolutions 9 and 10 is for continued appointment of Mr Tan Keh Eyo as an Independent Director who has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment on 18 November 1997.

With effect from 1 January 2022, Rule 406(3)(d)(iii) of the Catalist Rules of the SGX-ST provides that a Director will not be independent if he/she has been a Director for an aggregate period of more than nine (9) years and his/her continued appointment as an independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (the **"Two-Tier Voting"**).

The Board, saved for the affected directors who had abstained from all deliberation, have recommended the continued appointment of Mr Tan Keh Eyo as independent Director via a Two-Tier Voting process for a three-year term, with effect from the passing of these resolutions proposed at the forthcoming AGM, until the conclusion of the third AGM of the Company following the passing of these resolutions.

A rigorous review was conducted for Mr Tan Keh Eyo to consider all nature of relationships and circumstances that could influence his judgement and decisions.

Based on the rigorous review, the Board concurred with the Nominating Committee's view that Mr Tan Keh Eyo has demonstrated strong independence character and judgement in the Board and Board Committees meetings over the years, in discharging his duties and responsibilities as Independent Director with the utmost commitment in upholding the interest of non-controlling shareholders. In addition, he does not hold any shares in the Company, receives only a fixed Director's fee from the Company and does not have any relationships that could interfere with the exercise of his independent business judgement in the best interest of the Company. Mr Tan Keh Eyo has displayed characteristics expected of an Independent Director.

Upon passing the Ordinary Resolutions 9 and 10 respectively, the continued appointment of Mr Tan Keh Eyo as an Independent Director of the Company shall continue in force until the earlier of: (i) his retirement or resignation as an Independent Director; or (ii) the conclusion of the third AGM of the Company following the passing of these resolutions.

In the event either Ordinary Resolution 9 or Ordinary Resolution 10 is not passed, the continued appointment of Mr Tan Keh Eyo as an Independent Director will not be passed at the forthcoming AGM, Mr Tan Keh Eyo will no longer be independent and shall continue as a Non-Independent Director of the Company.

Rule 406(3)(c) of the Catalist Rules of the SGX-ST and Provision 2.2 of the Code of Corporate Governance 2018 (the **"Code"**) provides that the Independent Directors must comprise of at least one-third of the Board and the Independent Directors shall make up a majority of the Board where the Chairman is not independent respectively. In the event that the Ordinary Resolution(s) for the continued appointment of Mr Tan Keh Eyo as an Independent Director is not passed at the forthcoming AGM which renders the Company unable to meet these requirements, the Company shall make the necessary arrangement to comply with the relevant rules of the Catalist Rules of the SGX-ST and the Code. The Company shall endeavour to fill the vacancy within two (2) months, but in any case not later than three (3) months.

NOTICE OF ANNUAL GENERAL MEETING

Alternative Arrangements of Annual General Meeting to be held on 29 April 2021

Notes:

1. The AGM is being convened, and will be held, by electronic means at no cost to shareholders and members pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>. This Notice will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions in advance in relation to any resolution set out in this Notice; (iii) addressing of substantial and relevant questions at the AGM; and (iv) voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 April 2021. This announcement may be accessed at the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Submit Questions in Advance in relation to any Resolution set out in the Notice of AGM

3. The "live" audio-visual webcast and "live" audio-only stream are mainly for shareholders to contemporaneously observe the AGM proceeding and hence, shareholders will not be able to ask questions at the AGM "live" during the "live" audio-visual webcast and "live" audio-only stream. Accordingly, it is important for shareholders to submit their questions in advance in relation to any resolution set out in the Notice of AGM to be tabled for approval at the AGM, by submitting the webcast registration form in the following manner:
 - (a) if submitted by post, be deposited at the registered office of the Company at 2 Jalan Rajah, #06-28 Golden Wall Flatted Factory, Singapore 329134; or
 - (b) if submitted electronically, be submitted via email to the to the Company, at agm2021@fopgroup.com,

in either case, by 3.00 p.m. on Friday, 23 April 2021.

Management and the Board of the Company will endeavour to address all substantial and relevant questions received from shareholders prior to the AGM by publishing the responses to those questions on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>.

The Company will publish minutes and answers within one (1) month from date of AGM on both the SGX's website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>.

NOTICE OF ANNUAL GENERAL MEETING

Participating at AGM

4. Shareholders who wish to participate at the AGM by observing and/or listening to the AGM proceedings via “live” audio-visual webcast or “live” audio-only stream must register in the following manner:
- (a) if submitted by post, be deposited at the registered office of the Company at 2 Jalan Rajah, #06-28 Golden Wall Flatted Factory, Singapore 329134; or
 - (b) if submitted electronically, be submitted via email to the to the Company, at agm2021@fopgroup.com,

in either case, by 3.00 p.m. on Friday, 23 April 2021 (the “**Registration Deadline**”). Following the verification and upon the closure of registration, authenticated shareholders will receive an email confirmation containing:

- (a) a link and password to access the “live” audio-visual webcast; or
- (b) a dial-in number with unique pin to access the “live” audio-only stream.

Shareholders must not forward the abovementioned email confirmation to other persons who are not entitled to attend the AGM. This is to avoid any technical disruptions or overload to the “live” audio-visual webcast or “live” audio-only stream.

Shareholders who register by the Registration Deadline but do not receive an email confirmation by **3.00 p.m. on Tuesday, 27 April 2021** may contact the Company by email at agm2021@fopgroup.com for assistance.

5. The Board and Auditors will be attending the AGM and their attendance and right to be heard will be satisfied by way of electronic means via “live” audio-visual webcast and “live” audio-only stream.

Submit Proxy Forms to Vote

6. **Due to the prevailing COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate and including relevant intermediary) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be accessed at the Company’s corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>, and will also be made available on the SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy; failing which, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. Please note that proxy will be given the same rights as member.

Central Provident Fund (“**CPF**”) or Supplemental Retirement Scheme (“**SRS**”) investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators (being relevant intermediaries) to submit their votes by 5.00 p.m. on 19 April 2021.

NOTICE OF ANNUAL GENERAL MEETING

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Cap. 19 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 license to provide custodial services for securities under the Securities and Futures Act, Cap. 289 and who holds shares in that capacity; or
- (c) the CPF Board established by the Central Provident Fund Act, Cap. 36, 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 CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

- 7. The Chairman of the Meeting, as proxy, need not be a member of the Company.
- 8. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - a. if submitted by post, be deposited at the registered office of the Company at 2 Jalan Rajah, #06-28 Golden Wall Flatted Factory, Singapore 329134; or
 - b. if submitted electronically, be submitted via email to the Company, at agm2021@fopgroup.com,

in either case, not less than forty-eight (48) hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

- 9. The 2020 Annual Report and the Appendix in relation to the Proposed Renewal of Shareholders’ Mandate for Interested Person Transactions (the “**IPT Appendix**”) have been published and may be accessed at the Company’s corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations> as follows:
 - (a) the 2020 Annual Report may be accessed by clicking on the hyperlinks “FOP Group’s latest Annual Report”; and
 - (b) the IPT Appendix may be accessed by clicking on the hyperlinks “IPT Appendix”.
- 10. Any reference to a time of day in this Notice of AGM is made by reference to Singapore time.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting (a) the Proxy Form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) details for the registration to observe the proceedings of the AGM via “live” audio-visual webcast or “live” audio-only stream, or (c) questions in advance in relation to any resolution set out in the Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe and/or listen the proceedings of the AGM via “live” audio-visual webcast or “live” audio-only stream and providing them with any technical assistance where necessary;
- (iii) addressing all substantial and relevant questions received from members relating to the resolutions set out in the Notice of AGM to be tabled for approval at the AGM prior to the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member may be recorded by the Company (or its agents or service providers) for such purposes.

This notice has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Asian Corporate Advisors Pte. Ltd., (“Sponsor”), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (“Exchange”) Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange. The Company’s Sponsor has not independently verified the contents of this notice, including the accuracy, completeness or correctness of any of the figures used, statements or opinions made.

This notice has not been examined or approved by the Exchange. The Sponsor and the Exchange assume no responsibility for the contents of this notice including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this notice.

*The contact person for the Sponsor is Ms Foo Quee Yin.
Telephone number: 6221 0271*

FUJI OFFSET PLATES MANUFACTURING LTD

PROXY FORM

(Company Registration No.: 198204769G)
(Incorporated in the Republic of Singapore)

Annual General Meeting

IMPORTANT NOTICE FOR ALTERNATIVE ARRANGEMENT FOR ANNUAL GENERAL MEETING

- The Annual General Meeting ("AGM" or the "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 14 April 2021 will not be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication on the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>. The Notice of AGM will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions to the Chairman of the Meeting in advance in relation to any resolution set out in the Notice of AGM; (iii) addressing of substantial and relevant questions at the AGM; and (iv) voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 April 2021. This announcement may be accessed at the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
- Due to the prevailing COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate and including relevant intermediary) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
- Central Provident Fund ("CPF") or Supplemental Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators (being relevant intermediaries) to submit their votes by 5.00 p.m. on 19 April 2021.
- By submitting this proxy form appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

*I/We, _____ (Name) _____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a member/members of Fuji Offset Plates Manufacturing Ltd (the "Company"), hereby appoint **the Chairman of the Meeting** as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf, at the AGM of the Company to be convened and held by way of electronic means via "live" audio-visual webcast and "live" audio-only stream on **Thursday, 29 April 2021 at 3:00 p.m.** and at any adjournment thereof.

*Delete where inapplicable

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Number of Votes Abstain
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditors' Report			
2	Payment of proposed first and final one-tier tax-exempt dividend			
3	Re-election of Mr Low Beng Tin as a Director.			
4	Re-election of Mr Lai Mun Onn as a Director			
5	Approval of Directors' fees amounting to S\$100,000 (2019:S\$106,247)			
6	Re-appointment of Messrs Ernst & Young LLP as Auditors			
7	Authority to allot and issue shares			
8	Renewal of Shareholders' Mandate for Interested Person Transactions			
9	Approval for the continued appointment of Mr Tan Keh Eyo, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST")			
10	Approval for the continued appointment of Mr Tan Keh Eyo, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST			

All resolutions put to the vote at the AGM shall be conducted by way of poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** a resolution, please indicate with an "X" within the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to **Abstain** from voting on a resolution, please indicate with an "X" in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to **Abstain** from voting in the **Abstain** box in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of April, 2021

Total number of Shares in:	No. of Shares
CDP Register	
Register of Members	

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

IMPORTANT: Please read notes on the reverse

Notes:

1. A member of the Company should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. **Due to the prevailing COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate and including relevant intermediary) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** This proxy form may be accessed at the Company's corporate website at the URL <https://www.fopgroup.com/index.php/investor-relations>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy; failing which, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. Please note that proxy will be given the same rights as a member.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators (being relevant intermediaries) to submit their votes by 5.00 p.m. on 19 April 2021.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Cap. 19 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 license to provide custodial services for securities under the Securities and Futures Act, Cap. 289 and who holds shares in that capacity; or
 - (c) the CPF Board established by the Central Provident Fund Act, Cap. 36, 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 CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
 4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the registered office of the Company at 2 Jalan Rajah, #06-28 Golden Wall Flatted Factory, Singapore 329134; or
 - (b) if submitted electronically, be submitted via email to the Company, at agm2021@fopgroup.com,

in either case, not less than forty-eight (48) hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting 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 of proxy; failing which, the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing or treated as appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing or treated as appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing or treated as appointing the Chairman of the Meeting as proxy lodged if such members, being the appointer, are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
7. Any reference to a time of day in this Proxy Form is made by reference to Singapore time.

Personal Data Privacy:

By submitting an instrument appointing a proxy appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.

FOLD HERE

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

AFFIX
POSTAGE
STAMP

FUJI OFFSET PLATES MANUFACTURING LTD
(CO. REG. NO. 198204769G)



2, Jalan Rajah # 06-28,
Golden Wall Flatted Factory, Singapore 329134



(65) 62659111



(65) 62682300



www.fopgroup.com



contact@fopgroup.com