



**FUJI OFFSET PLATES MANUFACTURING LTD
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

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FUJI OFFSET PLATES MANUFACTURING LTD

Unaudited Half-Year Financial Statement And Related Announcement

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

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

	Note	S\$'000 30.06.21	S\$'000 30.06.20	% Increase/ (Decrease)
Revenue		2,027	1,927	5
Cost of sales		(1,489)	(1,338)	11
Gross profit		538	589	(9)
Other operating income	1	467	546	(14)
Distribution expenses		(118)	(122)	(3)
Administrative expenses		(890)	(932)	(5)
Results from operating activities		(3)	81	NM
Finance income	2	56	85	(34)
Finance expense	2	(13)	(5)	>100
Net finance income		43	80	(46)
Share of results of associate (net of tax)	3	530	373	42
Profit before tax	4	570	534	7
Income tax expense		(36)	(34)	6
Profit for the period		534	500	7
Other comprehensive income				
Foreign currency translation loss		(421)	(249)	69
Other comprehensive income for the period, net of tax		(421)	(249)	69
Total comprehensive income for the period		113	251	(55)
Profit for the period attributable to:				
Owners of the Company		546	518	5
Non-controlling interests		(12)	(18)	(33)
Profit for the period		534	500	7
Total comprehensive income attributable to:				
Owners of the Company		182	304	(40)
Non-controlling interests		(69)	(53)	30
Total comprehensive income for the period		113	251	55

NM denotes not meaningful

Notes:

	S\$'000	S\$'000	%
	30.06.21	30.06.20	Increase/ (Decrease)
(1) Other operating income includes:			
Income from sales of scrap	50	1	>100
Foreign exchange gain (net)	123	236	(48)
Fair value changes on loan	1A 271	259	5
Government grants	1B 17	45	(62)
Others	6	5	20
	<u>467</u>	<u>546</u>	(14)

(1A) Fair value adjustment on loans to Star City Property Development Co., Ltd ("**Star City**").

(1B) Government grants received by the Company in connection with employment of Singaporean workers under Job Support Scheme. There were no unfulfilled conditions or contingencies relating to these grants.

	S\$'000	S\$'000	%
	30.06.21	30.06.20	Increase/ (Decrease)
(2) Finance income/(expense) includes:			
Interest income from banks	15	30	(50)
Other interest income	41	55	(25)
Finance income	<u>56</u>	<u>85</u>	(34)
Interest on lease liabilities	(3)	(5)	(40)
Other interest expense	(10)	-	NM
Finance expense	<u>(13)</u>	<u>(5)</u>	>100
Net finance income	<u>43</u>	<u>80</u>	(46)

(3) Share of results of IPark Development Sdn Bhd ("**IPark**").

(4) Other significant items that have been included in arriving at profit before taxation:

	S\$'000	S\$'000	%
	30.06.21	30.06.20	Increase/ (Decrease)
Depreciation of property, plant and equipment	306	181	69
Depreciation of investment properties	29	21	38
Depreciation of right-of-use assets	36	88	(59)
Amortisation of intangible assets	6	8	(25)

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

	Note	Group		Company	
		S\$'000 30.06.21	S\$'000 31.12.20	S\$'000 30.06.21	S\$'000 31.12.20
Non-current assets					
Property, plant and equipment	1	3,895	4,237	119	140
Intangible assets	1	9	15	-	-
Investment properties	1	1,777	1,808	-	-
Subsidiaries		-	-	7,809	7,809
Right-of-use assets	1	694	737	267	297
Investment in associate	2	9,592	9,562	-	-
Long-term loan due from associate	3	3,659	3,685	-	-
Other investment	4	1,308	1,286	1,308	1,286
		<u>20,934</u>	<u>21,330</u>	<u>9,503</u>	<u>9,532</u>
Current assets					
Inventories	5	783	761	-	-
Trade receivables	6	1,197	1,110	-	-
Amounts due from a subsidiary		-	-	1,113	1,203
Other receivables	7	6,203	5,540	5,837	5,485
Prepayments	8	56	28	-	1
Tax recoverable	9	220	153	-	-
Cash and cash equivalents		4,006	4,794	95	262
		<u>12,465</u>	<u>12,386</u>	<u>7,045</u>	<u>6,951</u>
Total assets		<u>33,399</u>	<u>33,716</u>	<u>16,548</u>	<u>16,483</u>
Equity					
Share capital		14,807	14,807	14,807	14,807
Reserves		12,756	12,724	(887)	(713)
Equity attributable to owners of the Company		<u>27,563</u>	<u>27,531</u>	<u>13,920</u>	<u>14,094</u>
Non-controlling interests		3,084	3,153	-	-
Total equity		<u>30,647</u>	<u>30,684</u>	<u>13,920</u>	<u>14,094</u>
Non-current liabilities					
Loans and borrowings		92	110	92	110
Deferred tax liabilities		834	828	-	-
		<u>926</u>	<u>938</u>	<u>92</u>	<u>110</u>
Current liabilities					
Trade and other payables	10	704	986	158	267
Loans and borrowings		35	35	35	35
Provision		60	56	23	19
Current tax payable		-	-	-	-
Amount due to a subsidiary		-	-	1,293	941
Amount due to Director/substantial shareholder		1,027	1,017	1,027	1,017
		<u>1,826</u>	<u>2,094</u>	<u>2,536</u>	<u>2,279</u>
Total liabilities		<u>2,752</u>	<u>3,032</u>	<u>2,628</u>	<u>2,389</u>
Total equity and liabilities		<u>33,399</u>	<u>33,716</u>	<u>16,548</u>	<u>16,483</u>

Notes:

- (1) Property, plant and equipment, intangible assets, investment properties and right-of-use assets were lower mainly due to depreciation and amortisation for the period coupled with exchange rate fluctuations between the Malaysian Ringgit (“**RM**”) against the Singapore dollar (“**S\$**”).
- (2) Investment in associate was higher by about S\$0.03 million mainly due to share of results in IPark, partially offset by exchange rate fluctuations between RM against the S\$.
- (3) Amount due from associate, pertaining to the Group’s long-term loan due from associate, was lower by about S\$0.03 million due to exchange rate fluctuations between RM and the S\$, partially offset by accrued interest.
- (4) Other investment, pertaining to the Group’s 10% share of equity interest in Star City, was higher by about S\$0.02 million mainly due to exchange rate fluctuations between the US dollar (“**US\$**”) against the S\$.
- (5) Inventories were higher by about S\$0.02 million mainly due to purchases in anticipation of higher prices and increase in sales.
- (6) Trade receivables were higher by about S\$0.09 million mainly due to higher sales of printing cylinders in 2Q2021 as compared with 4Q2020, partially offset by exchange rate fluctuations between RM against the S\$. Barring unforeseen circumstances, the Group does not foresee any issue with the collectibility of these outstanding receivables.
- (7) Other receivables, comprising the Group’s share of loan to Star City (S\$5.83 million) and Other receivables (S\$0.37 million) at at 30 June 2021, were higher by about S\$0.66 million due to fair value changes and exchange rate fluctuations on the loan to Star City (S\$0.36 million) coupled with advance payments made for the purchase of seamless steel pipes and machinery (S\$0.30 million).
- (8) Prepayments were higher by about S\$0.03 million mainly due to prepayments of insurance premium on plant and machinery.
- (9) Tax recoverable was higher at about S\$0.07 million mainly due to overpayment of taxes for the current year.
- (10) Trade and other payables, comprising Trade payables (S\$0.21 million) and Other payables (S\$0.49 million) as at 30 June 2021, were lower by about S\$0.28 million due entirely to a decrease in Other payables on account of payments made in 1H2021 for accruals made for expenses at 31 December 2020.

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

Amount repayable in one year or less, or on demand

As at 30/06/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
35	1,027	35	1,017

Amount repayable after one year

As at 30/06/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
92	-	110	-

Details of any collateral

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

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

	S\$'000 30.06.21	S\$'000 30.06.20
Operating activities		
Profit before tax	570	534
Adjustments for:		
Depreciation of property, plant and equipment	306	181
Depreciation of investment properties	29	21
Depreciation of right-of-use assets	36	88
Amortisation of intangible assets	6	8
Share of results of associate	(530)	(373)
Fair value changes on loan	(271)	(259)
Interest expense	13	5
Interest income	(56)	(85)
Foreign exchange gain	(112)	(218)
Operating cash flow before changes in working capital	(9)	(98)
Changes in working capital:		
Inventories	(22)	(201)
Trade receivables	(87)	375
Related parties balances	(2)	2
Other receivables, deposits and prepayments	(323)	301
Trade and other payables	(282)	(130)
Cash (used in)/from operations	(725)	249
Income taxes paid	(97)	(99)
Interest received	15	30
Cash flows (used in)/from operating activities	(807)	180
Investing activities		
Purchase of property, plant and equipment	(11)	(186)
Dividend received from associate	326	-
Cash flows from/(used in) investing activities	315	(186)

Financing activities

Payment of lease liabilities	(20)	(71)
Loan from Director/substantial shareholder	-	800
Dividends paid to owners of the Company	(150)	-
Cash flows (used in)/from financing activities	(170)	729

Net (decrease)/increase in cash and cash equivalents	(662)	723
Effect of exchange rate changes on balances held in foreign currency	(126)	(57)
Cash and cash equivalents at beginning of the year	4,794	4,475
Cash and cash equivalents at end of the period	4,006	5,141

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

The Group	Share capital	Foreign currency translation reserve	Fair value adjustment reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021	14,807	283	(738)	13,179	27,531	3,153	30,684
Profit net of tax for the period	-	-	-	546	546	(12)	534
<u>Other comprehensive income</u>	-	-	-	-	-	-	-
Foreign currency translation	-	(364)	-	-	(364)	(57)	(421)
Total comprehensive income for the period	-	(364)	-	546	182	(69)	113
Dividends on ordinary shares	-	-	-	(150)	(150)	-	(150)
At 30 June 2021	14,807	(81)	(738)	13,575	27,563	3,084	30,647
At 1 January 2020	14,807	254	(713)	12,254	26,602	3,191	29,793
Profit net of tax for the period	-	-	-	518	518	(18)	500
<u>Other comprehensive income</u>	-	-	-	-	-	-	-
Foreign currency translation	-	(214)	-	-	(214)	(35)	(249)
Total comprehensive income for the period	-	(214)	-	518	304	(53)	251
At 30 June 2020	14,807	40	(713)	12,772	26,906	3,138	30,044

The Company

	Share capital	Fair value adjustment reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021	14,807	(738)	25	14,094
Profit net of tax, represents total comprehensive income for the period	-	-	(24)	(24)
Dividends on ordinary shares	-	-	(150)	(150)
At 30 June 2021	14,807	(738)	(149)	13,920
At 1 January 2020	14,807	(713)	107	14,201
Profit net of tax, represents total comprehensive income for the period	-	-	57	57
At 30 June 2020	14,807	(713)	164	14,258

Please refer to pages 13 to 22 for the Selected Notes to the above condensed Interim Financial Statements for the half year ended 30 June 2021.

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

There were no changes to the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles and the Company did not hold any treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2021 respectively.

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

Company	30.06.21	31.12.20
Total number of issued shares excluding treasury shares	49,912,500	49,912,500

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

Not applicable. The Company does not have any treasury shares as at 30 June 2021.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company does not have any subsidiary holdings as at 30 June 2021.

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

The figures have not been audited or reviewed by external auditor.

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

Not applicable

3(A). Where the latest financial statements are subject to an adverse opinion, qualified or disclaimer of opinion:

(i) Updates on the efforts taken to resolved each outstanding audit issue.

(ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not Applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2020.

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

The Group and Company have adopted the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"), and Interpretations of SFRS(I) ("**SFRS(I) INTs**") that are effective for the financial year beginning on or after 1 January 2021. The adoption of these SFRS(I)s and SFRS(I) INTs do not have any significant impact on the financial statements of the Group and Company.

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

Group	30.06.21	30.06.20
Based on weighted average number of ordinary shares in issue (cents)	1.09	1.04
Based on a fully diluted basis (cents)	1.09	1.04

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

	Group		Company	
	30.06.21	31.12.20	30.06.21	31.12.20
Net Asset Value per ordinary share (cents)	55.22	55.16	27.89	28.24

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

Income Statement

Revenue

Total Group revenue amounted to S\$2.03 million for the half-year period ending 30 June 2021 ("**1H2021**") as compared with S\$1.93 million for the half-year period ending 30 June 2020 ("**1H2020**"), an increase of S\$0.10 million or about 5%, mainly due to higher sales of printing cylinders in Malaysia primarily on account of the less stringent and less prolonged COVID-19 measures in Malaysia during 1H2021 as compared with 1H2020.

Costs of sales

Due to higher revenue, cost of sales also increased by about 11% or S\$0.15 million, from S\$1.34 million for 1H2020 to S\$1.49 million for 1H2021. However, the increase was higher compared with the increase in revenue due to higher costs of raw materials, mainly MS plates and chemicals, coupled with higher depreciation on account of new machinery purchased at year-end 2020.

Gross profit

As a result of the higher revenue and costs of sales, gross profit for the period decreased from S\$0.59 million for 1H2020 to S\$0.54 million for 1H2021, a decrease of S\$0.05 million or about 9%. Consequently, gross profit margin declined from 30.6% for 1H2020 to 26.5% for 1H2021.

Other Operating Income

For 1H2021, Other operating income amounted to S\$0.47 million as compared with S\$0.55 million for 1H2020, a decline of 14% or about S\$0.08 million, mainly due to lower foreign exchange gain from the Company's US\$ loan to Star City.

Operating Expenses

Despite the higher revenue, however, distribution expenses decreased marginally by about 3%, to remain at about S\$0.12 million for 1H2020 and 1H2021. Administrative expenses also declined by about 5% or about S\$0.04 million, from S\$0.93 million for 1H2020 to S\$0.89 million for 1H2021 due mainly to lower staff-related expenses and exchange rate fluctuations between RM against the S\$.

Total depreciation charge for property, plant and equipment, investment properties and right-of-use assets were higher at about S\$0.37 million for 1H2021 as compared with S\$0.29 million for 1H2020 mainly due to the purchase of new machinery at year-end 2020.

Operating Profit

On the basis of the above factors, therefore, the Group's operating performance was about breakeven for 1H2021 as compared with profit of S\$0.08 for 1H2020. The decline in operating performance of S\$0.08 million over the two financial periods was attributable to the following factors:

- 1) Lower foreign exchange gain of S\$0.11 million mainly from the investment in property development companies business segment on account of exchange rate fluctuations between the US\$ against the S\$,
- 2) Lower contribution from printing cylinders business segment of S\$.02 million, partially offset by
- 3) Higher net contribution from investment holding business segment of S\$0.02 million, and
- 4) Adjustments and eliminations of S\$0.02 million, including unallocated corporate expenses.

Net finance income decreased from S\$0.08 million for 1H2020 to S\$0.04 million for 1H2021 mainly due to lower bank interest income on account of lower investible funds and interest rates, lower accrued interest on long-term loan due from associate and other interest expense.

Share of results of associate (net of tax) amounted to a gain of S\$0.53 million for 1H2021, based on percentage-of-completion method, as compared with S\$0.37 million for 1H2020.

Income tax expense was about unchanged at S\$0.036 million for 1H2021 and S\$0.034 million for 1H2020 due to relatively stable taxable profits and deferred tax provision.

Based on the above factors, the Group recorded a profit after tax of S\$0.53 million for 1H2021 as compared with S\$0.50 million for 1H2020.

Cash Flow

For 1H2021, the Group net cash flows used in operating activities totalled about of S\$0.81 million due mainly to negative changes in working capital, share of results of associate, fair value changes on loan to Star City and income taxes paid are partially offset by profit before taxation and depreciation and amortisation.

Cash flows from investing activities amounted to S\$0.32 million for 1H2021 and was mainly from dividend received from associate.

Cash flows used in financing activities of S\$0.17 million comprised payments of dividends to owners of the Company and lease liabilities.

As a result of the above factors, cash and cash equivalents were lower by about S\$0.66 million during 1H2021 and the Group's cash and cash equivalents stood at S\$4.01 million as at 30 June 2021.

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

Not Applicable

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

The Company is of the opinion that the outlook for the next 12 months for the printing cylinders business segment will remain challenging due to the continuing COVID-19 pandemic, the keen competition and higher costs of raw materials. Under the prevailing Enhanced Movement Control Order ("EMCO") measures that took effect from 1 June 2021, the printing cylinders operations in Malaysia is restricted to 60% headcount to work on-site. While there will be some adverse impact, however, this is likely to be not material to the Group's performance in terms of EPS and NTA per share for the current financial year ending 31 December 2021. The Group will continue to assess the impact of these government directives on its business and will provide updates to keep shareholders informed of any material developments as soon as practicable.

The outlook for the Group's investment in property development companies business segment will also depend on how the COVID-19 situation develops and its impact on the regional economies.

As at 30 June 2021, property sales launch for IPark were as follows:

Parcel 1: Out of 10 available units, an increase of 1 unit from 31 December 2020 due to sub-division of a plot, 4 units were sold with Sales & Purchase Agreements ("SPA") while 3 units were rented out.

Parcel 2: Out of 41 available units, 28 units were sold with SPA and 12 units were rented out.

Parcel 3: Out of 36 available units, 9 units were sold with SPA, 1 unit was rented out while 3 units were reserved via payment of booking fees.

With regard to Star City, there were no new developments on the sale of Star City's property assets due to the ongoing COVID-19 pandemic. The Directors and Management of Star City continue to proactively seek out potential buyers to sell the company's property assets.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not Applicable

(d) Record date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the financial six months period ended 30 June 2021. Given the challenging outlook for the next 12 months in light of the continuing COVID-19 situation, the Company will review its financial position at the end of the financial year.

13. Interested Person Transactions (January – June 2021)

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

The Group has renewed its general mandate for Interested Party Transaction at the recent annual general meeting held on 29 April 2021.

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	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. Fuji Printing Cylinders Pte Ltd (FPC), a wholly-owned subsidiary of the Group Fuji Roto Gravure Sdn Bhd (FRG), where FPC owns 65% and Adrian Teo owns 35%. Mr Adrian Teo is also a director of FRG. IPT transaction Supply of printing cylinders by FRG to FPC Provision of technical services by the Group to FRG Lease of premises by Fujiplates Manufacturing Sdn Bhd to FRG	Nil	S\$189,896

In February 2021, 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.

14. Negative Assurance on Interim Financial Statements

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

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the financial results of the Group and the Company for the first half-year ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Name of Director: Teo Kee Bock
Designation: Chairman

Name of Director: Teo Kee Chong
Designation: Managing Director

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

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

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 Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The primary 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:

- (a) manufacture and sale of gravure printing cylinders and related services in the printing industry;
- (b) letting of properties and investment holding; and
- (c) property development

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore (ASCI). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The Group and Company have adopted the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"), and Interpretations of SFRS(I) ("**SFRS(I) INTs**") that are effective for the financial year beginning on or after 1 January 2021. The adoption of these SFRS(I)s and SFRS(I) INTs do not have any significant impact on the financial statements of the Group and Company or would require a change in the Group and Company's accounting policies.

2.2 Use of judgements and estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any affected future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 7 – Valuation of unquoted equity instrument designated at FVOCI/FVTPL

Note 11 – Classification of investment properties

Note 12 – Classification of investment in an associate

3. Seasonal operations

The Group's businesses are not significantly affected by seasonal or cyclical factors during the financial period.

4. 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 corporate finance costs), foreign exchange gain 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.

4.1 Reportable Segments

	Printing cylinders	Investment holding	Investment in Property Development Companies	Adjustments and eliminations	Notes	Consolidated
Half Year ended 30 June 2021	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
Revenue:						
External customers	1,939	88	-	-		2,027
Inter-segment revenue	-	107	-	(107)	A	-
Total revenue	1,939	195	-	(107)		2,027
Results:						
Segment profit/(loss)	92	15	842	(379)	B	570
Depreciation of property, plant and equipment	269	13	-	24		306
Depreciation of investment properties	-	29	-	-		29
Depreciation of right-of-use assets	-	6	-	30		36
Amortisation of intangible assets	6	-	-	-		6
Fair value changes on loan	-	-	271	-		271
Interest income	15	-	41 ⁽¹⁾	-		56
Interest expense	-	-	-	(13)		(13)
Assets and Liabilities:						
Segment assets	7,849	4,452	20,394	704		33,399
Capital expenditure – property, plant and equipment/right-of-use assets/intangible assets	8	-	-	3		11
Segment liabilities	484	100	-	2,168	C	2,752
Half Year ended 30 June 2020						
	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
Revenue:						
External customers	1,856	71	-	-		1,927
Inter-segment revenue	-	98	-	(98)	A	-
Total revenue	1,856	169	-	(98)		1,927
Results:						
Segment profit/(loss)	125	(1)	688	(278)	B	534
Depreciation of property, plant and equipment	171	10	-	-		181
Depreciation of investment properties	-	21	-	-		21
Depreciation of right-of-use assets	28	6	-	54		88
Amortisation of intangible assets	8	-	-	-		8
Fair value changes on loan	-	-	259	-		259
Interest income	27	3	55 ⁽¹⁾	-		85
Interest expense	-	-	-	(5)		(5)

31 December 2020

Assets and Liabilities:

Segment assets	8,620	4,225	20,007	864		33,716
Capital expenditure – property, plant and equipment/right-of-use assets/intangible assets (half year ended 30 June 2020)	186	-	-	-		186
Segment liabilities	662	106	-	2,264	C	3,032

Notes:

- (1) Accrued interest income on loan to IPark.
(A) Inter-segment revenues are eliminated on consolidation.
(B) The following items are added to/(deducted from) segment profit to arrive at “Profit before taxation” presented in the consolidated income statement:

	Year 30.06.21 S\$'000	Year 30.06.20 S\$'000
Profit from inter-segment sales	(107)	(98)
Unallocated exchange gain	123	236
Unallocated corporate expenses	(395)	(416)
	<u>(379)</u>	<u>(278)</u>

- (C) Unallocated segment liabilities mainly in respect of unallocated corporate liabilities and deferred tax liabilities.

4.2 Disaggregation of revenue

Set out below is an overview of the Group’s revenue disaggregated by primary geographical markets and product or service. The table also includes a reconciliation of the disaggregated revenue with the Group’s reportable segments (see Note 4.1):

	Printing cylinders		Investment holding		Total	
	1H2021	1H2020	1H2021	1H2020	1H2021	1H2020
Revenue:						
Singapore	421	419	-	-	421	419
Malaysia	1,518	1,433	88	71	1,606	1,504
Other countries	-	4	-	-	-	4
Total	<u>1,939</u>	<u>1,856</u>	<u>88</u>	<u>71</u>	<u>2,027</u>	<u>1,927</u>
Timing of transfer of goods or services:						
At a point in time	1,939	1,856	-	-	1,939	1,856
Overtime	-	-	88	71	88	71
Total	<u>1,939</u>	<u>1,856</u>	<u>88</u>	<u>71</u>	<u>2,027</u>	<u>1,927</u>

5. Financial Assets and Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	S\$'000 30.06.21	S\$'000 31.12.20	S\$'000 30.06.21	S\$'000 31.12.20
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	1,308	1,286	1,308	1,286
Financial assets at fair value through profit and loss (FVTPL)	5,835	5,473	5,835	5,473
Cash and cash equivalents and trade and other receivables (Amortised cost)	9,230	9,656	1,210	1,477
	<u>16,373</u>	<u>16,415</u>	<u>8,353</u>	<u>8,236</u>
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	1,858	2,138	2,605	2,360

6. Profit before Tax

6.1 The following significant items were charged/(credited) to arrive at profit before tax:

	Group	
	S\$'000 30.06.21	S\$'000 30.06.21
<u>Income</u>		
Other income arising from sale of scrap	(50)	(1)
Government grants*	(17)	(45)
Foreign exchange gain (net)	(123)	(236)
Fair value changes on loan	(271)	(259)
Interest income from banks	(15)	(30)
Other interest income	(41)	(55)
<u>Expenses</u>		
Depreciation of property, plant and equipment	306	181
Depreciation of investment properties	29	21
Depreciation of right-of-use assets	36	88
Amortisation of intangible assets	6	8
Interest on lease liabilities	3	5
Other interest expense	10	-

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Fair value of assets and liabilities

(a) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other 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.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of the financial asset measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			
	(Level 1) \$'000	(Level 2) \$'000	(Level 3) \$'000	Total \$'000
30 June 2021				
Financial assets:				
<u>Other receivables</u>				
Loan to Star City, at FVTPL	–	–	5,835	5,835
<u>Other investment</u>				
Unquoted equity instrument, at FVOCI	–	–	1,308	1,308
	(Level 1)	(Level 2)	(Level 3)	Total
31 December 2020	\$'000	\$'000	\$'000	\$'000
Financial assets:				
<u>Other receivables</u>				
Loan to Star City, at FVTPL	–	–	5,473	5,473
<u>Other investment</u>				
Unquoted equity instrument, at FVOCI	–	–	1,286	1,286

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

	Other receivable \$'000
As at 1 January 2021	5,473
Add:	
Fair value changes	271
Foreign exchange difference	91
	<hr/>
As at 30 June 2021	<u>5,835</u>

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

	Other investment \$'000
As at 1 January 2021	1,286
Add:	
Fair value gain	22
	<hr/>
As at 30 June 2021	<u>1,308</u>

The Group has a 10% equity investment in and loan to Star City. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are the marketability and valuation of Star City's land plot which is performed by an external valuation specialist and the net assets value of Star City that is based on the Group's assessment. The key assumptions used to determine the fair value of the investment and the loan are based on the discounted cash flow of Star City and the prevailing discount rate.

The Group based its assumptions and estimates on parameters available when the financial statements were 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.

8. Income tax (credit)/expense

	Group	
	1H2021 \$'000	1H2020 \$'000
Current income tax expense	23	34
Underprovision in respect of previous year	1	–
Deferred income tax expense		
- origination and reversal of temporary differences	12	–
	<hr/>	
	36	34
	<hr/>	

9. Intangible assets

Group	Technical know-how \$'000	Computer software \$'000	Total \$'000
Cost			
At 1 January 2021	110	145	255
Translation difference	–	(2)	(2)
At 30 June 2021	110	143	253
Accumulated amortisation			
At 1 January 2021	110	130	240
Amortisation charge for the period	–	6	6
Translation difference	–	(2)	(2)
At 30 June 2021	110	134	244
Net carrying amount			
At 31 December 2020	–	15	15
At 30 June 2021	–	9	9

10. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$11,000 (30 June 2020: \$186,000) and disposed of assets amount to \$Nil (30 June 2020: \$Nil).

11. Investment properties

	Group	
	June 2021 \$'000	December 2020 \$'000
Balance sheet:		
Cost		
At 1 January	2,226	2,225
Translation difference	(6)	1
At 30 June 2021/31 December 2020	2,220	2,226
Accumulated depreciation		
At 1 January	418	361
Depreciation for the year	29	58
Translation difference	(4)	(1)
At 30 June 2021/31 December 2020	443	418
Net carrying amount		
At 30 June 2021/31 December 2020	1,777	1,808

The Group's investment properties consist of two industrial properties which are leased to third parties under operating leases.

The investment properties are measured at cost less accumulated depreciation and any impairment losses. Valuation of the investment properties is performed for disclosure purposes and impairment assessments by external independent valuers. Directors' valuations are carried out at half-yearly reporting and annually.

The last independent valuation was performed in 2016 by 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 exercised its judgement and was satisfied that the valuation methods and estimates are reflective of then prevailing market conditions based on Directors' valuations and contracted sales prices.

12. Investment in an associate

	Group	
	June 2021	December 2020
	\$'000	\$'000
Shares, at cost	6,748	6,748
Share of results	3,074	2,870
Translation differences	(230)	(56)
	<hr/>	<hr/>
	9,592	9,562
	<hr/>	<hr/>

The Group has a 20% equity interest in IPark, a private company in Malaysia that is engaged in property development. When objective evidence of impairment is identified, management estimates the recoverable amount of the Group's investment in and loan to 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.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

BY ORDER OF THE BOARD

Kevin Cho Form Po
Company Secretary

12 August 2021

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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