




The logo consists of the letters 'F.O.P.' in a bold, white, sans-serif font, enclosed within a white oval that is itself set against a dark blue rectangular background.

# 2023 ANNUAL REPORT

FUJI OFFSET PLATES  
MANUFACTURING LTD

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Golden Wall Flatted Factory  
Singapore 329134

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*This document 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271*

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive:

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

#### Non-Executive:

##### Up to 29 April 2024

Tan Keh Eyo (Lead Independent Director)  
(retiring on 29 April 2024)  
Low Beng Tin (Independent Director)  
Lai Mun Onn (Independent Director)  
Koh Chun Yuan (Independent Director)

##### After 29 April 2024

Low Beng Tin (Lead Independent Director)  
Lai Mun Onn (Independent Director)  
Koh Chun Yuan (Independent Director)

### AUDIT COMMITTEE

##### Up to 29 April 2024

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

##### After 29 April 2024

Low Beng Tin (Chairman)  
Lai Mun Onn  
Koh Chun Yuan

### NOMINATING COMMITTEE

##### Up to 29 April 2024

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

##### After 29 April 2024

Lai Mun Onn (Chairman)  
Low Beng Tin  
Koh Chun Yuan

### REMUNERATION COMMITTEE

##### Up to 29 April 2024

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

##### After 29 April 2024

Koh Chun Yuan (Chairman)  
Low Beng Tin  
Lai Mun Onn

### REGISTERED OFFICE

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

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Fax: (65) 6268-2300  
Email: [contact@fopgroup.com](mailto:contact@fopgroup.com)  
Website: <http://www.fopgroup.com>

### SECRETARY

Kevin Cho Form Po

### SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
Keppel Bay Tower #14-07  
Singapore 098632

### AUDITORS

CLA Global TS Public Accounting Corporation  
80 Robinson Road,  
#25-00,  
Singapore 068898

### DIRECTOR-IN-CHARGE

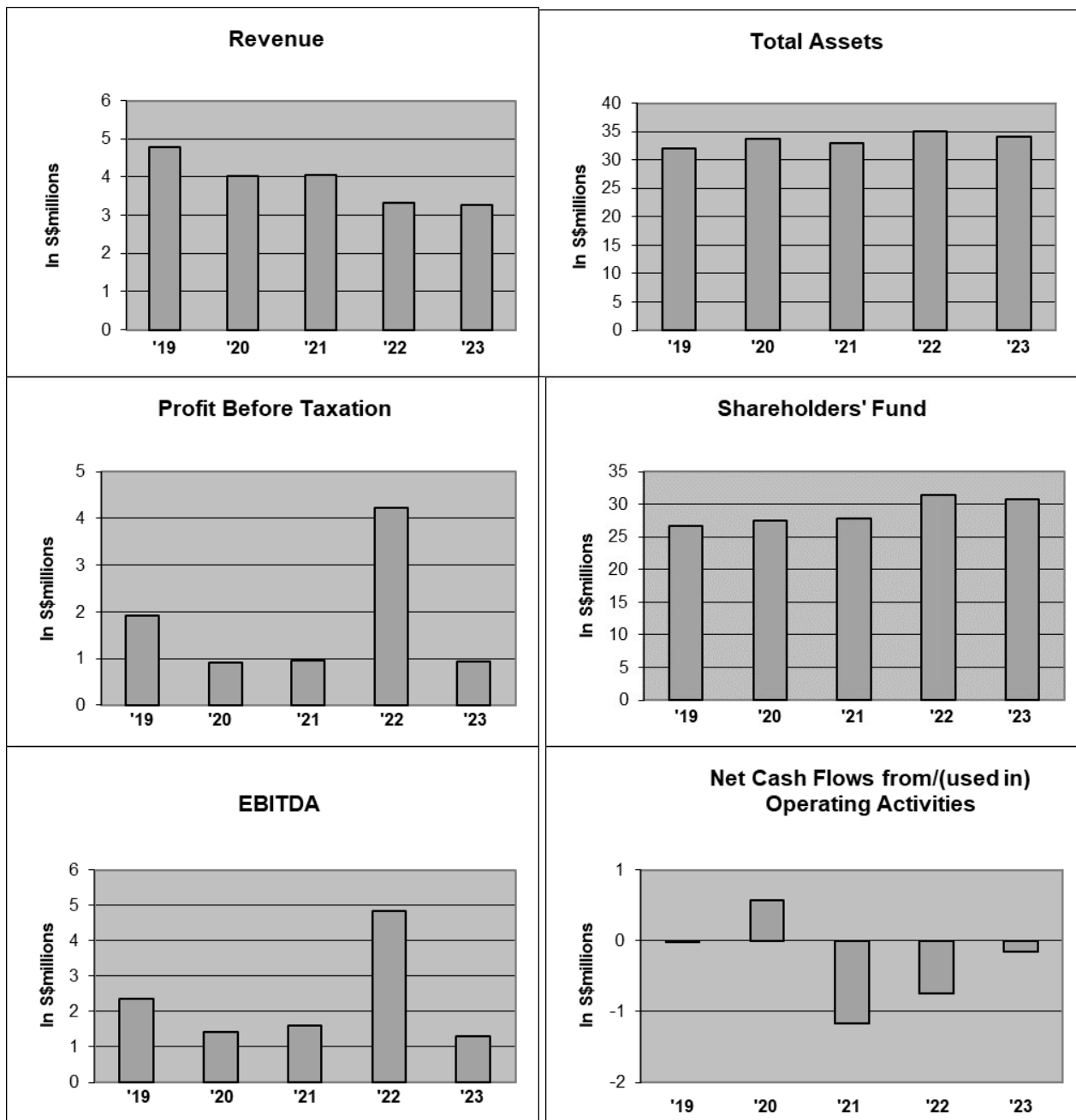
Lim Hui Ki  
(Appointed since financial year ended 31 December 2023)

### SPONSOR

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

**FINANCIAL HIGHLIGHTS**

	2019	2020	2021	2022	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4,788	4,017	4,053	3,315	3,277
Profit Before Income Tax	1,927	916	950	4,227	932
Total Assets	32,072	33,716	32,996	34,971	34,079
Shareholders' Fund	26,602	27,531	27,765	31,345	30,726
EBITDA	2,375	1,429	1,608	4,844	1,312
Net Cash Flows Generated From/ (Used In) Operating Activities	(2)	578	(1,164)	(748)	(156)



## **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 2023 ("FY2023").

For the year in review, the Group recorded a net profit of S\$0.93 million as compared with S\$4.34 million for the financial year ended 31 December 2022 ("FY2022"). Correspondingly, net profit for the year attributable to Owners of the Company decreased to S\$1.07 million for FY2023 as compared with S\$4.51 million for FY2022.

Earnings per share for the Group declined to 2.14 Singapore cents for FY2023 as compared with 9.03 Singapore cents for FY2022 while net asset value per share dropped from 62.80 Singapore cents as at 31 December 2022 to 61.56 Singapore cents as at 31 December 2023.

For FY2023, Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") decreased to S\$1.31 million as compared with S\$4.84 million for FY2022.

### **FINANCIAL REVIEW**

#### **Revenue**

For FY2023, total Group revenue amounted to S\$3.28 million as compared with S\$3.32 million for FY2022, a drop of S\$0.04 million or about 1.1%. The lower revenue was mainly due to the significantly weaker Malaysian Ringgit ("RM"), which weakened by about 6% over the two years, versus the S\$. This is notwithstanding the higher revenue post COVID-19 pandemic in both Malaysia (in RM) and Singapore.

#### **Cost of Sales**

In line with the lower Group revenue, cost of sales also decreased by 4.4% or about S\$0.12 million, from S\$2.85 million for FY2022 to S\$2.73 million for FY2023. The higher decrease as compared with the decrease in sales revenue was mainly due to lower costs of materials, mainly seamless steel pipes/mild-steel plates, chemicals, other products and depreciation charge coupled with the weaker RM, partially offset by higher utilities and routine maintenance and repair expenses.

#### **Gross Profit**

As a result of the lower revenue with a higher reduction in cost of sales, gross profit improved from S\$0.47 million for FY2022 to S\$0.55 million for FY2023, an increase of S\$0.08 million or about 18.5%. Consequently, gross profit margin increased from about 14.0% for FY2022 to 16.8% for FY2023.

#### **Other Gains/Losses**

For FY2023, Other gains amounted to S\$0.23 million as compared with S\$1.12 million loss for FY2022 or an increase of about S\$1.35 million, mainly due to i) non-recurring fair value loss on financial asset at FVPL (loan to Star City) of S\$1.11 million, ii) lower foreign exchange loss (net) mainly as a result of the weaker US\$ versus S\$ (S\$0.13 million) and iii) higher interest income mainly due to impact of higher fixed deposits placed with banks after the redemption of preference shares by associated company in March 2023 (S\$0.13 million).

#### **Operating Expenses**

In line with the lower revenue and weaker RM/S\$ exchange rate, distribution expenses also decreased by about 15.1% from S\$0.23 million for FY2022 to S\$0.19 million for FY2023. Administrative expenses also declined by about 4.2% or about S\$0.07 million, from S\$1.77 million for FY2022 to S\$1.70 million for FY2023 mainly due to lower expenses for the printing cylinders business segment coupled with the weaker RM against the S\$.

## **CHAIRMAN'S STATEMENT**

Total depreciation charge for property, plant and equipment, investment properties and right-of-use assets were also lower at S\$0.60 million for FY2023 as compared with S\$0.69 million for FY2022 mainly due to the fact that for FY2023, certain property, plant and equipment were fully-depreciated, and the reclassification of investment property to investment property held for sale resulting in lower depreciation for the relevant periods, as well as the weaker RM against the S\$.

Finance expenses were lower at about S\$2.0 thousand for FY2023 as compared with S\$21.0 thousand for FY2022 mainly due to settlement of loan from Director in October 2022.

Share of results from investment in associated company amounted to a gain of S\$2.04 million for FY2023, based on the percentage-of-completion method, as compared with S\$6.90 million for FY2022 mainly due to non-recurring sale of 13 industrial properties by IPark to AME REIT and the issuance and sale of the entire 212 million Units in 2022.

### **Profit before Income Tax**

On the basis of the above factors, therefore, the Group recorded a profit before income tax of S\$0.93 million for FY2023 as compared with S\$4.23 million for FY2022. The decline in profit before income tax of S\$3.30 million over the two years was mainly due to the following:

- 1) Lower share of profits from investment in associated company less absence of interest income from loan to associated company (S\$3.82 million), partially offset by
- 2) Lower loss from the printing cylinders business segment (S\$0.21 million),
- 3) Higher income from the investment holding business segment due mainly to higher interest income from banks (S\$0.20 million), and
- 4) Lower foreign exchange loss (net) due mainly to the weaker US\$ versus the S\$ for FY2023 as compared with FY2022 (S\$0.13 million).

Income tax credit amounted to S\$2 thousand for FY2023 as compared with S\$115 thousand mainly due to deferred income tax adjustments relating to origination and reversal of temporary differences taken up in FY2022.

Based on the above factors, the Group recorded a net profit of about S\$0.93 million for FY2023 as compared with S\$4.34 million FY2022.

### **FINANCIAL POSITION**

The Group's financial position remains healthy with total net assets of S\$32.7 million as at 31 December 2023, marginally lower as compared with S\$33.5 million as at 31 December 2022 mainly due to the following:

- a) Trade receivables were higher by about S\$0.08 million mainly due to higher sales of printing cylinders in 4Q2023 as compared with 4Q2022, partially offset by exchange rate fluctuations between the RM against the S\$. Barring unforeseen circumstances, the Group does not foresee any issues with the collectibility of these outstanding balances.
- b) Other receivables were higher by about S\$4.12 million due substantially to dividend receivable from IPark amounting to RM15.0 million (S\$4.31 million) less advance payments made for raw materials, particularly seamless steel pipes and chemicals in December 2022 coupled with exchange rate fluctuations between the RM against the S\$.
- c) Inventories were lower by about S\$0.05 million mainly due to exchange rate fluctuations between the RM against the S\$.
- d) Tax recoverable were lower by about S\$0.17 million mainly due to refund of taxes paid in prior years coupled with exchange rate fluctuations between the RM against the S\$.

## **CHAIRMAN'S STATEMENT**

- e) The disposal of the Group's investment property at PLO 210 is pending completion. All Conditions Precedent have been met and the Purchaser is expected to settle the balance of the purchase price within three months i.e. on or before 11 April 2024.
- f) Financial assets, at FVOCI pertaining to the Group's 10% share of equity interest in Star City, was lower by about S\$0.16 million due to fair value loss of underlying asset.
- g) Financial assets, at FVPL comprising the Group's share of loan to Star City, were lower by about S\$0.09 million mainly due to exchange rate fluctuations between the US\$ against the S\$.
- h) Property, plant and equipment, intangible assets and right-of-use assets were lower by about S\$0.38 million mainly due to depreciation and amortisation charge for the year coupled with exchange rate fluctuations between the RM against the S\$.
- i) With the disposal of the Group's investment property at PLO 210 and the transfer of Lot 6680 to Property, plant and equipment (Freehold land and building) for the Group's own use as a staff dormitory, there are no investment properties in the Group's portfolio as at 31 December 2023,
- j) Investment in associated company was lower by about S\$9.06 million mainly due to redemption of preference shares (S\$5.79 million), dividends received/receivable (S\$4.74 million) and translation differences on account of the weaker RM against the S\$. This was, however, increased by share of results of S\$2.04 million for FY2023.
- k) Trade and other payables, comprising Trade payables (S\$0.12 million) and Other payables (\$0.66 million) as at 31 December 2023, were higher by about S\$0.07 million mainly due undue payables for the purchase of mild-steel plates and pipes and the purchase of machinery and other accruals.

As a result, the Group's working capital increased substantially from S\$6.4 million as at 31 December 2022 to S\$16.8 million as at 31 December 2023.

### **CASH POSITION**

For FY2023, the Group net cash used in operating activities totalled about S\$0.16 million mainly due to cash outflows from operating activities of S\$0.65 million, partially offset by favorable changes in working capital of S\$0.18 million, income tax refund of S\$0.09 million and interest received of S\$0.22 million.

Cash flows generated from investing activities, amounting to S\$5.95 million, were mainly from redemption of preference shares and dividend received from associated company less purchase of property, plant and equipment.

Cash flows used in financing activities of S\$0.29 million were in respect of dividends paid to equity holders of the Company and payment of lease liabilities.

As a result, the Group recorded a net increase in cash and cash equivalents of S\$5.50 million for FY2023 while cash and cash equivalents stood at S\$9.67 million as at 31 December 2023.

### **SEGMENTAL REVIEW**

#### **Printing Cylinders Business Segment**

For FY2023, Group sales revenue from printing cylinders totaled S\$3.12 million as compared with S\$3.17 million for FY2022, representing a decrease of about S\$0.05 million or about 1.6%, mainly due to the weaker RM, which declined substantially by about 6% over the two years versus the S\$, despite the higher sales of printing cylinders in Malaysia (in RM) and Singapore.

## **CHAIRMAN'S STATEMENT**

In line with the lower Group revenue, cost of sales also decreased by 4.3% or about S\$0.12 million, from S\$2.77 million for FY2022 to S\$2.65 million for FY2023. The higher decrease as compared with the decrease in sales revenue was mainly due to lower costs of materials, mainly seamless steel pipes/mild-steel plates, chemicals, other products and depreciation charge coupled with the weaker RM, partially offset by higher utilities and routine maintenance and repair expenses.

As a result of the lower revenue with a higher reduction in cost of sales, gross profit improved from S\$0.40 million for FY2022 to S\$0.47 million for FY2023, an increase of S\$0.07 million or about 17.3%. Consequently, gross profit margin increased from about 13.0% for FY2022 to 15.0% for FY2023.

In line with the lower revenue and weaker RM/S\$ exchange rate, distribution expenses also decreased by about 15.2% from S\$0.22 million for FY2022 to S\$0.19 million for FY2023. Administrative expenses also declined by about 14.2% or about S\$0.10 million, from S\$0.72 million for FY2022 to S\$0.62 million for FY2023 mainly due to lower insurance and routine maintenance and repair expenses coupled with the weaker RM against the S\$.

As a result of the lower gross profit, the segment recorded a lower loss of S\$0.27 million for FY2023 as compared with S\$0.48 million for FY2022.

### **Investment Holding Business Segment**

Total revenue from the investment holding business segment is unchanged at S\$0.33 million for FY2022 and FY2023. Similarly, gross profit also remained unchanged at about S\$0.25 million for both years.

Interest income for the segment from fixed deposits placed with banks amounted to about S\$0.18 million for FY2023 (FY2022: S\$1,000) with funds available from the redemption of preference shares by associated company.

As a result, the segment recorded a profit of S\$0.19 million for FY2023 as compared with a loss of S\$0.01 million for FY2022.

With the disposal of the Group's investment property at PLO 210, pending completion, and the transfer of Lot 6680 to Property, plant and equipment (Freehold land and building) for the Group's own use as a staff dormitory, there are no investment properties in the Group's portfolio as at 31 December 2023,

### **Investment in Property Development Companies Business Segment**

Share of results from investment in associated company amounted to a gain of S\$2.04 million for FY2023, based on the percentage-of-completion method, as compared with S\$6.90 million for FY2022 mainly due to non-recurring sale of 13 industrial properties by IPark to AME REIT and the issuance and sale of the entire 212 million Units in 2022.

For FY2022, the Group recognised a fair value loss on financial asset at FVPL \$1.11 million on its US\$ loan to Star City as compared with no such loss for FY2023.

On this basis, the segment recorded a profit of S\$2.04 million for FY2023 as compared with S\$5.86 million for FY2022.

## **DIVIDEND**

The Board is pleased to propose the payment of a first and final dividend of 0.5 Singapore cents per ordinary share, tax exempt (one-tier), amounting to S\$250,000 for FY2023 (unchanged from FY2022), 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 continue to be challenging due to keen competition after the COVID-19 pandemic. Nevertheless, aside from controlling costs to the extent possible, the Group will also continue to optimize its production by seeking out new methods and processes, cheaper alternative sources of supply and types of raw materials, where available, and expanding the range of product and services available to our customers.

The outlook for the Group's investment holding business segment and investment in property development companies business segment will largely depend on the region's continuing economic development.

Under the Group's investment in property development companies business segment, for the Group's investment in IPark in Johor Bahru, Malaysia, out of a total of 87 available units for Parcels 1 to 3, 75 units have been sold and the status of the balance 12 units as at 31 December 2023 are as follows:

	Total Units Available	Sold with SPA <sup>(1)</sup>	Rented Out	Booked <sup>(2)</sup>	Total Units	Vacancy
Parcel 1	10	10	-	-	10	-
Parcel 2	41	37	1	3	41	-
Parcel 3	36	28	2	4	34	2

Notes:

(1) Sales & Purchase Agreement

(2) Booked via payment of booking fees

On 19 January 2024, IPark paid out a dividend of RM15,000,000 (S\$4,311,000) (20% share) to the Group. The Group currently intends to use the dividends for investment opportunities as and when they arise. Pending deployment of the dividends for such purposes, the proceeds have been placed in deposits with reputable banks in Malaysia.

Pending the receipts of its investments in IPark and/or Star City and, after careful evaluation by the Audit Committee and the Board, the Group may consider potential investments in other companies in the property development companies business segment as and when such opportunities arise.

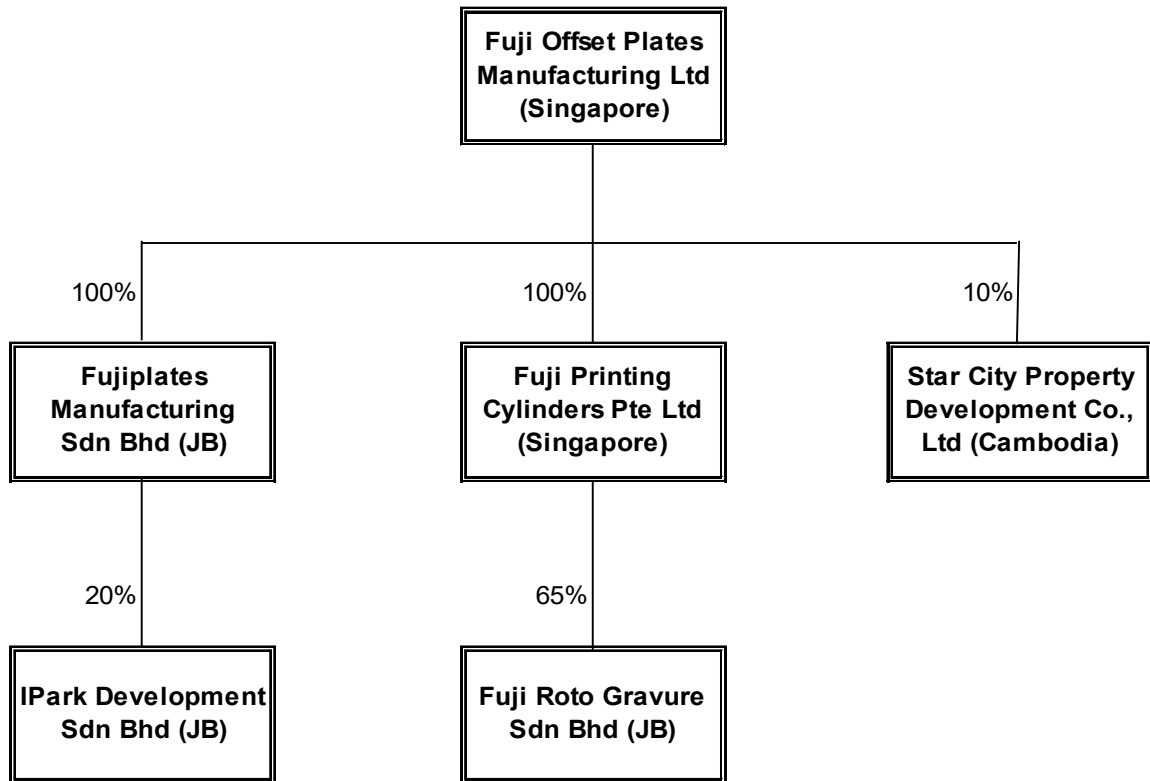
With regard to Star City, there were no new developments on the sale of Star City's property assets immediately after the COVID-19 pandemic. Nevertheless, the Directors and Management of Star City will continue to proactively seek out potential buyers to sell the company's property assets as and when such an opportunity arises.

### **ACKNOWLEDGEMENT**

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

David Teo Kee Bock  
Chairman

**CORPORATE STRUCTURE**



## **DIRECTORS' PROFILE**

### **David Teo Kee Bock, Executive Chairman**

Mr Teo is the founder of the Company and has been an Executive Director and Chairman of the Company since 18 November 1982. He was last re-elected on 28 April 2023.

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 also currently a Director of Apricot Capital Pte. Ltd and several other companies.

### **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 28 April 2022.

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 28 April 2022. 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.

Per the Company's announcement dated 5 April 2024 in connection with his retirement, Mr Tan will not be seeking re-election as a Director of the Company at the upcoming AGM and will retire as a Director of the Company with effect from 29 April 2024.

### **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 28 April 2023. He is the Chairman of the Nominating Committee and is also a member of both the Audit and Remuneration Committees.

Mr Low is an Independent Director of J.P Nelson Holdings Ltd which is listed in Taiwan.

Mr Low has over 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 Master's degree in Business Administration (Chinese Programme) from the National University of Singapore.

## **DIRECTORS' PROFILE**

Per the Company's announcement dated 5 April 2024 in connection with the Board's reconstitution (the "**Announcement**"), Mr Low will be appointed as the Lead Independent Director of the Company, Chairman of the Audit Committee and member of both the Nominating and Remuneration Committees with effect from 29 April 2024.

### **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 29 April 2021. 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.

Per the Company's Announcement dated 5 April 2024, Mr Lai will be appointed as the Chairman of the Nominating Committee and member of both the Audit and Remuneration Committees with effect from 29 April 2024.

### **Koh Chun Yuan, Independent Director**

Mr Koh Chun Yuan was appointed as an Independent Director of the Company on 5 February 2024.

Mr Koh is a Director of KS Partners Engineering Pte. Ltd., a company specializing in scaffolding works.

He was previously the Group Financial Controller of AEM Holding Ltd, a company listed on the Singapore Exchange as well as the Chief Financial Controller of Super Group Ltd, a company previously listed on Singapore Exchange. Mr Koh started his career as an auditor with Ernst & Young, Singapore in 1996.

Mr Koh graduated from the Nanyang Technological University with a Bachelor of Accountancy degree with Honours and is a non-practising member of Chartered Accountant, Singapore.

Per the Company's Announcement dated 5 April 2024, Mr Koh will be appointed as the Chairman of the Remuneration Committee and member of both the Audit and Nominating Committees with effect from 29 April 2024.

## **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 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 Fujiplates Manufacturing Sdn Bhd (“**FPM**”), a direct wholly-owned subsidiary of the Company. He was appointed as the Assistant General Manager of FPM since January 2005. 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.

## **SUSTAINABILITY REPORT**

### **Board Statement**

The Board of Directors (the “**Board**”) is pleased to present the Group’s Sustainability Report (the “**Report**”) for financial year ended 31 December 2023 (“**FY2023**”).

This Report presents the Group’s sustainability efforts and progress made over the years in four key areas: 1) Economic Performance, 2) Reducing Energy Usage for Production, 3) Health and Safety of Employees and 4) Training and Education for Employees in FY2023.

The Board oversees the identification, management and monitoring of material sustainability topics by Management and takes them into consideration in determining the Group’s overall strategy, objectives and operations.

The Board is committed to and recognizes the importance of sustainable development and incorporating sustainability into our business strategy and operations for the long-term viability of the Group. This will enable the Group to better align with the interests of our stakeholders, including our customers, suppliers, employees, shareholders and the community at large to enhance our economic, environmental and social objectives.

The Board recognizes the importance of climate-related risks and opportunities in our business operations and, under the Task Force on Climate-related Financial Disclosures (“**TCFD**”) climate reporting framework, plan to publish a TCFD report from financial year commencing 2024 onwards.

On behalf of the Board,

David Teo Kee Bock

Chairman

12 April 2024

## **SUSTAINABILITY REPORT**

### **About This Sustainability Report**

This sustainability report presents the annual sustainability performance of Fuji Offset Plates Manufacturing Ltd (the “**Company**” or “**Fuji Offset**”), together with all its subsidiaries, collectively (the “**Group**”), for the period 1 January 2023 to 31 December 2023. The information in this report is organised and presented with reference to the GRI Standards established by the Global Reporting Initiative (“**GRI**”). All data and information reported are with respect to the timeframe above unless stated otherwise. The Company has chosen GRI principles for its accuracy, balance, clarity, comparability, reliability and timeliness to enable stakeholders to assess our sustainability performance.

This report aims to disclose our EESG performance against issues that are considered most material to our Group’s stakeholders, which includes shareholders, suppliers, customers, management and employees. The objective of preparing this report is to inform our stakeholders of the initiatives and strategies related to sustainability that we are currently embarking on.

This report is the seventh sustainability report issued and it provides an update of the performance and targets on sustainability as set out in the sixth sustainability report for FY2022, which was published in the Company’s Annual Report on 12 April 2023.

This report is also prepared in accordance with Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Rules 711A and 711B and the relevant SGX Practice Notes on Sustainability Reporting Guide. Our data is reported in good faith and to the best of our knowledge. Currently, there is no external assurance for this report.

A copy of this report will be published on 12 April 2024 in the Company’s Annual Report which can be accessed on both the SGX’s website at URL <https://www.sgx.com/securities/company-announcements> and the Company’s corporate website at URL <https://www.fopgroup.com/index.php/investor-relations>.

Due to the size and scope of the Company’s operations and the costs involved, the Company will commence its TCFD reporting from financial year commencing 2024 onwards. In this report, we have included 1 TCFD pertaining to disclosure of Scope 2 GHG emissions, and the related risks on page 23.

All Directors have attended a one-time training on sustainability. In addition, a Director has also attended training on Climate Reporting Fundamentals on 1 November 2023.

The sustainability reporting processes for FY2023 have been reviewed internally by the Company’s outsourced internal auditors, Virtus Assure Pte. Ltd., according to the International Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

## SUSTAINABILITY REPORT

### Reporting Scope and Boundaries

The content of this report is defined by the 4 Content Reporting Principles established by GRI as follows:



### About the Group

Fuji Offset is a limited liability company incorporated in Singapore and listed on the Catalist Board of the SGX-ST. As at 20 March 2024, approximately 17.9% of the issued ordinary shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

The principal activities of the Group are those relating to the manufacture and sale of gravure printing cylinders, related services in the printing industry, investments in commercial, industrial, hospitality, residential and/or mixed development properties and investment holding.

Fuji Offset's headquarters are in Singapore while its main operations are located in Johor, Malaysia where, through the subsidiary Fuji Roto Gravure Sdn Bhd ("**Fuji Roto**" or "**Production Plant**"), a production plant is maintained for printing cylinders. The Production Plant achieved an output of 15,300 printing cylinders for the year.

The Group's customer base spans across Singapore, Malaysia and Indonesia, serving wholesalers and distributors in the printing and packaging industry.

The Group is fully committed to deliver products that are of the highest quality. Therefore, the Group has strict procedures for identifying, selecting and monitoring vendors supplying steel cylinders, printing ink and chemicals in order to assess their performance.

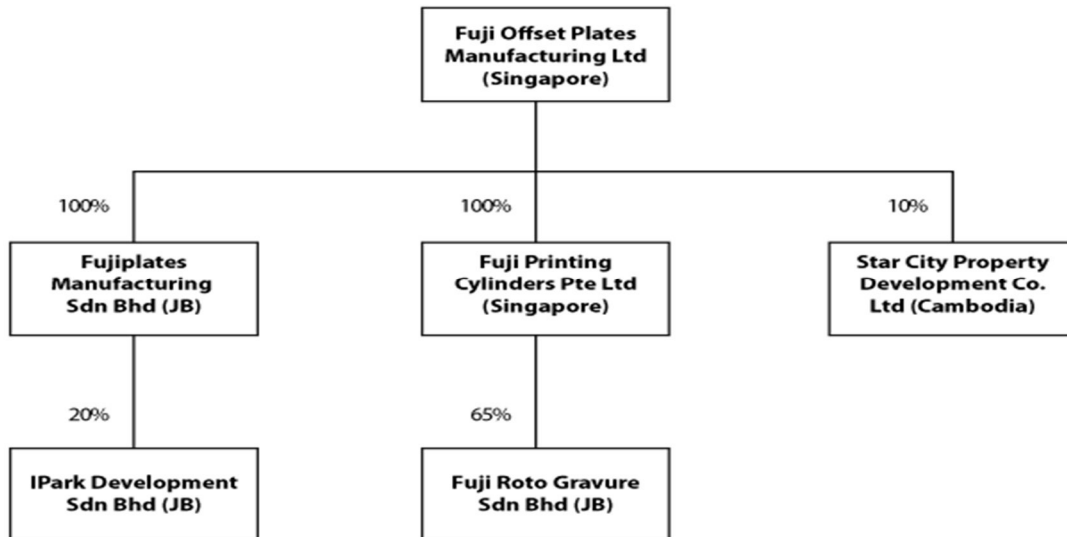
The manufacturing processes which would include desktop publishing, balancing, cutting, grinding, plating, polishing, engraving and proofing amongst others, have been rigorously scrutinized and are certified to conform to internationally recognized standards such as the ISO 9001:2015 (incorporating Quality Management) that Fuji Roto had successfully attained.

Fuji Offset is also a member of the Singapore Business Federation.



## SUSTAINABILITY REPORT

### Corporate Structure

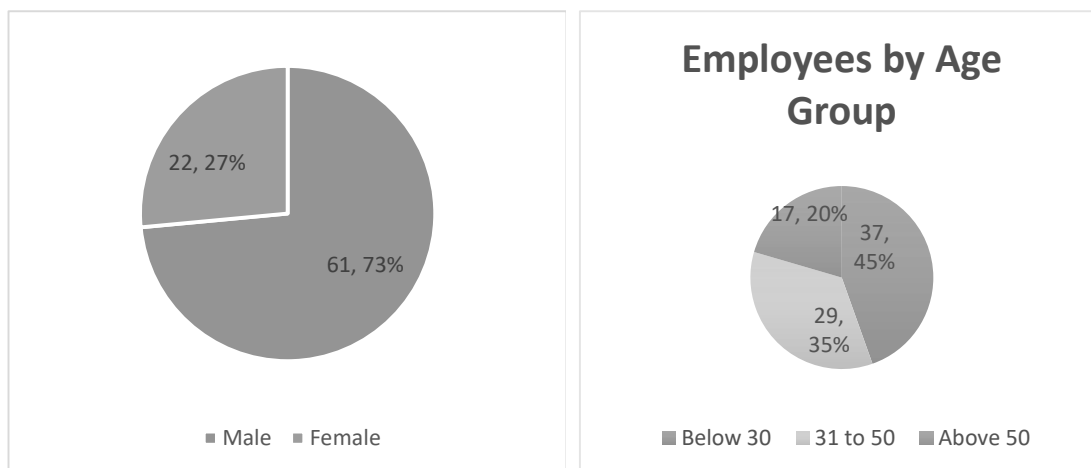


### Human Resources of the Group

The Company has considered gender and skill and experience as diversity indicators material to business sustainability. The Company's policy on Board diversity is primarily to have an appropriate mix of expertise with complementary skills, core competencies, experience and gender for facilitating effective decision making.

Due to the size of its operations, skills and experience are mainly acquired through on-the-job training that are considered relevant to the department the employees are attached to.

The Group has 83 employees in its employment in the Singapore and Malaysia offices who fall under the following categories:



## **SUSTAINABILITY REPORT**

The Company has adopted a Board Diversity Policy which provides the framework to promote diversity on the Board of the Company to improve the performance as well as to enhance Board effectiveness and decision making.

The Board of the Company believes in the benefits of diversity and recognizes that having a Board composed of people with diverse skills, experience, background, perspectives and gender can contribute to a strong organization and enhance decision-making and dialogue.

To achieve its diversity targets, the Board will ensure the Board's composition takes into account, but not limited to, an appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting, finance, legal and regulatory, business or management experience, industry knowledge, technical skills and know-how and strategic planning.

On the basis of the above diversity criteria, the Board through the NC will identify suitable candidate(s) who are skilled in similar competencies for appointment to the Board in 2027 and 2028 when existing independent directors retire after their nine-year tenures or as and when vacancies arise. The Board is committed to giving preference to suitable candidate(s) with similar competencies from a different gender than the existing Board composition. The Board will continually work towards achieving the targets within the timelines.

### **Mission and Vision**

We visualise being able to expand our operations outside of Singapore and Malaysia. With more than 35 years of operating history, we constantly strive to be the premium provider of quality steel printing cylinders. Aided by a group of highly experienced employees, every finished product is delivered with performance and precision.

We believe in the following 4 key qualities to be found in each employee which is to be applied when dealing with people internally and externally:

#### **Team Work**

- Work and learn together, share knowledge and experiences so as to solve problems together

#### **Initiative**

- Take immediate action to identify and overcome problems

#### **Commitment**

- Passion to contribute and grow with the Group

#### **Improvement**

- Continue learning new technologies

## **SUSTAINABILITY REPORT**

### **Corporate Governance**

The Board 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 practised 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. The Board will ensure that there is compliance with the other relevant regulations, notices, circulars, and guidelines that may be issued, from time to time, by the Monetary Authority of Singapore (“**MAS**”) and the SGX-ST. Explanations will be provided should there be any variations.

The Board manages potential risks through the review and approval of policies and procedures. Management then ensures that the identified risks are relevant to the business environment and hence ensuring controls or mitigating factors are in place. The Audit Committee, independent of the Board, provides independent oversight of the effectiveness of the risk management process.

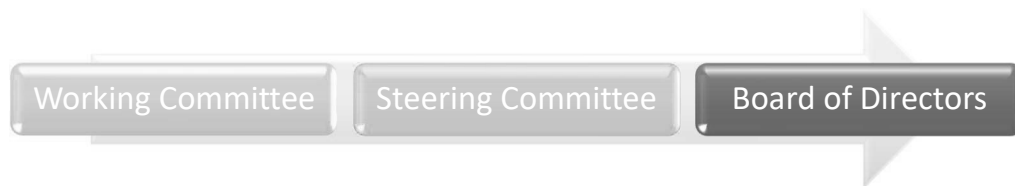
The Board comprises Directors who provide core competencies in accounting and finance, business experience, industry knowledge, strategic planning, legal knowledge and customer-based experience and knowledge. Where appropriate, the Directors are provided with regular briefings from time to time on changes in the relevant laws and regulations in relation to accounting standards, Catalist Rules, corporate governance and other regulations or statutory requirements.

The Independent and Non-Executive Directors constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. Meetings are held regularly to discuss any matters without the presence of Management as and when circumstances require.

Each key executive at the Group’s leadership is highly experienced in this industry and collectively as a whole, are able to competently handle all operational matters of the Group.

### **Sustainability Governance**

The Sustainability Governance Structure of the Group is as follows:



The Sustainability Working Committee, comprising discipline-specific working groups, identifies possible material topics and to reach an agreement on the action plan for the reporting process.

The Sustainability Steering Committee, comprising key management executives, provides guidance on the Group’s sustainability strategies. The Steering Committee reviews and reports progress for delivering targets and plans to the Board of Directors on the sustainability management performance of the Group and key material issues identified by stakeholders. The Board will then review and endorse the targets and plans accordingly.

## **SUSTAINABILITY REPORT**

### **Anti-Corruption Practices**

In ensuring that all laws and regulations including those related to anti-corruption practices are complied with, Management has implemented a set of policy and procedures titled “Policy and Procedures for Reporting Possible Improprieties in Matters of Financial Reporting or Other Matters” to provide guidance for all employees.

This is to encourage employees and external stakeholders to voice out issues that are not in line with the best interest of the Group to the Company Secretary as it is the desire and aim of the Company to develop, promote and maintain high standards of corporate governance within the Group.

The policy applies to all Directors, officers, employees, including full-time, part-time and contract employees and external stakeholders of the Group and every complaint shall be lodged with the Audit Committee through the Company Secretary. There were no instances of whistle-blowing or corruption for FY2023. The Company intends to maintain this target for FY2024 and in the medium-term in 2027 and long-term in 2030.

### **Feedback**

We welcome feedback as it enables continual improvement in the Group’s sustainability policies, processes and performance. Please send your comments and suggestions to [contact@fopgroup.com](mailto:contact@fopgroup.com) or at the following address:

Fuji Offset Plates Mfg Ltd  
2 Jalan Rajah #06-28  
Golden Wall Flatted Factory  
Singapore 329134  
(65) 6265 9111

### **Stakeholder Engagement & Materiality Assessment**

In developing the Report, the Steering Committee worked with both internal and external stakeholders to conduct a materiality assessment to identify the relevant EESG topics which the Group considered important and which the Board is involved in. Stakeholders includes shareholders, suppliers, customers, management and employees.

The material topics were evaluated for its potential impact on the environment and society, its influence on the stakeholders and impact on the Group’s operations. Based on the Group’s assessment where there were no significant changes in the business and the operating environment save for some COVID-19 measures, the Board is of the opinion that the materiality assessment from FY2022 continues to be valid and relevant for the Group in FY2023.

As part of its ongoing engagements with key stakeholders, the Group carries out the following approaches:

**SUSTAINABILITY REPORT**

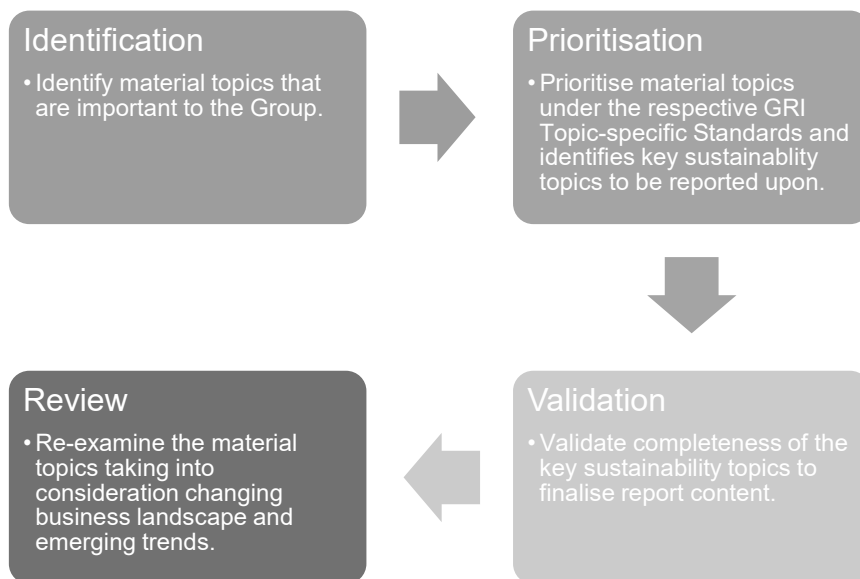
Stakeholders	Engagement Approach	Key Interests
Employees (including Management)	<ul style="list-style-type: none"> <li>• Regular dialogue</li> <li>• Training programmes</li> <li>• Work related meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Working environment</li> <li>• Staff benefits</li> <li>• Skills development</li> </ul>
Customers / Suppliers	<ul style="list-style-type: none"> <li>• Site visit</li> <li>• Phone calls</li> <li>• Email contacts</li> <li>• Formal &amp; informal meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure quality and on-time delivery of products</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Shareholders Annual General Meeting</li> <li>• Half-yearly and full-yearly results announcements</li> <li>• Disclosures of information on matters of material impact or significance through SGXNET and other information channels</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Corporate governance</li> <li>• Group operations</li> </ul>

Post COVID-19 pandemic, many of these engagement approaches may continue to take the form of virtual meetings or a combination of in-person cum virtual meetings.

Feedback from our key stakeholders form a crucial part of our strategic and business planning and is viewed as valuable insights for the Group to continuously improve its sustainability performance.

The Steering Committee aims to conduct a periodic review of the Group’s material topics as well as monitor the performance of the topics as part of the Group’s sustainability strategy.

The Group adopts a four-step process to define the material topics:



## **SUSTAINABILITY REPORT**

### **Material Topics and Boundaries**

The topics reported in the FY2022 Sustainability Report were re-evaluated by the Steering Committee and all topics were deemed to be material to the Group for FY2023. As such, the Steering Committee recommended to the Board the same topics to be the material topics to be reported in FY2023.

<u>Material Topics</u>		
GRI 201-1	Direct economic value generated and distributed	Economic Performance
GRI 302-1	Energy consumption within the organization	Reducing Energy Usage for Production
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety of Employees
GRI 404-1	Average hours of training per year per employee	Training and Education for Employees

Since the Group's operations mainly involved the printing of gravure printing cylinders, the EESG topics identified in this Report are mainly related to the Group's operating subsidiary, Fuji Roto, located in Johor, Malaysia.

### **Economic Performance (GRI 201-1)**

Economic performance is defined as our most material topic because our economic success ensures our long-term viability and enables the execution of our sustainability strategies.

For FY2023, the Group recorded a net profit of S\$0.93 million as compared with a net profit of S\$4.34 million for FY2022.

For FY2023, the Group is in a healthy financial position with revenue of S\$3.28 million and is in a net equity position of S\$32.66 million as compared to revenue of S\$3.32 million and net equity of S\$33.51 million for FY2022 respectively.

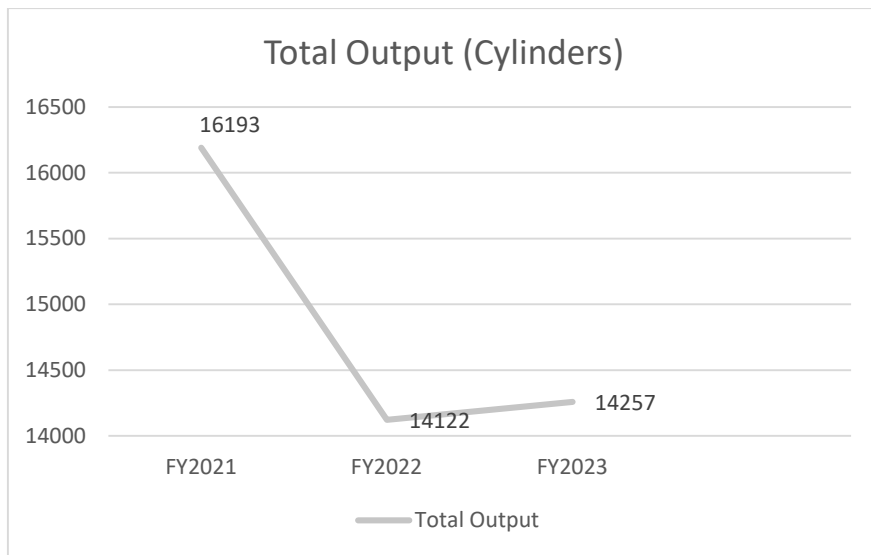
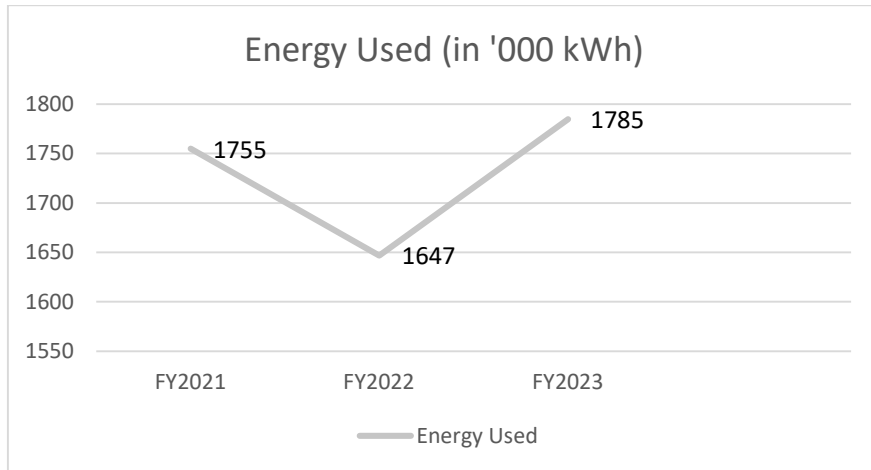
For a detailed breakdown and more information on our FY2023 financial results, please refer to pages 73 to 146 of the Group's Annual Report for FY2023.

### **Reducing Energy Usage for Production (GRI 302-1)**

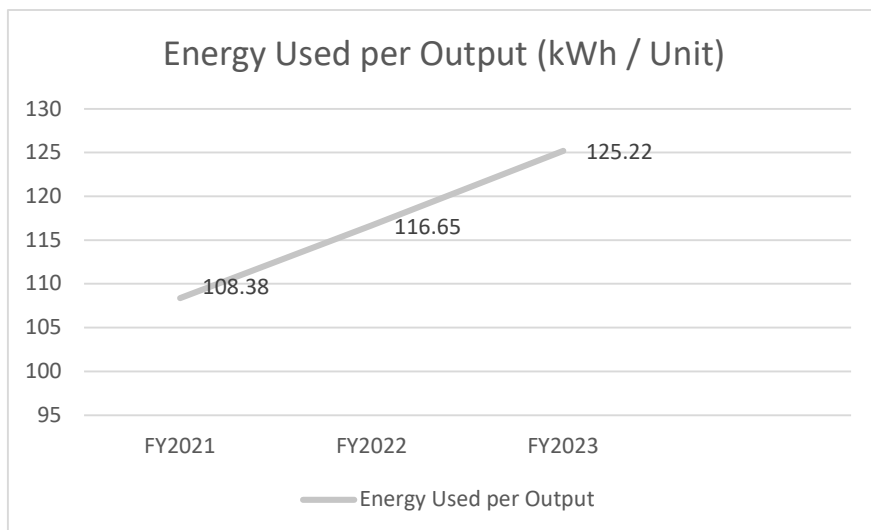
The Group recognises the importance of properly managing and regulating energy consumption so as to keep operational costs low and also to reduce the impact on the environment. As such, this topic is deemed to be material to the Group. To keep track of its energy consumption, there is a monitoring system in place and a group of trained individuals in its maintenance team at the Production Plant.

The following graphs (based on computed electricity bill for the entire Production Plant) show the total energy consumption and the total output from FY2021 to FY2023.

**SUSTAINABILITY REPORT**



The graph below shows the energy consumption per output level (inclusive of energy consumed) at the Production Plant:



**SUSTAINABILITY REPORT**

While energy used for FY2023 was higher by about 8.4% as compared with FY2022, however, energy used per output (kWh/Unit) increased lower by about 7.3% from 116.65 for FY2022 to 125.22 for FY2023 mainly due to higher output of 14,257 cylinders for FY2023 as compared with 14,122 cylinders for FY2022. The higher output of cylinders for FY2023 was mainly due to higher sales of printing cylinders in Singapore and Malaysia post COVID-19 pandemic.

However, the energy used per output ratio increased by about 7.3% from 116.65 for FY2022 to 125.22 for FY2022 and 21.6% for FY2023 as compared with the target of 103.0 kWh/Unit energy used due to the need to operate on standby mode, thereby saving working hours to heat up and start operations as usual resulting in higher energy consumption.

Notwithstanding the pick-up in output and sales post COVID-19 pandemic for FY2023, however, the printing cylinders business environment will remain challenging in view of the intense competition in Malaysia and Singapore. The impact this will have on sales and hence output of printing cylinders will affect the Group’s ability to reduce the consumption of energy per output ratio target. This, coupled with the adoption of certain automated processes in the Production Plant, may result in higher consumption of energy. Nevertheless, the Group will target to reduce the consumption per output ratio by around 5% to 118.96 kWh/Unit for FY2024 by adopting the following measures:

1. Replacing older machines.
2. Posting reminders on the walls of the production area to remind employees to switch off lightings or any electrical appliances which are not in use;
3. Setting air-conditioning at a minimum of 25 degrees Celsius;

Overall energy consumption is analysed monthly by the Accounts Manager. Energy usage not within the trends are identified within different operational areas and investigated for possible faults in the usage methods or the instruments and machinery used. With these practices established, the Group aims to improve efficiency in energy usage.

	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024 Target</i>
<i>Energy Used per Output (kWh /Unit)</i>	108.38	116.65	125.22	118.96

The Group aims to target Energy used per output (kWh/Unit) to improve to 115.00 by 2027 and 105.00 by 2030.

As mentioned above, despite the gradual growth in the economies of both Malaysia and Singapore post COVID-19 pandemic which saw an increase in sales and output of cylinders for FY2023, however, sales and output will likely be impacted by the challenging business environment resulting from intense competition. Due to the lower output, energy used will not be proportionally reduced due to the need to heat up and start operations as usual to save working hours, hence the Group’s target to reduce energy per output ratio by around 5% for FY2024.



**SUSTAINABILITY REPORT**

For FY2023, the total energy used in GJ is as follows:

<u>Total Energy Used</u>	
Energy Source	Unit (GJ)
Purchased Electricity	6,426

<u>Indirect (Scope 2) GHG emissions</u>	
GHG Emission	CO <sub>2</sub> (tonnes)
Scope 2	666

The energy used is from non-renewable power utility sources in Malaysia.

Based on the requirements of Rule 711B of the Catalist Rules and Practice Note 7F Sustainability Reporting Guide, we have mapped out our climate-related disclosures based on TCFD Recommendations in Appendix 1.

**Health and Safety of Employees (GRI 403-2)**

The Group has set an objective which is to raise health and safety standards in the workplace to achieve zero or minimal cases of reportable serious work-related injuries. The Group is committed to provide a safe working environment for its employees to safeguard the health and safety of all employees, which it believes will greatly enhance morale and satisfaction leading to a higher productivity. As such, this topic is deemed to be material to the Group. The Group is pleased to report that there have not been any reportable serious work-related injuries in FY2023.

All production employees are constantly reminded to be careful during work and to wear the appropriate Personal Protective Equipment (PPE). Trainings and briefings are constantly provided at the Production Site and communicated to new and existing employees to understand the rules and safety regulations before the start of each workday.

Signages and labels are also posted around the production area to reinforce these values accordingly.

The Occupational Safety and Health Administration (“**OSHA**”) Officer at the Production Plant carries out monthly inspection on workplace safety. According to the rules and regulations, the OSHA officer must accumulate a total of 40 CPD hours of training a year. The OSHA Officer will set up quarterly meetings with Safety & Health Committee to remind all workers to wear Personal Protective Equipments (PPE) in the Production Site and will perform internal inspection to ensure employees are wearing the correct safety equipment and conforming to the safety rules and regulations. There are Fire Safety inspections every quarter at the Production Plant and the Fire and Rescue Department of Malaysia (BOMBA) performs annual inspection for renewal of Fire Certificate and to ensure that the necessary requirements are met.

To report work-related hazards and hazardous situations, the workers in the Production Plant can seek out their Department Leader or OSHA Officer to report the situation. The Department Leader or OSHA Officer will explain to Management on how to mitigate and improve the situation.

When there is a workplace incident, the OSHA Officer will investigate based on the following processes and procedures:

## **SUSTAINABILITY REPORT**

1. Asking the victim how the incident happened.
2. Corroborating with witnesses, if any, on how the incident happened.
3. Reviewing the closed-circuit television (CCTV) footage; and
4. Asking doctor or review doctor's report on the injury.

After the investigation is completed, the OSHA Officer will submit a report to the Department of Occupational Safety and Health (DOSH). For corrective action, the Human Resources (HR) Department would issue a warning letter to the employee if the accident happened because of the employee's recklessness or did not obey instruction. The OSHA Officer will also review if the work procedures and workspaces need to be improved.

The processes and procedures are based on legal requirements or recognised standard by government authority.

The Group strictly complies with the following regulations established by the respective agencies:

1. Department of Occupational Safety and Health (DOSH) – this agency, through its various divisions, conducts a full inspection of the factory, PPE, and Chemical Storage annually. The objective of this agency is to prevent industrial accidents and occupational diseases. It also ensures the safety, health and welfare of people at work as well as protecting other people from the safety and health hazards arising from production activities.
2. Department of Environment (DOE) – this agency conducts inspection on Scheduled Waste, Industrial Effluent Treatment System (IETS), and Scrubber Operation discharges as well as conduct occasional spot-checks. The objective of this agency is to achieve abatement of pollution in the country through the enforcement of the Environmental Quality Act of 1974 and its subsidiary legislation. It monitors air, water quality and noise, manages toxic and hazardous wastes based on the “cradle-to-grave” principle.
3. State Pharmaceutical Services Division – this agency checks on the purchase and usage of registered unsafe and hazardous chemical products for which a monthly report must be submitted and certify the use of such chemicals yearly.

Physical training is given to all the workers by the OSHA Officer during induction training. Besides that, the OSHA Officer also post signages and labels based on the HIRARC at each Department as well as description for work safety in the Production Plant.

The Production Plant had implemented an Occupational Health and Safety Management System based on legal requirements. In 2022, a new Safe Operating Procedure has been implemented at the Production Plant in accordance with Occupational Safety and Health Act 1994 (Act 514) and Factories and Machinery Act 1967. In this endemic phase in Malaysia, special precautions are continuously being undertaken in view of the ongoing COVID-19 situation, including the following:

- If employees are tested positive for RTK (ART) results, they must report in 'MySejahtera' application and quarantine themselves for four days. Employees must show RTK (ART) test negative results before returning to work. If it still shows positive at RTK (ART) results, employees need to remain quarantine for seven days.

The legal requirements would include inspection and certification of the premises by the local city fire department (BOMBA). Legal requirements are reviewed on a yearly basis for compliance with these requirements and are evaluated annually. Beside this, DOSH will inspect Facility, Machinery, Hoist, Local Exhaust Ventilation (LEV) and Personal Protective Equipment (PPE) annually. The OSHA Officer will review the compliance on an annual basis.

**SUSTAINABILITY REPORT**

Minimising the incidence of work-related injury and illness and promoting a safe and healthy work environment leads to positive workplace morale, overall well-being of our employees and ultimately to higher quality products and services. The OSHA Officer works in co-operation with Safety & Health Committee to monitor safety and health issues. We track and report industrial accidents and injuries in accordance with DOSH act and regulations and file work-related claims accordingly, with all our employees strictly adhering to reporting procedures concerning all work-related injuries.

Meanwhile, identifying occupational health and safety hazards and assessing their risks are key components in our management system. We strive to eliminate or minimize such hazards and risks through various measures. Health and safety hazards are identified for the administration, development and operational functions of our businesses and their risks are assessed.

In addition to workplace health and safety training, our employees are also trained on fire safety hazard processes at our premises. Regular fire drills and evacuation exercises are conducted in accordance with the Fire Services Act 1988. Beside this, employees are sent for training in related safety and first aid and in the use of the automated external defibrillator (AED) machine. The OSHA Officer will internally give training and awareness programmes for all staff to facilitate the effective implementation of any risk reduction program. In addition, our employees have been briefed on how to respond to health and safety incidents at the workplace.

Our overall accident frequency and severity rates are below the industry standard, and we continue to endeavour to lower these rates. For FY2023, we had no reported cases of accidents. The Company targets to have no reported cases of accidents for FY2024.

	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024 Target</i>
<i>Number of fatalities because of work-related injury</i>	None	None	None	None
<i>Number of high-consequence work-related injuries (excluding fatalities)</i>	None	None	None	None
<i>Number of recordable work-related injuries</i>	None	None	None	None

The Group intends to have no reported cases of accidents for the medium and long-term.

## SUSTAINABILITY REPORT

### Training and Education for Employees (GRI 404-1)

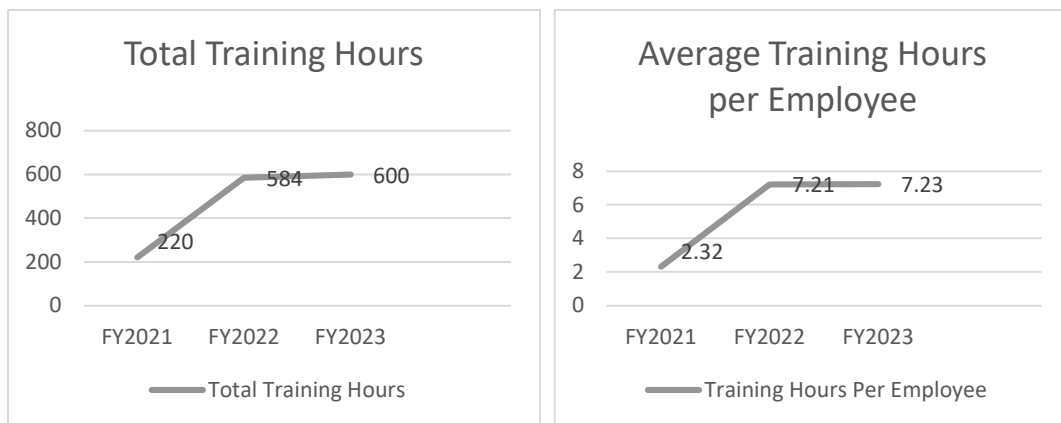
Training and education is an important topic for the Group as it enhances productivity of all employees by equipping them with the necessary skillsets to perform their duties in an ever-changing working environment. Training and education helps employees to learn specific knowledge or skills to improve performance in their current roles that brings a greater impact to the Group, which is of utmost importance.

The training process is as follows:

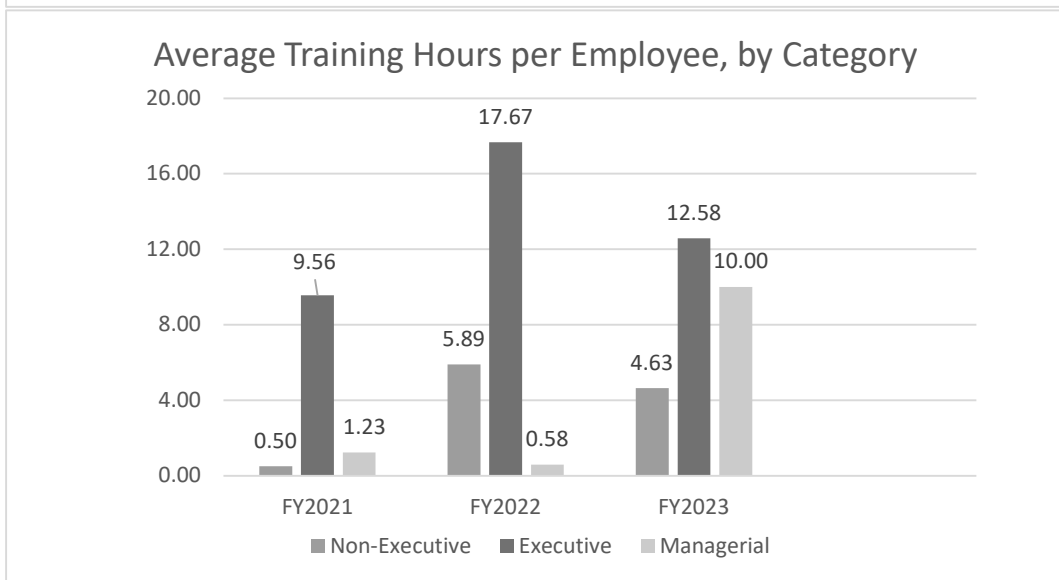
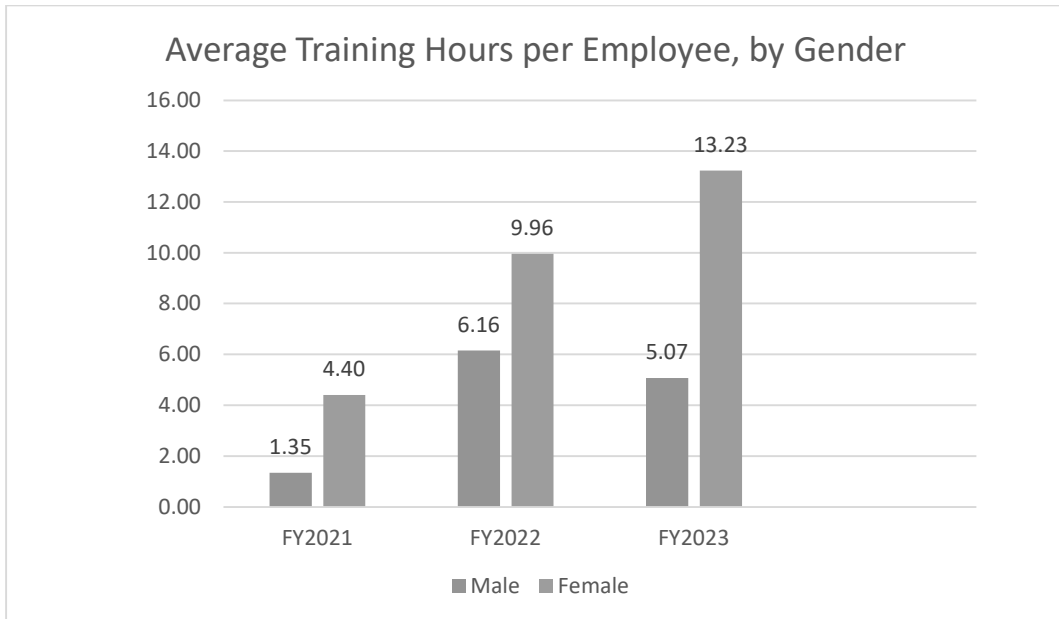


Management will also choose some safety courses which are open to all employees. The Group has been consistently providing all employees with both internal and external training for them to perform their job duties efficiently whenever necessary.

The total training hours provided to employees in the Group can be found in the following graphs below:



**SUSTAINABILITY REPORT**



The Group recorded 600 training hours in FY2023, which was higher as compared with 584 training hours in FY2022 and higher as compared with 220 training hours for FY2021 primarily due to the COVID-19 pandemic where courses were mainly restricted to mandatory safety courses in FY2020 and FY2021 and the easing of COVID-19 pandemic restriction measures in May 2022. Some of the courses continue to be conducted via webinar.

## **SUSTAINABILITY REPORT**

The Group believes that its investment in training for employees will ultimately enhance productivity and enable it to identify and exploit new opportunities in the printing cylinder business and beyond.

Training application forms are provided to employees in order for them to select the training they require. Some examples of training courses offered to employees are as follows:

- a) Financial reporting
- b) ISO 9001:2015
- c) System administration
- d) Occupational safety and health training

After attending training courses, the employee is then advised to conduct a class to share the knowledge and findings with other employees. Induction training is provided for new employees to understand topics such as the Group's processes and work flow, their individual job scope and safety procedures.

Engineers were also hired from countries such as Thailand, Singapore and USA to provide training and share experiences and research and development knowledge on the equipment with other employees. Despite the easing of COVID-19 pandemic measures, the company did not hire such engineers in FY2023.

The average hours of training per employee of 7.23 hours for FY2023, exceeding the target of 6.00 hours. Post COVID-19 pandemic, the Company aims to achieve a target of 6.00 hours of training per employee for FY2024.

	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024 Target</i>
<i>Average hours of training per employee for the year</i>	2.32	7.21	7.23	6.00

The Group intends to maintain the Average hours of training per employee at a minimum of 6.50 per year through 2027 to 2030.

**SUSTAINABILITY REPORT**

**GRI Content Index**

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**Fuji Offset Plates Manufacturing Ltd and its subsidiaries**

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**Fuji Offset Plates Manufacturing Ltd and its subsidiaries**

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103-1	Explanation of the material topic and its Boundary	Economic Performance	20
103-2	The management approach and its components	Reducing Energy Usage for Production	20-23
103-3	Evaluation of the management approach	Health and Safety of Employees Training and Education for Employees	23-25 26-28
Topic Specific GRI Standard Disclosures			
GRI 201 Economic Performance			
201-1	Direct economic value generated and distributed	Economic Performance	20
GRI 302 Energy			
302-1	Energy consumption within the organization	Reducing Energy Usage for Production	20-23
GRI 403 Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety of Employees	23-25
GRI 404 Training and Education			
404-1	Average hours of training per year per employee	Training and Education for Employees	26-28

**SUSTAINABILITY REPORT**

**APPENDIX 1**

**TCFD Content Index**

TCFD Recommendations	Disclosure	Page Reference
<b>Governance</b>		
Describe the Board’s oversight of climate-related risks and opportunities	The Board of Directors (the “ <b>Board</b> ”) oversees the identification, management and monitoring of material sustainability topics by Management and takes them into consideration in determining the Group’s overall strategy, objectives and operations.	Sustainability Report (“ <b>SR</b> ”) - Board Statement page 12
Describe management’s role in assessing and managing climate-related risks and opportunities	<p>The Group has in place a Sustainability Working Committee “<b>SWC</b>”), comprising discipline-specific working groups, which identifies possible material topics and to reach an agreement on the action plan for the reporting process. A Sustainability Steering Committee “<b>SSC</b>”), comprising key management executives, provides guidance on the Group’s sustainability strategies. The SSC reviews and reports progress for delivering targets and plans to the Board on the Group’s sustainability management performance and key material issues identified by stakeholders. The Board will then review and endorse the targets and plans accordingly.</p>	<p>SR – Sustainability Governance page 17</p> <p>We will constitute a Sustainability and Climate Risk Committee for FY2024.</p>
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	We will identify such risks and opportunities for FY2024.	-
Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning	We will assess the impact of these risks and opportunities for FY2024.	-
Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We will assess the strategy for FY2024. This will be set up based on the risk across the supply chain and Sustainability and Climate Risk Committee.	-

<b>TCFD Recommendations</b>	<b>Disclosure</b>	<b>Page Reference</b>
<b>Risk Management</b>		
Describe the organisation's processes for identifying and assessing climate-related risks	We will determine such processes for FY2024.	-
Describe the organisation's processes for managing climate-related risks	We will determine such processes for FY2024.	-
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	We will determine such processes for FY2024.	-
<b>Metrics and Target</b>		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Scope 2 GHG emissions from purchased electricity from power plants in Malaysia being tracked.	SR – Reducing Energy Usage for Production pages 20 to 23
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	Scope 2 GHG emissions are disclosed in SR	SR – Total Energy Used page 23
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We will describe the targets for FY2024	-

## 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 practised 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 2023 (“**FY2023**”), 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 FY2023, 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 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 to:-

- (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 groups 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 Singapore Companies Act 1967 (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:

## **CORPORATE GOVERNANCE**

- (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;
  - (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 arranges for all incoming Directors to 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’s first-time Director, Mr Koh Chun Yuan, has attended the Singapore Institute of Directors (“SID”) LED1 course (part 1) on Director Essentials on 5 March 2024 and will attend part 2 in July 2024. Mr Koh has also attended Sustainability training course on 18 March 2024.

The Company encourages existing Directors to attend training courses organised by the 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 FY2023, the Directors were briefed by external auditors on changes in accounting standards and other regulatory updates.

### ***Seminars and Trainings attended by Directors in FY2023***

The details of updates provided to the Directors in FY2023 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. All Directors have attended the Sustainability training as prescribed by the SGX-ST, including Mr Koh Chun Yuan who attended training on 18 March 2024. In addition, the MD has also attended training on Climate Reporting Fundamentals on 1 November 2023.

## **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) material transactions, including investment in and disposal of securities, investment properties, subsidiaries, associates and property development companies;
- (c) operation of banking accounts, credit facilities, bank deposits and provision of corporate guarantees;
- (d) provision, capitalization, and denomination of loans to subsidiaries, associates and property development companies;
- (e) approval of announcements released via SGXNet, including financial results announcements and IPTs;
- (f) approval of annual and interim reports, financial statements, Directors' statement and annual report;
- (g) dividend matters; and
- (h) 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 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 telephone conference, 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 and Annual General Meeting held in FY2023 is set out in the table below:

Name of Directors	Board		AC		NC		RC		AGM
	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	No. of meetings attended
Teo Kee Bock <sup>(1)</sup>	2	2	NA	NA	NA	NA	NA	NA	1
Teo Kee Chong <sup>(1)</sup>	2	2	NA	NA	NA	NA	NA	NA	1
Tan Keh Eyo	2	2	2	2	1	1	1	1	1
Low Beng Tin	2	2	2	2	1	1	1	1	1
Lai Mun Onn	2	2	2	2	1	1	1	1	1
Koh Chun Yuan <sup>(2)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Note:**

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

(2) “NA” denotes “not applicable” as he is appointed on 5 February 2024

#### **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 FY2023, 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 FY2023. In view of this, the NC and the Board were of the view 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 performance, 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 his 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 FY2023, 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***

On 11 January 2023, Singapore Exchange Regulation (“**SGX RegCo**”) announced changes to the Listing Rules limiting the tenure of independent directors to nine (9) years and to remove with immediate effect the two-tier vote mechanism for listed companies to retain long-serving independent directors who have served for more than nine years. A transition period for existing independent directors whose tenure exceeds the nine-year limit can continue to serve as independent directors until the listed companies’ annual general meeting held for the financial year ending on or after 31 December 2023. Rule 406(3)(d)(iv) of the Catalist Rules of the SGX-ST was amended to state that a director will not be independent if he has been a director of the Company for an aggregate period of more than nine years. Such director may continue to be considered independent until the conclusion of the next AGM of the Company. Rule 406(3)(d)(iv) of the Catalist Rules of the SGX-ST takes effect for an issuer’s AGM for the financial year ending on or after 31 December 2023. The Company’s Lead Independent Director, Mr Tan Keh Eyo who has served on the Board beyond nine (9) years since the date of his first appointment will not be considered independent after the AGM to be held on 29 April 2024.

## **CORPORATE GOVERNANCE**

Accordingly, the Company had appointed Mr Koh Chun Yuan as Independent Director on 5 February 2024 in place of Mr Tan Keh Eyo who will retire from the Board after the AGM on 29 April 2024, while Mr Low Beng Tin will be the Lead Independent Director with effect from 29 April 2024. The Company had appointed Mr Koh Chun Yuan with a view towards the appropriate board size and composition to ensure compliance with the Catalist Rules and the Code and meeting the Company's diversity targets.

### **Provision 2.2**

#### ***Proportion of Independent Directors***

During FY2023, 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.

Company's announcement dated 5 April 2024 in connection with the Board's reconstitution (which will be effective on 29 April 2024) (the "**Announcement**"), the new Board's composition with effect from 29 April 2024 will still be in compliance with Provision 2.2.

### **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. Per the Company's Announcement dated 5 April 2024, the new Board's composition is also in compliance with Provision 2.3.

### **Provision 2.4**

#### ***Composition and Size of the Board***

As at the date of this report, the Board comprises the following six (6) Directors, two (2) of whom are Executive Directors and four (4) 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      |
| Koh Chun Yuan | - 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.

## **CORPORATE GOVERNANCE**

The Board, in concurrence with the NC, is 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. The Board, in concurrence with the NC, is also satisfied with the new Board and Board Committees with effect from 29 April 2024 in this regard.

### ***Board Diversity***

The Company has adopted a Board Diversity Policy which provides the framework to promote diversity on the Board of the Company to improve the performance as well as to enhance Board effectiveness and decision making.

The Board of the Company believes in the benefits of diversity and recognizes that having a Board composed of people with diverse skills, experience, background, perspectives and gender can contribute to a strong organization and enhance decision-making and dialogue.

To achieve its diversity targets, the Board will ensure the Board's composition takes into account, but not limited to, an appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting, finance, legal and regulatory, business or management experience, industry knowledge, technical skills and know-how and strategic planning.

On the basis of the above diversity criteria, the Board through the NC will identify suitable candidate(s) who are skilled in similar competencies for appointment to the Board in 2027 and 2028 when existing independent directors retire after their nine-year tenures or as and when vacancies arise. The Board is committed to giving preference to suitable candidate(s) with similar competencies from a different gender than the existing Board composition. The Board will continually work towards achieving the targets within the timelines.

All Board appointments and succession plans are based on merit and objective criteria, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Company's policy on Board diversity 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.

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.

Currently the Board comprise five members who are skilled in business and management experience, industry knowledge, strategic planning and core competencies of accounting, finance, legal and regulatory knowledge. Due to the size of the Board where the minimum/maximum three Independent Directors form the AC, NC and RC, the Company had on 5 February 2024 appointed a new Independent Director with core competencies of accounting, finance, and regulatory knowledge in place of an Independent Director with similar skills and competencies who will retire after his nine-year tenure at the Company's AGM to be held on 29 April 2024.

The NC will review the Policy annually, which will include an assessment of the effectiveness of the Policy. The NC will discuss any revisions that may be required, from time to time, and recommend any such revisions to the Board for approval.

## **CORPORATE GOVERNANCE**

For FY2023, 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 FY2023, 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.***

### **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.

## **CORPORATE GOVERNANCE**

### **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 is 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 his 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.

### **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 develop 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 times 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 FY2023.

## **CORPORATE GOVERNANCE**

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 to the AC through the Company Secretary. Details of the whistle blowing policies and arrangements have been made available to all employees and the public at the Company's website. In the policy, the Company ensures that the identity of the whistleblower is kept confidential and the protection of the whistleblower against detrimental or unfair treatment and retaliatory action.

Per the Company's Announcement dated 5 April 2024, Mr Low Beng Tin will be re-designated as Lead ID after the retirement of Mr Tan Keh Eyo on 29 April 2024.

### ***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 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.

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;

## **CORPORATE GOVERNANCE**

- (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

Per the Company's Announcement dated 5 April 2024, the composition of the new NC with effect from 29 April 2024 is as follows:

Lai Mun Onn	Chairman
Low Beng Tin	Member
Koh Chun Yuan	Member

The new NC will comprise three (3) members, all of whom, including the NC Chairman, are Independent Directors and the Lead Independent Director is a member of the NC

### **Provision 4.3**

#### ***Nomination and Selection of Directors***

In the event of a vacancy arising 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 of new Directors.

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 appointment as new Director. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy.



## **CORPORATE GOVERNANCE**

### ***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 Articles 90 and 106 of the Company's Constitution at the forthcoming AGM of the Company:

- (a) Mr Koh Chun Yuan (retiring under Article 90 of the Company's Constitution); and
- (b) Mr Lai Mun Onn (retiring under Article 106 of the Company's Constitution).

Mr Koh Chun Yuan has given his consent for re-election and he will, upon re-election as a Director of the Company, remain as Independent Director of the Company.

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 an Independent Director of the Company, Chairman of the RC and a member of the AC and NC.

In making the recommendation, the NC has considered the Directors' overall contributions and performance in respect of the assessment of his 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 69 to 72 of this Annual Report.

### ***Alternate Director***

During FY2023, there were no alternate Directors 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 review on an annual basis. For FY2023, 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, and 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.

In view of Mr Tan Keh Eyo serving the Board for more than 9 years, Mr Tan will retire at the upcoming AGM in support of the Board's renewal and pursuant to Listing Rule 406(3)(d)(iv) of the Catalist Rules.

## CORPORATE GOVERNANCE

### **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.

<b>Name of Director</b>	<b>Date of last re-election/ appointment</b>	<b>Nature of appointment</b>	<b>Functions/ Board Committee served</b>	<b>Academic and professional qualifications</b>	<b>Directorships or Chairmanships both present in other listed companies and other principal commitments</b>
Teo Kee Bock	28 April 2023	Executive	Executive Chairman	None	<u>Other Principal Commitment</u> Apricot Capital Pte. Ltd. <u>Present Directorship</u> None
Teo Kee Chong	28 April 2022	Executive	MD	None	<u>Other Principal Commitment</u> Regent Printing (Singapore) Pte Ltd <u>Present Directorship</u> None
Tan Keh Eyo <sup>(1)</sup>	28 April 2022	Non-Executive and Lead Independent	Chairman, AC Member, NC and RC	Bachelor of Commerce	<u>Other Principal Commitment</u> None <u>Present Directorship</u> None
Lai Mun Onn	29 April 2021	Non-Executive and Independent	Chairman, RC Member, AC and NC	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	28 April 2023	Non-Executive and Independent	Chairman, NC Member, AC and RC	Diploma in Electrical Engineering Diploma in Management Studies Masters in Business Administration (Chinese Programme)	<u>Other Principal Commitment</u> None <u>Present Directorships</u> JP Nelson Holdings
Koh Chun Yuan	5 February 2024	Non-Executive and Independent	Independent Director	Bachelor of Accountancy from Nanyang Technological University Chartered Accountant, Institute of Singapore Chartered Accountants	<u>Other Principal Commitment</u> Director, KS Partners Engineering Enterprise <u>Present Directorships</u> None

**Note:**

- <sup>(1)</sup> Mr Tan was first appointed as non-executive independent Director on 18 November 1997 and Lead Independent Director on 3 May 2017. Mr Tan will not be seeking re-election as a Director of the Company at the upcoming AGM of the Company and will retire as a Director of the Company with effect from 29 April 2024.

## **CORPORATE GOVERNANCE**

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 pages 73 to 75 of this Annual Report.

### **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 to 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 FY2023, 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 FY2023 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 FY2023.

### ***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 FY2023 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 FY2023.

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 FY2023 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 FY2023.

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

Per our Announcement dated 5 April 2004, the composition of the new RC with effect from 29 April 2024, comprises the following three (3) independent Non-Executive Directors, including the RC Chairman:

Koh Chun Yuan	Chairman
Low Beng Tin	Member
Lai Mun Onn	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 FY2023.

### **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 KMPs. It also motivates the Directors to provide good stewardship of the company and KMPs to successfully manage the Company for the long term. The remuneration packages take into account the performance of the Group, the individual Director and individual KMP.

## **CORPORATE GOVERNANCE**

The remuneration structure of the Executive Directors and KMPs 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 2022 and their respective service contracts had been renewed in FY2022. 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 KMPs, the RC is of the view that the remuneration packages of the Executive Directors and KMPs, 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 KMPs as the incentives do not make up a significant percentage of their remuneration. In addition, the Executive Directors are also substantial shareholders and it is in their interest to grow the Company.

### **Provision 7.2**

#### ***Remuneration of Non-Executive Directors***

The Board comprises 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\$100,000 for FY2022 had been approved by shareholders at the last AGM of the Company held on 28 April 2023. Directors' fees of S\$100,000 for FY2023 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 KMPs 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 KMPs 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 Director for FY2023 is as follows:

Name of Director	Salary <sup>(1)</sup>	Bonus <sup>(1)</sup>	Directors' Fees	Allowance & Other Benefits	Total
	%	%	%	%	%
<b>Above S\$250,000</b>					
Teo Kee Bock	50	9	8	33	100
<b>Below S\$250,000</b>					
Teo Kee Chong	56	10	8	26	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 2023. 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 FY2023, is as follows:

Name of KMP	Salary <sup>(1)</sup>	Bonus <sup>(1)</sup>	Allowance & Other Benefits	Total
	%	%	%	%
<b>Below S\$250,000</b>				
Adrian Teo Kee Tiong <sup>(2)</sup>	61	7	32	100
Chua Thiam Chye	86	14	-	100
Eddie Teo Kwei Chieh	89	11	-	100
Teo Wei Xian <sup>(3)</sup>	86	14	-	100

Notes:

(1) The salary and bonus shown are inclusive of Singapore/Malaysia Provident Fund contributions, where applicable

(2) Brother of Mr Teo Kee Bock and Mr Teo Kee Chong, all of whom are the sons of the late Mdm Ang Kim Ton, substantial shareholder of the Company (deceased, distribution of shares being finalized)

(3) Son of Mr Teo Kee Chong and nephew of Mr Teo Kee Bock, Directors and substantial shareholders of the Company

## **CORPORATE GOVERNANCE**

The RC will review the remuneration of the Directors and the KMPs 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 KMPs, the Board has decided not to disclose the aforesaid detail as recommended by the Code. The total remuneration of the top four (4) KMPs (who are not Directors or the MD), including the immediate family member of a Director or MD, was not disclosed to prevent poaching of KMPs.

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 KMPs 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 FY2023 is S\$360,000.

All Directors and KMPs are remunerated on an earned basis and there were no termination, retirement and post-employment benefits granted during FY2023.

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.

Taking into consideration Catalist Rule 1204(10D), the Company will disclose the exact amounts with breakdown of remuneration paid to each individual director, on a named basis, by the Company and its subsidiaries for its annual report in respect of the financial year ending 31 December 2024 onwards.

### **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 FY2023.

### **Provision 8.3**

#### ***Long-Term Incentive Schemes***

The Company had no long-term incentive schemes in place during FY2023. The Company is of the view that such long-term incentives do not make up a significant percentage of their remuneration. In addition, the Executive Directors are also substantial shareholders and it is in their interest to grow the Company.

## CORPORATE GOVERNANCE

### 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.***

Details of the Group's financial risk management objectives and policies are set out in pages 125 to 138 of this Annual Report.

#### **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 acknowledges 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.

## **CORPORATE GOVERNANCE**

### **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 2023, 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 2023 to address the risks that the Group considers relevant and material to its business operations.

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 2023 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 reasonably 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:

## **CORPORATE GOVERNANCE**

- (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, statutes or Catalist Rules of the SGX-ST (where applicable).

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

Per our Announcement dated 5 April 2024, the composition of the new AC with effect from 29 April 2024 comprises the following three (3) members, all of whom, including the AC Chairman, are Independent Non-Executive Directors:

Low Beng Tin	Chairman
Lai Mun Onn	Member
Koh Chun Yuan	Member

The Board is of the view that the members of the AC and the new AC with effect from 29 April 2024 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 nor the new AC members with effect from 29 April 2024 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.

## **CORPORATE GOVERNANCE**

### **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 FY2023, the objective of the audit is to examine the adequacy and effectiveness of internal controls over the business and operations management, within reasonable and not absolute assurance, including the i) reliability and integrity of transactions, ii) effectiveness and efficiency of operations, iii) safeguarding of assets and iv) compliance with policies and applicable regulations of the Group's sole manufacturing subsidiary, Fuji Roto Gravure Sdn. Bhd. ("FRG"). During the internal audit, 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.

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 FY2023. 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. The auditors of the Company did not provide any non-audit services during FY2023.

## **CORPORATE GOVERNANCE**

Messrs CLA Global TS Public Accounting Corporation (“**CLA Global TS**”) was re-appointed as the external auditors on 28 April 2023 until the conclusion of the forthcoming AGM of the Company. There were no non-audit fees paid to auditors of the Company for FY2023, whilst the non-audit fees paid to other auditors was S\$18,000 for FY2023. Audit fees paid to auditors of the Company and other auditors for FY2023 were S\$73,500 and S\$16,000 respectively.

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 CLA Global TS for re-appointment for the financial year ending 31 December 2024, the AC has considered the adequacy of the resources, experience and competence of CLA Global TS, and has taken into account the Audit Quality Indicators relating to CLA Global TS 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 CLA Global TS and have recommended the nomination of CLA Global TS for re-appointment as external auditors for the ensuing year be tabled for shareholders’ approval at the forthcoming AGM of the Company.

For FY2023, 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.

The Group has appointed different auditors for its overseas subsidiary corporations and significant associated company. The Company’s Board and AC are satisfied that the appointment of different audit firms for Fujiplates Manufacturing Sdn. Bhd. (“**FPM**”), Fuji Roto Gravure Sdn. Bhd. (“**FRG**”) and IPark Development Sdn. Bhd. (“**IPark**”) would not compromise the standard and effectiveness of the audit of the Company as FPM and FRG do not contribute significantly to the Group’s bottom line currently while for IPark, a significant associate of the Group, the auditor of the Company, CLA Global TS, reviews IPark by different audit firms 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 FY2023.

## CORPORATE GOVERNANCE

### **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 and monitors 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 FY2023.

### **Audit Committee Activities**

In FY2023, 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;
- (j) reviewed quarterly management reports on the Group's receivables position; and
- (k) met with the internal and external auditors once without the presence of Management.

## 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 posted onto the SGXNet and the Company's website at [www.fopgroup.com](http://www.fopgroup.com) under 'Investor Relations' and are also published in the Business Times.



## **CORPORATE GOVERNANCE**

In order to provide ample time for the shareholders to review, the notice of AGM, together with the Annual Report 2023, 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.

### **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.

## **CORPORATE GOVERNANCE**

The last AGM of the Company was conducted in-person on 28 April 2023 at Conference Room, 2 Jalan Rajah #06-28 Golden Wall Flatted Factory, Singapore 329134. and submission of questions to the Chairman of the AGM can be submitted in advance of the AGM or at the AGM.

Responses to shareholders' substantial and relevant questions, if made, 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 were also present at the AGM.

### **2024 AGM**

The 2024 AGM will be held via physical format.

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 under the Company's Constitution, 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.

### **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 on the SGX and corporate websites within one month from the date of the general meeting.

### **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 0.5 Singapore cents per share for FY2022 and 0.3 Singapore cents per year every year from FY2018 to FY2021. For FY2023, the Company is recommending a first and final one-tier tax-exempt dividend of 0.50 Singapore cents per share subject to shareholders' approval at the forthcoming AGM of the Company to reward shareholders with the better net profits of the Group.

## **CORPORATE GOVERNANCE**

### **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 and the Board's policy on investor relations 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 Catalyst Rules of the SGX-ST and the Companies Act 1967. 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.

##### ***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 will be sent to all shareholders on request, 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 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.

## **CORPORATE GOVERNANCE**

### **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 have 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 similarly are able to impact the Group's business and operations. Five (5) 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 are 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) can be found in the Sustainability Report on pages 12 to 33 of this Annual Report.

#### **Provision 13.3**

##### ***Corporate Website***

To promote regular, effective and fair communication with shareholders, the Company maintains a current corporate website, [www.fopgroup.com](http://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.

## CORPORATE GOVERNANCE

### 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 FY2023, for which the renewed general mandate was approved by shareholders at the AGM of the Company held on 28 April 2023, 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 (deceased, distribution of shares being finalized).</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><b>IPTs</b> 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\$309,682

## **CORPORATE GOVERNANCE**

### **VII. MATERIAL CONTRACTS**

Save for the service contracts mentioned under the section on “Remuneration Committee” and transactions as disclosed in the “Interested Person Transactions” section above 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 FY2023 or if not then subsisting, entered into since the end of the previous financial year.

Subsequent to year-end, there were no known events.

### **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 its 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 has been no non-sponsorship fees paid to the Company’s Sponsor, Asian Corporate Advisors Pte. Ltd. for FY2023.

## 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	Koh Chun Yuan	Lai Mun Onn
Date of Appointment	5 February 2024	1 June 2018
Date of last re-appointment (if applicable)	NA	29 April 2021
Age	52	75
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company (save for Mr Koh Chun Yuan who abstained from deliberating his own re-election), having considered among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Koh, proposes to the Company's shareholders to approve the re-election of Mr Koh as a Director.</p> <p>The Board considers Mr Koh to be independent for the purpose of Rule 704(7) of Catalist Rules of the SGX-ST.</p>	<p>The NC (save for Mr Lai who abstained from deliberating his own re-election) is of the view that Mr Lai has continued to discharge his duties well and contributes positively to the Company and the Group. The Board (save for Mr Lai who abstained from deliberating his own re-election) concurs with NC's (save for Mr Lai) view that Mr Lai has demonstrated strong, independent character and judgement at meetings of the Board and Board Committees since his appointment and discharge his duties and responsibilities as Independent Director with the utmost commitment in upholding the interest of non-controlling shareholders.</p> <p>The Board considers Mr Lai to be independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	<p>Independent Director</p> <p>Per the Announcement dated 5 April 2024, with effect from 29 April 2024, Mr Koh will be appointed to the following Board Committees:</p> <p>Chairman, RC Member, AC and NC</p>	<p>Independent Director</p> <p>Chairman, RC Member, AC and NC</p> <p>Per the Announcement dated 5 April 2024, with effect from 29 April 2024, Mr Lai will be appointed to the following Board Committees:</p> <p>Chairman, NC Member, AC and RC</p>
Professional qualifications	Bachelor of Accountancy from Nanyang Technological University Chartered Accountant, Institute of Singapore Chartered Accountants	Bachelor of Law (Honours), University of London, Barrister-at-Law (Lincoln's Inn)
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> <li>1. October 2022 to present: Director, KS Partners Engineering Enterprise</li> <li>2. July 2021 to September 2022: Group Financial Controller, AEM Holdings Ltd</li> <li>3. April 2017 to December 2020: JDE RTL SCC PTE LTD (formerly known as SUPER GROUP LTD), Finance Director, Southeast Asia</li> <li>4. July 2004 to March 2017: SUPER GROUP LTD, Chief Financial Controller</li> </ol>	March 1985-present Managing Partner, Lai Mun Onn & Co,

**Fuji Offset Plates Manufacturing Ltd and its subsidiaries**

<b>Name of Director</b>	<b>Koh Chun Yuan</b>	<b>Lai Mun Onn</b>
Shareholding interest in the listed issuer and its subsidiaries	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	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments including Directorships</b>		
Past (for the last 5 years)	Strategic Marketing & Distribution Pte. Ltd. Jacobs Douwe Egberts HLD INV SG Pte Ltd Jacobs Douwe Egberts RTL OWL SG Pte Ltd Beecomb Foods Industries Pte Ltd Jacobs Douwe Egberts HLD SCM SG Pte Ltd Jacobs Douwe Egberts HLD SCP SG Pte Ltd Jacobs Douwe Egberts HLD SGI SG Pte Ltd Super Investment Holdings Pte Ltd Jacobs Douwe Egberts RTL SCC SG Pte Ltd Jacobs Douwe Egberts PRO OBS SG Pte Ltd	Nil
Present	Director, KS Partners Engineering Pte. Ltd.	Koh Brothers Group Limited
<b>Information required pursuant to Catalyst Rules 704(6) and/or 704(7)</b>		
(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
(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?	No	No



**Fuji Offset Plates Manufacturing Ltd and its subsidiaries**

Name of Director	Koh Chun Yuan	Lai Mun Onn
<b>Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)</b>		
(c) Whether there is any unsatisfied judgment against him?	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
(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
(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
(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
(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

**Fuji Offset Plates Manufacturing Ltd and its subsidiaries**

Name of Director	Koh Chun Yuan	Lai Mun Onn
<b>Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)</b>		
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  (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  (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  (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?	No  No  No  No	No  No  No  No
(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?	No	No
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	No  Mr Koh has attended SID LED1 course on Director Essentials (part 1) on 5 March 2024 and will attend part 2 in July 2024, Sustainability training on 18 March 2024 and will attend other relevant courses in due course	Yes  1)Super Group Ltd (now known as Jacobs Douwe Egberts HLD SGP SG PTE LTD (Non-executive Independent Director) 2)Koh Brothers Group Limited (Non-executive Independent Director) 3)Fuji Offset Plates Manufacturing Ltd (Non-executive Independent Director)

## Directors' Statement For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the directors,

- (i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 83 to 144 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) 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 as follows:

Teo Kee Bock  
 Teo Kee Chong  
 Low Beng Tin  
 Tan Keh Eyo  
 Lai Mun Onn  
 Koh Chun Yuan (appointed on 5 February 2024)

### 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 object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in <u>name of director</u>		Holdings in which a director is deemed <u>to have an interest</u>	
	<u>At 31.12.2023</u>	<u>At 1.1.2023</u>	<u>At 31.12.2023</u>	<u>At 1.1.2023</u>
<b>The Company</b> ( <u>No. of ordinary shares</u> )				
Teo Kee Bock	13,850,950	13,850,950	151,200	151,200
Teo Kee Chong	7,884,500	7,884,500	-	-

Mr Teo Kee Bock, who by virtue of his interest of not less than 20% of the issued capital of the Company is deemed to have an interest in all the subsidiary corporations of the Company at the beginning and the end of the financial year.

The directors' interests in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023.

## **Directors' Statement For the financial year ended 31 December 2023**

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### **Share options**

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

### **Audit committee**

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

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

The AC met two times in the financial year under review and carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the AC reviewed:

- the audit plans and reports of the independent auditor to consider the effectiveness of the actions taken by Management on the auditor's recommendations;
- the internal audit plans, the scope and results of internal audit procedures;
- the Enterprise Risk Management structure, governance and processes;
- the statement of financial position of the Company, the consolidated financial statements of the Group for the financial year ended 31 December 2023 and other announcements to shareholders and the Singapore Exchange Securities Trading Limited ("SGX-ST") before submission to the Board of Directors ("Board") for approval, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group;
- the assistance and co-operation given by Management to the independent auditor;
- the audit and the quality of work performed by the independent auditor;
- the considerations and make recommendations to the Board on the appointment, re-appointment and removal of independent auditor, their remuneration and terms of engagement;
- the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is independent investigation of such matters and appropriate follow-up action; and
- the interested person transactions, as defined in the Listing Manual of SGX-ST.

The AC has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

**Directors' Statement**  
**For the financial year ended 31 December 2023**

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**Independent auditor**

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

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Teo Kee Chong  
Director

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Teo Kee Bock  
Director

**28 March 2024**

**Independent Auditor's Report  
For the financial year ended 31 December 2023**

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**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 accompanying consolidated financial statements of Fuji Offset Plates Manufacturing Ltd (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial 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 Applicable to 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 judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in 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.

**Independent Auditor's Report  
For the financial year ended 31 December 2023**

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

**Report on the Audit of the Financial Statements** (continued)

*Key Audit Matters (continued)*

**1. Valuation of Financial Assets, at Fair Value through Other Comprehensive Income and Financial Assets, at Fair Value through Profit or Loss in relation to investment in Star City Property Development Co Ltd ("Star City")**

*Refer to Notes 2.9, 3(b), 15, 16 and 30(e) to the financial statements*

Area of focus

As at 31 December 2023, the Group holds financial assets carried at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVPL").

The financial assets, at FVOCI represents the 10% equity interests in Star City, with a carrying amount of \$1.26 million (2022: \$1.41 million), while for the financial assets, at FVPL relates to advances owed by Star City with a carrying amount of \$4.75 million (2022: \$4.83 million). These financial assets represent 3.7% and 13.9% (2022: 4.0% and 13.8%) of the Group's total assets, respectively.

In measuring the fair value of financial assets, at FVOCI, the Group applied net assets valuation approach. The valuation assessment prepared by management was based on the financial information of Star City as at 31 December 2023 and incorporated adjustments that considered factors such as the size of the equity, industry and market conditions, financial performance, ownership structure, level of control and liquidity. As at 31 December 2023, the adjustments made to the financial information included Discounts for Lack of Marketability ("DLOM") and Discounts for Lack of Control ("DLOC"). Additionally, the Group engaged independent certified valuers to assist in assessing the fair value of the land in Cambodia owned by Star City, which represent the most significant item in Star City's financial information.

Whereas for the fair value of financial assets, at FVPL as at 31 December 2023, the Group applied the discounted cash flow method, which involves estimating the present value of future cash flows, taking into consideration the prevailing market conditions in Cambodia as at the reporting date associated with the financial instruments.

We focused on these matters due to the significant judgements and estimates involved in the fair value measurement of financial assets, at FVOCI and FVPL.

**Independent Auditor's Report  
For the financial year ended 31 December 2023**

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

**Report on the Audit of the Financial Statements** (continued)

*Key Audit Matters* (continued)

**1. Valuation of Financial Assets, at Fair Value through Other Comprehensive Income and Financial Assets, at Fair Value through Profit or Loss in relation to investment in Star City Property Development Co Ltd ("Star City")** (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we have performed the following procedures:

For financial assets, at FVOCI,

- Understand the basis and estimates used by the management in the fair value assessment for financial assets, at FVOCI, including the key inputs and assumptions applied;
- Evaluated the credential and competency of the appointed independent certified valuers;
- With the assistance of our internal experts, evaluated the appropriateness of valuation methodologies and assessed the reasonableness of the key assumptions used by the independent certified valuers and management. Additionally, we assessed the reliability of data and information used by the independent certified valuers in determining the fair value of the land in Cambodia owned by Star City, as well as the unobservable inputs and adjustments applied by management in measuring the fair value of financial assets, at FVOCI;
- Performed sensitivity analysis to determine the impact of the changes in the key inputs and assumptions on the fair value of the financial assets, at FVOCI; and
- Reviewed the adequacy and appropriateness of the disclosure made in the consolidated financial statements.

For financial assets, at FVPL,

- Understand the basis and estimates used by the management in the fair value assessment for financial assets, at FVPL, including the key inputs and assumptions applied;
- With the assistance of our internal experts, evaluated the appropriateness of valuation methodologies and assessed the reasonableness of key assumptions used by the management;
- Performed sensitivity analysis to determine the impact of the changes in the key inputs and assumptions on the fair value of the financial assets, at FVPL; and
- Reviewed the adequacy and appropriateness of the disclosure made in the consolidated financial statements.



**Independent Auditor's Report  
For the financial year ended 31 December 2023**

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

**Report on the Audit of the Financial Statements** (continued)

*Key Audit Matters* (continued)

**2. Valuation of investment in associated company, IPark Development Sdn. Bhd. ("IPark")**

*Refer to Notes 2.3(c), 2.8, 3(a) and 18 to the financial statements*

Area to focus

As at 31 December 2023, the carrying amount of the Group's investment in associated company, IPark amounted to \$6.90 million (2022: \$15.97 million), representing 20.2% (2022: 45.7%) of the Group's total assets.

The investment in associated company, IPark, is initially recognised at cost, and the carrying amounts are thereafter adjusted for the Group's share of results of the associated company under the equity method of accounting, less impairment losses, if any, in accordance with SFRS(I) 1-28 *Investments in Associates and Joint Venture*.

At each reporting date, management reviews whether there are objective evidence or indications that the carrying amount of the investment in IPark may be impaired, with reference to SFRS(I) 1-36 *Impairment of Assets*. The assessment of impairment indicators is primarily based on management's considerations and analyses of the historical and expected operating and financial performance of IPark's property development activities, as well as prevailing market conditions and economic outlook that may impact the profitability of the property development industry. Based on the assessment as at 31 December 2023, management has concluded that there were no indicators of impairment noted.

We focused on this matter due to the magnitude of the carrying amount of the investment and share of results from the associated company, as well as the management judgement involved in the assessment of impairment indicators related to the investment in associated company, IPark.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we have performed the following procedures:

- Assessed the appropriateness of the management's accounting treatment for the investment in associated company in accordance with SFRS(I) 1-28;
- Reviewed the accounting policies of IPark to ensure consistency with the accounting policies adopted by the Group;
- Performed specific audit procedures on the key financial items of the associated company to ascertain the reasonableness of the share of results derived from the associated company and the carrying amount;
- Reviewed and evaluated management's assessment of the existence of impairment indicators of the investment; and
- Reviewed the adequacy and appropriateness of the disclosure made in the consolidated financial statements.

**Independent Auditor's Report  
For the financial year ended 31 December 2023**

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

**Report on the Audit of the Financial Statements (continued)**

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditor's report thereon, which we obtained prior to the date of this report.

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.

*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)s, 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 judgement 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.

**Independent Auditor's Report  
For the financial year ended 31 December 2023**

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

**Report on the Audit of the Financial Statements (continued)**

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- 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.
- 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 year 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 2023**

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

**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 director on the audit resulting in this independent auditor's report is Lim Hui Ki.

**CLA Global TS Public Accounting Corporation  
*Public Accountants and Chartered Accountants***

**Singapore**

**28 March 2024**

**Consolidated Statement of Comprehensive Income**  
**For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Revenue	4	3,277	3,315
Cost of sales		<u>(2,726)</u>	<u>(2,850)</u>
Gross profit		551	465
Other gains/(losses), net	5	226	(1,122)
Expenses			
- Selling and distribution		(191)	(225)
- Administrative		(1,696)	(1,771)
- Finance	8	(2)	(21)
		<u>(1,889)</u>	<u>(2,017)</u>
Share of profit from investment in associated company	18	2,044	6,901
Profit before income tax		<u>932</u>	<u>4,227</u>
Income tax credit	9	2	115
<b>Net profit</b>		<u>934</u>	<u>4,342</u>
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation – losses		(1,382)	(1,282)
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Fair value (loss)/gain on financial assets, at fair value through other comprehensive income (“FVOCI”)	16	(157)	368
<b>Other comprehensive loss, net of tax</b>		<u>(1,539)</u>	<u>(914)</u>
<b>Total comprehensive (loss)/income</b>		<u>(605)</u>	<u>3,428</u>
<b>Net profit attributable to:</b>			
Equity holders of the Company		1,068	4,508
Non-controlling interests		(134)	(166)
		<u>934</u>	<u>4,342</u>
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company		(369)	3,730
Non-controlling interests	17	(236)	(302)
		<u>(605)</u>	<u>3,428</u>
<b>Earnings per share for net profit attributable to equity holders of the Company (cents per share)</b>			
Basic and diluted earnings per share	10	<u>2.14</u>	<u>9.03</u>

*The accompanying notes form an integral part of these financial statements.*

**Statements of Financial Position**  
**As at 31 December 2023**

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	9,668	4,719	1,046	2,276
Trade and other receivables	12	5,541	1,341	153	33
Inventories	13	696	747	-	-
Income tax recoverable		209	376	-	-
		16,114	7,183	1,199	2,309
Investment properties held-for-sale	14	1,547	-	-	-
		17,661	7,183	1,199	2,309
<b>Non-current assets</b>					
Financial assets, at FVPL	15	4,746	4,831	4,746	4,831
Financial assets, at FVOCI	16	1,257	1,414	1,257	1,414
Investments in subsidiary corporations	17	-	-	7,809	7,809
Investment in associated company	18	6,904	15,967	-	-
Investment properties	19	-	1,686	-	-
Property, plant and equipment	20	3,041	3,326	4	49
Right-of-use assets	21	470	562	116	176
Intangible assets	22	-	2	-	-
		16,418	27,788	13,932	14,279
<b>Total assets</b>		34,079	34,971	15,131	16,588
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	23	785	715	582	675
Lease liabilities	24	36	38	36	38
Provisions		36	42	8	7
		857	795	626	720
<b>Non-current liabilities</b>					
Lease liabilities	24	-	36	-	36
Deferred income tax liabilities	25	567	630	-	-
		567	666	-	36
<b>Total liabilities</b>		1,424	1,461	626	756
<b>NET ASSETS</b>		32,655	33,510	14,505	15,832

*The accompanying notes form an integral part of these financial statements.*

**Statements of Financial Position**  
**As at 31 December 2023**

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	26	14,807	14,807	14,807	14,807
Other reserves	27	(3,223)	(1,786)	(767)	(610)
Retained profits	28	19,142	18,324	465	1,635
		<u>30,726</u>	<u>31,345</u>	<u>14,505</u>	<u>15,832</u>
Non-controlling interests	17	1,929	2,165	-	-
<b>Total equity</b>		<u><u>32,655</u></u>	<u><u>33,510</u></u>	<u><u>14,505</u></u>	<u><u>15,832</u></u>

*The accompanying notes form an integral part of these financial statements.*

**Consolidated Statement of Changes in Equity  
For the financial year ended 31 December 2023**

	← Attributable to equity holders of the Company →							
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Retained profits \$'000	Total \$'000	Non- controlling interests \$'000		
<b>2023</b>								
<b>Beginning of financial year</b>	14,807	(1,176)	(610)	18,324	31,345	2,165	33,510	
Net profit for the financial year	-	-	-	1,068	1,068	(134)	934	
Other comprehensive loss for the financial year	-	(1,280)	(157)	-	(1,437)	(102)	(1,539)	
Total comprehensive loss for the financial year	-	(1,280)	(157)	1,068	(369)	(236)	(605)	
Dividends paid on ordinary shares	-	-	-	(250)	(250)	-	(250)	29
<b>End of financial year</b>	14,807	(2,456)	(767)	19,142	30,726	1,929	32,655	
<b>2022</b>								
<b>Beginning of financial year</b>	14,807	(30)	(978)	13,966	27,765	2,467	30,232	
Net profit for the financial year	-	-	-	4,508	4,508	(166)	4,342	
Other comprehensive loss for the financial year	-	(1,146)	368	-	(778)	(136)	(914)	
Total comprehensive income for the financial year	-	(1,146)	368	4,508	3,730	(302)	3,428	
Dividends paid on ordinary shares	-	-	-	(150)	(150)	-	(150)	29
<b>End of financial year</b>	14,807	(1,176)	(610)	18,324	31,345	2,165	33,510	

*The accompanying notes form an integral part of these financial statements.*



**Consolidated Statement of Cash Flows**  
**For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Net profit		934	4,342
<i>Adjustments for:</i>			
Income tax credit	9	(2)	(115)
Amortisation of intangible assets	6	1	2
Depreciation of property, plant and equipment	6	496	559
Depreciation of right-of-use assets	6	70	71
Depreciation of investment properties	6	29	56
Fair value loss on financial assets, at FVPL	5	-	1,109
Interest income	5	(218)	(92)
Finance expense	8	2	21
Share of profit from investment in associated company	18	(2,044)	(6,901)
Unrealised currency translation differences		85	(67)
		(647)	(1,015)
<i>Change in working capital</i>			
Inventories		51	179
Trade and other receivables		111	297
Trade and other payables		23	(21)
Provision		(6)	(4)
<b>Cash used in operations</b>		(468)	(564)
Interest received		218	23
Income tax refunded/(paid)		94	(207)
<b>Net cash used in operating activities</b>		(156)	(748)
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(189)	(302)
Dividend received from associated company		296	315
Repayment of loan from associated company		-	3,770
Redemption of preference shares from associated company	18	5,793	-
Repayment of advances classified as financial asset, at FVPL	15	-	155
Deposit received for investment properties held-for-sale	14	47	-
<b>Net cash generated from investing activities</b>		5,947	3,938
<b>Cash flows from financing activities</b>			
Principal payment of lease liabilities		(38)	(36)
Interest paid		(2)	(4)
Repayment of loan to Director/substantial shareholder		-	(1,054)
Dividends paid to equity holders of the Company	29	(250)	(150)
<b>Net cash used in financing activities</b>		(290)	(1,244)
Net increase in cash and cash equivalents		5,501	1,946
<b>Cash and cash equivalents</b>			
Beginning of financial year		4,719	3,025
Effects of currency translation on cash and cash equivalents		(552)	(252)
<b>End of financial year</b>	11	9,668	4,719

*The accompanying notes form an integral part of these financial statements.*

**Consolidated Statement of Cash Flows**  
**For the financial year ended 31 December 2023**

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Reconciliation of liabilities arising from financing activities

	Beginning of financial year \$'000	Principal and interest payments \$'000	Interest expense \$'000	End of financial year \$'000
<b>2023</b>				
Lease liabilities	74	(40)	2	36
<b>2022</b>				
Lease liabilities	110	(40)	4	74
Amount due to director/ substantial shareholder	1,037	(1,054)	17	-

*The accompanying notes form an integral part of these financial statements.*

## **Notes to the Financial Statements For the financial year ended 31 December 2023**

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### **1 General information**

Fuji Offset Plates Manufacturing Ltd (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 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 subsidiary corporations and associated company are shown in Notes 17 and 18 of the financial statements.

### **2 Material accounting policies**

#### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### **Interpretations and amendments to published standards effective in 2023**

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### **2.2 Revenue recognition**

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.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.2 Revenue recognition (continued)

(a) Sales 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 from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

#### 2.3 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the entity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interest having a deficit balance.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.3 Group accounting (continued)

##### (a) Subsidiary corporations (continued)

##### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill.

##### (iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

##### (b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**2 Material accounting policies** (continued)

**2.3 Group accounting** (continued)

(c) Associated company

Associated company is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisition

Investments in associated company initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated company is changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated company are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

## Notes to the Financial Statements For the financial year ended 31 December 2023

### 2 Material accounting policies (continued)

#### 2.4 Property, plant and equipment

##### (a) Measurement

##### (i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

##### (b) Depreciation

Freehold land is not depreciated. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Buildings	45 – 48 years
Plant and machinery	2 – 10 years
Renovations	2 – 10 years
Office equipment, furniture and fitting	2 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when changes arise.

##### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

##### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains/(losses), net”.

#### 2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.6 *Investment properties*

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30 to 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

#### 2.7 *Investments in subsidiary corporations*

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

#### 2.8 *Impairment of non-financial assets*

*Property, plant and equipment*

*Right-of-use assets*

*Intangible assets*

*Investment properties*

*Investments in subsidiary corporations and associated company*

Property, plant and equipment, right-of-use assets, intangible assets, investment properties, investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.



## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.8 Impairment of non-financial assets (continued)

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

#### 2.9 Financial assets

##### (a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### At initial recognition

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.

##### At subsequent measurement

##### (i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and non-listed debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### (a) Classification and measurement (continued)

##### At subsequent measurement (continued)

##### (i) Debt instruments (continued)

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/(losses), net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses), net".

##### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/(losses), net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

##### (b) Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the general 3 stage approach is applied. Expected credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of assets. If there is significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

#### 2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

#### 2.12 Leases

##### (i) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

## Notes to the Financial Statements For the financial year ended 31 December 2023

### 2 Material accounting policies (continued)

#### 2.12 Leases (continued)

##### (i) When the Group is the lessee: (continued)

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. These right-of-use asset is depreciated over their estimated useful lives as below :

	<u>Useful lives</u>
Leasehold land	60 years
Motor vehicle	6 years

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.12 Leases (continued)

##### (i) When the Group is the lessee: (continued)

- Lease liabilities (continued)

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

##### (ii) When the Group is the lessor:

The Group leases buildings under operating leases to non-related parties.

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

#### 2.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

#### 2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.14 *Income taxes* (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax taxes are recognised as income and expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

#### 2.15 *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**2 Material accounting policies (continued)**

**2.16 Employee compensation**

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and Employees Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

**2.17 Currency translation**

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in income statement within "other gains/(losses) – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 2 Material accounting policies (continued)

#### 2.17 *Currency translation* (continued)

##### (c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

#### 2.18 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

#### 2.19 *Cash and cash equivalents*

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

#### 2.20 *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital account.

#### 2.21 *Dividends to Company's shareholders*

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

#### 2.22 *Investment property held-for-sale*

Investment property recognised at cost model is classified as investment property held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.



## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Impairment assessment of investment in associated company*

The Group has a 20% equity interest in IPark Development Sdn Bhd ("IPark"), a private company in Malaysia that is engaged in property development (Note 18). The assessment of whether any objective evidence of impairment indicator exists requires management judgement. The assessment of impairment indicators is primarily based on management's considerations and analyses of the historical and expected operating and financial performance of IPark's property development activities, as well as prevailing market conditions and economic outlook that may impact the profitability of the development. Based on the assessment performed as at 31 December 2023, management has concluded that there were no indicators of impairment noted.

(b) *Fair value of financial assets, at FVOCI and FVPL*

As at 31 December 2023, the Group holds financial assets carried at FVOCI and FVPL. The financial assets, at FVOCI represents the 10% equity interests investment in Star City, with a carrying amount of \$1,257,000 (2022: \$1,414,000), while the financial assets, at FVPL relates to advances owed by Star City with a carrying amount of \$4,746,000 (2022: \$4,831,000).

In measuring the fair value of financial assets, at FVOCI, the Group applied net assets valuation approach. The valuation assessment prepared by management was based on the financial information of Star City as at 31 December 2023 and incorporated adjustments that considered factors such as the size of the equity, industry and market conditions, financial performance, ownership structure, level of control and liquidity. As at 31 December 2023, the adjustments made to the financial information included Discounts for Lack of Marketability ("DLOM") and Discounts for Lack of Control ("DLOC"). Additionally, the Group engaged independent certified valuers to assist in assessing the fair value of the land in Cambodia owned by Star City, which represent the most significant item in Star City's financial information.

Whereas for the fair value of financial assets, at FVPL as at 31 December 2023, the Group applied the discounted cash flow method, which involves estimating the present value of future cash flows, taking into consideration the prevailing market conditions in Cambodia as at the reporting date associated with the financial instruments.

The key assumptions used to determine the fair value of financial assets, at FVOCI and FVPL are provided in Note 30(e) to the financial statements.

(c) *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.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**3 Critical accounting estimates, assumptions and judgements (continued)**

(c) *Expected credit losses of trade receivables (continued)*

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.

Based on the assessment, no further ECLs is required for the financial years ended 31 December 2023 and 2022. The details of the ECLs assessment is disclosed in Note 30(b) to the financial statements.

**4 Revenue**

*Disaggregation of revenue from contracts with customers*

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers as below.

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>2023</b>			
Sales of goods			
- Singapore	848	-	848
- Malaysia	2,176	-	2,176
- Other countries	94	-	94
	3,118	-	3,118
Rental income (Note 19)			
- Malaysia	-	159	159
	-	159	159
Total	3,118	159	3,277
<b>2022</b>			
Sales of goods			
- Singapore	808	-	808
- Malaysia	2,297	-	2,297
- Other countries	63	-	63
	3,168	-	3,168
Rental income (Note 19)			
- Malaysia	-	147	147
	-	147	147
Total	3,168	147	3,315

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**5 Other gains/(losses), net**

	Group	
	2023 \$'000	2022 \$'000
Interest income from:		
- bank deposits	218	23
- loan to associated company	-	69
	218	92
Fair value loss on financial assets, at FVPL (Note 15)	-	(1,109)
Currency exchange losses, net	(25)	(152)
Sales of scrap	29	44
Others	4	3
	226	(1,122)

**6 Expenses by nature**

	Group	
	2023 \$'000	2022 \$'000
Purchases of inventories and consumables	940	955
Amortisation of intangible assets (Note 22)	1	2
Depreciation of property, plant and equipment (Note 20)	496	559
Depreciation of right-of-use assets (Note 21)	70	71
Depreciation of investment properties (Note 19)	29	56
Employee compensation (Note 7)	1,730	1,744
Fees on audit services paid/payable to:		
- Auditor of the Company	74	74
- Other auditor	16	17
	90	91
Fees on non-audit services paid/payable to:		
- Other auditor	18	14
Insurance	32	76
Legal and professional fees	252	203
Lease expenses – Short-term lease (Note 21(c))	43	47
Repair and maintenance	247	234
Utilities	320	239
Changes in inventories	51	179
Other expenses	294	376
Total cost of sales, selling and distribution and administrative expenses	4,613	4,846

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**7 Employee compensation**

	Group	
	2023	2022
	\$'000	\$'000
Wages and salaries	1,583	1,599
Employer's contribution to defined contribution plans	95	106
Short-term employee benefits	52	39
	1,730	1,744

**8 Finance expenses**

	Group	
	2023	2022
	\$'000	\$'000
Interest expense		
- Lease liabilities (Note 21(b))	2	4
- Non-trade payable to Director/substantial shareholder	-	17
	2	21

**9 Income tax credit**

	Group	
	2023	2022
	\$'000	\$'000
Tax credit attributable to profit is made up of:		
<i>Profit for the financial year:</i>		
Current income tax – Foreign	27	101
Deferred income tax (Note 25)	(6)	(158)
	21	(57)
<i>Under/(over) provision in prior financial years:</i>		
Current income tax – Foreign	28	(25)
Deferred income tax (Note 25)	(51)	(33)
	(23)	(58)
Total income tax credit	(2)	(115)

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**9 Income tax credit** (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before income tax	932	4,227
Less: Share of profit from investment in associated company, net of tax	<u>(2,044)</u>	<u>(6,901)</u>
Loss before income tax and share of profit from investment in associated company	<u>(1,112)</u>	<u>(2,674)</u>
Tax at the applicable tax rate of 17% (2022: 17%)	(189)	(455)
Effects of:		
- different tax rates in other countries	(42)	(26)
- expenses not deductible for tax purposes	202	390
- income not subject to tax	(18)	(4)
- deferred income tax assets not recognised	68	65
- over provision of tax in prior financial years	(23)	(58)
- others	-	(27)
Tax credit	<u>(2)</u>	<u>(115)</u>

**10 Earnings per share**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
Net profit attributable to equity holders of the Company (\$'000)	<u>1,068</u>	<u>4,508</u>
Weighted average number of ordinary shares for basic earnings per share	<u>49,912,500</u>	<u>49,912,500</u>
Basic and diluted earnings per share (cents per share)	<u>2.14</u>	<u>9.03</u>

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The Group has no potential dilutive shares as at 31 December 2023 and 2022.

**11 Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	2,766	3,815	1,046	2,276
Short-term bank deposits	<u>6,902</u>	<u>904</u>	<u>-</u>	<u>-</u>
	<u>9,668</u>	<u>4,719</u>	<u>1,046</u>	<u>2,276</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**12 Trade and other receivables**

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables				
- Non-related parties	1,004	927	-	-
Less: Loss allowance (Note 30(b))	(3)	(4)	-	-
	1,001	923	-	-
Non-trade receivables				
- Subsidiary corporation	-	-	150	30
- Non-related parties	64	303	-	-
	64	303	150	30
Dividend receivables from associated company	4,377	-	-	-
Deposits	9	83	2	2
Prepayments	90	32	1	1
	5,541	1,341	153	33

The non-trade receivable from subsidiary corporation and dividend receivables from associate company are unsecured, interest-free and receivable on demand.

**13 Inventories**

	Group	
	2023 \$'000	2022 \$'000
Raw materials	579	641
Work-in-progress	82	86
Finished goods	35	20
	696	747

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$991,000 (2022: \$1,134,000).

**14 Investment properties held-for-sale**

During the financial year, on 27 June 2023, the Company's subsidiary corporation, Fujiplates Manufacturing Sdn. Bhd. entered into a Sale and Purchase Agreement ("SPA") with a non-related party ("Purchaser"), for the sale of its investment properties, a 2-storey leasehold factory warehouse and office building located at PLO 210, Jalan Angkasa Mas Utama, Tebrau II Industrial Estate, Johor, Malaysia at consideration of RM8,000,000 (equivalent to approximately \$2,299,000). A total deposit of RM800,000 (equivalent to approximately \$230,000) was received as at 31 December 2023, of which RM640,000 was held by the Malaysia tax authority and the purchaser's solicitor, and RM160,000 in cash was received by the Group.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**14 Investment properties held-for-sale (continued)**

As at 31 December 2023, the sale of these investment properties has yet to be completed. Accordingly, the Group has classified these investment properties as investment properties held-for-sale. These are carried at value of \$1,547,000, which is at lower of its carrying amount and fair value less cost to sell.

The sale of these investment properties is expected to be completed in the financial year ending 31 December 2024.

**15 Financial assets, at FVPL**

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-listed debt instruments</i>		
Beginning of financial year	4,831	6,135
Fair value loss (Note 5)	-	(1,109)
Repayment received	-	(155)
Currency translation difference	(85)	(40)
	4,746	4,831

The financial assets, at FVPL relates to USD-denominated advances to Star City Property Development Co., Ltd ("Star City"). The advances are for the 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 amounts are unsecured, non-interest bearing and expected to be repaid when there is income from the development. As other receivables' cash flows do not represent solely payments of principal and interest, they are carried at fair value through profit or loss. The management estimated the outstanding balances are expected to be fully repaid immediately only upon the sale of the two parcels of land which is estimated in the financial year ending 31 December 2026 (2022: 31 December 2025) and the financial assets, at FVPL has been classified as non-current assets accordingly.

Please refer to Note 30(e) to the financial statements for the fair value measurement disclosure.

**16 Financial assets, at FVOCI**

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Unquoted equity investments</i>		
Beginning of financial year	1,414	1,046
Fair value (loss)/gain (Note 27(b)(ii))	(157)	368
End of financial year	1,257	1,414

The investment relates to the Group's 10% (2022: 10%) equity interest in a company in Cambodia, Star City Property Development Co Ltd ("Star City").

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

Please refer to Note 30(e) to the financial statements for the fair value measurement disclosure.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**17 Investments in subsidiary corporations**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Equity investments at cost</i>		
Beginning and end of financial year	5,758	5,758
<i>Long-term loan to a subsidiary corporation</i>		
Beginning and end of financial year	2,051	2,051
	7,809	7,809

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

Details of the subsidiary corporations as at 31 December 2023 and 2022 are as follows:

<u><b>Name</b></u>	<u><b>Principal activities</b></u>	<u><b>Country of business/ incorporation</b></u>	<u><b>Effective interest held by the Group</b></u>	
			<b>2023</b>	<b>2022</b>
			%	%
<u><b>Held by the Company</b></u>				
Fuji Printing Cylinders Pte. Ltd. <sup>(1)</sup>	Trading in printing cylinders and its related products	Singapore	100	100
Fujiplates Manufacturing Sdn. Bhd. <sup>(2)(3)</sup>	Letting of properties and investment holding	Malaysia	100	100
<u><b>Held by Fuji Printing Cylinders Pte. Ltd.</b></u>				
Fuji Roto Gravure Sdn. Bhd. <sup>(2)(3)</sup>	Manufacture and sale of gravure printing cylinders and related services in the printing industry	Malaysia	65	65

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore

(2) Audited by Morison LC PLT, Malaysia.

(3) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporation would not compromise the standard and effectiveness of the audit of the Company.

**Carrying value of non-controlling interests**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Fuji Roto Gravure Sdn. Bhd.	1,929	2,165



**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**17 Investments in subsidiary corporations (continued)***Summarised financial information of subsidiary corporation with material non-controlling interests*

Set out below is the summarised financial information for the subsidiary corporation that has non-controlling interests that are material to the Group. This is presented before inter-company eliminations.

	<b>Fuji Roto Gravure Sdn. Bhd.</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Summarised statement of financial position</i>		
<b>Current</b>		
Assets	4,664	5,025
Liabilities	(540)	(473)
Total current net assets	4,124	4,552
<b>Non-current</b>		
Assets	2,199	2,718
Liabilities	(811)	(1,083)
Total non-current net assets	1,388	1,635
<b>Net assets</b>	5,512	6,187
<i>Summarised statement of comprehensive income</i>		
Revenue	3,074	3,130
<b>Loss before income tax</b>	(377)	(609)
Income tax (expense)/credit	(7)	136
<b>Loss for the financial year</b>	(384)	(473)
Other comprehensive loss	(291)	(392)
<b>Total comprehensive loss</b>	(675)	(865)
Total comprehensive loss allocated to non-controlling interests	(236)	(302)
<i>Summarised cash flows</i>		
Net cash generated from operating activities	315	215
Net cash used in investing activities	(189)	(299)
Net cash used in financing activities	(170)	(243)
<b>Decrease in cash and cash equivalents</b>	(44)	(327)

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**18 Investment in associated company**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	15,967	10,172
Redemption of preference shares	(5,793)	-
Share of profit	2,044	6,901
Dividends received/receivable	(4,736)	(315)
Currency translation differences	(578)	(791)
End financial year	6,904	15,967

Set out below are the associated company of the Group.

<u><b>Name</b></u>	<u><b>Principal activities</b></u>	<u><b>Country of business/ incorporation</b></u>	<u><b>Effective interest held by the Group</b></u>	
			<b>2023</b>	<b>2022</b>
			%	%
IPark Development Sdn. Bhd. <sup>(1)(2)</sup>	Property development	Malaysia	20	20

(1) Audited by KPMG PLT in Johor Bahru, Malaysia.

(2) Audited by Morison LC PLT, Malaysia for the Group's equity accounting purpose.

(3) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associated company would not compromise the standard and effectiveness of the audit of the Company.

There are no contingent liabilities relating to the Group's interest in the associated company.

*Summarised financial information for associated company*

	<b>IPark Development Sdn. Bhd.</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Summarised statement of financial position</i>		
<b>Current</b>		
Assets	59,381	101,673
Liabilities	(35,253)	(22,083)
Total current net assets	24,128	79,590
<b>Non-current</b>		
Assets	10,745	7,346
Liabilities	-	(6,727)
Total non-current net assets	10,745	619
<b>Net assets</b>	<b>34,873</b>	<b>80,209</b>
<i>Summarised statement of comprehensive income</i>		
Revenue	58,288	75,529
<b>Net profit for the financial year</b>	<b>10,222</b>	<b>34,577</b>

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**18 Investment in associated company** (continued)*Reconciliation of summarised financial information*

	<b>IPark Development Sdn. Bhd.</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Net assets	34,873	80,209
Group's equity interest	20%	20%
Group's share of net assets	6,975	16,042
Other adjustments	(71)	(75)
<b>Carrying value</b>	<b>6,904</b>	<b>15,967</b>

**19 Investment properties**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Cost</i>		
Beginning of financial year	2,200	2,220
Transfer to investment properties held-for-sale (Note 14)	(2,074)	-
Transfer to property, plant and equipment (Note 20)	(108)	-
Currency translation difference	(18)	(20)
End of financial year	-	2,200
<i>Accumulated depreciation</i>		
Beginning of financial year	514	471
Depreciation charge (Note 6)	29	56
Transfer to investment properties held-for-sale (Note 14)	(527)	-
Transfer to property, plant and equipment (Note 20)	(4)	-
Currency translation difference	(12)	(13)
End of financial year	-	514
<i>Net book value</i>		
<b>End of financial year</b>	<b>-</b>	<b>1,686</b>

During current financial year, the Group:

- (i) classified its investment properties with carrying amount of \$1,547,000 to investment properties held-for-sale as disclosed in Note 14 to the financial statements, resulting from the Group entered into a SPA with a non-related party.
- (ii) reclassified an investment property with carrying amount of \$104,000 to property, plant and equipment as the Group has changed the initial intended purpose of this investment property and converted to a staff dormitory for the Group's internal use (Note 20).

The Group does not hold any investment properties as at 31 December 2023.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**19 Investment properties (continued)**

The following amounts are recognised in profit or loss:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income from investment properties (Note 4)	159	147
Direct operating expenses (including repair and maintenance) arising from:		
- Rental generating properties	9	9

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.

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 2023 and 2022.

Details of investment properties

At the reporting date, the Group does not own any investment properties. The investment properties owned by the Group in 2022 are as follows:

<b>Description and location</b>	<b>Existing use</b>	<b>Tenure</b>
Lot 6680, Mukim of Tebrau	Industrial	Freehold
PLO 210, Jalan Angkasa Mas Utama, Johor Darul Ta'zim	Industrial	Leasehold

**Valuation of investment properties**

	<b>Group</b> <b>2022</b> <b>\$'000</b>
Fair valuation	2,570

The fair values of the investment properties as at 31 December 2022 were determined by an independent and qualified valuer, IPC Island Property Consultants Sdn. Bhd. 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 the prevailing market conditions.

The fair values are within Level 3 of the fair value hierarchy.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**20 Property, plant and equipment**

	Freehold land \$'000	Buildings \$'000	Plant and machinery \$'000	Renovation \$'000	Office equipment, furniture and fitting \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>							
<b>2023</b>							
<b>Cost</b>							
Beginning of financial year	81	1,923	8,367	326	549	1,064	12,310
Transfer from investment property (Note 19)	81	27	-	-	-	-	108
Additions	-	-	188	-	1	-	189
Currency translation differences	-	-	(493)	(12)	(27)	(45)	(577)
End of financial year	162	1,950	8,062	314	523	1,019	12,030
<b>Accumulated depreciation</b>							
Beginning of financial year	-	242	7,003	261	494	984	8,984
Transfer from investment property (Note 19)	-	4	-	-	-	-	4
Depreciation charge (Note 6)	-	40	380	9	13	54	496
Currency translation differences	-	-	(418)	(9)	(25)	(43)	(495)
End of financial year	-	286	6,965	261	482	995	8,989
<b>Net book value</b>							
<b>End of financial year</b>	162	1,664	1,097	53	41	24	3,041

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**20 Property, plant and equipment (continued)**

	Freehold land \$'000	Buildings \$'000	Plant and machinery \$'000	Renovation \$'000	Office equipment, furniture and fitting \$'000	Motor vehicles \$'000	Total \$'000
<b>Group 2022</b>							
<b>Cost</b>							
Beginning of financial year	81	1,923	8,628	311	563	1,094	12,600
Additions	-	-	244	27	14	17	302
Currency translation differences	-	-	(505)	(12)	(28)	(47)	(592)
End of financial year	81	1,923	8,367	326	549	1,064	12,310
<b>Accumulated depreciation</b>							
Beginning of financial year	-	202	6,981	262	506	969	8,920
Depreciation charge (Note 6)	-	40	438	8	13	60	559
Currency translation differences	-	-	(416)	(9)	(25)	(45)	(495)
End of financial year	-	242	7,003	261	494	984	8,984
<b>Net book value</b>							
<b>End of financial year</b>	81	1,681	1,364	65	55	80	3,326

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**20 Property, plant and equipment (continued)**

	Plant and machinery \$'000	Renovation \$'000	Office equipment, furniture and fitting \$'000	Motor vehicles \$'000	Total \$'000
<b>Company</b>					
<b>2023</b>					
<b>Cost</b>					
Beginning and end of financial year	12	114	104	285	515
<b>Accumulated depreciation</b>					
Beginning of financial year	12	114	99	241	466
Depreciation charge	-	-	1	44	45
End of financial year	12	114	100	285	511
<b>Net book value</b>					
End of financial year	-	-	4	-	4

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**20 Property, plant and equipment (continued)**

	Plant and machinery \$'000	Renovation \$'000	Office equipment, furniture and fitting \$'000	Motor vehicles \$'000	Total \$'000
<b>Company</b>					
<b>2022</b>					
<b>Cost</b>					
Beginning of financial year	12	114	102	285	513
Additions	-	-	2	-	2
End of financial year	12	114	104	285	515
<b>Accumulated depreciation</b>					
Beginning of financial year	12	114	99	194	419
Depreciation charge	-	-	-	47	47
End of financial year	12	114	-	241	466
<b>Net book value</b>					
End of financial year	-	-	5	44	49



**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**21 Right-of-use assets**

Leasehold land of the Group refers to the leasehold land which the Group uses for its manufacturing operation purposes. The leasehold land has been fully prepaid in advance.

Motor vehicles of the Group and the Company relate to motor vehicles acquired under lease liabilities as at 31 December 2023 and 2022.

## (a) Movement of right-of-use assets

	Leasehold land \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>			
<b>2023</b>			
<i>Cost</i>			
Beginning of financial year	609	363	972
Currency translation differences	(35)	-	(35)
End of financial year	574	363	937
<i>Accumulated depreciation</i>			
Beginning of financial year	223	187	410
Depreciation charge (Note 6)	10	60	70
Currency translation differences	(13)	-	(13)
End of financial year	220	247	467
<i>Net book value</i>			
End of financial year	354	116	470
<b>2022</b>			
<i>Cost</i>			
Beginning of financial year	647	363	1,010
Currency translation differences	(38)	-	(38)
End of financial year	609	363	972
<i>Accumulated depreciation</i>			
Beginning of financial year	226	126	352
Depreciation charge (Note 6)	10	61	71
Currency translation differences	(13)	-	(13)
End of financial year	223	187	410
<i>Net book value</i>			
End of financial year	386	176	562

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**21 Right-of-use assets (continued)**

## (a) Movement of right-of-use assets (continued)

	<b>Motor vehicles</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Company</b>		
<i>Cost</i>		
Beginning and end of financial year	362	362
<i>Accumulated depreciation</i>		
Beginning of financial year	186	125
Depreciation charge	60	61
End of financial year	246	186
<i>Net book value</i>		
End of financial year	116	176

## (b) Interest expense

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities (Note 8)	2	4

## (c) Lease expense not capitalised in lease liabilities

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Lease expenses – Short-term lease (Note 6)	43	47

## (d) Total cash outflow for all the leases was \$83,000 (2022: \$87,000).

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**22 Intangible assets**

	Technical know-how \$'000	Computer software \$'000	Total \$'000
<b>Group</b>			
<b>2023</b>			
<i>Cost</i>			
Beginning of financial year	110	135	245
Currency translation differences	-	(8)	(8)
End of financial year	110	127	237
<i>Accumulated depreciation</i>			
Beginning of financial year	110	133	243
Amortisation charge (Note 6)	-	1	1
Currency translation differences	-	(7)	(7)
End of financial year	110	127	237
<i>Net book value</i>			
End of financial year	-	-	-
<b>2022</b>			
<i>Cost</i>			
Beginning of financial year	110	143	253
Currency translation differences	-	(8)	(8)
End of financial year	110	135	245
<i>Accumulated depreciation</i>			
Beginning of financial year	110	140	250
Amortisation charge (Note 6)	-	2	2
Currency translation differences	-	(9)	(9)
End of financial year	110	133	243
<i>Net book value</i>			
End of financial year	-	2	2

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**23 Trade and other payables**

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables				
- Non-related parties	120	88	-	-
Non-trade payables				
- Subsidiary corporation	-	-	313	409
- Non-related parties	117	130	-	34
	117	130	313	443
Deposits	105	102	-	-
Accruals for operating expenses	443	395	269	232
	<u>785</u>	<u>715</u>	<u>582</u>	<u>675</u>

The non-trade payables to subsidiary corporation is unsecured, interest-free and is repayable on demand.

**24 Lease liabilities**

	Group and Company	
	2023 \$'000	2022 \$'000
<i>Motor vehicle</i>		
Current	36	38
Non-current	-	36
	<u>36</u>	<u>74</u>

Lease liabilities of the Group and the Company as at 31 December 2023 and 2022 are not exposed to interest rate changes.

**25 Deferred income tax**

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amount is shown on the statements of financial position as follows:

	Group	
	2023 \$'000	2022 \$'000
Deferred income tax liabilities	567	630
	<u>567</u>	<u>630</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**25 Deferred income tax (continued)**

The movement in deferred income tax liabilities is as follows:

	<b>Accelerated tax depreciation \$'000</b>	<b>Unabsorbed capital allowance \$'000</b>	<b>Fair valuation of freehold land and buildings \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
<b>Group</b>					
<b>2023</b>					
Beginning of financial year	266	(134)	499	(1)	630
Credited to profit or loss (Note 9)	(102)	75	-	(30)	(57)
Currency translation differences	(12)	6	-	-	(6)
End of financial year	<u>152</u>	<u>(53)</u>	<u>499</u>	<u>(31)</u>	<u>567</u>
<b>2022</b>					
Beginning of financial year	423	(160)	499	73	835
Credited to profit or loss (Note 9)	(136)	18	-	(73)	(191)
Currency translation differences	(21)	8	-	(1)	(14)
End of financial year	<u>226</u>	<u>(134)</u>	<u>499</u>	<u>(1)</u>	<u>630</u>

The Group and the Company have unutilised tax losses of approximately \$13,117,000 (2022: \$12,876,000) and \$13,083,000 (2022: \$12,860,000), respectively and unutilised capital allowance of \$1,844,000 (2022: \$1,691,000) and Nil (2022: Nil), respectively at the end of reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date except for the tax losses of \$10,000 (2022: Nil) which will expire in 2033.

**26 Share capital**

	<b>Group and Company</b>	
	<b>No. of ordinary shares '000</b>	<b>Amount \$'000</b>
<b>2023</b>		
Beginning and end of financial year	<u>49,913</u>	<u>14,807</u>
<b>2022</b>		
Beginning and end of financial year	<u>49,913</u>	<u>14,807</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**27 Other reserves**

(a) Composition:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Currency translation reserve	(2,456)	(1,176)	-	-
Fair value reserves	(767)	(610)	(767)	(610)
	<u>(3,223)</u>	<u>(1,786)</u>	<u>(767)</u>	<u>(610)</u>

Other reserves are non-distributable.

(b) Movements:

(i) Currency translation reserve

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	(1,176)	(30)
Net currency translation differences of financial statements of foreign subsidiary corporations	(1,382)	(1,282)
Add: Non-controlling interests	102	136
End of financial year	<u>(2,456)</u>	<u>(1,176)</u>

Currency translation reserve represents 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.

(ii) Fair value reserves

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	(610)	(978)
Fair value (loss)/gain on financial assets, at FVOCI (Note 16)	(157)	368
End of financial year	<u>(767)</u>	<u>(610)</u>

**28 Retained profits**

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated company amounting to \$6,887,000 (2022: \$11,208,000). Retained profits of the Company are distributable.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**28 Retained profits** (continued)

(b) Movement in retained profits for the Company is as follows:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	1,635	1,251
Net (loss)/profit	(920)	534
Dividends paid (Note 29)	(250)	(150)
End of financial year	465	1,635

**29 Dividends**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Ordinary dividends</i>		
<i>Dividends on ordinary shares:</i>		
- final tax-exempt (one-tier) dividend of \$0.5 cent per share for 2022 (2022: \$0.3 cent per share for 2021)	250	150

At the upcoming Annual General Meeting on 29 April 2024, a final dividend of \$0.5 cents per share amounting to a total of \$250,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2024.

**30 Financial risk management**

Financial risk factors

The Group and the 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. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) 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 currency giving rise to this risk are primarily United States Dollar ("USD"). 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 2023**

**30 Financial risk management (continued)**

## (a) Market risk (continued)

## (i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	MYR \$'000	Total \$'000
<b>At 31 December 2023</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,766	22	7,880	9,668
Trade and other receivables	232	-	5,219	5,451
Financial assets, at FVPL	-	4,746	-	4,746
Financial assets, at FVOCI	-	1,257	-	1,257
Intra-group receivables	1,319	-	-	1,319
	<u>3,317</u>	<u>6,025</u>	<u>13,099</u>	<u>22,441</u>
<b>Financial liabilities</b>				
Trade and other payables	(300)	-	(485)	(785)
Lease liabilities	(36)	-	-	(36)
Intra-group payables	(1,319)	-	-	(1,319)
	<u>(1,655)</u>	<u>-</u>	<u>(485)</u>	<u>(2,140)</u>
<b>Net financial assets</b>	<u>1,662</u>	<u>6,025</u>	<u>12,614</u>	<u>20,301</u>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<u>1,172</u>	<u>6,025</u>	<u>-</u>	<u>7,197</u>



**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (a) Market risk (continued)

## (i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	MYR \$'000	Total \$'000
<b>At 31 December 2022</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,731	29	1,959	4,719
Trade and other receivables	213	-	1,096	1,309
Financial assets, at FVPL	-	4,831	-	4,831
Financial assets, at FVOCI	-	1,414	-	1,414
Intra-group receivables	1,182	-	-	1,182
	<u>4,126</u>	<u>6,274</u>	<u>3,055</u>	<u>13,455</u>
<b>Financial liabilities</b>				
Trade and other payables	(281)	(16)	(418)	(715)
Lease liabilities	(74)	-	-	(74)
Intra-group payables	(1,182)	-	-	(1,182)
	<u>(1,537)</u>	<u>(16)</u>	<u>(418)</u>	<u>(1,971)</u>
<b>Net financial assets</b>	<u>2,589</u>	<u>6,258</u>	<u>2,637</u>	<u>11,484</u>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>				
	<u>1,081</u>	<u>6,258</u>	<u>-</u>	<u>7,339</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (a) Market risk (continued)

## (i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	<b>SGD</b>	<b>USD</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 31 December 2023</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,034	12	1,046
Trade and other receivables	152	-	152
Financial assets, at FVPL	-	4,746	4,746
Financial assets, at FVOCI	-	1,257	1,257
	1,186	6,015	7,201
<b>Financial liabilities</b>			
Trade and other payables	(582)	-	(582)
Lease liabilities	(36)	-	(36)
	(618)	-	(618)
<b>Net financial assets</b>	568	6,015	6,583
<b>Currency exposure of financial assets net of those denominated in the Company's functional currency</b>	-	6,015	6,015

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management** (continued)

## (a) Market risk (continued)

## (i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	Total \$'000
<b>At 31 December 2022</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2,257	19	2,276
Trade and other receivables	32	-	32
Financial assets, at FVPL	-	4,831	4,831
Financial assets, at FVOCI	-	1,414	1,414
	2,289	6,264	8,553
<b>Financial liabilities</b>			
Trade and other payables	(675)	-	(675)
Lease liabilities	(74)	-	(74)
	(749)	-	(749)
<b>Net financial assets</b>	1,540	6,264	7,804
<b>Currency exposure of financial assets net of those denominated in the Company's functional currency</b>	-	6,264	6,264

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (a) Market risk (continued)

## (i) Currency risk (continued)

If the USD and MYR changes against the respective functional currencies of the Group's entities by approximately 10% (2022: 10%) with all other variables being held constant, the material effect arising from the net financial asset denominated in foreign currencies are as follows:

	31 December 2023		31 December 2022	
	Profit or loss \$'000	Other comprehensive income \$'000	Profit or loss \$'000	Other comprehensive income \$'000
<b>Group</b>				
USD against SGD				
- Strengthened	477	126	484	141
- Weakened	(477)	(126)	(484)	(141)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
MYR against SGD				
- Strengthened	117	-	108	-
- Weakened	(117)	-	(108)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Company</b>				
USD against SGD				
- Strengthened	476	126	485	141
- Weakened	(476)	(126)	(485)	(141)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## (ii) Equity price risk

The Group and the Company are not exposed to equity securities price risk arising from the investments held by the Group and the Company which are classified either as financial assets, at FVOCI or at FVPL as the Group and the Company have no listed securities.

## (iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing assets, the Group's and the Company's income is substantially independent of changes in market interest rates.

The Group and the Company are not exposed to cash flow interest rate risks as the Group and the Company have no borrowings in variable-rate.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**30 Financial risk management (continued)**

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group has a credit policy in place and the exposure to credit risk is monitored on an on-going basis through the application of credit approvals, credit limits and debt monitoring procedures. 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.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group and the Company have determined the default event on a financial asset 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 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.

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.

Trade receivables

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 the historical loss rates for each category of counterparty, and adjusts for forward-looking macroeconomic data such as inflation rate.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (b) Credit risk (continued)

Trade receivables (continued)

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 2023**

**30 Financial risk management (continued)**

## (b) Credit risk (continued)

Trade receivables (continued)

The trade receivables of the Group comprise 1 debtor (2022: 1 debtor) that individually represented 17% (2022: 12%) of total trade receivables.

The credit risk for trade receivables based on the information provided by management is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>By geographical areas</u>		
- Singapore	116	113
- Malaysia	885	810
	1,001	923

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2023 and 2022 are set out in the provision matrix as follows:

	<b>Current</b>	<b>1 to 30 days past due</b>	<b>31 to 60 days past due</b>	<b>61 to 90 days past due</b>	<b>More than 90 days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>31 December 2023</b>						
Gross carrying amount	648	172	93	28	63	1,004
Less: Allowance for impairment	-	-	-	-	(3)	(3)
Net carrying amount	648	172	93	28	60	1,001
<b>31 December 2022</b>						
Gross carrying amount	423	209	135	37	123	927
Less: Allowance for impairment	-	-	-	-	(4)	(4)
Net carrying amount	423	209	135	37	119	923

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (b) Credit risk (continued)

Trade receivables (continued)

The movement in credit loss allowance are as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Group</u></b>		
Beginning of financial year	4	4
Currency translation differences	(1)	-
End of financial year (Note 12)	<u>3</u>	<u>4</u>

Non-trade receivables

The Group has assessed credit risk for other receivables based on 12-month ECL basis which reflects the low credit risk of the exposure. Management is of the view that the amount of allowance is insignificant.

Non-trade receivables from subsidiary corporation (Company)

In assessing whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the non-trade receivable balances due from subsidiary corporation as at the reporting date with the risk of default as at the date of initial recognition. The Company considered amongst other factors, the financial position of the subsidiary corporation at the reporting date, the past financial performance and cash flows trends, adjusted for the outlook of the industry and economy in which the subsidiary corporation operates in. Management is of the view that the amount of allowance is insignificant.

The amounts due from subsidiary corporation comprise 1 subsidiary corporation (2022: 1 subsidiary corporation) that individually represented 100% (2022: 100%) of the total amounts due from subsidiary corporation.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents with banks with high credit ratings and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.



**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to enable the Group to meet its normal operating commitments 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.

The table below analyses non-financial derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	<b>Less than 1 year \$'000</b>	<b>Between 1 to 5 years \$'000</b>	<b>Total \$'000</b>
<b>Group</b>			
<b>At 31 December 2023</b>			
Trade and other payables	785	-	785
Lease liabilities	36	-	36
	821	-	821
<b>At 31 December 2022</b>			
Trade and other payables	715	-	715
Lease liabilities	38	37	75
	753	37	790
	<b>Less than 1 year \$'000</b>	<b>Between 1 to 5 years \$'000</b>	<b>More than 5 Years \$'000</b>
<b>Company</b>			
<b>At 31 December 2023</b>			
Trade and other payables	582	-	582
Lease liabilities	36	-	36
	618	-	618
<b>At 31 December 2022</b>			
Trade and other payables	675	-	675
Lease liabilities	38	37	75
	713	37	750

## Notes to the Financial Statements For the financial year ended 31 December 2023

### 30 Financial risk management (continued)

#### (d) Capital risk

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.

There were no changes made in the objectives, policies or processes during the financial years ended 31 December 2023 and 2022.

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

#### (e) Fair value measurement

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table shows an analysis of the financial assets measured at fair value as at 31 December 2023 and 2022:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group and Company</b>				
<b>31 December 2023</b>				
Financial assets, at FVPL	-	-	4,746	4,746
Financial assets, at FVOCI	-	-	1,257	1,257
<b>31 December 2022</b>				
Financial assets, at FVPL	-	-	4,831	4,831
Financial assets, at FVOCI	-	-	1,414	1,414

There were no transfers between fair value hierarchy during the financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and bases its assumptions on market conditions existing at each reporting date for the fair value of both financial assets, at FVPL and financial assets, at FVOCI, hence, these financial assets are both classified as Level 3.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**30 Financial risk management (continued)**

(e) Fair value measurement (continued)

*Valuation techniques and inputs used in Level 3 fair value measurements*

**Financial assets, at FVPL**

Financial assets, at FVPL relates to advances owed by Star City, as disclosed in Note 15 to the financial statements. In measuring the fair value of these financial assets as at 31 December 2023, the Group applied the discounted cash flow method (2022: discounted cash flow method), which involves estimating the present value of future cash flows, taking into consideration the prevailing market conditions at the reporting date associated with the financial instruments. As at 31 December 2023, the Group anticipates the receivables to be collected in 2026 (2022: anticipates the receivables to be collected in 2025). The discount rate applied in the discontinued cash flow method is 11.85% (2022: 11.85%).

*Sensitivity analysis*

A 1% increase/decrease in the discount rate would lead to a decrease/increase in the fair value of financial assets, at FVPL by \$125,000/\$130,000, respectively. Similarly, if the repayment period deferred/accelerated by a year, it would independently result to a decrease/increase in fair value of the financial assets, at FVPL by \$503,000/\$562,000, respectively.

**Financial assets, at FVOCI**

Financial assets, at FVOCI represent the 10% equity interests' in Star City, as disclosed in Note 16 to the financial statements.

In determining the fair value of financial assets, at FVOCI, the Group applied net assets valuation approach. The valuation assessment prepared by management was based on the financial information of Star City as at 31 December 2023 and incorporated adjustments that considered factors such as the size of the equity, industry and market conditions, financial performance, ownership structure, level of control and liquidity. As at 31 December 2023, the adjustments made to the financial information included Discounts for Lack of Marketability ("DLOM") and Discounts for Lack of Control ("DLOC"). Additionally, the Group engaged independent certified valuers to assist in assessing the fair value of the land in Cambodia owned by Star City, which represents the most significant item in Star City's financial information.

*Sensitivity analysis*

In the event of a 10% increase or decrease in the adjusted net assets of Star City, the corresponding impact on the value of these financial assets, at FVOCI would be increase or decrease by \$126,000 (2022: \$141,000), respectively. Similarly, if the DLOM and DLOC were both increased/decreased by 1%, it would result to a decrease/increase in the fair value of financial assets, at FVOCI by \$32,000 (2022: \$36,000), respectively.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**30 Financial risk management (continued)**

## (f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial assets, at FVPL	4,746	4,831	4,746	4,831
Financial assets, at FVOCI	1,257	1,414	1,257	1,414
Financial assets, at amortised cost	15,119	6,028	1,198	2,308
Financial liabilities at amortised cost	<u>821</u>	<u>789</u>	<u>618</u>	<u>749</u>

**31 Related party transactions**

- (a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchase of material and/or services from related parties	<u>34</u>	<u>34</u>

Related parties comprise the company in which a director of the Company has substantial financial interests or controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2023 and 2022, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 12 and 23 respectively.

- (b) Key management personnel compensation

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' fee	100	100
Wages and salaries	294	283
Employer's contribution to defined contribution plans, including Central Provident Fund	15	14
Other short-term benefits	<u>149</u>	<u>152</u>
	<u>558</u>	<u>549</u>
Directors of the Company	<u>558</u>	<u>549</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**31 Related party transactions** (continued)

The Group's key management personnel refers to directors of the Company who have authority and responsibility for planning, directing and controlling the activities of the Group. Accordingly, the above remuneration related to Directors of the Company only.

**32 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; and
- (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 2023**

**32 Segment reporting (continued)**

	Printing cylinders		Investment holding		Investment in property development companies		Adjustments and eliminations		Notes	Total operations	
	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Revenue:</b>											
External customers	3,118	3,168	159	147	-	-	-	-		3,277	3,315
Inter-segment revenue	-	-	170	181	-	-	(170)	(181)	A	-	-
<b>Total revenue</b>	<b>3,118</b>	<b>3,168</b>	<b>329</b>	<b>328</b>	<b>-</b>	<b>-</b>	<b>(170)</b>	<b>(181)</b>		<b>3,277</b>	<b>3,315</b>
<b>Results:</b>											
Segment profit	(270)	(477)	189	(7)	2,044	5,861	(1,031)	(1,150)	B	932	4,227
Depreciation of property, plant and equipment	411	471	41	40	-	-	44	48		496	559
Depreciation of investment properties	-	-	29	56	-	-	-	-		29	56
Depreciation of right-of-use assets	-	-	10	11	-	-	60	60		70	71
Amortisation of intangible assets	1	2	-	-	-	-	-	-		1	2
Fair value loss on financial asset, at FVPL	-	-	-	-	-	1,109	-	-		-	1,109
Interest income	(37)	(22)	(181)	(1)	-	(69)	-	-		(218)	(92)
Interest expense	-	-	-	-	-	-	2	21		2	21

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**32 Segment reporting (cont'd)**

	Printing cylinders		Investment holding		Investment in property development companies		Adjustments and eliminations		Notes	Total operations	
	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Assets and Liabilities</b>											
Segment assets	5,477	5,763	14,317	4,116	12,907	22,212	1,378	2,880		34,079	34,971
Capital expenditure – property, plant and equipment/intangible assets	189	300	-	-	-	-	-	2		189	302
Segment liabilities	414	358	131	126	-	-	881	977	C	1,424	1,461

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

**32 Segment reporting** (continued)**Notes:**

- (A) Inter-segment revenues are eliminated on consolidation.
- (B) The following items are deducted from segment profit to arrive at “profit before income tax” presented in the consolidated statement of comprehensive income:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss from inter-segment sales	(170)	(181)
Unallocated current exchange losses, net	(25)	(152)
Unallocated corporate expenses	(836)	(817)
	(1,031)	(1,150)

- (C) Unallocated segment liabilities are in respect of the following liabilities:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade and other payables	277	273
Lease liabilities	36	74
Deferred income tax liabilities	567	630
	880	977

**Geographical information**

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

	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Singapore	848	808	120	225
Malaysia	2,335	2,444	10,295	21,318
Cambodia	-	-	6,003	6,245
Other countries	94	63	-	-
	3,277	3,315	16,418	27,788

There is no revenue from any single external customer that contributed 10% or more of the Group's total revenue.



## Notes to the Financial Statements For the financial year ended 31 December 2023

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### 33 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

#### **Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*:**

- Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)
- Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

#### **Amendments to SFRS(I) 1-7 *Statement of Cash Flows* and SFRS(I) 7 *Financial Statements*: *Disclosures*:** Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**33 New or revised accounting standards and interpretations (continued)**

**Amendments to SFRS(I) 16 Leases:** Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

**34 Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Fuji Offset Plates Manufacturing Ltd on 28 March 2024.

**MAJOR PROPERTIES OF THE GROUP**  
**As at 31 December 2023**

<b>Description &amp; Location</b>	<b>Effective Group Interest</b>	<b>Site Area (Sq Metres)</b>	<b>Built-up Area (Sq Metres)</b>	<b>Remaining Tenure</b>
2-storey factory warehouse cum office building at PLO 210, Jalan Angkasa Mas Utama Tebrau II Industrial Estate 81100 Johor Bahru Johor, Malaysia <sup>(1)</sup>	100%	8,094	5,248	29 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	40 years

<sup>(1)</sup>The Group has entered into a sale and purchase agreement with Sunray Construction & Interior Sdn. Bhd., an unrelated party, on 27 June 2023 to sell the property. The sale of the property is expected to be completed in April 2024.

## STATISTICS OF SHAREHOLDINGS

### As at 21 March 2024

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	7	1.01	198	0.00
100 - 1,000	143	20.66	74,175	0.15
1,001 - 10,000	407	58.82	1,657,189	3.32
10,001 - 1,000,000	128	18.50	7,378,188	14.78
1,000,001 and above	7	1.01	40,802,750	81.75
Total	692	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 (deceased, distribution of shares being finalized)	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 International Securities Singapore Pte. Ltd.	1,043,300	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	482,700	0.97
11	Chang Hin Chong	449,000	0.90
12	Kor Beng Shien	333,300	0.67
13	Khua Hock Leong	313,100	0.63
14	Oh Cher Kiat	300,000	0.60
15	Poh Heng	192,000	0.38
16	Raffles Nominees (Pte.) Limited	182,100	0.36
17	OCBC Nominees Singapore Private Limited	174,450	0.35
18	DBS Nominees (Private) Limited	92,200	0.18
19	Hoo Len Yuh	90,000	0.18
20	DBS Vickers Securities (Singapore) Pte Ltd	85,000	0.17
	Total	45,195,800	90.54

#### **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 <sup>(1)</sup>	0.30
Ang Kim Ton (deceased, distribution of shares being finalized)	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 Ctalist 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 at Conference Room, 2 Jalan Rajah #06-28 Golden Wall Flatted Factory, Singapore 329134 on Monday, 29 April 2024, at 10.00 a.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 2023, together with the Independent Auditors’ Report thereon.

**(Resolution 1)**
2. To declare a first and final one-tier tax-exempt dividend of 0.5 Singapore cents per share for the financial year ended 31 December 2023 (2022: 0.5 Singapore cents per share).

**(Resolution 2)**
3. To note the retirement of following Director upon the conclusion of this AGM:  
  
Mr Tan Keh Eyo  
  
*[See Explanatory Note (i)]*
4. To re-elect the following Director of the Company retiring pursuant to the Article 106 of the Constitution of the Company:-  
  
Mr Lai Mun Onn  
  
*[See Explanatory Note (ii)]*

**(Resolution 3)**
5. To re-elect the following Director of the Company retiring pursuant to the Article 90 of the Constitution of the Company:-  
  
Mr Koh Chun Yuan  
  
*[See Explanatory Note (ii)]*

**(Resolution 4)**
6. To approve the payment of Directors’ fees of S\$100,000 for the financial year ended 31 December 2023 (2022: S\$100,000).

**(Resolution 5)**
7. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

**(Resolution 6)**
8. 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:

#### **9. Authority to allot and issue shares**

“That pursuant to Section 161 of the Companies Act 1967 (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 capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to), options, warrants, debentures or other instruments convertible into Shares,

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

- (b) (notwithstanding that the authority conferred by this Ordinary 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 Ordinary Resolution is 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, if any) 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, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Ordinary Resolution is passed;
- (2) (subject to such manner of calculation and adjustments 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 of the Company (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Ordinary 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 which are outstanding and subsisting at the time this Resolution is passed, provided that the options or share awards (as the case may be) 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 sub-paragraphs (a) and (b) above 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 this Ordinary Resolution;

- (3) in exercising the authority conferred by this Ordinary 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, and the Constitution of the Company for the time being; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Ordinary Resolution shall continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Note (iii)]

(Resolution 7)

### 10. Renewal of Shareholders' Mandate for Interested Person Transactions

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

- (a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9 of the Catalist Rules, 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 12 April 2024 (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, will not be prejudicial to the interests of the Company and its minority shareholders, and in accordance with the guidelines and 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;
- (c) the Audit Committee of the Company be and are hereby authorised to take such action as they deem proper in respect of procedures and to implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and
- (d) 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 (iv)]

(Resolution 8)

By Order of the Board

Kevin Cho  
Company Secretary

Singapore,  
12 April 2024

## NOTICE OF ANNUAL GENERAL MEETING

### Explanatory Notes:

- (i) Upon the retirement of Mr Tan Keh Eyo as Lead Independent Director of the Company, he will be relinquishing his position as Chairman of the Audit Committee as well as a member of the Nominating Committee and Remuneration Committee.
- (ii) Mr Lai Mun Onn will, upon re-election as a Director of the Company and the Changes to the Composition of the Board and Board Committees as announced on 5 April 2024, serve as Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee. The Board considers Mr Lai Mun Onn to be independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

Mr Koh Chun Yuan will, upon re-election as a Director of the Company and the Changes to the Composition of the Board and Board Committees as announced on 5 April 2024, serve as Chairman of Remuneration Committee and member of Audit Committee and Nominating Committee. The Board considers Mr Koh Chun Yuan to be independent for the purposes of Rule 704(7) of the Catalist Rules.

- (iii) The Ordinary Resolution 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 allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) 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 existing 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, if any) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) 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, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution 7 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (iv) The Ordinary Resolution 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.

### Access to Documents or Information Relating to the AGM

1. The AGM is being convened, and will be held, at Conference Room, 2 Jalan Rajah #06-28 Golden Wall Flatted Factory, Singapore 329134 on Monday, 29 April 2024, at 10.00 a.m. (the “**AGM**” or “**Physical Meeting**”). **There will be no option for the members to participate virtually.**

### Submit Questions in relation to any Resolution set out in the Notice of AGM in advance of, or at, the AGM

2. Shareholders can submit their questions in advance of the AGM via 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 [agm2024@fopgroup.com](mailto:agm2024@fopgroup.com),

in either case, by 10.00 a.m. on Saturday, 20 April 2024.

### **Addressing questions**

3. Management and the Board of the Company will endeavour to address all substantial and relevant questions submitted, prior to or during the AGM by publishing the responses to such 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> by no later than 10.00 a.m. on 25 April 2024. However, as there may not be sufficient time to address all such questions during the AGM itself, the Company will publish the responses to those questions which the Company will not be addressing during the AGM 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>, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.
4. The Company will publish the minutes of the AGM 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>, and the minutes will include the responses by the Board of Directors and Management to the substantial and relevant questions from shareholders which are addressed during the AGM.

### **Attendance at the AGM**

5. Shareholders who are appointing Proxyholder(s) to attend the Physical Meeting on his/her/its behalf should pre-register the Proxyholder and specify his/her/its intention to attend the Physical Meeting as well as to submit the completed and signed Proxy Form by 10.00 a.m. on Saturday, 27 April 2024, being at least forty-eight (48) hours before the time fixed for the AGM, failing which the appointment shall be invalid.

### **Voting**

6. Voting on the resolutions tabled at the AGM will be by poll in accordance with the Constitution of the Company.
7. The 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) who is not a relevant intermediary (as defined below) is entitled to appoint not more than two (2) proxies, the appointments shall be invalid unless such Shareholder specifies the number of Shares to be represented by each proxy. Please note that proxy will be given the same rights as member.

A member may appoint the Chairman of the meeting as his/her/its proxy.

A Shareholder, who is a relevant intermediary, is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of Shares is held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).

Central Provident Fund ("CPF") or Supplemental Retirement Scheme ("SRS") investors who wish to appoint proxy(ies) should approach their respective CPF Agent Banks or SRS Operators (being relevant intermediaries) to submit their votes by 5.00 p.m. on Wednesday, 17 April 2024.

8. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
9. A member can choose to appoint the Chairman of the AGM as his/her/its proxy.
10. A proxy need not be a member of the Company.
11. The proxy form 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 [agm2024@fopgroup.com](mailto:agm2024@fopgroup.com),in either case, not less than forty-eight (48) hours before the time appointed for holding the AGM, i.e., by 10.00 a.m. on Saturday, 27 April 2024.

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.
12. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
13. Printed copies of this Notice, Proxy Form, the 2023 Annual Report and the Appendix in relation to the Proposed Renewal of Shareholders' Mandate for Interested Person Transactions (the "IPT Appendix") will be sent by post to members. This Notice, the proxy form, and the 2023 Annual Report and the IPT Appendix are also available 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> as follows:
  - (a) the 2023 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".
14. Any reference to a time of day in this Notice of AGM is made by reference to Singapore time.

**Personal data privacy:**

By submitting (a) the Proxy Form appointing a proxy or proxies to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) questions in relation to the 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 a proxy or proxies 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) addressing all substantial and relevant questions received from members relating to the resolution 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
- (iii) 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.

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*This Notice 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 "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

*The contact person for the Sponsor is Ms. Foo Quee Yin., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271*

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# FUJI OFFSET PLATES MANUFACTURING LTD

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

## IMPORTANT NOTICE

This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Singapore Companies Act), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least 7 working days, on Wednesday, 17 April 2024 at 10.00 a.m., before the AGM to specify voting instructions.

## PROXY FORM

### ANNUAL GENERAL MEETING

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration Number)  
of \_\_\_\_\_ (Address)

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

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

and/or\*

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf, at the AGM of the Company to be convened and held at Conference Room, 2 Jalan Rajah #06-28 Golden Wall Flatted Factory, Singapore 329134 on Monday, 29 April 2024 at 10.00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Ordinary Resolution(s) to be proposed at the Meeting as indicated hereunder with an "(✓)" in the spaces provided hereunder. If no specific directions as to voting are given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

All resolutions put to the vote at the AGM shall be conducted by way of poll.

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 2023 together with the Independent Auditors' Report			
2	Payment of proposed first and final one-tier tax-exempt dividend			
3	Re-election of Mr Lai Mun Onn as a Director			
4	Re-election of Mr Koh Chun Yuan as a Director			
5	Approval of Directors' fees amounting to S\$100,000 (2022:S\$100,000)			
6	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors			
7	Authority to allot and issue shares			
8	Renewal of Shareholders' Mandate for Interested Person Transactions			

If you wish to exercise all your shares to be voted **For** or **Against** the resolution, please tick (✓) within the box 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 to abstain from voting on the resolution, please tick (✓) in the **Abstain** box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in the **Abstain** box in respect of that resolution.

Dated this \_\_\_\_\_ day of April, 2024

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

\* To delete as appropriate

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

**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 2001), 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. 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>.
3. Where a member (whether individual or corporate) who is not a relevant intermediary (as defined below) is entitled to appoint not more than two (2) proxies, the appointments shall be invalid unless such Shareholder specifies the number of Shares to be represented by each proxy. Please note that proxy will be given the same rights as a member.
4. A Shareholder, who is a relevant intermediary, is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of Shares is held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).
5. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
6. Where a member (whether individual or corporate) appoints a proxy or proxies 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 a proxy will be given the same rights as a member.
7. A member can choose to appoint the Chairman of the AGM as his/her/its proxy.
8. A proxy need not be a member of the Company.
9. Investors holding shares under the Central Provident Fund Investment Schemes ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM (i.e., by 5.00 p.m. on Wednesday, 17 April 2024). CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
10. The instrument appointing a proxy or proxies 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 [agm2024@fopgroup.com](mailto:agm2024@fopgroup.com),in either case, not less than forty-eight (48) hours before the time appointed for holding the AGM, i.e., by 10.00 a.m. on Saturday, 27 April 2024.

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.
11. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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 a proxy(ies) 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.
12. The Company shall be entitled to reject the instrument appointing or treated as appointing a proxy or proxies 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 a proxy or proxies (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 a proxy or proxies 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.
13. 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(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

.....  
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)