

FUJI OFFSET PLATES MANUFACTURING LTD

Unaudited Half-Year Financial Statement And Related Announcement

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

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

		S\$'000 30.06.18	S\$'000 30.06.17	% Increase/ (Decrease)
Continuing Operations	Note			
Revenue		2,697	2,427	11
Cost of sales		(1,589)	(1,477)	8
Gross profit		1,108	950	17
Other operating income	1	1,578	77	>100
Distribution expenses		(149)	(132)	13
Administrative expenses		(1,015)	(1,084)	(6)
Other operating expenses		-	(271)	NM
Results from operating activities		1,522	(460)	NM
Finance income	2	205	269	(24)
Finance expense	2	(6)	(3)	100
Net finance income		199	266	(25)
Share of results of associate (net of tax)	3	1,065	(32)	NM
Profit/(loss) before taxation	4	2,786	(226)	NM
Income tax expense		(118)	(93)	27
Profit/(loss) from continuing operations for the period, net of tax		2,668	(319)	NM
Discontinued operation				
Loss from discontinued operation	5	-	(26)	NM
Profit/(loss) for the period		2,668	(345)	NM
Other comprehensive income				
Foreign currency translation gain/(loss)		325	(80)	NM
Other comprehensive income for the period, net of tax		325	(80)	NM
Total comprehensive income for the period		2,993	(425)	NM
Profit/(loss) for the period attributable to:				
Owners of the Company		2,592	(421)	NM
Non-controlling interests		76	76	-
Profit/(loss) for the period, net of tax		2,668	(345)	NM
Total comprehensive income attributable to:				
Owners of the Company		3,016	(490)	NM
Non-controlling interests		(23)	65	NM
Total comprehensive income for the period		2,993	(425)	NM

NM denotes not meaningful

Notes:

	S\$'000	S\$'000	%
	30.06.18	30.06.17	Increase/ (Decrease)
(1) Other operating income includes:			
Gain on sale of investment properties	1,491	-	>100
Gain on disposal of property, plant and equipment	-	61	NM
Income from sales of scrap	3	2	50
Foreign exchange gain (net)	75	-	NM
Others	9	14	(36)
	<u>1,578</u>	<u>77</u>	>100

	S\$'000	S\$'000	%
	30.06.18	30.06.17	Increase/ (Decrease)
(2) Finance income/(expense) include:			
Hire purchase interest	(6)	(3)	100
Finance expense	<u>(6)</u>	<u>(3)</u>	100
Interest income from banks	61	27	>100
Discount adjustment on loan	2A 144	242	(40)
Finance income	<u>205</u>	<u>269</u>	(24)
Net finance income	<u>199</u>	<u>266</u>	(25)

(2A) Notional interest income due to discount adjustment on loan to Star City Property Development Co., Ltd ("Star City") to present value.

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

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

	S\$'000	S\$'000	%
Note	30.06.18	30.06.17	Increase/ (Decrease)
Depreciation charge	298	260	15
Amortisation charge	23	23	-
Foreign exchange gain/(loss) (net)	75	(271)	NM
Bad debt written off	-	6	NM

(5) Loss of discontinued operation in respect of the Group's 60% share of equity interest in Fuji Offset Plates (M) Sdn Bhd ("FOPM") which was divested on 15 January 2018 ("FOPM Divestment"). The comparative loss for 1H2018 is negligible.

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

	Note	Group		Company	
		S\$'000 30.06.18	S\$'000 31.12.17	S\$'000 30.06.18	S\$'000 31.12.17
Non-current assets					
Property, plant and equipment	1	3,939	4,053	259	284
Intangible assets	2	58	68	-	-
Investment properties	3	2,018	2,032	-	-
Subsidiaries		-	-	7,809	7,809
Long-term prepayments	3	318	320	-	-
Investment in associate	4	8,261	7,006	-	-
Long-term loan due from associate		91	89	-	-
Other investment	5	2,024	2,024	2,024	2,024
Other receivable	6	5,517	5,261	5,517	5,261
		<u>22,226</u>	<u>20,853</u>	<u>15,609</u>	<u>15,378</u>
Current assets					
Investment properties held for sale	7	-	958	-	-
Inventories	8	637	755	-	-
Trade receivables	9	1,714	1,752	-	1
Amounts due from a subsidiary		-	-	403	343
Other receivables	10	143	72	8	7
Prepayments	11	73	126	-	1
Tax recoverable		328	310	-	-
Cash and cash equivalents		7,507	5,184	235	512
		<u>10,402</u>	<u>9,157</u>	<u>646</u>	<u>864</u>
Assets of disposal group classified as held for sale	13	-	580	-	-
Total assets		<u>32,628</u>	<u>30,590</u>	<u>16,255</u>	<u>16,242</u>
Equity					
Share capital		14,807	14,807	14,807	14,807
Reserves		13,116	10,250	387	757
Equity attributable to owners of the Company		<u>27,923</u>	<u>25,057</u>	<u>15,194</u>	<u>15,564</u>
Non-controlling interests		3,042	3,065	-	-
Total equity		<u>30,965</u>	<u>28,122</u>	<u>15,194</u>	<u>15,564</u>
Non-current liabilities					
Loans and borrowings		135	180	89	117
Deferred tax liabilities		810	801	-	-
		<u>945</u>	<u>981</u>	<u>89</u>	<u>117</u>
Current liabilities					
Trade and other payables	12	532	1,110	154	241
Loans and borrowings		94	92	55	54
Provision		34	32	13	12
Current tax payable		58	48	-	-
Amount due to a subsidiary		-	-	750	250
Amount due to a related party		-	4	-	4
		<u>718</u>	<u>1,286</u>	<u>972</u>	<u>561</u>
Liabilities directly associated with disposal group classified as held for sale	13	-	201	-	-
Total liabilities		<u>1,663</u>	<u>2,468</u>	<u>1,061</u>	<u>678</u>
Total equity and liabilities		<u>32,628</u>	<u>30,590</u>	<u>16,255</u>	<u>16,242</u>

Notes:

- (1) Property, plant and equipment were lower mainly due to depreciation for the period, partially offset by purchases and exchange rate fluctuations between the Malaysian Ringgit (“**RM**”) against the Singapore dollar (“**S\$**”).
- (2) Intangible assets pertain to computer software assets in a subsidiary.
- (3) Investment properties and long-term prepayments were lower mainly due to depreciation and amortisation for the period, partially offset by exchange rate fluctuations between RM against the S\$.
- (4) The increase in investment in associate is due to profits from share of results in IPark in 1H2018 coupled with exchange rate fluctuations between RM against the S\$.
- (5) Other investment pertains to the Group’s 10% share of equity interest in Star City and the discounting of the loan amount to its present value.
- (6) Other receivable, in respect of the Group’s share of loan to Star City, was higher due to the write-back in the discounting of the loan amount to present value coupled with the higher US dollar (“**US\$**”) against the S\$.
- (7) The sale of the Group’s investment properties in Jalan Hasil (“**Hasil**”) and Lots 4070 & 4078 were completed in March and June 2018 respectively.
- (8) Inventories were lower mainly due to anticipated reduction in price of seamless steel pipes.
- (9) Trade receivables were lower due to of lower sales of printing cylinders in 2Q2018 as compared with 4Q2017 coupled with improvements in collections from customers. Barring unforeseen circumstances, the Group does not foresee any issue with the collectibility of these outstanding receivables.
- (10) Other receivables were higher mainly due to deposits paid for the purchase of plant and machinery.
- (11) Prepayments were lower mainly due to prepayments of real property gains tax in connection with the sale of the Group’s investment properties at Hasil and Lots 4070 & 4078 at 31 December 2017.
- (12) Trade and other payables were lower mainly due to payments in 1H2018 for amounts due to trade suppliers (S\$70,000) and expense accruals outstanding at year-end 2017 (S\$508,000).
- (13) Assets and liabilities held by FOPM in relation to the planned FOPM Divestment.

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

Amount repayable in one year or less, or on demand

As at 30/06/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
94	-	92	-

Amount repayable after one year

As at 30/06/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
135	-	180	-

Details of any collateral

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

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

	S\$'000	S\$'000
	30.06.18	30.06.17
Operating activities		
Profit/(loss) before taxation from continuing operations	2,786	(226)
Loss from discontinued operations	-	(26)
Profit/(loss) before tax, total	<u>2,786</u>	<u>(252)</u>
Adjustments for:		
Depreciation of property, plant and equipment	298	260
Gain on disposal of investment properties	(1,491)	-
Gain on disposal of property, plant and equipment	-	(61)
Amortisation of long-term prepayments	23	23
Bad debts written off	-	6
Share of results of associate	(1,065)	32
Interest expense	6	3
Interest income	(205)	(272)
Foreign exchange (gain)/loss, net	(111)	271
Operating cash flow before changes in working capital	<u>241</u>	<u>10</u>
Changes in working capital:		
Inventories	138	(177)
Trade receivables	76	(171)
Related parties balances	(4)	4
Other receivables, deposits and prepayments	60	12
Trade and other payables	<u>(427)</u>	<u>(270)</u>
Cash from/(used) in operations	84	(592)
Income taxes paid	(118)	(45)
Interest received	61	30
Cash flows from/(used in) operating activities	<u>27</u>	<u>(607)</u>

Investing activities

Purchase of property, plant and equipment	(100)	(2)
Proceeds from disposal of investment properties	2,227	-
Proceeds from share sale in subsidiary	202	-
Proceeds from disposal of property, plant and equipment	-	74
Increase in non-current other receivables	-	(1,421)
Cash flows from/(used in) investing activities	2,329	(1,349)

Financing activities

Interest paid	(6)	(3)
Dividends paid to owners of the Company	(150)	(150)
Payments to hire purchase creditors	(45)	(18)
Cash flows used in financing activities	(201)	(171)

Net increase/(decrease) in cash and cash equivalents	2,155	(2,127)
Cash and cash equivalents at beginning of the year	5,184	6,919
Effect of exchange rate changes on balances held in foreign currency	168	(23)
Cash and cash equivalents at end of the period	<u>7,507</u>	<u>4,769</u>

Cash and cash equivalents comprise the following at the end of the reporting period:

Cash and cash equivalents		
- Continuing operations	7,507	4,539
- Discontinued operation	-	230
Cash and cash equivalents at the end of the period	<u>7,507</u>	<u>4,769</u>

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

The Group	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	14,807	323	1,477	8,450	25,057	3,065	28,122
Loss net of tax for the period	-	-	-	2,592	2,592	76	2,668
Foreign currency translation, represents other comprehensive income for the period	-	424	-	-	424	(99)	325
Total comprehensive income for the period	-	424	-	2,592	3,016	(23)	2,993
Dividends	-	-	-	(150)	(150)	-	(150)
At 30 June 2018	<u>14,807</u>	<u>747</u>	<u>1,477</u>	<u>10,892</u>	<u>27,923</u>	<u>3,042</u>	<u>30,965</u>
At 1 January 2017 (FRS)	14,807	(9,565)	1,478	18,733	25,453	2,857	28,310
Effect of transition to SFRS(I)s	-	9,565	-	(9,565)	-	-	-
Balance at 1 January 2017 (SFRS(I))	<u>14,807</u>	<u>-</u>	<u>1,478</u>	<u>9,168</u>	<u>25,453</u>	<u>2,857</u>	<u>28,310</u>
(Loss)/profit net of tax for the period	-	-	-	(421)	(421)	76	(345)
Foreign currency translation	-	(69)	-	-	(69)	(11)	(80)
Total comprehensive income for the period	-	(69)	-	(421)	(490)	65	(425)
Dividends	-	-	-	(150)	(150)	-	(150)
At 30 June 2017	<u>14,807</u>	<u>(69)</u>	<u>1,478</u>	<u>8,597</u>	<u>24,813</u>	<u>2,922</u>	<u>27,735</u>

The Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 January 2018	14,807	757	15,564
Loss net of tax, represents total comprehensive income for the period	-	(220)	(221)
Dividends	-	(150)	(150)
At 30 June 2018	14,807	387	15,194
At 1 January 2017	14,807	1,674	16,481
Loss net of tax, represents total comprehensive income for the period	-	(129)	(129)
Dividends	-	(150)	(150)
At 30 June 2017	14,807	1,395	16,202

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

There were no changes to the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles and the Company did not hold any treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2018 respectively.

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

Company	30.06.18	31.12.17
Total number of issued shares excluding treasury shares	49,912,500	49,912,500

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

Not applicable. The Company does not have any treasury shares as at 30 June 2018.

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

Not applicable. The Company does not have any subsidiary holdings as at 30 June 2018.

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

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

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

Not applicable

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

Other than the adoption of Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 31 December 2017.

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

The Group has adopted the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) with effect from 1 January 2018.

Under the adoption of SFRS(I) 1, the Group elected the optional exemption in SFRS(I) 1 to reset its cumulative foreign currency translation reserve (“**FCTR**”) for all foreign operations to NIL and reclassify the cumulative FCTR of S\$9,565,000 as at 1 January 2017 determined in accordance with Financial Reporting Standards (FRS) at that date to retained earnings. After that date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

In adopting SFRS(I) 9, the Group has applied the simplified approach and recorded the amount of loss allowance on all trade and other receivables by ascertaining the amount of expected credit loss (“**ECL**”) that would result from all possible default events over the expected life of a financial instrument. Based on the assessment made, the adoption of SFRS(I) 9 does not have a material impact on the Group and Company.

Under the SFRS(I) framework, the Group adopted the property development revenue and cost recognition of its associate based on the percentage-of-completion basis from completed-contract basis.

The Group has adopted the change of current accounting policy for certain items of property, plant and equipment from fair value to cost basis. In this respect, the Group has elected the option to deem the fair value carrying amounts of the property, plant and equipment as the asset's new cost basis. The impact is S\$802,000 for financial year ending 31 December 2017.

Under FRS 109, the Group measures its investment in unquoted equity securities at fair value at 1 January 2018. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings.

Other than the above changes, the adoption of SFRS(I) is not expected to have a material impact on the financial performance and position of the Group.

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

Group	30.06.18	30.06.17
Discontinued operation		
Based on weighted average number of ordinary shares in issue (cents)	-	(0.05)
Based on a fully diluted basis (cents)	-	(0.05)
Continuing operations		
Based on weighted average number of ordinary shares in issue (cents)	5.19	(0.79)
Based on a fully diluted basis (cents)	5.19	(0.79)

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

	Group		Company	
	30.06.18	31.12.17	30.06.18	31.12.17
Net Asset Value per ordinary share (cents)	55.94	50.20	30.44	31.18

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

Revenue

Total Group revenue, from continuing operations, amounted to S\$2.70 million for 1H2018 as compared with S\$2.43 million for 1H2017, an increase of S\$0.27 million or about 11% due mainly to higher sales of printing cylinders in Malaysia.

Costs

In line with the higher revenue, cost of sales also increased by about 8% or S\$0.11 million, from S\$1.48 million for 1H2017 to S\$1.59 million for 1H2018. However, the increase was lower compared with the increase in revenue due to lower average costs of raw materials, mainly seamless steel pipes, used in the production of printing cylinders.

Depreciation charge was higher at about S\$0.30 million for 1H2018 as compared with S\$0.26 million for 1H2017 due mainly to new property, plant and equipment.

Gross profit

As a result of the higher revenue and costs of sales, gross profit for the period increased from S\$0.95 million for 1H2017 to S\$1.11 million for 1H2018, an increase of S\$0.16 million or about 17%. Consequently, gross profit margin increased from 39% for 1H2017 to 41% for 1H2018.

In line with the higher revenue, distribution expenses also increased by about 13% or S\$0.02 million, from S\$0.13 million for 1H2017 to S\$0.15 million for 1H2018. Administrative expenses, however, decreased from S\$1.08 million for 1H2017 to S\$1.02 million for 1H2018, representing a drop of S\$0.06 million or about 6% mainly due to lower staff related expenses and non-recurring professional fees and expenses incurred in connection with the renting out of a factory warehouse cum office building at PLO 210, Jalan Angkasa Mas Utama, Tebrau II Industrial Estate, Johor Bahru, Johor ("**PLO 210**") in 1H2017.

Other Operating Income/Expenses

For 1H2018, other operating income amounted to S\$1.58 million as compared with S\$0.08 million for 1H2017, an increase of S\$1.50 million, due entirely to gain on disposal of the Group's investment properties at Hasil and Lots 4070 & 4078 coupled with net foreign exchange gain mainly from the Company's US\$ loan to Star City on account of the stronger US\$ against the S\$.

Other operating expenses for 1H2017 comprise the net foreign exchange loss on the US\$ loan to Star City as a result of the weaker US\$ against the S\$.

Operating Profit

On the basis of the above factors, therefore, the Group recorded an operating profit of S\$1.52 million for 1H2018 as compared with an operating loss of S\$0.46 million for 1H2017, an improvement of S\$1.98 million in operating performance over the two financial periods. The increase in operating profit was attributable to S\$1.49 million from the sale of the Group's investment properties at Hasil and Lots 4070 & 4078 coupled with the following:

- 1) Higher net foreign exchange gain of S\$0.40 million from the investment in property development companies business segment on account of the stronger US\$ against the S\$,
- 2) Higher net contribution from investment holding business segment of S\$0.22 million,
- 3) Higher contribution from printing cylinders business segment of S\$0.01 million, less
- 4) Adjustments and eliminations of S\$0.14 million, including unallocated corporate expenses.

Net finance income declined from S\$0.27 million for 1H2017 to S\$0.20 million for 1H2018 mainly due to lower deemed interest income of S\$0.10 million relating to the discount adjustment on the Company's loan to Star City, partially offset by higher interest income of S\$0.03 million from higher fixed deposit placements.

Share of results of associate (net of tax) amounted to a gain of S\$1.07 million for 1H2018 as compared with S\$0.03 million loss for 1H2017, based on the percentage-of-completion basis where revenue is recognised based on progressive payments from prospective owners. The share of results includes a gain of S\$0.80 million for financial year ending 31 December 2017 which was re-computed from the completed-contract basis as well as profits for the current period.

Income tax expense was higher at S\$0.12 million for 1H2018 as compared with S\$0.09 million for 1H2017 mainly due to higher taxable profits.

Based on the above factors, the Group recorded a profit after tax from continuing operations of S\$2.69 million for 1H2018 as compared with a loss of S\$0.32 million for 1H2017.

Discontinued Operation

The Group had divested its 60% share of equity interest in FOPM on 15 January 2018. Following the FOPM Divestment, the Group has exited from the printing plates business completely and retain only the printing cylinder business under the printing cylinder business segment.

Cash Flow

For 1H2018, the Group recorded a marginal cash flow from operations of S\$0.03 million, mainly attributable to an operating profit before working capital changes of S\$0.24 million, less changes in working capital of S\$0.16 million, payment for income taxes of S\$0.12 million and interest income of S\$0.06 million.

Cash flows from investing activities amounting to S\$2.33 million for 1H2018 were from proceeds from the Group's disposal of investment properties at Hasil and Lots 4070 & 4078 amounting to S\$2.22mil and the disposal of shares in FOPM amounting to S\$0.20mil, less purchases of property, plant and equipment of S\$0.10mil.

Cash flows used in financing activities of S\$0.20 million were in respect of the payment of dividends to owners of the Company and hire purchase creditors.

As a result of the above factors, cash and cash equivalents increased by about S\$2.16 million and the Group's cash and cash equivalents stood at S\$7.51 million as at 30 June 2018.

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

Not Applicable

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

The Board of Directors is of the opinion that the outlook for the next 12 months for printing cylinders business segment will continue to remain challenging due to keen competition.

In the Group's investment in property development companies business segment, the Group's investment in IPark may be influenced by the economic environment in Malaysia in particular, and the other ASEAN countries and China in general. According to the World Bank, China's economy grew at 6.9% in 2017 and is projected to grow at 6.5% in 2018 while Malaysia grew at 5.9% in 2017 and is projected to grow at 5.4% in 2018⁽¹⁾.

Property sales launch for IPark were ongoing since October 2016. To date, under Parcel 1, 1 out of 10 factory units was sold while 2 were rented out and, under Parcel 2, 17 out of 43 units were sold while 11 were rented out.

There are no new developments to the Star City project due to changes in architectural design and marketing plans. Meanwhile, Star City had distributed excess funds totalling US\$3.5 million to shareholders, of which the Company received US\$350,000 (10% share) in July 2018 in repayment of its loan.

(1) Source: www.worldbank.org/en/publication/global-economic-prospects.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the financial six months period ended 30 June 2018.

13. Interested Person Transactions (January – June 2018)

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

The Group has renewed its general mandate for Interested Party Transaction at the recent annual general meeting held on 27 April 2018.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Interested person – Adrian Teo Kee Tiong In relation to transactions between the Group and Fuji Roto Gravure Sdn Bhd (FRG) ⁽¹⁾	Nil	S\$218,570 ⁽²⁾

Notes:

- (1) FRG is 65% owned by Fuji Printing Cylinders Pte Ltd (FPC), a wholly-owned subsidiary of the Group and 35% owned by Adrian Teo Kee Tiong
- (2) The aggregate value of all the interest person transactions relates to supply of printing of cylinders by FRG to FPC, provision of technical services by the Group to FRG and leasing of premises by Fujiplates Manufacturing Sdn Bhd to FRG

14. Negative Assurance on Interim Financial Statements

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

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the financial results of the Group and the Company for the first half-year ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Name of Director: Teo Kee Bock
Designation: Chairman

10 August 2018

Name of Director: Teo Kee Chong
Designation: Managing Director

10 August 2018

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

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

BY ORDER OF THE BOARD

Kiar Lee Noi
Company Secretary

10 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Ms Foo Quee Yin.
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