

CIRCULAR DATED 5 DECEMBER 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This circular is issued by Fuji Offset Plates Manufacturing Ltd ("Company"). If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser immediately.

Capitalised terms appearing but not defined on the cover of this Circular bear the same meanings as ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular, together with the Notice of Extraordinary General Meeting ("**EGM**") and the accompanying Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of EGM and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular.

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

The contact person for the Sponsor is Mr Ong Hwee Li, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.



FUJI OFFSET PLATES MANUFACTURING LTD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS;**
- (2) THE PROPOSED INVESTMENT IN IPARK DEVELOPMENT SDN BHD AS A MAJOR TRANSACTION UNDER THE CATALIST RULES; AND**
- (3) THE PROPOSED INVESTMENT IN STAR CITY DEVELOPMENT CO., LTD. AS A MAJOR TRANSACTION UNDER THE CATALIST RULES.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	18 December 2016 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	20 December 2016 at 10:00 a.m.
Place of Extraordinary General Meeting	:	Conference Room, 2 Jalan Rajah #06-28, Golden Wall Flatted Factory, Singapore 329134

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

"AME"	:	AME Properties Sdn Bhd
"Board"	:	The board of directors of the Company as at the date of this Circular
"Catalist"	:	The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 5 December 2016
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Company"	:	Fuji Offset Plates Manufacturing Ltd
"Directors"	:	The directors of the Company as at the date of this Circular
"EGM"	:	The extraordinary general meeting of the Company to be convened and held at Conference Room, 2 Jalan Rajah #06-28, Golden Wall Flatted Factory, Singapore 329134 on 20 December 2016 at 10:00 a.m., notice of which is set out in the Notice of EGM
"EPS"	:	Earnings per Share
"FPM"	:	Fujiplates Manufacturing Sdn Bhd, a wholly-owned subsidiary of the Company
"FY"	:	Financial year ended or ending 31 December
"Ge"	:	Ge Jianming
"Group"	:	The Company and its subsidiaries from time to time
"IPark"	:	IPark Development Sdn Bhd
"IPark Additional Subscription"	:	The additional subscription of new ordinary shares and non-cumulative redeemable preference shares in IPark by FPM on 28 June 2016, further details of which are set out in Section 3.1(a) of this Circular
"IPark Capitalisation"	:	The capitalisation of the loan extended by FPM to IPark into new ordinary shares and non-cumulative redeemable preference shares in IPark on 26 May 2016, further details of which are set out in Section 3.1(a) of this Circular
"IPark Initial Subscription"	:	The subscription of new ordinary shares in IPark by FPM on 2 October 2015, further details of which are set out in Section 3.1(a) of this Circular
"IPark Land"	:	Has the meaning ascribed to it in Section 3.1(c) of this Circular

DEFINITIONS

"IPark Loan Agreement"	:	The loan agreement dated 2 October 2015 entered into between FPM, AME and IPark relating to the loan of an aggregate of RM50,000,000 from FPM and AME to IPark
"IPark Shareholders Agreement"	:	The shareholders' agreement dated 2 October 2015 entered into between FPM and AME relating to their subscription of shares in IPark
"Latest Practicable Date"	:	28 November 2016, being the latest practicable date prior to the printing of this Circular
"New Business"	:	Investments in commercial, industrial, hospitality, residential and/or mixed development properties
"Notice of EGM"	:	The notice of the EGM as set out on pages 25 to 27 of this Circular
"NTA"	:	Net tangible assets
"Proposed Business Diversification"	:	The proposed diversification of the Group's business to include the New Business as an additional core business of the Group
"Proposed IPark Investment"	:	The proposed investment by FPM in IPark, details of which are set out in Section 3.1 of this Circular
"Proposed SCD Investment"	:	The proposed investment by the Company in SCD, details of which are set out in Section 3.2 of this Circular
"Proposed Transactions"	:	Collectively, the Proposed Business Diversification, the Proposed IPark Investment and the Proposed SCD Investment
"SCD"	:	Star City Property Development Co., Ltd.
"SCD Agreement"	:	The loan and investment agreement dated 20 July 2016 entered into between SCD and the Company
"SCD Investment Amount"	:	Has the meaning ascribed to it in Section 3.2(a) of this Circular
"SCD Loan"	:	The loan extended by the Company to SCD pursuant to the SCD Agreement, further details of which are set out in Section 3.2(a) of this Circular
"SCD Project"	:	The property development project relating to the SCD Property, further details of which are set out in Section 3.2(a) of this Circular
"SCD Property"	:	Has the meaning ascribed to it in Section 3.2(c) of this Circular
"Sear"	:	Lok Oknha Sear Rithy
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

"Shareholders"	:	Registered holders of Shares in the register of members of the Company except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Sponsor"	:	SAC Capital Private Limited
"Substantial Shareholder"	:	A person who has an interest in not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
"S\$" and "cents"	:	Singapore dollars and cents, respectively
"Tsoi"	:	Tsoi Wing Sing
"%" or "per cent"	:	Percentage or per centum

The term **"subsidiary"** shall have the meaning ascribed to it in the Companies Act.

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **"associate"** and **"associated company"** shall have the meanings ascribed to them respectively in the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties which may cause the Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group's expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

FUJI OFFSET PLATES MANUFACTURING LTD

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

Directors

David Teo Kee Bock (Chairman)
Steven Teo Kee Chong (*Managing Director*)
Ang Kim Ton (*Non-Executive Director*)
Lim Tee Kit (*Lead Independent Director*)
Tan Keh Eyo (*Independent Director*)
Lim Kang San (*Independent Director*)

Registered Office

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

5 December 2016

To: The Shareholders of Fuji Offset Plates Manufacturing Ltd

Dear Sir/Madam

- (1) **THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS;**
- (2) **THE PROPOSED INVESTMENT IN IPARK DEVELOPMENT SDN BHD AS A MAJOR TRANSACTION UNDER THE CATALIST RULES; AND**
- (3) **THE PROPOSED INVESTMENT IN STAR CITY DEVELOPMENT CO., LTD. AS A MAJOR TRANSACTION UNDER THE CATALIST RULES.**

1. INTRODUCTION

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Proposed Transactions, and to seek the approval of and/or ratification by Shareholders for the following proposals at the EGM:

- (a) the Proposed Business Diversification;
- (b) the Proposed IPark Investment as a major transaction pursuant to Chapter 10 of the Catalist Rules; and
- (c) the Proposed SCD Investment as a major transaction pursuant to Chapter 10 of the Catalist Rules.

The Sponsor and the SGX-ST assume no responsibility for the contents of the Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

2. THE PROPOSED BUSINESS DIVERSIFICATION

2.1 Rationale

The Group's current core businesses consist of the sale of pre-sensitised offset plates, computer-to-plate (CTP) plates, manufacture and sale of print cylinders and the supply of related industry required chemicals and investment holding.

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Taking into account the challenging prospects of the Group's current core business due to the keen competitive environment, the Proposed Business Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long term growth. The Directors believe that the Proposed Business Diversification will offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

With this in mind, and having considered the risks set out in Section 2.4 of this Circular entitled "Risks Relating to the New Business", the Directors are of the opinion that the Proposed Business Diversification is in the best interests of the Group.

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the Company to obtain the mandate to include the New Business as a core business of the Group. If approved, the Proposed Business Diversification will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential new projects arise. This will substantially reduce the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising its corporate objectives and adversely affecting its business opportunities. Instead it would allow the Group to seize such opportunities as and when they arise.

Subsequent to the Proposed Business Diversification being approved by the Shareholders, if necessitated by the Catalist Rules, the Group will continue to seek the approval of the Shareholders prior to undertaking any New Business. Please refer to Section 2.6 of this Circular entitled "SGX-ST Catalist Rules" for more information.

2.2 Proposed Business Diversification

(a) Scope of New Business

The Group intends to undertake the Proposed Business Diversification to broaden the scope of its business activities to include investments in commercial, industrial, hospitality, residential and/or mixed development properties.

Currently, the Group has invested in IPark, which has an interest in land in the State of Johor in Malaysia, and SCD, which owns land in Phnom Penh in Cambodia. Please refer to Sections 3.1 and 3.2 of this Circular for more information on the Proposed IPark Investment and the Proposed SCD Investment, respectively.

The New Business is intended to be carried out in the Asian region although the Group does not plan to restrict the New Business to any specific markets as each opportunity and investment would be evaluated and assessed by the Directors on its own merits.

In doing so, the Group will consider, amongst other things, the market conditions of the relevant country and region, the growth potential and value enhancement of the particular investment or project for the Group, and the extent of the Group's capability and expertise to undertake such investments in view of potential requirements and peculiarities which may be unique to certain countries or regions. The Company will also ensure compliance with the Catalist Rules at all times.

Subject to and upon approval by Shareholders of the Proposed Business Diversification, the Group will proceed to seek for more opportunities in the New Business.

Your attention is drawn to Section 2.4 of this Circular entitled "Risks Relating to the New Business" which you should review carefully and collectively.

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(b) Investment Evaluation and Assessment

The Company, with the assistance of external consultants as well as the Group's business partners, will identify and evaluate investment opportunities in available commercial, industrial, hospitality, residential and/or mixed development properties on the market.

As part of the evaluation of investment opportunities, the Board will take into account factors such as the price, yield thresholds, occupancy and tenant characteristics, location, building characteristics, tenure of land, accessibility of the land, marketability and demand of the concerned properties, as well as all other relevant considerations.

(c) Management

The Group intends to leverage on external consultants and business partners, and tap on their expertise, competencies, experience, and network of contacts to support, evaluate and strengthen the Group's engagement in the New Business.

In respect of the Proposed IPark Investment, following the acquisition of the IPark Land, the development of the land will be overseen by AME's related company, AME Development Sdn Bhd, which will act as project manager and manage the overall pre-development, construction, handing over, and sale and marketing processes. Separately, in respect of the Proposed SCD Investment, the SCD Project is principally managed by the Company's co-investors, Sear and Tsoi, each of whom has vast experience in real estate and ancillary property services. Please refer to Sections 3.1(b) and 3.2(b) of this Circular for further details on the management of the Proposed IPark Investment and the Proposed SCD Investment, respectively.

The Group may also, in order to equip the Group with a diversified range of expertise and skill set to meet the different challenges and market requirements that each different jurisdiction may pose, as and when required, engage additional personnel in such different jurisdictions with the relevant skills and capabilities in relation to the New Business as and when required. The Group intends to employ experienced professionals in the relevant field of expertise, if and when the need arises, depending on the nature of the New Business entered into or to be entered into and/or any collaboration with persons with such expertise to perform these roles.

The Directors will continue to evaluate the manpower and expertise required in carrying out the New Business as contemplated by the Proposed Business Diversification, and the Group will consider hiring additional staff or in-house or external consultants and professional advisers as and when required in connection with the Proposed Business Diversification.

2.3 Funding

As and when the opportunity arises, and after careful assessment by the Board, the Company will decide on the investment to be made in the New Business. The Company may fund such investment through internal funds, bank or other external borrowings, or further fund raising exercises, depending on the nature of investment and the then financial condition of the Group.

In addition, the Company may structure its investments via joint ventures or strategic alliances with other reputable parties to reduce risks and/or share the burden of the required funding.

2.4 Risks Relating to the New Business

The Proposed Business Diversification will change the existing risk profile of the Company. To the best of the Directors' knowledge and belief, as at the Latest Practicable Date, all the risk factors that are associated with the Proposed Business Diversification are set out below. Shareholders should carefully consider and evaluate each of the following risks and all other

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information contained in this Circular before deciding whether to vote in favour of the Proposed Business Diversification. The risks described below are not an exhaustive list of the risks currently faced by the Group or that may develop in the future and may not be set out in any particular order. There may be additional risks not described below or not presently known to the Company, or that the Company currently considers as immaterial that could turn out to be material. If any of such risks develops into actual events, the business, operations, financial performance, financial condition and prospects of the Group could be materially and adversely affected.

(a) Limited track record in the New Business as contemplated by the Proposed Business Diversification and uncertainties associated with entry into a new business area

The Group has a limited proven track record in the carrying out or implementation of the New Business as contemplated by the Proposed Business Diversification. There is no assurance that the Proposed Business Diversification will be profitable.

If the Group does not manage the investments in the New Business effectively and profitably, the overall financial position and profitability of the Group may be materially and adversely affected.

(b) Economic situation and performance of property markets

The performance of the Group in the New Business depends largely on the economic situation and the performance of the property markets in which the Company operates in. Should the domestic, regional or global economy or the property market experience a downturn, due to reasons such as government regulations, global economic and political conditions, decrease in consumer confidence, or measures to prevent the overheating of the property market, the performance of the New Business and investments made thereunder may be materially and adversely affected. In the event property market prices suffer a downward trend, the investee company may also have to sell its property development projects at lower prices, which in turn would materially and adversely affect the Group's investments.

In addition, as the gestation period for a property development project is long, any downturn in the economy or the relevant property markets, or changes in government regulations, or the volatility in market conditions and fluctuations in housing prices, during the course of a development project may affect the investments made in such development project, thereby adversely affecting the Group's financial performance.

(c) Financing for the New Business

Additional funds for the New Business may be raised by bank or other external borrowings or fund raising exercises. There is no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms. In addition, any additional debt funding may restrict our freedom to operate our business as it may have conditions that:

- (i) limit the Group's ability to pay dividends or require us to seek consents for the payment of dividends;
- (ii) increase the Group's vulnerability to general adverse economic and industry conditions;
- (iii) require the Group to dedicate a portion of our cash flow to repayments of the Group's debt, thereby reducing the availability of the Group's cash flow for

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capital expenditures, working capital and other general corporate purposes;
and

- (iv) limit the Group's flexibility in planning for, or reacting to, changes in the Group's businesses and industry.

On the other hand, an issue of Shares or other securities to raise funds will dilute Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of shares is at a premium to the market price.

(d) Difficulties associated with joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the New Business may involve investments via joint ventures or strategic alliances with third parties, in Singapore as well as in the overseas markets that the Group intends to focus on. Participation in joint ventures, strategic alliances or other investment opportunities involves numerous risks, including but not limited to:

- (i) direct and indirect costs relating to the transaction;
- (ii) inability to effectively manage any investments made;
- (iii) inability or unwillingness of joint venture partners or other business partners to fulfil their obligations under the relevant joint venture or partnership agreements;
- (iv) inability of the Group to exert control over decisions to be made;
- (v) time and resources expended to coordinate internal systems, controls, procedures and policies; and
- (vi) possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such ventures, alliances or opportunities.

If the Group is unable to successfully implement any such joint venture or strategic alliance or address the risks associated therewith, or if the Group encounters unforeseen expenses, difficulties, complications or delays, the Group's business, financial performance and financial position may be materially and adversely affected.

(e) Reliance on business partners

As stated above, the Group intends to leverage on its business partners, and tap on their expertise, competencies, experience, and network of contacts to support, evaluate and strengthen the Group's engagement in the New Business.

In the event the Group is unable to do so for whatever reason, this may have a material and adverse impact on the Group's investments, financial condition and prospect.

(f) Fluctuations in foreign exchange rates may have a material adverse effect on the Group's investments

As the Company's functional and presentation currency is denominated in S\$, any depreciation in foreign exchange rates against the S\$ may affect the Group's profitability and financial position. For example, any investment income derived from the property investments which is denominated in foreign currencies may decrease if

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the foreign exchange rates depreciate against the S\$, hence the profitability of the Group may be affected.

(g) Property valuations and decline in property values

Valuations of the Group's investments conducted by professional valuers are based on certain assumptions and are not intended to be a prediction of, and may not accurately reflect, the actual values of these investments. The inspections of the properties and other works undertaken in connection with a valuation exercise of these investments may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation.

In addition, unfavourable changes to the economic or regulatory environment or other relevant factors may negatively affect the premises upon which the valuations are based and hence, the conclusions of such valuations may be materially and adversely affected. As such, the investments of the Group may not retain the price at which they may be valued or be realised at the valuations which were recorded.

(h) Overseas expansion

The Group intends to undertake the New Business locally and overseas in the Asian region. Following the Proposed IPark Investment and the Proposed SCD Investment, the Group has ventured into the Malaysian and Cambodian property market.

In any overseas undertaking, numerous risks are involved, including but not limited to the unexpected changes in regulatory requirements, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariff and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect our overseas investments and consequently our results of operations and financial condition.

(i) Government regulation

In order to develop the New Business, the Group may expand its portfolio of investments in and/or strategic alliances with foreign property investment entities. The Group may identify such opportunities through foreign joint venture partners or consultants. The ability of the Group to expand its portfolio of regional investments depends on factors such as its ability to obtain sufficient financing on competitive terms, to obtain the regulatory approvals from the relevant authorities and to source for suitable investments and/or property investment entities. Some of these countries may also restrict the level percentage and manner of foreign ownership and investment in foreign entities. There is no guarantee that such approvals will be obtained from the relevant authorities.

In addition, policies may be implemented by the relevant governments and statutory bodies which may adversely affect such property markets. Such policies and measures may deter, or even prevent purchasers from buying or investing in properties in countries where the Group intends to carry out the New Business. In addition, property prices may decrease as a result of such cooling measures. These factors may result in the Group's investments, financial position and performance being materially and adversely affected.

If the Group fails to obtain the relevant approvals or comply with the applicable laws and regulations, the Group may be subject to penalties, have its licenses or approvals revoked, and the Group's businesses, among other things, any or all of which could have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Any changes in the applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group. There is no assurance that any changes in the applicable

laws and regulations will not have a material and adverse effect on the financial performance of the Group.

(j) Changes in political, economic, regulatory or social conditions, and outbreaks of diseases

The future growth of the New Business may be affected by the political, economic regulatory and social conditions in the countries that the Group intends to expand its business. The Group's overseas investments will be subject to the laws, regulations and policies of those jurisdictions. Any economic downturn or changes in policies implemented by local governments, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws and changes in duties and taxation may materially and adversely affect the Group's investments, financial performance and future growth.

Any acts of wars, unsettled political conditions, social unrest, riots, terrorist attacks and government actions in countries in which the Group invest in could materially and adversely affect the investments of the Group. In the event any of such events materialise, the Group's financial performance and financial condition would be materially and adversely affected.

Furthermore, an outbreak of infectious diseases in the countries in which the Group invests in may materially and adversely affect its business operations, financial performance and financial condition, as well as negatively impact customer sentiment and spending. The staff and employees in such countries may also be affected by any outbreak of such infectious diseases, which will lead to a negative impact on the Group's day-to-day operations.

2.5 Financial Effects of the Proposed Business Diversification

As the Proposed Business Diversification will be ongoing, the Company is unable to determine the financial impact of the Proposed Business Diversification on the Group's NTA per Share or EPS as at the Latest Practicable Date. Should there be any material impact on the Group's NTA per Share or EPS arising from any New Business in the future, the Company will make the necessary announcements as and when appropriate.

Please also refer to Section 3.4 of this Circular entitled "Financial Effects of the Proposed Investments" for more information on the financial effects of the Proposed IPark Investment and the Proposed SCD Investment.

2.6 SGX-ST Catalist Rules

Under Rule 1002(1) of the Catalist Rules, a "transaction" is defined as "the acquisition or disposal of assets by an issuer or a subsidiary that is not listed on the SGX-ST or an approved exchange, including an option to acquire or dispose of assets. It excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature". The Board is of the view that it would be advantageous to the Company to include the New Business as a core business of the Group. Please refer to Section 2.1 of this Circular entitled "Rationale" for further details.

Paragraph 7(a) of Practice Note 10A of the Catalist Rules states that Shareholders' approval is not required if an acquisition will result in an expansion of the Company's existing core business. The SGX-ST takes the view that it should not in normal circumstances require the Company to seek Shareholders' approval if the expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the Company would not require Shareholders' approval.

However, Paragraph 7(b) of Practice Note 10A of the Catalist Rules provides that should the acquisition change the risk profile of the Company, Shareholders should have an opportunity to have their say on the proposed acquisition. This is so notwithstanding that the acquisition

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will not change the main business of the Company. Paragraph 7(c) of Practice Note 10A of the Catalist Rules sets out the following factors that will be considered in determining whether the risk profile of the Company has been changed:

- (a) whether the acquisition will increase the scale of the Company's existing operations significantly. An acquisition is regarded as increasing the scale of operations significantly if any of the relative figures computed on the bases set out in Rule 1006(c) and 1006(d) of the Catalist Rules is 100% or more. Rule 1015 requires Shareholders' approval to be obtained for such an acquisition regardless of whether the acquisition is treated as in the Company's ordinary course of business. Such an acquisition may be treated as a very substantial acquisition;
- (b) whether the acquisition will result in a change of control of the Company. Rule 1015 requires Shareholder's approval to be obtained if the acquisition will result in a change in control of the Company regardless of whether the acquisition is treated as in the Company's ordinary course of business. Such an acquisition may be treated as a reverse takeover;
- (c) whether the acquisition will have a significant adverse impact on the Company's earnings, working capital and gearing;
- (d) the extent to which the acquisition will result in an expansion of the Company's business to a new geographical market and/or a new business sector; and
- (e) the extent to which the intended expansion has been foreshadowed and investors have had an opportunity to vote at previous general meetings on (i) the Company's proposal; or (ii) waiving their rights to approve the Company's proposal.

Paragraph 7(d) of Practice Note 10A of the Catalist Rules further provides that the factors in determining whether an acquisition would change the Company's risk profile as enumerated in Paragraph 7(c) of Practice Note 10A of the Catalist Rules are neither exhaustive nor conclusive.

For the avoidance of doubt, notwithstanding the Proposed Business Diversification, in respect of transactions:

- (i) which fall within the definition of Rule 1002(1) of the Catalist Rules, Rules 1010 and 1014 of the Catalist Rules will still apply;
- (ii) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company, Rule 1015 of the Catalist Rules will still apply to such transactions and such transactions must be, among others, made conditional upon the approval of Shareholders;
- (iii) which involve an interested person transaction as defined under the Catalist Rules, the Company will comply with the provisions of Chapter 9 of the Catalist Rules; and
- (iv) which changes the risk profile of the Company, in light of Practice Note 10A of the Catalist Rules, including the expansion of the New Business into other countries beyond Asia, such transactions may still be subject to Shareholders' approval.

3. THE PROPOSED IPARK INVESTMENT AND THE PROPOSED SCD INVESTMENT

3.1 Information on the Proposed IPark Investment

(a) Background

On 6 October 2015, the Company announced that it had entered into the IPark Shareholders Agreement with AME on 2 October 2015 whereby FPM will subscribe for 200,000 ordinary shares in the capital of IPark, a wholly-owned subsidiary of AME, for a total cash consideration of RM200,000 ("**IPark Initial Subscription**"). Following the IPark Initial Subscription, AME and FPM held 80% and 20% equity interest in IPark, respectively.

On 2 October 2015, AME and FPM also entered into the IPark Loan Agreement with IPark to lend an aggregate of RM50 million to IPark to fund part of the purchase and development of the IPark Land. On 26 May 2016, the entire loan amount was capitalised into new ordinary shares in IPark ("**IPark Shares**") and non-cumulative redeemable preference shares in IPark ("**NCRPS**"). FPM's share of the loan of RM10 million was capitalised into 800,000 IPark Shares of RM1.00 each and 920 NCRPS with par value of RM1.00 each issued at RM10,000 each ("**IPark Capitalisation**"). Similarly, AME's share of the loan of RM40 million was capitalised into 3,200,000 IPark Shares of RM1.00 each and 3,680 NCRPS with par value of RM1.00 each issued at RM10,000 each.

Subsequently, on 28 June 2016, FPM subscribed for 1,000 NCRPS with par value of RM1.00 each issued at RM10,000 each, at a total cash consideration of RM10 million ("**IPark Additional Subscription**"), as announced by the Company on 8 July 2016. Similarly, AME also subscribed for 4,000 NCRPS in proportion to its 80% shareholding interest in IPark.

The Group's total investment in IPark comprises (i) the IPark Initial Subscription; (ii) the subscription of IPark Shares and NCRPS pursuant to the IPark Capitalisation; and (iii) the IPark Additional Subscription, which amounted to an aggregate investment of approximately S\$6,769,150¹.

(b) Information on IPark and AME

IPark was incorporated under the Malaysia Companies Act, 1965 on 28 September 2012 as a private limited company with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid up share capital of RM100,000. As at the Latest Practicable Date, IPark has an authorised share capital of RM5,100,000 comprising 5,000,000 ordinary shares of RM1.00 each and 100,000 NCRPS of RM1.00 each and an issued and paid-up share capital of RM101,000,000. As at the Latest Practicable Date, FPM and AME each hold 1,000,000 and 4,000,000 IPark Shares (comprising 20% and 80% of the total issued shares), respectively, and FPM and AME each hold 1,920 and 7,680 NCRPS (comprising 20% and 80% of the total issued NCRPS), respectively.

The net book value of IPark as at 30 June 2016 was RM101,140,600 comprising the equity and NCRPS contribution by both AME and FPM of RM101,000,000 and accumulated profits. The Group's share of profits in IPark was approximately S\$15,000 for the six months period ended 30 June 2016.

AME holds 80% of the issued shares in IPark. AME was incorporated under the Malaysia Companies Act, 1965 on 28 August 2012 as a private limited company and is an investment holding company. AME has invested and was involved in the the development of industrial parks in Johor Bahru, Malaysia, including but not limited to

¹ Based on the exchange rate of S\$0.3352 to RM1, being the exchange rate used in the Company's SGXNET announcement dated 8 July 2016.

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IPark@Indahpura, IPark@SiLC, SME City, District 6@SiLC and IBP Nusajaya. The Company had first worked with AME in connection with the building of the Group's factories in Johor Bahru, Malaysia in the early 1990's. The Proposed IPark Investment was introduced to the Group by AME. None of the Company and the Directors holds any interest (directly or indirectly) in AME.

IPark will be able to tap on the expertise and network of AME Development Sdn Bhd, a company owned by directors of AME. As referred to in Section 2.2(c) of this Circular entitled "Management", AME Development Sdn Bhd will act as project manager and manage the overall pre-development, construction, hand over, and sales and marketing processes relating to the IPark Land.

(c) IPark Land

IPark had on 11 August 2015 entered into a sale and purchase agreement (as may be amended and supplemented from time to time) ("**IPark Land SPA**") with Senai Airport City Sdn. Bhd. (formerly known as Enigma Harmoni Sdn Bhd) ("**IPark Vendor**"), a wholly-owned subsidiary of Senai Airport Terminal Services Sdn Bhd, which in turn is a wholly-owned subsidiary of MMC Corporation Berhad, a company listed on Bursa Malaysia, for the purchase of the following parcels of land at a total purchase price of RM369,974,029 (approximately S\$120,522,530²) upon the terms and conditions as contained therein:

- (i) all the pieces and parcels of freehold lands measuring approximately 34.24 acres (approximately 1,491,494.40 sq ft) in area currently held under the titles HS(D) 531344 P.T.D 175293, HS(D) 531345 P.T.D 175294, HS(D) 531346 P.T.D 175295, HS(D) 531347 P.T.D 175296, all in the Mukim Tebrau, Daerah Johor Bahru, State of Johor (collectively, "**Parcel 1**") at a purchase price of RM67,117,248;
- (ii) all the pieces and parcels of freehold lands measuring approximately 77.909 acres (approximately 3,393,716.04 sq ft) in area currently held under the titles HS(D) 531348 PTD 175297, HS(D) 531349 PTD 175298, HS(D) 63556 PTD 105580 and HS(D) 63557 PTD 105581 all in Mukim Senai, Daerah Kulaijaya, State of Johor and Mukim Tebrau, Daerah Johor Bahru, State of Johor (collectively, "**Parcel 2**") at a purchase price of RM152,717,222; and
- (iii) all the pieces and parcels of freehold lands measuring approximately 76.594 acres (approximately 3,336,434.64 sq ft) in area currently held under titles HS(D) 531343 PTD 175292 and HS(D) 63557 PTD 105581 all in Mukim Senai, Daerah Kulaijaya, State of Johor and Mukim Tebrau, Daerah Johor Bahru, State of Johor (collectively, "**Parcel 3**") (Parcel 1, Parcel 2 and Parcel 3 shall collectively be referred to as "**IPark Land**") at a purchase price of RM150,139,559.

The purchase price of the IPark Land was arrived at on a willing buyer-willing seller basis after taking into account the prevailing market prices of land in the surrounding area. IPark will fund the acquisition of the IPark Land and development thereof with bank borrowings and additional shareholder loans, as applicable.

In respect of Parcel 1, the acquisition was completed and IPark took vacant possession of Parcel 1 on 26 August 2016. In respect of Parcels 2 and 3, the period to fulfil the relevant conditions precedent has been extended pursuant to supplemental letters to the IPark SPA entered into between IPark and the IPark Vendor on 9 August 2016, 11 October 2016 and 12 October 2016. As at the Latest Practicable Date, the IPark Vendor is in the process of fulfilling the conditions

² Based on the exchange rate of S\$0.3258 to RM1, being the exchange rate used in the Company's SGXNET announcement dated 6 October 2015.

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precedent to the IPark Land SPA and completion of the acquisition of Parcels 2 and 3 is expected to take place by end-2016.

The IPark Land is intended to be used for the development called "IPark@Senai Airport City", which will include industrial and commercial units for sale and lease.

3.2 Information on the Proposed SCD Investment

(a) Background

On 26 February 2016, the Company announced that it had on 26 February 2016 entered into a loan and investment agreement with SCD, as well as Sear, Tsoi and Ge (collectively, "**Initial Obligors**"), to advance an aggregate of US\$4,300,000 (approximately S\$6,022,000³) to SCD in connection with the joint venture of the property development project relating to the SCD Property ("**SCD Project**"). The Initial Obligors also extended an aggregate US\$36,550,000 (approximately S\$51,188,000³) to SCD in connection with the SCD Property. The Proposed SCD Investment and the opportunity to invest in the joint venture relating to the SCD Project were introduced to the Company through its business connections.

On 20 July 2016, the Company entered into the SCD Agreement whereby the Company and SCD agreed that of the US\$4,499,990 (approximately S\$6,093,886⁴), which includes the US\$200,000 (approximately S\$270,840⁴) loan extended by the Company to SCD on 20 July 2016, ("**SCD Investment Amount**") which the Company had committed to the SCD Project, to be utilised as follows:

- (i) US\$500 (approximately S\$677⁴) will constitute 10% of the registered capital of SCD, representing 100 ordinary shares at US\$5 each in the capital of SCD, which shares are held by Tsoi on trust for the Company pursuant to a declaration of trust between the Company and Tsoi dated 20 July 2016; and
- (ii) US\$4,499,490 (approximately S\$6,903,209⁴) will constitute a loan to SCD ("**SCD Loan**"), comprising US\$4,195,488 allocated for land purchase and US\$304,002 (approximately S\$411,679⁴) allocated for operating expenditures of SCD.

The SCD Loan was made on a non-interest bearing and unsecured basis, and has no fixed term of repayment. The SCD Loan ranks *pari passu* with other liabilities of SCD. There are no other material conditions attached to the SCD Agreement. The SCD Agreement has been registered with the Cambodian tax authority, and the SCD Loan was determined based on the funds required for purchase of the SCD Property, priced at US\$41,958,360 (approximately S\$56,820,011⁴), as well as SCD's working capital and operating expenditure, including but not limited to the SCD Project's design, approval applications and soil investigations.

The Company has received written undertakings from Mr David Teo Kee Bock, Mr Steven Teo Kee Chong and Mdm Ang Kim Ton (who directly and indirectly hold Shares aggregating approximately 62.82% of all issued Shares) to vote in favour of the Proposed Transactions (including the Proposed SCD Investment) at the EGM. Mr David Teo Kee Bock, the Chairman and controlling Shareholder, has further undertaken to indemnify the Company for any losses the Company may suffer in the event SCD does not refund any amount extended by the Company where Shareholders' approval is not obtained.

³ Based on the exchange rate of US\$1 to S\$1.4005, being the exchange rate used in the Company's SGXNET announcement dated 26 February 2016.

⁴ Based on the exchange rate of US\$1 to S\$1.3542, being the exchange rate used in the Company's SGXNET announcement dated 29 August 2016.

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Separately, Sear, and Tsoi had also extended financing to SCD for the SCD Project on a non-interest bearing and unsecured basis, with no fixed term of repayment, and ranking *pari passu* with other liabilities of SCD.

(b) Information on SCD and JV partner

SCD was incorporated in Cambodia on 24 August 2015 in connection with the SCD Project. As at the Latest Practicable Date, SCD's registered capital amounts to 20,000,000 Riel (approximately US\$5,000 or S\$6,771⁵), comprising 1,000 ordinary shares of 20,000 Riel (approximately US\$5 or S\$6.77⁵) each. SCD's sole business is to own and develop the SCD Property.

The book value of SCD as at 30 September 2016 amounts to approximately negative US\$427,000 due to its low equity base of US\$5,000. SCD recorded a net loss of approximately US\$432,000 for the nine months period ended 30 September 2016, mainly due to its start-up expenses.

Sear and Tsoi are registered shareholders of SCD, with Sear holding 51% and Tsoi holding 49% of the registered capital, respectively. In Tsoi's case, 10% of the registered capital is held on trust for the Company. SCD is in the process of applying to the Cambodian authority to transfer 10% of shares held by Tsoi in SCD to the Company and the transfer is expected to be completed by January 2017.

Sear is the Chairman of a well-established real estate company in Cambodia, specialising in a wide range of property services, such as sale and rental of all types of properties and professional property valuation services while Tsoi is a Director of an investment company as well as a real estate developing company in China. None of the Company and the Directors is related to any of Sear or Tsoi.

(c) SCD Property

SCD owns a property with a combined area of 12,057 square metres comprising 6,808 square metres for Land Plot No. 12010108-0356 and 5,249 square metres for Land Plot No. 12010108-0357, both located along Sothearos Boulevard, Sangkat Tonle Basac, Khan Chamkar Mon, Phnom Penh, Cambodia ("**SCD Property**"), which were priced at an aggregate of US\$41,958,360 (approximately S\$58,763,000³). The SCD Project involves the building of residential and commercial units for sale on the SCD Property, and is principally managed by Tsoi and Sear.

The development plan for the Project has been submitted to the Ministry of Land, Cambodia, in May 2016 and, as at the Latest Practicable Date, SCD expects to obtain the requisite construction permit by January 2017 and commence construction thereafter.

3.3 Rationale for the Proposed Investments

The Group's investment in the Proposed IPark Investment will provide the Group with an opportunity to participate in the growth potential of the industrial and commercial real estate market in the State of Johor, Malaysia, as well as enable the Group to tap on the expertise and network of AME.

The Board is of the view that the Proposed SCD Investment represents a good opportunity for the Group to enter the Cambodian property market and to participate in the growth potential of the Cambodian real estate market. In addition, the SCD Project is expected to grow the asset base of the Group and enhance shareholder value in the future. After taking into consideration the factors above, the declining performance of the Group's existing core businesses, the financial position of the Group, as well as the potential returns of the SCD

⁵ Based on the exchange rate of 4,000 Riel to US\$1 and US\$1 to S\$1.3542, being the exchange rates used in the Company's SGXNET announcement dated 29 August 2016.

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Project, working capital requirements of SCD, coupled with other potential participation opportunities with the local Cambodian partners in subsequent property development projects (if any), the Board is of the view that the Company's participation in the Project (including the disbursement of the SCD Loan which is interest-free, unsecured with no fixed term of repayment), is in the best interests of the Company and its minority shareholders.

3.4 Financial Effects of the Proposed Investments

(a) Assumptions

The pro forma financial effects of the Proposed IPark Investment and the Proposed SCD Investment on the Company presented below are strictly for illustrative purposes only and do not reflect the actual financial results or the future financial performance and condition of the Group. The pro forma financial effects below were prepared on the basis of the audited consolidated financial statements of the Group for FY2015, and based on the following assumptions:

- (i) that the relevant transactions were completed as at 31 December 2015 for purposes of the financial effect on the NTA per Share;
- (ii) that the relevant transactions had been effected on 1 January 2015 for purposes of the financial effect on the EPS; and
- (iii) the expenses in connection with the relevant transactions are disregarded for the purposes of calculating the financial effects.

(b) Proposed IPark Investment

The financial effects of the IPark Capitalisation and the IPark Additional Subscription on the Group are set out below.

(i) NTA

	Before the Proposed IPark Investment	After the Proposed IPark Investment
NTA (S\$)	26,448,000	26,448,000
Number of Shares	49,912,500	49,912,500
NTA per Share (cents)	52.99	52.99

(ii) EPS

	Before the Proposed IPark Investment	After the Proposed IPark Investment
Profit attributable to Shareholders (S\$)	7,163,000	7,163,000
Weighted average number of Shares (excluding treasury Shares)	49,912,500	49,912,500
Earnings per Share (cents)⁽¹⁾	14.35	14.35

Note:

- (1) The Group's share of results of IPark for FY2015 has been recorded in the Group's audited financial statements for FY2015 following the IPark Initial Subscription on 2 October 2015.

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(iii) Funding

The Proposed IPark Investment was funded by the internal resources of the Group.

(c) Proposed SCD Investment

The financial effects of the SCD Investment Amount on the Group are set out below.

(i) NTA

	Before the Proposed SCD Investment	After the Proposed SCD Investment
NTA (S\$)	26,448,000	26,448,000
Number of Shares	49,912,500	49,912,500
NTA per Share (cents)	52.99	52.99

(ii) EPS

	Before the Proposed SCD Investment	After the Proposed SCD Investment
Profit attributable to Shareholders (S\$)	7,163,000	7,163,000
Weighted average number of Shares (excluding treasury Shares)	49,912,500	49,912,500
Earnings per Share (cents)	14.35	14.35

(iii) Funding

The Proposed SCD Investment was funded by the internal resources of the Group.

3.5 Proposed Investments as Major Transactions

(a) Relative Figures for the Proposed IPark Investment

The relative figures for the Proposed IPark Investment computed on the bases set out in Rule 1006 of the Catalist Rules and based on the unaudited financial statements of the Group for the six months period ended 30 June 2016 are as follows:

Rule 1006	(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
(a) Net assets value of assets to be disposed of (A), compared with the net assets value of the Group (B)	-	-	Not applicable
(b) The net profits attributable to the assets acquired or disposed of (A), compared with the consolidated net profits of the Group (B)	-	-	Not meaningful ⁽¹⁾

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Rule 1006	(A) (\$)	(B) (\$)	Relative Figures (A)/(B) (%)
(c) The aggregate value of the consideration given or received (A), compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury Shares (B)	6,769,150	13,975,500	48.40 ⁽²⁾
(d) Number of equity securities issued by the Company as consideration for the Subscription (A), compared with the number of equity securities previously in issue (B)	-	-	Not applicable ⁽³⁾
(e) Aggregate volume or amount of proven and probable reserves to be disposed of (A), compared with the aggregate of the Group's proven and probable reserves (B)	-	-	Not applicable

Notes:

- (1) IPark had yet to commence operations when the IPark Shareholders Agreement was entered into. There was no change in the Group's percentage shareholding interest in IPark pursuant to the IPark Additional Subscription, and the Company's share of profit of IPark of approximately S\$15,000 had been accounted for in the Group's financial statements for the six months ended 30 June 2016. Hence, computation for the relative figure is not meaningful.
- (2) The relative figure of 48.40% is computed based on the Group's total contribution towards IPark (comprising the IPark Initial Subscription, the subscription of IPark Shares and NCRPS pursuant to the IPark Capitalisation and the IPark Additional Subscription), divided by the Company's market capitalisation of S\$13,975,500, based on the Company's existing issued share capital of 49,912,500 Shares multiplied by the volume weighted average price of the Shares of S\$0.28 per Share on 23 June 2016, being the last market day when the shares were traded preceding the date of the IPark Additional Subscription.
- (3) No new Shares will be issued.

Having regard to the above, as the relative figures computed based on Rule 1006 of the Catalist Rules exceed 5% but not 75%, the Proposed IPark Investment constitutes a "discloseable transaction" under Rule 1010 of the Catalist Rules.

(b) Relative Figures for the Proposed SCD Investment

Separately, the relative figures for the Proposed SCD Investment computed on the bases set out in Rule 1006 of the Catalist Rules and based on the unaudited financial statements of the Group for the six months period ended 30 June 2016 are as follows:

Rule 1006	(A) (\$)	(B) (\$)	Relative Figures (A)/(B) (%)
(a) Net assets value of assets to be disposed of (A), compared with the net assets value of the Group (B)	-	-	Not applicable
(b) The net profits attributable to the assets acquired or disposed of (A), compared with the consolidated net profits of the Group (B)	-	-	Not meaningful ⁽¹⁾

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Rule 1006	(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
(c) The aggregate value of the consideration given or received (A), compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury Shares (B)	6,093,886	14,973,750	40.70 ⁽²⁾
(d) Number of equity securities issued by the Company as consideration for the Subscription (A), compared with the number of equity securities previously in issue (B)	-	-	Not applicable ⁽³⁾
(e) Aggregate volume or amount of proven and probable reserves to be disposed of (A), compared with the aggregate of the Group's proven and probable reserves (B)	-	-	Not applicable

Notes:

- (1) For the six months period ended 30 June 2016, SCD recorded a net loss of US\$190,000. Nevertheless, net loss attributable to the Company's 10% interest in SCD of approximately US\$31,000 (approximately S\$41,980⁶) will not impact the income statement of the Group as SCD is neither an associate nor subsidiary of the Group. Hence, computation for the relative figure is not meaningful.
- (2) The relative figure of 40.70% is computed based on the SCD Investment Amount, divided by the Company's market capitalisation of S\$14,973,750, based on the Company's existing issued share capital of 49,912,500 Shares multiplied by the volume weighted average price of the Shares of S\$0.30 per Share on 12 July 2016, being the last market day when the shares were traded preceding the date of the announcement on 29 August 2016 relating to the Proposed SCD Investment.
- (3) No new Shares will be issued.

Having regard to the above, as the relative figures computed based on Rule 1006 of the Catalist Rules exceed 5% but not 75%, the Proposed SCD Investment constitutes a "discloseable transaction" under Rule 1010 of the Catalist Rules.

(c) Relative Figures for the Proposed IPark Investment and the Proposed SCD Investment in Aggregate

In determining whether a transaction falls within which category of Rule 1004 of the Catalist Rules, Rule 1005 of the Catalist Rules states that the Sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

Pursuant to Rule 1005 of the Catalist Rules, the Proposed IPark Investment is aggregated with the Proposed SCD Investment for the purposes of determining the relative figures under Rule 1006 of the Catalist Rules. In aggregate, the relative figures for the proposed investments computed on the bases set out in Rule 1006 of the Catalist Rules and based on the unaudited financial statements of the Group for the six months period ended 30 June 2016 are as follows:

⁶ Based on the exchange rate of US\$1 to S\$1.3542, being the exchange rate used in the Company's SGXNET announcement dated 29 August 2016.

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Rule 1006	(A) (S\$)	(B) (S\$)	Relative Figures (A)/(B) (%)
(a) Net assets value of assets to be disposed of (A), compared with the net assets value of the Group (B)	-	-	Not applicable
(b) The net profits attributable to the assets acquired or disposed of (A), compared with the consolidated net profits of the Group (B)	-	-	Not meaningful (1)
(c) The aggregate value of the consideration given or received (A), compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury Shares (B)	12,863,036	14,973,750	85.90 ⁽²⁾
(d) Number of equity securities issued by the Company as consideration for the Subscription (A), compared with the number of equity securities previously in issue (B)	-	-	Not applicable ⁽³⁾
(e) Aggregate volume or amount of proven and probable reserves to be disposed of (A), compared with the aggregate of the Group's proven and probable reserves (B)	-	-	Not applicable

Notes:

- (1) For the six months period ended 30 June 2016, SCD recorded a net loss of US\$190,000. Nevertheless, net loss attributable to the Company's 10% interest in SCD of approximately US\$31,000 (approximately S\$41,980⁷) will not impact the income statement of the Group as SCD is neither an associate nor subsidiary of the Group.

IPark had yet to commence operations when the IPark Shareholders Agreement was entered into. There was no change in the Group's percentage shareholding interest in IPark pursuant to the IPark Additional Subscription, and the Company's share of profit of IPark of approximately S\$15,000 had been accounted for in the Group's financial statements for the six months ended 30 June 2016. Hence, computation for the relative figure is not meaningful.

- (2) The relative figure of 85.90% is computed based on the Group's total contribution towards IPark (of approximately S\$6,769,150) and the SCD Investment Amount (of approximately S\$6,093,886), divided by the market capitalisation of S\$14,973,750, based on the Company's existing issued share capital of 49,912,500 Shares multiplied by the volume weighted average price of the Shares of S\$0.30 per Share on 12 July 2016, being the last market day when the shares were traded preceding the date of the announcement on 29 August 2016 relating to the Proposed SCD Investment.
- (3) No new Shares will be issued.

As the relative figure for the Proposed IPark Investment and the Proposed SCD Investment in aggregate, calculated under Rule 1006(c) of the Catalist Rules exceeds 75% but not 100%, each of the Proposed IPark Investment and the Proposed SCD Investment is considered a major transaction under Rule 1014 of the Catalist Rules, and are therefore subject to the Shareholders' approval at the EGM.

⁷ Based on the exchange rate of US\$1 to S\$1.3542, being the exchange rate used in the Company's SGXNET announcement dated 29 August 2016.

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4. NO SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed IPark Investment or the Proposed SCD Investment. Accordingly, there are no service contracts proposed to be entered into between the Company and any such persons.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Transactions, apart from their shareholding interests in the Group.

The interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date are set out below.

	Number of Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Directors				
David Teo Kee Bock ⁽²⁾	11,980,250	10,500	11,990,750	24.02
Steven Teo Kee Chong	10,884,500	-	10,884,500	21.81
Ang Kim Ton	8,480,000	-	8,480,000	16.99
Lim Tee Kit	-	-	-	-
Tan Keh Eyo	-	-	-	-
Lim Kang San	-	-	-	-
Substantial Shareholders (other than the Directors)				
OKG Construction & Trading Pte Ltd ⁽³⁾	-	7,528,000	7,528,000	15.08

Notes:

- (1) Calculated based on 49,912,500 Shares in issue as at the Latest Practicable Date.
- (2) David Teo Kee Bock is deemed to be interested in Shares held by his spouse and CPF Board Nominee.
- (3) OKG Construction & Trading Pte Ltd is deemed to be interested in Shares held by Phillip Securities Pte Ltd and UOB Kay Hian Private Limited by virtue of Section 7 of the Companies Act.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 25 to 27 of this Circular, will be held at Conference Room, 2 Jalan Rajah #06-28, Golden Wall Flatted Factory, Singapore 329134 on 20 December 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the resolutions in respect of the Proposed Transactions at the EGM, as set out in the Notice of EGM.

7. UNDERTAKING TO VOTE

The Company has received written undertakings from Mr David Teo Kee Bock, Mr Steven Teo Kee Chong and Mdm Ang Kim Ton (who directly and indirectly hold Shares aggregating approximately 62.82% of all issued Shares) to vote in favour of the Proposed Transactions at the EGM.

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8. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP as at 72 hours before the time fixed for the EGM.

9. DIRECTORS' RECOMMENDATION

The Directors, having considered and reviewed, among other things, the terms of the Proposed IPark Investment and the Proposed SCD Investment, the rationale of the Proposed Business Diversification, and all the other relevant information set out in this Circular, are of the opinion that the approval of the Proposed Transactions are in the best interests of the Company. The Directors accordingly recommend that Shareholders vote in favour of the resolutions relating to the Proposed Transactions at the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 2 Jalan Rajah, #06-28 Golden Wall Flatted Factory, Singapore 329134, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2015;
- (c) the Company's SGXNET announcements made on 31 August 2015, 6 October 2015 and 8 July 2016 relating to the Proposed IPark Investment, and on 26 February 2016 and 29 August 2016 relating to the Proposed SCD Investment;
- (d) the IPark Shareholders Agreement;
- (e) the IPark Loan Agreement; and
- (f) the SCD Agreement.

LETTER TO SHAREHOLDERS

Yours faithfully
For and on behalf of the Board of Directors of
FUJI OFFSET PLATES MANUFACTURING LTD

David Teo Kee Bock
Chairman
5 December 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

FUJI OFFSET PLATES MANUFACTURING LTD

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

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to Shareholders dated 5 December 2016.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Conference Room, 2 Jalan Rajah #06-28, Golden Wall Flatted Factory, Singapore 329134 on 20 December 2016 at 10:00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

RESOLUTION 1 – THE PROPOSED BUSINESS DIVERSIFICATION

That:

- (a) approval be and is hereby given for the Proposed Business Diversification; and
- (b) the Directors and each of them be and are hereby authorised to complete and to do all acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution, with such modification thereto (if any) as they shall deem fit in the interests of the Company.

RESOLUTION 2 – THE PROPOSED IPARK INVESTMENT AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES

That:

- (a) approval, confirmation and ratification be and is hereby given for the Proposed IPark Investment;
- (b) the Directors and each of them be and are hereby authorised to complete and to do all acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution, with such modification thereto (if any) as they shall deem fit in the interests of the Company; and
- (c) any and all actions taken or to be taken by the Company or any person(s) authorised by it as may be necessary or incidental to the Proposed IPark Investment be and are hereby authorised, approved, confirmed and ratified and any and all actions to be taken by the Company or person(s) authorised by it in furtherance of the objectives of the Proposed IPark Investment are hereby authorised and approved.

RESOLUTION 3 – THE PROPOSED SCD INVESTMENT AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES

That:

- (a) approval, confirmation and ratification be and is hereby given for the Proposed SCD Investment;
- (b) the Directors and each of them be and are hereby authorised to complete and to do all acts and things as they may consider necessary, desirable or expedient to give effect to this

NOTICE OF EXTRAORDINARY GENERAL MEETING

Resolution, with such modification thereto (if any) as they shall deem fit in the interests of the Company; and

- (c) any and all actions taken or to be taken by the Company or any person(s) authorised by it as may be necessary or incidental to the Proposed SCD Investment be and are hereby authorised, approved, confirmed and ratified and any and all actions to be taken by the Company or person(s) authorised by it in furtherance of the objectives of the Proposed SCD Investment are hereby authorised and approved.

BY ORDER OF THE BOARD

David Teo Kee Bock
Chairman
5 December 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the extraordinary general meeting ("**Meeting**"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 at least 48 hours before the time for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

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PROXY FORM

FUJI OFFSET PLATES MANUFACTURING LTD

(Company Registration No. 198204769G)
(Incorporated in Singapore)

IMPORTANT

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

PROXY FORM

(Please read notes overleaf before completing this Form)

I/We _____ (Name)

of _____ (Address)

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

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

*and/or

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

or failing *him/her/them, the Chairman of the Extraordinary General Meeting ("**Meeting**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, at the Meeting of the Company to be held at Conference Room, 2 Jalan Rajah #06-28, Golden Wall Flatted Factory, Singapore 329134 on 20 December 2016 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 "X" 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.

Please indicate your vote "For" or "Against" with an "X" within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate.

No.	As Ordinary Resolutions	For	Against
1	The Proposed Business Diversification		
2	The Proposed IPark Investment		
3	The Proposed SCD Investment		

Dated this ____ day of _____ 2016.

Total No. of Shares	No. of Shares
CDP Register	
Register of Members	

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

** Please delete as appropriate.*

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's Circular to Shareholders dated 5 December 2016.

PROXY FORM

Notes:

1. Please insert the total number of ordinary shares ("**Ordinary Shares**") held by you. If you have Ordinary Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares.
2. (a) A member of the Company ("**Member**") who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at a Meeting of the Company. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at a Meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 at least 48 hours before the time for holding the Meeting.
4. The instrument appointing the proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
5. A corporation which is a Member may, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the Instrument appointing a proxy or proxies. In addition, in the case of Members whose Ordinary Shares are entered against their names in the Depository Register, the Company may reject any Instrument appointing a proxy or proxies lodged if such Members are not shown to have Ordinary Shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 5 December 2016.

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AFFIX POSTAGE STAMP

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