



FUJI OFFSET PLATES MANUFACTURING LTD
(Company Registration No. 198204769G)
(Incorporated in Singapore)

PROPOSED CHANGE OF AUDITOR

Introduction

The Board of Directors ("**Directors**") of Fuji Offset Plates Manufacturing Ltd (the "**Company**", together with all its subsidiaries, collectively the "**Group**") wishes to announce that the Company is proposing to change its independent auditor ("**Auditor**") from Ernst & Young LLP ("**Ernst & Young**") to Nexia TS Public Accounting Corporation ("**Nexia**") (the "**Proposed Change of Auditor**") for the current financial year ending 31 December 2022. Ernst & Young has served as Auditor of the Group for 14 consecutive audits since the financial year ended 31 December 2008 and was re-appointed as Auditor at the last annual general meeting of the Company ("**AGM**") held on 28 April 2022, to hold office until the conclusion of the next AGM.

As part of good corporate governance initiatives and the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be an opportune time to review the appointment of the Auditor as the review would provide the Group with an opportunity to benchmark its audit fees and realise cost efficiencies. A change of Auditor would enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit of the Group.

The Proposed Change of Auditor

Following an evaluation of the available proposals from various audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the Audit Committee ("**AC**"), and taking into consideration the requirements of Rule 712 and Rule 716 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), has determined that Nexia is best suited to meeting the existing needs and audit requirements of the Group. The AC having considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), the adequacy of the resources and experience of Nexia and the audit engagement partner assigned to the audit, other audit engagements of Nexia, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of Nexia to be assigned to the audit, the fee structure and audit requirements proposed by Nexia. The Board, in consultation with the AC, is of the opinion that the appointment of Nexia, approved under the Accountants Act, and Ms Meriana Ang, the audit engagement partner and a public accountant under the Accountants Act, will be able to meet the existing needs and audit requirements of the Group, and that the quality and scope of the audit is expected to be maintained. In addition, the Board, in consultation with the AC, has determined that the proposed audit fees of Nexia are reasonable and competitive. The Proposed Change of Auditor will allow the Group to save approximately 12% in audit fees in comparison to the audit fees incurred by the Group for financial year ended 31 December 2021. There will be no change in the scope of audit services, and the Company does not expect the reduction in cost to affect the standard and effectiveness of the audit to be undertaken.

After evaluation, the AC recommended the appointment of Nexia as Auditor of the Group in place of Ernst & Young to the Board. The Board has taken into account the AC's recommendation, including the factors considered in their evaluation, and are satisfied that Nexia will be able to meet the audit requirements of the Group.

In view of the above, the Board is of the opinion that the Proposed Change of Auditor is in the best interests of the Company and the Shareholders because the quantum of professional fees for the audit services proposed by Nexia is more competitive in comparison to that charged by Ernst & Young, given a comparable scope of work and quality of audit provided.

In connection with the above, Ernst & Young had on 20 July 2022 applied to ACRA to seek its consent to resign as Auditor pursuant to Section 205AB of the Companies Act. On 19 September 2022, Ernst & Young received ACRA's consent to resign as Auditor with effect from 19 September 2022. Ernst & Young subsequently provided the Company with its notice of resignation dated 19 September 2022 ("**Notice of Resignation**").

Nexia has given its consent to act as Auditor by way of a letter dated 4 August 2022, subject to the approval of Shareholders being obtained at the EGM. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of Nexia as Auditor in place of Ernst & Young must be specifically approved by Shareholders at a general meeting. The appointment of Nexia would therefore take effect upon the date of approval of the Proposed Change of Auditor by Shareholders at the EGM, and if so appointed, Nexia will hold office until the conclusion of the next AGM of the Company.

Pursuant to Rule 712(3) of the Catalist Rules, the Company would like to highlight that:

- a) in the Notice of Resignation dated 19 September 2022, Ernst & Young confirmed that they are not aware of any professional reasons why Nexia should not accept appointment as the Company's Auditor;
- b) the Company confirms that there were no disagreements with Ernst & Young on accounting treatment within the last twelve (12) months up to the date of this announcement;
- c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;
- d) the Proposed Change of Auditor is not due to the dismissal of Ernst & Young nor Ernst & Young declining to stand for election; and
- e) the Company confirms that it is or will be in compliance with Rules 712 and 716 of the Catalist Rules in relation to the proposed appointment of Nexia as the Company's Auditor.

The Board wishes to express their appreciation for the past services rendered by Ernst & Young.

Extraordinary General Meeting

The Company will make the necessary arrangements to convene the EGM to seek Shareholders' approval for the Proposed Change of Auditor. A circular to Shareholders containing, among others, further details on the Proposed Change of Auditor, together with the notice of EGM, will be issued to Shareholders in due course.

By Order of the Board

David Teo Kee Bock
Chairman
21 September 2022

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

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