



**FUYU**  
CORPORATION

**FY2023 AGM CEO Presentation**  
25 April 2024



# Agenda

- **Our Strategic Review**
- **Financial Performance**
- **Business Updates**
- **Outlook**
- **Q&A**



# The Challenges We Faced

**Lower post-pandemic sales volume, as customers delay orders to digest earlier stockpiles of inventory**

**Compounded by rising geopolitical tensions, U.S-China tensions, which led to relocation of manufacturing locations**

**Disruptions to supply chain, increased operating costs related to labour and energy**

**Customers are reviewing their vendor list and business models, as they adopt asset-light approach**

**Sustainability issues are increasingly important for both customers and suppliers**

**Amid these challenges, a fresh strategic review was needed**

# Overcoming the Challenges – Our Strategic Review

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**Under the leadership of Mr David Seow, Fu Yu outlined several corporate strategies:**

- Strategy 1 – Improve Tooling, Higher-Precision Products, and Roll-out of Smart Factory
  - Strategy 2 – Enlarge Market Presence, Emphasis Bio-medical sector
  - Strategy 3 – Accelerating Sustainability
  - Strategy 4 – Integrating Product Design
  - Strategy 5 – Raising Investor Profile, Exploring M&A Opportunities
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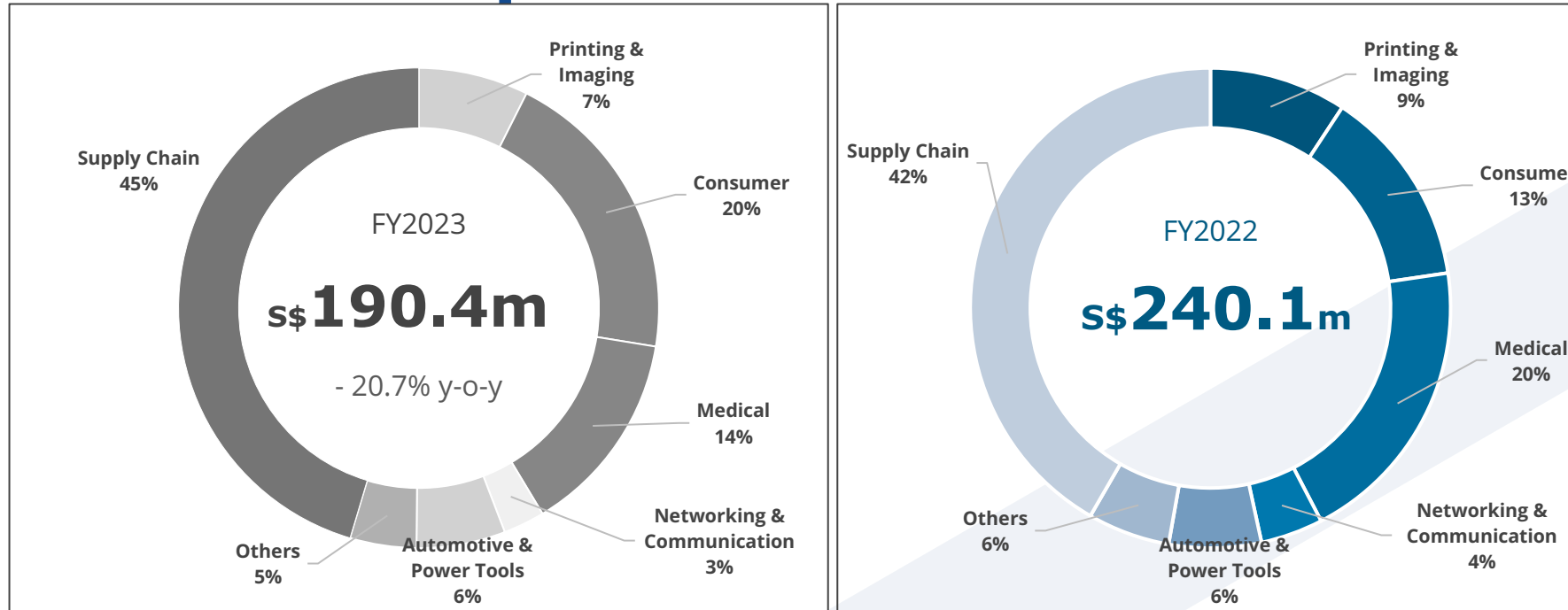
**Fu Yu communicated these strategies in our Corporate & Business Update on 28 November 2023**





# **Financial Performance**

# FY2023 Snapshot



**s\$57.0m**  
as at 31 Dec 2023

**NET CASH POSITION**

**7.5¢**  
per ordinary share

**NET CASH PER SHARE**

**18.2¢**  
per ordinary share

**NAV**

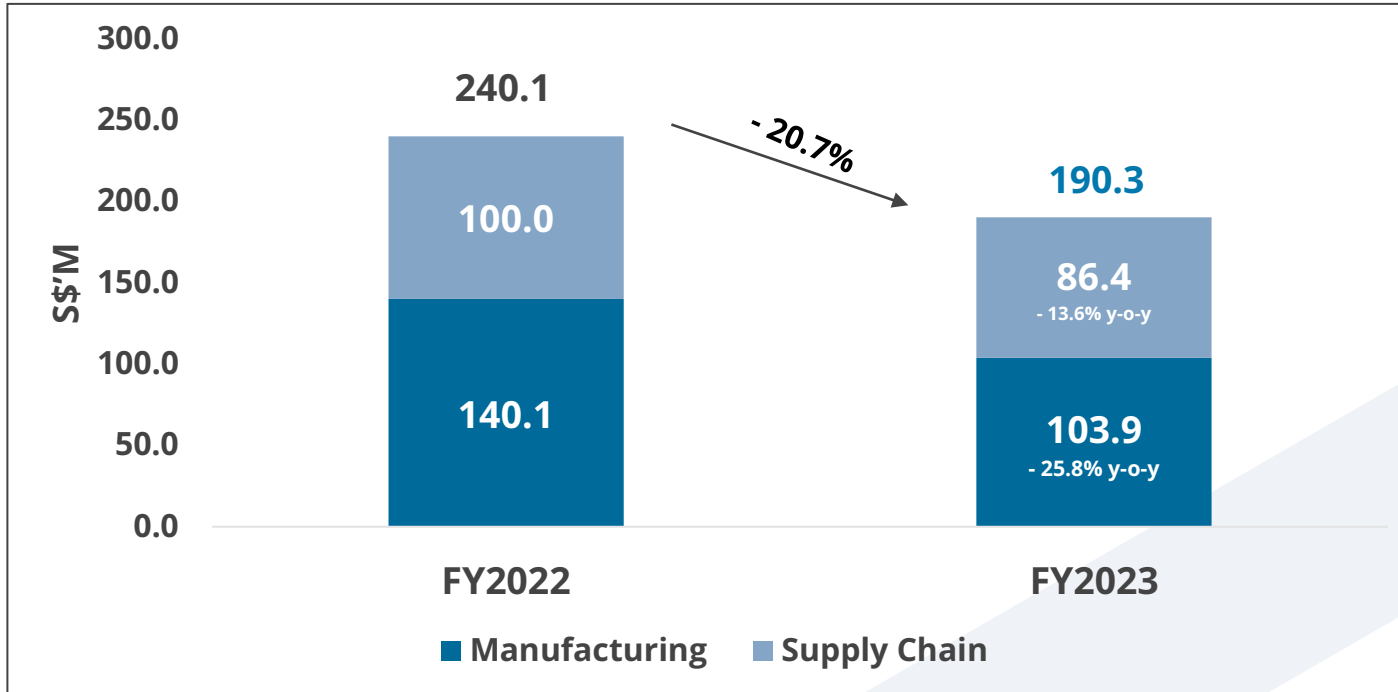
## REVENUE

FY2023  
**s\$10.1m**  
net loss

FY2022  
**s\$14.6m**  
net profit

## NET LOSS/PROFIT

# FY2023 Review - Revenue



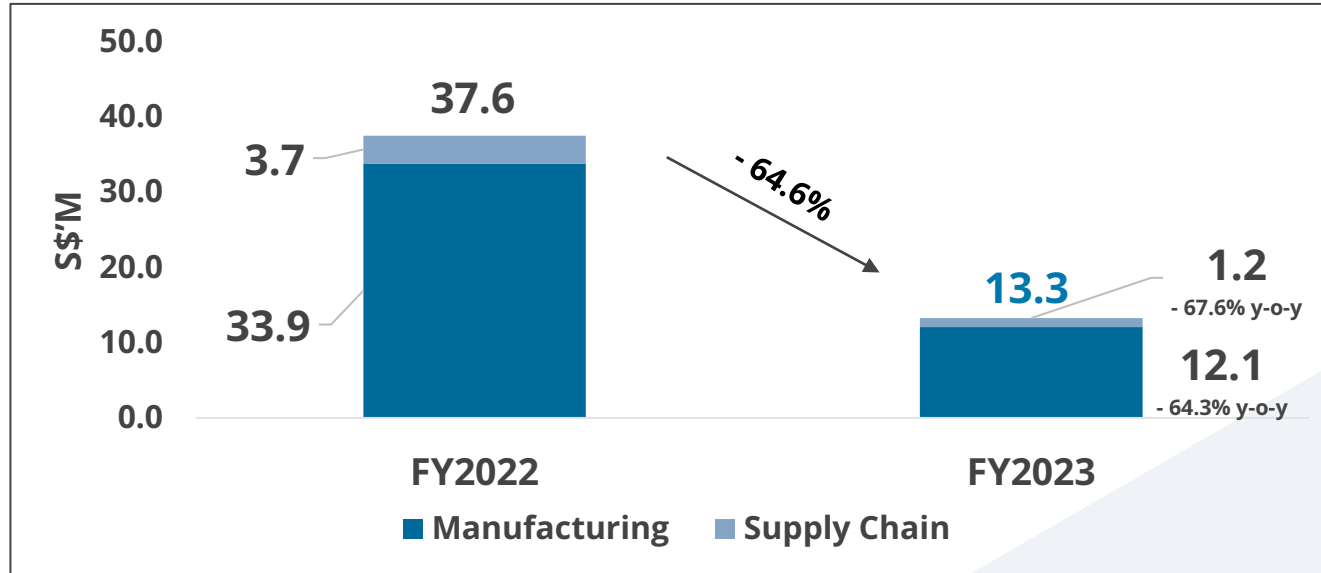
## Manufacturing Revenue by Geography

S\$'M	FY2023	FY2022	Change (%)
Singapore	38.2	51.9	(26.4)
Malaysia	29.3	33.4	(12.3)
China	36.4	54.8	(33.6)

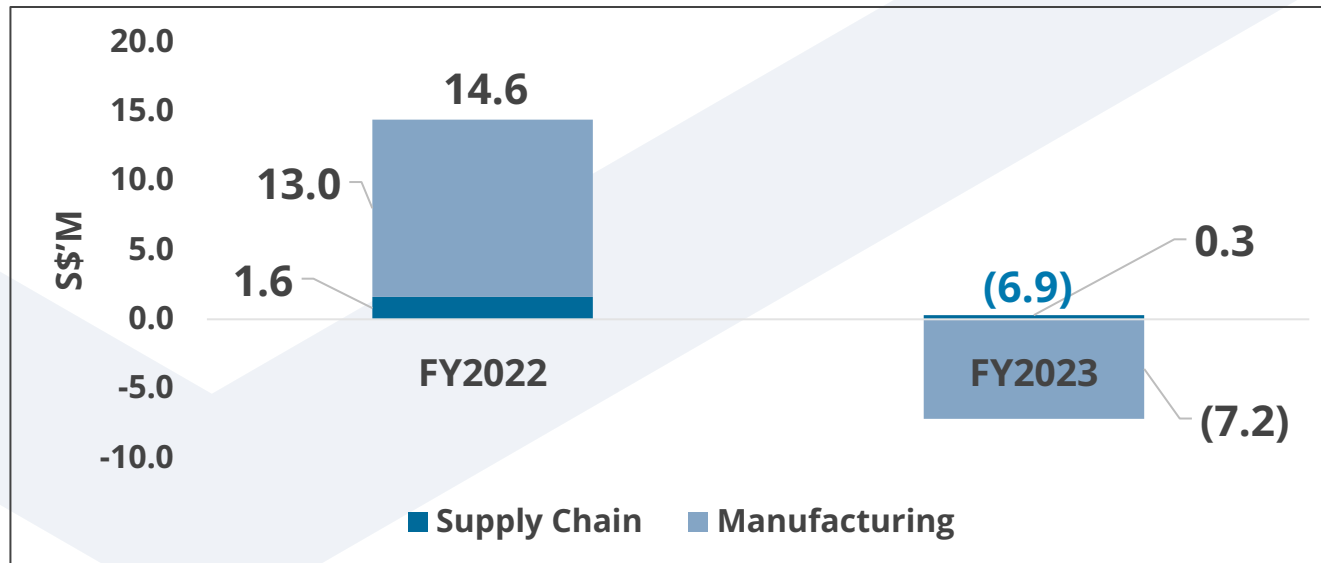
- Revenue declined 20.7%, mainly due to softer customer demand
- Revenue for manufacturing business stood at S\$103.9M in FY2023 (FY2022: S\$140.1M)
- Decline partially offset by new customers secured in China, higher sales from existing customers in Malaysia
- Supply chain management services posted revenue of S\$86.4M (FY2022: S\$100.1M)

# FY2023 Review – Gross and Net Profit

## GROSS PROFIT



## NET LOSS/PROFIT



- FY2023 gross profit declined to S\$13.3M (FY2022: S\$37.6M)
- Change in revenue mix led to FY2023 GPM narrowing to 7.0% (FY2022: 15.7%)
- Incurred net loss of S\$10.1M in FY2023, compared to FY2022's S\$14.6M net profit
- Loss includes S\$2.7M non-cash impairment of goodwill and S\$0.5M forex loss
- Excluding impairment and forex loss, net loss would have been S\$6.9M
- S\$0.3M net profit from supply chain management services partially offsets S\$7.2 million loss in manufacturing business





# **Business Updates**

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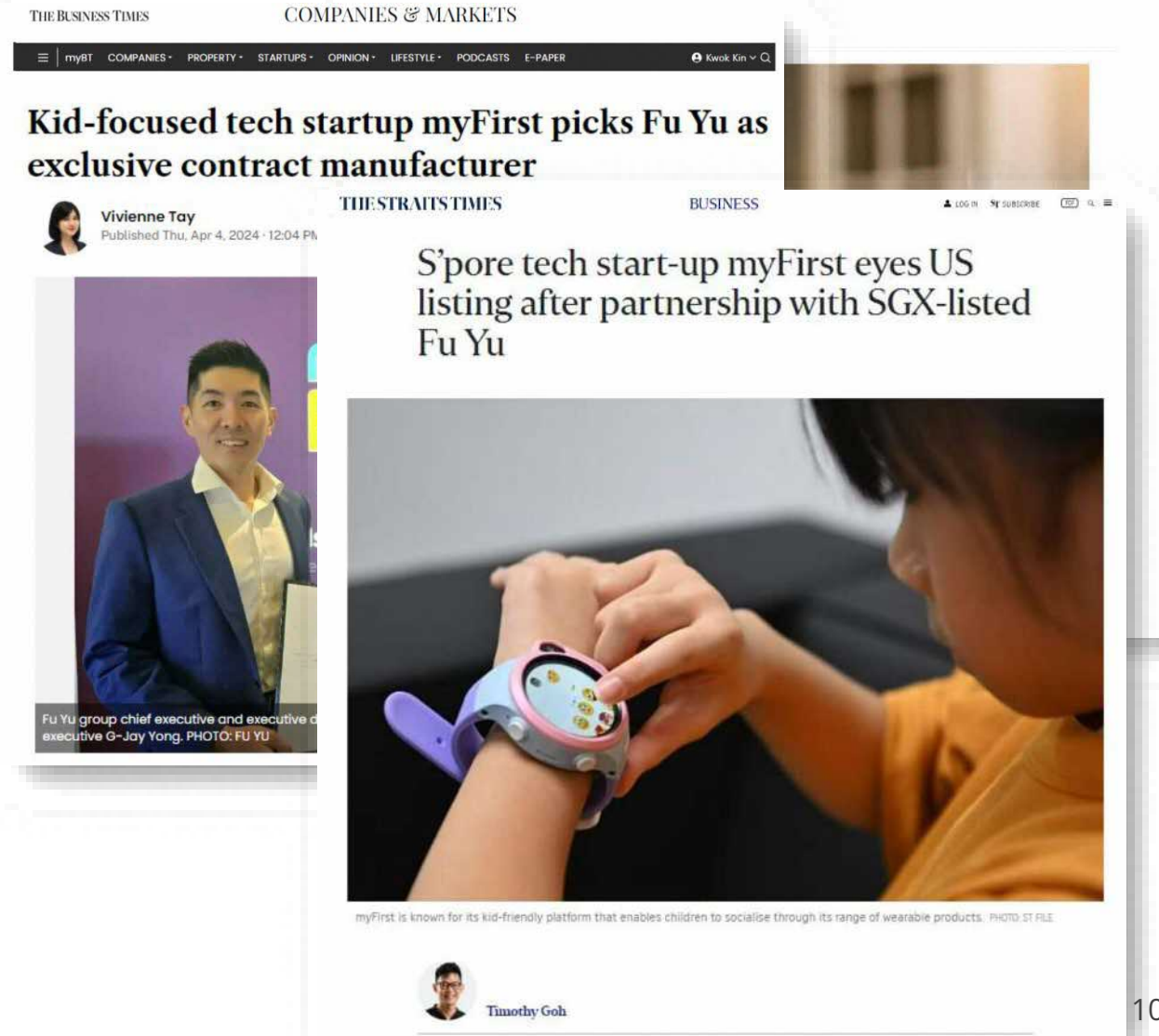


# Project Win – myFirst Tech

- Appointed as myFirst's exclusive contract manufacturer – our first venture into manufacturing IoT smart devices
- Fu Yu will leverage our new capabilities (NPI, metal 3D printing, liquid silicone rubber injection etc.)
- 5-year contract; Fu Yu will manufacture \$15 million worth of myFirst's products in the first year



本地公司myFirst携手富裕集团扩张北美市场 据点将增至2万个



# Smart Factory @ 9 Tuas Drive 1



- Added control room for Manufacturing Execution System – enabling 24/7 real-time coordination and monitoring of production, data collection from machines
- Automated and high-precision toolroom to be completed by April 2024, supporting mould designing and manufacturing, and development of tools for export.
- Upgraded Smart Factory will be one of Asia's most advanced precision manufacturing facilities

# Focused on Transformation Efforts

## NPI Capabilities

Adding rapid prototyping and New Product Introduction capabilities for early-stage customer engagement, enabling smoother design-to-manufacture transition

## Adding Cleanrooms to Support Biomedical Sector

Facility in Penang, Malaysia, is adding a 100K cleanroom to support anticipated growth in biomedical sector

Smart Factory will include cleanrooms for moulding and assembly with different phases; capacity can be increased in the future

# Conclusion & Outlook

## Industry Outlook

Gradual recovery across Singapore, Malaysia and China, particularly in medical and consumer sectors; momentum expected to build up further toward 2H2024

Nonetheless, the Group remains cautious of business volatility amid economic and geopolitical uncertainties, elevated interest rates and ongoing supply chain disruptions

## Group Outlook

Higher contributions expected from export tooling business, Fu Yu Biomedical and new customers

Together with ongoing cost-containment efforts, Fu Yu expects overall FY2024 financial performance to improve compared to FY2023, barring unforeseen circumstances



**FUYU**  
CORPORATION

**Thank You**

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