



NEWS RELEASE

Fu Yu’s 2H2023 Revenue Rises 0.7% to S\$119.2 Million; Maintains Strong Balance Sheet With Net Cash of S\$57.0 Million As It Executes Transformation

- 2H2023 revenue rose 0.7% year-on-year on higher contribution from supply chain management services; revenue for FY2023 declined 20.7% to S\$190.4 million, reflecting weaker first half
- Reports net loss of S\$10.1 million in FY2023 (including a non-cash goodwill impairment of S\$2.7 million and foreign exchange loss of S\$0.5 million); excluding the impairment and forex loss, net loss would have been S\$6.9 million
- Balance sheet remains strong with net cash of S\$57.0 million (7.5 cents per share) as at 31 December 2023
- Fu Yu expects overall FY2024 financial performance to improve compared to FY2023, driven by market recovery and strategic transformation initiatives

S\$'000	2H'23	2H'22	Change %	FY'23	FY'22	Change %
Revenue	119,193	118,329	0.7	190,381	240,113	(20.7)
Gross Profit	6,922	16,580	(58.3)	13,305	37,592	(64.6)
Gross Profit Margin (%)	5.8	14.0	(8.2) ppt*	7.0	15.7	(8.7) ppt
Tax Credit / (Expenses)	303	(543)	NM^	491	(2,837)	NM
Net (Loss) / Profit	(6,259)	3,650	NM	(10,113)	14,585	NM
(Loss) / Earnings Per Share (Singapore cents)	(0.83)	0.48	NM	(1.34)	1.94	NM

*ppt denotes percentage points

^NM denotes Not Meaningful

Singapore, 23 February 2024 – Fu Yu Corporation Limited (“**Fu Yu**” or the “**Group**”) said today that its revenue for the six months ended 31 December 2023 (“**2H23**”) rose 0.7% to S\$119.2 million from S\$118.3

million in 2H22, as it maintains a strong balance sheet with net cash of S\$57.0 million (equivalent to 7.5 cents per share) as it executes its transformation strategies.

Revenue contributions from Fu Yu Supply Chain Solutions Pte Ltd (“**FYSCS**”) rose 35.0% to S\$67.9 million in 2H23 from S\$50.3 million in 2H22. Revenue from the plastics manufacturing segment declined 24.7% to S\$51.3 million in 2H23 (2H22: S\$68.1 million), partially offset by new customers in China and higher sales from customers in Malaysia and Singapore.

The SGX Mainboard-listed vertically integrated precision plastic components manufacturer said that for the financial year ended 31 December 2023 (“**FY2023**”), revenue declined 20.7% to S\$190.4 million (FY2022: S\$240.1 million), reflecting a weaker first half amid economic uncertainty, geopolitical tensions and a higher interest rate environment.

Fu Yu recorded 2H23 and FY2023 gross profit of S\$6.9 million (2H22: S\$16.6 million) and S\$13.3 million (2H22: S\$37.6 million), respectively, as a result of changes in revenue mix and increased operating costs at its manufacturing segment. Accordingly, gross profit margin narrowed to 5.8% and 7.0%, respectively, from 14.0% and 15.7%, respectively, for the comparative periods a year ago.

The Group incurred a net loss of S\$10.1 million in FY2023 compared to a net profit of S\$14.6 million in FY2022, mainly due to lower topline and higher labour and energy costs, expenses related to developing the Group’s Smart Factory in Singapore, a foreign exchange loss of S\$0.5 million mainly due to the voluntary liquidation of Fu Yu Moulding & Tooling (Shanghai) Co., Ltd on 24 August 2023, as well as a S\$2.7 million non-cash impairment of goodwill in connection with its investment in FYSCS.

Excluding the impairment and foreign exchange loss, net loss for FY2023 would have been S\$6.9 million; the loss was partially offset by a S\$0.3 million net profit from the supply chain management services segment.

Loss per ordinary share for FY2023 stood at 1.34 cents, compared to earnings per ordinary share of 1.94 cents a year ago, while net asset value per ordinary share stood at 18.16 cents as at 31 December 2023 compared to 20.60 cents as at 31 December 2022.

Looking ahead, the Group is seeing gradual post-pandemic business recovery for tooling and plastics components across its three geographies, Singapore, Malaysia and China, particularly, in the medical and consumer sectors. It also expects momentum to build up further towards the second half of 2024.

In November 2023, Fu Yu unveiled a strategic transformation to move up the value chain with higher-precision tooling and plastics components, widen its product portfolio and client base, and establish early-stage engagement with customers, with a particular focus on the biomedical sector.

In line with these strategies, the Group's Smart Factory at 9 Tuas Drive 1 has been enhanced with a control room for its Manufacturing Execution System (MES) to enable 24/7 real-time coordination and monitoring of production as well as data collection from machines. An automated and high-precision toolroom, to be completed by April 2024, will also support mould designing and manufacturing, and development of tools for export.

Expected to launch in late 2Q24, the upgraded Smart Factory will be one of Asia's most advanced precision manufacturing facilities, and will provide a strong foundation for the Group to secure new customers who require high precision manufacturing requirements, as well as customers in the biomedical space.

The Group is also adding rapid prototyping and New Product Introduction capabilities, which will allow Fu Yu to proactively engage customers at the design level to offer bespoke design while simplifying the production process. These efforts translate to better product quality, lower scrap rates and shorter wait times to achieve mass production.

Meanwhile, the Group's facility in Penang, Malaysia, is expanding to include a Class-100K cleanroom to support the anticipated growth in the biomedical sector. Fu Yu is also adding new assembly and box-build capabilities to its facilities in China to widen its service portfolio and grow its customer base.

Despite volatility in the business environment, the Group remains cautiously optimistic and expects higher contributions from its export tooling business, the bio-medical sector as well as from new customers. Together with the ongoing cost-containment efforts, and barring unforeseen circumstances, the Group expects the overall FY2024 financial performance to improve compared to FY2023.

Mr David Seow, Group Chief Executive Officer of Fu Yu, said, "It has been a challenging year for the manufacturers worldwide. To overcome these challenges and seize new opportunities we are implementing major initiatives to deliver sustainable long-term growth. With enhanced capabilities and maiden contributions from new revenues we expect our overall performance in FY2024 to exceed FY2023."

This news release is to be read in conjunction with the Group's announcement posted on the SGX website on 23 February 2024.

About Fu Yu Corporation Limited

Fu Yu provides vertically-integrated services for the design and manufacture of precision plastic components, and under its wholly-owned subsidiary Fu Yu Supply Chain Solutions Pte Ltd, provides commodities supply chain management services.

Since its inception in 1978, the Group has grown to become one of the largest manufacturers of high precision plastic parts and moulds in Asia. Today, the Group has established a strong presence in the region with manufacturing facilities located in Singapore, Malaysia and China.

Leveraging on over 40 years of operating history, the Group has built a broad and diversified customer base of blue chip companies in the printing and imaging, networking and communications, consumer, medical, automotive and power tool sectors.

For further information on Fu Yu, please visit the Group's website at: <http://www.fuyucorp.com/>

Fu Yu Corporation Limited Contact:

Chief Financial Officer
8 Tuas Drive 1
Singapore 638675
Tel: (65) 6578 7393
Daisy Ong, ir@fuyucorp.com

Investor/Media Relations Contact:

WeR1 Consultants Pte Ltd
1 Raffles Place
#02-01, One Raffles Place Mall
Suite 332, Singapore 048616
Tel: (65) 6721 7161
Isaac Tang, fuyu@wer1.net