



FU YU CORPORATION LIMITED

(Company Registration No.: 198004601C)
(Incorporated in Singapore)

RESPONSE TO SGX-ST'S QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Board of Directors (the "**Board**") of Fu Yu Corporation Limited ("**Fu Yu**", the "**Company**" or together with its subsidiaries, the "**Group**") wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 April 2022 in relation to the Company's annual report for the financial year ended 31 December 2021 (the "**Annual Report**"). All capitalised terms used in this announcement shall bear the meaning as ascribed to them in the Annual Report.

SGX-ST's Queries

1. With reference to the audited consolidated statement of cash flows on page 88 of the Company's AR 2021, please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the year ended 31 December 2021 :-

(i) The net cash from operating activities of \$22,686,000 as compared to the net cash from operating activities of \$12,591,000; and

(ii) The net cash used in financing activities of \$(42,765,000), as compared to the net cash used in financing activities of \$(32,670,000).

The Company's Response

The table below is an extract of the Consolidated Statement of cash flows in the Annual Report and announcement of the unaudited financial results ("Unaudited Financial Statements"):

	Annual Report	Unaudited Financial Statements	Variances	
	\$'000	\$'000	\$'000	%
Net cash from operating activities	22,686	12,591	10,095	80.2
Net cash used in investing activities	(13,637)	(13,637)	-	-
Net cash used in financing activities	(42,765)	(32,670)	(10,095)	30.9
Net decrease in cash and cash equivalents	<u>(33,716)</u>	<u>(33,716)</u>	-	-

The material difference in the amounts of the aforesaid items in the Annual Report as compared to the Unaudited Financial Statements of the Company is \$10,095,000. This arose from a reclassification of

the cash restricted-in-use of \$10,095,000 from “Net cash from operating activities” in the Unaudited Financial Statements, to “Net cash used in financing activities” in the Annual Report.

As disclosed in Note 14 on page 128 of the Annual Report, cash restricted-in-use included S\$4,000,000 earmarked for trade financing and S\$6,095,000 deposits for the unsecured bank loan. Following the review by the Company’s external auditor KPMG LLP, these amounts were deemed to be financing in nature and hence necessitated a reclassification in the consolidated statement of cash flows in the Annual Report.

By Order of the Board

Kong Wei Fung
Company Secretary
Singapore, 20 April 2022