



**FU YU CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT  
UNAUDITED FINANCIAL CONDITION, RESULTS OF OPERATIONS AND  
CASH FLOWS FOR THE SECOND QUARTER ENDED  
30 JUNE 2015**

Second Quarter Financial Statement And Dividend Announcement

**PART I – INFORMATIONS REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) (i) A Consolidated Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

The Board of Directors of Fu Yu Corporation Ltd wishes to announce the unaudited results of the Group for the second quarter ended 30 June 2015.

GROUP	Quarter Ended 30-Jun		Change %	Half Year 30-Jun		Change %
	2015 S\$'000 (unaudited)	2014 S\$'000 (unaudited)		2015 S\$'000 (unaudited)	2014 S\$'000 (unaudited)	
Revenue	58,441	62,935	(7.1)	116,541	122,403	(4.8)
Cost of sales	(50,167)	(54,391)	(7.8)	(99,690)	(108,592)	(8.2)
<b>Gross profit</b>	<b>8,274</b>	<b>8,544</b>	<b>(3.2)</b>	<b>16,851</b>	<b>13,811</b>	<b>22.0</b>
Other income	2,356	2,386	(1.3)	4,517	4,452	1.5
Selling and administrative expenses	(7,343)	(7,661)	(4.2)	(14,603)	(15,199)	(3.9)
Other operating (expenses)/income	(456)	(686)	(33.5)	969	(1,516)	NM
Results from operating activities	<b>2,831</b>	<b>2,583</b>	<b>9.6</b>	<b>7,734</b>	<b>1,548</b>	<b>NM</b>
Finance costs	-	(29)	NM	(11)	(81)	(86.4)
Share of profit/(loss) of equity- accounted investee (net of tax)	142	(17)	NM	397	(2)	NM
<b>Profit before income tax</b>	<b>2,973</b>	<b>2,537</b>	<b>17.2</b>	<b>8,120</b>	<b>1,465</b>	<b>NM</b>
Tax expense	(1,072)	(499)	NM	(1,739)	(770)	NM
<b>Profit for the period</b>	<b>1,901</b>	<b>2,038</b>	<b>(6.7)</b>	<b>6,381</b>	<b>695</b>	<b>NM</b>
<b>Profit for the period attributable to:</b>						
Owners of the Company	1,428	1,720	(17.0)	5,467	299	NM
Non-controlling interests	473	318	48.7	914	396	NM
<b>Profit for the period</b>	<b>1,901</b>	<b>2,038</b>	<b>(6.7)</b>	<b>6,381</b>	<b>695</b>	<b>NM</b>
<b>Earnings per share</b>						
- basic earnings per share (cents)	<b>0.19</b>	<b>0.23</b>	<b>(17.4)</b>	<b>0.73</b>	<b>0.04</b>	<b>NM</b>
- diluted earnings per share (cents)	<b>0.19</b>	<b>0.23</b>	<b>(17.4)</b>	<b>0.73</b>	<b>0.04</b>	<b>NM</b>
N.M denotes Not Meaningful						

**Consolidated Statement of Comprehensive Income**

GROUP	Quarter Ended 30-Jun		Change %	Half Year 30-Jun		Change %
	2015 S\$'000 (unaudited)	2014 S\$'000 (unaudited)		2015 S\$'000 (unaudited)	2014 S\$'000 (unaudited)	
<b>Profit for the period</b>	1,901	2,038	(6.7)	6,381	695	NM
<b>Other comprehensive income Items that are or may be reclassified subsequently to profit and loss:</b>						
Foreign currency translation differences for foreign operations	(4,434)	138	NM	(2,508)	(660)	NM
<b>Other comprehensive income for the period (net of tax)</b>	(4,434)	138	NM	(2,508)	(660)	NM
<b>Total comprehensive income for the period</b>	<b>(2,533)</b>	<b>2,176</b>	<b>NM</b>	<b>3,873</b>	<b>35</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(2,243)	1,712	NM	4,139	(542)	NM
Non-controlling interests	(290)	464	NM	(266)	577	NM
<b>Total comprehensive income for the period</b>	<b>(2,533)</b>	<b>2,176</b>	<b>NM</b>	<b>3,873</b>	<b>35</b>	<b>NM</b>

N.M denotes Not Meaningful

**1(a) (ii) Notes to Consolidated Income Statement**

GROUP	Quarter Ended 30-Jun		Change %	Half Year 30-Jun		Change %
	2015 S\$'000 (unaudited)	2014 S\$'000 (unaudited)		2015 S\$'000 (unaudited)	2014 S\$'000 (unaudited)	
Profit before income tax is arrived at after charging/(crediting) the following:						
Interest and investment income	(409)	(379)	7.9	(802)	(636)	26.1
Gain on disposal of property, plant and equipment	(274)	(421)	(34.9)	(287)	(330)	(13.0)
Foreign exchange loss/(gain), net	454	785	(42.2)	(1,002)	1,612	NM
Property, plant and equipment written off	2	4	(50.0)	29	64	(54.7)
Allowance for doubtful trade and other receivables	-	51	NM	3	59	(94.9)
Net reversal of impairment of property, plant and equipment	-	(154)	NM	-	(219)	NM
Depreciation and amortisation	3,533	4,107	(14.0)	7,169	8,412	(14.8)
Allowance for/(Write-back of) inventory obsolescence and inventories written off	38	(66)	NM	48	(67)	NM
Adjustments for under/overprovision for tax in respects of the prior years						
- Income tax	-	13	(100.0)	-	13	(100.0)
- deferred tax assets	267	-	100.0	267	-	100.0

**1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	As at 30 Jun 15 S\$'000 (unaudited)	As at 31 Dec 14 S\$'000 (audited)	As at 30 Jun 15 S\$'000 (unaudited)	As at 31 Dec 14 S\$'000 (audited)
<b>Non-current assets</b>				
Property, plant and equipment	58,178	61,394	12,494	12,684
Investment property	9,417	10,085	-	-
Subsidiaries	-	-	69,921	69,402
Joint venture	2,640	3,106	-	-
Deferred tax assets	634	1,280	-	-
	70,869	75,865	82,415	82,086
<b>Current assets</b>				
Inventories	15,886	17,120	2,820	2,242
Trade and other receivables	71,236	79,704	11,098	11,510
Tax recoverable	-	5	-	-
Amount due from subsidiary companies	-	-	4,732	5,351
Short term investments	3,279	6,052	-	-
Cash and cash equivalents	96,695	83,329	21,945	18,051
	187,096	186,210	40,595	37,154
<b>Total assets</b>	<b>257,965</b>	<b>262,075</b>	<b>123,010</b>	<b>119,240</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	121,176	121,176	121,176	121,176
Reserves	57,879	53,740	(9,132)	(13,311)
	179,055	174,916	112,044	107,865
Non-controlling interests	19,978	20,244	-	-
<b>Total equity</b>	<b>199,033</b>	<b>195,160</b>	<b>112,044</b>	<b>107,865</b>
<b>Non-current liabilities</b>				
Trade and other payables	225	787	225	787
Financial liabilities	-	12	-	-
Deferred tax liabilities	350	370	82	82
	575	1,169	307	869
<b>Current liabilities</b>				
Trade and other payables	56,699	62,385	7,904	7,593
Amounts due to subsidiary companies	-	-	2,755	2,913
Financial liabilities	-	1,365	-	-
Tax payable	1,658	1,996	-	-
	58,357	65,746	10,659	10,506
<b>Total liabilities</b>	<b>58,932</b>	<b>66,915</b>	<b>10,966</b>	<b>11,375</b>
<b>Total equity and liabilities</b>	<b>257,965</b>	<b>262,075</b>	<b>123,010</b>	<b>119,240</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>GROUP</b>	<b>30 Jun 2015 S\$'000 (unaudited)</b>	<b>31 Dec 2014 S\$'000 (audited)</b>
Secured bank loans	-	1,361
Finance lease liabilities-secured	-	4
	<u>-</u>	<u>1,365</u>

**Amount repayable after one year**

<b>GROUP</b>	<b>30 June 2015 S\$'000 (unaudited)</b>	<b>31 Dec 2014 S\$'000 (audited)</b>
Finance lease liabilities - secured	-	12

**Details of any collateral**

In 2014, the secured bank loans are secured by the Company's subsidiary, Fu Yu Moulding & Tooling (Chongqing) Co., Ltd's trade receivables.

The finance lease liabilities as at 31 December 2014 were secured by the leased assets.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

GROUP	Quarter Ended		Half Year	
	30-Jun		30-Jun	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>				
Profit before income tax	2,973	2,537	8,120	1,465
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment and investment property	3,533	4,107	7,169	8,412
Net reversal impairment of property, plant and equipment	-	(154)	-	(219)
Gain on disposal of property, plant and equipment	(274)	(421)	(287)	(330)
Property, plant and equipment written off	2	4	29	64
Interest and investment income	(409)	(379)	(802)	(636)
Finance costs	-	29	11	81
Share of (profit)/loss of equity-accounted investee (net of tax)	(142)	17	(397)	2
Unrealised exchange loss/(gain)	143	344	(128)	1,728
	2,853	3,547	5,595	9,102
	5,826	6,084	13,715	10,567
<b>Changes in working capital:</b>				
Inventories	1,732	(636)	1,190	212
Trade and other receivables	3,678	(5,420)	8,869	(3,583)
Trade and other payables	(2,557)	(1,512)	(6,673)	(4,079)
<b>Cash from/(used in) operating activities</b>	<b>8,679</b>	<b>(1,484)</b>	<b>17,101</b>	<b>3,117</b>
Tax paid	(585)	(39)	(1,470)	(101)
<b>Net cash from/(used in) operating activities</b>	<b>8,094</b>	<b>(1,523)</b>	<b>15,631</b>	<b>3,016</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,234)	(3,475)	(3,903)	(5,570)
Proceeds from disposal of property, plant and equipment	292	533	316	1,089
Dividend from joint venture	701	494	701	494
Withdrawal/(Placement) of short term investments	1,668	(1,876)	2,519	(1,899)
Interest income received	409	379	802	636
<b>Net cash from/(used in) investing activities</b>	<b>1,836</b>	<b>(3,945)</b>	<b>435</b>	<b>(5,250)</b>
<b>Cash flows from financing activities</b>				
Proceeds from short term borrowings and financial lease liabilities	(6)	2,074	1,095	5,375
Repayment of short term borrowings and financial lease liabilities	-	(2,513)	(2,496)	(6,486)
Finance costs paid	-	(29)	(11)	(81)
Deposit (pledged)/discharged	(107)	(275)	19	(724)
Proceeds from issue of share	-	185	-	185
<b>Net cash used in financing activities</b>	<b>(113)</b>	<b>(558)</b>	<b>(1,393)</b>	<b>(1,731)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,817</b>	<b>(6,026)</b>	<b>14,673</b>	<b>(3,965)</b>
Cash and cash equivalents at beginning of financial period	85,620	70,576	79,921	69,115
Effects of exchange rate fluctuations on cash held	(1,945)	104	(1,102)	(496)
<b>Cash and cash equivalents at end of financial period</b>	<b>93,492</b>	<b>64,654</b>	<b>93,492</b>	<b>64,654</b>

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of:

Group	As at 30 June	
	2015 S\$'000	2014 S\$'000
Cash at bank and in hand	41,206	33,657
Deposits with banks	55,489	35,782
Cash and cash equivalents in the statements of financial position	96,695	69,439
Deposits pledged	(3,203)	(4,785)
Cash and cash equivalents in the consolidated statement of cash flows	<b>93,492</b>	<b>64,654</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**For the Quarter Ended 30 Jun (Group)**

Group - 2015	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 April 2015	121,176	140	6,073	789	(4,173)	1,627	55,666	181,298	20,268	201,566
Other comprehensive income for the quarter - Foreign currency translation differences	-	-	-	-	(3,671)	-	-	(3,671)	(763)	(4,434)
Profit for the quarter	-	-	-	-	-	-	1,428	1,428	473	1,901
Total comprehensive income for the quarter	-	-	-	-	(3,671)	-	1,428	(2,243)	(290)	(2,533)
<b>At 30 June 2015</b>	<b>121,176</b>	<b>140</b>	<b>6,073</b>	<b>789</b>	<b>(7,844)</b>	<b>1,627</b>	<b>57,094</b>	<b>179,055</b>	<b>19,978</b>	<b>199,033</b>

Group - 2014	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 April 2014	119,362	140	9,891	789	(7,367)	1,627	36,437	160,879	19,481	180,360
Other comprehensive income for the quarter - Foreign currency translation differences	-	-	-	-	(8)	-	-	(8)	146	138
Profit for the quarter	-	-	-	-	-	-	1,720	1,720	318	2,038
Total comprehensive income for the quarter - Share options exercised	185	-	-	-	(8)	-	1,720	1,712	464	2,176
<b>At 30 June 2014</b>	<b>119,547</b>	<b>140</b>	<b>9,891</b>	<b>789</b>	<b>(7,375)</b>	<b>1,627</b>	<b>38,157</b>	<b>162,776</b>	<b>19,945</b>	<b>182,721</b>



For the Period Ended 30 Jun (Group)

Group - 2015	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 January 2015	121,176	140	6,073	789	(6,516)	1,627	51,627	174,916	20,244	195,160
Other comprehensive income for the period										
- Foreign currency translation differences	-	-	-	-	(1,328)	-	-	(1,328)	(1,180)	(2,508)
Profit for the period	-	-	-	-	-	-	5,467	5,467	914	6,381
Total comprehensive income for the period	-	-	-	-	(1,328)	-	5,467	4,139	(266)	3,873
<b>At 30 June 2015</b>	121,176	140	6,073	789	(7,844)	1,627	57,094	179,055	19,978	199,033

Group - 2014	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 January 2014	119,362	140	9,891	789	(6,534)	1,627	37,858	163,133	19,368	182,501
Other comprehensive income for the period										
- Foreign currency translation differences	-	-	-	-	(841)	-	-	(841)	181	(660)
Profit for the period	-	-	-	-	-	-	299	299	396	695
Total comprehensive income for the period	-	-	-	-	(841)	-	299	(542)	577	35
- Share options exercised	185	-	-	-	-	-	-	185	-	185
<b>At 30 June 2014</b>	119,547	140	9,891	789	(7,375)	1,627	38,157	162,776	19,945	182,721

**For the Quarter Ended 30 Jun (Company)**

<b>Company - 2015</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 April 2015	121,176	789	1,153	(11,924)	111,194
Profit for the quarter	-	-	-	850	850
Total comprehensive income for the quarter	-	-	-	850	850
<b>At 30 June 2015</b>	<b>121,176</b>	<b>789</b>	<b>1,153</b>	<b>(11,074)</b>	<b>112,044</b>

<b>Company - 2014</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 April 2014	119,362	789	1,153	(15,167)	106,137
Profit for the quarter	-	-	-	435	435
Total comprehensive income for the quarter	-	-	-	435	435
Share options exercised	185	-	-	-	185
<b>At 30 June 2014</b>	<b>119,547</b>	<b>789</b>	<b>1,153</b>	<b>(14,732)</b>	<b>106,757</b>

**For the Period Ended 30 Jun (Company)**

<b>Company - 2015</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 January 2015	121,176	789	1,153	(15,253)	107,865
Profit for the period	-	-	-	4,179	4,179
Total comprehensive income for the period	-	-	-	4,179	4,179
<b>At 30 June 2015</b>	<b>121,176</b>	<b>789</b>	<b>1,153</b>	<b>(11,074)</b>	<b>112,044</b>

<b>Company - 2014</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 January 2014	119,362	789	1,153	(15,412)	105,892
Profit for the period	-	-	-	680	680
Total comprehensive income for the period	-	-	-	680	680
Share options exercised	185	-	-	-	185
<b>At 30 June 2014</b>	<b>119,547</b>	<b>789</b>	<b>1,153</b>	<b>(14,732)</b>	<b>106,757</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Group	Share Options*		Ordinary Shares	
	Period Ended 30 Jun/ 31 Dec		Period Ended 30 Jun/31 Dec	
	2015	2014	2015	2014
	('000)	('000)	('000)	('000)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2015/2014	-	34,060	752,995	732,835
Exercised during the financial period (\$0.09)	-	(20,160)	-	20,160
Forfeited during the financial period (\$0.09)	-	(13,900)	-	-
As at 30 June 2015/ 31 December 2014	-	-	752,995	752,995

\* Includes replacement options in respect of 3,000,000 shares granted to certain non-executive directors as detailed in the circular dated 1 October 2014.

The Fu Yu Employees Share Option Scheme expired on 31 December 2014.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.**

The total number of issued ordinary shares excluding treasury shares as at 30 June 2015 was 752,994,775 (31 December 2014: 752,994,775).

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2014.

However, the Group adopted the new and revised Financial Reporting Standards and interpretations that are mandatory and relevant to the Group for the financial year beginning on or after 1 January 2015. These are assessed to have no material impact to the Group's financial statements.

Except as otherwise indicated below, those new standards, amendments to standards, and interpretations are not expected to have a significant effect on the financial statements of the Group. The Group does not plan to adopt these standards early.

- FRS 115 *Revenue from Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* will replace FRS 18 *Revenue*, FRS 11 *Construction Contracts* and related interpretations. The standard establishes the principle for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed (e.g. service revenue and contract modifications) and improved guidance for multi-element arrangements.

The Group is currently assessing the impact upon adoption of this standard in financial year ending 31 December 2017.

- FRS 109: *Financial Instruments*

The standard replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group is currently assessing the impact on adoption of this standard in financial year ending 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Group	Quarter Ended 30-Jun		Half Year 30-Jun	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
<u>Earnings per share</u>				
- basic (cents)	0.19	0.23	0.73	0.04
- diluted (cents)	0.19	0.23	0.73	0.04

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 752,994,775 (2014: 732,891,405).

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive securities as at 30 June 2015 and 30 June 2014.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group As at		Company As at	
	30 June 15 (unaudited)	31 Dec 14 (audited)	30 June 15 (unaudited)	31 Dec 14 (audited)
Net asset value (S\$'000)	179,055	174,916	112,044	107,865
Issued capital at the end of the period ('000)	752,995	752,995	752,995	752,995
Net asset value per Ordinary Share (cents)	23.78	23.23	14.88	14.32

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Overview**

The Group is in the business of manufacturing and sub-assembly of precision plastic parts and components, fabrication of precision moulds and dies and investment holding. The Group has integrated manufacturing facilities in Singapore, Malaysia and China.

**Revenue**

The Group's revenue decreased by S\$4.5 million or 7.1% from S\$62.9 million in Q2 2014 to S\$58.4 million in the current quarter under review, mainly due to decrease in orders from customers in some China subsidiaries.

For 1H 2015, the Group's revenue decreased by S\$5.9 million or 4.8% from S\$122.4 million in 1H 2014 to S\$116.5 million in the current period under review.

The decrease in revenue for the quarter and period ended 30 June 2015 was mainly due to the decrease in revenue in China and Malaysia segments and partially offset by the increase in revenue in Singapore segment.

### **Profitability**

#### **Cost of sales and gross profit**

Cost of sales decreased by S\$4.2 million or 7.8% from S\$54.4 million in Q2 2014 to S\$50.2 million in the current quarter under review. The decrease in cost of sales was a result of the decrease in revenue.

Gross profit decreased by S\$0.2 million or 3.2% from gross profit of S\$8.5 million in Q2 2014 to S\$8.3 million in the current quarter under review. Gross profit margin was 14.2% and 13.6% for Q2 2015 and Q2 2014 respectively.

For 1H 2015, cost of sales decreased by S\$8.9 million or 8.2% from S\$108.6 million in 1H 2014 to S\$99.7 million in the current period under review. Gross profit increased by S\$3.1 million or 22% from S\$13.8 million in 1H 2014 to S\$16.9 million in the current period under review. Gross profit margin was 14.5% for 1H 2015 as compared to 11.3% in 1H 2014.

The Group's gross profit margin improved in current quarter and period ended 30 June 2015 despite the decrease in revenue is mainly attributed to the decrease in low margin projects in the Malaysia segment and increased in revenue in Singapore segment. In addition, the Group has better managed and reduced its costs by right-sizing some of its operations. The better gross profit margin was partly contributed by the strengthening of US dollars and the decrease in depreciation as certain property, plant and equipment were fully depreciated during the current quarter and current period under review.

#### **Other operating (expenses)/income**

Other operating expenses decreased by S\$0.2 million, or 33.5% from S\$0.7 million in Q2 2014 to S\$0.5 million in the current quarter under review. The Group recorded foreign exchange loss of S\$0.5 million in Q2 2015 as compared to S\$0.8 million in Q2 2014.

For 1H 2015, other operating income increased by S\$2.7 million, from other operating expenses of S\$1.7 million in 1H 2014 to other operating income of S\$1.0 million in the current period under review. The other operating income was mainly attributed to the foreign exchange gain recorded in 1H 2015 of S\$1.0 million. The Group recorded a foreign exchange loss of S\$1.6 million in 1H 2014.

The Group's foreign exchange gain in the current period under review was resulted from the translation of receivables, cash, payables and borrowings denominated in foreign currencies to the functional currencies of the respective companies in the Group. The foreign exchange gain was mainly contributed by Singapore and Malaysia segments which are mainly affected by its USD assets position. The strengthening of USD against the Singapore Dollar and Malaysia Ringgit had resulted in the Singapore and Malaysia companies recording foreign exchange gain in the current period under review.

### **Finance costs**

Finance costs decreased in the current quarter and current period under review as compared to 1H 2014. This was mainly due to repayment of bank borrowings in Q1 2015.

### **Profit before income tax**

The Group's profit before income tax increased by S\$0.5 million or 17.2% from S\$2.5 million in Q2 2014 to S\$3.0 million in Q2 2015.

For 1H 2015, the Group's profit before income tax increased by S\$6.6 million from S\$1.5 million in 1H 2014 to S\$8.1 million in 1H 2015. The increase in profit before income tax was mainly attributed to improvement in gross profit by S\$3.0 million as well as foreign exchange gain of S\$1.0 million in 1H 2015 as compared to foreign exchange loss of S\$1.6 million in 1H 2014.

### **Income tax expense**

The Group recorded income tax expenses of S\$1.1 million in Q2 2015 with effective tax rate at 36.1%. The high effective tax rate was due mainly to no deferred tax asset was recognized for loss-making subsidiaries and reversal of deferred tax asset no longer required by a subsidiary company.

The income tax expense of S\$1.7 million in 1H 2015 mainly arose from the profitable China and Malaysia subsidiaries.

### **Cash Flow**

The Group's cash and cash equivalents (excluding cash deposits pledged) stood at S\$93.5 million as at 30 Jun 2015, an increase of S\$13.6 million (including effects of exchange rate fluctuation on cash held) from cash and cash equivalents as at 31 December 2014.

The increase in cash and cash equivalents was attributed to net cash generated from operating activities of S\$15.6 million, withdrawal of short-term investments of S\$2.5 million offset by the purchase of property, plant and equipment of S\$3.9 million, and net repayment of short term borrowings and financial lease liabilities of S\$1.4 million.

### **Statement of financial position**

#### **Trade and other receivables**

Trade and other receivables decreased by S\$8.5 million or 10.6% from S\$79.7 million as at 31 December 2014 to S\$71.2 million as at 30 June 2015. The decrease in trade and other receivables was in line with the decrease in revenue in Q2 2015 as compared to Q4 2014's revenue.

#### **Short-term investments**

Short-term investments decreased by S\$2.8 million or 45.8% from S\$6.1 million as at 31 December 2014 to S\$3.3 million as at 30 June 2015. The decrease was mainly due to withdrawal of short-term investments for payment of purchase of property, plant and equipment.

#### **Financial liabilities**

Financial liabilities decreased by S\$1.4 million. This was due to repayment of bank borrowings.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

In the previous announcements, the Group has said that it would improve operations efficiency, increase productivity by maximizing resources as well as containing costs to stay competitive. The Group has noticed that there has been improvements in its operations. The Group intends to continue to do so as the industry in which the Group operates in remains competitive. The challenges faced by the Group such as excess capacity in the industry, price pressure from customers and rising operating costs still remain. The movement in USD is also expected to have some impact on the Group's results.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	0.25 cent per ordinary share
Tax rate	One-tier tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends were recommended or declared for the same quarter of last year.

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

**12. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no general mandate obtained from shareholders for IPTs.

There were no IPTs for the period ended 30 June 2015.



**13. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual**

We, Hew Lien Lee and Ching Heng Yang, being two directors of Fu Yu Corporation Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to attention of the Board of Directors of the Company which may render the Q2 2015 financial statement to be false or misleading in any material aspect.

On behalf of the Board of Directors

Hew Lien Lee  
Executive Director  
Acting Chief Executive Officer

Ching Heng Yang  
Vice Chairman  
Executive Director

**BY ORDER OF THE BOARD**

Low Siew Tian  
Company Secretary  
Singapore, 13 August 2015