



FU YU CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198004601C)
(the “Company”)

BUSINESS UPDATE FOR 1Q21

Fu Yu Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to provide a voluntary update on the Group’s business and unaudited financial performance for the three months ended 31 March 2021 (“1Q21”).

REVENUE

In 1Q21, the Group recorded stable revenue of S\$34.7 million compared to \$34.8 million in 1Q20. This was buoyed by stronger sales of the Group’s operations in Singapore which counterbalanced lower sales from the China segment in 1Q21 compared to 1Q20.

Further information on the sales performance of the Group’s Singapore, Malaysia and China segments are provided below:

- **Singapore segment** – Revenue grew 20.6% to S\$12.9 million in 1Q21 from S\$10.7 million in 1Q20. This was driven mainly by the medical segment which achieved higher sales on the back of increased demand from existing customers.
- **Malaysia segment** – Revenue eased marginally by 3.3% to S\$8.8 million in 1Q21 from S\$9.1 million in 1Q20. Malaysia operations recorded higher sales of medical products and power tools which helped to cushion against the impact of slower sales of consumer products in 1Q21.
- **China segment** – Revenue declined 13.3% to S\$13.0 million in 1Q21 from S\$15.0 million in 1Q20. This was attributed mainly to reduced sales from the printing & imaging segment as a result of lower orders and the cessation of the Group’s factory operations in Chongqing in the last quarter of FY2020. On the other hand, China operations registered increased sales of networking & communications products which partially mitigated the decline in revenue derived from printing & imaging products.

As a result of the above, the Singapore segment’s revenue contribution to the Group expanded significantly to 37.0% in 1Q21 from 30.7% in 1Q20. Malaysia segment made up 25.4% of Group revenue in 1Q21 compared to 26.2% previously while China’s revenue contribution narrowed to 37.6% in 1Q21 from 43.1% in 1Q20.

GROSS PROFIT MARGIN (GPM)

While Group revenue was unchanged, gross profit in 1Q21 jumped 23.2% to S\$8.5 million from S\$6.9 million in 1Q20. Correspondingly, GPM expanded to 24.5% in 1Q21 from 19.8% previously due primarily to the change in revenue mix, as well as the Group’s ongoing initiatives to improve cost management and raise operational efficiencies.

PROFITABILITY

	1Q21 (S\$ million)	1Q20 (S\$ million)	Change
Operating profit	4.6	1.8	155.6%
Net profit	5.1	4.4	15.9%

Operating profit¹ more than doubled to S\$4.6 million in 1Q21 from S\$1.8 million in 1Q20. This was lifted mainly by higher gross profit as well as lower selling and administrative expenses in line with a reduction in staff salaries.

As the Group is in net US Dollar assets position, the appreciation of the US Dollar against the Singapore Dollar and Malaysia Ringgit contributed to a foreign exchange gain of S\$1.4 million in 1Q21. This represented a decrease of S\$1.8 million from the foreign exchange gain of S\$3.2 million recorded in 1Q20. Notwithstanding this, the Group's net profit climbed 15.9% to S\$5.1 million in 1Q21 from S\$4.4 million in 1Q20.

FINANCIAL POSITION

As at 31 March 2021, the Group's balance sheet remained robust with cash holdings of S\$108.2 million and zero borrowings. Shareholders' equity stood at S\$177.3 million, equivalent to net asset value of 23.5 cents per share, including cash and cash equivalents of around 14.4 cents per share.

By Order of the Board

Kong Wei Fung
Company Secretary
Singapore, 7 May 2021

¹ Operating profit = Profit before tax excluding foreign exchange impact and share of results of joint venture

About Fu Yu Corporation Limited

Fu Yu provides vertically-integrated services for the manufacture of precision plastic components and the fabrication of precision moulds and dies.

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 and automotive sectors.

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

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