



NEWS RELEASE

## **Fu Yu Posts Net Profit Attributable to Owners of the Company of S\$2.1M in 9M17; Declares Second Interim Dividend of 0.25 Cent per Share**

- Total interim dividends for 9M17 maintained at 0.50 cent per share
- Group revenue in 3Q17 grew 4.5% year-on-year to S\$50.2 million
- Sound financial position with cash of S\$94.6 million and zero debt

**Singapore, 14 November 2017** – Fu Yu Corporation Limited (“Fu Yu” or the “Group”), a vertically integrated manufacturer of precision plastic components in Asia, has reported net profit attributable to owners of the Company (“PATMI”) of S\$2.1 million for the nine months ended 30 September 2017 (“9M17”).

The Group has declared a second interim dividend of 0.25 cent per share which will bring total interim dividends to 0.50 cent per share, the same as the corresponding nine-month period last year. The total dividends amount to S\$3.8 million which translate into a dividend payout of approximately 182% based on the Group’s PATMI in 9M17.

Group revenue eased 5.2% year-on-year to S\$142.3 million in 9M17. The Group’s PATMI in 9M17 declined from S\$5.0 million in 9M16 to S\$2.1 million in 9M17, attributable mainly to lower other income, higher foreign exchange loss and the share of loss of joint venture compared to a profit in 9M16.

For the third quarter ended 30 September 2017 (“3Q17”), Group revenue grew 4.5% year-on-year to S\$50.2 million. As it had lower depreciation expenses and cost benefits from reductions in its headcount and operating overheads, the Group’s gross profit in 3Q17 grew a faster 20.0% year-on-year compared to revenue. This led to an expansion of its gross profit margin to 16.8% compared to 14.6% in 3Q16. However, a negative swing of S\$1.6 million owing to foreign exchange loss caused the Group’s PATMI to decline to S\$0.8 million in 3Q17 from S\$1.8 million in the same quarter a year ago.

Said Mr Elson Hew, Chief Executive Officer of Fu Yu, “In 3Q17, the Group recorded revenue growth due to higher sales across most of our main product categories, in particular for the medical and consumer segments. While sales of our automotive products are modest at present, this segment has also been showing encouraging progress.

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The Group's operational performance is also benefiting from the cost savings that are being yielded by our ongoing cost control and rationalisation initiatives. As a result, if the impact of foreign exchange is excluded, the Group witnessed an improvement in profitability despite challenging business conditions in the end-user markets that we serve."

The Group remained in a sound financial position as at 30 September 2017 with a cash balance of S\$94.6 million and zero borrowings. Shareholders' equity stood at S\$163.7 million, equivalent to net asset value of 21.74 cents per share which includes cash and cash equivalents of around 12.57 cents per share.

"Going forward, we will continue to execute various business development initiatives to drive sales growth and improve the utilisation rates of the Group's plants. As a preferred supplier of one-stop precision plastic manufacturing solutions, Fu Yu has built a well-diversified product portfolio that spans multiple sectors and end-user markets. Our current strategy is to focus on growing our sales in product and market segments that have better potential and higher stability," said Mr Hew.

As part of its long-term growth strategy, the Group is working to expand its market share with existing and new customers, and increase the diversity of its customer base to raise contributions from sectors with greater stability and longer product life cycles, such as medical and automotive. The Group is also taking steps to broaden its product portfolio and seize opportunities in market segments with higher growth potential, such as 3D printers, security-related, medical and green products. It is also working continuously on operational improvements to achieve optimal capacity utilisation, higher production efficiency and a better cost structure.

While the global economy is showing signs of recovery, the Group expects operating conditions for the industries it serves to remain challenging due to the uneven end-user demand across various sectors. With its sound financial position and established manufacturing capabilities in Asia, the Group believes it has the ability to withstand challenging business periods and capitalise on opportunities when they arise.

*This news release is to be read in conjunction with the Group's announcement posted on the SGX website on 14 November 2017.*

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### **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 close to 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/>