



**FU YU CORPORATION LIMITED
AND SUBSIDIARY COMPANIES**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

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A Condensed interim statements of financial position

	Note	Group		Company	
		As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Non-current assets					
Property, plant and equipment	3	57,944	58,229	39,371	38,237
Investment property	4	5,599	5,652	–	–
Goodwill	5	3,281	3,185	–	–
Subsidiaries	6	–	–	53,898	53,898
Other receivables	7	–	–	21,287	20,526
Deferred tax assets		1,300	1,260	–	–
		<u>68,124</u>	<u>68,326</u>	<u>114,556</u>	<u>112,661</u>
Current assets					
Inventories		13,782	13,377	3,944	2,825
Contract assets		2,815	1,888	506	354
Trade and other receivables	7	36,063	31,373	20,593	16,801
Tax recoverable		258	904	–	671
Cash and bank balances	8	59,101	60,322	5,293	13,816
		<u>112,019</u>	<u>107,864</u>	<u>30,336</u>	<u>34,467</u>
Total assets		<u>180,143</u>	<u>176,190</u>	<u>144,892</u>	<u>147,128</u>
Equity attributable to equity holders of the Company					
Share capital	9	103,770	102,985	103,770	102,985
Reserves		36,024	34,458	22,430	22,300
Total equity		<u>139,794</u>	<u>137,443</u>	<u>126,200</u>	<u>125,285</u>
Non-current liabilities					
Provision		1,159	1,138	1,159	1,138
Trade and other payables		87	–	87	–
Loans and borrowings	10	4,819	5,030	4,815	4,982
Deferred tax liabilities		921	1,711	322	1,065
		<u>6,986</u>	<u>7,879</u>	<u>6,383</u>	<u>7,185</u>
Current liabilities					
Trade and other payables		29,179	24,925	10,527	10,705
Contract liabilities		703	538	225	198
Loans and borrowings	10	1,787	4,206	1,557	3,755
Tax payable		1,694	1,199	–	–
		<u>33,363</u>	<u>30,868</u>	<u>12,309</u>	<u>14,658</u>
Total liabilities		<u>40,349</u>	<u>38,747</u>	<u>18,692</u>	<u>21,843</u>
Total equity and liabilities		<u>180,143</u>	<u>176,190</u>	<u>144,892</u>	<u>147,128</u>

**B (i) Condensed interim consolidated income statement
For the six months ended 30 June 2024**

	Note	Group		Change %
		Six Months Ended 30 June		
		2024 \$'000	2023 \$'000	
Revenue	11	126,713	71,188	78.0%
Cost of sales		(118,216)	(64,805)	82.4%
Gross profit		8,497	6,383	
Other income		1,852	2,075	-10.7%
Selling and administrative expenses		(10,219)	(12,685)	-19.4%
Other operating income, net		706	460	53.5%
Results from operating activities		836	(3,767)	NM
Finance costs		(503)	(275)	82.9%
Profit/(Loss) before income tax	12	333	(4,042)	NM
Tax (expense)/credit	13	(261)	188	NM
Profit/(Loss) for the period attributable to owners of the Company		72	(3,854)	NM
Earnings/(Loss) per share				
Basic and diluted earnings/(loss) per share (cents)		0.01	(0.51)	

NM denotes Not Meaningful

**B (ii) Condensed interim consolidated statement of comprehensive income
 For the six months ended 30 June 2024**

	Group		Change
	Six Months Ended 30 June 2024 \$'000	2023 \$'000	
Profit/(Loss) for the period	72	(3,854)	NM
Other comprehensive income/(loss) <i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences	1,158	(2,746)	NM
Other comprehensive income/(loss) for the period	1,158	(2,746)	NM
Total comprehensive income/(loss) for the period attributable to owners of the Company	1,230	(6,600)	NM

NM denotes Not Meaningful

**C Condensed interim statements of changes in equity
For the six months ended 30 June 2024**

		Attributable to equity holders of the Company							
		Share capital	Capital reserve	Statutory reserve	Revaluation reserve	Foreign currency translation reserve	Share- based payment reserve	Retained earnings	Total equity
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
	At 1 January 2024	102,985	(415)	4,278	789	(32,500)	759	61,547	137,443
Total comprehensive income for the period									
	Profit for the period	–	–	–	–	–	–	72	72
Other comprehensive income									
	- Foreign currency translation differences	–	–	–	–	1,158	–	–	1,158
	Total comprehensive income for the period	–	–	–	–	1,158	–	72	1,230
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
	Equity-settled share-based payment transactions	785	–	–	–	–	336	–	1,121
	Total transactions with owners	785	–	–	–	–	336	–	1,121
	At 30 June 2024	103,770	(415)	4,278	789	(31,342)	1,095	61,619	139,794

		Attributable to equity holders of the Company							
	Note	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share- based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
Group									
At 1 January 2023		102,158	(415)	8,720	789	(25,211)	915	64,471	151,427
Total comprehensive loss for the period									
Loss for the period		-	-	-	-	-	-	(3,854)	(3,854)
Other comprehensive loss									
- Foreign currency translation differences		-	-	-	-	(2,746)	-	-	(2,746)
Total comprehensive loss for the period		-	-	-	-	(2,746)	-	(3,854)	(6,600)
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Equity-settled share-based payment transactions		827	-	-	-	-	(493)	-	334
Dividend paid to owners of the company	17	-	-	-	-	-	-	(4,542)	(4,542)
Total transactions with owners		827	-	-	-	-	(493)	(4,542)	(4,208)
Transfer between reserves									
Transfer to statutory reserves		-	-	61	-	-	-	(61)	-
Transfer to capital reserves		-	188	-	-	-	-	(188)	-
At 30 June 2023		102,985	(227)	8,781	789	(27,957)	422	55,826	140,619

**Condensed interim statements of changes in equity
For the six months ended 30 June 2024**

	Share capital	Revaluation reserve	Merger reserve	Share-based payment reserve	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
At 1 January 2024	102,985	789	(1,425)	759	22,177	125,285
Total comprehensive loss for the period						
Loss for the period	–	–	–	–	(206)	(206)
Total comprehensive loss for the period	–	–	–	–	(206)	(206)
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payment transactions	785	–	–	336	–	1,121
Total transactions with owners	785	–	–	336	–	1,121
At 30 June 2024	103,770	789	(1,425)	1,095	21,971	126,200
Company						
At 1 January 2023	102,158	789	(1,425)	915	27,827	130,264
Total comprehensive loss for the period						
Loss for the period	–	–	–	–	(628)	(628)
Total comprehensive loss for the period	–	–	–	–	(628)	(628)
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payment transactions	827	–	–	(493)	–	334
Dividends paid to owners of the company	–	–	–	–	(4,542)	(4,542)
Total transactions with owners	827	–	–	(493)	(4,542)	(4,208)
At 30 June 2023	102,985	789	(1,425)	422	22,657	125,428

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D Condensed interim consolidated statement of cash flows
For the six months ended 30 June 2024

	Note	Group	
		Six Months Ended 30 Jun 2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		333	(4,042)
Adjustments for:			
Depreciation of property, plant and equipment and investment property	12	4,086	4,197
Finance costs		503	275
Interest income	12	(836)	(861)
Gain on disposal of property, plant and equipment	12	(6)	(13)
Property, plant and equipment written off	12	185	1
Equity-settled share-based payment transactions		1,121	–
Unrealised foreign exchange (gain)/ loss		(323)	59
		5,063	(384)
Changes in working capital:			
Trade and other debtors		(4,495)	3,062
Contract assets		(921)	(152)
Contract liabilities		164	(425)
Inventories		(379)	2,394
Trade and other creditors		4,223	(7,054)
Cash generated from operating activities		3,655	(2,559)
Tax credit/ (paid)		307	(1,116)
Net cash generated from/(used in) operating activities		3,962	(3,675)
Cash flows from investing activities			
Interest income received		836	861
Proceeds from disposal of property, plant and equipment		6	13
Purchase of property, plant and equipment		(3,874)	(2,121)
Net cash used in investing activities		(3,032)	(1,247)
Cash flows from financing activities			
Repayment of lease liabilities	10	(737)	(634)
Repayment of bank loan		(2,005)	(2,005)
Finance costs paid		(395)	(157)
Dividends paid to shareholders of the Company		–	(4,542)
Deposits pledged		(1)	(1)
Cash restricted in use		3,700	2,233
Net cash generated from/(used in) financing activities		562	(5,106)
Net increase/(decrease) in cash and cash equivalents		1,492	(10,028)
Cash and cash equivalents at beginning of financial period		55,186	71,424
Effect of exchange rate fluctuations on cash held		949	(945)
Cash and cash equivalents at end of financial period	8	57,627	60,451

E Selected notes to the condensed interim financial statements

1. Corporate Information

Fu Yu Corporation Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

These condensed interim financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those of manufacturing and sub-assembly of precision plastic parts and components, fabrication of precision moulds and dies and investment holding. The principal activities of the Company’s subsidiaries consist of (i) manufacturing and sub-assembly of precision plastic parts and components, fabrication of precision moulds and dies, trading, provision of management services and investment holding and (ii) providing supply chain management services and commodity raw materials.

2. Basis of Preparation

2.1. Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.5.

2.2. Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value or amortised cost.

2.3. Functional and presentation currency

The condensed interim financial statements are presented in Singapore dollars (\$) which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4. Use of judgements and estimates

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 5 – impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 6 and 7 – recoverability of investments in and amounts due from subsidiaries
- Note 7 – measurement of expected credit losses (ECL) allowance for trade and other receivables

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements is included in the following note:

- Note 4 – classification of investment property

Measurement of fair values

A number of the Group's accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – investment property
- Note 15 – financial risk management: accounting classification and fair value

2.5. New and amended standards adopted by the Group

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2024:

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Non-current liabilities with covenants
- Amendments to SFRS(I) 16: Lease liability in a sale and leaseback
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

The application of these amendments to standards and interpretations does not have a material effect on the condensed interim financial statements.

3. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$3,874,000 (30 June 2023: \$1,449,000) of which \$ NIL (30 June 2023: \$36,000) relates to right-of-use assets and disposed of assets amounting to net book value of Nil. (30 June 2023: \$1,000).

4. Investment property

	<u>Group</u> <u>\$'000</u>
Cost	
At 1 January 2023	8,643
Currency realignment	(499)
At 31 December 2023	<u>8,144</u>
At 1 January 2024	8,144
Currency realignment	20
At 30 June 2024	<u>8,164</u>
Accumulated depreciation	
At 1 January 2023	2,505
Depreciation for the year	135
Currency realignment	(148)
At 31 December 2023	<u>2,492</u>
At 1 January 2024	2,492
Depreciation for the period	7
Currency realignment	66
At 30 June 2024	<u>2,565</u>
Carrying amounts	
At 1 January 2023	<u>6,138</u>
At 31 December 2023	<u>5,652</u>
At 30 June 2024	<u>5,599</u>

The buildings are leased to a third party.

The Group has certain leasehold land held to earn rental income and also for own production or supply of goods and administrative purposes. If a portion of the property cannot be sold or leased out separately under a finance lease, the entire property is classified as investment property only if the portion of the property held for own use is insignificant. Judgement is involved in determining the allocation of investment property and property, plant and equipment.

The fair value of the investment property (fair value hierarchy of level 3) as at 31 December 2023 amounts to approximately \$6,751,000 and has been determined based on valuations performed by accredited independent valuers with recent experience in the location and category of investment properties being valued. The valuations are based on comparison method and the depreciated replacement cost method. The depreciated replacement cost method makes reference to the cost of replacing the buildings as new and allowing for depreciation. Key unobservable inputs correspond to replacement costs having regard to asset life, physical deterioration, functional and economic obsolescence. The comparison method involves comparing and adopting recent transactions as a yardstick and sale evidences involving other similar properties in the vicinity. The Group has assessed that the best use of its properties does not differ from their current use.

5. Goodwill

	<u>Group</u> <u>\$'000</u>
Cost	
At 1 January 2024	5,863
Accumulated impairment losses	
At 1 January 2024	<u>(2,678)</u>
Carrying amount	
At 1 January 2024	3,185
Currency realignment	<u>96</u>
At 30 June 2024	<u><u>3,281</u></u>

Impairment testing for cash generating unit ("CGU") containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's supply chain management services and commodity raw materials CGU.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from continuing use of the CGU.

At 30 June 2024, the value in use was determined similarly to the 31 December 2023 goodwill test, and the key assumptions used in the estimation of value in use were as follows:

	<u>2024</u>
Group	
Number of years projected in the discounted cash flows	5 years
Pre-tax discount rate	13.52%
Revenue compound annual growth rate	15.5%
Gross profit margin	1.46%
Terminal value growth rate	<u>1.00%</u>

Management determined budgeted gross margin based on past performance and its expectations of market developments. Revenue growth was projected taking into account the estimated sales volume and price growth for the next five years. It was assumed that the sales price would grow at a constant margin above forecast inflation over the next five years. The discount rates used were pre-tax and reflected specific risks relating to the CGU.

6. Subsidiaries

	<u>Company</u>	
	<u>As at</u> <u>30 Jun 2024</u> <u>\$'000</u>	<u>As at</u> <u>31 Dec 2023</u> <u>\$'000</u>
Equity investments, at cost	107,960	107,960
Forgiveness of amounts due from subsidiaries	<u>12,802</u>	<u>12,802</u>
	120,762	120,762
Impairment losses	<u>(66,864)</u>	<u>(66,864)</u>
	<u><u>53,898</u></u>	<u><u>53,898</u></u>

7. Trade and other receivables

	Group		Company	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Trade receivables	31,492	25,302	11,312	8,350
Allowance for impairment of doubtful receivables	(3)	(3)	–	–
Net trade receivables	31,489	25,299	11,312	8,350
Other receivables	415	249	68	46
Amounts due from subsidiaries	–	–	28,905	27,005
Deposits	309	267	136	101
	32,213	25,815	40,421	35,502
Prepayments	1,381	919	640	537
Advances to suppliers	2,469	4,639	819	1,288
	36,063	31,373	41,880	37,327
Non-current	–	–	21,287	20,526
Current	36,063	31,373	20,593	16,801
	36,063	31,373	41,880	37,327

Amounts due from subsidiaries

	Company	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Amounts due from subsidiaries		
Non-current		
- non-trade	27,588	26,827
Impairment losses	(6,301)	(6,301)
	21,287	20,526
Current		
- trade	223	–
- non-trade	9,024	8,108
Impairment losses	(1,629)	(1,629)
	28,905	27,005

Expected credit loss (“ECL”) assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets which comprise a large number of small balances, while for other receivables there is no significant increase in credit risk for these exposures, therefore impairment has been measured on the 12-month expected loss basis and the amount of the allowance is insignificant.

Loss rates are estimated based on actual credit loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected life of the receivables.

There have been no significant changes to the movement in the allowance for impairment loss in respect of trade and other receivables during the period.

8. Cash and bank balances

	Group		Company	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Cash at bank and in hand	25,069	25,333	4,293	2,799
Deposits with banks	34,032	34,989	1,000	11,017
Cash and bank balances in the statements of financial position	59,101	60,322	5,293	13,816
Cash restricted-in-use	(1,403)	(5,066)		
Deposits pledged	(71)	(70)		
Cash and cash equivalents in the consolidated statement of cash flows	57,627	55,186		

The deposit pledged represents bank balance pledged for bank guarantee purposes in the normal course of business.

Cash restricted-in-use includes \$1,403,000 (31 December 2023: \$5,066,000) deposits for the bank loan purposes (see note 10).

Deposits with financial institutions mature on varying periods within 12 months (2023: 12 months) from the financial period end. Effective interest rates range from 1.60% to 5.30% (2023: 1.50% to 5.30%) per annum.

Cash and bank balances totaling the equivalent of \$11,604,000 (31 December 2023: \$12,276,000) are held in a country which operates foreign exchange controls.

9. Share capital

	Group and Company	
	2024	2023
	No. of shares	
Fully paid ordinary shares, with no par value:		
On issue at 1 January	756,994,775	752,994,775
Issuance of new ordinary shares	5,000,000	4,000,000
On issue at 30 June (2023: 31 December)	761,994,775	756,994,775

The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

10. Loans and borrowings

	Group		Company	
	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2024 \$'000	As at 31 Dec 2023 \$'000
Non-current liabilities				
Lease liabilities	4,819	5,030	4,815	4,982
Current liabilities				
Bank loans	1,336	3,341	1,336	3,341
Lease liabilities	451	865	221	414
	<u>1,787</u>	<u>4,206</u>	<u>1,557</u>	<u>3,755</u>

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	30 Jun 2024	
				Face value \$'000	Carrying amount \$'000
Group					
Bank loans	SGD	5.33%-5.54%	2024	1,336	1,336
Lease liabilities	SGD	1.60%-5.79%	2024-2044	6,991	5,044
Lease liabilities	MYR	5.45%-6.90%	2024-2024	92	89
Lease liabilities	RMB	4.35%-4.75%	2024-2026	138	137
				<u>8,557</u>	<u>6,606</u>
Company					
Bank loans	SGD	5.33%-5.54%	2024	1,336	1,336
Lease liabilities	SGD	1.60%-4.50%	2024-2044	6,985	5,036
				<u>8,321</u>	<u>6,372</u>
	Currency	Nominal interest rate	Year of maturity	31 Dec 2023	
				Face value \$'000	Carrying amount \$'000
Group					
Bank loans	SGD	4.58%-5.58%	2024	3,341	3,341
Lease liabilities	SGD	1.60%-5.79%	2024-2044	7,453	5,402
Lease liabilities	MYR	5.45%-6.90%	2024-2025	134	132
Lease liabilities	RMB	4.35%-4.75%	2024-2026	368	361
				<u>11,296</u>	<u>9,236</u>
Company					
Bank loans	SGD	4.58%-5.58%	2024	3,341	3,341
Lease liabilities	SGD	1.60%-4.50%	2024-2044	7,446	5,396
				<u>10,787</u>	<u>8,737</u>

Bank loans

The bank loan is to finance the redevelopment of No.9 Tuas Drive 1, Singapore 638675. One of the wholly-owned subsidiaries in Singapore has placed fixed deposits denominated in USD for an amount equivalent to 105% of the outstanding bank loan (see Note 8).

Intra-group financial guarantee

Intra-group financial guarantee comprises a guarantee given by the Company to banks in respect of banking credit facilities amounting to \$172,102,400 (2023: \$167,109,300) granted to the wholly-owned subsidiaries in Malaysia and Singapore. As at the reporting date, the Company has not recognised an ECL provision as the credit facilities have not been utilised. The Company does not consider it probable that a claim will be made against the Company under the guarantee.

Reconciliation of movements of loans and borrowings and lease liabilities to cash flows arising from financing activities:

Group	Lease liabilities \$'000	Bank loans \$'000
Balance at 1 January 2024	5,895	3,341
Changes in financing cash flows		
Repayment of bank loans	–	(2,005)
Payment of lease liabilities	(629)	–
Finance costs paid	(108)	(395)
Total changes from financing cash flows	(737)	(2,400)
Other changes		
Liability-related		
Currency realignment	4	–
Interest expense	108	395
Total liability-related other changes	112	395
Balance at 30 June 2024	5,270	1,336

11. Revenue

(i) Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 14).

	Manufacturing Segment						Supply Chain Management Services Segment					
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore		Total	
Six months ended 30 Jun	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
Major products/ service line												
Sales of goods	19,279	18,083	14,031	17,812	16,999	12,288	50,309	48,183	71,963	18,569	122,272	66,752
Revenue from tooling contracts	1,725	1,659	1,940	2,243	776	534	4,441	4,436	–	–	4,441	4,436
	<u>21,004</u>	<u>19,742</u>	<u>15,971</u>	<u>20,055</u>	<u>17,775</u>	<u>12,822</u>	<u>54,750</u>	<u>52,619</u>	<u>71,963</u>	<u>18,569</u>	<u>126,713</u>	<u>71,188</u>
Timing of revenue recognition												
Products transferred at a point in time	19,279	18,083	14,031	17,812	16,999	12,288	50,309	48,183	71,963	18,569	122,272	66,752
Services transferred over time	1,725	1,659	1,940	2,243	776	534	4,441	4,436	–	–	4,441	4,436
	<u>21,004</u>	<u>19,742</u>	<u>15,971</u>	<u>20,055</u>	<u>17,775</u>	<u>12,822</u>	<u>54,750</u>	<u>52,619</u>	<u>71,963</u>	<u>18,569</u>	<u>126,713</u>	<u>71,188</u>

(ii) **Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

12. Profit/(Loss) before income tax

Significant items

	Group	
	Six Months	
	Ended 30 Jun	
	2024	2023
	\$'000	\$'000
A. Profit before income tax is arrived at after (crediting)/ charging the following:		
Interest income	(836)	(861)
Gain on disposal of property, plant and equipment	(6)	(13)
Foreign exchange gain, net	(706)	(460)
Property, plant and equipment written off	185	1
Depreciation of property, plant and equipment and investment property	4,086	4,197
Interest expenses on lease liabilities	108	118
Interest expenses on bank loan	395	157
(Write-back)/ Allowance for inventory obsolescence	(104)	669
B. Tax expense		
Adjustments for under/(over) provision of income tax in respect of prior years	142	(7)

13. Tax expense/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

	Group	
	Six Months	
	Ended 30 Jun	
	2024	2023
	\$'000	\$'000
Current tax expense		
Current year	883	315
Withholding taxes	54	14
Under/(over) provision in prior years	142	(7)
	<u>1,079</u>	<u>322</u>
Deferred tax credit		
Movements in temporary differences	(685)	(510)
Over provision in prior years	(133)	-
	<u>(818)</u>	<u>(510)</u>
Tax expense/ (credit)	<u>261</u>	<u>(188)</u>

14. Operating Segments

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

- Manufacturing Segment
- Supply Chain Management Services Segment

Within the manufacturing segment, the Group has three reportable geographical segments based on the location of assets, namely Singapore, Malaysia and China. These segments are managed separately because they bear different financial and business risks. The locations of the Group's customers are not significantly different from the locations of the Group's assets.

Segmental results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Performance is measured based on profit before income tax, depreciation of property, plant and equipment and investment property, finance costs and net foreign exchange gain/(loss) as included in internal management reports that are reviewed by the Group's Chief Executive Officer (chief operating decision maker). Such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the Group's industry. Both inter-segment and intra-segment pricing are based on terms agreed by the counterparties.

Reportable Segments

Six months ended 30 Jun	Manufacturing Segment						Supply Chain Management Services Segment									
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore		Total operations before adjustment		Group adjustment and eliminations		Total operations	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue and expenses																
Total external revenue	21,004	19,742	15,971	20,055	17,775	12,822	54,750	52,619	71,963	18,569	126,713	71,188	–	–	126,713	71,188
Inter-segment revenue	249	27	204	40	51	96	504	163	–	31	504	194	(504)	(194)	–	–
Segment profit/ (loss) before income tax*	18	3,933	(326)	493	3,056	1,869	2,748	6,295	632	(717)	3,380	5,578	–	(6,469)	3,380	(891)
Depreciation of property, plant and equipment and investment property	(2,098)	(1,759)	(1,159)	(1,440)	(845)	(1,001)	(4,102)	(4,200)	(12)	(11)	(4,114)	(4,211)	28	14	(4,086)	(4,197)
Interest income	130	200	29	81	54	59	213	340	627	529	840	869	(4)	(8)	836	861
Finance costs	(182)	(259)	(6)	(16)	(7)	(9)	(195)	(284)	(310)	–	(505)	(284)	2	9	(503)	(275)
Foreign exchange gain/(loss) (net)	1,286	(60)	(481)	(608)	187	232	992	(436)	(170)	(39)	822	(475)	(116)	935	706	460
Profit/(Loss) before income tax	(846)	2,055	(1,943)	(1,490)	2,445	1,150	(344)	1,715	767	(238)	423	1,477	(90)	(5,519)	333	(4,042)
Tax (expense)/credit															(261)	188
Net profit/(loss) for the period															72	(3,854)
Other segment information																
Non-current assets	93,269	116,677	6,177	7,303	18,178	19,503	117,624	143,483	31,160	6,065	148,784	149,548	(81,960)	(79,202)	66,824	70,346
Unallocated assets															1,300	1,186
Total non-current assets															68,124	71,532
Capital expenditure**	3,415	1,085	330	184	129	144	3,874	1,413	–	–	3,874	1,413	–	–	3,874	1,413
Interest income	130	200	29	81	54	59	213	340	627	529	840	869	(4)	(8)	836	861
Segment reporting assets	145,043	148,776	36,024	45,689	43,762	38,656	224,829	233,121	65,585	35,978	290,414	269,099	(111,829)	(87,365)	178,585	181,734
Unallocated assets															1,558	1,186
Total assets															180,143	182,920
Segment reporting liabilities	18,547	21,857	40,212	9,610	6,411	4,625	65,170	36,092	10,656	128	75,826	36,220	(38,092)	2,047	37,734	38,267
Unallocated liabilities															2,615	4,034
Total liabilities															40,349	42,301

* After excluding finance costs, interest income, foreign exchange gain/(loss) (net) and depreciation.

** Excluding addition of right-of-use assets.

15. Financial Risk Management

Accounting classification and fair values

The carrying amounts of financial assets and liabilities (including trade and other receivables, cash and bank balances, trade and other payables and bank loans) are assumed to approximate their fair values because of the short period to maturity or re-pricing. Further, the fair value disclosure of lease liabilities is also not required.

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2024 and 31 December 2023:

	Amortised costs \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Group			
30 June 2024			
Trade and other receivables ⁺	32,213	–	32,213
Cash and bank balances	59,101	–	59,101
Trade and other payables [#]	–	(28,904)	(28,904)
Bank loans	–	(1,336)	(1,336)
	<u>91,314</u>	<u>(30,240)</u>	<u>61,074</u>
31 December 2023			
Trade and other receivables ⁺	25,815	–	25,815
Cash and bank balances	60,322	–	60,322
Trade and other payables [#]	–	(24,852)	(24,852)
Bank loans	–	(3,341)	(3,341)
	<u>86,137</u>	<u>(28,193)</u>	<u>57,944</u>
	Amortised costs \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Company			
30 June 2024			
Trade and other receivables ⁺	40,421	–	40,421
Cash and bank balances	5,293	–	5,293
Trade and other payables [#]	–	(10,256)	(10,256)
Bank loans	–	(1,336)	(1,336)
	<u>45,714</u>	<u>(11,592)</u>	<u>34,122</u>
31 December 2023			
Trade and other receivables ⁺	35,502	–	35,502
Cash and bank balances	13,816	–	13,816
Trade and other payables [#]	–	(10,632)	(10,632)
Bank loans	–	(3,341)	(3,341)
	<u>49,318</u>	<u>(13,973)</u>	<u>35,345</u>

+ Excludes prepayments and advances to suppliers

Excludes advance billings

16. Related Party Transactions

The Group does not have material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

17. Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company	
	Six Months	
	Ended 30 Jun	
	2024	2023
	\$'000	\$'000
Paid by the Company to owners of the Company		
Final dividend of NIL declared for the financial year ended 31 December 2023 (FY2022: 0.60 cent) per qualifying ordinary share	–	4,542

F Other information required by Listing Rule Appendix 7.2

- 1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, 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**

Nil.

- 1(ii) 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 2024 was 761,994,775 (31 December 2023: 756,994,775).

- 1(iii) 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.

- 1(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of subsidiary holdings 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.**

The condensed interim statements of financial position of Fu Yu Corporation Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated income statement and statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-months ended 30 June 2024 and selected explanatory notes have not been audited or reviewed.

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

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Accounting policies and methods of computation used in the condensed interim financial statements for the period ended 30 June 2024 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2023.

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

	<u>Group</u>	
	<u>Six Months Ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
Earnings /(Loss) per share		
- Basic and diluted (cents)	0.01	(0.51)

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 761,734,501 (2023: 754,232,344).

There was no difference between the basic and diluted earnings per share as the Company has no dilutive securities as at 30 June 2024 and 31 December 2023.

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

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net asset value (\$'000)	139,794	137,443	126,200	125,285
Issued capital at the end of the period ('000)	761,995	756,995	761,995	756,995
Net asset value per Ordinary Share (cents)	18.35	18.16	16.56	16.55

8. Review of performance of the Group

CONSOLIDATED INCOME STATEMENT

Revenue

For the six months ended 30 June 2024 (“1H24”), the Group’s revenue improved 78.0% to \$126.7 million from \$71.2 million in 1H23, mainly due to higher sales for both the manufacturing and supply chain management segments.

Revenue from the manufacturing business stood at \$54.8 million in 1H24, an increase of 4.1% from \$52.6 million in 1H23, while supply chain management services registered revenue of \$72.0 million in 1H24 (1H23: \$18.6 million).

Manufacturing Business

For 1H24, revenue from the manufacturing business rose, mainly due to higher sales from the Singapore and Malaysia operations, partially offset by a decline in the Group’s operations in China. During 1H24, the Group secured new projects and recorded higher order volumes, underscoring the recovery in the overall manufacturing environment and global economy.

Sales from Singapore operations improved 6.6% to \$21.0 million from \$19.7 million, mainly due to higher sales in the consumer segment.

Meanwhile, revenue contribution from the Malaysia segment increased 39.1% to \$17.8 million in 1H24 from \$12.8 million a year ago, mainly due to higher demand from the consumer, medical and power tools segments.

Revenue contribution from China declined 20.4% to \$16.0 million in 1H24 compared to \$20.1 million, amid slower business activities due to a lower-than-expected recovery in the domestic economy.

As a percentage of total sales from the manufacturing business, the Singapore segment’s contribution increased to 38.4% in 1H24 (1H23: 37.5%). Malaysia segment’s revenue contribution grew to 32.5% (1H23: 24.4%) while the China operations accounted for 29.1% (1H23: 38.1%) of the manufacturing business’ revenue in 1H24.

Supply chain management services

For 1H24, revenue from the supply chain management services segment more than tripled to \$72.0 million from \$18.6 million a year ago, making up 56.8% of the Group’s total revenue in 1H24 (1H23: 26.1%).

Gross Profit

The Group’s gross profit in 1H24 increased by 32.8% to \$8.5 million from \$6.4 million in 1H23. Gross profit from the manufacturing segment in 1H24 improved 12.9% to \$7.0 million from \$6.2 million in 1H23, translating to a higher gross profit margin of 12.9% compared to 11.8% previously.

The supply chain management services segment registered gross profit of \$1.5 million in 1H24 (1H23: \$0.2 million) and gross profit margin of 2.1% in 1H24 (1H23: 1.0%).

Overall gross profit margin stood at 6.7% in 1H24, compared to 9.0% in 1H23, mainly due to a change in revenue mix.

Other Income

Other income in 1H24 decreased to \$1.9 million from \$2.1 million in 1H23, mainly due to a decrease in the sale of scrap and raw materials.

Selling and Administrative Expenses

Selling and administrative expenses in 1H24 decreased 19.4% to \$10.2 million from \$12.7 million in 1H23, attributed mainly to the lower expenses relating to travelling expenses, water and electricity charges and sundry expenses.

Other Operating Income

The Group recorded other operating income of \$0.7 million in 1H24, a 53.5% increase from \$0.5 million in 1H23, as a result of higher foreign exchange gain.

The Group recognises foreign exchange gains or losses as a result of transactions denominated in foreign currencies, and the translation of receivables, cash and payables denominated in foreign currencies to the functional currencies of the respective companies in the Group as at each reporting date. As the Group is in a net US Dollar assets position, the appreciation of the US Dollar against the Singapore Dollar and Malaysia Ringgit contributed to the higher foreign exchange gain in 1H24.

Finance Costs

Finance costs in 1H24 increased to \$503,000 from \$275,000 in 1H23, attributed mainly to interest expenses on bank loans and lease liabilities.

Profit/(Loss) before Income Tax

The Group recorded a profit before income tax (“PBT”) of \$0.3 million in 1H24, reversing a loss before income tax (“LBT”) of \$4.0 million in 1H23. PBT excluding foreign exchange impact in 1H24 amounted to a loss of \$0.4 million, compared to LBT excluding foreign exchange impact of \$4.5 million in 1H23.

On a geographical segmental basis, the Group’s manufacturing operations in Singapore posted lower LBT of \$0.8 million in 1H24 compared to LBT of \$3.4 million in 1H23. Malaysia segment recorded a higher PBT of \$2.4 million compared to 1H23’s PBT of \$1.1 million, while the China segment posted LBT of \$1.9 million in 1H24 compared to LBT of \$1.5 million in 1H23.

The Singapore-based supply chain management service operations recorded a PBT of \$0.8 million in 1H24, reversing LBT of \$0.2 million in 1H23.

Tax Expense/(credit)

The Group recorded tax expense of \$261,000 for 1H24 compared to a tax income of \$188,000 in 1H23. The tax expense was mainly in relation to the operating profits registered by the profitable entities within the Group.

A summary of the Group’s operating profit/(loss) and net profit/(loss) is set out as follows:

	1H24 (\$ million)	1H23 (\$ million)	Change
Operating profit/(loss)	0.8	(3.8)	N.M.
Net profit/(loss)	0.1	(3.9)	N.M.

The manufacturing business reported a net loss of \$0.5 million, which has narrowed sharply from a net loss of \$3.7 million in 1H23. The supply chain management services achieved a net profit of \$0.6 million, a significant improvement from a net loss of \$0.2 million in the same period last year.

The Group recorded a net profit of \$72,000 for 1H24, compared to a net loss of \$3.9 million in 1H23.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024, the Group remained in a sound financial position with net cash of \$57.8 million. Cash and bank balances was \$59.1 million while total bank loans amounted to \$1.3 million as at 30 June 2024. Shareholders' equity stood at \$139.8 million, equivalent to net asset value of 18.35 cents per share (based on the total number of issued shares of approximately 762.0 million shares) which included net cash of around 7.6 cents per share.

Total assets as at 30 June 2024 increased to \$180.1 million from \$176.2 million as at 31 December 2023. The increase was mainly due to the growth in trade and other receivables, inventories, and contract assets.

The Group's total liabilities as at 30 June 2024 increased to \$40.3 million from \$38.7 million as at 31 December 2023. This was due mainly to an increase in trade and other payables.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group generated net operating cash flow of \$4.0 million in 1H24 compared to net operating cash outflow of \$3.7 million in 1H23. This was attributed mainly to profit before tax for 1H24 and delay in repayment of trade and other payables, offset by an increase in inventories, and trade and other receivables.

Net cash used in investing activities amounted to \$3.0 million during 1H24. The Group incurred capital expenditure of \$3.9 million, mainly for new machineries in Singapore.

Net cash generated from financing activities totalled \$0.6 million in 1H24. This was attributed mainly to a reduction in cash restricted-in-use.

As a result of the above, the Group's cash and cash equivalents increased to \$57.6 million at the end of 1H24 compared to \$55.2 million as at 31 December 2023 (including cash deposits pledged of \$0.1 million and cash restricted-in-use of \$1.4 million).

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

The Group recorded higher revenue and a net profit during the period under review, driven by a recovery in the broader macroeconomic environment. Fu Yu's strategic initiatives to upgrade its manufacturing capabilities and expand its customer base – as outlined in the Group's Corporate and Business Update in November 2023 – have strengthened its ability to capitalise on the economic recovery and seize opportunities in new industries.

On the manufacturing front, the Group has launched several higher-precision tooling projects, mostly in the medical devices space. These high-precision tools, which offer better margins, are also being exported to other manufacturing houses, and the Group expects this business to steadily increase in the coming months.

In line with this shift towards higher precision, the Group's biomedical arm has also recorded encouraging growth, with the maiden revenue contributions in the reporting period accounting for 3.0% of total revenue from the manufacturing business. Moving forward, the Group will continue to engage global medtech companies and start-ups in the biomedical space to secure new projects and grow market share.

Looking ahead, the Group continues to see a positive trend in order volumes as well as inquiries for new projects, and expects business momentum to increase in the second half of the year.

However, the recovery could be hampered by several factors. Geopolitical tensions arising from the ongoing Russia-Ukraine war and the recent conflict in the Middle East could result in further reconfiguration and disruptions to the supply chain, longer shipping lead times and higher costs of raw materials. Meanwhile, the run-up to the elections in the United States could lead to an escalation of US-China trade tensions, leading to further tariffs on China-made goods. In response, the Group's facilities in China will focus on its China-for-China or China-for-Asia strategies to mitigate these risks.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No dividends have been recommended or declared in the six months period ended 30 June 2024 as the Company is in a loss-making position.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books Record date

Not applicable.

12. If no dividend has been declared/ recommended, a statement to that effect.

No dividends have been recommended or declared in the six months period ended 30 June 2024 as the Company is in a loss-making position.

13. 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 material IPTs for the period ended 30 June 2024.

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

We, Huang Junli, Christopher and Seow Jun Hao David, 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 condensed interim financial statement for the six months ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Huang Junli, Christopher
Non-Executive Chairman
Independent Director

Seow Jun Hao David
Executive Director
Group Chief Executive Officer

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Janet Tan
Company Secretary
Singapore, 7 August 2024