



NEWS RELEASE

Fu Yu Records Softer Revenue of S\$44.7 million in 1Q17

- Group registered profit before tax of S\$1.3 million and net profit of S\$0.5 million in 1Q17
- Financial position remains sound with cash of S\$101.8 million and zero debt
- Group continues to strengthen business development efforts to drive top line

Singapore, 9 May 2017 – Fu Yu Corporation Limited (“Fu Yu” or the “Group”), a vertically integrated manufacturer of precision plastic components in Asia, reported lower revenue of S\$44.7 million for the three months ended 31 March 2017 (“1Q17”). This represented a decline of 14.0% from revenue of S\$52.0 million in 1Q16.

As a result of slower demand conditions in 1Q17, the Group recorded lower sales particularly from its Malaysia and China segments. The Malaysia segment posted a 30.8% decrease in sales to S\$7.4 million while sales of the China operations reduced by 12.2% to S\$27.4 million in 1Q17. Sales from the Singapore segment totalled S\$9.9 million in 1Q17, which was a marginal dip compared to 1Q16.

Gross profit decreased 15.0% to S\$7.5 million in 1Q17 from S\$8.8 million in 1Q16 in tandem with the decline in revenue. Notwithstanding this, the Group sustained its gross profit margin at 16.7% on the back of lower depreciation charges as well as its continual efforts to manage costs and achieve efficient utilisation of its manufacturing facilities.

The Group reported profit before income tax of S\$1.3 million in 1Q17, a decline of 15.7% from S\$1.6 million in 1Q16. This was attributed mainly to the decreases in gross profit and other income which were partially buffered by lower operating expenses during 1Q17. After deducting tax expense, the Group posted a 46.3% decrease in net profit attributable to owners of the Company to S\$0.5 million in 1Q17.

Said Mr Elson Hew, Chief Executive Officer of Fu Yu, “Against the backdrop of global economic uncertainties and uneven business environment, the Group witnessed slower customer demand during 1Q17. Our China and Malaysia operations registered lower revenues due mainly to slower orders for networking & communications, as well as consumer products. The Group’s Singapore operations held up a relatively steady sales performance in 1Q17, thanks mainly to the medical segment which typically exhibits a higher degree of stability and longer product life cycle.

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We will continue to strengthen our business development efforts with the aim of driving the Group's sales growth and improving our plant utilisation rates. We plan to target market segments that present better future business prospects and increase the diversity of our revenue streams while maintaining a tight rein on costs."

As at 31 March 2017, the Group's maintained a strong balance sheet backed by a cash balance of S\$101.8 million with zero borrowings. Shareholders' equity stood at S\$171.1 million, equivalent to net asset value of 22.73 cents per share which includes cash and cash equivalents of around 13.52 cents per share.

Looking ahead, the Group expects the operating environment to remain challenging as the ongoing uncertainties surrounding the global economy could continue to weigh on business sentiment and end-user demand. Intense competition could result in pressure on selling prices while the volatility in currency exchange rates will also have an effect on the Group's financial performance.

Backed by sound financial fundamentals and its strong reputation as a preferred supplier of one-stop precision plastic manufacturing solutions, the Group believes it is well-positioned to weather difficult business periods and capitalise on opportunities that arise.

In tandem with its ongoing initiatives to increase automation and improve work processes to raise cost and operational efficiencies, the Group is also placing strong emphasis on business development plans to expand its market share. The Group is looking to increase the diversity of its customer base to improve revenue contributions from sectors with greater stability and longer product life cycles such as medical and automotive. It will also continue to seek out and seize opportunities in market segments with higher growth potential such as 3D printing, security-related, medical and green products.

This news release is to be read in conjunction with the Group's announcement posted on the SGX website on 9 May 2017.

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/>