



**FU YU CORPORATION LIMITED
AND SUBSIDIARY COMPANIES**

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED
31 MARCH 2019**

First 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 Limited wishes to announce the unaudited results of the Group for the first quarter ended 31 March 2019.

GROUP	Quarter Ended 31-Mar		Change %
	2019 S\$'000	2018 S\$'000	
Revenue	46,708	46,372	0.7
Cost of sales	(38,444)	(38,931)	(1.3)
Gross profit	8,264	7,441	11.1
Other income	1,751	1,865	(6.1)
Selling and administrative expenses	(6,759)	(6,854)	(1.4)
Other operating expenses	(564)	(1,350)	(58.2)
Reversal of impairment loss on trade receivables	-	5	(100.0)
Results from operating activities	2,692	1,107	NM
Finance costs	(139)	-	100.0
Share of loss of joint venture (net of tax)	(75)	(152)	(50.7)
Profit before income tax	2,478	955	NM
Tax expense	(890)	(331)	NM
Profit for the quarter	1,588	624	NM
Profit for the quarter attributable to:			
Owners of the Company	1,588	548	NM
Non-controlling interests	-	76	(100.0)
Profit for the quarter	1,588	624	NM
Earnings per share			
- basic and diluted earnings per share (cents)	0.21	0.07	NM

NM denotes Not Meaningful

Consolidated Statement of Comprehensive Income

GROUP	Quarter Ended 31-Mar		Change %
	2019 S\$'000	2018 S\$'000	
Profit for the quarter	1,588	624	NM
Other comprehensive income			
Items that are or may be reclassified			
subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	893	2,295	(61.1)
Other comprehensive income for the quarter (net of tax)	893	2,295	(61.1)
Total comprehensive income for the quarter (net of tax)	2,481	2,919	(15.0)
Total comprehensive income attributable to:			
Owners of the Company	2,481	2,223	11.6
Non-controlling interests	-	696	(100.0)
Total comprehensive income for the quarter	2,481	2,919	(15.0)
NM denotes Not Meaningful			

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

GROUP	Quarter Ended 31-Mar		Change %
	2019 S\$'000	2018 S\$'000	
Profit before income tax is arrived at after charging/(crediting) the following:			
Interest income	(403)	(481)	(16.2)
Gain on disposal of property, plant and equipment	(44)	(10)	NM
Foreign exchange loss, net	562	1,347	(58.3)
Property, plant and equipment written off	2	3	(33.3)
Reversal of impairment loss on trade receivables	-	(5)	NM
Depreciation of property, plant and equipment	1,723	1,756	(1.9)
Depreciation of investment property	44	45	(2.2)
Depreciation of right-of-use assets*	1,256	-	100.0
Interest expenses on lease liabilities*	139	-	100.0
Allowance for inventory obsolescence, net and inventories written off	376	108	NM
Adjustments for over provision of income tax in respects of the prior years	-	(119)	NM
NM denotes Not Meaningful			

* Adoption of SFRS(I) 16 on 1 January 2019 as disclosed in page 8, changes in accounting policies.

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 31 Mar 19 S\$'000	As at 31 Dec 18 S\$'000	As at 31 Mar 19 S\$'000	As at 31 Dec 18 S\$'000
Non-current assets				
Property, plant and equipment	45,053	44,810	11,858	12,019
Right-of-use assets*	10,515	-	4,466	-
Investment property	8,062	8,043	-	-
Subsidiaries	-	-	20,631	20,631
Amount due from subsidiary companies	-	-	27,427	27,724
Joint venture	636	705	-	-
Deferred tax assets	395	772	-	-
	64,661	54,330	64,382	60,374
Current assets				
Inventories	18,944	16,946	3,519	2,703
Trade and other receivables	53,557	54,026	12,514	11,746
Contract assets	2,801	2,353	1,499	923
Tax recoverable	68	24	-	-
Amount due from subsidiary companies	-	-	3,231	4,540
Short term investments	2,351	3,596	-	-
Cash and cash equivalents	82,838	80,310	45,423	44,400
	160,559	157,255	66,186	64,312
Total assets	225,220	211,585	130,568	124,686
Equity attributable to equity holders of the Company				
Share capital	102,158	102,158	102,158	102,158
Reserves	64,444	61,963	14,109	12,612
Total equity	166,602	164,121	116,267	114,770
Non-current liabilities				
Lease liabilities*	5,498	-	3,967	-
Deferred tax liabilities	1,025	953	927	859
	6,523	953	4,894	859
Current liabilities				
Trade and other payables	43,506	43,029	7,577	8,095
Contract liabilities	823	581	281	191
Amounts due to subsidiary companies	-	-	176	86
Lease liabilities*	4,808	-	517	-
Tax payable	2,958	2,901	856	685
	52,095	46,511	9,407	9,057
Total liabilities	58,618	47,464	14,301	9,916
Total equity and liabilities	225,220	211,585	130,568	124,686

* Adoption of SFRS(I) 16 on 1 January 2019 as disclosed in page 8, changes in accounting policies.

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

The Group has no borrowings and debts securities as at 31 March 2019 and 31 December 2018.

1(b)(iii) Details of any collaterals

Nil.

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 31-Mar	
	2019 S\$'000	2018 S\$'000
Cash flows from operating activities		
Profit before income tax	2,478	955
Adjustments for:		
Depreciation of property, plant and equipment	1,723	1,756
Depreciation of investment property	44	45
Depreciation of right-of-use assets*	1,256	-
Gain on disposal of property, plant and equipment	(44)	(10)
Property, plant and equipment written off	2	3
Interest income	(403)	(481)
Finance costs*	139	-
Share of loss of joint venture (net of tax)	75	152
Unrealised foreign exchange gain	(391)	(760)
	<u>2,401</u>	<u>705</u>
	4,879	1,660
Changes in working capital:		
Inventories	(1,802)	(1,727)
Trade and other receivables	1,102	5,284
Contract assets	(425)	215
Trade and other payables	6	(2,763)
Contract liabilities	236	(99)
Cash generated from operating activities	<u>3,996</u>	<u>2,570</u>
Tax paid	(456)	(553)
Net cash from operating activities	<u>3,540</u>	<u>2,017</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,574)	(1,303)
Proceeds from disposal of property, plant and equipment	48	10
Withdrawal of short term investments	1,269	489
Interest income received	403	481
Net cash from/(used in) investing activities	<u>146</u>	<u>(323)</u>
Cash flows from financing activities		
Repayment of lease liabilities*	(1,603)	-
Deposit pledged	(26)	(24)
Net cash used in financing activities	<u>(1,629)</u>	<u>(24)</u>
Net increase in cash and cash equivalents	2,057	1,670
Cash and cash equivalents at beginning of financial quarter	77,018	92,252
Effects of exchange rate fluctuations on cash held	420	1,247
Cash and cash equivalents at end of financial quarter	<u>79,495</u>	<u>95,169</u>
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise:		
Cash at bank and in hand	30,942	29,729
Deposits with banks	51,896	68,747
Cash and cash equivalents in the statement of financial position	<u>82,838</u>	<u>98,476</u>
Deposits pledged	(3,343)	(3,307)
Cash and cash equivalents in the consolidated cash flow statement	<u>79,495</u>	<u>95,169</u>

* Adoption of SFRS(I) 16 on 1 January 2019 as disclosed in page 8, changes in accounting policies.

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 31 March (Group)

Group - 2019	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	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 January 2019	102,158	(415)	8,480	789	(21,889)	74,998	164,121	-	164,121
Other comprehensive income for the quarter									
- Foreign currency translation differences	-	-	-	-	893	-	893	-	893
Profit for the quarter	-	-	-	-	-	1,588	1,588	-	1,588
Total comprehensive income for the quarter	-	-	-	-	893	1,588	2,481	-	2,481
At 31 March 2019	102,158	(415)	8,480	789	(20,996)	76,586	166,602	-	166,602

Group - 2018	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	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 January 2018	102,158	140	7,997	789	(14,672)	68,896	165,308	20,186	185,494
Other comprehensive income for the quarter									
- Foreign currency translation differences	-	-	-	-	1,675	-	1,675	620	2,295
Profit for the quarter	-	-	-	-	-	548	548	76	624
Total comprehensive income for the quarter	-	-	-	-	1,675	548	2,223	696	2,919
At 31 March 2018	102,158	140	7,997	789	(12,997)	69,444	167,531	20,882	188,413

For the Quarter Ended 31 March (Company)

Company - 2019	Share capital S\$'000	Revaluation reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 January 2019	102,158	789	(1,425)	13,248	114,770
Profit for the quarter	-	-	-	1,497	1,497
Total comprehensive income for the quarter	-	-	-	1,497	1,497
At 31 March 2019	102,158	789	(1,425)	14,745	116,267

Company - 2018	Share capital S\$'000	Revaluation reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 January 2018	102,158	789	(1,425)	12,133	113,655
Loss for the quarter	-	-	-	(1)	(1)
Total comprehensive income for the quarter	-	-	-	(1)	(1)
At 31 March 2018	102,158	789	(1,425)	12,132	113,654

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

Nil.

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 31 March 2019 was 752,994,775 (31 December 2018: 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.

1(d)(v) 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.

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

Accounting policies and methods of computation used in the consolidated financial statements for the first quarter ended 31 March 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2019 as disclosed in item 5 below.

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

The Group's financial statements for the financial period beginning 1 January 2019 is prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) issued by the Accounting Standards Council (ASC).

The Group adopted SFRS(I) 16 on 1 January 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group further applied the practical expedient to recognise the amounts of right-of-use ("ROU") assets equal to their lease liabilities at 1 January 2019.

As at 1 January 2019, the Group and the Company have recognised the ROU assets and lease liabilities of \$11,746,000 and \$4,611,000 respectively. The nature of expenses related to these leases has changed as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

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 31-Mar	
	2019	2018
<i>Earnings per share</i> - basic and diluted (cents)	0.21	0.07

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 (2018: 752,994,775).

There was no difference between the basic and diluted earnings per share as the Company has no dilutive securities as at 31 March 2019 and 31 March 2018.

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	
	31 Mar 19	31 Dec 18	31 Mar 19	31 Dec 18
Net asset value (S\$'000)	166,602	164,121	116,267	114,770
Issued capital at the end of the period ('000)	752,995	752,995	752,995	752,995
Net asset value per Ordinary Share (cents)	22.13	21.80	15.44	15.24

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

Fu Yu Corporation Limited provides vertically-integrated services for the manufacture of precision plastic components, parts and sub-assemblies, as well as the fabrication of precision moulds and dies. With manufacturing facilities located in Singapore, Malaysia and China, the Group has a large footprint in Asia to serve a broad and diversified customer base in the printing and imaging, networking and communications, consumer, medical and automotive sectors.

INCOME STATEMENT

Revenue

For the three months ended 31 March 2019 ("1Q19"), the Group reported stable revenue of S\$46.7 million compared to S\$46.4 million in 1Q18. The Group's operations in Singapore and Malaysia generated higher sales which offset reduced sales from the China operations in 1Q19.

Sales from the Singapore operations rose 9.2% to S\$11.9 million in 1Q19 from S\$10.9 million in 1Q18. This was lifted mainly by higher sales of products in the automotive, medical and consumer segments. Sales of the Malaysia segment jumped 31.0% to S\$11.0 million in 1Q19 from S\$8.4 million in 1Q18, driven mainly by higher sales of consumer and medical products, as well as power tools.

The China operations registered revenue of S\$23.8 million in 1Q19, down 12.2% from S\$27.1 million in 1Q18. This was attributed mainly to lower sales from the printing & imaging as well as the networking & communications segments.

As a result, the Singapore and Malaysia segments accounted for a higher 25.5% and 23.5% of Group revenue in 1Q19 as compared to 23.5% and 18.1% respectively in 1Q18. China operations accounted for 51.0% of Group revenue in 1Q19, down from 58.4% in 1Q18.

Gross Profit

While revenue was largely unchanged, the Group's gross profit in 1Q19 improved 11.1% to S\$8.3 million from S\$7.4 million in 1Q18. As a result, the Group benefited from an expansion

in its gross profit margin to 17.7% in 1Q19 from 16.0% in 1Q18. This was attributed primarily to a shift in the Group's sales mix, as well as its continual efforts to achieve better cost and operational efficiencies.

Other Income

Other income in 1Q19 declined 6.1% to S\$1.8 million from S\$1.9 million in 1Q18, due mainly to lower interest income and sale of scrap and raw material.

Selling and Administrative Expenses

Selling and administrative expenses in 1Q19 decreased by 1.4% to S\$6.8 million from S\$6.9 million in 1Q18.

Other Operating Expenses

The Group recorded other operating expenses of S\$0.6 million in 1Q19, a decline of 58.2% from S\$1.4 million in 1Q18. This was due mainly to lower foreign exchange loss which arose from the depreciation of the US Dollar against the functional currencies of the respective companies in the Group.

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 net US Dollar assets position, the depreciation of the US Dollar against the Singapore Dollar and Malaysia Ringgit in 1Q19 contributed to the foreign exchange loss.

Finance costs

Following the adoption of SFRS(I) 16, the Group's operating leases are recognised as ROU assets and lease liabilities on its balance sheet (Please refer to section 5 for more information). With these lease liabilities, an interest expense has been charged accordingly. Hence, the Group recorded non-cash finance costs of around S\$0.1 million in 1Q19.

Profit Before Income Tax

Profit before income tax jumped 159.5% to S\$2.5 million in 1Q19 from S\$1.0 million in 1Q18. The Group's profit before tax excluding foreign exchange impact and share of results of joint venture ("operating profit") gained 26.9% to S\$3.1 million in 1Q19 from S\$2.5 million in 1Q18. The increased operating profit was attributed mainly to better gross profit margin and tight control of selling and administrative expenses.

Tax Expense

The Group incurred tax expense of S\$0.9 million for 1Q19 which translated to an effective tax rate of 35.9%. Excluding the withholding taxes which arose from services rendered to China subsidiaries, the effective tax rate was 35.7% in 1Q19. The Group's effective tax rate is higher than Singapore's statutory tax rate of 17% due mainly to losses incurred by certain entities which cannot be offset against profits earned by other companies within the Group, and the varying statutory tax rates of the countries in which the Group operates.

Net Profit Attributable to Owners of the Company

For 1Q19, the Group's net profit attributable to owners of the Company increased significantly to S\$1.6 million from S\$0.5 million in 1Q18.

BALANCE SHEET

The Group maintained a sound financial position as at 31 March 2019 with a cash balance of S\$82.8 million and zero borrowings. Shareholders' equity stood at S\$166.6 million, equivalent to net asset value of 22.1 cents per share (based on the total number of issued shares of approximately 753.0 million shares) which includes cash and cash equivalents of around 11.0 cents per share.

Total assets as at 31 March 2019 increased to S\$225.2 million from S\$211.6 million as at 31 December 2018. The increase was attributed mainly to higher inventories and cash and cash equivalents, as well as the ROU assets following the adoption of SFRS(I) 16. In line with SFRS(I) 16, the Group's operating leases are recognised as ROU assets with the corresponding lease liabilities (computed based on present value) recorded on the balance sheet.

As a result of the adoption of SFRS(I) 16, the Group's total liabilities increased to S\$58.6 million as at 31 March 2019 compared to S\$47.5 million as at 31 December 2018, attributed mainly to the lease liabilities.

CASH FLOW STATEMENT

The Group generated net cash from operating activities of S\$3.5 million in 1Q19. This was attributed mainly to operating profit before working capital changes of around S\$4.9 million and a reduction of trade and other receivables, offset partially by an increase in inventories and payment for income taxes.

Net cash generated from investing activities amounted to S\$0.1 million during 1Q19. The Group incurred capital expenditure of S\$1.6 million which was offset partially by a withdrawal of short term investments and receipt of interest income.

Net cash used in financing activities totalled S\$1.6 million in 1Q19, attributed mainly to the repayment of lease liabilities following the adoption of the SFRS(I) 16. These lease liabilities were previously classified under trade and other payables.

As a result, the Group recorded a net increase of S\$2.1 million in cash and cash equivalents during 1Q19 and closed the financial period with cash and cash equivalents of S\$82.8 million (including cash deposits pledged of S\$3.3 million) compared to S\$80.3 million as at 31 December 2018.

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 had a positive start to the new financial year as its net profit attributable to shareholders grew substantially to S\$1.6 million in 1Q19 from S\$0.5 million in 1Q18.

The Group also continued to witness improved sales in the consumer, medical and automotive & power tools segments. The increased sales helped to counterbalance weaker demand from customers in the printing & imaging and networking & communications segments during 1Q19. As a result, the Group delivered stable revenue in 1Q19 compared to

1Q18. This broad diversity in product portfolio is a key element of the Group's strategy to achieve its goal of stable and sustainable growth over the long term.

The operating environment in FY2019 is expected to remain challenging due to trade concerns and uncertainties over the global economy. The Group's financial performance is also influenced by other factors such as intensifying industry competition, pressure on selling prices and movements in the US Dollar. Its overall sales performance is dependent on, among other factors, end-user demand for customers' products and the individual performance of each segment in the Group's diverse product portfolio.

To drive sustainable and profitable growth over the long term, the Group will continue to execute its strategic initiatives:

- i. strengthen its business development team to expand market share with existing customers and secure new customers in target market segments;
- ii. diversify its customer base across target market segments to ensure greater business resilience and stability;
- iii. focus on products that have longer life cycles and higher growth potential such as medical, automotive, eco-friendly and smart home consumer products, and 3D printers; and
- iv. continually improve its operations to achieve optimal capacity utilisation, high production efficiency and lean cost structure.

To maintain its competitive edge, the Group will focus its efforts on improving its core competencies to produce high precision and quality products. The Group will also continue with ongoing programs to raise the productivity and efficiency of its manufacturing operations to ensure cost-effectiveness and fast time-to-market for customers.

Over the past two years, the Group had undertaken a number of initiatives to streamline and optimise its organisation structure. In FY2019, the Group plans to liquidate its joint venture in Malaysia, Berry Plastics Malaysia Sdn Bhd, in which it owns a 40% equity interest. The Group will continue to seek ways to further optimise the cost structure of its operations in the region, such as rightsizing or consolidation of operations, or the sale / lease of unutilised factory space if suitable opportunities arise.

With its strong one-stop manufacturing capabilities, strategically-located facilities in Asia, diversified customer base and sound financial position, the Group is well positioned to capitalise on future business opportunities and withstand challenging business periods.

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 for the first quarter ended 31 March 2019.

(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

Not applicable

(d) Books closure date

Not applicable

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

No dividends have been declared/recommended for the first quarter ended 31 March 2019.

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 IPTs for the period ended 31 March 2019.

14. 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 Q1 2019 financial statement to be false or misleading in any material aspect.

On behalf of the Board of Directors

Hew Lien Lee
Executive Director
Chief Executive Officer

Ching Heng Yang
Vice Chairman
Executive Director

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

The Company has procured all the required undertakings as required under Rule 720(1).

BY ORDER OF THE BOARD

Kong Wei Fung
Company Secretary
Singapore, 9 May 2019