



FU YU CORPORATION LIMITED

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

BUSINESS UPDATE FOR 3Q23 AND 9M23

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 30 September 2023 (“**3Q23**”) and nine months ended 30 September 2023 (“**9M23**”).

REVENUE

The Group recorded revenue of S\$33.1 million in 3Q23, a 7.5% decline from S\$35.8 million in 3Q22, mainly due to lower contributions from the manufacturing and supply chain management services divisions. On a nine-month basis, revenue declined 34.0% to S\$104.3 million in 9M23 from S\$157.6 million in 9M22.

Manufacturing business

The manufacturing business reported revenue of S\$26.7 million and S\$79.3 million in 3Q23 and 9M23, respectively, compared to S\$35.3 million and S\$107.3 million for the comparative periods a year ago. This was due to lower product production across its Singapore, Malaysia and China geographies as end-user demand remains soft amid macroeconomic and geopolitical challenges.

The medical segment, which was one of the division’s largest revenue contributor, saw slower demand for certain medical products as health authorities around the world adopted an endemic approach towards COVID-19.

As a percentage of total manufacturing sales, the contribution from Singapore was 37.0% in 3Q23 (3Q22: 37.9%); contribution from Malaysia was 26.6% (3Q22: 24.1%) while China accounted for 36.4% in 3Q23 (3Q22: 38.0%).

Supply chain management services

For 9M23, revenue from the division stood at S\$24.9 million (9M22: S\$50.2 million). Despite the lower turnover, the supply chain management services division’s bottom line achieved a break-even. This was mainly due to expansion of customer and product base, implementation of cost containment measures and increase in interest income arising from favourable interest rates for placement of fixed deposits.

PROFITABILITY

In line with lower revenue, the Group’s gross profit contracted to S\$9.5 million in 9M23 from S\$29.5 million a year ago.

Gross profit from the manufacturing business declined to S\$9.2 million in 9M23, compared to S\$27.1 million in 9M22; consequently, 9M23 gross profit margin declined to 11.6% from 25.2% in 9M22, as the lower sales led to under-absorption of fixed costs.

Meanwhile, gross profit from the supply chain management services business decreased to S\$0.3 million in 9M23 from S\$2.4 million in 9M22. Gross profit margin stood at 1.1% in 9M23 compared to 4.8% in 9M22 due to a change in sales mix.

As a result of the above, the Group posted a net loss of S\$5.8 million in 9M23 as compared to net profit of S\$15.6 million in 9M22.

As at 30 September 2023, the Group had net cash of S\$56.7 million. Shareholders' equity stood at S\$139.8 million, equivalent to net asset value of 18.5 cents per share (based on the total number of issued shares of approximately 757.0 million shares). Net cash per share stood at around 7.5 cents per share as at 30 September 2023.

CORPORATE UPDATE

Looking ahead, the Group expects the operating environment to remain challenging amid elevated interest rates, macroeconomic slowdown, growing inflation and higher cost pressures. Fu Yu will maintain a robust balance sheet as a safeguard against market challenges, and will remain nimble while pursuing growth opportunities.

In line with its business transformation, the Group is enhancing its capabilities to design and manufacture higher-precision moulds through its Smart Factory in Singapore, while accelerating its foray into the biomedical and life science sectors. Fu Yu is also establishing strategic partnerships to broaden its range of services and geographical footprint.

The Group will continue to focus its efforts on building a stronger business foundation, while closely monitoring the business landscape.

By Order of the Board

Janet Tan
Company Secretary
Singapore, 8 November 2023

About Fu Yu Corporation Limited

Fu Yu provides vertically-integrated services for the design and manufacture of precision plastic components, and, under its wholly-owned subsidiary Fu Yu Supply Chain Solutions Pte Ltd, provides commodities supply chain management services.

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, automotive and power tool sectors.

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

Fu Yu Corporation Limited Contact:

Chief Financial Officer
8 Tuas Drive 1
Singapore 638675
Tel: (65) 6578 7393
Daisy Ong, ir@fuyucorp.com

Investor/Media Relations Contact:

WeR1 Consultants Pte Ltd
1 Raffles Place
#02-01, One Raffles Place Mall
Suite 332, Singapore 048616
Tel: (65) 6721 7161
Isaac Tang, fuyu@wer1.net