



NEWS RELEASE

Fu Yu Records Net Profit for 1Q2024, Revenue More Than Doubles to S\$78.9 Million; Secures Fresh Biomedical and Export Tooling Projects

- Fu Yu secured two new projects in April 2024; the first with an international biomedical company to produce microfluidic chips, and the second, a partnership to manufacture drug-delivery devices
- Group also signed an MoU in 1Q2024 to be the exclusive plastics supplier for a Singapore-based medical device manufacturer; both parties will also collaborate to target MedTech companies
- Revenue more than doubled to S\$78.9 million in 1Q2024 from S\$36.0 million a year ago, propelled by higher contributions from the Group's supply chain management arm, which recorded a S\$0.4 million profit for the period
- Records S\$5,200 net profit in 1Q2024, a reversal from 1Q2023's S\$2.4 million net loss
- Balance sheet remains strong with net cash of S\$58.7 million (7.7 cents per share) as at 31 March 2024

Singapore, 9 May 2024 – SGX Mainboard-listed Fu Yu Corporation Limited (“**Fu Yu**” or the “**Group**”) said today it recorded a net profit for the three months ended 31 March 2024 (“**1Q2024**”) on higher revenue, even as it secured new biomedical and export tooling projects, while its supply chain business reversed from losses to record a profit.

1Q2024 Financial Performance

The vertically integrated precision plastic components manufacturer said 1Q2024 revenue more than doubled to S\$78.9 million from S\$36.0 million, propelled by higher contributions from Fu Yu Supply Chain Solutions Pte. Ltd (“**FYSCS**”). The Group's supply chain services management arm recorded an increase of more than five-fold to S\$53.6 million in 1Q2024 compared to S\$9.7 million a year ago.

The Group's core manufacturing plastics business secured a major breakthrough in the higher-margin biomedical sector. During the quarter in review, the Group signed a Memorandum of Understanding (“**MoU**”) to be the exclusive plastics supplier for a Singapore-based medical device manufacturer. Both parties will also collaborate to target Medical Technology companies.

In April 2024, the Group secured a project with an international biomedical company to produce microfluidic chips, which are commonly used in medical diagnostic devices. Fu Yu also signed a partnership with an international Contract Development and Manufacturing Organisation to produce high-precision tools, which will be used to manufacture drug delivery devices.

For the quarter under review, revenue from the Group's manufacturing business declined 4.0% to S\$25.3 million from S\$26.3 million a year earlier, mainly due to lower sales volume for the Group's networking & communications and printing & imaging segments. This was partially offset by higher contribution from the consumer segment, which grew 31.0% to S\$11.4 million in 1Q2024 (1Q2023: S\$8.7 million) on the back of higher order volumes from existing customers.

On a geographical basis, the Group's Malaysia segment saw turnover increase 41.4%, driven by higher demand from the consumer and medical segment, partially offset by lower contributions from the Singapore and China segments.

Gross profit rose 15.3% year-on-year to S\$4.1 million, mainly due to the higher top line. The change in revenue mix, combined with higher operating costs, resulted in an overall gross profit margin of 5.3% for 1Q2024, compared to 10.0% a year ago. While FYSCS recorded a net profit of S\$0.4 million during the quarter under review, overall net profit stood at S\$5,200 mainly due to a net loss for the Group's manufacturing business.

Shareholders' equity as at 31 March 2024 stood at S\$137.6 million, equivalent to net asset value of 18.1 cents per share, which includes net cash of around 7.7 cents per share, or S\$58.7 million.

Fu Yu said the recent MoU and new project secured for its core manufacturing division are in line with its ongoing transformation. The Group is seeking to move up the value chain in the biomedical sector and with a focus on core tooling with higher precision.

In line with this transformation, the Group has commenced the construction of new medical-grade cleanrooms within its facilities in Singapore and Zhuhai, China.

Mr David Seow, Group Chief Executive Officer of Fu Yu, said, "We have recorded an encouraging first quarter, as we not only reported higher revenue and a transition to a net profit from a net loss last year, but also secured promising new projects in the biomedical industry. These project wins reflect the early fruits of our strategic transformation.

"The Group is leveraging our diversified global supply chain to manage headwinds such as delayed shipment times and higher logistics costs due to the situation in the Middle East, ongoing US-China tensions, changes in the global supply chain and rising labour and energy costs. Moving forward, we will

focus our efforts on expanding our project pipeline, and executing our strategic initiatives to further our growth in the coming year.”

About Fu Yu Corporation Limited

Established in 1978, Fu Yu is Singapore’s oldest and one of Asia’s largest manufacturers of high-end precision plastic and metal components, and products.

Backed by more than 45 years of operating knowledge, Fu Yu provides vertically-integrated manufacturing services to a diversified and loyal customer base across segments and geographies. We operate 6 strategic manufacturing sites across Singapore, Malaysia, and China, and have more than 1.5 million square feet of production floor capacity.

Our Supply Chain Solutions arm was established in 2021 to provide commodity supply chain management services for our customers.

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

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