



**FU YU CORPORATION LIMITED
AND SUBSIDIARY COMPANIES**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD AND TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2023**

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A Condensed interim statements of financial position

		Group			Company	
	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000 Restated ⁽¹⁾	1 Jan 2022 \$'000 Restated ⁽¹⁾	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Non-current assets						
Property, plant and equipment	3	58,229	62,991	61,472	38,237	38,378
Investment property	4	5,652	6,138	6,667	–	–
Subsidiaries	6	–	–	–	53,898	57,858
Goodwill	5	3,185	5,979	5,978	–	–
Other receivables	7	–	–	–	20,526	21,094
Deferred tax assets		1,260	823	991	–	–
		<u>68,326</u>	<u>75,931</u>	<u>75,108</u>	<u>112,661</u>	<u>117,330</u>
Current assets						
Inventories		13,377	18,386	17,090	2,825	3,822
Contract assets		1,888	1,625	1,710	354	463
Trade and other receivables	7	31,373	31,889	35,742	16,801	18,250
Tax recoverable		904	–	–	671	–
Cash and bank balances	8	60,322	79,347	83,947	13,816	18,824
		<u>107,864</u>	<u>131,247</u>	<u>138,489</u>	<u>34,467</u>	<u>41,359</u>
Total assets		<u>176,190</u>	<u>207,178</u>	<u>213,597</u>	<u>147,128</u>	<u>158,689</u>
Equity attributable to equity holders of the Company						
Share capital	9	102,985	102,158	102,158	102,985	102,158
Reserves		34,458	52,996	55,450	22,300	28,105
Total Equity		<u>137,443</u>	<u>155,154</u>	<u>157,608</u>	<u>125,285</u>	<u>130,263</u>
Non-current liabilities						
Trade and other payables		1,138	362	323	1,138	362
Loans and borrowings	10	5,030	9,095	9,350	4,982	8,715
Deferred tax liabilities		1,711	1,835	1,746	1,065	961
		<u>7,879</u>	<u>11,292</u>	<u>11,419</u>	<u>7,185</u>	<u>10,038</u>
Current liabilities						
Trade and other payables		24,925	32,370	32,864	10,705	12,862
Contract liabilities		538	805	565	198	91
Loans and borrowings	10	4,206	5,011	4,036	3,755	4,537
Tax payable		1,199	2,546	7,105	–	898
		<u>30,868</u>	<u>40,732</u>	<u>44,570</u>	<u>14,658</u>	<u>18,388</u>
Total liabilities		<u>38,747</u>	<u>52,024</u>	<u>55,989</u>	<u>21,843</u>	<u>28,426</u>
Total equity and liabilities		<u>176,190</u>	<u>207,178</u>	<u>213,597</u>	<u>147,128</u>	<u>158,689</u>

Note:

1. Refer to Note 18 for details of the restatement.

B (i) Condensed interim consolidated income statement
For the six months and twelve months ended 31 December 2023

	Note	Group			Group		
		Six Months Ended 31 Dec		Change %	Twelve Months Ended 31 Dec		Change %
	2023 \$'000	2022 \$'000	2023 \$'000		2022 \$'000 Restated		
Revenue	11	119,193	118,329	0.7	190,381	240,113	(20.7)
Cost of sales		<u>(112,271)</u>	<u>(101,749)</u>	10.3	<u>(177,076)</u>	<u>(202,521)</u>	(12.6)
Gross profit		6,922	16,580	(58.3)	13,305	37,592	(64.6)
Other income		1,663	1,527	8.9	3,738	2,522	48.2
Selling and administrative expenses		(10,792)	(12,722)	(15.2)	(23,477)	(22,930)	2.4
Other operating (expenses)/ income, net		<u>(3,689)</u>	<u>(975)</u>	NM	<u>(3,229)</u>	597	NM
Results from operating activities		(5,896)	4,410	NM	(9,663)	17,781	NM
Finance costs		<u>(666)</u>	<u>(217)</u>	NM	<u>(941)</u>	<u>(359)</u>	NM
(Loss)/Profit before income tax	12	(6,562)	4,193	NM	(10,604)	17,422	NM
Tax credit/ (expense)	13	<u>303</u>	<u>(543)</u>	NM	<u>491</u>	<u>(2,837)</u>	NM
(Loss)/Profit for the period/year attributable to owners of the Company		<u>(6,259)</u>	<u>3,650</u>	NM	<u>(10,113)</u>	<u>14,585</u>	NM
(Loss)/Earnings per share							
Basic (loss)/earnings per share (cents)		(0.83)	0.48	NM	(1.34)	1.94	NM
Diluted (loss)/earnings per share (cents)		<u>(0.83)</u>	<u>0.48</u>	NM	<u>(1.34)</u>	<u>1.93</u>	NM

NM denotes Not Meaningful

B (ii) Condensed interim consolidated statement of comprehensive income
For the six months and twelve months ended 31 December 2023

	Group			Group		
	Six Months Ended 31 Dec		Change %	Twelve Months Ended 31 Dec		Change %
	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
(Loss)/Profit for the period/year	(6,259)	3,650	NM	(10,113)	14,585	NM
Other comprehensive income						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	(1,413)	(4,530)	(68.8)	(4,159)	(5,361)	(22.4)
Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss	432	(169)	NM	432	(169)	NM
Other comprehensive income for the period/year (net of tax)	<u>(981)</u>	<u>(4,699)</u>	(79.1)	<u>(3,727)</u>	<u>(5,530)</u>	(32.6)
Total comprehensive income for the period/year attributable to owners of the Company	<u>(7,240)</u>	<u>(1,049)</u>	NM	<u>(13,840)</u>	<u>9,055</u>	NM

NM denotes Not Meaningful

**C Condensed interim statements of changes in equity
For the year ended 31 December 2023 (Group)**

		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
Group	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2023									
- As previously reported		102,158	(415)	8,720	789	(25,211)	915	64,471	151,427
- Prior year adjustments		-	-	-	-	(3,562)	-	7,289	3,727
As restated		102,158	(415)	8,720	789	(28,773)	915	71,760	155,154
Total comprehensive income for the year									
Loss for the year		-	-	-	-	-	-	(10,113)	(10,113)
Other comprehensive income									
- Foreign currency translation differences		-	-	-	-	(4,159)	-	-	(4,159)
- Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss		-	-	-	-	432	-	-	432
Total comprehensive income for the year		-	-	-	-	(3,727)	-	(10,113)	(13,840)
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Equity-settled share-based payment transactions		827	-	-	-	-	(156)	-	671
Dividends paid to owners of the Company	17	-	-	-	-	-	-	(4,542)	(4,542)
Total transactions with owners		827	-	-	-	-	(156)	(4,542)	(3,815)
Transfer upon liquidation of subsidiary		-	-	(4,442)	-	-	-	4,442	-
At 31 December 2023		102,985	(415)	4,278	789	(32,500)	759	61,547	137,443

		Attributable to equity holders of the Company							
	Note	Share capital	Capital reserve	Statutory reserve	Revaluation reserve	Foreign currency translation reserve	Share-based payment reserve	Retained earnings	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
At 1 January 2022									
- As previously reported		102,158	(415)	9,155	789	(19,850)	–	62,026	153,863
- Prior year adjustments		–	–	–	–	(3,393)	–	7,138	3,745
As restated		102,158	(415)	9,155	789	(23,243)	–	69,164	157,608
Total comprehensive income for the year									
Profit for the year		–	–	–	–	–	–	14,434	14,434
Prior year adjustments		–	–	–	–	–	–	151	151
Loss for the financial year, as restated		–	–	–	–	–	–	14,585	14,585
Other comprehensive income									
- Foreign currency translation differences		–	–	–	–	(5,530)	–	–	(5,530)
- Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss		–	–	–	–	(169)	–	–	(169)
Total comprehensive income for the year		–	–	–	–	(5,530)	–	14,585	9,055
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Equity-settled share-based payment transactions		–	–	–	–	–	915	–	915
Dividends paid to owners of the Company	17	–	–	–	–	–	–	(12,424)	(12,424)
Total transactions with owners		–	–	–	–	–	915	(12,424)	(11,509)
Transfers to statutory reserves		–	–	(435)	–	–	–	435	–
At 31 December 2022 (restated)		102,158	(415)	8,720	789	(28,773)	915	71,760	155,154

Condensed interim statements of changes in equity
For the year ended 31 December 2023 (Company)

	Attributable to equity holders of the Company					Total equity \$'000
	Share capital	Revaluation reserve	Merger reserve	Share-based payment reserve	Retained earnings	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Company						
At 1 January 2023	102,158	789	(1,425)	915	27,826	130,263
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(1,107)	(1,107)
Total comprehensive income for the year	–	–	–	–	(1,107)	(1,107)
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payment transactions	827	–	–	(156)	–	671
Dividends paid to owners of the Company	–	–	–	–	(4,542)	(4,542)
Total transactions with owners	827	–	–	(156)	(4,542)	(3,871)
At 31 December 2023	102,985	789	(1,425)	759	22,177	125,285

	Share capital	Revaluation reserve	Merger reserve	Share-based payment reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022	102,158	789	(1,425)	–	26,487	128,009
Total comprehensive income for the year						
Profit for the year	–	–	–	–	13,763	13,763
Total comprehensive income for the year	–	–	–	–	13,763	13,763
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payment transactions	–	–	–	915	–	915
Dividends paid to owners of the Company	–	–	–	–	(12,424)	(12,424)
Total transactions with owners	–	–	–	915	(12,424)	(11,509)
At 31 December 2022	102,158	789	(1,425)	915	27,826	130,263

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D Condensed interim consolidated statement of cash flows
For the six months and twelve months ended 31 December 2023

	Note	Group			
		Six Months Ended 31 Dec		Twelve Months Ended 31 Dec	
		2023 \$'000	2022 \$'000 Restated	2023 \$'000	2022 \$'000 Restated
Cash flows from operating activities					
(Loss)/ Profit before income tax		(6,562)	4,193	(10,604)	17,422
Adjustments for:					
Depreciation of property, plant and equipment and investment property	12	4,405	3,871	8,602	7,810
Loss on liquidation of a subsidiary		13	253	–	253
Finance costs		666	217	941	359
Interest income	12	(1,043)	(624)	(1,904)	(828)
Gain on disposal of property, plant and equipment	12	–	(39)	–	(112)
Property, plant and equipment written off	12	1	16	2	22
Provision of impairment on goodwill		2,678	–	2,678	–
Equity-settled share-based payment transactions		671	915	671	915
Unrealised foreign exchange loss		1,021	986	1,079	1,037
		1,850	9,788	1,465	26,878
Changes in working capital:					
Trade and other debtors		(3,485)	4,614	(423)	1,960
Contract assets		(165)	(49)	(317)	(10)
Contract liabilities		180	(9)	(245)	292
Inventories		1,982	(1,838)	4,377	(2,355)
Trade and other creditors		(38)	5,018	(7,092)	1,896
		324	17,524	(2,235)	28,661
Cash generated from operating activities		324	17,524	(2,235)	28,661
Tax paid		(1,629)	(3,699)	(2,745)	(6,931)
		(1,305)	13,825	(4,980)	21,730
Cash flows from investing activities					
Interest income received		1,043	624	1,904	828
Proceeds from disposal of property, plant and equipment		–	112	–	112
Purchase of property, plant and equipment		(1,628)	(6,024)	(3,736)	(11,565)
		(585)	(5,288)	(1,832)	(10,625)
Cash flows from financing activities					
Repayment of lease liabilities	10	(640)	(634)	(1,274)	(1,281)
Repayment of unsecured bank loan		(2,004)	(2,005)	(4,009)	(2,650)
Proceeds from unsecured bank loan		–	–	–	4,320
Finance costs paid		(113)	(225)	(268)	(323)
Dividends paid to shareholders of the Company	17	–	(3,012)	(4,542)	(12,424)
Fixed deposits discharged/(pledged)		6	–	5	(1)
Cash restricted in use		218	1,185	2,451	1,665
		(2,533)	(4,691)	(7,637)	(10,694)
Net (decrease)/ increase in cash and cash equivalents					
		(4,423)	3,846	(14,449)	411
Cash and cash equivalents at beginning of financial period/ year		60,449	70,636	71,423	73,769
Effect of exchange rate fluctuations on cash held		(840)	(3,059)	(1,788)	(2,757)
Cash and cash equivalents at end of financial period/ year	8	55,186	71,423	55,186	71,423

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 (“**2H23**”) and full year ended 31 December 2023 (“**FY2023**”) 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 and full year ended 31 December 2023 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 2022.

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 2022.

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 note:

- 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 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 2023:

- International Tax Reform – Pillar Two Model Rules (Amendments to SFRS(I) 1-12)
- Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)
- SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts

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 financial year ended 31 December 2023, the Group acquired assets amounting to \$4,886,000 (31 Dec 2022: \$11,565,000) of which \$1,150,000 (31 Dec 2022: \$7,000) relates to right-of-use assets and disposed of assets amounting to net book value of \$1,500. (31 Dec 2022: \$22,000).

As at 31 December 2023, the cost incurred for redevelopment project in Singapore amounting to \$21,046,000 (31 Dec 2022: \$20,910,000). Included in this amount are the capitalised borrowing costs related to the construction of the factory of \$266,000 (2022: \$266,000).

4. Investment property

	<u>Group</u> <u>\$'000</u>
Cost	
At 1 January 2022	10,005
Reclassification	(826)
At 1 January 2022 (restated)	<u>9,179</u>
Currency realignment	(536)
At 31 December 2022 (restated)	<u>8,643</u>
At 1 January 2023 (restated)	8,643
Currency realignment	(499)
At 31 December 2023	<u>8,144</u>
Accumulated depreciation	
At 1 January 2022	2,626
Reclassification	(114)
At 1 January 2022 (restated)	<u>2,512</u>
Depreciation for the year	144
Currency realignment	(151)
At 31 December 2022 (restated)	<u>2,505</u>
At 1 January 2023 (restated)	2,505
Depreciation for the period	135
Currency realignment	(148)
At 31 December 2023	<u>2,492</u>
Carrying amounts	
At 1 January 2022 (restated)	<u>6,667</u>
At 31 December 2022 (restated)	<u>6,138</u>
At 31 December 2023	<u>5,652</u>

The buildings are leased to a third party.

External valuation of the investment property is conducted at least once a year. The fair value of the investment property (fair value hierarchy of level 3) as at 31 December 2023 amounts to approximately \$5,604,000 (2022: \$5,948,000) 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.

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.

5. Goodwill

	<u>Group</u> <u>\$'000</u>
Cost	
At 1 January 2023	5,979
Impairment loss	(2,678)
Currency realignment	(116)
At 31 December 2023	<u>3,185</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 31 December 2023, the value in use was determined to be lower as compared to the 31 December 2022 goodwill test, and the key assumptions used in the estimation of value in use were as follows:

	<u>2023</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%
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 post-tax and reflected specific risks relating to the CGU.

As at 31 December 2023, the recoverable amount of the CGU was estimated to be lower than its carrying amount and hence, impairment of \$2,678,000 was recognised.

6. Subsidiaries

	<u>Company</u>	
	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Equity investments, at cost	107,960	115,745
Forgiveness of amounts due from subsidiaries	12,802	12,802
	<u>120,762</u>	<u>128,547</u>
Impairment loss	(66,864)	(70,689)
	<u>53,898</u>	<u>57,858</u>

Impairment assessment

Subsidiaries in China incurred operating losses and had shown indication that impairment loss recognised in prior years may no longer appropriate. Accordingly, the Company performed an assessment of the recoverable amount of its investments in these 2 subsidiaries. The recoverable amounts of investments in subsidiaries were estimated based on the fair value less costs to sell (“FVLCTS”) method.

Management determined the recoverable amounts of investments in these subsidiaries based on FVLCTS method. The fair value is estimated based on the fair value of the leasehold properties and machineries determined by independent valuers with experience in the location and category of the assets being valued.

For the subsidiary whose financial performance had improved, the Company recognised a reversal of impairment loss of \$3,825,000 (2022: \$5,532,000) in profit or loss for the year.

If any of the subsidiaries is not able to achieve the forecasted results and realise the fair values of the assets and liabilities, the Company would be required to record additional impairment loss.

7. Trade and other receivables

	Group		Company	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Trade receivables	25,302	29,218	8,350	9,538
Allowance for impairment of doubtful receivables	(3)	(3)	–	–
Net trade receivables	25,299	29,215	8,350	9,538
Other receivables	249	583	45	120
Amounts due from subsidiaries	–	–	27,005	29,112
Deposits	267	265	101	87
	25,815	30,063	35,501	38,857
Prepayments	919	586	538	193
Advances to suppliers	4,639	1,240	1,288	294
	31,373	31,889	37,327	39,344
Non-current	–	–	20,526	21,094
Current	31,373	31,889	16,801	18,250
	31,373	31,889	37,327	39,344

Amounts due from subsidiaries

	Company	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Amounts due from subsidiaries		
Non-current		
- non-trade	26,827	27,395
- impairment loss	(6,301)	(6,301)
	<u>20,526</u>	<u>21,094</u>
Current		
- trade	–	90
- non-trade	8,108	7,928
- impairment loss	(1,629)	–
	<u>6,479</u>	<u>7,928</u>
	<u>27,005</u>	<u>29,112</u>

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	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	25,333	25,166	2,799	5,600
Deposits with banks	34,989	54,181	11,017	13,224
Cash and bank balances in the statements of financial position	60,322	79,347	13,816	18,824
Cash restricted-in-use	(5,066)	(7,845)		
Deposits pledged	(70)	(79)		
Cash and cash equivalents in the consolidated statement of cash flows	<u>55,186</u>	<u>71,423</u>		

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

Cash restricted-in-use includes \$3,508,000 (31 December 2022: \$7,845,000) deposits for the unsecured bank loan purposes (see note 10) and \$1,558,000 (FY2022: Nil) earmarked for trade financing.

Deposits with financial institutions mature on varying periods within 12 months (2022: 12 months) from the financial period end. Effective interest rates range from 1.5% to 5.3% (2022: 1.75% to 4.42%) per annum.

Cash and bank balances totalling the equivalent of \$12,276,000 (31 December 2022: \$22,941,000) are held in a country which operates foreign exchange controls.

9. Share capital

	Group and Company	
	2023	2022
Fully paid ordinary shares, with no par value:	No. of shares	
On issue at 1 January	752,994,775	752,994,775
Issuance of new ordinary shares	4,000,000	–
On issue at 30 June & 31 December	<u>756,994,775</u>	<u>752,994,775</u>

On 26 April 2023, the Company issued and allotted an aggregate of 4,000,000 ordinary shares in the capital of the Company to its Group Chief Executive Officer, Mr David Seow, pursuant to the vesting of the awards under the Fu Yu Restricted Share Plan.

The Company did not hold any treasury shares as at 31 December 2023 and 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

10. Loans and borrowings

	Group		Company	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Non-current liabilities				
Unsecured bank loans	–	3,341	–	3,341
Lease liabilities	5,030	5,754	4,982	5,374
	<u>5,030</u>	<u>9,095</u>	<u>4,982</u>	<u>8,715</u>
Current liabilities				
Unsecured bank loans	3,341	4,009	3,341	4,009
Lease liabilities	865	1,002	414	528
	<u>4,206</u>	<u>5,011</u>	<u>3,755</u>	<u>4,537</u>

Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	31 Dec 2023	
				Face value \$'000	Carrying amount \$'000
Group					
Unsecured 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					
Unsecured 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>
	Currency	Nominal interest rate	Year of maturity	31 Dec 2022	
				Face value \$'000	Carrying amount \$'000
Group					
Unsecured bank loans	SGD	3.79%-5.09%	2024	7,350	7,350
Lease liabilities	SGD	1.60%-5.79%	2024-2044	8,162	5,910
Lease liabilities	MYR	6.90%-6.95%	2022-2024	41	40
Lease liabilities	RMB	4.35%-4.75%	2024-2026	840	806
				<u>16,393</u>	<u>14,106</u>
Company					
Unsecured bank loans	SGD	3.79%-5.09%	2024	7,350	7,350
Lease liabilities	SGD	1.60%-3.91%	2024-2044	8,153	5,902
				<u>15,503</u>	<u>13,252</u>

Unsecured bank loans

The unsecured bank loan is to finance the redevelopment of No.9 Tuas Drive 1, Singapore 638675. Our subsidiary in Singapore have placed fixed deposits denominated in United States Dollar for an amount equivalent to 105% of the outstanding unsecured 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 \$167,109,300 (2022: \$104,501,000) 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:

	Lease liabilities \$'000	Unsecured bank loans \$'000
Group		
Balance at 1 January 2023	6,756	7,350
Changes in financing cash flows		
Repayment of unsecured bank loans	–	(4,009)
Payment of lease liabilities	(1,274)	–
Finance costs paid	–	(268)
Total changes from financing cash flows	<u>(1,274)</u>	<u>(4,277)</u>
Other changes		
Liability-related		
New lease	207	–
Currency realignment	(25)	–
Interest expense	231	268
Total liability-related other changes	<u>413</u>	<u>268</u>
Balance at 31 December 2023	<u>5,895</u>	<u>3,341</u>

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).

	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p>←—————</p> <p>←—————</p> </div> <div style="text-align: center;"> <p>Reportable segments</p> <p>Manufacturing Segment</p> </div> <div style="text-align: center;"> <p>—————→</p> <p>—————→</p> </div> <div style="text-align: center;"> <p>Supply Chain Management Services Segment</p> </div> </div>											
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore		Total	
	Six months ended 31 Dec	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000
Group												
Major products/ service line												
Sales of goods	16,963	23,567	15,030	26,036	15,980	14,279	47,973	63,882	67,871	50,261	115,844	114,143
Revenue from tooling contracts	1,534	1,484	1,312	1,880	503	822	3,349	4,186	—	—	3,349	4,186
	<u>18,497</u>	<u>25,051</u>	<u>16,342</u>	<u>27,916</u>	<u>16,483</u>	<u>15,101</u>	<u>51,322</u>	<u>68,068</u>	<u>67,871</u>	<u>50,261</u>	<u>119,193</u>	<u>118,329</u>
Timing of revenue recognition												
Products transferred at a point in time	16,963	23,567	15,030	26,036	15,980	14,279	47,973	63,882	67,871	50,261	115,844	114,143
Services transferred over time	1,534	1,484	1,312	1,880	503	822	3,349	4,186	—	—	3,349	4,186
	<u>18,497</u>	<u>25,051</u>	<u>16,342</u>	<u>27,916</u>	<u>16,483</u>	<u>15,101</u>	<u>51,322</u>	<u>68,068</u>	<u>67,871</u>	<u>50,261</u>	<u>119,193</u>	<u>118,329</u>

	Reportable segments											
	Manufacturing Segment						Supply Chain Management Services Segment					
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore		Total	
Twelve Months Ended 31 Dec	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major products/ service line												
Sales of goods	35,046	47,598	32,842	51,531	28,268	31,574	96,156	130,703	86,440	100,022	182,596	230,725
Revenue from tooling contracts	3,193	4,317	3,555	3,247	1,037	1,824	7,785	9,388	–	–	7,785	9,388
	<u>38,239</u>	<u>51,915</u>	<u>36,397</u>	<u>54,778</u>	<u>29,305</u>	<u>33,398</u>	<u>103,941</u>	<u>140,091</u>	<u>86,440</u>	<u>100,022</u>	<u>190,381</u>	<u>240,113</u>
Timing of revenue recognition												
Products transferred at a point in time	35,046	47,598	32,842	51,531	28,268	31,574	96,156	130,703	86,440	100,022	182,596	230,725
Services transferred over time	3,193	4,317	3,555	3,247	1,037	1,824	7,785	9,388	–	–	7,785	9,388
	<u>38,239</u>	<u>51,915</u>	<u>36,397</u>	<u>54,778</u>	<u>29,305</u>	<u>33,398</u>	<u>103,941</u>	<u>140,091</u>	<u>86,440</u>	<u>100,022</u>	<u>190,381</u>	<u>240,113</u>

(ii) **Seasonal operations**

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

(iii) **A breakdown of sales:**

	<u>Group</u>		Increase / (Decrease)
	Year end		
	2023	2022	
	\$'000	\$'000	%
Sales reported for the first half year	71,188	121,784	(41.5%)
Operating profit after tax reported for first half year	<u>(3,854)</u>	<u>10,935</u>	NM
Sales reported for the second half year	119,193	118,329	0.7%
Operating profit after tax for second half year	<u>(6,259)</u>	<u>3,650</u>	NM

12. **(Loss)/ Profit before income Tax**

	Group			
	2H23	2H22	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Significant items				
(Loss)/ Profit before income tax is arrived at after (crediting)/ charging the following:				
Interest income	(1,043)	(624)	(1,904)	(828)
Gain on disposal of property, plant and equipment	–	(39)	–	(112)
Foreign exchange gain, net	924	706	464	(872)
Property, plant and equipment written off	1	16	2	22
Depreciation of property, plant and equipment and investment property	4,405	3,871	8,602	7,810
Interest expenses on lease liabilities	119	116	237	258
Interest expenses on unsecured bank loan	111	101	268	101
Allowance for inventory obsolescence, net and inventories written off	52	6	721	149
Share-based payment transactions	549	2,046	1,337	2,046
Provision for impairment on goodwill	2,678	–	2,678	–

13. Tax (credit)/ expense

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

	Group			
	2H23	2H22	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current year	825	876	1,140	2,872
Withholding taxes	19	13	33	31
Overprovision in prior years	(1,100)	(213)	(1,107)	(297)
	<u>(256)</u>	<u>676</u>	<u>66</u>	<u>2,606</u>
Deferred tax expense				
Movements in temporary differences	(1,176)	46	(1,686)	410
Under / (Over) provision in prior years	1,129	(179)	1,129	(179)
	<u>(47)</u>	<u>(133)</u>	<u>(557)</u>	<u>231</u>
	<u>(303)</u>	<u>543</u>	<u>(491)</u>	<u>2,837</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 segments which are geographical segments and are based on the location of assets, namely Singapore, Malaysia and China. These geographical 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.

Segment 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 (loss)/ 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 31 Dec	← 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue and expenses																
Total external revenue	18,498	25,051	16,342	27,916	16,483	15,101	51,323	68,068	67,870	50,261	119,193	118,329	-	-	119,193	118,329
Inter-segment revenue	332	32	(40)	6	144	93	436	131	1	-	437	131	(437)	(131)	-	-
Segment profit/ (loss) before income tax*	2,117	7,141	(955)	2,638	3,418	3,602	4,580	13,381	2,017	574	6,597	13,955	(7,164)	(4,968)	(567)	8,987
Depreciation of property, plant and equipment and investment property	(2,225)	(1,215)	(1,253)	(1,564)	(957)	(1,104)	(4,435)	(3,883)	(12)	(5)	(4,447)	(3,888)	42	17	(4,405)	(3,871)
Finance costs	(410)	(197)	(11)	(22)	(14)	-	(435)	(219)	(239)	(133)	(674)	(352)	8	135	(666)	(217)
Foreign exchange gain/(loss) (net)	(1,040)	(2,055)	416	(927)	(105)	(17)	(729)	(2,999)	143	219	(586)	(2,780)	(338)	2,074	(924)	(706)
(Loss)/ Profit before income tax	(1,558)	3,674	(1,803)	125	2,342	2,481	(1,019)	6,280	1,909	655	890	6,935	(7,452)	(2,742)	(6,562)	4,193
Tax credit/ (expense)															303	(543)
Net (loss)/ profit for the period															(6,259)	3,650
Impairment for goodwill	-	-	-	-	-	-	-	-	-	-	-	-	2,678	-	2,678	-
Capital expenditure**	1,791	5,724	202	489	329	388	2,322	6,601	1	48	2,323	6,649	-	-	2,323	6,649
Interest income	187	297	183	125	58	41	428	463	624	296	1,052	759	(9)	(135)	1,043	624

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

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

Twelve Months Ended 31 Dec	← 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue and expenses																
Total external revenue	38,239	51,915	36,397	54,778	29,305	33,398	103,941	140,091	86,440	100,022	190,381	240,113	-	-	190,381	240,113
Inter-segment revenue	359	72	-	6	241	403	600	481	32	-	632	481	(632)	(481)	-	-
Segment profit/ (loss) before income tax*	6,249	17,928	(381)	5,516	5,346	8,218	11,214	31,662	1,829	2,057	13,043	33,719	(13,640)	(9,000)	(597)	24,719
Depreciation of property, plant and equipment and investment property	(3,984)	(2,392)	(2,693)	(3,312)	(1,958)	(2,230)	(8,635)	(7,934)	(23)	(7)	(8,658)	(7,941)	56	131	(8,602)	(7,810)
Finance costs	(670)	(303)	(27)	(50)	(23)	(4)	(720)	(357)	(239)	(263)	(959)	(620)	18	261	(941)	(359)
Foreign exchange gain/(loss) (net)	(1,100)	(470)	(192)	(1,876)	127	309	(1,165)	(2,037)	104	159	(1,061)	(1,878)	597	2,750	(464)	872
(Loss)/Profit before income tax	495	14,763	(3,293)	278	3,492	6,292	694	21,333	1,671	1,946	2,365	23,279	(12,969)	(5,858)	(10,604)	17,422
Tax credit/ (expense)															491	(2,837)
(Loss)/ profit for the year															(10,113)	14,585
Other segment information																
Non-current assets	92,134	117,282	7,006	8,840	18,838	21,381	117,978	147,503	3,346	6,048	121,324	153,551	(54,258)	(78,443)	67,066	75,108
Unallocated assets															1,260	823
Total non-current assets															68,326	75,931
Impairment for goodwill	-	-	-	-	-	-	-	-	-	-	-	-	2,678	-	2,678	-
Capital expenditure**	2,876	9,397	386	614	473	1,108	3,735	11,119	1	61	3,736	11,180	-	-	3,736	11,180
Interest income	387	442	264	259	117	67	768	768	1,153	321	1,921	1,089	(17)	(261)	1,904	828
Segment reporting assets	147,176	158,684	35,070	54,589	40,065	42,443	222,311	255,716	33,796	36,389	256,107	292,105	(81,177)	(85,750)	174,930	206,355
Unallocated assets															1,260	823
Total assets															176,190	207,178
Segment reporting liabilities	20,790	26,425	38,230	13,467	4,843	7,372	63,863	47,264	3,881	329	67,744	47,593	(31,907)	50	35,837	47,643
Unallocated liabilities															2,910	4,381
Total liabilities															38,747	52,024

* After excluding finance costs, 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 unsecured 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 31 December 2023 and 31 December 2022:

	Amortised costs \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Group			
31 December 2023			
Trade and other receivables ⁺	25,815	–	25,815
Cash and bank balances	60,322	–	60,322
Trade and other payables [#]	–	(25,990)	(25,990)
Unsecured bank loans	–	(3,341)	(3,341)
	86,137	(29,331)	56,806
31 December 2022			
Trade and other receivables ⁺	30,063	–	30,063
Cash and bank balances	79,347	–	79,347
Trade and other payables [#]	–	(34,886)	(34,886)
Unsecured bank loans	–	(7,350)	(7,350)
	109,410	(42,236)	67,174
Company			
31 December 2023			
Trade and other receivables ⁺	35,502	–	35,502
Cash and bank balances	13,816	–	13,816
Trade and other payables [#]	–	(11,770)	(11,770)
Unsecured bank loans	–	(3,341)	(3,341)
	49,318	(15,111)	34,207
31 December 2022			
Trade and other receivables ⁺	38,858	–	38,858
Cash and bank balances	18,824	–	18,824
Trade and other payables [#]	–	(13,058)	(13,058)
Unsecured bank loans	–	(7,350)	(7,350)
	57,682	(20,408)	37,274

+ 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	
	2023	2022
	\$'000	\$'000
Paid by the Company to owners of the Company		
An interim dividend of Nil (FY2022: 0.40 cent) per qualifying ordinary share	–	3,012
Final dividend of 0.60 cent declared for the financial year ended 31 December 2022 (FY2021: 1.25 cent) per qualifying ordinary share	4,542	9,412
	<u>4,542</u>	<u>12,424</u>

18. Comparative figures and prior year adjustments

Prior year adjustments have been made to the comparative figures as follows:

- (i) The Group adjusted for foreign currency translation reserve relating to subsidiaries which were liquidated in year 2012 and 2022 not reversed in the year of liquidation;
- (ii) The Group adjusted for the over provision of depreciation on fixed assets transferred within the Group;
- (iii) The Group reversed the accrual of withholding taxes arising from amount due from subsidiaries no longer required;
- (iv) The Group reversed the accrual made by a China subsidiary for tax and VAT payables no longer required due to customer who went bankrupt and inter-company loan waiver;
- (v) The Group reversed the accrual of others expenses due to potential staff dispute and other tax liabilities no longer required; and
- (vi) The Group reclassified the investment properties to right-of-use assets

The consolidated financial statements of the Group at the beginning of the earliest comparative period has also been restated due to above adjustments.

The following tables set out the prior year adjustments made to the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows:

	As previously reported \$'000	Adjustments \$'000	Restated \$'000
Consolidated Statement of Financial Position at 31 December 2022			
Property, plant and equipment	61,628	1,363	62,991
Investment property	6,785	(647)	6,138
Trade and other payables (current)	34,690	(2,320)	32,370
Tax payable	3,237	(691)	2,546
Reserves	49,269	3,727	52,996
Consolidated Statement of Financial Position at 1 January 2022			
Property, plant and equipment	60,026	1,446	61,472
Investment property	7,379	(712)	6,667
Trade and other payables (current)	35,184	(2,320)	32,864
Tax payable	7,796	(691)	7,105
Reserves	51,705	3,745	55,450
Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2022			
Selling and administrative expenses	(22,912)	(18)	(22,930)
Other operating (expenses)/income, net	428	169	597
Profit for the year	14,434	151	14,585
Consolidated Statement of Cash Flows for the financial year ended 31 December 2022			
Profit before tax	17,271	151	17,422
Depreciation of property, plant and equipment and investment property	7,792	18	7,810
Foreign exchange gain	703	169	872

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 31 December 2023 was 756,994,775 (31 December 2022: 752,994,775).

- 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 31 December 2023 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 and full year ended 31 December 2023 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 31 December 2023 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2022.

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

	Group			
	2H2023	2H2022	FY2023	FY2022
(Loss)/ Earnings per share				
- Basic (cents)	(0.83)	0.48	(1.34)	1.94
- Diluted (cents)	(0.83)	0.48	(1.34)	1.93

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 755,723,542 (2022: 752,994,775).

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares is adjusted to take into account the dilutive effect arising from the dilutive restricted share plan awards to ordinary shares, with the potential ordinary shares weighted for the period outstanding. However, as the Group is in loss position in 2H2023 and FY2023, the calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

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		Company	
	31 Dec 23	31 Dec 22 Restated	31 Dec 23	31 Dec 22
Net asset value (\$'000)	137,443	155,154	125,285	130,263
Issued capital at the end of the period ('000)	756,995	752,995	756,995	752,995
Net asset value per Ordinary Share (cents)	18.16	20.60	16.55	17.30

8. Review of performance of the Group

CONSOLIDATED INCOME STATEMENT

Revenue

For the six months ended 31 December 2023 (“2H23”), the Group’s revenue increased 0.7% to S\$119.2 million from S\$118.3 million in 2H22 mainly due to higher revenue derived from the supply chain management services.

For the financial year ended 31 December 2023 (“FY2023”), revenue declined 20.7% to S\$190.4 million from S\$240.1 million in FY2022, mainly due to lower sales from the manufacturing and supply chain management segments amid a challenging operating environment.

Manufacturing Business

For FY2023, revenue from the manufacturing business declined as demand softened globally amid rising economic uncertainty, prolonged geopolitical tensions and elevated interest rates. The decline was partially offset by new customers secured in China and higher sales from existing customers in Malaysia and Singapore.

Sales from Singapore operations declined 26.4% to S\$38.2 million in FY2023 from S\$51.9 million a year ago, mainly due to lower sales in the medical segment, partially mitigated by higher sales from the consumer segment.

Meanwhile, revenue contribution from Malaysia segment declined 12.2% to S\$29.3 million in FY2023 from S\$33.4 million a year ago, mainly due to slower demand from the medical and power tools segments, partially offset by higher orders of consumer products.

Revenue contribution from China declined 33.6% to S\$36.4 million in FY2023 compared to S\$54.8 million in FY2022, amid slower business activities due to a slower-than-expected recovery in the domestic economy.

As a percentage of total sales from the manufacturing business, contribution from Singapore declined marginally to 36.8% in FY2023 (FY2022: 37.1%). Contribution from Malaysia increased to 28.2% (FY2022: 23.8%) while China operations accounted for 35.0% (FY2022: 39.1%) of the manufacturing business’ revenue in FY2023.

Supply chain management services

For FY2023, supply chain management services segment generated revenue of S\$86.4 million from physical commodities trading activities, a 13.6% decline from S\$100.0 million a year ago mainly due to change in product mix. This business made up 45.4% of the Group’s total revenue in FY2023 (FY2022: 41.7%).

Gross Profit

The Group’s gross profit in 2H23 decreased 58.3% to S\$6.9 million from S\$16.6 million in 2H22. As a result of a change in revenue mix and increased operating costs, gross profit margin narrowed to 5.8% in 2H23 from 14.0% in 2H22.

The Group’s gross profit in FY2023 decreased 64.6% to S\$13.3 million from S\$37.6 million in FY2022. Gross profit from the manufacturing segment in FY2023 declined 64.3% to S\$12.1 million from S\$33.9 million in FY2022, translating to a lower gross profit margin of 11.6% in FY2023 compared to 24.2% in FY2022. The supply chain management services segment registered a gross profit and gross profit margin of S\$1.2 million in FY2023 (FY2022: S\$3.7 million) and 1.4% in FY2023

(FY2022: 3.7%) respectively. Accordingly, the Group's composite gross profit margin stood at 7.0% in FY2023 compared to 15.7% a year ago.

Other Income

Other income in FY2023 increased to S\$3.7 million from S\$2.5 million in FY2022, mainly due to higher income from interest income and rental income, and increased sale of raw materials.

Selling and Administrative Expenses

Selling and administrative expenses in FY2023 saw an increase of 2.4% to S\$23.5 million from S\$22.9 million a year ago, attributed mainly to the higher expenses relating to energy and depreciation for the Group's new Smart Factory, as well as employee's remuneration arising from the Group's transformation plan to strengthen in-house tooling capabilities to increase its market exposure to the biomedical segment.

Other Operating Income/ (Expenses)

The Group recorded other operating expenses of S\$3.2 million in FY2023, while in FY2022, the group reported other operating income of S\$0.6 million. The difference is due to provision for impairment of goodwill of S\$2.7million as disclosed in Note 5 of the condensed interim financial statement and loss from foreign exchange. The Group recorded foreign exchange loss of S\$0.5 million in FY2023 which consist of exchange loss arising from the liquidation of Fu Yu Moulding & Tooling (Shanghai) Co., Ltd ("Fu Yu Shanghai") of S\$0.4 million, compared to foreign exchange gain of S\$0.9 million in FY2022.

The Group recognises foreign exchange gain or loss 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 contributed to the foreign exchange loss in FY2023.

Finance Costs

Finance costs in FY2023 increased to S\$941,000 from S\$359,000 in FY2022, attributed mainly to interest expenses on unsecured bank loans and lease liabilities.

(Loss)/ Profit before Income Tax

The Group recorded a loss before income tax ("**LBT**") of S\$10.6 million in FY2023, compared to a profit before tax ("**PBT**") of S\$17.4 million in FY2022. LBT excluding foreign exchange impact in FY2023 amounted to S\$10.1 million, compared to PBT excluding foreign exchange impact in FY2022 amounted to S\$16.5 million, in line with lower revenue and gross profit as well as impairment of goodwill.

On a geographical basis, the Group's manufacturing operations in Singapore posted LBT of S\$7.9 million in FY2023 compared to PBT of S\$10.8 million in FY2022. The Malaysia segment recorded a lower PBT of S\$3.5 million compared to FY2022's PBT of S\$6.3 million, while the China segment posted LBT of S\$3.8 million in FY2023 compared to PBT of S\$0.3 million in FY2022.

The Singapore-based supply chain management service operations realised PBT of S\$0.3 million in FY2023 compared to PBT of S\$1.6 million in FY2022 due mainly to lower gross profit margin.

Tax (Credit)/ Expense

The Group generated tax income of S\$491,000 for FY2023 compared to a tax expense of S\$2.8 million in FY2022 mainly due to recognition of tax benefits to be utilised when the subsidiaries are in taxable income position and prior year tax benefits from Land Intensification Allowance ("**LIA**") for the factory.

Net Profit	FY2023	FY2022	Change
	(\$ million)	(\$ million)	
Operating (loss)/profit	(9.7)	17.8	NM
Net (loss)/profit	(10.1)	14.6	NM

As a result of the above, the Group's incurred a net loss of S\$6.3 million in 2H23, compared to a net profit S\$3.7 million 2H22.

For FY2023, the group recorded a net loss of S\$10.1 million, compared to a net profit of S\$14.6 million in FY2022. This was mainly attributable to lower revenue, higher operating costs related to labour and energy, foreign exchange loss of S\$0.5 million mainly due to the liquidation of Fu Yu Shanghai, and a S\$2.7 impairment of goodwill.

The manufacturing business recorded a net loss of S\$7.7 million, while supply chain management services recorded a net profit of S\$0.3 million in FY2023, compared to net profit of S\$12.8 million and S\$1.6 million in FY2022, respectively.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023, the Group remained in a sound financial position with net cash of S\$57.0 million. Cash and bank balances was S\$60.3 million while total unsecured bank loans amounted to S\$3.3 million as at 31 December 2023. Shareholders' equity stood at S\$137.4 million, equivalent to net asset value of 18.16 cents per share (based on the total number of issued shares of approximately 757.0 million shares) which included net cash of around 7.5 cents per share.

Total assets as at 31 December 2023 decreased to S\$176.2 million from S\$207.2 million as at 31 December 2022. The reduction was attributed mainly to decreases in cash and bank balances, lower trade and other receivables, inventory, property, plant and equipment and impairment of goodwill. Tax recoverable pertaining mainly to tax benefits from LIA for the factory.

The Group's total liabilities as at 31 December 2023 decreased to S\$38.7 million from S\$52.0 million as at 31 December 2022. This was due mainly to a reduction in loans and borrowings, tax payable, as well as trade and other payables.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group incurred net operating cash outflow of S\$5.0 million in FY2023 compared to net cash inflow from operating activities of S\$21.7 million in FY2022. This was attributed mainly to net loss recognised for FY2023 and repayment of trade and other payables, offset by a reduction in inventories.

Net cash used in investing activities amounted to S\$1.8 million during FY2023. The Group incurred capital expenditure of S\$3.7 million, which was mainly for the purchase of factory equipment, plant and machineries. This was compensated partially by interest income.

Net cash used in financing activities amounted to S\$7.6 million in FY2023, attributed mainly to the payment of dividends to shareholders of the Company and repayment of bank loans.

As a result of the above, the Group's cash and cash equivalents decreased to S\$60.3 million (including cash deposits pledged of S\$0.1 million and cash restricted-in-use of S\$5.1 million) at the end of FY2023 compared to S\$79.3 million as at 31 December 2022.

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

On the outlook, the Group is seeing gradual post-pandemic business recovery across its three geographies, Singapore, Malaysia and China, particularly, in the medical and consumer sectors. This momentum is expected to build up further towards the second half of 2024.

The Group is focused on business recovery and transformation efforts to capture opportunities and to address challenges in the operating environment. These strategies include:

- i) Emphasis on its core business of mould designing and manufacturing, while improving internal efficiencies through its Smart Factory in Singapore;
- ii) Targeting higher-precision tooling and components for the bio-medical and life science industries, while enlarging its geographic and sectoral market reach;
- iii) Improving sustainability efforts at the Group level and with its partners through initiatives such as renewable energy, use of alternative raw materials, additive manufacturing technologies, etc;
- iv) Early-stage engagement with customers from the design level and planning for integration of product development to shorten lead times and optimise the manufacturing process; and
- v) Increase shareholder value by forging alliances and global collaboration, raising the Group's profile and exploring M&A opportunities.

The Group's Smart Factory will serve as a key cornerstone behind these strategies. Expected to launch in late 2Q24, the Industry 4.0 facility will introduce new capabilities for securing new customers in the high-precision manufacturing and biomedical sector. These capabilities include:

- i) An automated and high-precision toolroom, to be completed by April 2024, to support the design of higher-precision moulds and the development of tools for export;
- ii) Control room for the Smart Factory's Manufacturing Execution System (MES) to enable around-the-clock coordination, real-time monitoring of production activities, and data collection from machines;
- iii) Rapid prototyping and New Product Introduction capabilities, allowing the Group to engage with customers earlier, enabling a smoother transition from design to manufacturing; and
- iv) Biomedical cleanrooms for moulding and assembly with different phases where we will be adding more cleanroom capacity in future

Meanwhile, the Group's facility in Penang, Malaysia, is adding a 100K cleanroom to support the anticipated growth in the biomedical sector. Fu Yu is also in the process of adding new assembly and box-build capabilities to its facilities in China to widen its service portfolio and grow its customer base.

The Group remains cautious of business volatility arising from economic and geopolitical uncertainties, elevated interest rates as well as ongoing supply chain disruptions. Nonetheless, it expects higher contributions from its export tooling business, Fu Yu Biomedical and new customers. Together with the ongoing cost-containment efforts, barring unforeseen circumstances, the Group expects the overall FY2024 financial performance to improve compared to FY2023.

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 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? Yes

Final Dividend

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	0.60 cent per ordinary share
Tax rate	One-tier tax exempt

(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 for the year ended 31 December 2023 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 31 December 2023.

14. 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.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
E-lin Elaine SEOW	49	Sister of Seow Jun Hao David (Group Chief Executive Officer)	1 Nov 2023 – Head of Business Development, Sales, Marketing, Corporate Communications and Compliance	Nil

BY ORDER OF THE BOARD

Janet Tan
Company Secretary
Singapore, 23 February 2024