



**FU YU CORPORATION LIMITED
AND SUBSIDIARY COMPANIES**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD AND TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2024**

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A Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Non-current assets					
Property, plant and equipment	3	58,603	58,229	39,069	38,237
Investment property	4	5,842	5,652	–	–
Goodwill	5	–	3,185	–	–
Subsidiaries	6	–	–	53,898	53,898
Other receivables	7	–	–	17,109	20,526
Deferred tax assets		806	1,260	–	–
		<u>65,251</u>	<u>68,326</u>	<u>110,076</u>	<u>112,661</u>
Current assets					
Inventories		15,081	13,377	3,755	2,825
Contract assets		4,007	1,888	1,190	354
Trade and other receivables	7	33,682	31,373	20,515	16,801
Tax recoverable		253	904	–	671
Cash and bank balances	8	55,531	60,322	4,741	13,816
		<u>108,554</u>	<u>107,864</u>	<u>30,201</u>	<u>34,467</u>
Total assets		<u>173,805</u>	<u>176,190</u>	<u>140,277</u>	<u>147,128</u>
Equity attributable to equity holders of the Company					
Share capital	9	103,770	102,985	103,770	102,985
Reserves		32,983	34,458	19,168	22,300
Total Equity		<u>136,753</u>	<u>137,443</u>	<u>122,938</u>	<u>125,285</u>
Non-current liabilities					
Trade and other payables		1,221	1,138	1,220	1,138
Loans and borrowings	10	6,113	5,030	5,278	4,982
Deferred tax liabilities		1,357	1,711	720	1,065
		<u>8,691</u>	<u>7,879</u>	<u>7,218</u>	<u>7,185</u>
Current liabilities					
Trade and other payables		25,275	24,925	9,427	10,705
Contract liabilities		749	538	147	198
Loans and borrowings	10	1,078	4,206	547	3,755
Tax payable		1,259	1,199	–	–
		<u>28,361</u>	<u>30,868</u>	<u>10,121</u>	<u>14,658</u>
Total liabilities		<u>37,052</u>	<u>38,747</u>	<u>17,339</u>	<u>21,843</u>
Total equity and liabilities		<u>173,805</u>	<u>176,190</u>	<u>140,277</u>	<u>147,128</u>

B (i) Condensed interim consolidated income statement
For the six months and twelve months ended 31 December 2024

	Note	Group Six Months Ended 31 Dec			Group Twelve Months Ended 31 Dec		
		2024 \$'000	2023 \$'000 Restated*	Change %	2024 \$'000	2023 \$'000 Restated*	Change %
Continuing operations							
Revenue	11	60,138	51,323	17.2	114,888	103,941	10.5
Cost of sales		(51,667)	(45,389)	13.8	(99,372)	(91,772)	8.3
Gross profit		8,471	5,934	42.8	15,516	12,169	27.5
Other income		1,339	1,030	30.0	2,560	2,554	0.2
Selling and administrative expenses		(7,795)	(9,843)	(20.8)	(17,168)	(21,594)	(20.5)
Other expenses, net		(1,148)	(1,007)	(14.0)	(446)	(537)	(16.9)
Results from operating activities		867	(3,886)	NM	462	(7,408)	NM
Finance costs		(123)	(425)	(71.1)	(312)	(697)	(55.2)
Profit/ (Loss) before income tax	12	744	(4,311)	NM	150	(8,105)	NM
Tax credit/ (expense)	13	(1,268)	350	NM	(1,370)	505	NM
Loss from continuing operations		(524)	(3,961)	(86.8)	(1,220)	(7,600)	(83.9)
Loss from discontinued operations	15	(3,440)	(2,298)	49.7	(2,672)	(2,513)	6.3
Loss for the period/year attributable to owners of the Company		(3,964)	(6,259)	(36.7)	(3,892)	(10,113)	(61.5)

NM denotes Not Meaningful
*refer note 15

B (ii) Condensed interim consolidated statement of comprehensive income
For the six months and twelve months ended 31 December 2024

	Group			Group		
	Six Months		Change	Twelve Months Ended 31		Change
	2024	2023		2024	2023	
	\$'000	\$'000	%	\$'000	\$'000	%
		Restated*			Restated*	
Loss for the period/year	(3,964)	(6,259)	(36.7)	(3,892)	(10,113)	(61.5)
Other comprehensive income						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	2,018	(1,413)	NM	3,176	(4,159)	NM
Exchange differences realised on liquidation of a subsidiary reclassified to profit or loss	–	432	NM	–	432	NM
Other comprehensive income for the period/year (net of tax)	2,018	(981)	NM	3,176	(3,727)	NM
Total comprehensive income for the period/year attributable to owners of the Company	(1,946)	(7,240)	NM	(716)	(13,840)	NM

NM denotes Not Meaningful

*refer note 15

**C Condensed interim statements of changes in equity
For the year ended 31 December 2024 (Group)**

	Attributable to equity holders of the Company							Total equity \$'000
	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share- based payment reserve \$'000	Retained earnings \$'000	
Group								
At 1 January 2024	102,985	(415)	4,278	789	(32,500)	759	61,547	137,443
Total comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(3,892)	(3,892)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	-	3,176	-	-	3,176
Total comprehensive income for the year	-	-	-	-	3,176	-	(3,892)	(716)
Transaction with owners, recognised directly in equity								
Contributions by and distributions to owners								
Equity-settled share-based payment transactions	785	-	-	-	-	(759)	-	26
At 31 December 2024	103,770	(415)	4,278	789	(29,324)	-	57,655	136,753

		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 2023		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		–	–	–	–	(3,727)	–	–	(3,727)
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	18	–	–	–	–	–	–	(4,542)	(4,542)
Total transactions with owners		827	–	–	–	–	(156)	(4,542)	(3,871)
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

**Condensed interim statements of changes in equity
For the year ended 31 December 2024 (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 2024	102,985	789	(1,425)	759	22,177	125,285
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(2,373)	(2,373)
Total comprehensive income for the year	–	–	–	–	(2,373)	(2,373)
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payment transactions	785	–	–	(759)	–	26
Total transactions with owners	785	–	–	(759)	–	26
At 31 December 2024	103,770	789	(1,425)	–	19,804	122,938

	Share capital	Revaluation reserve	Merger reserve	Share-based payment reserve	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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

D Condensed interim consolidated statement of cash flows
For the six months and twelve months ended 31 December 2024

	Note	Group			
		Six Months		Twelve Months	
		Ended 31 Dec 2024 \$'000	2023 \$'000	Ended 31 Dec 2024 \$'000	2023 \$'000
Cash flows from operating activities					
Loss before income tax		(2,686)	(6,562)	(2,353)	(10,604)
Adjustments for:					
Depreciation of property, plant and equipment and investment property		4,288	4,405	8,374	8,602
Loss on liquidation of a subsidiary		–	13	–	432
Finance costs		125	666	320	941
Interest income		(825)	(1,043)	(1,661)	(1,904)
Gain on disposal of property, plant and equipment	12	(186)	–	(192)	(24)
Property, plant and equipment written off	12	–	1	185	2
Provision of impairment on plant and equipment		579	–	579	–
Provision of impairment on goodwill		3,286	2,678	3,286	2,678
Share-based payment transactions		(1,880)	671	(759)	1,337
		2,701	829	7,779	1,460
Changes in working capital:					
Trade and other debtors		2,186	(3,485)	(2,309)	(423)
Contract assets		(1,197)	(165)	(2,118)	(317)
Contract liabilities		46	180	210	(245)
Inventories		(1,325)	1,983	(1,704)	4,377
Trade and other creditors		(2,196)	(38)	2,027	(7,294)
Currency translation adjustment*		763	588	440	647
Cash generated from/(used in) operating activities		978	(108)	4,325	(1,795)
Tax paid		(1,035)	(1,629)	(728)	(2,745)
Net cash (used in)/generated from operating activities		(57)	(1,737)	3,597	(4,540)
Cash flows from investing activities					
Interest income received		825	1,043	1,661	1,904
Proceeds from disposal of property, plant and equipment		186	11	192	24
Purchase of property, plant and equipment		(3,066)	(1,841)	(6,940)	(3,962)
Net cash used in investing activities		(2,055)	(787)	(5,087)	(2,034)
Cash flows from financing activities					
Repayment of lease liabilities	10	(645)	(640)	(1,382)	(1,274)
Repayment of unsecured bank loan		(1,336)	(2,004)	(3,341)	(4,009)
Finance costs paid		(14)	(349)	(102)	(506)
Dividends paid to shareholders of the Company	18	–	–	–	(4,542)
Fixed deposits discharged/(pledged)		(5)	6	(6)	5
Cash restricted in use		1,389	218	5,089	2,451
Net cash used in/(generated from) financing activities		(611)	(2,769)	258	(7,875)
Net decrease in cash and cash equivalents		(2,723)	(5,293)	(1,232)	(14,449)
Cash and cash equivalents at beginning of financial period/ year		57,627	61,322	55,186	71,423
Effect of exchange rate fluctuations on cash held		551	(843)	1,501	(1,788)
Cash and cash equivalents at end of financial period/ year	8	55,455	55,186	55,455	55,186

*Being reclassification of unrealised foreign currency translation adjustments.

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 (“**2H24**”) and full year ended 31 December 2024 (“**FY2024**”) 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. The Group ceased all business activities in Fu Yu Supply Chain Solutions Pte Ltd (“FYSCS”) in last quarter of FY2024.

2. Basis of Preparation

2.1. Statement of compliance

The condensed interim financial statements for the six months and full year ended 31 December 2024 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 2023.

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 2023.

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 3 – measurement of recoverable amounts of PPE
- 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

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2023, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the financial year beginning on or after 1 January 2024.

The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

3. Property, plant and equipment

During the financial year ended 31 December 2024, the Group acquired assets amounting to \$9,389,000 (31 Dec 2023: \$4,886,000) of which \$2,449,000 (31 Dec 2023: \$1,150,000) relates to right-of-use assets and disposed of assets amounting to net book value of \$186,000. (31 Dec 2023: \$1,500).

As at 31 December 2024, the cost incurred for redevelopment project in Singapore amounting to \$Nil (31 Dec 2023: \$21,046,000). Included in this amount are the capitalised borrowing costs related to the construction of the factory of \$Nil (2023: \$266,000).

4. Investment property

	<u>Group</u> <u>\$'000</u>
Cost	
At 1 January 2023	8,643
Currency realignment	(499)
At 31 December 2023	<u>8,144</u>
Currency realignment	491
At 31 December 2024	<u>8,635</u>
Accumulated depreciation	
At 1 January 2023	2,505
Depreciation for the year	135
Currency realignment	(148)
At 31 December 2023	<u>2,492</u>
Depreciation for the period	145
Currency realignment	156
At 31 December 2024	<u>2,793</u>
Carrying amounts	
At 31 December 2023	<u>5,652</u>
At 31 December 2024	<u>5,842</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 2024 amounts to approximately \$7,158,000 (2023: \$6,751,000) 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 2024	3,185
Impairment loss	(3,286)
Currency realignment	101
At 31 December 2024	<u>–</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 fair value less costs of disposal approach, applying the adjusted net asset method.

As at 31 December 2024, this CGU has ceased business activities in the last quarter of FY2024, and is not expected to resume business operations in the near future, hence, we classify it as discontinued operations, see note 15.

6. Subsidiaries

	<u>Company</u>	
	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Equity investments, at cost	107,960	107,960
Forgiveness of amounts due from subsidiaries	12,802	12,802
	<u>120,762</u>	<u>120,762</u>
Impairment loss	(66,864)	(66,864)
	<u>53,898</u>	<u>53,898</u>

Impairment assessment

Subsidiaries in China incurred operating losses and had shown indication that impairment loss recognised in prior years may no longer be appropriate. Accordingly, the Company performed an assessment of the recoverable amount of its investments in these 3 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.

7. Trade and other receivables

	Group		Company	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Trade receivables	30,095	25,302	11,760	8,350
Allowance for impairment of doubtful receivables	(3)	(3)	–	–
Net trade receivables	30,092	25,299	11,760	8,350
Other receivables	538	249	184	46
Amounts due from subsidiaries	–	–	24,449	27,005
Deposits	346	267	144	101
	30,976	25,815	36,537	35,502
Prepayments	1,149	919	703	537
Advances to suppliers	1,557	4,639	384	1,288
	33,682	31,373	37,624	37,327
Non-current	–	–	17,109	20,526
Current	33,682	31,373	20,515	16,801
	33,682	31,373	37,624	37,327

Amounts due from subsidiaries

	Company	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Amounts due from subsidiaries		
Non-current		
- non-trade	25,578	26,827
- impairment loss	(8,469)	(6,301)
	17,109	20,526
Current		
- trade	287	–
- non-trade	10,455	8,108
- impairment loss	(3,402)	(1,629)
	7,053	6,479
	24,449	27,005

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.

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and are amounts lent to subsidiaries companies to satisfy funding requirements.

The current amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

The Company applies the general approach for expected credit loss model to measure the loss allowance on the amount due from subsidiaries. Due to the economic uncertainty in the current and future economic environment, the Company concluded that there has been significant increase in the credit risk expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

8. Cash and bank balances

	Group		Company	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash at bank and in hand	24,405	25,333	4,741	2,799
Deposits with banks	31,126	34,989	–	11,017
Cash and bank balances in the statements of financial position	55,531	60,322	4,741	13,816
Cash restricted-in-use	–	(5,066)		
Deposits pledged	(76)	(70)		
Cash and cash equivalents in the consolidated statement of cash flows	55,455	55,186		

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

Included in cash restricted-in-use in FY2023 was \$3,508,000 deposits for the unsecured bank loan purposes (see note 10) and \$1,558,000 earmarked for trade financing.

Deposits with financial institutions mature on varying periods within 12 months (2023: 12 months) from the financial period end. Effective interest rates range from 1.8 to 4.9% (2023: 1.5% to 5.3%) per annum.

Cash and bank balances totalling the equivalent of \$7,467,000 (31 December 2023: \$12,276,000) are held in a country which operates foreign exchange controls.

9. Share capital

	Group and Company	
	2024	2023
Fully paid ordinary shares, with no par value:	No. of shares	
On issue at 1 January	756,994,775	752,994,775
Issuance of new ordinary shares	5,000,000	4,000,000
On issue at 30 June & 31 December	761,994,775	756,994,775

The Company did not hold any treasury shares as at 31 December 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

10. Loans and borrowings

	Group		Company	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Non-current liabilities				
Lease liabilities	6,113	5,030	5,278	4,982
	<u>6,113</u>	<u>5,030</u>	<u>5,278</u>	<u>4,982</u>
Current liabilities				
Unsecured bank loans	–	3,341	–	3,341
Lease liabilities	1,078	865	547	414
	<u>1,078</u>	<u>4,206</u>	<u>547</u>	<u>3,755</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 2024	
				Face value \$'000	Carrying amount \$'000
Group					
Lease liabilities	SGD	1.60%-5.79%	2025-2044	7,705	5,829
Lease liabilities	MYR	5.45%-6.70%	2025-2026	151	147
Lease liabilities	RMB	3.35%-4.75%	2026-2027	1,271	1,215
				<u>9,127</u>	<u>7,191</u>
Company					
Lease liabilities	SGD	1.60%-3.91%	2025-2044	7,701	5,825
				<u>7,701</u>	<u>5,825</u>
	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>

Unsecured bank loans

The unsecured bank loan is to finance the redevelopment of No.9 Tuas Drive 1, Singapore 638675. The entire loan was fully repaid during the year.

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 \$118,060,700 (2023: \$167,109,300) 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 2024	5,895	3,341
Changes in financing cash flows		
Repayment of unsecured bank loans	–	(3,341)
Payment of lease liabilities	(1,164)	–
Finance costs paid	(218)	(67)
Total changes from financing cash flows	<u>(1,382)</u>	<u>(3,408)</u>
Other changes		
Liability-related		
New lease	2,449	–
Currency realignment	11	–
Interest expense	218	67
Total liability-related other changes	<u>2,678</u>	<u>67</u>
Balance at 31 December 2024	<u>7,191</u>	<u>–</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).

	← Reportable segments →											
	← Manufacturing Segment →								Supply Chain Management Services Segment (Discontinued Operation)			
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore			
Six months ended 31 Dec	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major products/ service line												
Sales of goods	21,383	16,963	14,459	15,030	17,993	15,980	53,835	47,973	4,432	67,871	58,267	115,844
Revenue from tooling contracts	3,822	1,534	1,668	1,312	813	503	6,303	3,349	–	–	6,303	3,349
	<u>25,205</u>	<u>18,497</u>	<u>16,127</u>	<u>16,342</u>	<u>18,806</u>	<u>16,483</u>	<u>60,138</u>	<u>51,322</u>	<u>4,432</u>	<u>67,871</u>	<u>64,570</u>	<u>119,193</u>
Timing of revenue recognition												
Products transferred at a point in time	22,316	16,963	15,241	15,030	19,155	15,980	56,712	47,973	4,432	67,871	61,144	115,844
Services transferred over time	2,889	1,534	886	1,312	(349)	503	3,426	3,349	–	–	3,426	3,349
	<u>25,205</u>	<u>18,497</u>	<u>16,127</u>	<u>16,342</u>	<u>18,806</u>	<u>16,483</u>	<u>60,138</u>	<u>51,322</u>	<u>4,432</u>	<u>67,871</u>	<u>64,570</u>	<u>119,193</u>

	Reportable segments								Supply Chain Management Services Segment (Discontinued Operation)			
	Manufacturing Segment											
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore		Total	
Twelve Months Ended 31 Dec	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major products/ service line												
Sales of goods	40,662	35,046	28,490	32,842	34,992	28,268	104,144	96,156	76,395	86,440	180,539	182,596
Revenue from tooling contracts	5,547	3,193	3,608	3,555	1,589	1,037	10,744	7,785	–	–	10,744	7,785
	<u>46,209</u>	<u>38,239</u>	<u>32,098</u>	<u>36,397</u>	<u>36,581</u>	<u>29,305</u>	<u>114,888</u>	<u>103,941</u>	<u>76,395</u>	<u>86,440</u>	<u>191,283</u>	<u>190,381</u>
Timing of revenue recognition												
Products transferred at a point in time	41,595	35,046	29,272	32,842	36,154	28,268	107,021	96,156	76,395	86,440	183,416	182,596
Services transferred over time	4,614	3,193	2,826	3,555	427	1,037	7,867	7,785	–	–	7,867	7,785
	<u>46,209</u>	<u>38,239</u>	<u>32,098</u>	<u>36,397</u>	<u>36,581</u>	<u>29,305</u>	<u>114,888</u>	<u>103,941</u>	<u>76,395</u>	<u>86,440</u>	<u>191,283</u>	<u>190,381</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:**

	Group Year end		Increase / (Decrease) %
	2024 \$'000	2023 \$'000	
Sales reported for the first half year	126,713	71,188	78.0
Operating profit after tax reported for first half year	72	(3,854)	NM
Sales reported for the second half year	64,570	119,193	(45.8)
Operating profit after tax for second half year	(3,965)	(6,259)	(36.7)

12. Profit/ (loss) before income tax

	Group			
	2H24 \$'000	2H23 \$'000 (Restated)	FY2024 \$'000	FY2023 \$'000 (Restated)
Continuing operations:				
Significant items				
Profit/(Loss) before income tax is arrived at after (crediting)/ charging the following:				
Interest income	(198)	(648)	(335)	(751)
Gain on disposal of property, plant and equipment	(186)	–	(192)	(24)
Foreign exchange loss/(gain), net	558	916	(132)	453
Property, plant and equipment written off	–	1	185	2
Depreciation of property, plant and equipment and investment property	4,125	4,245	8,029	8,277
Interest expenses on lease liabilities	107	116	211	227
Interest expenses on unsecured bank loan	(328)	111	67	268
Allowance for inventory obsolescence, net and inventories written off	(344)	52	(448)	721
Share-based payment transactions	(759)	549	(759)	1,337

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			
	2H24	2H23	FY2024	FY2023
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current year	463	760	1,186	1,110
Withholding taxes	48	19	102	33
Overprovision in prior years	(131)	(1,100)	11	(1,107)
	<u>380</u>	<u>(321)</u>	<u>1,299</u>	<u>36</u>
Deferred tax expense				
Movements in temporary differences	802	(1,161)	117	(1,671)
Under/(Over) provision in prior years	86	1,132	(46)	1,130
	<u>888</u>	<u>(29)</u>	<u>71</u>	<u>(541)</u>
	<u>1,268</u>	<u>(350)</u>	<u>1,370</u>	<u>(505)</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.

The entire results of Supply Chain Management Services Segment was presented separately on the Condensed interim consolidated income statement as "Discontinued operations" for the financial year ended 31 December 2024.

Reportable Segments

	← Manufacturing Segment →							Supply Chain Management Services Segment (Discontinued operation)		Total operations before adjustment		Group adjustment and eliminations		Total operations		
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore							
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Six months ended 31 Dec	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses																
Total external revenue	25,206	18,498	16,125	16,342	18,807	16,483	60,138	51,323	4,432	67,871	64,570	119,193	-	-	64,570	119,193
Inter-segment revenue	386	332	494	(40)	278	144	1,158	436	-	-	1,158	436	(1,158)	(436)	-	-
Segment profit/ (loss) before income tax*	583	3,248	(1,657)	(1,138)	2,892	3,360	1,818	5,470	(844)	(6)	974	5,464	3,768	(4,058)	4,742	1,406
Depreciation of property, plant and equipment and investment property	(2,137)	(2,225)	(1,227)	(1,253)	(941)	(957)	(4,305)	(4,435)	(11)	129	(4,316)	(4,306)	28	42	(4,288)	(4,264)
Impairment of goodwill	-	-	-	-	-	-	-	-	(3,286)	(2,678)	(3,286)	(2,678)	-	-	(3,286)	(2,678)
Loss on liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(432)	-	(432)
Interest income	43	187	49	183	56	58	148	428	699	602	847	1,030	(22)	(9)	825	1,021
Finance costs	(130)	(411)	(18)	(11)	(3)	(14)	(151)	(436)	2	(235)	(149)	(671)	24	9	(125)	(662)
Foreign exchange gain/(loss) (net)	(149)	(924)	(102)	416	(609)	(105)	(860)	(613)	190	-	(670)	(613)	116	(340)	(554)	(953)
(Loss)/ Profit before income tax	(1,790)	(125)	(2,955)	(1,803)	1,395	2,342	(3,350)	414	(3,250)	(2,188)	(6,600)	(1,774)	3,914	(4,788)	(2,686)	(6,562)
Tax credit/ (expense)															(1,278)	303
Net (loss)/ profit for the period															(3,964)	(6,259)
Other segment information																
Impairment for goodwill	-	-	-	-	-	-	-	-	3,286	2,678	3,286	2,678	-	-	3,286	2,678
Capital expenditure**	1,588	1,791	507	202	973	329	3,068	2,322	-	1	3,068	2,323	-	-	3,068	2,323
Interest income	43	187	49	183	56	58	148	428	699	624	847	1,052	(22)	(9)	825	1,043

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

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

	← Manufacturing Segment →						Supply Chain Management Services Segment (Discontinued operation)		Total operations before adjustment		Group adjustment and eliminations		Total operations			
	Singapore		China		Malaysia		Total for Manufacturing Segment		Singapore							
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
Twelve Months Ended 31 Dec	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue and expenses																
Total external revenue	46,209	38,239	32,098	36,397	36,581	29,305	114,888	103,941	76,395	86,440	191,283	190,381	-	-	191,283	190,381
Inter-segment revenue	635	359	698	-	329	241	1,662	600	-	32	1,662	632	(1,662)	(632)	-	-
Segment profit before tax*	404	7,181	(1,983)	(645)	5,948	5,229	4,369	11,765	(212)	(640)	4,157	11,125	3,965	(10,863)	8,122	262
Depreciation of property, plant and equipment and investment property	(4,235)	(3,984)	(2,386)	(2,693)	(1,786)	(1,958)	(8,407)	(8,635)	(23)	(23)	(8,430)	(8,658)	56	56	(8,374)	(8,602)
Impairment of goodwill	-	-	-	-	-	-	-	-	(3,286)	(2,678)	(3,286)	(2,678)	-	-	(3,286)	(2,678)
Loss on liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(432)	-	(432)
Interest income	173	387	78	264	110	117	361	768	1,326	1,153	1,687	1,921	(26)	(17)	1,661	1,904
Finance costs	(312)	(670)	(24)	(27)	(10)	(23)	(346)	(720)	(308)	(239)	(654)	(959)	26	18	(628)	(941)
Foreign exchange gain/(loss) (net)	1,137	(984)	(583)	(192)	(422)	127	132	(1,049)	20	(11)	152	(1,060)	-	943	152	(117)
(Loss)/Profit before income tax	(2,833)	1,930	(4,898)	(3,293)	3,840	3,492	(3,891)	2,129	(2,483)	(2,438)	(6,374)	(309)	4,021	(10,295)	(2,353)	(10,604)
Tax expenses/(credit)															(1,539)	491
Net loss for the year															(3,892)	(10,113)
Other segment information																
Non-current assets	92,969	92,134	6,172	7,006	19,373	18,838	118,514	117,978	31,148	3,346	149,662	121,324	(85,217)	(54,258)	64,445	67,066
Unallocated assets															806	1,260
Total non-current assets															65,251	68,326
Impairment for goodwill	-	-	-	-	-	-	-	-	(3,286)	(2,678)	(3,286)	(2,678)	-	-	(3,286)	(2,678)
Capital expenditure**	5,002	2,876	836	386	1,102	473	6,940	3,735	-	1	6,940	3,736	-	-	6,940	3,736
Interest income	173	388	78	264	110	117	361	769	1,326	1,153	1,687	1,922	(26)	(18)	1,661	1,904
Segment reporting assets	140,992	147,176	32,672	35,070	46,987	40,065	220,651	222,311	63,606	33,796	284,257	256,107	(111,258)	(81,177)	172,999	174,930
Unallocated assets															806	1,260
Total assets															173,805	176,190
Segment reporting liabilities	17,029	20,790	39,790	38,230	6,910	4,843	63,729	63,863	8,788	3,881	72,517	67,744	(38,081)	(31,907)	34,436	35,837
Unallocated liabilities															2,616	2,910
Total liabilities															37,052	38,747

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

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

15. Discontinued Operations

The Group has made the decision to discontinue the operation of Supply Chain Management Services Segment due to the inability to identify a suitable candidate to effectively run and manage the business. Despite extensive efforts to find a qualified individual with the necessary skills and vision, the company has not been able to secure leadership that aligns with its strategic goals. As a result, the management team has concluded that discontinuing operations is the most prudent course of action.

The supply chain management services segment was not previously presented as a discontinued operation as at 31 December 2023. Thus, the comparative statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

To achieve this presentation, management has eliminated from the results of the discontinued operation the inter-company costs during the year.

	Group		Group	
	2H24 \$'000	2H23 \$'000	2024 \$'000	2023 \$'000
Results of discontinued operation				
Revenue	4,432	67,870	76,395	86,472
Elimination of inter-company revenue	–	–	–	(32)
External revenue	4,432	67,870	76,395	86,440
Cost of goods sold	(4,402)	(66,882)	(74,914)	(85,304)
Other income	738	633	1,370	1,184
Selling and administrative expenses	(900)	(939)	(1,760)	(1,862)
Other expenses, net	(3,270)	(2,678)	(3,266)	(2,689)
Finance costs	6	(238)	(308)	(239)
Elimination of intercompany transactions	(35)	(15)	(20)	(29)
Results from operating activities	(3,431)	(2,249)	(2,503)	(2,499)
Tax	(9)	(49)	(169)	(14)
Loss from discontinued operation, net of tax	(3,440)	(2,298)	(2,672)	(2,513)
Loss per share from discontinued operation				
Basic loss per share (cents)	(0.45)	(0.30)	(0.35)	(0.33)
Diluted loss per share (cents)	(0.45)	(0.30)	(0.35)	(0.33)
Cash flow from/(used in) discontinued operation				
Net cash from/(used in) operating activities	(2,341)	(1,721)	2,568	(2,792)
Net cash from/(used in) investing activities	951	623	1,578	1,152
Net cash (used in)/from investing activities	1,327	(3,166)	1,326	(3,167)
Net cash flow for the year	(63)	(4,264)	5,472	(4,807)

16. 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 2024 and 31 December 2023:

	Amortised costs \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Group			
31 December 2024			
Trade and other receivables ⁺	30,976	–	30,976
Cash and bank balances	55,531	–	55,531
Trade and other payables [#]	–	(26,195)	(26,195)
	<u>86,507</u>	<u>(26,195)</u>	<u>60,312</u>
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)
	<u>86,137</u>	<u>(29,331)</u>	<u>56,806</u>
Company			
31 December 2024			
Trade and other receivables ⁺	36,936	–	36,936
Cash and bank balances	4,741	–	4,741
Trade and other payables [#]	–	(10,514)	(10,514)
	<u>41,677</u>	<u>(10,514)</u>	<u>31,163</u>
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)
	<u>49,318</u>	<u>(15,111)</u>	<u>34,207</u>

+ Excludes prepayments and advances to suppliers

Excludes advance billings

17. Related Party Transactions

The Group does not have material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

18. Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company	
	2024	2023
	\$'000	\$'000
Paid by the Company to owners of the Company		
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
	–	4,542

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 2024 was 761,994,775 (31 December 2023: 756,994,775).

- 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 2024 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 2024 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 2024 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2023.

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			
	2H2024	2H2023	FY2024	FY2023
Loss per share from continuing operations				
- Basic (cents)	(0.07)	(0.52)	(0.16)	(1.01)
- Diluted (cents)	(0.07)	(0.52)	(0.16)	(1.01)
Loss per share from discontinued operations				
- Basic (cents)	(0.45)	(0.30)	(0.35)	(0.33)
- Diluted (cents)	(0.45)	(0.30)	(0.35)	(0.33)

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 761,885,186 (2023: 755,723,542).

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 2H2024 and FY2024, 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 24	31 Dec 23	31 Dec 24	31 Dec 23
Net asset value (\$'000)	136,753	137,443	122,938	125,285
Issued capital at the end of the period ('000)	761,995	756,995	761,995	756,995
Net asset value per Ordinary Share (cents)	17.95	18.16	16.13	16.55

8. Review of performance of the Group

CONSOLIDATED INCOME STATEMENT

Revenue

For the six months ended 31 December 2024 (“2H24”), the Group’s revenue decreased 45.8% to S\$64.6 million from S\$119.2 million in 2H23 mainly due to lower revenue contribution from supply chain management services.

For the financial year ended 31 December 2024 (“FY2024”), revenue increased 0.5% to S\$191.3 million from S\$190.4 million in FY2023, mainly due to higher sales from manufacturing segments amid a challenging operating environment.

Manufacturing Business

For FY2024, revenue from the manufacturing business rose, mainly due to higher sales from the Singapore and Malaysian operations, partially offset by a decline in the Group’s operations in China. During FY2024, the Group secured new projects and recorded higher order volumes, underscoring the recovery in the overall manufacturing environment and global economy.

Sales from Singapore operations improved 20.9% to S\$46.2 million in FY2024 from S\$38.2 million a year ago, mainly due to higher sales in the medical segment and consumer segment.

Meanwhile, revenue contribution from the Malaysia segment improved 24.9% to S\$36.6 million in FY2024 from S\$29.3 million a year ago, mainly due to higher demand for medical and consumer products.

Revenue contribution from China declined 11.8% to S\$32.1 million in FY2024 compared to S\$36.4 million in FY2023, due to slower business activities amid a slower-than-expected recovery in the domestic economy.

As a percentage of total sales from the manufacturing business, contribution from Singapore increased marginally to 40.2% in FY2024 (FY2023: 36.8%). Contribution from Malaysia increased to 31.9% (FY2023: 28.2%) while China operations accounted for 27.9% (FY2023: 35.0%) of the manufacturing business’ revenue in FY2024.

Supply chain management services

For FY2024, revenue from the supply chain management services segment decreased to S\$76.4 million from S\$86.4 million a year ago, making up 39.9% of the Group’s total revenue in FY2024 (FY2023: 45.4%).

Gross Profit

The Group’s gross profit in 2H24 increased 21.6% to S\$8.5 million from S\$6.9 million in 2H23, translating to a higher gross profit margin of 13.2% compared to 5.8% previously.

The Group’s gross profit in FY2024 increased 27.8% to S\$17.0 million from S\$13.3 million in FY2023.

For FY2024, gross profit from the manufacturing segment increased 28.1% to S\$15.5 million from S\$12.1 million in FY2023, translating to a higher gross profit margin of 13.5% in FY2024 compared to 11.7% in FY2023.

The supply chain management services segment registered a gross profit and gross profit margin of S\$1.5 million in FY2024 (FY2023: S\$1.2 million) and 1.9% in FY2024 (FY2023: 1.4%) respectively.

Accordingly, the Group's composite gross profit margin stood at 8.9% in FY2024 compared to 7.0% a year ago.

Other Income from continuing operations

Other income was stable at S\$2.6 million.

Selling and Administrative Expenses from continuing operations

Selling and administrative expenses in FY2024 decreased 20.4% to S\$17.2 million from S\$21.6 million a year ago, attributed mainly to the lower expenses relating to employee costs, travelling expenses, water and electricity charges and sundry expenses.

Other Income/ (Expenses) for continuing operations

The Group's continuing operations recorded foreign exchange gain of S\$0.1 million in FY2024, compared to foreign exchange loss of S\$0.6 million in FY2023.

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 appreciation of the US Dollar against the Singapore Dollar and Malaysia Ringgit contributed to the foreign exchange gain in FY2024.

Finance Costs from continuing operations

Finance costs in FY2024 decreased to S\$0.3 million from S\$0.7 million in FY2023, attributed mainly to lower interest expenses on unsecured bank loans.

(Loss)/ Profit before Income Tax from continuing operations

The Group recorded a profit before income tax ("PBT") of S\$150,000 in FY2024, compared to a loss before income tax ("LBT") of S\$8.1 million in FY2023.

On a geographical basis, the Group's manufacturing operations in Singapore posted a PBT of S\$1.2 million in FY2024 compared to LBT of S\$9.6 million in FY2023. The Malaysian segment recorded a higher PBT of S\$4.3 million compared to FY2023's PBT of S\$3.5 million, while China operations posted LBT of S\$4.3 million in FY2024 compared to LBT of S\$3.8 million in FY2023.

Tax Expense/ (Credit) from continuing operations

The Group incurred tax expenses of S\$1.4 million for FY2024 compared to a tax income of S\$0.5 million in FY2023. The tax expense was mainly in relation to the operating profits registered by the profitable entities within the Group.

Net Profit from continuing operations

	FY2024	FY2023	Change
	(\$ million)	(\$ million)	
Operating (loss)/profit	0.2	(8.1)	NM
Net (loss)/profit	(1.2)	(7.6)	NM

As a result of the above, the Group's continuing operations incurred a net loss of S\$0.5 million in 2H24, compared to a net loss of S\$4.0 million in 2H23.

For FY2024, the Group's continuing operations recorded a net loss of S\$1.2 million which has narrowed sharply from a net loss of S\$7.6 million in FY2023. This was mainly attributable to higher revenue and lower operating costs related to labour and energy.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024, the Group maintained in a sound financial position with net cash of S\$55.5 million. Shareholders' equity stood at S\$136.8 million, equivalent to net asset value of 17.95 cents per share (based on the total number of issued shares of approximately 762.0 million shares) which included net cash of around 7.3 cents per share.

Total assets as at 31 December 2024 decreased to S\$173.8 million from S\$176.2 million as at 31 December 2023. The reduction was attributed mainly to decreases in cash and bank balances, deferred tax assets, tax recoverable 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 2024 decreased to S\$37.1 million from S\$38.7 million as at 31 December 2023. This was due mainly to a reduction in loans and borrowings and deferred tax liabilities.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group generated net operating cash inflow of S\$3.6 million in FY2024 compared to net cash outflow from operating activities of S\$4.5 million in FY2023. This was attributed mainly to lower loss before tax for FY2024, reduce in inventories, and trade and other receivables offset by reduced in trade and other payables.

Net cash used in investing activities amounted to S\$5.1 million during FY2024. The Group incurred capital expenditure of S\$6.9 million, which was mainly for the purchase of factory equipment, plant and machineries. This was compensated partially by interest income.

Net cash generated from financing activities amounted to S\$258,000 in FY2024, attributed mainly to the reduction in cash restricted in use, net cash used in financing activities amounted to S\$7.9 million in FY2023 due mainly to the repayment of loan and borrowing as well as dividend payment of S\$4.5 million.

As a result of the above, the Group's cash and cash equivalents decreased to S\$55.5 million (including cash deposits pledged of S\$0.1 million) at the end of FY2024 compared to S\$60.3 million as at 31 December 2023.

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 has been focused on strengthening its manufacturing capabilities to secure new customers and improve operational efficiency, even as it navigates a challenging operating environment. Reflecting these efforts, the Group recorded better margins and sharply narrowed its net loss to S\$3.9 million in FY2024 from a net loss of S\$10.1 million in FY2023. EBITDA from continuing operations increased to S\$8.5 million in FY2024 from S\$0.6 million in FY2023.

In 2H2024, the Group's core manufacturing division secured several new projects from customers in the medical and consumer segments. Having completed the initial stages of prototyping, design iterations and mould development, which span several months, the Group has commenced mass production for its customers, which will translate into long-term sustainable revenue for the coming years.

Combined with higher order volumes and interest to increasing order volumes from existing customers, the Group's order book is expected to increase 20% year-on-year, and contribute positively to financial performance for FY2025.

Meanwhile, the Group is focused on building a strong pipeline of projects, leveraging on the advanced capabilities at its Smart Factory in Singapore. Having completed its internal re-tooling and transformation, the Group is proactively pursuing projects for high-precision products.

The Group ceased all business activities in Fu Yu Supply Chain Solutions Pte Ltd ("FYSCS") in last quarter of FY2024, to reallocate resources to emphasise its key manufacturing capabilities to meet anticipated demand. As announced on 31 January 2025, Fu Yu has commenced investigations into the affairs of FYSCS; the ongoing inquiry is isolated only to FYSCS, and does not impact core manufacturing operations.

The cessation will allow the Group to reallocate resources, sharpening its focus on its core manufacturing business. Concurrently, the Group will continue to implement cost-containment measures to maintain its competitiveness amid economic and geopolitical uncertainties.

Building upon this foundation, the Group remains optimistic that financial performance for FY2025 will improve compared to FY2024, barring unforeseen circumstances.

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?

No.

(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 2024 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 2024.

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	50	Sister of Seow Jun Hao David (Group Chief Executive Officer)	1 Nov 2024 – Head of Business Development, Sales, Marketing, Corporate Communications and Compliance	Nil

BY ORDER OF THE BOARD

Seow Jun Hao David
Executive Director and Group Chief Executive Officer
Singapore, 27 February 2025