

FU YU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198004601C)
(the “**Company**”)

REDEVELOPMENT PROJECT AT 9 TUAS DRIVE 1, SINGAPORE

The Board of Directors of Fu Yu Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide an update on its plans to redevelop the Group’s premises at 9 Tuas Drive 1 (“**Plot 9**”) (“the “**Redevelopment Project**”).

Following the Company’s announcement on 13 August 2019, the Group has obtained approvals from the regulatory authorities to proceed with the Redevelopment Project. This project is in conjunction with the lease renewal of the Group’s premises at 7 Tuas Drive 1 (“**Plot 7**”) and Plot 9 for a further term of 20 years from 16 November 2021. Plot 7 and Plot 9 have land areas of 4,756 square meters and 4,755 square meters respectively. As part of the lease renewal, the Company also has to assign its premises at 5 Tuas Drive 1 by 10 September 2020.

The Group is embarking on the Redevelopment Project to expand and improve its operations in Singapore. The Redevelopment Project entails the demolition of the existing building and construction of a larger building to house a factory, warehouse and office space. The new building will have an estimated gross floor area of 9,000 square metres which is more than three times the size of the existing building.

As part of the Redevelopment Project, the Group plans to invest in new manufacturing equipment to expand its production capacity and enhance its capabilities to produce higher precision and better quality products. The layout of the new building will also be modified to facilitate a seamless workflow across tooling, moulding and assembly operations. Together with the investments in new and advanced production equipment, the Group expects to benefit from higher productivity and operational efficiency.

The Group believes that its investment in the Redevelopment Project is a key element of its long term strategy as Singapore is an important and growing base for its manufacturing operations. With the improvements, the Group’s operations in Singapore will be able to elevate its manufacturing competencies to deliver greater value to its customers.

Based on current cost estimates, the capital expenditure for the Redevelopment Project is now expected to be approximately S\$15.4 million which will be financed by the Group’s internal funds. Construction works has commenced and is targeted for completion in the fourth quarter of 2020.

The Redevelopment Project is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ended 31 December 2019.

None of the Directors, and to the best knowledge of the Directors, none of the controlling shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company, if any), in the Redevelopment Project.

By Order of the Board

Kong Wei Fung
Company Secretary
Singapore, 8 January 2020