

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

**PROPOSED AMALGAMATION OF THE COMPANY WITH TWO OF ITS WHOLLY-OWNED SUBSIDIARIES
PURSUANT TO SECTION 215D(1) OF THE COMPANIES ACT (CAP. 50)**

The Board of Directors of the Company wishes to inform shareholders of the Company ("**Shareholders**") that the Company proposes to amalgamate with two of its wholly-owned subsidiaries, Nanotechnology Manufacturing Pte. Ltd. ("**NTM**") and Solidmicron Technologies Pte. Ltd. ("**SMT**"), and continue as one company, with the Company as the amalgamated company (the "**Amalgamated Company**"), pursuant to Section 215D(1) of the Companies Act (Cap. 50) ("**Proposed Amalgamation**").

Both NTM and SMT are based in Singapore and, similar to the Company, undertake manufacturing activities, amongst other things. In view of the foregoing, the Proposed Amalgamation is proposed in order to streamline the corporate structure and operations of the Company and its subsidiaries ("**Group**") with a view to generate improved operational efficiencies, economies of scale and synergies from better allocation of resources, and thereby improve the financial performance of the Group. In addition, following the completion of the Proposed Amalgamation, NTM, SMT and the Company will be amalgamated and will continue as one company, which is expected to reduce audit, tax and other regulatory compliance costs.

The Proposed Amalgamation will not have any financial effect on the share capital, net tangible assets and net asset value per share of the Company, earnings per share of the Company or the gearing of the Group as at the effective date of the Proposed Amalgamation.

The Proposed Amalgamation is subject to, amongst other things, the approval of Shareholders by way of a special resolution at an extraordinary general meeting ("**EGM**") of the Company to be convened. A circular setting out details of the Proposed Amalgamation and enclosing the notice of EGM will be despatched to Shareholders in due course ("**Circular**"). The Singapore Exchange Securities Trading Limited ("**SGX-ST**") has on 16 January 2017 provided its in-principle clearance on the Circular and Shareholders should note that the SGX-ST's in-principle clearance on the Circular is not to be taken as an indication of the merits of the Proposed Amalgamation or the Group.

BY ORDER OF THE BOARD
FU YU CORPORATION LIMITED

Teo Meng Keong
Company Secretary
Singapore, 17 January 2017