

FU YU CORPORATION LIMITED
Company Registration Number: 198004601C
(Incorporated in Singapore)

SETTLEMENT AGREEMENT WITH EX-EMPLOYEE

The Board of Directors of Fu Yu Corporation Limited (the “**Company**”) wishes to announce that the Company has entered into an amicable settlement agreement (the “**Agreement**”) with an ex-employee, Mr Chow Weng Fook (the “**Ex-Employee**”) pursuant to which it has agreed to pay the Ex-Employee an aggregate sum of S\$900,000 (the “**Settlement Sum**”), for the purposes of resolving all claims that the Ex-Employee may have against the Company as a result of the incentive bonus schemes entered into with the Company during the course of his employment and the termination of his employment on 7 March 2013 (collectively, the “**Claims**”). The Agreement is entered into without admission of liability by the Company.

The Settlement Sum will be paid by 8 equal instalments over the course of 2014 to 2017 and has no material impact on the Company’s cash flow in the financial year ended 31 December 2013 (“FY2013”).

Save for the earnings per share (“**EPS**”) of the Group, the Agreement has no material financial impact on the Group for FY2013. The table below sets out the financial effects of the Agreement on the EPS for FY2013, and based on the unaudited financial statements of the Company as at 31 December 2013:

	Before Agreement	After Agreement
Profit after tax attributable to owners of the Company (S\$’000)	7,387	6,640
Weighted Average Number of Shares	731,867,652	731,867,652
EPS (cents)	1.01	0.91

As the Settlement Sum is fully accrued for in FY2013, the Agreement is not expected to have any material financial impact on the Group for the financial year ending 31 December 2014.

Save for their respective interest in the Company, none of the Directors and, as far as the Company is aware, none of the substantial shareholders of the Company has any interest, direct or indirect, in the Agreement.

BY ORDER OF THE BOARD

Low Siew Tian
Company Secretary
Singapore, 25 February 2014