

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

UPDATE ON THE TERMINATION OF THE GROUP CHIEF EXECUTIVE OFFICER

The Board of Directors (the “**Board**”) of Fu Yu Corporation Limited (the “**Company**”) refers to its announcement dated 1 November 2025 regarding the termination of employment with cause of the Executive Director and Group Chief Executive Officer, Mr. Seow Jun Hao David (“**Mr. Seow**”), for gross default and misconduct.

The Board would like to provide further clarity on the circumstances surrounding Mr. Seow’s termination and update shareholders on developments since the announcement dated 1 November 2025.

The Board wishes to clarify that with the benefit of legal advice, it is of the view that Mr. Seow had breached his fiduciary duties owed to the Company, including, but are not limited to his duty to act *bona fide* in the best interests of the Company, by using his position and office to gain advantages for himself. The Company is conducting further investigations and is not at liberty to disclose further details at this juncture, but will do so at the appropriate time.

Background

The Company suffered from two consecutive years of losses in financial years 2023 and 2024. Naturally, queries were raised by minority shareholders during the Annual General Meeting of the Company held on 27 June 2025 concerning the Company’s financial performance and Mr. Seow’s remuneration. The Independent Directors of the Company (the “**IDs**”) took on board these queries and commenced an internal review of the matter, which included concerns raised to the IDs upon the Company’s reconstitution of the Board as referred to in the announcement dated 3 July 2025.

The IDs subsequently engaged third-party professionals, and reviewed reports prepared by independent financial auditors, corporate advisors, and external lawyers. These reports highlighted concerns on several fronts, and suggested that there was gross default and/or misconduct on Mr. Seow’s part. It was thus imperative that the IDs hear from Mr. Seow his perspective and explanations.

At the Company’s Board Meeting held on 28 October 2025, Mr. Seow was presented with the facts to these matters and the Board’s respective concerns. Amongst others, three issues were presented to Mr. Seow as follows:

Vesting of Shares under the Restricted Share Plan

- (a) A Letter of Award dated 14 November 2022 (the “**Letter of Award**”) was issued by Mr. Christopher Huang, the (then) chairman of the Remuneration Committee (“**RC**”) and accepted by Mr. Seow. The Letter of Award granted Mr. Seow two different categories of shares, namely Annex A and Annex B shares. Annex A ostensibly rewarded Mr. Seow for his past contributions and performance, under which he was granted 5 million shares as well as S\$1,012,500 cash in lieu of another 5 million shares. This was in addition to Mr. Seow’s basic salary and performance bonuses awarded by the RC for 2022, 2023 and 2024.
- (b) Annex B shares were intended as an incentive to reward Mr. Seow with additional shares upon the satisfaction of specific vesting conditions, namely, targets with regards to the Group’s revenue and Group’s profit before tax. Additionally, pursuant to [2] of Annex B of the Letter of Award, an accelerated reward clause was provided, the effect of which was that if Mr. Seow met the Group’s revenue target for 2023 (which was S\$237 million) in 2022, he would be rewarded with the shares for 2022 as well as the shares for 2023 in advance, irrespective of the Group’s actual revenue achieved for 2023. The Group’s revenue target to be met for 2022 was S\$215 million.
- (c) The IDs highlighted that Mr. Seow and the (then) board were provided with monthly financial reports, and as of early November 2022, they were already aware of and had knowledge of the Group’s actual revenue for the calendar year 2022 up to October 2022, as well as the Group’s forecasted revenue for the remaining two months (i.e. November and December 2022).
- (d) Consequent to the above, given that the Group’s revenue for 2022 was S\$240 million, the RC awarded Mr. Seow with 4 million shares (2 million for achieving the vesting condition for 2022, and another 2 million for achieving the vesting condition for 2023). It was noted that the Group’s revenue for 2023 was only S\$190.4 million, which was well below the 2023 vesting condition of S\$237 million. Further, it was noted that there exists no provision in the Letter of Award enabling or otherwise entitling the Company to claw back shares in the event the vesting conditions for the following year were not satisfied.
- (e) In other words, it appeared to the IDs that the Annex B shares were *a fait accompli* at the time the Letter of Award was conceived, executed and accepted.
- (f) The IDs further noted that Mr. Seow was the only beneficiary of the restricted share plan.
- (g) Mr. Seow’s explanation to the IDs was that the Letter of Award was duly reviewed and approved by the RC.

Five Year Lock In Clause

- (h) By way of an addendum to Mr. Seow’s service agreement dated 16 December 2022, the RC introduced a five-year lock in clause (the “**Clause**”). Pursuant to this Clause, if the Company elected to terminate Mr. Seow’s employment prior to the completion of five years

(i.e. before 15 December 2027), Mr. Seow would be entitled to his salary for the remainder of the same five year period.

- (i) Mr. Seow thereafter also introduced and granted the same Clause to two other senior management personnel in their respective employment agreements.
- (j) The IDs noted that the Clause was never disclosed by the Company and appeared to be in breach of the Company's obligation to disclose material information.
- (k) Instead, the IDs noted that the Company (under Mr. Seow's leadership) repeatedly stated in its Annual Reports for 2022, 2023 and 2024 that apart from the remuneration / compensation of key management personnel disclosed in the financial statements to the Annual Reports, "the Company does not provide any other termination, retirement and post-employment benefits to the Directors, the GCEO and CEO and key management personnel".
- (l) When Mr. Seow was asked for the justification of the Clause in his service agreement as well as for the two other senior management personnel, his explanation was that the Clause was duly reviewed and approved by the RC.

Special Bonus

- (m) The IDs also discovered that Mr. Seow granted a "Special Bonus" to the same two senior management personnel in January 2024 despite the Company's poor financial performance for the financial year 2023. No other personnel were awarded with a "Special Bonus". The quantum of "Special Bonus" awarded was in the 6 figures for each of them.
- (n) When Mr. Seow was asked for the justification of awarding the "Special Bonus" to the same two senior management personnel, his explanation was that it is the Company's established and consistent practice to set aside bonus provisions for the purposes of recognising and retaining key personnel.

Mr. Seow was given ample opportunity during the Board Meeting held on 28 October 2025 and during a subsequent meeting on 29 October 2025 to provide his response and any explanations in relation to the above. Ultimately, the IDs found his explanations to be inadequate and/or unsatisfactory.

After careful deliberation of all established facts inclusive of Mr. Seow's responses and having sought legal advice, the Board unanimously decided to serve the said Notice of Termination on Mr. Seow.

Subsequent Events

Following the termination of Mr. Seow's employment, the Company received a letter of demand dated 4 November 2025 from Mr. Seow's solicitors alleging wrongful termination of employment and demanding that the sum of S\$1,853,548.39 be paid to Mr. Seow or to Mr. Seow's solicitors. This represented the sum of Mr. Seow's salary of S\$65,000 per month for the period 31 October

2025 to 15 December 2027 plus S\$195,000 being the annual wage supplement for the calendar years 2025, 2026 and 2027.

Additionally, the Company, the IDs, and the corporate secretary of the Company received a further letter of demand dated 5 November 2025 from Mr. Seow's solicitors alleging defamation and demanding that the announcement dated 1 November 2025 be retracted, that a signed apology be published on SGXNet, and damages be paid to Mr. Seow in the sum of S\$200,000, amongst other things.

The Company is seeking legal advice in respect of the matters set out in the aforementioned letters and will respond appropriately in due course.

The Company is of the view that the two letters of demand received and any potential legal proceedings relating to these matters will not affect the continued business operations of the Company.

The Board wishes to assure all shareholders that the Company remains committed to upholding the highest standards of corporate governance and accountability at all levels of management in the Company.

Clarification on FYSCS Investigations

The Board of the Company refers to the announcements on 31 January 2025, 6 February 2025, 7 February 2025, 26 February 2025, 1 April 2025, 17 June 2025, 1 September 2025, 3 October 2025 and 9 October 2025 in relation to certain investigations into the affairs of Fu Yu Supply Chain Solutions Pte Ltd (the "**Investigations**").

Firstly, the Board wishes to clarify that the termination of Mr. Seow's employment is unrelated to findings in relation to the Investigations and was premised on independent circumstances specific to his conduct as an Executive Director and the Group Chief Executive Officer of the Company.

Secondly, the Board, in particular the IDs, wishes to assure shareholders that they are mindful of their fiduciary duties and that they take this role and responsibility seriously. Any wrongdoing discovered will be investigated and, if necessary, pursued vigorously.

Finally, the Board wishes to emphasise that the investigations were dealt with in accordance with advice obtained from Nine Yards Chambers LLC. It bears reiterating that the Board made the conscious and deliberate decision to continue with the engagement of Nine Yards Chambers LLC as they were the legal counsels who had advised the (then) board and issued letters of demand on the (then) board's instructions. It was important to the Board that the very same legal counsels remain on board, not merely for their familiarity of the subject matter, but because the Board was determined to pursue action if wrongdoing can be established. However, the Board's review of the materials revealed that there were no good grounds to disagree with Nine Yards Chambers LLC's advice and opinion.

The Board thus considered this matter closed.

BY ORDER OF THE BOARD
FU YU CORPORATION LIMITED

Gilbert L. Rodrigues
Chairman
6 November 2025