

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

RESPONSE TO SGX QUERIES

The Board of Directors (“**Board**”) of Fu Yu Corporation Limited (“**Company**”, together with its subsidiaries, the “**Group**”) has, on 7 October 2025, received the following queries from the Singapore Exchange Regulation Pte Ltd (the “**SGX Queries**”) with respect to the Company’s announcements on 1 September 2025 and 3 October 2025 in relation to the executive summary of the investigations (the “**Investigations**”) into the affairs of Fu Yu Supply Chain Solutions Pte Ltd and the closure of the Investigations. The Company’s responses to the SGX Queries are set out as follows:

SGX Queries

a) Please elaborate on the Board’s assessment and its basis in arriving at its decision to discontinue the investigations, for each of the 3 issues as well as key findings highlighted in the Executive Summary.

1. The current Board would like to stress that the previous Board had engaged, *inter alios*, Nine Yards Chambers LLC (“Nine Yards”) in connection with the investigations. As such, the Board decided to continue with the engagement of Nine Yards to complete the Maxwellisation process and following from that, the Board received a legal advice by way of a written opinion by Nine Yards. Having reviewed the written opinion and deliberated on the matter at length, the Board agrees with the legal opinion that there is no merit in taking further action (as will be elaborated below with respect of each of the 3 issues) and concluded that it would be in the best interests of the Company to close off the investigations, instead of expending further resources to pursue matters that are unlikely to yield any tangible benefit to the Company.

Issue #1 - Acquisition of FYSCS

2. Nine Yards noted that prior to the Acquisition of FYSCS, the (then) Board had engaged independent third-party professionals to:
 - a. Conduct financial / commercial due diligence on FYSCS;
 - b. Conduct legal due diligence on FYSCS; and
 - c. Conduct an independent third-party valuation of FYSCS.
3. Nine Yards further highlighted that there was no evidence to suggest any impediment or interference in the work of these independent third-party professionals whose reports were presented to the (then) Board prior to the approval and decision of the Acquisition of FYSCS.
4. In addition, the Board noted that FYSCS was overall profitable and was also the single largest revenue generating business unit of the Group.

Issue #2 - Potential Misuse of FYSCS’ Resources

5. The issue flagged out by the previous Board was the misuse of FYSCS’ email account “bd@fuyu-scs.com” (the “BD Email Account”) and claims submitted pertaining to dining and travel expenses (the “Claims Reimbursement”).
6. In this regard, Nine Yards highlighted that the issue that arises is what information was accessed and what loss / damage was caused, if any. Nine Yards highlighted that they “expect a serious

issue in quantifying losses (if indeed, losses were suffered by FYSCS)". As the Board noted, FYSCS was profitable.

7. As regards the Claims Reimbursement, the Board noted Nine Yard's opinion and recognises that the reimbursement claims were submitted and approved by the Group CEO via the standard approval process that FYSCS had in place at the material time.

Issue #3 - Pre-Paid Commission

8. Nine Yards stated that they "are hard pressed to find wrongful conduct giving rise to a cause of action in relation to such commercial arrangements. The fact that FYSCS profited (instead of making a loss) from the transaction makes it even harder to recover any meaningful amount of damages."
9. The Board is mindful of Nine Yard's opinion and concurs.

Conclusion on Issues #1 - 3

10. As stated above, the Board, having received Nine Yards' opinion and having deliberated the matter at length, concurs with Nine Yards' view that there is no merit in taking further action. The Board has thus concluded that it would be in the best interests of the Company to close off the investigations, instead of expending more resources to pursue matters that are unlikely to yield any tangible benefit to the Company.
- b) Please clarify the name of the law firm that provided the legal advice for which the Board relied upon (e.g. Rajah & Tann, Nineyards Chambers LLC etc), and explain the Board's basis for choosing such the relevant law firm.**
11. The Board was mindful that it was Nine Yards who (acting under the directions of the previous Board) issued the demand letters referred to in the Company's announcement dated 1 April 2025, and the Board was of the view that it was both prudent and sensible to have Nine Yards carry out the Maxwellisation process and opine on the merits of any potential claims. Nine Yards was familiar with the issues that were the subject of the investigation and having Nine Yards provide legal advice following the completion of the Maxwellisation meant that the Board could be properly guided on whether or not it would be in the best interests of the Company to take further action (which further action would necessarily mean further time and costs being expended).
- c) In the course of the investigations, please clarify whether the Board has identified any internal control deficiencies, and where applicable, the actions taken by the Board to improve the internal control deficiencies.**
12. The Board has since identified some areas where internal controls can be improved upon. To this end, the Board has done or is working on the following:
 - a. As regards claims reimbursement, additional protocols to further strengthen this area has been implemented.
 - b. Reviewing the Delegation of Authority matrix as well as internal policies and protocols on IT security.
 - c. Working with the Company's Internal Auditors to provide continuous and on-going feedback on a myriad of areas including internal controls and how such aspects can be improved upon.

BY ORDER OF THE BOARD

Gilbert L. Rodrigues
Non-Executive and Independent Chairman
9 October 2025