

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

RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of Fu Yu Corporation Limited (the “**Company**”) refers to its announcement dated 29 January 2026 regarding the Company having entered into settlement agreements with Mr Frank Zhang Xin Cheng, Ms Hazel Cai, Mr Wong Ka Wing, Mr Lim Wei De Victor, Ms Tan Xin Yi and Ms Yasmin Lim (the “**Parties**”). The Company’s responses to the queries received from the Singapore Exchange Regulation Pte. Ltd. are set out as follows:

SGX Queries

- a) **Please disclose the key terms of the respective settlement agreements, including but not limited to the value of the settlement agreements compared to the original claims.**

The respective settlement agreements conclude full and final settlements of any and all claims, counterclaims, actions, debts, rights, obligations, demands, liabilities, set-offs, costs or expenses, disputes, and causes of action between the Company and the Parties. Accordingly, following the entry by the Company and the Parties into the settlement agreements, all claims have been concluded fully and there shall be no further claims arising in connection with this matter. As the terms of the respective settlement agreements are each subject to a confidentiality clause, the Company is not at liberty to unilaterally disclose any further or specific details or information contained therein. However, the Board considers the settlement sums to be materially lower than the potential damages that could be awarded against the Company and legal costs if litigation were pursued and judgment was entered against the Company.

- b) **It is stated that the Board, having sought legal advice, is of the view that it is prudent to enter into the settlement agreements in order to conclude the matter and avoid any future dispute from arising in relation to the same. Please elaborate, and update if the Board has received or expects to receive disputes from the Parties (individually or collectively).**

Background and process undertaken

The matter originated from findings arising out of an internal audit with investigations commenced by Damodara Ong LLC (“**Damodara Ong**”), which raised questions concerning various internal processes. Following the election of the current Board, all ongoing processes were maintained, and the current Board ensured that the findings of both Rajah & Tann Singapore LLP and Damodara Ong were comprehensively reviewed by the Company’s legal advisers, Nine Yards Chambers LLC (“**Nine Yards**”). The Board carefully considered Nine Yards’ advice and deliberated extensively on all issues, findings, and recommendations.

Rationale for settlement

As disclosed in the Company’s announcement dated 29 January 2026, the Board’s primary objective was to amicably resolve and conclusively close any potential disputes with each of the Parties. This was driven by the Board’s assessment that public announcements referencing investigations containing unproven allegations of impropriety could give rise to disputes or claims by the Parties concerned.

Assessment of litigation risk

Having deliberated on Nine Yards' advice, the Board agreed that there was no legal merit in pursuing further action against any of the six Parties (as announced by the Company in its announcement dated 9 October 2025). 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.

For completeness, Nine Yards was engaged by the previous Board and had previously issued letters of demand to the six Parties. Nine Yards was also retained by the current Board to advise on the Maxwellisation process.

The Board has not received any additional formal disputes from the six Parties. However, based on legal advice, the Board considered there to be a real risk of further claims arising if the matters were left unresolved.

Conclusion

Accordingly, having sought and carefully considered legal advice, the Board is of the view that entering into the settlement agreements is prudent, commercially sensible, and in the best interests of the Company, as it allows the matters to be resolved amicably, avoids costly and protracted litigation, and provides finality on the matter at hand.

- c) **It is noted that the Board had considered legal advice received in relation to the Investigations, in arriving at its decision to enter into settlement agreements. In this regard, please clarify the scope of such legal advice, and whether the terms of the settlement agreements were contemplated.**

The scope of the legal advice for the purpose of entering into the settlement agreements with each of the six Parties include whether the Company is liable to any of the six Parties, whether there are any defences which would avail to the Company, the likelihood of success on the Company's part, the estimated legal costs to be incurred if there is no amicable resolution, and the estimated costs and damages if the Company does not prevail.

The terms of the settlement agreements were drafted in consultation with legal advice.

- d) **Please also disclose the law firm that provided the legal advice that the Board had relied upon in arriving at its decision.**

The law firm advising the Board is Oaks Legal LLC.

BY ORDER OF THE BOARD
FU YU CORPORATION LIMITED

Gilbert L. Rodrigues
Chairman
4 February 2026