

**UPDATES TO SHAREHOLDERS ON
REQUISITION FOR EXTRAORDINARY GENERAL MEETING AND OTHER MATTERS**

1. REQUISITION TO CONVENE EXTRAORDINARY GENERAL MEETING

The Board of Directors (“**Board**”) of Fu Yu Corporation Limited (the “**Company**”) refers to its announcements on 13 January 2025 and 9 January 2025 in relation to the receipt of a letter dated 9 January 2025 from Mr Victor Lim (“**Letter**”), seeking to requisition (“**Requisition**”) an extraordinary general meeting of the Company (“**EGM**”) for the purposes of considering and voting on resolutions to remove 2 of the Company’s independent non-executive directors and to appoint 3 independent non-executive directors.

The Company wishes to update shareholders that it has sought and obtained legal advice from its legal advisors, Nine Yards Chambers LLC, on the validity of the Requisition. The Company is advised that the Requisition does not meet certain legal requirements and is insufficient to invoke section 176 of the Companies Act 1967 of Singapore (the “**Companies Act**”). Primarily, Mr Victor Lim is not a “member” of the Company as defined in the Companies Act, even though Mr Victor Lim owns the beneficial interest in the shares described in his Letter. The Independent Directors have been similarly advised. The Independent Directors’ legal advisors, Centurion Law LLC, has communicated the same point to the Company and informed that the Independent Directors are committed to working with the Company to engage Mr Victor Lim in a constructive dialogue.

Accordingly, Company **will not** be convening an EGM pursuant to the Letter.

In arriving at its decision, the Board has considered and balanced the needs and interests of all material stakeholders, including Mr Victor Lim’s, and has concluded that the interest of the Company is best served by not convening an EGM pursuant to the Letter, *inter alia*, as such EGM convened and any resolutions passed in connection thereto would be invalid, and may expend the Company’s resources unnecessarily.

Nonetheless, the Board has instructed the Company’s legal counsel to reach out to Mr Victor Lim for clarification on his concerns and the reason(s) for the requisition.

The Board reiterates its commitment to co-operate in assisting its members who submit valid requisitions to convene general meetings.

2. INVESTIGATION INTO AFFAIRS OF FU YU SUPPLY CHAIN SOLUTIONS PTE LTD (“FYSCS”)

On 7 August 2024, the Board received an internal audit report dated 26 July 2024 from its internal auditors, and noted that FYSCS, a wholly-owned subsidiary of the Company, was accorded an overall assessment rating of “4” (Cause for considerable concern). In the internal audit report, the internal auditors highlighted significant weaknesses in FYSCS’s risk management process that could expose the auditable unit to unacceptable levels of risk if left uncorrected. In addition to the agreed-upon scope of internal audit, the internal auditors brought to the Board’s attention certain additional risks areas that were noted during the course of their field work.

Accordingly, the Board acted on the findings of the aforementioned internal audit report and Damodara Ong LLC was engaged on 8 October 2024 to conduct an investigation into the affairs of FYSCS. The investigation is currently ongoing, and the Board is awaiting further updates from Damodara Ong LLC.

The Company will update shareholders and potential investors of the Company should there be further developments by way of further announcement(s) as and when necessary. Meanwhile, the Company and the Group will remain focused on, and be carrying on business as usual.

BY ORDER OF THE BOARD

Poh Kai Ren, Daniel
Independent Non-Executive Director
31 January 2025