

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

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**QUALIFIED OPINION BY AUDITORS ON THE AUDITED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

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Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors ("**Board**") of Fu Yu Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditor, Baker Tilly TFW LLP (the "**Independent Auditor**"), has in its Independent Auditor's Report dated 13 April 2025 (the "**Independent Auditor's Report**"), included a qualified opinion ("**Qualified Opinion**") in relation to the Group's consolidated financial statements for the financial year ended 31 December 2025 ("**FY2025**").

The Independent Auditor's Report which contains the basis for the qualified opinion is attached to this Announcement for shareholders' reference. The extract of the basis of the qualified opinion issued by Independent Auditor is as follows:

**Qualified Opinion**

*We have audited the accompanying financial statements of Fu Yu Corporation Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 100 to 159, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.*

*In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements of the Group and statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.*

**Basis for Qualified Opinion**

(1) *Ongoing internal review into the termination of the former Group Chief Executive Officer*

*As announced by the Company on 1 and 6 November 2025, the Company terminated the employment of its former Group Chief Executive Officer ("GCEO") on 1 November 2025 on grounds of gross default and misconduct. The Board of Directors has since commenced an internal review into several matters, including the vesting of shares under the Restricted Share Plan, the introduction of previously undisclosed five-year lock-in*

*termination clauses for senior management, and the award of “Special Bonuses” to two senior management personnel during periods of financial loss.*

*As of the date of our report, the internal review is ongoing. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments were necessary to the carrying amounts and related disclosures in respect of the remuneration of the former GCEO and two former senior management personnel, as well as vested restricted share plan awards granted to the former GCEO, in the Group’s and the Company’s financial statements for the current and prior financial years.*

*Furthermore, the former GCEO has commenced legal action against the Company, and two senior management personnel have submitted their letters of claims for wrongful termination, claiming approximately \$2.05 million and \$1.51 million respectively. While the Group has disclosed these matters as contingent liabilities in Note 32 to the financial statements, the ultimate outcome of these matters is dependent on the conclusion of the ongoing internal review and legal proceedings. We were unable to determine whether a provision should be recognised or if the existing contingent liability disclosures are adequate under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.*

(2) *Settlement expenses relating to the closure of investigations into affairs of Fu Yu Supply Chain Solutions Pte. Ltd.*

*As disclosed in Note 31 to the financial statements, the Company recognised an accrual for settlement expenses during the financial year ended 31 December 2025 in relation to the closure of investigations into the affairs of a subsidiary, Fu Yu Supply Chain Solutions Pte. Ltd.. Under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets, a provision shall be recognised only when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.*

*We were unable to obtain sufficient appropriate audit evidence regarding the underlying facts, bases and circumstances that led to these settlement agreements. Consequently, we were unable to determine whether a present obligation existed as of the reporting date or whether the settlement amounts meet the recognition and measurement criteria set out in SFRS(I)1-37. Accordingly, we were unable to determine whether any adjustments to the Group’s and the Company’s financial statements for the current financial year were necessary.*

Shareholders are advised to read this announcement in conjunction with the Independent Auditors’ Report, the Financial Statements and the Company’s Annual Report for FY2025 in their entirety and exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

**BY ORDER OF THE BOARD  
FU YU CORPORATION LIMITED**

Gilbert L. Rodrigues  
Chairman  
15 April 2026

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FU YU CORPORATION LIMITED

## Report on the Audit of the Financial Statements

### *Qualified Opinion*

We have audited the accompanying financial statements of Fu Yu Corporation Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 100 to 159, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section, the accompanying consolidated financial statements of the Group and statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### *Basis for Qualified Opinion*

#### *(1) Ongoing internal review into the termination of the former Group Chief Executive Officer*

As announced by the Company on 1 and 6 November 2025, the Company terminated the employment of its former Group Chief Executive Officer ("GCEO") on 1 November 2025 on grounds of gross default and misconduct. The Board of Directors has since commenced an internal review into several matters, including the vesting of shares under the Restricted Share Plan, the introduction of previously undisclosed five-year lock-in termination clauses for senior management, and the award of "Special Bonuses" to two senior management personnel during periods of financial loss.

As of the date of our report, the internal review is ongoing. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments were necessary to the carrying amounts and related disclosures in respect of the remuneration of the former GCEO and two former senior management personnel, as well as vested restricted share plan awards granted to the former GCEO, in the Group's and the Company's financial statements for the current and prior financial years.

Furthermore, the former GCEO has commenced legal action against the Company, and two senior management personnel have submitted their letters of claims for wrongful termination, claiming approximately \$2.05 million and \$1.51 million respectively. While the Group has disclosed these matters as contingent liabilities in Note 32 to the financial statements, the ultimate outcome of these matters is dependent on the conclusion of the ongoing internal review and legal proceedings. We were unable to determine whether a provision should be recognised or if the existing contingent liability disclosures are adequate under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FU YU CORPORATION LIMITED (cont'd)**

### **Report on the Audit of the Financial Statements (cont'd)**

#### ***Basis for Qualified Opinion (cont'd)***

- (2) *Settlement expenses relating to the closure of investigations into affairs of Fu Yu Supply Chain Solutions Pte. Ltd.*

As disclosed in Note 31 to the financial statements, the Company recognised an accrual for settlement expenses during the financial year ended 31 December 2025 in relation to the closure of investigations into the affairs of a subsidiary, Fu Yu Supply Chain Solutions Pte. Ltd.. Under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*, a provision shall be recognised only when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

We were unable to obtain sufficient appropriate audit evidence regarding the underlying facts, bases and circumstances that led to these settlement agreements. Consequently, we were unable to determine whether a present obligation existed as of the reporting date or whether the settlement amounts meet the recognition and measurement criteria set out in SFRS(I)1-37. Accordingly, we were unable to determine whether any adjustments to the Group's and the Company's financial statements for the current financial year were necessary.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF  
FU YU CORPORATION LIMITED (cont’d)**

**Report on the Audit of the Financial Statements (cont’d)**

***Key Audit Matters (cont’d)***

Impairment assessment on the Group’s property, plant and equipment (“PPE”)

*Description of key audit matter:*

As at 31 December 2025, the Group’s PPE amounted to \$51,512,000 (2024: \$58,603,000), representing 31% (2024: 34%) of the Group’s total assets.

In accordance with SFRS(I) 1-36 *Impairment of Assets*, management is required to estimate the recoverable amount of assets where indicators of impairment exist. Due to continued operating losses, management identified impairment indicators for the PPE of two subsidiaries in the People’s Republic of China (“PRC”) and the tooling cash-generating unit (“CGU”) of the Company.

Management determined the recoverable amounts of these assets based on Fair Value Less Costs of Disposal (“FVLCD”). External valuation experts were engaged to estimate the fair values of the leasehold properties and machinery using the valuation methodologies disclosed in Note 3. No impairment loss was recognised in the current financial year (2024: \$579,000).

We identified this as a key audit matter due to the significant judgment required in determining the appropriate valuation methodologies and the sensitivity of the underlying assumptions used in the fair value estimations.

*Our procedures to address the key audit matter:*

Our audit procedures involved obtaining an understanding of management’s impairment assessment process and evaluating the competence, objectivity, and capabilities of the external valuation experts engaged by the Group. We reviewed the experts’ terms of engagement to ensure the scope of their work was appropriate and held discussions with them to understand the valuation methodologies and the significant assumptions and estimates applied.

Furthermore, we evaluated the appropriateness of the valuation methodologies used and assessed the reasonableness of the underlying assumptions, such as comparable market data and asset condition. We also reviewed the accuracy of the data inputs provided by management to the experts.

We have also assessed the adequacy and appropriateness of the disclosures in respect of the impairment assessment.

***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2025 but does not include the financial statements and our auditors’ report thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FU YU CORPORATION LIMITED (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

***Other Information (cont'd)***

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in our report above, we have issued a qualified opinion due to the matters highlighted in the *Basis for Qualified Opinion* section. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

***Responsibilities of Management and Directors for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FU YU CORPORATION LIMITED (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FU YU CORPORATION LIMITED (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In our opinion, except for the matters referred to in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Guo Shuqi.

Baker Tilly TFW LLP  
Public Accountant and  
Chartered Accountants  
Singapore

13 April 2026

### **31 Investigation into affairs of Fu Yu Supply Chain Solutions Pte. Ltd.**

In relation to the investigations into the affairs of a subsidiary, Fu Yu Supply Chain Solutions Pte. Ltd. (the "Investigations"), which were previously announced between January and October 2025, the Board of Directors ("Board") has concluded its review and formal resolution of the matter. After due deliberation and consideration of legal advice, the Board determined that it was not in the best interests of the Company to continue with the Investigations and found no merit in pursuing further action against any person flagged in the Investigations.

Consequently, as announced by the Company on 3 October 2025, the Investigations have been formally closed. The Company has also entered into settlement agreements with each of the six persons flagged in the Investigations to 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 parties to avoid future disputes. A settlement amount was recognised in the financial statements, of which a portion relates to a director of the Company. As at 31 December 2025, the settlement amount was outstanding and recorded under accrued expenses within current liabilities.

### **32 Contingent liabilities**

#### **(a) Legal claims**

As announced by the Company on 1 November 2025, the Company terminated the employment of its Executive Director and Group Chief Executive Officer, Mr. Seow Jun Hao David ("Mr. Seow") on 1 November 2025 on grounds of gross default and misconduct. The Board has since commenced an internal review into several matters, including the vesting of shares under the Restricted Share Plan, the introduction of previously undisclosed five-year lock-in termination clauses for senior management, and the award of "Special Bonuses" to two senior management personnel during periods of financial loss.

As announced by the Company on 6 November 2025, 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 \$1,853,548.39. Additionally, the Company received a further letter of demand dated 5 November 2025 from Mr. Seow alleging defamation and demanding damages be paid to Mr. Seow in the sum of \$200,000.

Based on the legal advice, the Board is of the view that the Company has a strong basis and it is not probable that an outflow of resources embodying economic benefits will be required. Accordingly, no provision has been recognised in these financial statements.

#### **(b) Claims from former employees**

During the financial year ended 31 December 2025, the Company terminated the employment of two employees. Subsequent to the year end, the Company received letters of claims from these former employees alleging wrongful termination and seeking total claims of \$1,511,070.54.

The Company, having consulted legal counsel, is of the view that the terminations were carried out in accordance with employment contracts. As the outcome of these claims is uncertain and an outflow of resources is not considered probable at this stage, no provision has been recognised in these financial statements.