



Serving Up Goodness

YEO HIAP SENG LIMITED
 Incorporated in Singapore)
 (Company Registration No. 195500138Z)

**67TH ANNUAL GENERAL MEETING HELD ON 28 APRIL 2023
 RESPONSES TO SHAREHOLDERS' QUESTIONS**

Yeo Hiap Seng Limited (the “**Company**” or “**Yeo’s**”) refers to the questions received from shareholders during the Company’s Annual General Meeting (“**AGM**”) held on 28 April 2023 at 4.00 p.m. by way of electronic means. Set out below are the Company’s responses to the shareholders’ questions received at the AGM:

No.	Questions from Shareholders	Responses
1	Can you explain more about the accounting errors at Yeo’s Malaysia?	<p>As elucidated in our announcement on 19 October 2022, accounting errors were made on consolidation adjustments in Yeo Hiap Seng (Malaysia)’s consolidated financial statements, which resulted in the understatement of net losses for FY2021 and the first half of FY2022. The errors were discovered during the implementation of new group management reporting tools.</p> <p>Subsequent reviews by our external auditor KPMG LLP (“KPMG”), which was engaged by Yeo’s Audit & Risk Committee, and Group Internal Audit, assisted by Deloitte Malaysia, did not identify other significant errors and found no evidence of fraud or material weakness in the systems of internal controls.</p> <p>We regret the misstatements and have taken immediate steps to strengthen the financial reporting processes at Yeo Hiap Seng (Malaysia) and across the Group.</p> <p>The total FY2021 and 1H2022 misstatements of S\$3.9 million were reflected in the Group’s financial statements for 2H2022 and FY2022. The Board has reviewed, together with the Group’s external auditors, KPMG, and</p>

No.	Questions from Shareholders	Responses
		determined, in consultation with KPMG, that the FY2021 misstatement does not have any material impact on the audited consolidated financial statements for FY2021 and no restatement is necessary.
2	Congratulations to the Board and Management on the FY2022 profit after 2 years of losses. Given the healthy cash and bank balances, will the Company consider giving more cash dividend to shareholders?	The Board's decision on the dividend payment for FY2022 was made after taking into consideration the business environment and working capital requirements. As disclosed in our Annual Report, the Board considers several factors including current year and forecast earnings, internal capital requirement and growth options. Per our response to the pre-submitted question from a shareholder, the Board and Management are always weighing the benefits of ensuring business stability with a strong balance sheet and providing flexibility to pursue organic and non-organic growth opportunities.
3	What is the outlook for Yeo's this year?	<p>Emerging from the challenges of COVID-19, Yeo's looks forward to leveraging the post-pandemic recovery with the resurgence of out-of-home consumption. China's reopening post-COVID is expected to provide a strong impetus to beverage consumption and presents a significant growth opportunity for the Company. Despite potential macroeconomic factors such as recession in developed countries and inflation, the Company anticipates a rebound in F&B spending this year.</p> <p>The Company plans to strengthen in-store operations, foster partnerships with F&B establishments, and innovate to appeal to younger consumers. With a clear product and marketing strategy, cost discipline, and a strong balance sheet, Yeo's is well positioned to manage uncertainty, volatile commodity prices, and invest in future growth. The 2023 outlook for Yeo's is cautiously optimistic, ready to capitalise on the recovery while navigating potential challenges.</p>
4	It is highly commendable that Chairman Daryl Ng has waived his right to receiving any Director's fees for as long as he holds office as director in the Company. This is very rarely seen in for-profit companies. What is his reason/s for this very generous action?	At the Company's Annual General Meeting held on 26 April 2019, where Mr Daryl Ng, who retired pursuant to article 100 of the Constitution of the Company and was re-elected as a Non-Independent Non-Executive Director, there was a shareholder query as to whether Mr Ng received any director's fees as it was not reflected in the FY2018 Annual Report. Whilst it was clarified that the information disclosed in the FY2018 Annual Report related to fees in respect of FY2017 whereas Mr Ng was appointed in 2018, Mr Ng indicated that he would waive any director's fees payable to him to demonstrate his strong commitment to the Company and its stakeholders. This was a personal decision made by Mr Daryl Ng, and the Board respected his decision.
5	Yeo's core business has long been with food and beverages. However, the Company also has	In our AGM presentation on 28 April 2023, we shared that our strategic direction is to focus on (i) refreshing the brand to appeal to younger consumers, (ii) drive operational discipline to create efficiency and (iii) strengthening

No.	Questions from Shareholders	Responses
	<p>a real estate portfolio which includes farmland, warehouses and so on. Real estate is very capital-intensive, and this may hamper growth in the Company's main competencies.</p> <p>Could the Board share further insight into the Company's direction in terms of its business?</p>	<p>partnership with customers by executing with excellence. In addition, we will continue to invest to rejuvenate our manufacturing network and build overall digital and route-to-market capabilities.</p> <p>For our investment in real estate, we regularly evaluate the best use and monetisation opportunity. The Group may monetise the assets when the right opportunity arises. We actively manage the investment properties to ensure competitive rental yields; and in FY2022, rental income contributions increased by \$2 million to \$9.1 million.</p>
6	<p>How will YHS transform after the renewal of board of directors including young Chairman?</p>	<p>The primary responsibility of the Board is to oversee the effectiveness of Management as well as the corporate governance of the Company with the objective of maximising long-term shareholder value, protecting the Company's assets and sustaining its businesses and performance.</p> <p>The diversity of the present Board supports the Company's strategy to achieve healthier investor returns and the Group's next phase of topline growth and margin expansion, including growing its younger consumer base and riding on digital marketing tools to sell its products across markets.</p>
7	<p>YHS has re-entered China market again after massive write off previously, what is the new strategy for success this time?</p>	<p>Since the legal incorporation of Yeo Hiap Seng in China in 1995 we have not exited the China market. Over the years we have consolidated our manufacturing to Guangdong Province to better serve our core markets in China's Greater Bay Area.</p> <p>Our approach to China is consistent with the overall Group strategy of building sustainable fundamentals. Per AGM presentation dated 28 April 2023, the Group's strategies are to (i) refresh the brand to appeal to younger consumers, (ii) drive operational discipline to create efficiency and (iii) strengthen partnership with customers by executing with excellence. In addition, we will continue to invest to rejuvenate our manufacturing network and build overall digital and route-to-market capabilities.</p> <p>We have established a made-for-China portfolio specifically to meet Chinese consumer needs. In 2023 we will expand our distribution coverage and leverage digital media to drive brand refresh.</p>
8	<p>With a sizeable war chest, are there any plans to diversify into other businesses or business</p>	<p>For more than a century, Yeo's has been promoting beverages made from natural, healthy ingredients like soy and chrysanthemum.</p>

No.	Questions from Shareholders	Responses
	lines in the supply chain for better returns?	The Company will constantly seek avenues and explore opportunities to boost its performance. Our vision is to be the leading Asian company in bringing innovative food and beverage products with Asian goodness to consumers. We will consider opportunities that can help complement our vision and any potential diversification plan should be aligned with our vision.
9	Can YHS conduct a physical AGM in future and conduct physical investor meeting after this?	<p>In line with the latest directive issued by the Singapore Exchange Regulation (SGX RegCo) on 19 April 2023, the Company will hold a physical AGM next year and meet shareholders in person.</p> <p>The Company may conduct post-result physical meetings with investors, media and analysts when it is necessary and appropriate. The Company may also participate in suitable investor relation events and meetings such as those organised by the Singapore Exchange and by financial institutions. As disclosed in the Annual Report 2022, the CEO will meet analysts and fund managers who seek a better understanding of the Group's operations. The CEO similarly remains open to engage with local and foreign investors to garner feedback from the investor community on a range of strategic and topical issues which will provide the Board with valuable insights on investors' views.</p>

Note: Responses to the above questions (1) to (3) were given to shareholders during the AGM. Due to time constraint, responses to the remaining questions (4) to (9) were not addressed during the AGM and are provided above.