



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

**RESPONSES TO QUESTIONS RECEIVED FROM A SHAREHOLDER
PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING**

The Board of Directors (the “**Board**”) of Yeo Hiap Seng Limited (“**Yeo’s**” or the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s upcoming Annual General Meeting (“**AGM**”) to be held, in a wholly physical format, on 29 April 2026 at 2.00 p.m. at Antica I & II (Level 2), Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905.

The Company would like to provide the following responses to questions received from a shareholder in advance of the AGM. The questions could have been rephrased for clarity of context.

1. **The Iran war has brought about increases in energy costs. How is the Company managing the rise in energy costs brought about by the Iran War? What steps has the Company taken to manage the rise in energy costs?**

Company’s Response

The recent Iran War crisis has resulted in higher oil price which subsequently impact to the raw materials, packaging materials, manufacturing and logistic cost – sea and land transport.

The Company has acted decisively to mitigate the impact of rising energy costs and broader disruptions caused by the Iran War crisis. Our approach is anchored on three strategic levers:

I. Securing Key Material Requirements Ahead of Demand

We have successfully secured 90% of our aluminium can requirements for the full year, ensuring cost stability and uninterrupted supply. Similarly, we have also taken proactive measure to secure 75% of our key materials (PET resin, Sugar and Oil) for 2026.

This forward-buying strategy shields us from spot market volatility and provides high level of certainty in some of our most critical raw & packaging materials.

II. Driving Continuous Improvement in Energy Efficiency

We are projecting manufacturing cost to be impacted with 3% to 5% increase in electricity tariff across sites in Singapore and Malaysia. Across all manufacturing facilities, we are implementing energy efficiency programs to minimize waste in production processes. Initiatives include optimizing equipment utilization and embedding lean practices to reduce fuel and electricity consumption.

These measures not only lower operating costs but also reinforce our sustainability commitments.

III. Prudent Cost Management to Safeguard Margins

We are balancing cost discipline on our operating expenses with our commitment to still produce tasteful and nourishing products.

This involves rigorous prioritization of spending, renegotiation of logistics contracts, and careful allocation of resources to protect profitability while maintaining product quality.

The Company is continuously mitigating energy cost volatility through diversification, hedging, and efficiency measures, ensuring resilience in raw material and packaging materials procurement, production operations, and logistics while safeguarding margins and supply chain stability.

If energy cost keeps increasing beyond our current measures, we will consider price increase as a last resort to minimise sales volume impact

2. **In April 2026, Beverage Container Return scheme was launched. Established by the industry, BCRS Ltd is governed by a Board comprising both large and small producers and is responsible for the collection and recycling of regulated beverage containers on behalf of all producers in Singapore. The Board comprises Coca-Cola Singapore Beverages, F&N Foods, Pokka, Wanin Industries, and Chia Khim Lee Food Industries." I note that the Company is not inside the Board of BCRS. Why is the Company not represented in the Board of BCRS? Is the Company not a significant player in the beverage industry of Singapore? Are consumers buying YHS Beverages required to pay a refundable 10 cents deposit? Is YHS Beverages participating in this BCRS scheme?**

Company's Response

The Company is not a member of the Board of BCRS Ltd. The reasons are as follows:

BCRS Ltd is a scheme operator of Beverage Container Return Scheme (BCRS), serving an operational function, administering the scheme on behalf of all producers. It does not set policy or regulatory direction. Those functions rest with the National Environment Agency (NEA), which established the scheme's legislative and regulatory framework.

The Company engages directly with NEA through structured industry consultations and working groups. This is the appropriate channel for representing producer interests and providing regulatory input. Board membership of BCRS Ltd. carries shareholder obligations without conferring preferential commercial or regulatory advantage, as all producers participate under identical scheme conditions. The Company also notes that more than half of its Singapore volume is in paper carton packaging, which falls outside the scope of BCRS regulated containers.

Yeo's is one of Singapore's most established beverage producers, with a heritage spanning over a century. The decision regarding board representation reflects a resource allocation judgement. It has no bearing on the Company's market presence or industry standing.

The Company is fully participating in the BCRS. BCRS is a mandatory industry-wide regulatory requirement, and the Company is committed to its full implementation. BCRS-compliant products are being progressively rolled out across the portfolio within the prescribed six-month transition window from April to September 2026.

Consumers purchasing Yeo's beverages in regulated containers will pay the refundable 10-cent deposit. This applies uniformly across all participating producers and is consistent with the Company's obligations under the BCRS framework.

By Order of the Board

Lai Kah Shen
Chief Financial Officer
23 April 2026