



YEO HIAP SENG LIMITED

(Incorporated in Singapore)
(Company Registration No.: 195500138Z)

CESSATION OF OATLY SINGAPORE MANUFACTURING OPERATIONS

The Board of Directors (the “**Board**”) of Yeo Hiap Seng Limited (“**YHS**” or the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that YHS has been informed of Oatly’s decision (following a review by Oatly of its supply network) to close its manufacturing facility in Singapore (the “**Singapore Oatly Facility**”). The parties have consequently entered into an Exit Agreement (the “**EA**”) to dissolve their tie-up to produce Oatly beverages in Singapore, including the compensation amounts to be paid to the Group.

YHS has partnered with Oatly in Singapore since 2019. As a result of Oatly’s decision to exit from Singapore, the Singapore Oatly Facility, which operates under a co-packing agreement between YHS and Oatly (the “**Co-packing Agreement**”), will cease producing Oatly drink products by the end of this year. While manufacturing operations will conclude, YHS remains committed to supporting Oatly’s distribution operations in Singapore and Malaysia.

Closure of the Singapore Oatly Facility is not expected to have a material impact on the net tangible assets (“**NTA**”) per share of YHS. Based on the EA, YHS will receive exit compensation amounting to S\$32.0 million in instalments (to be paid in full by January 2027) comprising of assets buy out, compensation for order obligations, loans repayment and future lease payables. The Company currently estimates to recognise a net other income of approximately S\$10.0 million in the financial year (“**FY**”) ending 31 December 2024 and S\$0.6 million in FY2025. There is no direct asset impairment in relation to YHS’s assets acquired for the Co-packing Agreement. However, given that the Co-packing Agreement helps to absorb some of the operating expenses, as part of its FY2024 year-end audit, YHS will review any need for asset impairment for its Singapore assets. The amount, if any, is not expected to have any significant impact on the Group’s NTA for FY2024.

The Company wishes to reiterate that the Group’s balance sheet remains strong and YHS will continue to pursue inorganic and organic growth opportunities for the Group.

By Order of the Board

Lai Kah Shen
Chief Financial Officer
19 December 2024