



Serving Up Goodness

YEO HIAP SENG LIMITED

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

SETTLEMENT WITH CAMBODIA DISTRIBUTOR

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 a wholly-owned indirect subsidiary in Cambodia, YHS (Cambodia) Food & Beverage Pte Ltd (“**YHS Cambodia**”), has entered into a settlement agreement (the “**Settlement**”) with one of our distributors in Cambodia, KCV Distribution Co., Ltd., (“**KCV**”), to cease the distribution activities of KCV in all the provinces of Cambodia, other than Phnom Penh (the “**Provinces**”).

Further to the above, the Distribution Agreement with KCV (“**Agreement**”), which covers certain territories in Phnom Penh, will also expire on 31 March 2022.

Following the commercialisation of the Group’s manufacturing plant in Cambodia in 2020, the Group has been working to restructure its route-to-market model in Cambodia to enhance market execution. In this regard, following the Settlement, YHS Cambodia will serve its customers in the Provinces directly with its own commercial team. YHS Cambodia will also directly serve its customers in the Phnom Penh territories currently covered by KCV, when the Agreement expires.

The Settlement amount is US\$750,000 (around S\$1.03 million), payable by YHS Cambodia to KCV. The parties have agreed to offset such sum against the outstanding receivable balances that the Group has due from KCV, which is currently greater than the Settlement amount. The Agreement that the Group has with KCV is further covered by the relevant bank guarantee that will sufficiently protect the Group against further collection risk when the Agreement expires on 31 March 2022.

The Company will make further announcements as appropriate via SGXNET to update the market on any subsequent material developments.

By Order of the Board
Tan Pek Bhee
Company Secretary
20 December 2021