Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Yeo Hiap Seng Limited

Stock code: Y03

Meeting details:
Date: 29 April 2022
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. On 5 April 2022, the company announced the retrenchment of 32 staff in Singapore as part of the group's long term plan to transform its global business.

The company has said that this was due to changing consumer patterns and retail conditions in addition to increasing cost pressures.

(i) **Other than providing the affected staff with separation packages, career guidance and placement support, has management actively carried out re-skilling and explored internal opportunities for the affected staff?**

(ii) **When was the review started and when does the company expect to finalise the details of the new business model?**

(iii) **Who is leading the business model review? What is the level of involvement of the board in the business model review?**

(iv) **Does the business model change affect the group's operations in Malaysia, China, Vietnam and Cambodia as well?**

(v) **What are the strategic goals the group hopes to achieve with the business model change? Will the board be reviewing the legacy landbank as well?**

(vi) **In addition, how much focus will the group give to sustainability issues in the new business model?**

Q2. Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

(i) **Supply chain facilities rejuvenation:** The chairman, in his message to shareholders, highlighted the need for the group to invest in supply chain facilities rejuvenation, business digitalisation and brand investment. **What is the projected scale of the group's investments into supply chain facilities? Has the group been keeping up with its investments in its supply chain and kept them reasonably modern?**

(ii) **Business digitalisation and brand investment: What is the group's digital strategy? How successful have the brands been in leveraging social media, especially to capture the younger consumers?**

(iii) **Strategic roadmap: Would the CEO be giving shareholders a presentation to highlight the main pillars of the new "Strategic Roadmap" during the AGM?**

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(iv) **Oatly: What are some of the milestones achieved by the group in the tie-up with Oatly? Since the first batch of oat milk began in July 2021, has the group ramped up its production? When will the group be supplying Oatly to more markets?**

(v) **Cambodia:** In December 2021, the company announced that it had entered into a settlement agreement with one of its distributors in Cambodia to cease the distribution activities of KCV in all the provinces of Cambodia other than Phnom Penh. The settlement amounted to US$750,000 (S$1.01 million). **Can management help shareholders understand if it has in place an established local team in Cambodia to drive its growth especially in Phnom Penh with the recent expiration of the distribution agreement on 31 March 2022?**

Q3. In Note 14 (page 132 – Other financial assets), management disclosed that financial assets (designated at FVOCI and FVPL) increased substantially to $20.4 million as at 31 December 2021 from $2.43 million a year ago.

The breakdown of the financial assets is as follows:

	The Group	
	2021	2020
	$'000	$'000
Financial assets designated at FVOCI		
Listed equity securities – Hong Kong	**6,851**	507
Listed equity securities – USA	**1,864**	1,631
Listed equity securities – Japan	**32**	40
Listed equity securities – Europe	**212**	220
Listed real estate investment trusts and business trusts – Singapore	**7,886**	–
	16,845	2,398
Financial assets designated at FVPL		
Listed equity securities – Singapore	**–**	28
Unquoted equity securities – Singapore	**3,557**	–
	3,557	28
	20,402	2,426

(Source: company annual report)

(i) **Can the board help shareholders better understand the rationale of the group investing into listed equity securities, including real estate investment trusts and business trusts?**

(ii) **Is this in line with the group's vision to be the leading Asian company in bringing innovative food and beverages products to the consumers?**

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(iii) **Will investing/trading of listed equity securities distract management from the core business of F&B?** The group may be well-placed to make private equity investments in F&B start-ups, such as the investment the group made in Next Gen Foods Pte. Ltd. **Would management be looking to invest more in F&B-related start-ups? If so, will the board be setting a limit to the group's exposure/risk?**

(iv) **Did the board approve the group's investments in listed equity securities? Are there robust risk management frameworks in place? What is the mandate for the group's investments?**

As at 31 December 2021, the group has cash and cash equivalents of $230.9 million.

(v) **Upon the conclusion of the business model change, would the board, especially the independent directors, be reviewing the group's capital structure and carry out an exercise to right-size the balance sheet with the declaration of a special dividend/capital distribution?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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