

CONSUMER DEFENSIVE EQUITY RESEARCH

PRICE PERFORMANCE

YEO HIAP SENG LTD

SGX: Y03

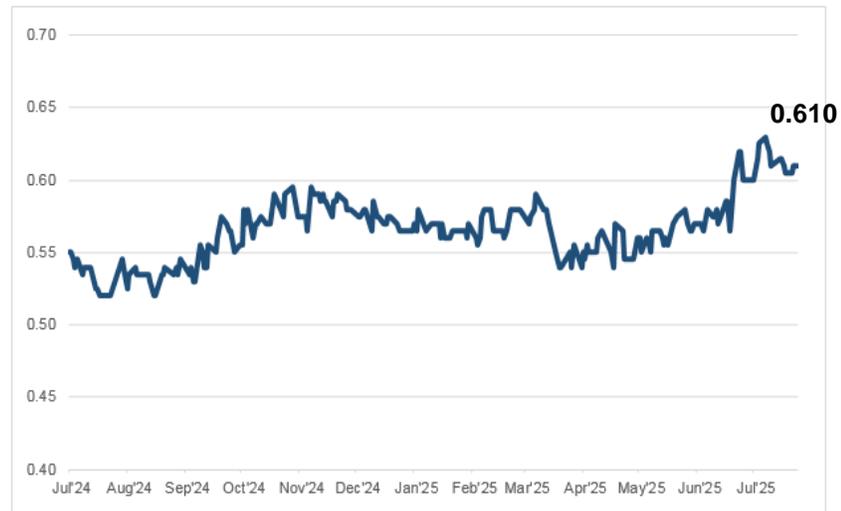
Bloomberg: YHS:SP

ISIN code: SG1110878425

Country: Singapore

Industry: Consumer Defensive

18 August 2025

RECOMMENDATION: HOLDCurrent price: **S\$0.610**Target price: **S\$0.871**Issued shares: **627 million (20 June 2025)**Market capitalisation: **S\$385.7 million**52-week range: **S\$0.52 – S\$0.63**

COMPANY DESCRIPTION

Yeo Hiap Seng Ltd ("Yeo's") is a Singapore-based food & beverage company that was founded in 1900. The company's main business involves the manufacturing & distribution of food & beverage products. In addition to being a household name in the Asian market, Yeo's has an international presence that extends to the Asia-Pacific, Europe, North America, and Oceanic regions. Beyond its core operations, it also acts as an investment holding company. Yeo's is a listed subsidiary of Far East Organisation, a real estate company.

SUMMARY

For the six months ended 31 June 2025 (1H FY2025), Yeo's revenue fell by 10.1% from S\$165.3 million in 1H FY2024 to S\$148.6 million in 1H FY2025 mainly due to earlier Chinese New Year shipment being recognised in the prior calendar year along with a fall in Hari Raya sales because of weakened consumer demand. Additionally, the absence of Oatly co-packing revenue further contributed to the decline. Gross profit fell by 13.7% from S\$54.1 million in 1H FY2024 to S\$46.7 million in 1H FY2025. Net profit for the period fell by 50.9% from S\$3.2 million in 1H FY2024 to S\$1.6 million in 1H FY2025. Basic and diluted Earnings Per Share ("EPS" in cents) fell by 51.9% from 0.52 in 1H FY2024 to 0.25 in 1H FY2025. In FY2025, Yeo's declared a Dividend Per Share ("DPS") of 2 cents.

RECOMMENDATION

Based on our relative valuation, we estimate Yeo's target price at S\$0.871, implying an upside potential of 42.79% from the current share price of S\$0.610. While this suggests attractive returns, we note that the company's fundamentals remain challenged, with consecutive years of operating losses despite margin improvement initiatives. These efforts have yet to deliver meaningful results.

Yeo's reported net profits in recent years have largely been supported by "Other Income" and "Other Gains" which are primarily non-core earnings such as interest income and asset-related gains. Without these gains, the company would have recorded a net loss. This highlights the lack of profitability in its core F&B operations.

On the positive side, Yeo's maintains a strong balance sheet, with ample cash reserves and minimal debt, which gives it the capacity to invest in growth initiatives, explore strategic opportunities, and sustain its dividend pay-outs. In addition, the company's 5.3% stake in Vitasoy offers indirect exposure to a profitable and growing regional beverage player, which could add shareholder value if Vitasoy's strong performance continues.

Upside catalysts include growing demand for functional beverages, emerging market expansion, and a potential recovery in global consumption. However, risks remain from foreign exchange volatility, geopolitical tensions, and a potential slowdown in global economic growth.

Given these factors, we recommend a hold on Yeo's. While the stock offers a potential upside and is supported by stable dividends and a solid financial position, we think that unlocking long-term value will require sustainable improvements in its core business profitability.

| KEY FINANCIALS | Revenue | Earnings ⁽¹⁾ | EPS ⁽²⁾ | P/E | DPS | Dividend Yield | NAV per share | P/B |
|------------------------|---------------|-------------------------|--------------------|-------|---------|----------------|---------------|------|
| Year ended 31 December | (S\$ million) | (S\$ million) | (cents) | (x) | (cents) | (%) | (cents) | (x) |
| 2023 Actual | 332.7 | 6.7 | 1.1 | 61.82 | 2.0 | 2.94% | 90.0 | 0.76 |
| 2024 Actual | 328.6 | 6.9 | 1.1 | 50.45 | 2.0 | 3.57% | 96.5 | 0.58 |
| 2025 Projection | 300.1 | 8.5 | 1.4 | 44.85 | 2.0 | 3.28% | - | - |
| 2026 Projection | 310.7 | 7.4 | 1.2 | 51.26 | 2.0 | 3.28% | - | - |

Figures have been rounded. P/E, P/B and dividend yield are based on the current share price of S\$0.610. FY2023 & FY2024 PE, PB and dividend yield are based on the share price after the release of their financial results.

⁽¹⁾ Profit after tax attributable to owners of the Company.

⁽²⁾ Earnings Per Share (basic & diluted).

Source: Yeo's, FPA

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COMPANY OVERVIEW

(I) CORPORATE PROFILE

Yeo Hiap Seng Ltd (“Yeo’s”) is a Singapore-based Food & Beverage (“F&B”) company that was founded in 1900. The company’s main business involves the manufacturing & distribution of F&B products. In addition to being a household name in the Asian market, Yeo’s operates in the Asia-Pacific, Europe, North America, and Oceanic regions. Beyond its core operations, it also acts as an investment holding company. Yeo’s is a listed subsidiary of Far East Organisation (“FEO”), a real estate company.

(II) OPERATIONS

Yeo’s main business segment is its F&B products. However, as an investment holding company, Yeo’s also generates income from its investments.

F&B products:

The F&B products segment is Yeo’s core business, which primarily involves the manufacture, sale and distribution of F&B products. Revenue from this segment is mainly derived from the sale of F&B products, but it also includes sales of non-food items that Yeo’s distributes. The F&B products segment operates across various geographic segments.

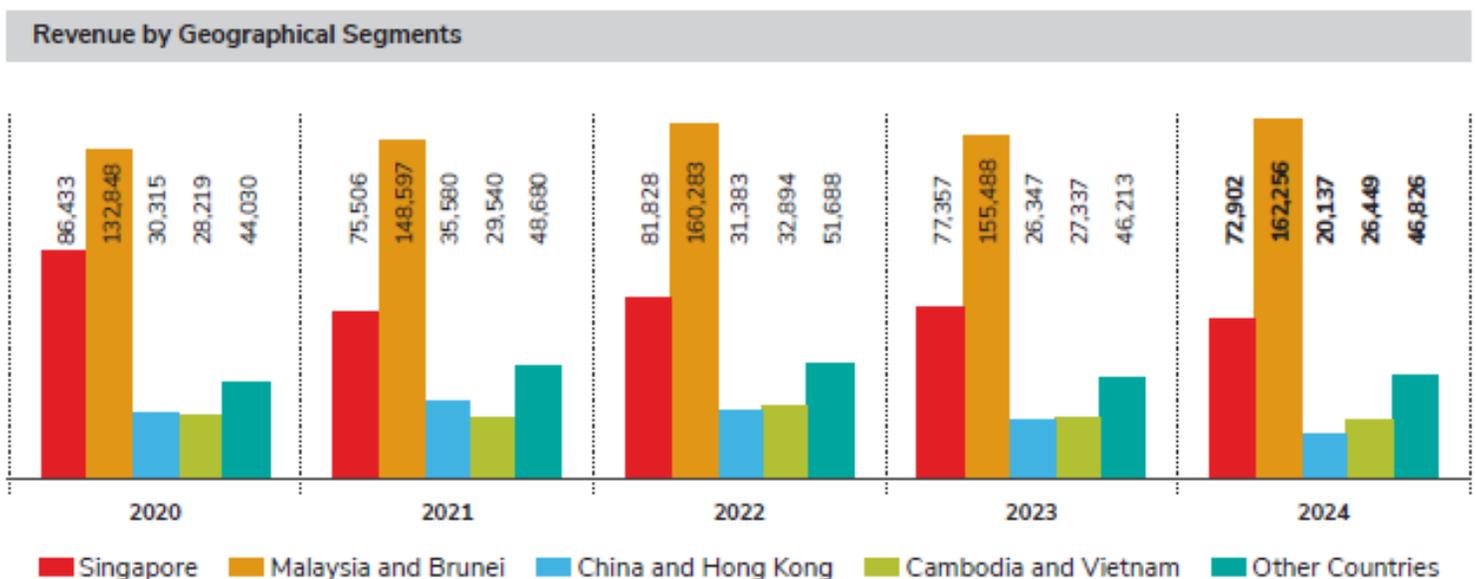
Yeo’s classifies its geographic segments into 5 main groups:

1. Singapore
2. Malaysia and Brunei
3. China and Hong Kong
4. Cambodia and Vietnam
5. Other Countries

Yeo’s factories are also located in Singapore, Cambodia, Indonesia, China, and Malaysia.

Exhibit 1 shows the breakdown of sales between each region.

Exhibit 1: Breakdown of Revenue by Geographical Segments (FY2020 – FY2024; S\$'000)



Source: Yeo’s

Others:

Others mainly comprise investment property holding, equity investment holding, and property development. The income generated from this segment is recognised under “Other income” or “Other gains and losses” in the income statement.

Yeo's investment properties are listed in **Exhibit 2**.

Exhibit 2: Details of investment properties

| Location | Description and existing use | area (in sq. metres) | Tenure |
|--|------------------------------|----------------------|---|
| The People's Republic of China | | | |
| 286 & 288 Chigangxi Road; Haizhu District, Guangzhou Guangdong Province | Office and warehouse | 30,873 | Leasehold expiring in year 2043 |
| 242 Chigangxi Road; No. 1 Guitiandongyue Forth Lane; and Unit 702, No. 186 Dunhe Road, Haizhu District, Guangzhou | Apartments | 1,812 | Leasehold expiring in years 2065 to 2068 |
| Malaysia | | | |
| Leong Sin Nam Farm, Jalan Ampang Tambun, Tambun, Ipoh, Perak, Malaysia | Farming land | 1,048,062 | 16 lots freehold, 6 lots and 1 lot leasehold expiring in year 2045 and 2885 respectively |
| 40 1/4 Milepost, Jalan Air Itam - Johor Bahru, Simpang Renggam, Johor, Malaysia | Farming land | 420,183 | Freehold |
| Lot No. 30, Jalan Upper Lanang, Sibu, Sarawak, Malaysia | Office and warehouse | 6,107 | Leasehold expiring in year 2039 |
| Lot 4183, Jalan Kuching, Taman Tunku Industrial Area, Miri, Sarawak, Malaysia | Office and warehouse | 8,858 | Leasehold expiring in year 2054 |
| Lot 71, Sedco Industrial Estate, Phase 2, Jalan Kolombong, Kota Kinabalu, Sabah, Malaysia | Office and warehouse | 5,235 | Leasehold expiring in year 2034 |
| No. 986 Jalan Perusahaan and No. 988-990, Solok Perusahaan Tiga, Kawasan MIEL Prai Industrial Estate Prai, Pulau Pinang, Malaysia | Office and warehouse | 7,980 | Leasehold expiring in year 2071 |

Source: Yeo's, FPA

Yeo's Other Income and Other Gains & Losses in FY2023 & FY2024 are shown in **Exhibit 3**.

Exhibit 3: Other Income and Other Gains & Losses (FY2023 & FY2024)

5. OTHER INCOME

| | The Group | |
|-----------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Interest income | 9,952 | 9,673 |
| Rental income | 8,008 | 9,032 |
| Dividend income | 853 | 507 |
| | 18,813 | 19,212 |

6. OTHER GAINS AND LOSSES

| | Note | The Group | |
|---|-------|----------------|----------------|
| | | 2024 \$'000 | 2023 \$'000 |
| <u>Other gains</u> | | | |
| Fair value gains on investment properties – net | 19 | – | 2,717 |
| Reversal of impairment losses on property, plant and equipment | | – | 192 |
| Compensation from a customer for order obligation | | 4,920 | 4,754 |
| Compensation from a customer for early contract exit | 30 | 10,065 | – |
| Other miscellaneous income | | 478 | 398 |
| | | 15,463 | 8,061 |
| <u>Other losses</u> | | | |
| Fair value losses on financial assets designated as FVPL at initial recognition | | (1,095) | (1,658) |
| Fair value losses on investment properties – net | 19 | (467) | – |
| Impairment losses on property, plant and equipment ⁽¹⁾ | 20 | (2,197) | – |
| Impairment losses on intangible assets ⁽¹⁾ | 22(e) | (627) | – |
| Losses on disposal and write-off of property, plant and equipment – net | | (1,294) | (1,258) |
| Currency translation losses – net | | (1,068) | (1) |
| Loss on liquidation of a subsidiary | | – | (1) |
| Impairment loss on investment in an associated company ⁽²⁾ | 16 | (2,496) | – |
| | | (9,244) | (2,918) |
| | | 6,219 | 5,143 |

⁽¹⁾ The Group recognised total impairment losses on property, plant and equipment and intangible assets amounting to \$2,824,000 due to challenging operating environment, particularly in China and Singapore.

⁽²⁾ The Group recognised impairment loss on investment in an associated company amounting to \$2,496,000 due to challenging operating environment.

Source: Yeo's

(III) CORPORATE STRUCTURE

Yeo's is a listed subsidiary of FEO, a private real estate developer in Singapore. Founded in 1960 by Ng Teng Fong, FEO has businesses in property development, retail, hospitality, and F&B brands.

On its own, Yeo's also owns subsidiaries located around the world. Yeo's "significant" subsidiaries (as indicated by Yeo's in its latest Annual Report) are shown in **Exhibit 4**.

Exhibit 4: Corporate Structure

| Name of company | Principal activities | Country of business |
|--|--|--------------------------------|
| Held by the company: | | |
| YHS (Singapore) Pte Ltd | Investment holding, manufacture, sale, distribution and export of beverages, sauces, canned food and provision of vending services | Singapore |
| YHS International Pte Ltd | Distribution of food and beverage | Singapore |
| YHS Investment Pte Ltd | Investment holding | Singapore |
| Held by subsidiaries: | | |
| Yeo Hiap Seng (Guangzhou) Food & Beverages Ltd | Distribution of beverages | The People's Republic of China |
| Yeo Hiap Seng (Guangdong) Food & Beverages Ltd | Manufacture and distribution of beverages | The People's Republic of China |
| YHS (Cambodia) Food & Beverage Pte Ltd | Manufacture and distribution of food and beverage | Cambodia |
| YHS Hong Kong (2000) Pte Limited | Distribution of beverages and canned food | Hong Kong |
| YHS Trading (USA) Inc. | Distribution of beverages and canned food | USA |
| YHS (USA) Inc. | Investment holding | USA |
| Yeo Hiap Seng (Malaysia) Sdn. Bhd. (Formerly known as Yeo Hiap Seng (Malaysia) Berhad) | Production, marketing and sale of beverages and food products | Malaysia |
| Bestcan Food Technological Industry Sdn Bhd | Production of instant noodles | Malaysia |
| Yeo Hiap Seng (Sarawak) Sdn Bhd | Dormant and property holding | Malaysia |
| Yeo Hiap Seng Trading Sdn. Bhd. | Distribution of food and beverage | Malaysia |
| PT YHS Indonesia | Distribution of food and beverage | Indonesia |
| PT Botani Beverage Indonesia | Manufacture of food and beverage (currently inactive) | Indonesia |

Source: Yeo's, FPA

(IV) SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The substantial shareholders of Yeo's are summarised in **Exhibit 5**.

Ng Chee Tat Philip, former CEO of FEO, holds the largest total interest of 76.3% in Yeo's as at 28 February 2025.

Approximately 20.73% of the issued ordinary shares of the company are held in the hands of the public.

Most of the substantial shareholders are, in one way or another, related to the property mogul, the late Ng Teng Fong. The relationships are as follows:

- FEO: CEO is Jonathan Ng, son of Philip Ng Chee Tat and grandson of Ng Teng Fong
- Far East Spring: Private subsidiary of FEO, of which CEO is Jonathan Ng
- Transurban Properties Pte. Ltd.: Wholly owned subsidiary of Glory Realty Co. Private Ltd.
- Ng Chee Tat Philip: Former CEO of FEO; son of Ng Teng Fong
- The Estate of Ng Teng Fong: Assets left behind by the late Ng Teng Fong
- Ng Chee Siong: Eldest son of Ng Teng Fong; Chairman of Sino Group
- Madam Tan Kim Choo: Spouse of the late Ng Teng Fong
- Glory Realty Co. Private Ltd.: CEO: Jonathan Ng; The Estate of Ng Teng Fong has a controlling interest

Exhibit 5: Substantial shareholders

| Shareholder | Direct Interest | | Deemed Interest | | Total Interest | | As at |
|---|-----------------|-------|-----------------|-------|----------------|-------|------------|
| | No. of shares | % | No. of shares | % | No. of shares | % | |
| Far East Organization Pte. Ltd. ("FEO") | 334,412,398 | 53.6% | - | - | 334,412,398 | 53.6% | 28 Feb '25 |
| Far East Spring Pte. Ltd. | 63,888,889 | 10.2% | - | - | 63,888,889 | 10.2% | 28 Feb '25 |
| Transurban Properties Pte. Ltd. | 56,342,854 | 9.0% | - | - | 56,342,854 | 9.0% | 28 Feb '25 |
| Ng Chee Tat Philip | - | - | 476,296,373 | 76.3% | 476,296,373 | 76.3% | 28 Feb '25 |
| The Estate of Ng Teng Fong (Deceased) | - | - | 421,803,683 | 67.6% | 421,803,683 | 67.6% | 28 Feb '25 |
| Ng Chee Siong | - | - | 421,803,683 | 67.6% | 421,803,683 | 67.6% | 28 Feb '25 |
| Madam Tan Kim Choo @Teng Kim Chow | 50,814 | 0.0% | 403,338,312 | 64.6% | 403,389,126 | 64.6% | 28 Feb '25 |
| Glory Realty Co. Private Ltd. | - | - | 56,342,854 | 9.0% | 56,342,854 | 9.0% | 28 Feb '25 |

Source: Yeo's, FPA

INDUSTRY OUTLOOK

Global Outlook for the F&B Sector:

The state of the global economy is being thrust into volatility due to the onslaught of tariffs. Globalisation is waning, free trade agreements are being forgotten, and countries are adopting a protectionist stance. In light of these events, businesses have grown more cautious – revising their strategies and holding back on capital expenditure. Consumers and firms alike are bracing for cost increases as supply chains become disrupted and margins are squeezed.

According to a KPMG¹ article on the economic outlook for F&B sectors, labour shortages and rising costs are expected to persist. A key underlying trend affecting this is the ageing workforce, a merciless silver tsunami that hits every industry. Additionally, wage pressures continue to mount, with minimum wage hikes further eroding margins.

The implementation of tariffs also impacts food prices by raising import costs. Exporters and importers may absorb some of these costs to remain competitive, but it will eventually flow to consumers. Overall, spending on F&B is expected to decline, especially in premium products, as consumers are likely to focus their resources on the daily necessities.

The projected growth of the global beverages market is estimated to reach US\$2.29 trillion by 2030, growing at a CAGR of 3.97% as stated by Global Information².

One notable trend that is growing in the industry is the emphasis on health and nutrition. Consumers are becoming more health-conscious, favouring products low in sugar, fat, and sodium. This has led to an increased interest in functional beverages.

Functional beverages, as defined by ScienceDirect³ are drinks that:

- Provide beneficial effects on one or more functions of the human body beyond basic nutritional values
- Incorporate desirable nutrients and bioactive compounds such as antioxidants, vitamins, and dietary fibres.

According to Mordor Intelligence⁴, the functional beverages market is projected to grow at a CAGR of 7.49% from 2025 to 2030.

¹ KPMG is a multinational professional services firm, it is known as one of the big four accounting firms.

² Global Information, Inc is an intelligence firm that publishes market research reports. It was founded in 1983.

³ ScienceDirect is a database which provides access to full texts of scientific and medical publications.

⁴ Mordor Intelligence is a leading market intelligence firm founded in 2014.

We will focus our review on the specific geographic segments of Yeo's. The company's revenue is broken down into five geographic segments: Singapore, Malaysia & Brunei, China & Hong Kong, Cambodia & Vietnam, and Other countries. The Singapore, Malaysia & Brunei segment adds up to around 70% of total revenue. This distribution is shown in **Exhibit 6**.

Exhibit 6: Historical Revenue breakdown based on geographical segment

| S\$'000 | FY2023 | | FY2024 | | Revenue change (%) |
|--|----------------|------------------|----------------|------------------|--------------------|
| | Revenue | Contribution (%) | Revenue | Contribution (%) | |
| Singapore | 77,357 | 23% | 72,902 | 22% | (5.76%) |
| Malaysia & Brunei | 155,488 | 47% | 162,256 | 49% | 4.35% |
| China & Hong Kong | 26,347 | 8% | 20,137 | 6% | (23.57%) |
| Cambodia & Vietnam | 27,337 | 8% | 26,449 | 8% | (3.25%) |
| Other Countries (Other APAC countries, EU, US) | 46,213 | 14% | 46,826 | 14% | 1.33% |
| Total | 332,742 | 100% | 328,570 | 100% | (1.25%) |

Source: Yeo's, FPA

Singapore:

According to Singapore's Ministry of Trade and Industry ("MTI"), the F&B sector contracted by 0.5% year-on-year ("y-o-y") in the second quarter of 2025, extending the 0.7% decline in the previous quarter. Overall F&B sales volume increased marginally by 0.1% y-o-y in the second quarter, a reversal from the 0.6% contraction in the previous quarter.

The outlook for the F&B services sector for 2025 is likely to remain subdued, weighed down by locals' continued spending abroad and the expected weakening of domestic labour market conditions. The forecast for Singapore's GDP growth is around 1.5-2.5% for 2025.

Given the tepid demand for F&B services and the defensive nature of Yeo's industry, we expect revenue for the Singapore market to remain stable.

Malaysia:

Asia Food & Beverages Report¹ (ABFR) notes that the consumer spending outlook in Malaysia is expected to remain strong in 2025, with a projected y-o-y growth of 5%.

According to a 2024 Q3 consumer survey conducted by GlobalData², 70% of respondents in Malaysia said that their product choices are often influenced by how well the product or service impacts their health. This data supports our earlier claim that consumers are becoming more health-conscious. ABFR even states that many Malaysians are prioritising products that can reduce the risk of non-communicable diseases such as obesity, hypertension, and heart disease. Mobility Foresights³ projects a CAGR of 9.5% for the Malaysian functional beverages market.

Given the above, we expect a rise in revenue for the Malaysia segment. Yeo's has products in its arsenal that can meet the demand for health-conscious consumers, for example, their Soy Immuno drink (**Exhibit 7**).

Exhibit 7: Soy Immuno**Soy Immuno**

Say Good Morning to our smoothest, silkiest soy milk ever!

Say Mmmm to our most velvety, chocolatey delight ever!

- Vitamin B6 & Zinc contribute to normal function of immune system
- Calcium helps in the development of strong bones & teeth
- High in protein
- A cholesterol-free food
- A trans fat-free food
- No added preservatives
- A lactose-free food
- Suitable for vegans

[Add To Enquiry](#)

Source: Yeo's

¹ Asia Food & Beverages Report (ABFR) is ASEAN's leading trade journal covering comprehensive news and latest developments within the food and beverage industry in the Southeast Asian region, including China/HK. The company was established in 2010.

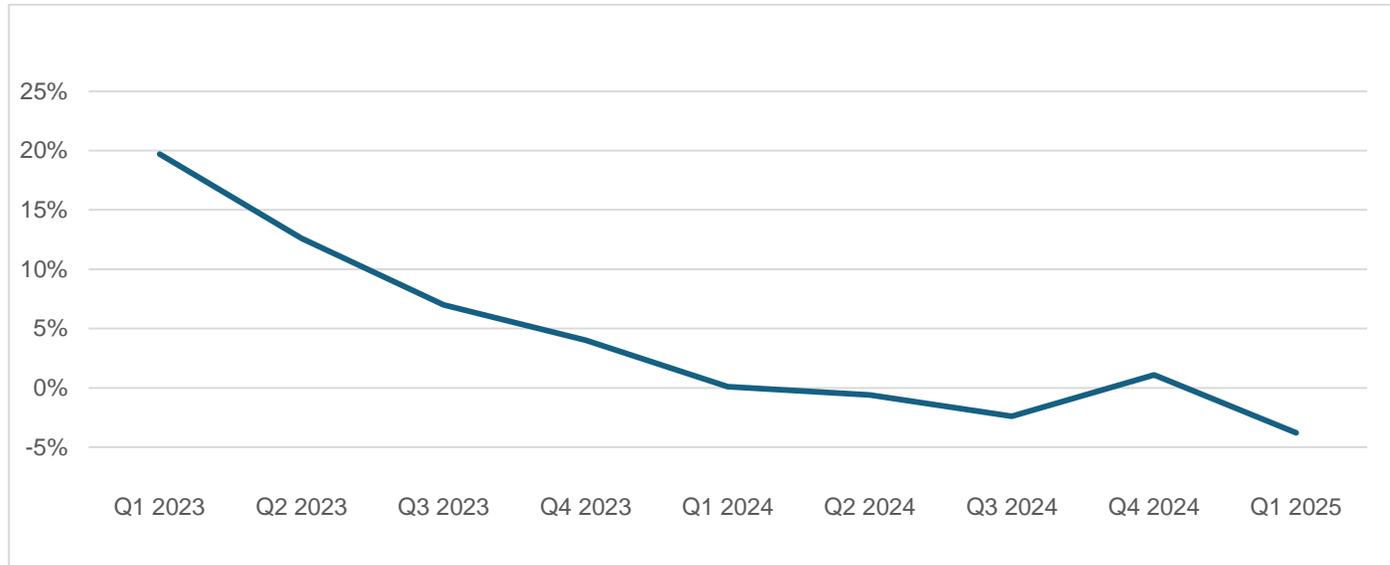
² GlobalData is a data analytics and consulting company, headquartered in London. The company was established in 1999.

³ Mobility Foresights is a market research firm. The company was established in 2017.

Brunei:

The department of economic planning and statistics in Brunei reported that F&B services recorded a negative growth of 3.8% y-o-y for 2025 Q1 (as shown in **Exhibit 8**). The decrease was attributed to decreases in sales revenue of all F&B services activities.

Since Brunei's population is only 1.4% of Malaysia's, we foresee that this decline in revenue is unlikely to have a material impact on Yeo's revenue for this geographic segment.

Exhibit 8: Year-on-Year Growth Rate of Quarterly F&B Services Index

Source: Department of Economic Planning and Statistics Ministry of Finance and Economy Brunei Darussalam

China:

S&P Global¹ expects the overall growth in China’s F&B sector to slow to 5-6% in 2025 from 8.2% in 2024. They expect that higher US tariffs would have minimal direct impact on F&B companies whose focus is on the domestic market.

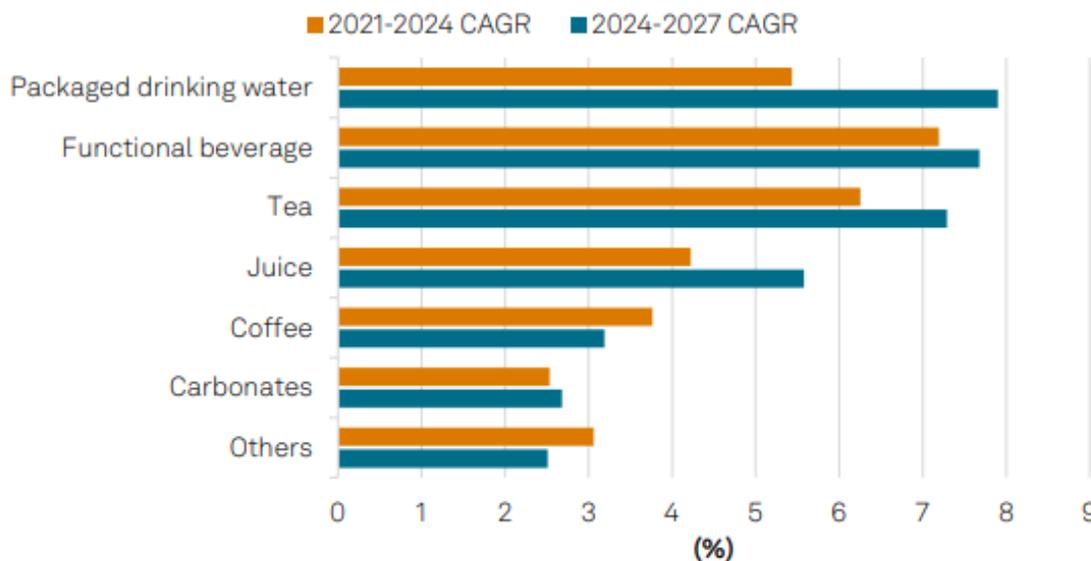
S&P Global also highlights a rising trend in health consciousness among Chinese consumers. For example, the functional beverage forecasted CAGR for 2024 to 2027 is more than 7.5% as shown in **Exhibit 9**.

Yeo’s has been actively innovating in the Chinese market to meet this demand. During the 2025 annual general meeting, the CEO mentioned that the TCM-inspired products in China have been well received.

The data suggests that Yeo’s could see an uptick in revenue for their China segment, addressing the functional beverages market through their innovations.

Exhibit 9: CAGR of Beverage Product Groups in China

Bottled water and RTD beverage to drive growth



*PET--Polyethylene Terephthalate. CAGR--Compound average growth rate. Sources: China Beverage Industry Association, S&P Global Ratings.

Source: S&P Global Ratings

Hong Kong:

According to Statista², the non-alcoholic drinks industry is expected to show a CAGR of 2.95% from 2025 to 2029.

Since Hong Kong’s population is only 0.50% of China’s, we foresee that this increase in revenue is unlikely to have a material impact on Yeo’s revenue for this geographic segment.

¹ S&P Global Ratings is a leading provider of credit ratings, financial research and analysis.

² Statista is a global data and business intelligence platform.

Cambodia:

According to Statista, Cambodia's non-alcoholic drinks market is projected to grow at a CAGR of 3.99% from 2025 to 2029. This growth can be attributed to the country's economic growth and rising household incomes. With increased disposable income, consumers are increasing their intake of drinks.

We anticipate that Yeo's business will benefit from this growth, with revenue from Cambodia expected to grow in the coming years.

Vietnam:

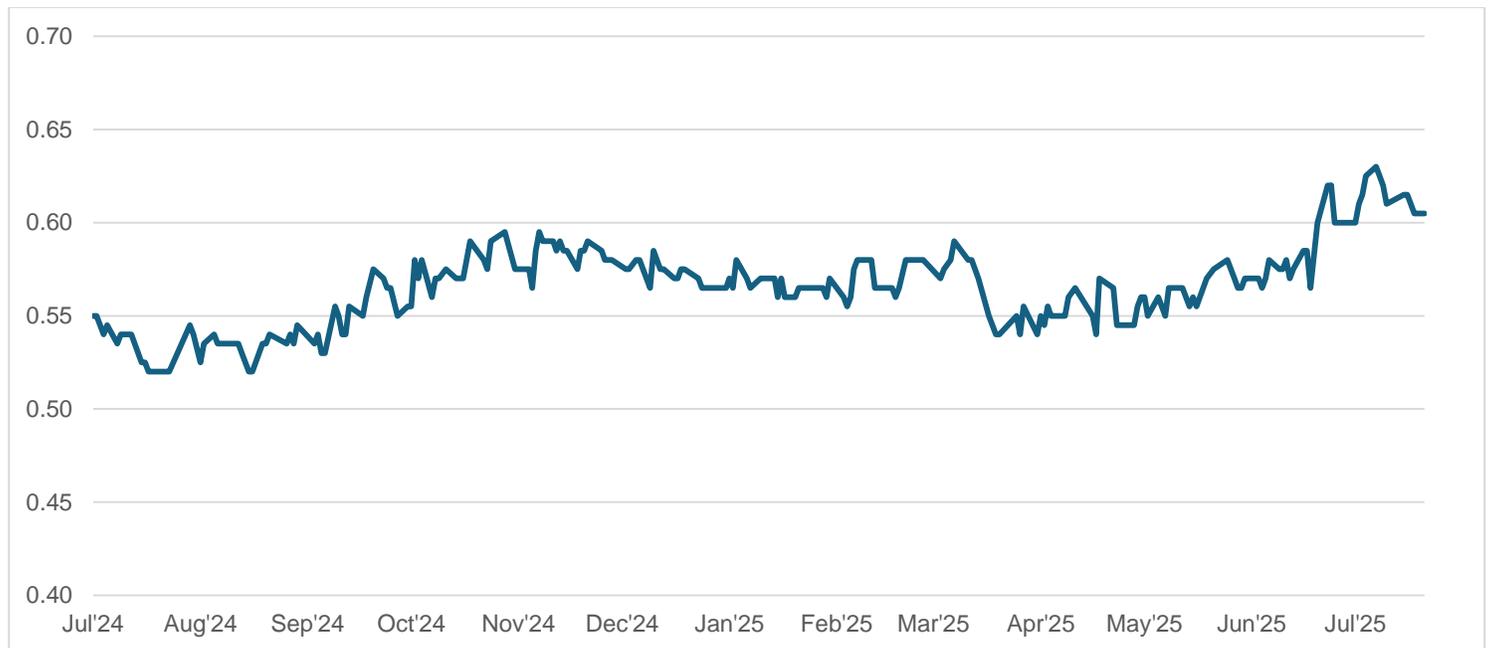
Similarly, for Vietnam, Statista forecasts the revenue in the non-alcoholic drinks market to have a CAGR of 4.56% from 2025 to 2029. The drivers for growth are similar to Cambodia's – economic growth, rising incomes, and urbanisation.

We expect Yeo's revenue from Vietnam to grow in line with Statista's projection.

RECENT SHARE PRICE DEVELOPMENT

Over the past year, Yeo's share price rose by 17.3% from S\$0.520 on 16 August 2024 to S\$0.610 on 15 August 2025, as shown in **Exhibit 10**.

Exhibit 10: Share Price Performance (Past Year)



Source: *Investing.com, FPA*

In 2025, year to date (YTD), Yeo's share price was trading between S\$0.52 and S\$0.63. It reached its 52-week high of \$0.63 on 28 July. One possible reason for this could be the announcement by MAS on its Equity Market Development Programme (EQDP). The EQDP was rolled out to revive the Singapore Stock Exchange (SGX) through various initiatives. One of which was to place an initial amount of S\$1.1 billion with appointed investment managers to improve the liquidity in the bourse. The announcement on 21 July could have possibly uplifted all SGX-listed stocks, impacting Yeo's as well.

On 6th August 2024, Yeo's released its H1 2024 results. Revenue fell by 8.7% y-o-y in the same period, from S\$181.1 million in FY2023 to S\$165.3 million in FY2024. Net profit fell by 3.8% in the same period, from S\$3.3 million in FY2023 to S\$3.2 million in FY2024. The poor earnings result from Yeo's could have led to the share price falling to \$0.52.

On 28th February 2025, Yeo's released their FY2024 results. Revenue fell by 1.3% from S\$332.7 million in FY2023 to S\$328.6 million in FY2024. Gross profit, however, rose by 0.9% from S\$108 million in FY2023 to S\$109 million in FY2024. Net profit also increased 2.6% from S\$6.7 million in FY2023 to S\$6.9 million in FY2024. Share price closed S\$0.58 on 28th February, not much change as compared to the previous day's close of S\$0.575. The lukewarm reaction of Yeo's shares reflects the limited enthusiasm among investors.

On 2nd April 2025, US President Trump announced universal & "reciprocal" tariffs on US trading partners. Share price fell from S\$0.58 on 1st April 2025 to S\$0.55 on 7th April 2025. Investors took a while to price in the effects of the tariffs.

On 7th August 2025, Yeo's released its H1 2025 results. Revenue fell by 10.1% y-o-y in the same period from S\$165.3 million in FY2024 to S\$148.6 million in FY2025. Net profit fell by 50.9% in the same period, from S\$3.2 million in FY2024 to S\$1.6 million in FY2025. Despite the poor earnings results, Yeo's share price on 8th Aug closed at S\$0.605, only marginally lower than the previous day's close of S\$0.615.

No insider trading activity was recorded over the year. Investor sentiment remained stable, tied to the steady dividend yield and modest profit growth. There were no other major movements in the share price.

FINANCIAL ANALYSIS

In this section, we will provide a review of Yeo's financial performance.

(I) FINANCIAL REVIEW

Revenue:

Yeo's revenue fell by 10.12% from S\$165.3 million in H1 FY2024 to S\$148.6 million in H1 FY2025 as shown in **Exhibit 11**. Yeo's noted that the fall in revenue was due to earlier Chinese New Year shipments being recognised in the prior calendar year along with a fall in Hari Raya sales because of weakened consumer demand. Additionally, the absence of Oatly co-packing revenue further contributed to the decline.

Exhibit 11: Revenue (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|---------|---------------------------|---------------------------|------------------------|---------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Revenue | 165,335 | 148,608 | (16,727) | (10.12%) |

Source: Yeo's financial statements, FPA

We conducted a further review of Yeo's revenue based on its geographic segments. The breakdown is shown in **Exhibit 12**. The main geographic markets are Singapore and Malaysia & Brunei, these two segments make up around 70% of the company's revenue.

Singapore experienced a fall of 5.76% in revenue. Singapore's revenue is made up of two portions, the core brand and the agency distribution. Yeo's has noted that there were stronger F&B sales in Singapore, hence the fall in revenue could be due to lower co-packing sales. For Malaysia & Brunei, the 4.35% rise was driven by strong consumer demand.

The largest fall of 23.57% came from China & Hong Kong, this was caused by economic slowdown which resulted in a weakened consumer demand. China & Hong Kong had also undergone product rationalisation (reducing focus on underperforming products), as noted by Yeo's.

Cambodia & Vietnam also experienced a fall of 3.25% in revenue, this could have been due to weaker consumer demand.

The Other Countries segment experienced a slight rise of 1.33% – due to stronger sales in Europe.

Exhibit 12: Geographical breakdown of Yeo's revenue (FY2023 to FY2024)

| S\$'000 | FY2023 | | FY2024 | | Revenue change (%) |
|--|----------------|---------------------|----------------|---------------------|--------------------------|
| | Revenue | Contribution (%) | Revenue | Contribution (%) | |
| Singapore | 77,357 | 23% | 72,902 | 22% | (5.76%) |
| Malaysia & Brunei | 155,488 | 47% | 162,256 | 49% | 4.35% |
| China & Hong Kong | 26,347 | 8% | 20,137 | 6% | (23.57%) |
| Cambodia & Vietnam | 27,337 | 8% | 26,449 | 8% | (3.25%) |
| Other Countries (Other APAC countries, EU, US) | 46,213 | 14% | 46,826 | 14% | 1.33% |
| Total | 332,742 | 100% | 328,570 | 100% | (1.25%) |

Source: Yeo's financial statements, FPA

Comparing Yeo's revenue from FY2021 to FY2024, we observe that there has been a downward trend in revenue since FY2023 as shown in Exhibit 13.

Exhibit 13: Revenue (FY2021 to FY2024)

| S\$'000 | Actual | | | |
|---------|---------|---------|---------|---------|
| | FY2021 | FY2022 | FY2023 | FY2024 |
| Revenue | 337,903 | 358,076 | 332,742 | 328,570 |
| Growth | | 5.97% | (7.08%) | (1.25%) |

Source: Yeo's financial statements, FPA

Exhibit 14 shows the geographic revenue breakdown from FY2021 to FY2024. We observe that China & Hong Kong's contribution fell from 11% in FY2021 to 6% in FY2024. The decrease in contribution reflects Yeo's shrinking market presence in China amidst a competitive business environment and fall in consumer spending.

Meanwhile, the Malaysia & Brunei segment saw its contribution of revenue rise from 44% in FY2021 to 49% in FY2024, highlighting Yeo's growing strength in the region. With nearly half of its revenue derived from this market, the data suggests that Yeo's has a strong brand positioning. Additionally, Yeo's Malaysia won the Bronze Award at the 2024 Putra Brand Awards in the non-alcoholic beverage category, a testament to its place as a market leader in the Malaysia beverages segment.

Exhibit 14: Geographical breakdown of Yeo's revenue (FY2021 to FY2024)

| S\$'000 | FY2021 | | FY2022 | | FY2023 | | FY2024 | |
|--|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|
| | Revenue | Contribution (%) |
| Singapore | 75,506 | 22% | 81,828 | 23% | 77,357 | 23% | 72,902 | 22% |
| Malaysia & Brunei | 148,597 | 44% | 160,283 | 45% | 155,488 | 47% | 162,256 | 49% |
| China & Hong Kong | 35,580 | 11% | 31,383 | 9% | 26,347 | 8% | 20,137 | 6% |
| Cambodia & Vietnam | 29,540 | 9% | 32,894 | 9% | 27,337 | 8% | 26,449 | 8% |
| Other Countries (Other APAC countries, EU, US) | 48,680 | 14% | 51,688 | 14% | 46,213 | 14% | 46,826 | 14% |
| Total | 337,903 | 100% | 358,076 | 100% | 332,742 | 100% | 328,570 | 100% |

Source: Yeo's financial statements, FPA

Gross profit:

Gross profit fell by 13.7% from S\$54.1 million in H1 FY2024 to S\$46.7 million in H1 FY2025 as shown in **Exhibit 15**.

Gross profit margin fell by 1.3% from 32.7% in H1 FY2024 to 31.4% in H1 FY2025.

Exhibit 15: Gross profit (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|---------------------|---------------------------|---------------------------|------------------------|-----------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Revenue | 165,335 | 148,608 | (16,727) | (10.12%) |
| Cost of goods sold | (111,242) | (101,952) | 9,290 | (8.35%) |
| Gross profit | 54,093 | 46,656 | (7,437) | (13.75%) |
| Gross margin | 32.72% | 31.40% | - | - |

Source: Yeo's financial statements, FPA

Looking across FY2021 to FY2024, we observe that gross margin has improved. From 29.7% in FY2021 to 33.2% in FY2024 as shown in **Exhibit 16**. Yeo's noted that this improvement was attributed to cost optimisation efforts.

Exhibit 16: Gross profit (FY2021 to FY2024)

| S\$'000 | Actual | | | |
|---------------------|----------------|----------------|----------------|----------------|
| | FY2021 | FY2022 | FY2023 | FY2024 |
| Revenue | 337,903 | 358,076 | 332,742 | 328,570 |
| Cost of goods sold | (237,544) | (250,671) | (224,741) | (219,570) |
| Gross profit | 100,359 | 107,405 | 108,001 | 109,000 |
| Gross margin | 29.70% | 30.00% | 32.46% | 33.17% |

Source: Yeo's financial statements, FPA

Operating expenses:

Total operating expenses fell by 0.7% from S\$59.0 million in H1 FY2024 to S\$58.6 million in H1 FY2025 as shown in **Exhibit 17**.

Operating loss rose from S\$4.9 million in H1 FY2024 to S\$11.9 million in H1 FY2025. Operating margin fell by 5.0% from negative 3.0% to negative 8.0%.

Exhibit 17: Operating income/(loss) (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|--------------------------------|---------------------------|---------------------------|------------------------|-----------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Gross profit | 54,093 | 46,656 | (7,437) | (13.75%) |
| Operating expenses: | | | | |
| Marketing & distribution | (41,597) | (39,695) | 1,902 | (4.57%) |
| Administrative | (17,107) | (18,610) | (1,503) | 8.79% |
| Finance | (260) | (256) | 4 | (1.54%) |
| Total operating expenses | (58,964) | (58,561) | 403 | (0.68%) |
| Operating income/(loss) | (4,871) | (11,905) | (7,034) | 144.41% |
| Operating margin | (2.95%) | (8.01%) | - | - |

Source: Yeo's financial statements, FPA

The company has been operating at a loss from FY2021 to FY2024 as seen in **Exhibit 18**. In FY2022, operating margin improved to -2.5%, driven primarily by reduced marketing and distribution costs.

From FY2021 to FY2024 we see that there is an improvement of operating margin from -3.96% in FY2021 to -3.29% in FY2024.

Exhibit 18: Operating income/(loss) (FY2021 to FY2024)

| S\$'000 | Actual | | | |
|--------------------------------|-----------------|----------------|-----------------|-----------------|
| | FY2021 | FY2022 | FY2023 | FY2024 |
| Gross profit | 100,359 | 107,405 | 108,001 | 109,000 |
| Operating expenses: | | | | |
| Marketing & distribution | (80,726) | (80,201) | (81,231) | (82,319) |
| Administrative | (32,520) | (35,550) | (38,331) | (36,733) |
| Finance | (503) | (589) | (766) | (761) |
| Total operating expenses | (113,749) | (116,340) | (120,328) | (119,813) |
| Operating income/(loss) | (13,390) | (8,935) | (12,327) | (10,813) |
| Operating margin | (3.96%) | (2.50%) | (3.70%) | (3.29%) |

Source: Yeo's financial statements, FPA

Other income, other gains and losses, joint ventures:

Other income fell by 21.2% from S\$9.3 million in H1 FY2024 to S\$7.3 million in H1 FY2025 as shown in **Exhibit 19**. The decline was caused by lower interest income and rental & utilities income.

Other gains rose by 472.4% from S\$1.5 million in H1 FY2024 to S\$8.7 million in H1 FY2025. This gain was largely driven by fair value increases in investment properties and asset sales.

Other losses rose by 12.8% from S\$1.4 million in H1 FY2024 to S\$1.5 million in H1 FY2025.

There was no recorded profit or loss from any associated companies and joint ventures in H1 FY2025. On 7th August 2025, Yeo's announced the liquidation of Healthy Yum Beverage Sdn Bhd (Healthy Yum). This company was a joint venture in Malaysia held by Yeo Hiap Seng (Perak) Sdn Bhd (50%) and Huiyuan Asia Pacific Pte Ltd (50%). Healthy Yum has ceased operations in FY2019 and has remained dormant since.

Exhibit 19: Other income, other gains and other losses, joint ventures (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|--|---------------------------|---------------------------|------------------------|---------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Other income | 9,296 | 7,324 | (1,972) | (21.21%) |
| Other gains | 1,526 | 8,734 | 7,208 | 472.35% |
| Other losses | (1,370) | (1,545) | (175) | 12.77% |
| Share of (loss)/profit of associated companies and a joint venture | 158 | 0 | (158) | NM |

NM: Not meaningful

Source: Yeo's financial statements, FPA

We zoom in to FY2023 and FY2024 to ascertain the components that make up other income, other gains and other losses. This is shown in **Exhibit 20**.

Other income fell by 2.1% from S\$19.2 million in FY2023 to S\$18.8 million in FY2024 as shown in **Exhibit 20**. Yeo's has mentioned that this fall was primarily driven by lower rental income and utilities charges.

Other gains rose by 91.8% from S\$8.1 million in FY2023 to S\$15.5 million in FY2024, mainly due to compensation from the Oatly exit. Swedish drink company Oatly announced on 18 December 2024 that it will close its Singapore plant after three years in operation. The closure of the plant was to improve the company's future cost structure and reduce future capital expenditure needs, as announced by Oatly.

Other losses rose by 216.8% from S\$2.9 million in FY2023 to S\$9.2 million in FY2024, mainly due to impairment loss. Yeo's recognised impairment losses on property, plant and equipment and intangible assets amounting to S\$2.8 million in China and Singapore. The loss was due to a challenging operating environment, as noted by Yeo's. The impairment loss on investment in an associated company amounting to S\$2.5 million was also recorded. The reason for this loss was due to the poor profitability of the company.

Exhibit 20: Other income, other gains and other losses, joint ventures (FY2023 vs FY2024)

| S\$'000 | Actual | |
|---|----------------|----------------|
| | FY2023 | FY2024 |
| Other income | | |
| Interest income | 9,673 | 9,952 |
| Rental income | 9,032 | 8,008 |
| Dividend income | 507 | 853 |
| | 19,212 | 18,813 |
| Other gains | | |
| Fair value gains on investment properties - net | 2,717 | 0 |
| Reversal of impairment losses on property, plant and equipment | 192 | 0 |
| Compensation from a customer for order obligation | 4,754 | 4,920 |
| Compensation from a customer for early contract exit | 0 | 10,065 |
| Other miscellaneous income | 398 | 478 |
| | 8,061 | 15,463 |
| Other losses | | |
| Fair value losses on financial assets designated as FVPL at initial recognition | (1,658) | (1,095) |
| Fair value losses on investment properties - net | 0 | (467) |
| Impairment losses on property, plant and equipment | 0 | (2,197) |
| Impairment losses on intangible assets | 0 | (627) |
| Losses on disposal and write-off of property, plant and equipment - net | (1,258) | (1,294) |
| Currency translation losses - net | (1) | (1,068) |
| Loss on liquidation of a subsidiary | (1) | 0 |
| Impairment loss on investment in an associated company | 0 | (2,496) |
| | (2,918) | (9,244) |

Source: Yeo's financial statements, FPA

Profit before tax:

Profit before tax fell by 45.0% from S\$4.7 million in H1 FY2024 to S\$2.6 million in H1 FY2025 as shown in **Exhibit 21**.

Exhibit 21: Profit before tax (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|---|---------------------------|---------------------------|------------------------|-----------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Operating income/(loss) | (4,871) | (11,905) | (7,034) | 144.41% |
| Other income | 9,296 | 7,324 | (1,972) | (21.21%) |
| Other gains | 1,526 | 8,734 | 7,208 | 472.35% |
| Other losses | (1,370) | (1,545) | (175) | 12.77% |
| Share of (loss)/profit of associated companies and a joint venture | 158 | 0 | (158) | NM |
| Profit/(loss) before tax | 4,739 | 2,608 | (2,131) | (44.97%) |

NM: Not meaningful

Source: Yeo's financial statements, FPA

Income tax expense:

Yeo's taxable income is calculated by adding back losses from associated companies and joint ventures, or by deducting profits from them as shown in **Exhibit 22**. This adjustment is made because the income from these entities has already been taxed at their level. Therefore, for tax purposes, losses are added back, and profits are deducted.

Income tax expense fell by 32.5% from S\$1.5 million in H1 FY2024 to S\$1.0 million in H1 FY2025. The decline in tax expense was mainly attributed to lower operating profit in certain subsidiaries.

Comparing across H1 FY2023 to H1 FY2025, effective tax rate fell from 52.9% in H1 FY2023 to 39.4% in H1 FY2025. By observation, lesser taxable income results in lower effective tax rates.

Exhibit 22: Income tax expense (H1 FY2023 to H1 FY2025)

| S\$'000 | Actual | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | H1 2023 | H2 2023 | H1 2024 | H2 2024 | H1 2025 |
| Profit/(loss) before tax | 6,861 | 5,505 | 4,739 | 8,788 | 2,608 |
| Add: Share of loss/(profit) of associated companies and a joint venture | (214) | (124) | (158) | 850 | 0 |
| Taxable income | 6,647 | 5,381 | 4,581 | 9,638 | 2,608 |
| Income tax expense | (3,516) | (2,143) | (1,522) | (5,125) | (1,028) |
| Divided by: Taxable income | 6,647 | 5,381 | 4,581 | 9,638 | 2,608 |
| Effective tax rate (%) | 52.90% | 39.83% | 33.22% | 53.17% | 39.42% |

Source: Yeo's financial statements, FPA

Net profit:

Net profit after tax fell by 50.9% from S\$3.2 million in H1 FY2024 to S\$1.6 million in H1 FY2025 as shown in **Exhibit 23**.

Exhibit 23: Net profit (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|--------------------------|---------------------------|---------------------------|------------------------|-----------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Profit before tax | 4,739 | 2,608 | (2,131) | (44.97%) |
| Income tax expense | (1,522) | (1,028) | 494 | (32.46%) |
| Net profit/(loss) | 3,217 | 1,580 | (1,637) | (50.89%) |

Source: Yeo's financial statements, FPA

Earnings per share (“EPS”):

Basic and diluted EPS fell by 51.9% from 0.52 cents in H1 FY2024 to 0.25 cents in H1 FY2025 as shown in **Exhibit 24**.

Exhibit 24: EPS (H1 FY2024 vs H1 FY2025)

| S\$ cents | Actual | | H1 FY2024 vs H1 FY2025 | |
|-------------|---------------------------|---------------------------|------------------------|---------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Basic EPS | 0.52 | 0.25 | (0.27) | (51.92%) |
| Diluted EPS | 0.52 | 0.25 | (0.27) | (51.92%) |

Source: Yeo's financial statements, FPA

Dividend per share (“DPS”):

Yeo's maintained DPS of 2.0 cents from FY2021 to FY2024 as shown in **Exhibit 25**.

Exhibit 25: DPS (FY2021 to FY2024)

| S\$ cents | Actual | | | |
|--------------------|--------|--------|--------|--------|
| | FY2021 | FY2022 | FY2023 | FY2024 |
| Dividend per share | 2.00 | 2.00 | 2.00 | 2.00 |

Source: Yeo's financial statements, FPA

Yeo's financial performance for H1 FY2024 and H1 FY2025 is summarised in **Exhibit 26**.

Exhibit 26: Financial performance (H1 FY2024 vs H1 FY2025)

| S\$'000 | Actual | | H1 FY2024 vs H1 FY2025 | |
|--|---------------------------|---------------------------|------------------------|-----------------|
| | H1 2024 (ended 30 Jun) | H1 2025 (ended 30 Jun) | Absolute Change | Change (%) |
| Revenue | 165,335 | 148,608 | (16,727) | (10.12%) |
| Cost of goods sold | (111,242) | (101,952) | 9,290 | (8.35%) |
| Gross profit | 54,093 | 46,656 | (7,437) | (13.75%) |
| Marketing & distribution | (41,597) | (39,695) | 1,902 | (4.57%) |
| Administrative | (17,107) | (18,610) | (1,503) | 8.79% |
| Finance | (260) | (256) | 4 | (1.54%) |
| Operating income/(loss) | (4,871) | (11,905) | (7,034) | 144.41% |
| Other income | 9,296 | 7,324 | (1,972) | (21.21%) |
| Other gains | 1,526 | 8,734 | 7,208 | 472.35% |
| Other losses | (1,370) | (1,545) | (175) | 12.77% |
| Share of (loss)/profit of associated companies and a joint venture | 158 | 0 | (158) | - |
| Profit before tax | 4,739 | 2,608 | (2,131) | (44.97%) |
| Income tax expense | (1,522) | (1,028) | 494 | (32.46%) |
| Net profit | 3,217 | 1,580 | (1,637) | (50.89%) |
| Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000) | 618,940 | 624,593 | - | - |
| Basic EPS (Cents) | 0.52 | 0.25 | (0.27) | (51.92%) |
| Diluted EPS (Cents) | 0.52 | 0.25 | (0.27) | (51.92%) |

Source: Yeo's financial statements, FPA

FINANCIAL PROJECTIONS

(I) REVENUE PROJECTION

Since Yeo's is an F&B company, we recognise that Yeo's revenue is heavily tied to consumption. As such we based our projections on GDP growth, our rationale being that as GDP rises, consumers have more purchasing power to buy their products.

To project the revenue growth of Yeo's for FY2025 and FY2026, we conducted a sum of the parts analysis by breaking Yeo's revenue into its geographic segments. From there we estimated the GDP growth for each segment and added it all up to calculate the forecasted total revenue.

For H1 FY2025 results, the geographic segments were split into these five segments as shown in **Exhibit 27**. As such we projected the revenues based on the most recent data.

Exhibit 27: Revenue breakdown based on geographical segment (H1 FY2025)

| S\$'000 | Actual |
|-----------------------|----------------|
| | H1 FY2025 |
| Singapore | 27,702 |
| Malaysia & Brunei | 80,045 |
| Other ASEAN Countries | 18,772 |
| Greater China | 9,096 |
| Rest of the world | 12,993 |
| Total | 148,608 |

Source: Yeo's financial statements, FPA

Our GDP growth projections are based on the International Monetary Fund's (IMF) forecast. In July 2025, the IMF released its World Economic Outlook update where it forecasted the GDP growth for each country as shown in **Exhibit 28**.

World GDP growth for 2025 was previously projected at 2.80% but has since been revised upwards to 3.00%

According to the IMF, the upgrade reflects several factors:

- Stronger-than-expected front-loading in anticipation of higher tariffs
- Lower average effective US tariff rates than announced in April
- Improvement in financial conditions, including due to a weaker US dollar
- Fiscal expansion in some major countries.

Exhibit 28: IMF GDP forecast for FY2025 and FY2026 (July Update)

| Country | 2025 | 2026 |
|--------------------|-------|-------|
| Singapore | 2.00% | 1.90% |
| Malaysia | 4.50% | 4.00% |
| Brunei | 2.50% | 2.60% |
| China | 4.80% | 4.20% |
| Hong Kong | 1.50% | 1.90% |
| ASEAN ¹ | 4.10% | 4.10% |
| World | 3.00% | 3.10% |

⁽¹⁾ Indonesia, Malaysia, Philippines, Singapore, Thailand. ASEAN = Association of Southeast Asian Nations

Source: International Monetary Fund, FPA

For Yeo's revenue projections we decided to use the forecasts from **Exhibit 28**.

In the H1 FY2025 results, Yeo's divides its geographic segments into:

- Singapore
- Malaysia & Brunei
- Other ASEAN countries
- Greater China
- Rest of the world

We forecasted growth based on the International Monetary Fund's (IMF) projections, dividing the annual forecast by two to estimate semi-annual growth for H2 FY2025. For the "Rest of the World" segment, we used the IMF's estimate of world GDP growth. We recognise that the IMF's definition of ASEAN does not include all ASEAN member countries, nevertheless we adopted this projection as a proxy.

Our projections are shown in **Exhibit 29**.

For H2 FY2025, the projected revenue will be S\$151.5 million. Total revenue for FY2025 is projected to be S\$300.1 million – representing a fall of 8.67% y-o-y. For FY2026, the projected revenue will be S\$310.7 million – representing a 3.55% y-o-y growth.

Exhibit 29: Forecasted revenue for FY2025 and FY2026

| S\$'000 | Actual | Forecast | | | | |
|--------------------------------|----------------|-----------------------|----------------|----------------|--------------|----------------|
| | H1 FY2025 | Semiannual Growth (%) | H2 FY2025 | FY2025 | Growth (%) | FY2026 |
| Singapore | 27,702 | 1.00% | 27,979 | 55,681 | 1.90% | 56,739 |
| Malaysia & Brunei ¹ | 80,045 | 2.24% | 81,835 | 161,880 | 3.98% | 168,323 |
| Other ASEAN Countries | 18,772 | 2.05% | 19,157 | 37,929 | 4.10% | 39,484 |
| Greater China | 9,096 | 2.40% | 9,314 | 18,410 | 4.20% | 19,184 |
| Rest of the world | 12,993 | 1.50% | 13,188 | 26,181 | 3.10% | 26,993 |
| Total | 148,608 | 1.93% | 151,473 | 300,081 | 3.55% | 310,722 |

⁽¹⁾ Weighted average growth rate was used for Malaysia & Brunei, using the countries populations as weights.

Source: Yeo's financial statements, International Monetary Fund, FPA

(II) GROSS PROFIT PROJECTION

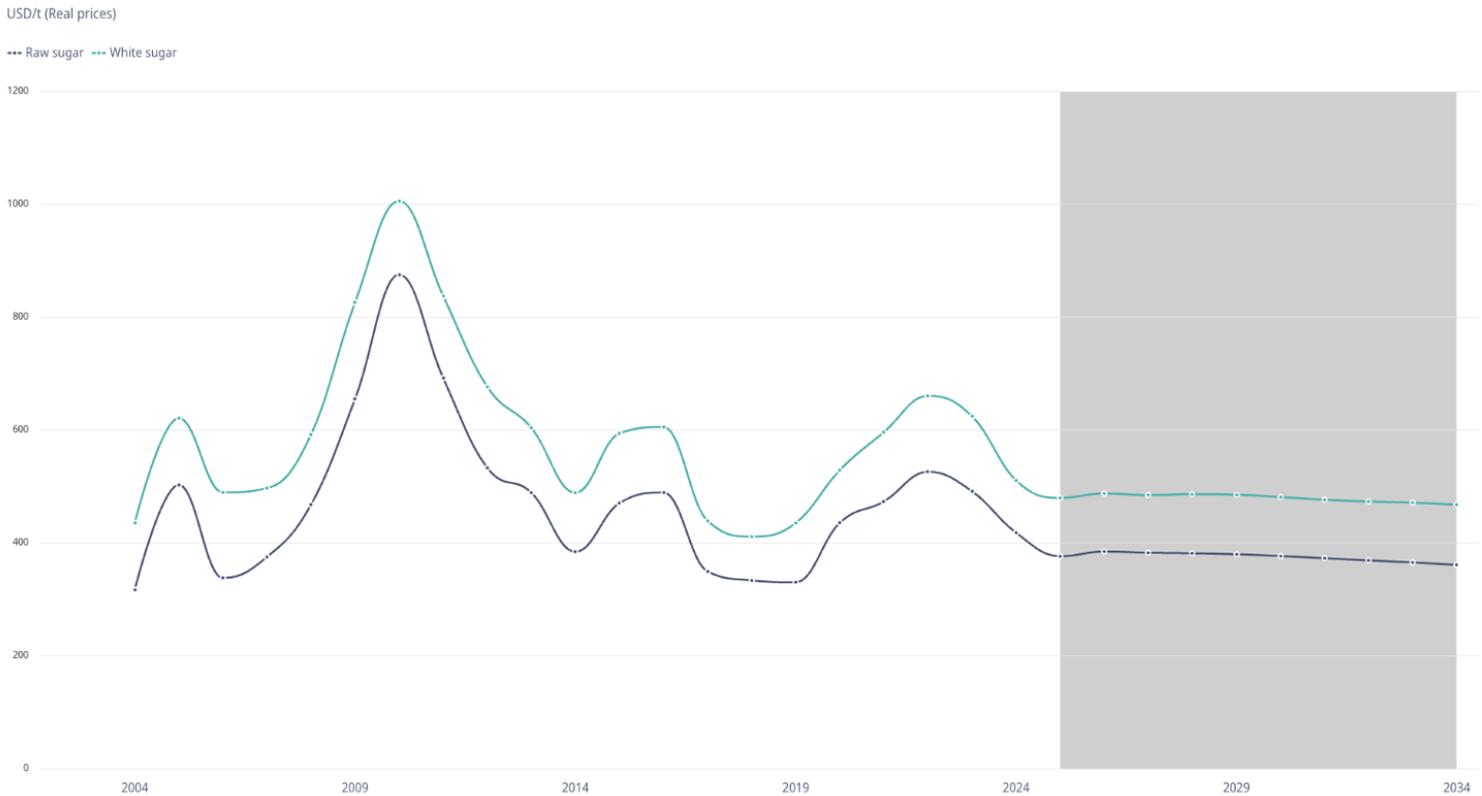
According to an article by Yahoo Finance, the outlook for higher sugar production in Brazil is bearish for sugar prices. DATAGRO¹ reported that the dry weather in Brazil has encouraged the country’s sugar mills to increase their output of sugar, exerting downward pressure on price. It is not just Brazil, other major sugar producers like Thailand and India are also forecasting a drop in sugar prices, as reported by the same article.

OECD states that international sugar prices are projected to decline, driven by sustained productivity gains. This is shown in **Exhibit 30**.

According to the graph, the price of sugar for 2025 is US\$376.20 per ton, representing a 10.0% decline y-on-y. In 2026, the price of sugar is projected to be US\$384.59, representing a 2.2% rise y-o-y.

We used these projections to estimate our cost of goods sold.

Exhibit 30: Evolution of world sugar prices



Source: OECD

¹ DATAGRO is an independent agricultural consulting company that performs analysis and produces primary data about the main agricultural commodities. It was founded in 1984.

Based on the projections, we forecasted the cost of goods sold for H2 FY2025 and FY2026 as shown in **Exhibit 31**. We used a 5.0% decline from H1 FY2025 to H2 FY2025 to represent the semi-annual decline (annual decline for FY2025: 10.0%), and 2.2% growth from FY2025 to FY2026.

Exhibit 31: Forecasted cost of goods sold for FY2025 and FY2026

| S\$'000 | Actual | Forecast | | |
|--------------------|-----------|-----------|-----------|-----------|
| | H1 FY2025 | H2 FY2025 | FY2025 | FY2026 |
| Cost of goods sold | (101,952) | (96,872) | (198,824) | (203,258) |
| Growth | | (4.98%) | (9.45%) | 2.23% |

Source: Yeo's financial statements, FPA

Based on the calculations, gross profit will be S\$101.3 million for FY2025 and S\$107.5 million for FY2026 as shown in **Exhibit 32**. Gross margin is forecasted to improve to 33.7% in FY2025 and 34.6% in FY2026.

Exhibit 32: Forecasted gross profit for FY2025 and FY2026

| S\$'000 | Actual | Forecast | | |
|---------------------|---------------|---------------|----------------|----------------|
| | H1 FY2025 | H2 FY2025 | FY2025 | FY2026 |
| Revenue | 148,608 | 151,473 | 300,081 | 310,722 |
| Cost of goods sold | (101,952) | (96,872) | (198,824) | (203,258) |
| % of revenue | (68.60%) | (63.95%) | (66.26%) | (65.41%) |
| Gross profit | 46,656 | 54,601 | 101,257 | 107,464 |
| Gross margin | 31.40% | 36.05% | 33.74% | 34.59% |

Source: Yeo's financial statements, FPA

(III) EARNINGS PROJECTION**Operating expenses:**

Seasonality was observed for marketing and distribution expenses, with H1 being higher than H2. Hence, we calculated the proportion of H2 expenses against H1 and used the same proportion to forecast H2 FY2025 expenses as shown in **Exhibit 33**. Marketing and distribution expenses for H2 FY2025 is projected to be S\$36.7 million.

Exhibit 33: Forecasted marketing and distribution expenses for H2 FY2025

| S\$'000 | Actual | | | | | | | | | | Forecast | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | H1 FY2021 | H2 FY2021 | H1 FY2022 | H2 FY2022 | H1 FY2023 | H2 FY2023 | H1 FY2024 | H2 FY2024 | H1 FY2025 | H2 FY2025 | H1 FY2025 | H2 FY2025 |
| Marketing & distribution | (42,351) | (38,375) | (41,999) | (38,202) | (42,636) | (38,595) | (41,597) | (40,722) | (39,695) | (36,717) | (39,695) | (36,717) |
| <i>Proportion of H2 against H1</i> | | 90.61% | | 90.96% | | 90.52% | | 97.90% | | 92.50% | | 92.50% |

Source: Yeo's financial statements, FPA

For administrative expenses we forecasted H2 FY2025 using percentage of revenue, taking the average from all the previous half-year results as shown in **Exhibit 34**. Administrative expenses for H2 FY2025 is projected to be S\$16.4 million.

Exhibit 34: Forecasted administrative expenses for H2 FY2025

| S\$'000 | Actual | | | | | | | | | | Forecast | |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | H1 FY2021 | H2 FY2021 | H1 FY2022 | H2 FY2022 | H1 FY2023 | H2 FY2023 | H1 FY2024 | H2 FY2024 | H1 FY2025 | H2 FY2025 | H1 FY2025 | H2 FY2025 |
| Administrative | (15,734) | (16,786) | (16,557) | (18,993) | (19,970) | (18,361) | (17,107) | (19,626) | (18,610) | (16,351) | (18,610) | (16,351) |
| <i>% of revenue</i> | -9.29% | -9.96% | -9.14% | -10.74% | -11.03% | -12.11% | -10.35% | -12.02% | -12.52% | -10.79% | -12.52% | -10.79% |

Source: Yeo's financial statements, FPA

For finance expenses we forecasted H2 FY2025 using percentage of revenue, taking the average from all the previous half-year results as shown in **Exhibit 35**. Finance expenses for H2 FY2025 is projected to be S\$0.3 million.

Exhibit 35: Forecasted finance expenses for H2 FY2025

| S\$'000 | Actual | | | | | | | | | | Forecast | |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | H1 FY2021 | H2 FY2021 | H1 FY2022 | H2 FY2022 | H1 FY2023 | H2 FY2023 | H1 FY2024 | H2 FY2024 | H1 FY2025 | H2 FY2025 | H1 FY2025 | H2 FY2025 |
| Finance | (265) | (238) | (228) | (361) | (387) | (379) | (260) | (501) | (256) | (291) | (256) | (291) |
| <i>% of revenue</i> | (0.16%) | (0.14%) | (0.13%) | (0.20%) | (0.21%) | (0.25%) | (0.16%) | (0.31%) | (0.17%) | (0.19%) | (0.17%) | (0.19%) |

Source: Yeo's financial statements, FPA

Using the forecasted H2 FY2025 operating expenses, we added H1 FY2025 numbers to forecast the FY2025 results as shown in **Exhibit 36**. Then we used FY2025 proportions to forecast the operating expenses for FY2026, assuming proportions to be the same. Total operating expenses will then be S\$111.9 million for FY2025 and S\$115.9 million for FY2026 as shown in.

Exhibit 36: Forecasted operating expenses for FY2025 and FY2026

| Operating expenses S\$'000 | Actual | | Forecast | |
|-------------------------------|-----------------|-----------------|------------------|------------------|
| | H1 FY2025 | H2 FY2025 | FY2025 | FY2026 |
| Marketing & distribution | (39,695) | (36,717) | (76,412) | (79,122) |
| <i>% of revenue</i> | (26.71%) | (24.24%) | (25.46%) | (25.46%) |
| Administrative | (18,610) | (16,351) | (34,961) | (36,201) |
| <i>% of revenue</i> | (12.52%) | (10.79%) | (11.65%) | (11.65%) |
| Finance | (256) | (291) | (547) | (566) |
| <i>% of revenue</i> | (0.17%) | (0.19%) | (0.18%) | (0.18%) |
| Total | (58,561) | (53,359) | (111,920) | (115,889) |

Source: Yeo's financial statements, FPA

Operating income/(loss):

Using the forecasted gross profit and forecasted operating expenses, we project the forecasted operating loss to be -\$10.7 million for FY2025 and -\$8.4 million for FY2026 as shown in **Exhibit 37**.

Exhibit 37: Forecasted operating profit/(loss) for FY2025 and FY2026

| S\$'000 | Actual | Forecast | | |
|--------------------------------|-----------------|--------------|-----------------|----------------|
| | H1 FY2025 | H2 FY2025 | FY2025 | FY2026 |
| Gross profit | 46,656 | 54,601 | 101,257 | 107,464 |
| Marketing & distribution | (39,695) | (36,717) | (76,412) | (79,122) |
| Administrative | (18,610) | (16,351) | (34,961) | (36,201) |
| Finance | (256) | (291) | (547) | (566) |
| Operating income/(loss) | (11,905) | 1,242 | (10,663) | (8,424) |

Source: Yeo's financial statements, FPA

Profit/(loss) before tax:

“Other income” comprises of interest income, rental income and dividend income. To project “Other income” we needed to observe trends in interest rates.

Interest income has historically tracked movements in the US Federal Funds Rate, rising in FY2022 to FY2023 alongside rate hikes and declining in FY2024 as rates plateaued. For FY2025 and FY2026, we forecast interest income based on expected movements in the Fed Funds Rate, given its close historical correlation with Yeo’s interest earnings.

According to Goldman Sachs Research, three rate cuts are expected in September, October and December 2025, followed by two more in March and June 2026. We expect these cuts to result in lower interest income in both FY2025 and FY2026.

Using the effective federal funds rate, we estimate the potential declines in interest income if the cuts materialise as projected:

- FY2025: $0.75\%/4.33\% = 17.31\%$
- FY2026: $0.50\%/3.63\% = 12.77\%$

We forecast interest income to fall to S\$8.2 million in FY2025 and S\$7.2 million in FY2026 as shown in **Exhibit 38**. Rental income and dividend income are assumed to remain unchanged from FY2024 levels.

Exhibit 38: Forecasted Other income for FY2025 and FY2026

| S\$'000 | Actual | | | Forecast | |
|-----------------|---------------|---------------|---------------|---------------|---------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| Other income | | | | | |
| Interest income | 3,284 | 9,673 | 9,952 | 8,229 | 7,178 |
| Rental income | 9,108 | 9,032 | 8,008 | 8,008 | 8,008 |
| Dividend income | 449 | 507 | 853 | 853 | 853 |
| | 12,841 | 19,212 | 18,813 | 17,090 | 16,039 |

Source: Yeo’s financial statements, FPA

For “Other gains”, “Other losses” we analysed FY2022 to FY2024 numbers to identify any recurring elements as shown in **Exhibit 39**.

We identified one recurring income source, which is other miscellaneous income. We used the average of the most recent two years to forecast FY2025 and assumed the same for FY2026.

For H1 FY2025, there was a fair value gain on investment properties which amounted to S\$6.0 million. This gain could be attributed to interest rate cuts in December 2024. Considering potential future interest rate cuts in FY2025 and FY2026, we forecast a rise in fair value gain on investment properties for H2 FY2025. We assume another S\$1.5 million gain in H2 FY2025, which results in a S\$7.5 million gain in FY2025. We project it to also taper down in FY2026 due to slowing of interest rate cuts.

We also forecast a S\$0.6 million gain in compensation for early contract exit for FY2025, this was noted by Yeo’s. This compensation is due to the early exit of Oatly, Yeo’s estimated S\$10.0 million in FY2024 and S\$0.6 million in FY2025.

Other numbers were added in from H1 FY2025 results.

As a result, we project Other gains to be S\$11.2 million for FY2025 and S\$6.4 million for FY2026. For Other losses, we project S\$1.5 million for FY2025 and none for FY2026.

Exhibit 39: Forecasted Other gains and Other losses for FY2025 and FY2026

| S\$'000 | Actual | | | Forecast | |
|---|--------------|----------------|----------------|----------------|--------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| Other gains | | | | | |
| Fair value gains on investment properties - net | 131 | 2,717 | - | 7,469 | 5,975 |
| Gain on disposal and write-off of property, plant and equipment - net | 35 | - | - | 2,643 | - |
| Reversal of impairment losses on property, plant and equipment | - | 192 | - | - | - |
| Compensation from a customer for order obligation | 2,500 | 4,754 | 4,920 | - | - |
| Compensation from a customer for early contract exit | - | - | 10,065 | 600 | - |
| Other miscellaneous income | 157 | 398 | 478 | 438 | 438 |
| | 2,823 | 8,061 | 15,463 | 11,150 | 6,413 |
| Other losses | | | | | |
| Fair value losses on financial assets designated as FVPL at initial recognition | (115) | (1,658) | (1,095) | (86) | - |
| Fair value losses on investment properties - net | - | - | (467) | - | - |
| Impairment losses on property, plant and equipment | - | - | (2,197) | - | - |
| Impairment losses on intangible assets | - | - | (627) | - | - |
| Losses on disposal and write-off of property, plant and equipment - net | - | (1,258) | (1,294) | - | - |
| Currency translation losses - net | (543) | (1) | (1,068) | (1,459) | - |
| Loss on liquidation of a subsidiary | - | (1) | - | - | - |
| Impairment loss on investment in an associated company | - | - | (2,496) | - | - |
| | (658) | (2,918) | (9,244) | (1,545) | 0 |

Source: Yeo’s financial statements, FPA

Associated companies and a joint venture are assumed to be 0 for FY2025 and FY2026 as shown in **Exhibit 40**.

The profit before tax for is projected to be S\$16.0 million for FY2025 and S\$14.0 million for FY2026 as shown in **Exhibit 40**.

Exhibit 40: Forecasted Profit/(Loss) before tax for FY2025 and FY2026

| S\$'000 | Actual | | | Forecast | |
|--|--------------|---------------|---------------|---------------|---------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| Operating income/(loss) | (8,935) | (12,327) | (10,813) | (10,663) | (8,424) |
| Other income | 12,841 | 19,212 | 18,813 | 17,090 | 16,039 |
| Other gains | 2,823 | 8,061 | 15,463 | 11,150 | 6,413 |
| Other losses | (658) | (2,918) | (9,244) | (1,545) | 0 |
| Share of (loss)/profit of associated companies and a joint venture | 203 | 338 | (692) | 0 | 0 |
| Profit/(loss) before tax | 6,274 | 12,366 | 13,527 | 16,032 | 14,028 |

Source: Yeo's financial statements, FPA

Net profit/(loss):

Because of Yeo's global nature, we needed to find the effective tax rate to forecast interest expenses. We averaged the effective tax rate from the recent two years to project an effective tax rate of 46.9% for FY2025 and FY2026 as shown in **Exhibit 41**.

Exhibit 41: Forecasted Tax Expense for FY2025 and FY2026

| S\$'000 | Actual | | | Forecast | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| Profit/(loss) before tax | 6,274 | 12,366 | 13,527 | 16,032 | 14,028 |
| Add: Share of loss/(profit) of associated companies and a joint venture | (203) | (338) | 692 | 0 | 0 |
| Taxable income | 6,071 | 12,028 | 14,219 | 16,032 | 14,028 |
| Income tax expense | (3,886) | (5,659) | (6,647) | (7,519) | (6,579) |
| Divided by: Taxable income | 6,071 | 12,028 | 14,219 | 16,032 | 14,028 |
| Effective tax rate (%) | (64.01%) | (47.05%) | (46.75%) | (46.90%) | (46.90%) |

Source: Yeo's financial statements, FPA

Yeo's forecasted net profit is S\$8.5 million for FY2025 and S\$7.4 million for FY2026 as shown in **Exhibit 42**.

Exhibit 42: Forecasted Net Profit/(Loss) for FY2025 and FY2026

| S\$'000 | Actual | | | Forecast | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| Profit/(loss) before tax | 6,274 | 12,366 | 13,527 | 16,032 | 14,028 |
| Income tax expense | (3,886) | (5,659) | (6,647) | (7,519) | (6,579) |
| Net profit/(loss) | 2,388 | 6,707 | 6,880 | 8,513 | 7,449 |

Source: Yeo's financial statements, FPA

Earnings per share (“EPS”):

We assume that the weighted number of shares in issue (basic & diluted) in FY2025 and FY2026 will be the same as FY2024. Thus, we project that EPS (basic & diluted in cents) will be 1.36 cents for FY2025 and 1.19 cents for FY2026 as shown in **Exhibit 43**.

Dividend per share (“DPS”):

Observing historical trends, Yeo’s has been declaring a dividend of 2.0 cents per share. We assume that the firm will continue to issue 2.0 cents per share for FY2025 and FY2026 as shown in **Exhibit 43**.

Our projections are summarised in **Exhibit 43**.

Exhibit 43: Forecasted Financial Performance for FY2025 and FY2026

| S\$'000 | Actual | | | Forecast | |
|--|----------------|-----------------|-----------------|-----------------|----------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
| Revenue | 358,076 | 332,742 | 328,570 | 300,081 | 310,722 |
| Cost of goods sold | (250,671) | (224,741) | (219,570) | (198,824) | (203,258) |
| Gross profit | 107,405 | 108,001 | 109,000 | 101,257 | 107,464 |
| Marketing & distribution | (80,201) | (81,231) | (82,319) | (76,412) | (79,122) |
| Administrative | (35,550) | (38,331) | (36,733) | (34,961) | (36,201) |
| Finance | (589) | (766) | (761) | (547) | (566) |
| Operating income/(loss) | (8,935) | (12,327) | (10,813) | (10,663) | (8,424) |
| Other income | 12,841 | 19,212 | 18,813 | 17,090 | 16,039 |
| Other gains | 2,823 | 8,061 | 15,463 | 11,150 | 6,413 |
| Other losses | (658) | (2,918) | (9,244) | (1,545) | 0 |
| Share of (loss)/profit of associated companies and a joint venture | 203 | 338 | (692) | 0 | 0 |
| Profit before tax | 6,274 | 12,366 | 13,527 | 16,032 | 14,028 |
| Income tax expense | (3,886) | (5,659) | (6,647) | (7,519) | (6,579) |
| Net profit | 2,388 | 6,707 | 6,880 | 8,513 | 7,449 |
| Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000) | 595,338 | 609,509 | 621,697 | 624,593 | 624,593 |
| Basic EPS (Cents) | 0.40 | 1.10 | 1.11 | 1.36 | 1.19 |
| Diluted EPS (Cents) | 0.40 | 1.10 | 1.11 | 1.36 | 1.19 |
| Dividend per share (Cents) | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |

Source: Yeo’s financial statements, FPA

VALUATION ANALYSIS

(I) PEER COMPARISON ANALYSIS

We formed a peer comparison analysis to review how Yeo's fares against industry peers in terms of current valuation metrics. We selected peers that fall within the consumer defensive industry. Then, we compared Yeo's against its peers in terms of P/E multiple, P/B multiple and dividend yield.

Below, we listed the selected peer companies to compare with Yeo's (along with a brief description of each company):

i. Fraser and Neave, Limited

Fraser & Neave Limited (F&N) was established in Singapore in 1883 as a partnership under the name The Singapore and Straits Aerated Water Co. In 1898, it was incorporated as a limited company under its present name. Today it ranks among Southeast Asia's leading companies and its core businesses are the production and sale of soft drinks, beer & stout, dairy products; property investment and developing and publishing and printing.

ii. Vitasoy International Holdings Limited

Vitasoy International Holdings Limited, an investment holding company, manufactures and sells F&B products in Mainland China, Hong Kong, Australia, New Zealand, and Singapore. The company offers soya milk and other plant milk products, almonds, oats, soybeans, tea, water, juice, tofu, etc. It operates tuck shops and catering businesses; distributes beverages; and exports soya-related products, as well as invests in properties. It sells its products through distributors and retailers. Vitasoy International Holdings Limited was incorporated in 1940 and is headquartered in Tuen Mun, Hong Kong.

iii. Food Empire

Since the early 90's, Food Empire has been an F&B company that manufactures and markets primarily instant beverage products under its portfolio, such as regular and flavoured coffee mixes and cappuccinos, chocolate drinks, flavoured fruit teas, instant cereal mix and frozen convenience foods. It also produces and markets potato crisps. In addition to consumer retail products, Food Empire is also vertically integrated and manufactures raw ingredients like instant coffee and non-dairy creamer under its B2B arm.

iv. QAF

Formerly known as Ben and Company Limited was incorporated in Singapore on 3 March 1958 as a private company. The company was converted into a public company on 30 June 1967. The principal activities of QAF consist of the manufacture and distribution of bread, bakery and confectionery products; operation of supermarkets; cold storage warehousing; trading and distribution in food, beverages, food related ingredients and commodities; production, processing and marketing of pork and feed mill production; and investment holding.

The results of our peer comparison analysis are shown in **Exhibit 44**.

Exhibit 44: Peer Comparison Analysis

| Company | Stock listing | Stock symbol | Share price (as at 15 Aug 2025) (S\$) | Market cap (S\$ million) | EPS (TTM) ⁽¹⁾ (S\$) | P/E (TTM) | DPU (TTM) ⁽²⁾ (S\$) | Dividend yield (%) | NAV per share (S\$) ⁽³⁾ | P/B |
|----------------------------|---------------|--------------|--|-----------------------------|-----------------------------------|---------------|-----------------------------------|-----------------------|---------------------------------------|--------------|
| Yeo Hiap Seng | SGX | Y03 | 0.610 | 386 | 0.0084 | 72.62x | 0.020 | 3.28% | 0.90 | 0.68x |
| Peer companies: | | | | | | | | | | |
| Fraser and Neave | SGX | F99 | 1.410 | 2,039 | 0.1035 | 13.62x | 0.055 | 3.90% | 1.99 | 0.71x |
| Vitasoy ⁽⁴⁾ | HKEX | 0345 | 1.555 | 1,649 | 0.0359 | 43.33x | 0.023 | 1.50% | 0.46 | 3.36x |
| Food Empire ⁽⁵⁾ | SGX | F03 | 2.310 | 1,215 | 0.0700 | 33.00x | 0.080 | 3.46% | 0.75 | 3.06x |
| QAF | SGX | Q01 | 0.865 | 498 | 0.0450 | 19.22x | 0.050 | 5.78% | 0.83 | 1.05x |
| Peer average | | | | | | 27.29x | | 3.66% | | 2.04x |

^{(1)&(2)} Trailing Twelve-Months ("TTM"). ⁽³⁾ Most recent financial statement. ⁽⁴⁾ Converted from Hong Kong Dollars ("HKD") to SGD using HKD to SGD exchange rate of 1:0.1639 as at 15 August 2025 from Yahoo Finance. ⁽⁵⁾ Converted from United States Dollar ("USD") to SGD using USD to SGD exchange rate of 1:1.2820 as at 15 August 2025 from Yahoo Finance

Source: HKSE, SGX, Yahoo Finance, respective companies, FPA

a) P/E multiple

Based on the table in **Exhibit 44**, Yeo's is currently trading at a P/E multiple of 72.62x which is higher than the peer average of 27.29x. This suggests that Yeo's is overvalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.229 if Yeo's is to trade at the peer average multiple of 27.29x as follows:

Estimated target price (P/E multiple) = Peer average P/E × TTM EPS

$$= 27.29 \times \text{S\$}0.0084$$

$$\approx \text{S\$}0.229$$

The estimated target price of S\$0.229 represents a downside potential of 62.42% from the current share price of S\$0.610.

b) P/B multiple

Based on the results in **Exhibit 44**, Yeo's is currently trading at a P/B of 0.68x which is lower than the peer average P/B of 2.04x. This suggests that Yeo's is undervalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$1.836 if Yeo's is to trade at the peer average multiple of 2.04x as follows:

Estimated target price (P/B multiple) = Peer average P/B × NAV per share

$$= 2.04 \times \text{S\$}0.90$$

$$\approx \text{S\$}1.836$$

The estimated target price of S\$1.836 represents an upside potential of 200.98% from the current share price of S\$0.610.

c) Dividend yield

Based on the results in **Exhibit 44**, Yeo's current dividend yield of 3.28% is less attractive than the peer average yield of 3.66%, which suggests that Yeo's is overvalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.547 if Yeo's is to trade at the peer average yield of 3.66% as follows:

$$\text{Estimated target price (Dividend yield)} = \frac{\text{Current yield}}{\text{Peer average yield}} \times \text{Current share price}$$

$$= \frac{3.28\%}{3.66\%} \times \text{S\$0.610}$$

$$\approx \text{S\$0.547}$$

The estimated target price of S\$0.547 represents a downside potential of 10.33% from the current share price of S\$0.610.

d) Target price

From our analysis, Yeo's seems to be overvalued in terms of its P/E multiple and dividend yield while it is undervalued in terms of its P/B multiple. By averaging our estimated target prices based on P/E multiple, P/B multiple and dividend yield, we derive an overall target price of S\$0.871.

$$\text{Overall target price} = \frac{1}{3} \times [\text{Estimated target price (P/E multiple)} + \text{Estimated target price (P/B multiple)} + \text{Estimated target price (dividend yield)}]$$

$$= \frac{1}{3} \times [\text{S\$0.229} + \text{S\$1.836} + \text{S\$0.547}]$$

$$\approx \text{S\$0.871}$$

The overall target price of S\$0.871 represents an upside potential of 42.79% from its current share price of S\$0.610.

Yeo's target price may be pulled up due to its lower-than-peer-average P/B multiple. We believe that this is because the market has yet to price in the strong balance sheet that Yeo's has.

(II) YEO'S INVESTMENT IN VITASOY

As of 30 June 2025, Yeo's has a 5.3% stake in Vitasoy International Holdings Limited (Vitasoy). In FY2024, Yeo's acquired 52.6 million shares of Vitasoy for HK\$338.4 million (approximately S\$57.1 million) through open market purchases. This transaction brought Yeo's stake in Vitasoy as at 31 December 2024 to 5.3% (combined with a pre-existing 0.4%). According to the annual report, this move to invest in Vitasoy is a strategic investment.

At Vitasoy's current market cap of S\$1.6 billion, the 5.3% stake is valued at S\$87.4 million ($5.3\% \times S\$1,649$ million). In FY2025 Vitasoy announced a profit of HKD\$240.6 million (approximately S\$39.5 million), marking a 102% y-o-y increase.

When investors buy Yeo's shares, they are effectively also gaining exposure to Vitasoy's performance. Considering the increased demand for functional beverages, we foresee that Vitasoy will continue to post strong earnings results.

Given Vitasoy's earnings momentum, this stake could enhance Yeo's asset value and potentially provide an uplift to its share price if the market begins to price in this non-core holding. However, current investor focus appears concentrated on Yeo's core F&B operations, meaning this potential value may be underappreciated.

(III) POTENTIAL YEO'S PRIVATISATION

As of 28 February 2025, Yeo's substantial shareholders are the Ng family. In total they own 79.27% of shares, while the public owns 20.73% of shares. The Ng family holds an effective 79.27% stake in Yeo's via its control of key shareholder entities, including FEO, Far East Spring, Transurban Properties, and Sino Land.

Meanwhile, we note too that privatisation offers have been announced for other SGX-listed companies in the past few months.

To estimate the potential privatisation cost for Yeo's, we review the recent privatisation offers for SGX-listed companies as shown in **Exhibit 45**. We note that the average price premium of the selected privatisation offers was 24.7%.

Exhibit 45: Privatisation offers for SGX-listed companies

| Target | Stock symbol | Acquirer | Currency | Last transaction | | Offer price per share | Price premium |
|--------------------------|--------------|--|----------|------------------|-------|-----------------------|---------------|
| | | | | Date | Price | | |
| Grand Venture Technology | Ticker | Aalberts Advanced Mechatronics B.V. | SGD | 30-May-25 | 0.840 | 0.940 | 11.9% |
| Ossia International | G07 | Goh Ching Wah, Goh Ching Huat, and Goh Ching Lai | SGD | 13-May-25 | 0.113 | 0.160 | 41.6% |
| Fraser Hospitality Trust | JLB | Fraser Property Hospitality Trust Holdings Pte. Ltd. | SGD | 13-May-25 | 0.665 | 0.710 | 6.8% |
| Amara Holdings | ACV | DRC Investments Pte. Ltd. | SGD | 23-Apr-25 | 0.705 | 0.895 | 27.0% |
| Sinarmas Land | O08 | Lyon Investments Limited | SGD | 24-Mar-25 | 0.275 | 0.375 | 36.4% |
| Average | | | | | | | 24.7% |

Note: "Last transaction" based on last available share price before takeover announcement

Source: *respective companies, SGX Stock Screener, FPA*

Since the Ng family collectively owns 79.27% of Yeo's, they will need to acquire the remaining 20.73% to privatise the company. At the current share price of S\$0.610 and market capitalisation of S\$383 million, this equates to S\$79.4 million (20.73% × S\$383 million).

Considering Yeo's operating loss over the past few years, we believe that the potential for privatisation is high. We estimate that any privatisation offer may need to have a premium of 24.7% based on **Exhibit 45**. As such, the Ng family will have to pay S\$99.0 million (S\$79.4 × 124.7%) if they wish to acquire all of the other shares. The minimum offer price for each share would be S\$0.761 (S\$0.61 × 124.7%).

An analysis of Yeo's balance sheet as shown in **Exhibit 46** shows that, after deducting total liabilities from the sum of cash, cash equivalents, and other financial assets, the company has excess cash of S\$103.8 million. This amount exceeds the estimated S\$99.0 million required for privatisation, suggesting a high likelihood that such a move could occur.

Exhibit 46: Yeo's cash on hand

| S\$'000 | Actual |
|---------------------------|----------------|
| | H1 FY2025 |
| Cash and cash equivalents | 109,751 |
| Other financial assets | 90,187 |
| Total liabilities | (96,132) |
| Cash | 103,806 |

Source: *Yeo's financial statements, FPA*

POTENTIAL CATALYSTS

(I) GROWING DEMAND FOR FUNCTIONAL BEVERAGES

Shifting consumer preferences towards health and wellness have driven strong growth in the functional beverages market (7.49% CAGR as projected by Mordor Intelligence). This outsized growth represents an opportunity for Yeo's. The company is already active in this segment, with products like soya milk and coconut water, both well-positioned to meet growing health-conscious demand.

In particular, Malaysia's functional beverage market is projected to grow at a 9.5% CAGR (as projected by Mobility Foresights), while China's is expected to exceed 7.5% (as projected by S&P Global). These two regions stand to witness explosive growth, and we see Yeo's riding this momentum to achieve a significant uplift in revenue. The company's existing presence in both markets provides a strong base for expansion.

Yeo's has also taken active steps to align with health trends, such as phasing out beverages with lower Nutri-Grade ratings (C and D), which indicate high sugar content. In China, it has attempted to meet evolving consumer preferences with TCM-inspired (Traditional Chinese Medicine) drinks, though this market remains competitive.

Nevertheless, the upside potential is substantial. With the Malaysia & Brunei segment already contributing roughly 50% of total revenue, the company's strong market presence could amplify earnings potential well above industry averages.

(II) EXPANSION IN EMERGING MARKETS

According to the 2024 Annual Report, Yeo's previous Chairman, Mr. Daryl Ng Win Kong, stated that the company intends to leverage its strong balance sheet to explore growth opportunities in emerging markets where long-term potential aligns with its strategic objectives.

Market Data Forecast¹ projects that the Asia Pacific non-alcoholic beverages market is growing at a CAGR of 6.80% from 2025 to 2033. This growth outpaces the GDP growth forecasts for key countries in the region. For instance, the IMF forecasts GDP growth of 4.10% for ASEAN in 2025. These markets were selected due to Yeo's existing presence and are viewed as potential growth engines that could benefit the company's top-line.

Yeo's financial strength is reflected in its liquidity ratios. In 2024, the company reported a current ratio of 4.20x and a quick ratio of 3.52x, as shown in **Exhibit 47**. These figures indicate that Yeo's can cover its current liabilities multiple times over. The robust financial health of the company suggests that Yeo's has enough dry powder to invest aggressively in these markets.

The expansion potential in the region presents a compelling opportunity to deliver sustainable top-line performance.

Exhibit 47: Liquidity ratios

| S\$'000 | FY2023 | FY2024 |
|----------------------|--------------|--------------|
| Current Assets | 358,617 | 350,270 |
| Current Liabilities | 65,864 | 83,355 |
| Inventories | 53,836 | 56,818 |
| Current Ratio | 5.44x | 4.20x |
| Quick Ratio | 4.63x | 3.52x |

Source: Yeo's financial statements, FPA

¹ Market Data Forecast is a market research and business intelligence firm.

(III) HIGHER GLOBAL ECONOMIC GROWTH

With tariffs turning out lower than initially feared, global markets are breathing a sigh of relief. The IMF has revised its 2025 world GDP growth forecast upward, as shown in **Exhibit 28**. Reflecting improved sentiment and a more stable economic outlook. As certainty returns, companies are likely to accelerate capital expenditure, spurring job creation and boosting household consumption. This multiplier effect could drive economic growth beyond initial projections. For Yeo's, a global company, stronger consumption worldwide translates into higher demand across its markets, positioning the company to exceed current revenue forecasts.

INVESTMENT RECOMMENDATION

Based on our relative valuation, we estimate Yeo's target price at S\$0.871, implying an upside potential of 42.79% from the current share price of S\$0.610. While this suggests attractive returns, we note that the company's fundamentals remain challenged, with consecutive years of operating losses despite margin improvement initiatives. These efforts have yet to deliver meaningful results.

Yeo's reported net profits in recent years have largely been supported by "Other Income" and "Other Gains" which are primarily non-core earnings such as interest income and asset-related gains. Without these gains, the company would have recorded a net loss. This highlights the lack of profitability in its core F&B operations.

On the positive side, Yeo's maintains a strong balance sheet, with ample cash reserves and minimal debt, which gives it the capacity to invest in growth initiatives, explore strategic opportunities, and sustain its dividend pay-outs. In addition, the company's 5.3% stake in Vitasoy offers indirect exposure to a profitable and growing regional beverage player, which could add shareholder value if Vitasoy's strong performance continues.

Upside catalysts include growing demand for functional beverages, emerging market expansion, and a potential recovery in global consumption. However, risks remain from foreign exchange volatility, geopolitical tensions, and a potential slowdown in global economic growth.

Given these factors, we recommend a hold on Yeo's. While the stock offers a potential upside and is supported by stable dividends and a solid financial position, we think that unlocking long-term value will require sustainable improvements in its core business profitability.

RISKS TO TARGET PRICE

(I) FOREIGN EXCHANGE RISK

Yeo's operates globally, but a significant portion of its revenue is derived from emerging markets. In 2024, the Malaysia & Brunei, China & Hong Kong, and Cambodia & Vietnam segments collectively accounted for 63% of total revenue as seen in **Exhibit 12**. Since earnings from these markets are typically denominated in local currencies, fluctuations in exchange rates are crucial. Currency movements can exert upward or downward pressure on reported revenue and profit, which are recorded in SGD.

As President Trump confirms trade talks with various countries, market confidence is returning to the US. Tariff rates imposed on emerging economies (as shown in **Exhibit 48**) remain elevated compared to the baseline rate of 15% for more developed nations. These higher tariffs are expected to weaken the currencies of export-reliant countries.

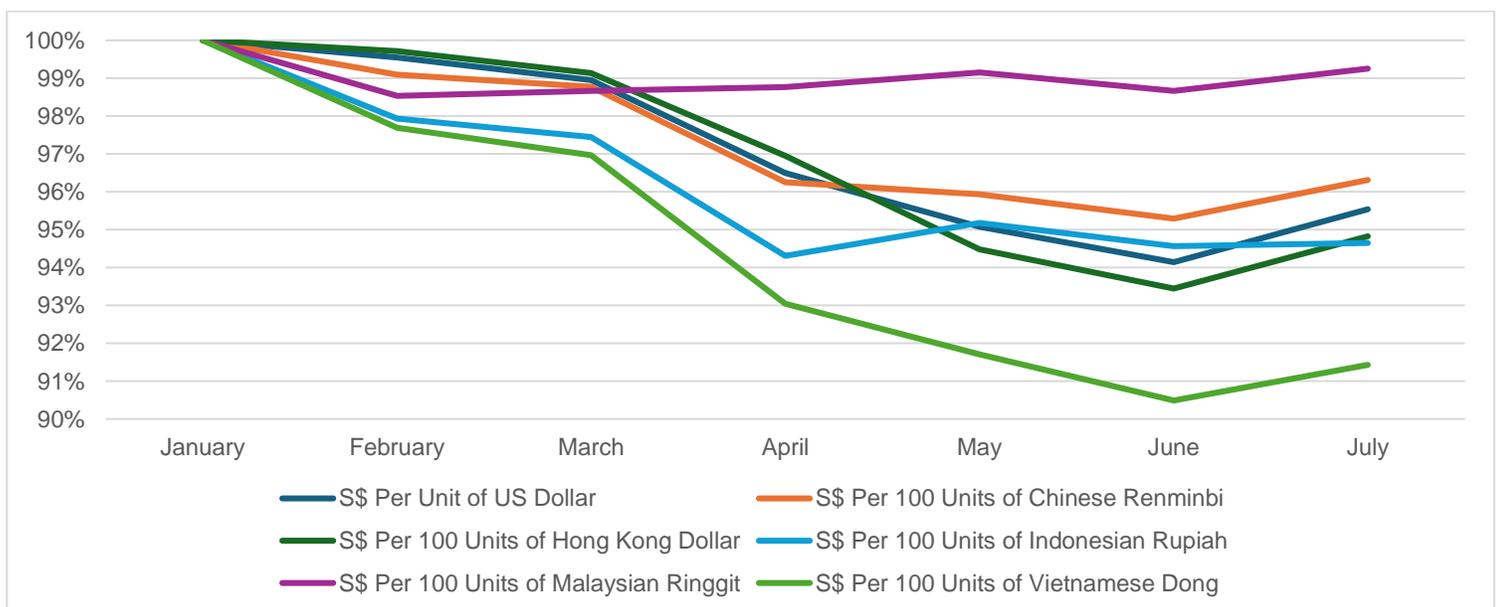
Exhibit 48: Current tariff rate on APAC countries

| Country | Tariff Rate (as of 31 July) |
|-------------------|-----------------------------|
| Singapore | 10% |
| Malaysia | 19% |
| Brunei | 25% |
| China & Hong Kong | 30% |
| Cambodia | 19% |
| Vietnam | 20% |

Source: BBC, FPA

The SGD has appreciated year-to-date against most major currencies in Yeo's key markets, as shown in **Exhibit 49**. If this trend continues, currency translation effects could place downward pressure on reported earnings, as revenue generated in weaker local currencies would convert to fewer Singapore dollars.

Exhibit 49: SGD performance vs selected currencies (YTD, Jan = 100%)



Source: MAS, FPA

(II) GEOPOLITICAL RISK

Geopolitical tensions remain a risk factor for Yeo's operations. Regional disputes such as the Cambodia-Thailand border and conflicts in the Middle East, like the Gaza conflict, highlight the persistent volatility in the global political landscape. Additionally, the China-Taiwan situation continues to be a point of uncertainty.

Recent events point to the possibility of escalating conflicts, even in an era where diplomacy is expected to be the first line of resolution. Should China choose to take aggressive actions against Taiwan, Yeo's could face disruptions in its China operations, which could negatively impact revenues due to economic sanctions, trade restrictions, or consumer sentiment shifts. Similar risks could also affect Yeo's business in Cambodia & Vietnam, where political instability or regional tensions could impact supply chains and consumer demand.

(III) SLOWER GLOBAL ECONOMIC GROWTH

Even though the economic outlook appears to be improving, the full impact of tariffs may not have been fully felt due to the front-loading of shipments ahead of their implementation. As these effects unwind, combined with firms eventually passing higher costs on to consumers, we may see a slowdown in consumption. Weakening consumer demand, coupled with reduced business investment as firms turn cautious, could lead to slower global GDP growth. For Yeo's, which operates across multiple regions, such a slowdown would translate into softer sales volumes and weaker revenue growth, posing downside risk to our target price.

CORPORATE GOVERNANCE

(I) BOARD OF DIRECTORS

As at 1 August 2025, the Board comprises eight directors:

- | | |
|-----------------------------------|---|
| • Mr Na Wu Beng | Chairman, Independent & Non-Executive Director |
| • Mr Edward Averill Ng Yong Sheng | Deputy Chairman, Non-Independent & Non-Executive Director |
| • Mr Ong Kay Eng | Lead Independent Director, Independent & Non-Executive Director |
| • Ms Luo Dan | Independent & Non-Executive Director |
| • Ms Goi Lang Ling Laureen | Independent & Non-Executive Director |
| • Dr Lim Su Lin | Independent & Non-Executive Director |
| • Mr Mohamad Halim Bin Merican | Independent & Non-Executive Director |
| • Mr Leung Yu Hin Eugene | Non-Independent & Non-Executive Director |

During the Annual General Meeting (AGM) held on 23 April 2025, Mr Ng Win Kong Daryl (former chairman of Yeo's) announced that he would be stepping down. With Mr Ng relinquishing his chairmanship, Mr Na Wu Beng (previously Deputy Chairman) succeeded him as Chairman, and Mr Edward Ng (previously a Non-Independent, Non-Executive Director) was appointed Deputy Chairman. Mr Daryl Ng also explained that his departure was due to family and business commitments in Hong Kong and China.

Mr Na Wu Beng was first appointed to the board on 15 June 2023. He currently serves as a member of the Nominating Committee and the Remuneration Committee. He also holds directorships in PT Bank OCBC NISP Tbk Indonesia, Bank of Singapore Limited and OCBC Bank Limited (China).

Mr Edward Averill Ng Yong Sheng was first appointed to the board on 1 March 2024. He currently serves as an executive director at FEO and was previously a director at Barramundi Group Ltd. Mr Ng is also the son of Philip Ng Chee Tat and nephew of Mr Robert Ng Chee Siong, beneficiaries of the Estate of the late Ng Teng Fong, a substantial shareholder in Yeo's. He is also the cousin of Mr Ng Win Kong Daryl (former chairman of Yeo's). Mr Ng holds directorships in Glory Realty Co. Private Ltd, Transurban Properties Pte. Ltd. and Far East Spring Pte. Ltd., a substantial shareholder of Yeo's.

Mr Ong Kay Eng was first appointed to the board on 15 June 2022. He currently serves as chairman of the Audit & Risk Committee and chairman of the Nominating Committee. He also holds directorships in Sino Land Company Limited, Tsim Sha Tsui Properties, Sino Hotels (Holdings) Limited, EnGro Corporation Limited.

Ms Luo Dan was first appointed to the board on 1 January 2017. She currently serves as chairman of the Remuneration Committee and as a member of the Audit & Risk Committee. She also holds a directorship in First Resources Limited.

Ms Goi Lang Ling Laureen was first appointed to the board on 1 October 2019. She currently serves as a member of both the Audit & Risk Committee and the Remuneration Committee. She also holds a directorship in Yamada Green Resources Limited. Outside her directorship, she is general manager at Tee Yih Jia Food Manufacturing Pte Ltd and serves on the executive committee of both T&T Gourmet Cuisine Ltd as well as Acelink Logistics (S) Pte Ltd.

Dr Lim Su Lin was first appointed to the board on 1 May 2019. She currently serves as a member of the Nominating Committee. Outside her directorship, she is CEO of HealthFull Pte Ltd and has over 30 years of experience as a clinical dietitian.

Mr Mohamad Halim Bin Merican was first appointed to the board on 30 July 2020. He currently serves as a member of the Audit & Risk Committee. He also holds directorships in UniQ Hospitality Services Sdn Bhd (where he is CEO), Sunshine Bread Sdn Bhd, Fairway Hospitality and Events Sdn Bhd and Genesis Opus Productions and Management Sdn Bhd. Additionally, he is an adjunct professor at UNITAR International University Malaysia and is a member of the Malaysian Association of Hotels.

Mr Leung Yu Hin Eugene was first appointed to the board on 11 November 2022. He is currently serves as a member of the Audit & Risk Committee, a member of the Nominating Committee and a member of the Remuneration Committee. Mr Leung is also the head of Watten Investments, a family office owned by the Ng Family.

Audit & Risk Committee

- | | |
|--------------------------------|----------|
| • Mr Ong Kay Eng | Chairman |
| • Ms Luo Dan | Member |
| • Ms Goi Lang Ling Laureen | Member |
| • Mr Mohamad Halim Bin Merican | Member |
| • Mr Leung Yu Hin Eugene | Member |

Nominating Committee

- | | |
|--------------------------|----------|
| • Mr Ong Kay Eng | Chairman |
| • Mr Na Wu Beng | Member |
| • Dr Lim Su Lin | Member |
| • Mr Leung Yu Hin Eugene | Member |

Remuneration Committee

- | | |
|----------------------------|----------|
| • Ms Luo Dan | Chairman |
| • Mr Na Wu Beng | Member |
| • Ms Goi Lang Ling Laureen | Member |
| • Mr Leung Yu Hin Eugene | Member |

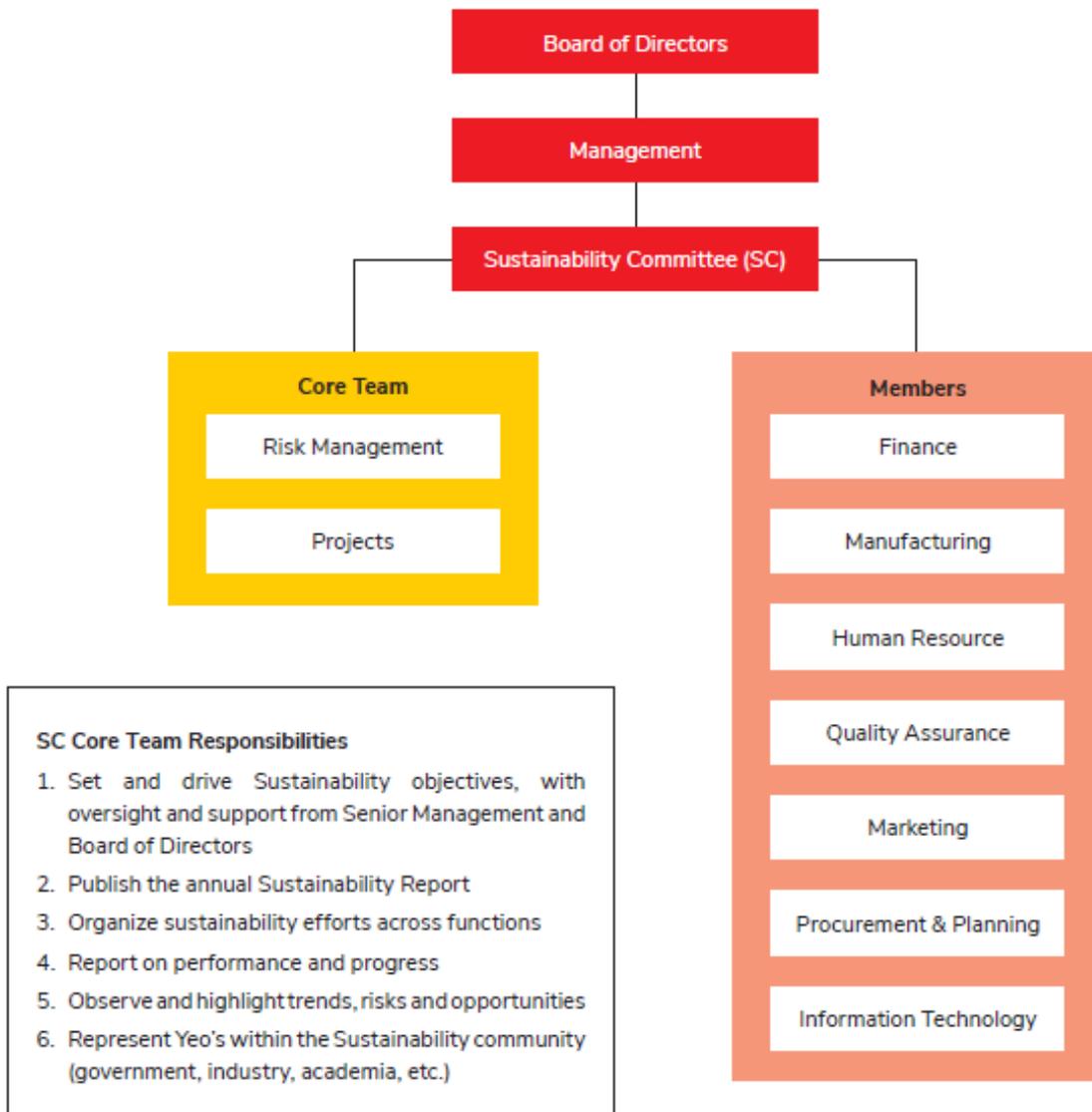
SUSTAINABILITY INFORMATION

Sustainability Governance:

The board of directors has considered sustainability issues in Yeo’s business and strategy, identified the material ESG topics, and overseen the management and monitoring of these topics as they impact the Group’s activities.

In managing the governance of sustainability issues, the Board is assisted by the Sustainability Committee (“SC”) which is headed by Group Risk Management, The SC, in turn, reports to the management. Yeo’s sustainability governance structure is shown in **Exhibit 39**. The SC is represented by members from major functions and provides overall support to ensure that sustainability initiatives are effectively communicated and well supported.

Exhibit 39: Sustainability Governance Structure



Source: Yeo’s

Stakeholder engagement:

Yeo's recognises that stakeholder engagement is key to their sustainability strategy. **Exhibit 40** shows an overview of Yeo's stakeholder engagement approach.

Exhibit 40: Overview of stakeholder engagement

| | SIGNIFICANCE | KEY TOPICS & CONCERNS | ENGAGEMENT PLATFORMS |
|--|--|---|---|
| Employees | Human capital is our most valuable asset, and we are committed to investing in the development of our people. We create a performance-led culture with learning opportunities where our people can develop and grow. | <ul style="list-style-type: none"> • Training and development • Health, safety and general well-being environment • Engaging employment experience • Career development | <ul style="list-style-type: none"> • Orientation programmes • Staff communication via townhalls, intranet, circulars, newsletter and emails • Performance and career development reviews |
| Suppliers | Strong and effective relationships with our suppliers give our businesses strategic advantages, including better value. By effecting stringent procurement processes, we foster an ethical culture and comply with all legal requirements. | <ul style="list-style-type: none"> • Responsible business practices • Governance and compliance structure • Sustainable procurement | <ul style="list-style-type: none"> • Face-to-face and/or virtual meetings • Email communication |
| Customers/ Consumers | We are committed to keeping abreast of consumer trends and preferences, as well as research and development initiatives to continually improve our range of products to better meet consumers' needs for high quality, healthier and innovative offerings. | <ul style="list-style-type: none"> • Product quality • Understanding consumer needs • Innovation and creation | <ul style="list-style-type: none"> • Corporate website • Social media channels • Product marketing promotions and campaigns • Consumer surveys |
| Government/ Regulators/ Activists | Governments and regulations can affect how businesses are run and create new challenges and opportunities for us. We keep a close eye on topics of concern to governments, regulatory bodies and activist groups wherever we operate. In our key markets, we also engage with the regulators regularly to understand their concerns and to provide our feedback. | <ul style="list-style-type: none"> • Compliance with laws and regulations • Opportunities for collaboration | <ul style="list-style-type: none"> • Regulatory filings • Meetings and dialogues • Seminars and conferences |
| Investors | Our investors believe firmly that a sustainable business approach is important in creating long-term value for the company. | <ul style="list-style-type: none"> • Annual general meeting • Annual report • Corporate website and communications • Half-yearly reporting | <ul style="list-style-type: none"> • Annual general meeting • Annual report • Corporate website and communications • Half-yearly reporting |
| Local Communities | As active members of our communities, we aim to contribute towards their continued well-being. | <ul style="list-style-type: none"> • Sustainable development of our communities • Supporting social needs and events | <ul style="list-style-type: none"> • Corporate social responsibility events |

Source: Yeo's

Materiality assessment:

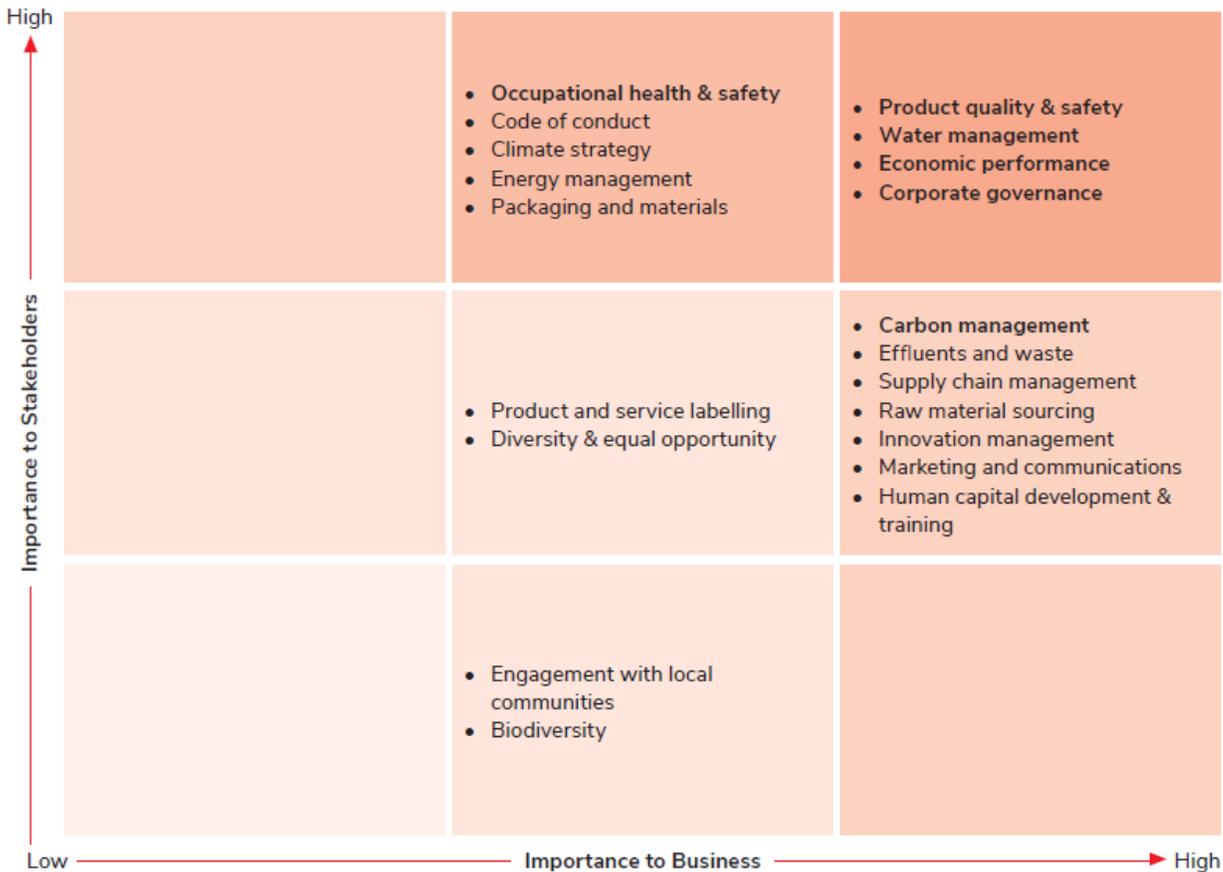
Yeo's has identified 20 ESG topics that are relevant to them. Among the 20 topics, six of them are assessed to be material to the business based on the impact on the business and the degree of influence they have on stakeholders' decision.

The 20 ESG topics are shown in **Exhibit 41** with the six material topics being bolded.

The six material topics are:

- Water management
- Carbon management
- Occupational health & safety
- Product quality & safety
- Economic performance
- Corporate governance

Exhibit 41: Materiality Matrix



Source: Yeo's

These six material topics are mapped to several Sustainable Development Goals (SDGs) to address the global challenges facing the world today. The SDGs serve as a blueprint developed by the United Nations to achieve a better and more sustainable future for all.

Yeo's approach is shown in **Exhibit 42**.

Exhibit 42: Yeo's sustainability efforts aligned to the SDGs

| YEO'S SUSTAINABILITY THRUSTS | RELATED MATERIAL TOPICS | RELATED SDGS | APPROACH |
|------------------------------|--------------------------------|---|---|
| Protecting Our Environment | Water Management |    | <p>We are committed to seek innovative water management solutions - including water saving and recycling initiatives - as part of our overall water stewardship efforts and practices in our production facilities.</p> <p>We have an established system within operations to track and monitor water consumption.</p> |
| | Carbon Management |  | <p>We are committed to reduce our carbon footprint and committed to supplement existing energy use with renewable energy sources.</p> <p>We are constantly working with our suppliers to explore carbon reduction of our ingredients and packaging materials.</p> |
| Caring for Our People | Occupational Health and Safety |   | <p>We place the utmost priority on maintaining a culture of safety amongst all our employees and enforce robust safety policies and practices to mitigate safety risks.</p> |
| Caring For Our Consumers | Product Quality and Safety |   | <p>In the Food and Beverage business, ensuring the food quality and safety is our top priority, and we have put in place stringent controls on our procurement and manufacturing processes to safeguard product quality and safety.</p> |
| Leading Our Marketplace | Economic Performance |  | <p>We believe in creating long term economic value for our investors and further distributing the economic value to other stakeholders including our employees through wages, government through taxes, investors through dividends, suppliers through purchases and communities through corporate social responsibility initiatives.</p> |
| | Corporate Governance |  | <p>We maintain a strong corporate governance and control environment in order to operate as a responsible corporate entity with a focus on sustainability.</p> <p>We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.</p> |

Source: Yeo's

(I) ENVIRONMENTAL

In terms of environmental goals, Yeo’s is primarily focused on water management and carbon management. The company’s operations impact the environment through water usage, energy consumption, carbon emissions, resource use and waste generation. To reduce their impact, Yeo’s production plants and offices have investigated and identified ways to improve their manufacturing processes and optimise eco-efficiency.

Yeo’s target is to gradually reduce total consumption or emission in the short to medium term, and by 5% over 10 years, using 2024 as the baseline year.

a) Water management

Water is used both as an ingredient and in several production processes, such as cleaning and sanitising.

Water usage is highest in the production function, the aggregate production capacity of their Singapore and Malaysia factories constitutes more than 90% of Yeo’s production capacity.

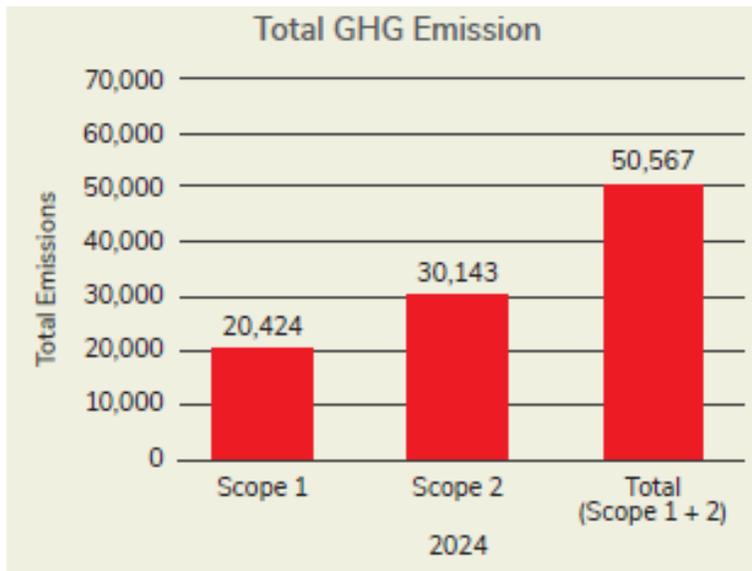
To conserve water, Yeo’s repurposes recycled water for alternative uses, such as cooling towers and for general cleaning and washing purposes. Their total water consumption in 2024 was 1,430 megalitres (ML).

b) Carbon management

Energy use contributes to a large percentage of Yeo’s carbon emissions. The company is committed to reducing its greenhouse gas (GHG) emissions, with total emissions shown in **Exhibit 43**. To meet their goals, Yeo’s is planning to increase the use of renewable energy to supplement its current energy sources.

One example of this initiative is the installation of solar panels at its plants in Cambodia, Singapore and China. In 2024, the solar energy system at Yeo’s China plant reduced 270 tonnes of CO₂e.

Exhibit 43: Total GHG emission by Yeo’s



Source: Yeo’s

Yeo's environmental performance is shown in **Exhibit 44**.

Exhibit 44: Environmental performance summary for Yeo's

1. Environmental

| Topic | Metric | Framework Alignment | Unit | 2024 |
|----------------------------------|-------------------------------|---|--|--------|
| Greenhouse Gas Emissions ("GHG") | Absolute emissions by: | GRI 305-1, GRI 305-2, GRI 305-3, TCFD, SASB 110, WEF core metrics | tCO ₂ e | |
| | (a) Total emissions | | | 50,567 |
| | (b) Scope 1 | | | 20,424 |
| | (c) Scope 2 | | | 30,143 |
| | (d) Scope 3, if appropriate | NA | NA | NA |
| | Emission intensities by: | GRI 305-4, TCFD, SASB 110 | tCO ₂ e per MegaLitre/kilo tonne of product | |
| | (a) Total emissions intensity | | | 233 |
| | (b) Scope 1, | | | 94 |
| | (c) Scope 2; | | | 139 |
| | (d) Scope 3, if appropriate | NA | NA | NA |
| Energy Consumption | Total energy consumption | GRI 302-1, TCFD, SASB 130 | MWhs | 33,102 |
| | Energy consumption intensity | GRI 302-3, TCFD | kwh per kg/litre of product | 0.153 |
| Water Consumption | Total water consumption | GRI 303-5, SASB 140, TCFD, WEF core metrics | ML | 1,431 |
| | Water consumption intensity | TCFD, SASB IF-RE-140a.1 | Litre per kg/litre of product | 6.601 |
| Waste Generation | Total waste generated: | GRI 306-3, SASB 150, TCFD, WEF expanded metrics | tonnes | |
| | (a) Non-Hazardous | | | 9,623 |
| | (b) Hazardous | | | 424 |

Source: Yeo's

(II) SOCIAL

In terms of social goals, Yeo’s is primarily focused on occupational health & safety as well as product quality & safety.

a) Occupational health & safety

Safety risks are inherent in workplaces and tend to be higher in manufacturing and supply chain functions where machinery is operated. Yeo’s aims to maintain a safe working environment, allowing employees to work with peace of mind and contribute to the sustainability of the workforce. As such, the company places the utmost priority on fostering a culture of safety and enforces robust safety policies and practices to mitigate risks.

Throughout 2024, Yeo’s employees participated in various safety-related trainings, seminars, and awareness programmes. The results of these efforts can be seen in **Exhibit 45**. All accident cases are thoroughly reviewed, and preventive controls are implemented to reduce the likelihood of similar accidents. Regular inspections are also carried out to ensure strict compliance with safety regulations.

Exhibit 45: Safety statistics (2024)

| | 2024 | |
|--|--|--|
| | Occupational Health & Safety (EMPLOYEES) | Occupational Health & Safety (NON-EMPLOYEES) |
| Fatalities Number of Cases | 0 | 0 |
| High-consequence injuries Number of Cases | 0 | 0 |
| Recordable injuries Number of Cases | 6 | 0 |
| Recordable work-related ill health cases Number of Cases | 0 | 0 |

Our target for Occupational Health & Safety:

TARGET
Zero work-related injuries and illnesses

Source: Yeo’s

b) Product quality & safety

Yeo's prioritises the production of safe, healthy and quality products. The company maintains these high standards through regular internal food safety audits to ensure product safety compliance.

Stringent quality control is enforced to uphold the quality of ingredients used in its products. Yeo's sources from responsible suppliers who take the necessary precautions in supplying good quality and safe-for-consumption ingredients. The results of these efforts can be seen in **Exhibit 46**.

Exhibit 46: Statistics for food recall (2024)

Our statistics for food recall:

| | 2024 |
|---|--------------------|
| | Food Recall |
| Number of Product recall incidents | 0 (since 2017) |

Our statistics for food recall:

| |
|--|
| TARGET |
| Zero incidents of product trade recall due to safety issues for YHS' manufactured products |

Source: Yeo's

Yeo's social performance is shown in **Exhibit 47**.

Exhibit 47: Social performance summary for Yeo's (2024)

2. Social

| Topic | Metric | Framework Alignment | Unit | 2024 |
|------------------------|---|---------------------------------------|------------------------|-------|
| Gender Diversity | Current employees by gender: | GRI 405-1, SASB 330, WEF core metrics | Percentage (%) | |
| | (a) Male | | | 69 |
| | (b) Female | 31 | | |
| | New hires by gender: | GRI 401-1, WEF core metrics | | |
| | (a) Male | | | 70 |
| | (b) Female | | | 30 |
| | Turnover by gender: | | | |
| | (a) Male | | | 69 |
| (b) Female | 31 | | | |
| Age-Based Diversity | Current employees by age groups: | GRI 405-1, WEF core metrics | Percentage (%) | |
| | (a) under 30 years old | | | 20 |
| | (b) 30-50 years old | | | 60 |
| | (c) over 50 years old | 20 | | |
| | New hires by age groups: | GRI 401-1, WEF core metrics | | |
| | (a) under 30 years old | | | 39 |
| | (b) 30-50 years old | | | 54 |
| | (c) over 50 years old | 7 | | |
| | Employee turnover by age groups: | | | |
| | (a) under 30 years old | | | 25 |
| (b) 30-50 years old | 60 | | | |
| (c) over 50 years old | 15 | | | |
| Employment | Total turnover | GRI 401-1, SASB 310, WEF core metrics | Number | 263 |
| | Rate of turnover | | Percentage (%) | 17 |
| | Total number of employees | GRI 2-7 | Number | 1,591 |
| Development & Training | Average training hours per employee | GRI 404-1, WEF core metrics | Hours/No. of employees | 32 |
| | Average training hours per employee by gender: | GRI 404-1, WEF core metrics | Hours/No. of employees | |
| | (a) Male | | | 33 |
| | (b) Female | | | 28 |

Source: Yeo's

Exhibit 47: Social performance summary for Yeo's (2024) (continued)

2. Social

| Topic | Metric | Framework Alignment | Unit | 2024 |
|--|--|--|-----------------|------|
| Occupational Health & Safety (EMPLOYEES) | Fatalities | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | | |
| | Number of Cases | | Number of cases | 0 |
| | High-consequence injuries | GRI 403-9, WEF core metrics, MOM (Singapore) | | |
| | Number of Cases | | Number of cases | 0 |
| | Recordable injuries | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | | |
| | Number of Cases | | Number of cases | 6 |
| | Recordable work-related ill health cases | GRI 403-10, WEF expanded metrics, MOM (Singapore) | | |
| Number of Cases | Number of cases | | 0 | |
| Occupational Health & Safety (NON-EMPLOYEES) | Fatalities | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | | |
| | Number of Cases | | Number of cases | 0 |
| | High-consequence injuries | GRI 403-9, WEF core metrics, MOM (Singapore) | | |
| | Number of Cases | | Number of cases | 0 |
| | Recordable injuries | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | | |
| | Number of Cases | | Number of cases | 0 |
| | Recordable work-related ill health cases | GRI 403-10, WEF expanded metrics, MOM (Singapore) | | |
| Number of Cases | Number of cases | | 0 | |

Source: Yeo's

(III) GOVERNANCE

In terms of governance goals, Yeo’s is primarily focused on economic performance and corporate governance.

a) Economic performance

Yeo’s believes in creating long-term economic value for its investors and in further distributing that value to other stakeholders – including employees through wages, governments through taxes, investors through dividends, suppliers through purchases, and communities through corporate social responsibility initiatives.

The company strives to improve their economic performance and play a larger role in the development and well-being of its stakeholders.

Exhibit 48 shows the economic value generated and distributed in 2024.

Exhibit 48: Economic value generated and distributed (2024)



Source: Yeo’s

b) Corporate governance

Yeo's operates its business with a strong emphasis on compliant corporate governance. The company has an established system of risk management and internal controls to safeguard shareholders' interests and protect its assets.

The Board holds primary responsibility over the governance of risk, with oversight provided by the Audit & Risk Committee. This ensures that the risk management system and internal controls are properly designed, implemented, and closely monitored for adequacy and effectiveness.

Yeo's has in place policies on code of conduct and whistleblowing, in compliance with SGX mainboard rules. The company maintains a zero-tolerance policy for corruption and fraud. The results of these efforts can be seen in **Exhibit 49**.

Exhibit 49: Statistics for corporate governance (2024)

Our target for Corporate Governance:

| |
|--|
| <p>TARGET</p> <p>Zero incidents of corruption</p> |
|--|

Our statistics for corporate governance:

| | 2024 |
|--|-------------|
| Number of confirmed incidents of corruption | 0 |

Source: Yeo's

Yeo's governance performance is shown in **Exhibit 50**

Exhibit 50: Governance performance summary for Yeo's (2024)

3. Governance

| Topic | Metric | Framework Alignment | Unit | 2024 |
|----------------------|---|--|------------------------------------|--|
| Board Composition | Board Members | GRI 2-9, WEF core metrics | Percentage (%) | |
| | (a) Independent | | | 67 |
| | (b) Non-Independent | | | 33 |
| Management Diversity | Women on the board | GRI 2-9, GRI 405-1, WEF core metrics | Percentage (%) | 33 |
| | Women in the management team | | Number | 14 |
| Ethical Behaviour | (a) Total Number of Operations assessed for corruption risks | GRI 2-9, GRI 405-1, WEF core metrics, SASB 330 | Discussion and number of standards | Refer to section on risk management and control systems in AR |
| | (b) Significant risk identified through risk assessment | | | |
| | Total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to: | | | |
| | (a) Total Number | GRI 205-1, GRI 205-2 and GRI 205-3 | Number | 7 (Singapore) 1 (Hong Kong) 1 (Malaysia) |
| | (b) Percentage | | % | 100 |
| | Total number and percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to: | | | |
| | (a) Total Number | GRI 205-1, GRI 205-2 and GRI 205-3 | Number | 1,570 |
| | (b) Percentage | | % | 99 |
| | Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to | | | |
| | (a) Total Number | GRI 205-1, GRI 205-2 and GRI 205-3 | Number | 579 (Malaysia) 297 (Singapore) 77 (Cambodia) 67 (China) |
| (b) Percentage | % | | 100 | |

Source: Yeo's

Exhibit 50: Governance performance summary for Yeo's (2024) (continued)

| Topic | Metric | Framework Alignment | Unit | 2024 |
|---------------------------|--|---|--------|--|
| Ethical Behaviour | Total number and percentage of governance body members that have received training on anti-corruption | GRI 205-2, WEF core metrics | | |
| | (a) Total Number | | Number | 9 |
| | (b) Percentage | | % | 100 |
| | Total number and percentage of employees that received anti-corruption training | | | |
| | (a) Total number | Number | 1,570 | |
| | (b) Percentage | % | 99 | |
| | (c) Number & Nature of confirmed incidents of corruption | GRI 205-3 | Number | 0 |
| | (d) Total number of confirmed incidents in which employees were dismissed or disciplined for corruption | | | 0 |
| | (e) Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption | | | 0 |
| | (f) Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases | | | 0 |
| Certifications | List of relevant certifications | Commonly reported metric by SGX issuers | List | Nil |
| Alignment with Frameworks | Alignment with frameworks and disclosure practices | SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F | - | In accordance with TCFD, with reference to GRI |
| Assurance | Assurance of sustainability report | GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F | - | Internal Assurance |

Source: Yeo's

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