



# SHENG SIONG GROUP LTD.

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Condensed Interim Financial Statements  
For the Six Months Ended 30 June 2022

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# SHENG SIONG GROUP LTD.

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## A. Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	The Group		
		6 months ended		Change +/- (-)
		30 Jun 2022 S\$'000	30 Jun 2021 S\$'000	
Revenue	5	676,751	681,675	(0.7%)
Cost of sales		(477,682)	(489,159)	(2.3%)
Gross profit		199,069	192,516	3.4%
Other income	6.1	5,483	7,546	(27.3%)
Selling and distribution expenses		(3,934)	(3,560)	10.5%
Administrative expenses		(115,939)	(113,354)	2.3%
Other expenses		(2,599)	(2,722)	(4.5%)
<b>Results from operating activities</b>		82,080	80,426	2.1%
Finance income	6.1	793	484	63.8%
Finance expenses	6.1	(1,468)	(1,078)	36.2%
<b>Profit before tax</b>	6.1	81,405	79,832	2.0%
Tax expense	7	(13,903)	(13,741)	1.2%
<b>Profit for the period</b>		67,502	66,091	2.1%
<b>Other comprehensive income</b>				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences – foreign operations		(281)	(191)	47.1%
<b>Total comprehensive income for the period</b>		67,221	65,900	2.0%



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		The Group		
		6 months ended		
	Note	30 Jun 2022	30 Jun 2021	Change
		S\$'000	S\$'000	+ / (-)
<b>Profit net of tax for the period attributable to:</b>				
Owners of the Company		67,373	65,934	2.2%
Non-controlling interest		129	157	(17.8%)
<b>Profit after tax</b>		<b>67,502</b>	<b>66,091</b>	<b>2.1%</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company		67,205	65,819	2.1%
Non-controlling interest		16	81	(80.2%)
<b>Total comprehensive income</b>		<b>67,221</b>	<b>65,900</b>	<b>2.0%</b>
<b>Earnings per share</b>				
Basic and diluted (cents)	8	4.48	4.39	



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## B. Interim Statements of Financial Position

	Note	The Group		The Company	
		30 Jun 2022 S\$'000	31 Dec 2021 S\$'000	30 Jun 2022 S\$'000	31 Dec 2021 S\$'000
<b>Assets</b>					
Property, plant and equipment	12	297,855	302,883	-	-
Right-of-use assets	12	75,533	79,505	-	-
Investment in subsidiaries		-	-	82,261	82,261
<b>Non-current assets</b>		<b>373,388</b>	<b>382,388</b>	<b>82,261</b>	<b>82,261</b>
Inventories		83,732	98,383	-	-
Trade and other receivables		9,383	11,604	201,530	200,721
Cash and cash equivalents		234,270	246,642	50	308
<b>Current assets</b>		<b>327,385</b>	<b>356,629</b>	<b>201,580</b>	<b>201,029</b>
<b>Total assets</b>		<b>700,773</b>	<b>739,017</b>	<b>283,841</b>	<b>283,290</b>
<b>Equity</b>					
Share capital	10	235,373	235,373	235,373	235,373
Merger reserve		(68,234)	(68,234)	-	-
Foreign currency translation reserve		(267)	(98)	-	-
Accumulated profits		267,129	246,365	48,271	47,551
<b>Equity attributable to owners of the Company</b>		<b>434,001</b>	<b>413,406</b>	<b>283,644</b>	<b>282,924</b>
Non-controlling interest		2,932	2,916	-	-
<b>Total equity</b>		<b>436,933</b>	<b>416,322</b>	<b>283,644</b>	<b>282,924</b>
<b>Liabilities</b>					
Lease liabilities	14	44,250	48,945	-	-
Deferred tax liabilities		2,585	3,229	-	-
<b>Non-current liabilities</b>		<b>46,835</b>	<b>52,174</b>	-	-
Trade and other payables		160,342	212,391	195	361
Current tax payable		27,370	25,381	2	5
Term loan	13	-	5,000	-	-
Lease liabilities	14	29,293	27,749	-	-
<b>Current liabilities</b>		<b>217,005</b>	<b>270,521</b>	<b>197</b>	<b>366</b>
<b>Total liabilities</b>		<b>263,840</b>	<b>322,695</b>	<b>197</b>	<b>366</b>
<b>Total equity and liabilities</b>		<b>700,773</b>	<b>739,017</b>	<b>283,841</b>	<b>283,290</b>



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## C. Interim Statements of Changes in Equity

<u>Group</u>	Attributable to owners of the Company					Non-Controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000		
<b>At 1 January 2022</b>	235,373	(68,234)	(98)	246,365	413,406	2,916	416,322
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	67,373	67,373	129	67,502
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	(169)	1	(168)	(113)	(281)
<b>Total comprehensive income for the period</b>	-	-	(169)	67,374	67,205	16	67,221
<b>Transaction with owners, recognised directly in equity</b>							
<b>Distribution to owners of the Company</b>							
Dividends paid (Note 9)	-	-	-	(46,610)	(46,610)	-	(46,610)
<b>Total transaction with owners</b>	-	-	-	(46,610)	(46,610)	-	(46,610)
<b>At 30 June 2022</b>	235,373	(68,234)	(267)	267,129	434,001	2,932	436,933
<b>At 1 January 2021</b>	235,373	(68,234)	3	205,248	372,390	2,709	375,099
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	65,934	65,934	157	66,091
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	(115)	-	(115)	(76)	(191)
<b>Total comprehensive income for the period</b>	-	-	(115)	65,934	65,819	81	65,900
<b>Transaction with owners, recognised directly in equity</b>							
<b>Distribution to owners of the Company</b>							
Dividends paid (Note 9)	-	-	-	(45,106)	(45,106)	-	(45,106)
<b>Total transaction with owners</b>	-	-	-	(45,106)	(45,106)	-	(45,106)
<b>At 30 June 2021</b>	235,373	(68,234)	(112)	226,076	393,103	2,790	395,893



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2022

<u>Company</u>	<u>Attributable to owners of the Company</u>		
	<u>Share capital</u> S\$'000	<u>Accumulated profits</u> S\$'000	<u>Total equity</u> S\$'000
<b>At 1 January 2022</b>	235,373	47,551	282,924
<b>Total comprehensive income</b>			
Profit for the period	-	47,330	47,330
<b>Total comprehensive income for the period</b>	-	47,330	47,330
<b>Transaction with owners, recognised directly in equity</b>			
<b>Distribution to owners of the Company</b>			
Dividends paid	-	(46,610)	(46,610)
<b>Total transaction with owners</b>	-	(46,610)	(46,610)
<b>At 30 June 2022</b>	<b>235,373</b>	<b>48,271</b>	<b>283,644</b>
<b>At 1 January 2021</b>	235,373	46,083	281,456
<b>Total comprehensive income</b>			
Profit for the period	-	46,574	46,574
<b>Total comprehensive income for the period</b>	-	46,574	46,574
<b>Transaction with owners, recognised directly in equity</b>			
<b>Distribution to owners of the Company</b>			
Dividends paid	-	(45,106)	(45,106)
<b>Total transaction with owners</b>	-	(45,106)	(45,106)
<b>At 30 June 2021</b>	<b>235,373</b>	<b>47,551</b>	<b>282,924</b>



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## D. Interim Consolidated Statement of Cash Flows

	Note	The Group	
		6 months ended	
		30 Jun 2022	30 Jun 2021
		S\$'000	S\$'000
<b>Operating activities</b>			
Profit for the period		67,502	66,091
Adjustments for:			
Depreciation of:			
– property, plant and equipment	6.1	9,999	10,089
– right-of-use assets	6.1	16,248	15,223
Loss/(Gain) on disposal of property, plant and equipment	6.1	1	(72)
Unrealised exchange (gain)/loss		(518)	32
Interest income	6.1	(793)	(484)
Interest expense	6.1	1,468	1,078
Tax expense	7	13,903	13,741
		107,810	105,698
Changes in:			
– inventories		14,651	2,939
– trade and other receivables		2,221	10,433
– trade and other payables		(52,049)	(29,806)
<b>Cash generated from operations</b>		72,633	89,264
Taxes paid		(12,558)	(18,866)
<b>Cash flows from operating activities</b>		60,075	70,398
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		90	103
Purchase of property, plant and equipment	12	(5,163)	(5,414)
Interest received		793	484
<b>Cash flows used in investing activities</b>		(4,280)	(4,827)
<b>Financing activities</b>			
Dividends paid	9	(46,610)	(45,106)
Repayment from borrowings	13	(5,000)	(10,000)
Payment of lease liabilities		(15,511)	(16,163)
Interest paid on lease liabilities		(1,363)	-
<b>Cash flows used in financing activities</b>		(68,484)	(71,269)
<b>Net decrease in cash and cash equivalents</b>		(12,689)	(5,698)
Cash and cash equivalents at beginning of the period		246,642	253,901
Effect of exchange rate changes on balances held in foreign currencies		317	(223)
<b>Cash and cash equivalents at end of the period</b>		234,270	247,980



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2022

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### **E. Notes to the Condensed Interim Financial Statements**

#### **1. Corporate information**

Sheng Siong Group Ltd (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The primary activity of the Company is that of investment holding. The principal activities of the subsidiaries are trading and wholesale importers of consumer goods and the operations of supermarket retail stores selling consumer products.

#### **2. Basis of preparation**

##### **2.1 Statement of compliance**

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021. The condensed interim financial statements do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

##### **2.2 Basis of measurement**

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

##### **2.3 Functional and presentation currency**

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

##### **2.4 Changes in accounting policies**

Except for the adoption of the new and amendments to SFRS(I)s that are effective for the annual period beginning on 1 January 2022 as described below, the accounting policies applied in these condensed interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2021.





### **New standards and amendments**

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the current reporting period beginning on 1 January 2022:

- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 1-37)*
- *Annual Improvements to SFRS(I)s 2018-2020*

The application of these amendments to standards and interpretations did not have a material effect on the condensed interim financial statements.

### 2.5 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical judgements made in applying the Group's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period.

### **4. Segment information**

The Group operates in one segment, which relates to the supermarket operations selling consumer goods. The Group operates in Singapore and China, but will not be reporting China as a separate geographical segment as the China operations are not significant for the period ended 30 June 2022 and 30 June 2021. The subsidiary in Malaysia remained inactive.



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2022

### 5. Revenue information

The Group operates a chain of supermarket retail stores selling consumer products. Revenue is recognised when the control of the goods has been transferred, being at the point the customer purchases the goods at the retail store.

### 6. Profit before taxation

#### 6.1 Significant items

	Note	The Group	
		6 months ended	
		30 Jun 2022	30 Jun 2021
		S\$'000	S\$'000
Depreciation of property, plant and equipment	12	9,999	10,089
Depreciation of right-of-use assets	12	16,248	15,223
Exchange gain, net		(493)	(269)
Loss/(Gain) on disposal of property, plant and equipment		1	(72)
Staff costs		93,474	95,992
Contribution to defined contribution plans, included in staff costs		4,165	3,541
Interest income		(793)	(484)
Interest expense		1,468	1,078
Finance expense, net		675	594
<b>Other income:</b>			
Operating lease income		1,355	1,488
Sale of scrap materials		1,630	1,163
Government grants	(a)	1,423	3,656
Miscellaneous income		1,075	1,239
		5,483	7,546

(a) As the situation arising from COVID-19 pandemic stabilised, the support granted was reduced.



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### 6.2 Related party transactions

Other than disclosed elsewhere in the condensed interim financial statements, significant transactions with related parties based on agreed terms are shown as follows:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Corporations in which directors of the Group have substantial financial interests</b>		
Sales	10	11
Operating lease and utilities expenses	(1,172)	(1,154)
Operating lease and utilities income	424	289

### 7. Taxation

The Group calculates the tax expense using the statutory tax rate that would be applicable to the expected total annual earnings. The major components of tax expense in the interim consolidated statement of profit or loss are:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Current tax expense</b>		
Current period	14,565	13,196
Over provided in prior years	(18)	-
	14,547	13,196
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(644)	545
<b>Total tax expense</b>	13,903	13,741



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### 8. Earnings per share

Basic earnings per share is computed by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Basic earnings per share (Singapore cents)	4.48	4.39
	<b>No. of shares</b>	
	<b>'000</b>	<b>'000</b>
Total number of shares in issue at the end of the period	1,503,537	1,503,537
Weighted average number of shares at during the period	1,503,537	1,503,537

There were no potential dilutive shares during the period reported on.

### 9. Dividends

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Final exempt 2021 dividend of 3.10 cents per share (2021: Final exempt 2020 dividend of 3.0 cents per share)	46,610	45,106



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### 10. Share capital

	<b>The Group and the Company</b>			
	<b>30 Jun 2022</b>		<b>31 Dec 2021</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'000</b>
Ordinary shares in issue	1,503,537	235,373	1,503,537	235,373

The Company did not hold any treasury shares as at 30 June 2022.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to claims on Company's residual assets.

All issued ordinary shares are fully paid, with no par value.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

### 11. Net asset value

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Jun 2022</b>	<b>As at 31 Dec 2021</b>	<b>As at 30 Jun 2022</b>	<b>As at 31 Dec 2021</b>
	Net asset value per ordinary share (Singapore cents)	28.87	27.50	18.87
Number of shares as at end of period/year ( '000)	1,503,537	1,503,537	1,503,537	1,503,537

### 12. Property, plant and equipment / Right-of-use assets

	<b>Note</b>	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>			
Property, plant and equipment	(a)	297,855	302,883
Right-of-use assets	(b)	75,533	79,505
		<u>373,388</u>	<u>382,388</u>



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2022

### (a) Property, plant and equipment

	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
<b>Cost</b>		
At 1 January	452,409	421,689
Additions	5,163	31,693
Adjustment	-	1,209
Disposals	(431)	(2,425)
Effect of movements in exchange rates	(200)	243
	<u>456,941</u>	<u>452,409</u>
<b>Accumulated depreciation</b>		
At 1 January	149,526	130,101
Depreciation	9,999	20,435
Adjustment	-	1,209
Disposals	(340)	(2,367)
Effect of movements in exchange rates	(99)	148
	<u>159,086</u>	<u>149,526</u>
<b>Carrying amounts</b>	<u><b>297,855</b></u>	<u><b>302,883</b></u>

### Acquisitions and disposals

For the period ended 30 June 2022, the Group acquired assets amounting to \$5,163,000 (1H FY 2021: \$5,414,000) and disposed assets with carrying amount of \$431,000 (1H FY 2021: \$679,000). The proceeds from disposals amounted to \$94,000 (1H FY 2021: \$103,000) resulting in a loss on disposal of \$1,000 (1H FY 2021: Gain on disposal of \$72,000)

### (b) Right-of-use assets

	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
At 1 January	79,505	48,711
Additions	17,577	62,464
Depreciation	(16,248)	(31,179)
Derecognition of ROU assets	(5,181)	(536)
Effect of movements in exchange rate	(120)	45
	<u>75,533</u>	<u>79,505</u>



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2022

### Amount recognised in profit and loss

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Interest on lease liabilities	1,468	1,077
Income from sub-leasing right-of-use assets presented in "other income"	(751)	(715)
Expenses relating to short-term leases	2,079	1,561

### 13. Term loan

	<b>The Group</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	Unsecured	Unsecured
<b>Amount repayable in one year or less</b>		
Term loan	-	5,000

The unsecured term loan of \$30.0 million was granted by a government agency in June 2020, of which \$10.0 million and \$15.0 million were repaid in June 2021 and December 2021 respectively. The balance was repaid in March 2022.

### 14. Lease liabilities

	<b>The Group</b>	
	<b>30 Jun 22</b>	<b>31 Dec 21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Non-current	44,250	48,945
Current	29,293	27,749
	<b>73,543</b>	<b>76,694</b>

### 15. Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of condensed interim financial statements.



# SHENG SIONG GROUP LTD.

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## F. Other Information Required by Listing Rule Appendix 7.2

### 1. Review

The interim statements of financial position of Sheng Siong Group Ltd and its subsidiaries as at 30 June 2022 and the related interim consolidated statement of profit or loss and other comprehensive income, interim statements of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Consolidated Statement of Profit or Loss for the 6 months ended 30 June 2022

##### Overview

Revenue decreased by S\$4.9 million or 0.7% year on year to S\$676.8 million in the first half of FY 2022, largely due to the easing of most of the COVID-19 restrictions in 2Q FY 2022 and many travelled overseas especially during the June school holidays.

The Group posted a higher net profit of S\$67.5 million in first half of FY 2022, up S\$1.4 million from the corresponding period a year ago.

	The Group		
	1H FY 2022	1H FY 2021	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales reported for the first half year	676,751	681,675	(0.7%)
Operating profit after tax for the first half year	67,502	66,091	2.1%

##### Revenue

	1H FY 2022	1H FY 2021
Number of stores	66(Singapore)+4(China)	63(Singapore)+2(China)
Retail area	596,702 sq. ft*	571,150 sq. ft*
Revenue for the period	S\$676.8m	S\$681.7m

\*Singapore's operations only.





# SHENG SIONG GROUP LTD.

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Revenue	No. of stores	Increase/(Decrease) in Revenue 1H FY 2022 vs 1H FY 2021
New store – Singapore	3	0.9%
Comparable same store – Singapore	63	(2.4%)
China (opened 2 stores in 2H FY 2021)	4	0.8%
Total	70	(0.7%)

New stores opened in Singapore contributed S\$7.0 million to 1H FY 2022 revenue. However, the increment was offset by 2.4% decline in revenue of comparable stores. China operations reported 0.8% increment arising from revenue contribution by two stores which were opened in August and November 2021.

### Gross profit

Despite 0.7% decline in revenue, the gross profit margin improved slightly from 28.2% to 29.4%, mainly attributable to changes in sales mix.

### Gross margin

1H FY 2022	1H FY 2021
29.4%	28.2%

### Administrative expenses

The administrative expenses increased by S\$2.6 million to record S\$115.9 million in 1H FY 2022 of which higher energy cost and related premises expenses contributed 69.2% to the increment.

### Tax

The effective tax rate for 1H FY 2022 of 17.1 per cent was higher than the statutory tax rate of 17.0 per cent mainly because of certain expenses that are non-deductible.

### China

The subsidiary in China continued to be profitable.

### Consolidated Statement of Financial Position

As at 30 June 2022, the net asset value of property, plant and equipment decreased to S\$297.9 million from S\$302.9 million as at 31 December 2021 – please refer to page 14 Note 12 (a) for the explanation.

As at 30 June 2022, the carrying amount of right-of-use assets was S\$75.5 million. Ten leases were renewed during 1H FY 2022 and the value of ROU assets added were S\$17.6 million. – refer to page 14 Note 12 (b) for the movement of the asset.



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Current assets decreased by S\$29.2 million to S\$327.4 million as at 30 June 2022. Inventory contributed S\$14.7 million and cash and cash equivalents accounted for S\$12.4 million to the decline.

As at 30 June 2022, current liabilities significantly decreased by S\$53.5 million from S\$270.5 million to S\$217.0 million as more funds are utilized to pay to the suppliers within usual credit term.

### Consolidated Statement of Cash Flows

Revenue was mostly transacted on cash basis. There were no major changes to the payment cycle.

Cash generated from operating activities for 1H FY 2022 declined to S\$60.1 million, down by S\$10.3 million from S\$70.4 million reported a year ago, mainly on account of more funds being utilized to settle outstanding to the suppliers.

As at 30 June 2022, cash and cash equivalents stand at S\$234.3 million, down by S\$12.4 million from S\$246.6 million as at end December 2021.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

As Singapore moves towards endemic living with COVID-19, we expect the elevated demand that persisted throughout 2020 and 2021 to continue to taper to a new normal.

However, in view of global inflationary pressures and higher cost of living, the consumers are taking a cautious approach on their spending priorities and their shopping behavior, looking for ways to stretch their dollar – preference to dine-in at home, shop at supermarkets that provide more value-for-money and purchase house brand products which are more affordable amid record inflation.

Competition in the supermarket industry is expected to remain keen particularly in this heightened inflationary environment. Higher input costs such as energy expenses and excessive promotions by competitors could result in lower margins.

COVID-19 virus remains a risk to Singapore and the global economy as it is unclear if more dangerous mutations will emerge in the coming months.

There is still a risk of supply chain disruptions arising from global inflationary pressures, any new COVID-19 variants, the growing climate and geo-political events. The Group will work closely with its suppliers from sourcing to production to shipping and will reinforce our efforts in diversifying our sources of supply to minimize disruptions. The Group remains committed to bring value to its customers with competitive pricing and affordable products.



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The Group will continue to look for retail space in new and existing housing estates, particularly in estates where the Group has no presence.

We will continue to monitor the performance of existing and new outlets closely by working on core competencies to improve our operational efficiency and productivity.

### 5. If a decision regarding dividend has been made:-

#### 5a. Current Financial Period Reported On

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.15 cent per share
Tax rate	Tax exempt (one-tier)

#### 5b. Corresponding Period of the immediately Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.1 cent per share
Tax rate	Tax exempt (one-tier)

#### 5c. The date the dividend is payable

30 August 2022

#### 5e. The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 18 August 2022 for the purpose of determining the entitlements of the Company's shareholders to the Interim Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632 up to 5.00 p.m. on 18 August 2022 will be registered before entitlements to the Interim Dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares at 5.00 p.m. on 18 August 2022 will be entitled to the Interim Dividend.



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6. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain a mandate under Rule 920(1)(a)(ii). The interested person transactions during the period were:

### INTERESTED PERSON TRANSACTIONS From 1 January 2022 to 30 June 2022

Name of Interested Person(s)	Description of Interested Person Transactions	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
F M Food Court Pte Ltd <sup>(1)</sup> / Lim Hock Eng Lim Hock Chee Lim Hock Leng	Sale of goods and services by Sheng Siong Group Ltd to F M Food Court Pte Ltd <sup>(1)</sup>	10	-
	New lease of operating space by FM Food Court Pte Ltd <sup>(1)</sup> from Sheng Siong Group Ltd	1,023	-
	Utilities paid by F M Food Court Pte Ltd to Sheng Siong Group Ltd.	131	-
E Land Properties Pte Ltd <sup>(1)</sup> / Lim Hock Eng Lim Hock Chee Lim Hock Leng	Utilities paid by Sheng Siong Group Ltd. to E Land Properties Pte Ltd <sup>(1)</sup> for lease of operating space	139	-

Note:

- (1) These entities are associates of Messrs. Lim Hock Eng, Lim Hock Chee and Lim Hock Leng, the executive directors and controlling shareholders of Sheng Siong Group Ltd.



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## **7. Confirmation By the Company Pursuant to Rule 720(1) of SGX Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format as set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

## **8. Negative Assurance Confirmation On Interim Financial Results Pursuant To Rule 705(5) Of The Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render these interim financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Lim Hock Eng**  
Executive Chairman

**Lim Hock Chee**  
Chief Executive Officer

28 July 2022