



SHENG SIONG GROUP LTD.
(Company Registration Number: 201023989Z)
(Incorporated in the Republic of Singapore)
(the "Company")

**ENTRY INTO SALE AND PURCHASE AGREEMENT
IN RESPECT OF THE PROPOSED ACQUISITION**

1. INTRODUCTION

- 1.1. The Board of Directors of Sheng Siong Group Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Sheng Siong Supermarket Pte. Ltd. (the "**Purchaser**"), has entered into a conditional sale and purchase agreement ("**SPA**"), on 27 September 2024 to purchase 25,000,000 ordinary shares ("**Sale Shares**") representing 100% of the issued and paid-up capital of the Jelita Property Pte. Ltd. ("**Target Company**"), hereinafter referred to as the "**Proposed Acquisition**" for the consideration set out in paragraph 3.2 of this announcement (the "**Consideration**").
- 1.2. As part of the Proposed Acquisition, the Target Company shall grant to the vendor in the SPA (the "**Vendor**") and the Vendor agrees to take a lease of all the area in the eight (8) strata units located at 01-04/05/06/12/13/14/15/16 2 First Street, Singapore 458278 comprised in the development known as Siglap V ("**Leaseback Agreement**").
- 1.3. The Proposed Acquisition constitutes a "non-disclosable transaction" pursuant to Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"). Please refer to paragraph 5 (*Chapter 10 of the Listing Manual*) of this announcement for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual.

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1. Information on the Target Company

The Target Company is a private limited company incorporated in Singapore on 4 May 1961 and primarily in the business of real estate development in Singapore. The shareholder of the Target Company is the vendor in the Proposed Acquisition (the "**Vendor**") who holds 100% of the issued share capital of the Target Company.

The Target Company owns:

- (a) the properties located at 2 First Street #01-04/05/06/12/13/14/15/16, Singapore 458278; and
- (b) the leasehold interest of 78 years commencing 1 October 1992 of the property located at 181 Toa Payoh #01-602, Singapore 310181,

(collectively, the "**Property**").

2.2. Rationale and Benefits of the Proposed Acquisition

The Board of Directors of the Company is of the view that the Proposed Acquisition is in the Group's best interests as the Proposed Acquisition would enable the Group to open additional stores, receive additional rental income arising from the Leaseback Agreement, and the opportunity of long-term capital appreciation of the assets. The Proposed Acquisition is in line with the Group's strategy to operate supermarkets in areas where its potential customers reside.

Given the foregoing, the Board believes that the Proposed Acquisition will enhance shareholder value for the Company.

2.3. Source of Funds for the Proposed Acquisition

The payment of the Consideration (as defined below) will be financed through the Company's internally generated funds.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Sale and Purchase of the Sale Shares

Subject to the terms and conditions of the SPA, the Vendor shall sell, and the Company shall purchase, the Sale Shares free from all encumbrances together with all rights attaching thereto for the Consideration (as defined below). The Consideration was arrived at after arm's length discussions between the parties.

3.2. Consideration

The consideration ("**Consideration**") is the net asset value of the Target Company which is adjusted on the basis that the value of the Property is fixed at S\$50,200,000 (the "**Agreed Property Value**") and shall comprise the following:

- (a) a sum of S\$5,020,000 (the "**Deposit**"), being 10.0% of the Agreed Property Value paid as follows:
 - (i) the earnest money of S\$502,000 paid by the Purchaser to the Vendor by way of electronic bank transfer on 9 July 2024; and
 - (ii) the amount of S\$4,518,000, paid by the Purchaser to the Vendor on the date of the SPA; and
- (b) on Completion, the Purchaser shall pay an amount equal to the estimated adjusted net asset value less the Deposit.

The Consideration will be subject to confirmation based on the completion accounts to be prepared following the completion of the Proposed Acquisition.

3.3. Completion

Completion shall take place on 30 October 2024 or such other date as the Parties may mutually agree in writing through the exchange of documents at the office of the Vendor's solicitors and is subject to the Leaseback Agreement at agreed terms and conditions.

4. FINANCIAL INFORMATION RELATING TO THE SALE SHARES

The Sale Shares are not listed or traded on any securities exchange. Accordingly, the open market value of the Sale Shares is not available. The Consideration (as set out in paragraph 3.2 of this announcement) was considered by the Group during its internal assessment of the Proposed Acquisition. The Company did not find it meaningful to commission an external valuation in respect of the Sale Shares.

5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

- 5.1. The relative figures in relation to the Proposed Acquisition computed on the relevant bases set out in Rule 1006 of the Listing Manual and based on the latest consolidated financial statements of the Group for the financial period ended 30 June 2024 are as follows:

Rule		Relative Figures (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ¹
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	4.38% ²
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	2.21% ³
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁴
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable in the Group's industry ⁵

¹ Rule 1006(a) of the Listing Manual is not applicable as this concerns a proposed acquisition of assets.

² The relative figure is computed based on (i) the Target Company's net profit after tax for the six-month period ending 30 June 2024 of S\$3,064,088 and (ii) the Group's net profit after tax for the six-month period ending on 30 June 2024 of S\$69,965,000.

³ The estimated aggregate value of the consideration is S\$50,200,000. The market capitalisation of the Company is approximately S\$2,270,000,000 (as determined by multiplying 1,503,537,000 shares as at the date of this announcement by the volume weighted average price of the shares of approximately S\$1.51 for trades done on 26 September 2024, being the last traded day preceding the date of the SPA).

⁴ Rule 1006(d) of the Listing Manual is not applicable as the Proposed Acquisition does not involve any issuance of equity securities by the Company.

⁵ Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

5.2. Non-disclosable Transaction

Based on the relative figures computed under Rule 1006 of the Listing Manual for the Proposed Acquisition amounting to 5% or less, the Proposed Acquisition is classified as a “non-disclosable transaction”, no announcement of the Proposed Acquisition is required pursuant to Rule 1008 of the Listing Manual and no shareholder approval is required for the Proposed Acquisition.

6. DOCUMENT FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors, controlling or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

8. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcements as and when there are material developments in respect of the Proposed Acquisition, the SPA and other matters contemplated in this announcement.

By Order of the Board

Lim Hock Chee
Chief Executive Officer

27 September 2024

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.