

SHENG SIONG GROUP LTD.
(Company Registration No.: 201023989Z)
(the “**Company**”)
(Incorporated in Singapore)

MINUTES OF TWELFTH ANNUAL GENERAL MEETING

Date : 28 April 2023

Time : 10.00 a.m.

Venue : Conducted by way of webcast

Present : As per attendance sheets

Chairman : Ms. Lin Ruiwen

Mr. Lim Hock Eng welcomed the shareholders to the Twelfth Annual General Meeting (“**Meeting**”) of the Company.

Mr. Lim Hock Eng requested Ms. Lin Ruiwen, an Executive Director of the Company, to conduct the proceedings of the Meeting in English on his behalf as Chairman of the Meeting (“**Chairman**”).

The Chairman introduced the Company’s Directors and Officers present at the Meeting in-person and/or via webcast.

QUORUM AND NOTICE

As the quorum was present, the Chairman declared the Meeting open.

With the consent of the Meeting, the Notice convening the Meeting was taken as read.

QUESTIONS

The Chairman informed the shareholders that according to the Company’s Notice of the Meeting and the accompanying announcement dated 6 April 2023, shareholders may submit questions relating to the business of the Meeting by the stipulated deadline of 10.00 a.m. on 13 April 2023, in advance of the Meeting. The Company had, on 20 April 2023, announced the responses to the substantial questions on SGXNet.

The Chairman further informed that the shareholders may ask questions “live” during the course of the Meeting through typing and submitting questions through the “Ask a Question” feature available at the “live webcast”.

PROXY FORMS

In the Notice of Meeting, the Company had informed shareholders who wish to exercise their voting rights at the Meeting may do so through submission of instrument of appointing a proxy(ies) to vote, or vote “live” at the Meeting. Hence, proxy forms lodged at the Company’s office or the Company’s email have been checked and are found to be in order.

Accordingly, the Chairman informed all members present that, in her capacity as the Chairman of the Meeting, she has been appointed as a proxy by numerous shareholders and will be voting in accordance with their instructions.

The validity of the proxy forms submitted by shareholders by the submission deadline of 10.00 a.m. on 25 April 2023 had been reviewed and verified.

VOTING BY POLL

The Chairman informed that all resolutions to be tabled at the Meeting would be voted upon by way of poll as required under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Shareholders who are present and pre-registered themselves at the pre-registration website may cast their votes on the resolution “live” by using the voting feature available during the course of the Meeting.

The Chairman informed shareholders that the representatives of Reliance 3P Advisory Pte. Ltd. have been appointed as Independent Scrutineer.

The Chairman further informed shareholders that the Company will proceed with the formalities of the Meeting and address the question(s) from shareholders and conduct the voting by poll after the formalities of the Meeting.

ORDINARY BUSINESS

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

The Meeting proceeded to receive and consider the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 (“**FY2022**”), together with the Auditors' Report thereon.

The Chairman proposed the following motion for Resolution 1 to be put to vote:

“That the Directors’ Statement and the Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Auditors' Report thereon be and are hereby received and approved.”

2. FINAL (ONE-TIER TAX EXEMPT) DIVIDEND – RESOLUTION 2

The Directors had recommended the payment of a final (one-tier tax exempt) dividend of 3.07 Singapore cents per ordinary share for FY2022. If approved, the dividend would be paid on 19 May 2023.

The Chairman proposed the following motion for Resolution 2 to be put to vote:

“That the payment of a final (one-tier tax exempt) dividend of 3.07 Singapore cents per ordinary share for the financial year ended 31 December 2022 be and is hereby approved.”

3. RE-ELECTION OF DIRECTORS – RESOLUTIONS 3 TO 4

The Directors who retired pursuant to Regulation 89 of the Company's Constitution were Mr. Lim Hock Chee and Ms. Tan Poh Hong, all of whom had expressed their consent to continue in office.

3.1 RE-ELECTION OF MR. LIM HOCK CHEE – RESOLUTION 3

The Chairman proposed the following motion for Resolution 3 to be put to vote:

“That Mr. Lim Hock Chee, who retired from office in accordance with Regulation 89 of the Constitution of the Company and being eligible, offered himself for re-election, be and is hereby re-elected as a Director of the Company.

Mr. Lim Hock Chee, was re-elected as a Director of the Company, remains as the Executive Director and Chief Executive Officer of the Company.”

3.2 RE-ELECTION OF MS. TAN POH HONG – RESOLUTION 4

The Chairman proposed the following motion for Resolution 4 to be put to vote:

“That Ms. Tan Poh Hong, who retired from office in accordance with Regulation 89 of the Constitution of the Company and being eligible, offered herself for re-election, be and is hereby re-elected as a Director of the Company.

Ms. Tan Poh Hong, was re-elected as a Director of the Company, remains as the Independent Director, the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee, and is considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.”

3.3 RETIREMENT OF MR. TAN LING SAN

The Chairman informed the shareholders that Mr. Tan Ling San, who is retiring by rotation pursuant to Regulation 89 of the Constitution of the Company has informed the Board that he is not seeking for re-election at the Meeting. Upon his retirement, he would relinquish as the Vice Chairman and Executive Director of the Company.

The Board would like to express its appreciation to Mr. Tan Ling San for his contribution as the Vice Chairman and Executive Director of the Company. Mr. Tan Ling San will continue to serve as a director with the Company's subsidiaries, i.e. Sheng Siong Supermarket Pte. Ltd. and C M M Marketing Management Pte. Ltd.

4. APPROVAL OF PAYMENT OF DIRECTORS' FEES – RESOLUTION 5

The Board of Directors had recommended the payment of a sum of S\$300,000 as Directors' fees for FY2022.

The Chairman proposed the following motion for Resolution 5 to be put to vote:

“That the payment of the Director's fees of S\$300,000 for the financial year ended 31 December 2022 be approved.”

5. RE-APPOINTMENT OF AUDITORS – RESOLUTION 6

The retiring auditors, Messrs KPMG LLP, the Auditors of the Company, had expressed their willingness to continue in office.

The Chairman proposed the following motion for Resolution 6 to be put to vote:

“That Messrs KPMG LLP, who have expressed their willingness to continue in office, be and are hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting at a fee to be agreed between the Directors and Messrs KPMG LLP be approved.”

ANY OTHER BUSINESS

As no notice of any other ordinary business to be transacted at the AGM had been received by the Secretary, the AGM proceeded to deal with the special business outlined in the Notice of the AGM.

SPECIAL BUSINESS

6. AUTHORITY TO ALLOT AND ISSUE SHARES – SHARE ISSUE MANDATE - RESOLUTION 7

Resolution 7 was to authorise the Directors to allot and issue shares in the capital of the Company (“**Shares**”) pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST.

The Chairman proposed the following motion for Resolution 7 to be put to vote:

“That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (A) (i) issue Shares whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and convertible securities to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance

with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be issued under sub-paragraph (1) above on a pro-rata basis, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares,

and, sub-paragraph (2), “**subsidiary holdings**” has the same meaning ascribed to it in the rules of the Listing Manual of the SGX-ST;

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST as amended from time to time (unless such compliance has been waived by the SGX-ST) and the Constitution; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier.”

QUESTIONS FROM SHAREHOLDERS DURING THE MEETING

The Company has responded to the following questions received from the shareholders:

Question 1

Why the composition of the Board of Directors of the Company (“**Board**”) does not comprise any non-independent director?

Company’s response

The information for the Company’s composition of the Board has been disclosed under the “Corporate Information” section of the Company’s Annual Report FY2022. The Board comprises ten (10) Directors, five (5) of whom are non-executive and independent. The Board of Directors is constituted as follows:

Mr. Lim Hock Chee, Chief Executive Officer
Mr. Lim Hock Eng, Executive Chairman
Mr. Lim Hock Leng, Managing Director
Mr. Tan Ling San, Vice Chairman and Executive Director
Ms. Lin Ruiwen, Executive Director
Mr. Chee Teck Kwong Patrick, Lead Independent Director
Mr. Tan Huay Lim, Independent Director
Ms. Tan Poh Hong, Independent Director
Mr. Ko Chuan Aun, Independent Director
Ms. Cheng Li Hui, Independent Director

All five (5) Independent Directors are the members of the Nominating Committee of the Company.

Question 2

Can the Company elaborate on the meaning of improved sales mix? How can it help?

Company’s response

It refers to the Group’s efforts in improving the sales of categories of products retailed at its stores towards products that could help the Group achieve higher margins. By improving the sales of these categories of products, it would improve the Group’s gross profit margins.

The two main categories are broadly categorised as fresh and grocery. The fresh category would have a higher gross profit margin as compared with the grocery category. Hence, the Group’s strategy is to improve the sales mix towards the fresh category, especially as new HDB developments no longer have wet markets.

Question 3

What is the Company's strategy for the expansion in China?

Company's response

The Company's fifth outlet would soon be opened in Kunming, China. China is a big market with approximately 1.4 billion population as compared with 680 million population in Southeast Asia. The Management has observed that China is a socially stable society with low crime rates and there are opportunities for the Group to expand its business. The Group would continue to expand its supermarket business in China by opening new stores. When the Group achieves economies of scale in China, it intends to set up a distribution centre so that with higher purchase volume and bulk handling, the Group could also improve its operating margins in China.

Question 4

The shareholder noted that the net income is largely boosted by one-off rebates of S\$17 million from suppliers in FY2022 and asked what can the Company bring in to replace such one-off rebates in FY2023?

Company's response

The Company has reported in its full-year results announcement for FY2022 that the rebates from suppliers is a one-off item which is unlikely to record the same in FY2023. The reason for having the one-off rebates is mainly due to the marketing investments or funds which the suppliers have provided to the Company in FY2022.

The Company further clarified that the one-off rebates received from suppliers amount to approximately S\$5.4 million instead of S\$17 million, i.e. other income. The other income of S\$17 million comprised rental income, government grants and one-off rebates received from suppliers. The said rebates made up a significant contribution to the Group's other income in FY2022.

Question 5

The shareholder has requested the Management to provide guidance on the capital expenditure for the next one to two years.

Company's response

The capital expenditure depends on the development and expansion of new store openings. The estimated capital expenditure for each new store is approximately S\$1 million to S\$1.2 million.

Question 6

The shareholder understands that there is some F&B presence under the Group and asked what is the Company's strategy to maintain and grow the F&B business against the competitors.

Company's response

The Company does not operate any F&B business under the Group. The F&B business is a food court business undertaken and privately held by the Company's three founders.

Question 7

Is the Group considering to venture into other markets in ASEAN for future expansion?

Company's response

The Group has no intention to expand into ASEAN as it is not easy to internationalise. It is particularly important for the Group to build a strong organisation culture in places where it opens in. For example, the Group has been expanding in China for approximately 6 years and has only managed to open up five stores. Other than the funds to be invested, the expansion is also dependent on the human capital and the organisation culture which the company has built up in ensuring that the Company can grow steadily. The Company reiterated on the population size between China and Southeast Asia and highlighted that the Company would focus on its strategy to continue its expansion in China.

Question 8

Can the Management share on its Singapore growth, growth opportunity and the number of stores to be opened in FY2023?

Company's response

In Singapore, the Management has continued to observe that there are many new estates under development, especially from the announcements by the Housing Development Board (“HDB”) that there will be more HDB estates being built over the next few years. At this point in time, the Management has visibility that there are still over 10 stores upcoming to be available for bidding. Every year, the Company expects to open at least two to three stores. However, the Company's historical trend has also shown that the Company is able to open 8 stores in a single year as well. The Company wishes to continue to open new stores in HDB areas and the Company is very heartened that the government will continue to rejuvenate the different HDB estates. The Company wish to continue to expand its market share in Singapore by focusing on its core strategy to improve its fresh sales mix.

Question 9

Will the Company consider giving out to the shareholders some form of benefits, e.g. discount when purchasing at Sheng Siong supermarkets?

Company's response

At this point in time, the Company is not considering any special benefits for shareholders in the form of special discounts for shareholders only. However, the Group has partnered with banks and financial institutions to offer credit card discounts to its customers, e.g. Bank of China, Diners and POSB Everyday card. Recently, the Company has also observed that one supermarket retailer is partnering with a digital bank. As a result, more banks are coming forward to propose partnerships with the Company.

CONDUCT OF POLL

As there were no further questions from the shareholders, the Chairman informed the Meeting that the scrutineer would proceed to count and verify the votes.

RESULTS OF ANNUAL GENERAL MEETING

The Chairman resume the AGM and announced the results of the poll as follows:

Resolution numbers and details	Total number of shares represented by votes for and against the relevant resolution	For		Against		Results
		Number of shares	As a percentage of total number of votes for and against the relevant resolution (%)	Number of shares	As a percentage of total number of votes for and against the relevant resolution (%)	
AS ORDINARY BUSINESS						
<u>Resolution 1</u> Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022	1,076,797,391	1,076,777,391	99.998	20,000	0.002	Carried
<u>Resolution 2</u> Approval of payment of final dividend	1,077,112,991	1,077,092,991	99.998	20,000	0.002	Carried
<u>Resolution 3</u> Re-election of Mr. Lim Hock Chee as a Director	939,399,991	936,614,829	99.704	2,785,162	0.296	Carried
<u>Resolution 4</u> Re-election of Ms. Tan Poh Hong as a Director	1,077,099,991	1,008,388,608	93.621	68,711,383	6.379	Carried

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Resolution numbers and details	Total number of shares represented by votes for and against the relevant resolution	For		Against		Results
		Number of shares	As a percentage of total number of votes for and against the relevant resolution (%)	Number of shares	As a percentage of total number of votes for and against the relevant resolution (%)	
AS ORDINARY BUSINESS						
<u>Resolution 5</u> Approval of Directors' fees amounting to S\$300,000 for the financial year ended 31 December 2022	1,077,112,891	1,077,091,691	99.998	21,200	0.002	Carried
<u>Resolution 6</u> Re-appointment of KPMG LLP as Auditors and to authorise the Board of Directors of the Company to fix their remuneration	1,077,101,991	1,074,318,589	99.742	2,783,402	0.258	Carried
AS SPECIAL BUSINESS						
<u>Resolution 7</u> Authority to allot and issue shares in the capital of the Company – Share Issue Mandate	1,077,105,291	951,832,405	88.369	125,272,886	11.631	Carried

CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 10.35 a.m., and thanked all shareholders who attended the Meeting.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

LIN RUIWEN
CHAIRMAN OF THE MEETING