



# SHENG SIONG GROUP LTD.

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Condensed Interim Financial Statements  
For the Six Months Ended 30 June 2023

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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 2023 S\$'000	30 Jun 2022 S\$'000	
Revenue	5	690,479	676,751	2.0%
Cost of sales		(485,331)	(477,682)	1.6%
Gross profit		205,148	199,069	3.1%
Other income	6.1	4,248	5,483	(22.5%)
Selling and distribution expenses		(3,697)	(3,934)	(6.0%)
Administrative expenses		(127,288)	(115,939)	9.8%
Other expenses		(2,382)	(2,599)	(8.3%)
<b>Results from operating activities</b>		76,029	82,080	(7.4%)
Finance income	6.1	5,457	793	588.1%
Finance expenses	6.1	(2,021)	(1,468)	37.7%
<b>Profit before tax</b>	6.1	79,465	81,405	(2.4%)
Tax expense	7	(13,942)	(13,903)	0.3%
<b>Profit for the period</b>		65,523	67,502	(2.9%)
<b>Other comprehensive income</b>				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences – foreign operations		(204)	(281)	(27.4%)
<b>Total comprehensive income for the period</b>		65,319	67,221	(2.8%)



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	Note	The Group		
		6 months ended		Change +/- (-)
		30 Jun 2023 S\$'000	30 Jun 2022 S\$'000	
<b>Profit net of tax for the period attributable to:</b>				
Owners of the Company		65,363	67,373	(3.0%)
Non-controlling interest		160	129	24.0%
<b>Profit after tax</b>		<b>65,523</b>	<b>67,502</b>	<b>(2.9%)</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company		65,241	67,205	(2.9%)
Non-controlling interest		78	16	387.5%
<b>Total comprehensive income</b>		<b>65,319</b>	<b>67,221</b>	<b>(2.8%)</b>
<b>Earnings per share</b>				
Basic and diluted (cents)	8	4.35	4.48	(2.9%)



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## B. Interim Statements of Financial Position

	Note	The Group		The Company	
		30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
Property, plant and equipment	12	287,886	291,608	-	-
Right-of-use assets	12	83,482	97,286	-	-
Investment in subsidiaries		-	-	82,261	82,261
<b>Non-current assets</b>		<b>371,368</b>	<b>388,894</b>	<b>82,261</b>	<b>82,261</b>
Inventories		83,470	101,182	-	-
Trade and other receivables		14,791	19,540	199,822	200,221
Cash and cash equivalents		288,993	275,499	130	202
<b>Current assets</b>		<b>387,254</b>	<b>396,221</b>	<b>199,952</b>	<b>200,423</b>
<b>Total assets</b>		<b>758,622</b>	<b>785,115</b>	<b>282,213</b>	<b>282,684</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		(712)	(590)	-	-
Statutory reserve		156	156	-	-
Accumulated profits		304,746	285,541	46,640	46,960
<b>Equity attributable to owners of the Company</b>		<b>471,329</b>	<b>452,246</b>	<b>282,013</b>	<b>282,333</b>
Non-controlling interest		3,005	2,927	-	-
<b>Total equity</b>		<b>474,334</b>	<b>455,173</b>	<b>282,013</b>	<b>282,333</b>
<b>Liabilities</b>					
Lease liabilities	13	49,009	62,598	-	-
Deferred tax liabilities		956	1,540	-	-
<b>Non-current liabilities</b>		<b>49,965</b>	<b>64,138</b>	-	-
Trade and other payables		170,130	197,455	198	347
Current tax payable		30,488	35,297	2	4
Lease liabilities	13	33,705	33,052	-	-
<b>Current liabilities</b>		<b>234,323</b>	<b>265,804</b>	<b>200</b>	<b>351</b>
<b>Total liabilities</b>		<b>284,288</b>	<b>329,942</b>	<b>200</b>	<b>351</b>
<b>Total equity and liabilities</b>		<b>758,622</b>	<b>785,115</b>	<b>282,213</b>	<b>282,684</b>



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## C. Interim Statements of Changes in Equity

<u>Group</u>	Attributable to owners of the company							
	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Statutory Reserve S\$'000	Accumulated profits S\$'000	Total S\$'000	Non-Controlling interest S\$'000	Total equity S\$'000
<b>At 1 January 2023</b>	235,373	(68,234)	(590)	156	285,541	452,246	2,927	455,173
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	65,363	65,363	160	65,523
<b>Other comprehensive income</b>								
Foreign currency translation differences	-	-	(122)	-	-	(122)	(82)	(204)
<b>Total comprehensive income for the period</b>	-	-	(122)	-	65,363	65,241	78	65,319
<b>Transaction with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
Dividends paid (Note 9)	-	-	-	-	(46,158)	(46,158)	-	(46,158)
<b>Total transaction with owners</b>	-	-	-	-	(46,158)	(46,158)	-	(46,158)
<b>At 30 June 2023</b>	235,373	(68,234)	(712)	156	304,746	471,329	3,005	474,334
<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



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<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 2023</b>	235,373	46,960	282,333
<b>Total comprehensive income</b>			
Profit for the period	-	45,838	45,838
<b>Total comprehensive income for the period</b>	-	45,838	45,838
<b>Transaction with owners, recognised directly in equity</b>			
<b>Distribution to owners of the Company</b>			
Dividends paid	-	(46,158)	(46,158)
<b>Total transaction with owners</b>	-	(46,158)	(46,158)
<b>At 30 June 2023</b>	<b>235,373</b>	<b>46,640</b>	<b>282,013</b>
<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>



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## D. Interim Consolidated Statement of Cash Flows

	Note	The Group	
		6 months ended	
		30 Jun 2023	30 Jun 2022
		S\$'000	S\$'000
<b>Operating activities</b>			
Profit for the period		65,523	67,502
Adjustments for:			
Depreciation of:			
– property, plant and equipment	6.1	9,037	9,999
– right-of-use assets	6.1	17,219	16,248
Loss on disposal of property, plant and equipment	6.1	1	1
Unrealised exchange gain		(244)	(518)
Interest income	6.1	(5,457)	(793)
Interest expense	6.1	2,021	1,468
Tax expense	7	13,942	13,903
		102,042	107,810
Changes in:			
– inventories		17,712	14,651
– trade and other receivables		4,749	2,221
– trade and other payables		(27,325)	(52,049)
<b>Cash generated from operations</b>		97,178	72,633
Taxes paid		(19,335)	(12,558)
<b>Cash flows from operating activities</b>		77,843	60,075
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		70	90
Purchase of property, plant and equipment	12(a)	(5,500)	(5,163)
Interest received		5,457	793
<b>Cash flows from/(used in) investing activities</b>		27	(4,280)
<b>Financing activities</b>			
Dividends paid	9	(46,158)	(46,610)
Repayment from borrowings		-	(5,000)
Payment of lease liabilities		(16,423)	(15,511)
Interest paid on lease liabilities		(1,912)	(1,363)
<b>Cash flows used in financing activities</b>		(64,493)	(68,484)
<b>Net increase/(decrease) in cash and cash equivalents</b>		13,377	(12,689)
Cash and cash equivalents at beginning of the period		275,499	246,642
Effect of exchange rate changes on balances held in foreign currencies		117	317
<b>Cash and cash equivalents at end of the period</b>		288,993	234,270



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2023

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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 2023 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 2023 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 2022. 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 2022.

##### 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 2023 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 2022.





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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2023

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### **New standards and amendments**

The policy for recognising and measuring income taxes in the interim period is disclosed in Note 7 and is consistent with that applied in the comparative interim period except for the changes outlined below.

#### *Deferred tax related to assets and liabilities arising from a single transaction*

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to SFRS(I) 1-12 from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases applying the “integrally linked” approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was no impact on the opening accumulated profits as at 1 January 2022 as a result of the change. The key impact for the Group relates to the disclosure of the deferred tax assets and liabilities recognised – this disclosure will be provided in the annual financial statements.

The change in accounting policy will also be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2023.



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2023

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### 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 2022.

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 2023 and 30 June 2022. The subsidiary in Malaysia remained inactive.

### 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.



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2023

### 6. Profit before taxation

#### 6.1 Significant items

	Note	The Group	
		6 months ended	
		30 Jun 2023	30 Jun 2022
		S\$'000	S\$'000
Depreciation of property, plant and equipment	12(a)	9,037	9,999
Depreciation of right-of-use assets	12(b)	17,219	16,248
Exchange gain, net		(761)	(493)
Loss on disposal of property, plant and equipment		1	1
Staff costs	(a)	100,244	93,474
Contribution to defined contribution plans, included in staff costs		4,592	4,165
Interest income	(b)	(5,457)	(793)
Interest expense	(c)	2,021	1,468
Finance (income)/expense, net		(3,436)	675
<b>Other income:</b>			
Operating lease income	(d)	1,813	1,355
Sale of scrap materials	(e)	929	1,630
Government grants		888	1,423
Miscellaneous income	(f)	618	1,075
		4,248	5,483

#### Notes

- (a) Due to the competitive labour market and the requirements of the Progressive Wage Model, the Group increased employees' salaries in FY 2022.
- (b) Higher interest income mainly resulted from the higher fixed deposit interest rate during 1H FY 2023.
- (c) Interest expense pertained to the interest on lease liabilities.
- (d) Operating lease income increased due to higher rental received from excess retail space rented out.
- (e) The decrease in the sale of scrap materials was due to the fall in the market price of recyclable paper.
- (f) Less miscellaneous income was received due to a reduction in advertising income recorded during the period.



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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 2023</b>	<b>30 Jun 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Corporations in which directors of the Group have substantial financial interests</b>		
Sales	11	10
Operating lease and utilities expenses	(1,466)	(1,172)
Operating lease and utilities income	636	424

### 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 2023</b>	<b>30 Jun 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Current tax expense</b>		
Current period	14,603	14,565
Over provided in prior years	(77)	(18)
	14,526	14,547
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(584)	(644)
<b>Total tax expense</b>	13,942	13,903



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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 2023</b>	<b>30 Jun 2022</b>
Basic earnings per share (Singapore cents)	4.35	4.48
	<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 2023</b>	<b>30 Jun 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Final exempt 2022 dividend of 3.07 cents per share (2022: Final exempt 2021 dividend of 3.10 cents per share)	46,158	46,610



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### 10. Share capital

	<b>The Group and the Company</b>			
	<b>30 Jun 2023</b>		<b>31 Dec 2022</b>	
	<b>Number of</b>		<b>Number of</b>	
	<b>shares</b>	<b>Amount</b>	<b>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 2023.

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 2023 and 30 June 2022.

### 11. Net asset value

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Jun</b>	<b>As at 31 Dec</b>	<b>As at 30 Jun</b>	<b>As at 31 Dec</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net asset value per ordinary share (Singapore cents)	31.35	30.08	18.76	18.78
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 2023</b>	<b>31 Dec 2022</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>			
Property, plant and equipment	(a)	287,886	291,608
Right-of-use assets	(b)	83,482	97,286
		<u>371,368</u>	<u>388,894</u>



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2023

### (a) Property, plant and equipment

	<b>30 Jun 2023</b>	<b>31 Dec 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
<b>Cost</b>		
At 1 January	458,428	452,409
Additions	5,500	8,795
Disposals	(1,255)	(1,901)
Effect of movements in exchange rates	(296)	(875)
	<u>462,377</u>	<u>458,428</u>
<b>Accumulated depreciation</b>		
At 1 January	166,820	149,526
Depreciation	9,037	19,539
Disposals	(1,184)	(1,772)
Effect of movements in exchange rates	(182)	(473)
	<u>174,491</u>	<u>166,820</u>
<b>Carrying amounts</b>	<b><u>287,886</u></b>	<b><u>291,608</u></b>

### Acquisitions and disposals

For the period ended 30 June 2023, the Group acquired assets amounting to S\$5,500,000 (1H FY 2022: S\$5,163,000) and disposed assets with carrying amount of S\$71,000 (1H FY 2022: S\$91,000). The proceeds from disposals amounted to S\$70,000 (1H FY 2022: S\$90,000) resulting in a loss on disposal of S\$1,000 (1H FY 2022: S\$1,000)

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

	<b>30 Jun 2023</b>	<b>31 Dec 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
At 1 January	97,286	79,505
Additions	3,559	52,307
Adjustment	-	(7)
Depreciation	(17,219)	(33,014)
Derecognition of ROU assets	-	(995)
Effect of movements in exchange rate	(144)	(510)
	<u>83,482</u>	<u>97,286</u>



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## Condensed Interim Financial Statements For the Six Months Ended 30 June 2023

### Amount recognised in profit and loss

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Interest on lease liabilities	2,021	1,468
Income from sub-leasing right-of-use assets presented in "other income"	(778)	(751)
Expenses relating to short-term leases	2,028	2,079

### 13. Lease liabilities

	<b>The Group</b>	
	<b>30 Jun 23</b>	<b>31 Dec 22</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Non-current	49,009	62,598
Current	33,705	33,052
	<b>82,714</b>	<b>95,650</b>





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For the Six Months Ended 30 June 2023

## 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 2023 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 2023

##### Overview

Revenue increased by S\$13.7 million or 2.0% year on year to S\$690.5 million in the first half of FY 2023, largely driven by new store sales.

The Group posted a lower net profit of S\$65.5 million in the first half of FY 2023, down by S\$2.0 million from the corresponding period a year ago mainly due to higher administrative expenses.

	The Group		
	1H FY 2023	1H FY 2022	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales reported for the first half year	690,479	676,751	2.0%
Operating profit after tax for the first half year	65,523	67,502	(2.9%)

##### Revenue

	1H FY 2023	1H FY 2022
Number of stores	68(Singapore)+5(China)	66(Singapore)+4(China)
Retail area	613,075 sq. ft*	596,702 sq. ft*
Revenue for the period	S\$690.5m	S\$676.8m

\*Singapore's operations only.

Revenue	No. of stores	Increase/(Decrease) in Revenue 1H FY 2023 vs 1H FY 2022
New store – Singapore <sup>#</sup>	5	3.3%
Comparable same store – Singapore	63	(1.0%)
China (opened 1 store in 1H FY 2023)	5	(0.3%)
Total	73	2.0%

<sup>#</sup> New stores consist of 4 that opened in FY 2022 and 1 that opened in 1Q FY 2023.



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New stores opened in Singapore contributed S\$29.3 million to 1H FY 2023 revenue. However, the increment was partially offset by 1.0% decline in revenue of comparable stores. China operations reported 0.3% reduction in revenue.

### Gross profit

The gross profit margin improved slightly from 29.4% to 29.7%, mainly attributable to improvements in the sales mix.

### Gross margin

1H FY 2023	1H FY 2022
29.7%	29.4%

### Administrative expenses

The administrative expenses increased by S\$11.3 million to record S\$127.3 million in 1H FY 2023 mainly due to higher staff cost and higher energy cost.

	1H FY 2023 vs 1H FY 2022	Remarks
	S\$'million	
Staff cost	6.1	Employees' salaries were raised in FY 2022 due to the tight labour market.
Utilities	5.8	The Group renewed its electricity supply agreement at the prevailing market rate end of FY 2022, which is higher than the previous agreement, resulting in a S\$5.8 million increase in utility expenses.
Others	(0.6)	
<b>Total</b>	<b>11.3</b>	

### Tax

The effective tax rate for 1H FY 2023 of 17.5 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

Current assets declined by S\$9.0 million to S\$387.3 million as at 30 June 2023. Inventories balance decreased by S\$17.7 million from S\$101.2 million as at 31 December 2022 due mainly to higher sale of stocks during the Lunar New Year. Trade and other receivables reduced by S\$4.7 million to



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S\$14.8 million as at 30 June 2023 as more payments from banks in relation to credit and debit cards were received timely. These were further offset by the increase in cash and cash equivalents by S\$13.5 million.

Non-current assets decreased by S\$17.5 million. Property, plant and equipment decreased by S\$3.7 million mainly due to the depreciation of S\$9.0 million, offset by the additions of S\$5.5 million. Right-of-use assets declined by S\$13.8 million largely owing to depreciation of S\$17.2 million, offset by the additions of S\$3.6 million.

As at 30 June 2023, current liabilities were S\$234.3 million, a reduction of S\$31.5 million from S\$265.8 recorded as at 31 December 2022. This is largely due to the decrease in the trade and other payables by S\$27.3 million to S\$170.1 million attributable to timely payment to the vendors for purchase of goods and services.

### **Consolidated Statement of Cash Flows**

Cash generated from operating activities for 1H FY 2023 increased to S\$77.8 million, up by S\$17.7 million from S\$60.1 million reported a year ago, mainly because more funds were utilised to pay accrued bonuses and settle outstanding to the suppliers in 1H FY2022.

As at 30 June 2023, cash and cash equivalents stand at S\$289.0 million, up by S\$13.5 million from S\$275.5 million as at 31 December 2022.

**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.**

The global outlook remains uncertain, as the world grapples with ongoing challenges of geographic tensions, weakening global demand and tighter monetary and fiscal policies <sup>(1)</sup>. In Singapore, despite inflation has eased slightly, it continues to surpass pre-pandemic levels, impacting the economy and consumers alike. This persistent inflationary pressure poses challenges for individuals and businesses, affecting their purchasing power and overall economic stability <sup>(2)</sup> <sup>(3)</sup>.

Singapore, being heavily reliant on imports for its essential goods, continues to feel the impact of price hikes seen worldwide. Rising costs of energy, accommodation, and food have prompted consumers to adopt cost-cutting measures, leading them to explore value-for-money alternatives such as dining at home, shop at supermarkets that provide more value-for-money and purchase house brand products which are more affordable. Consumers who previously frequented high-end markets may opt to trade down to more budget-friendly supermarkets to manage their expenses. Additionally, the Government's inflation offset

(1) <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-as-of-mid-2023/>

(2) <https://www.straitstimes.com/business/pre-pandemic-inflation-levels-out-of-reach-without-further-moderation-of-wages>

(3) <https://www.channelnewsasia.com/business/advanced-gdp-estimates-economists-gloomy-avoid-technical-recession-3629346>



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measures, such as the GST Voucher scheme and the Assurance Package, continue to support consumer spending, giving supermarket retailers a boost.

Supply chain risks continue to persist, as exemplified by recent disruptions in fresh pork supply and threats of global sugar and rice shortage<sup>(4)(5)</sup>. Climate change and the onset of El Nino weather pattern is set to put pressures on agriculture outputs, possibly fueling inflation as food get pricier on reduced harvests and more expensive animal feed. As an import-dependent economy, Singapore is vulnerable to such disruptions. The Group will continue our efforts in diversifying our sources of supply, and work closely with our suppliers to minimise these disruptions. Sheng Siong remains committed to meet its consumers' expectation of value-for-money products at competitive price and quality, and excellent service.

Competition in the supermarket industry is anticipated to remain keen, especially in this high inflationary environment. Higher energy and staff costs and aggressive promotions by competitors could result in lower margins.

The Group will continue to seek ways to improve its sales mix and focus on strengthening its core competencies to improve its operational efficiency and productivity.

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

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

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	3.05 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	3.15 cent per share
Tax rate	Tax exempt (one-tier)

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

30 August 2023

(4) <https://www.straitstimes.com/asia/se-asia/drought-menacing-thailand-threatens-global-supply-of-sugar-rice>

(5) <https://www.bloomberg.com/news/articles/2023-07-13/india-considers-banning-most-rice-exports-as-local-prices-surge#xj4y7vzkg>



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- 5d. 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 2023 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 2023 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 2023 will be entitled to the Interim Dividend.

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 2023 to 30 June 2023

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	Sale of goods and services by Sheng Siong Group Ltd to F M Food Court Pte Ltd <sup>(1)</sup>	11	-
Lim Hock Chee Lim Hock Leng	Reimbursement of utilities at cost paid by F M Food Court Pte Ltd to Sheng Siong Group Ltd.	232	-



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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)
E Land Properties Pte Ltd <sup>(1)</sup> / Lim Hock Eng Lim Hock Chee Lim Hock Leng	Reimbursement of utilities at cost paid by Sheng Siong Group Ltd. to E Land Properties Pte Ltd <sup>(1)</sup> for lease of operating space	359	-

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.

### 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

27 July 2023