

# Growing Together

Annual Report 2023



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## About Sheng Siong Group

Sheng Siong Group Ltd. is one of Singapore's largest retailers with 69 stores located all across the island. Our chain stores are designed to provide customers with both "wet and dry" shopping options ranging from a wide assortment of live, fresh and chilled produce, such as seafood, meat, fruits and vegetables to packaged, processed, frozen and/or preserved food products as well as general merchandise, including toiletries and essential household products. Over the past decade, we have begun developing a selection of house brands to offer our customers quality alternatives to national brands at substantial savings. To date, we have over 1650 products under 24 house brands.

In 2014, we started our "allforyou.sg" online shopping platform for groceries, which offers e-commerce services in almost all postal districts in Singapore. The online platform was rebranded as "Sheng Siong Online" in 2021 to align with our core branding strategy. Since the setup of our first store in Kunming China in 2017, we have expanded to five stores, with one more store in the works this year.

Established in 1985 and listed on the SGX mainboard in August 2011, our long history and reputation for quality products at competitive prices have led the "Sheng Siong" brand to become an established household name in Singapore. Widely recognised by consumers, we have been awarded the "Superbrand" status by Superbrands Singapore since 2008.

To support our retail operations, we have been operating since July 2011 from our headquarters and purpose-built centralised warehousing and distribution centre at Mandai Link, which underwent an expansion in 2021. The ISO 22000:2018 Food Safety Management System certification has also been given to our processing facility where we process seafood, meat and vegetables; and repackage dried food, frozen food and fruits.

With our distinguished brand name, wide network of stores, portfolio of well-recognised house brands, global sourcing network, excellent food-processing, warehousing and distribution capabilities, experienced management team and dynamic key executives, we have in place a strong foundation for further expansion.





A year of  
abundance  
begins from  
sowing grains.  
一年之计，莫如树谷

Ten years of  
abundance is  
amassed by  
planting trees.  
十年之计，莫如树木

Abundance  
for a lifetime  
is the fruit of  
cultivating  
people.  
终身之计，莫如树人









Expanding Our Selection  
Meeting Your  
Evolving Needs





# Chairman's Statement

**LIM HOCK ENG<sup>BBM</sup>**  
Executive Chairman

To express our appreciation towards our shareholders' long-term support, our Group has upheld its commitment to maximising shareholder value yet again. The board has proposed a final dividend of 3.20 cents per share and including the interim dividend of 3.05 cents per share, the total distribution for FY2023 stands at 6.25 cents per share.



**S\$1.37 billion**  
revenue



**S\$134 million**  
net profit

Dear Shareholders,

On behalf of our Board of Directors, it is my pleasure to present Sheng Siong Group Ltd's ("**Sheng Siong**", together with its subsidiaries, the "**Group**") annual report for the financial year ended 31 December 2023 ("**FY2023**").

There were considerable global headwinds in 2023 with geopolitical instability and inflation topping the list. While inflation around the world started to ease towards the end of 2023, it still remains above pre-Covid-19 levels with Central Banks wary of a monetary policy transformation right away. Given this, consumers continue to be subjected to increasing costs in the form of high energy and food prices, and Singapore is no different. To cushion the impact of inflation on households, there is considerable effort from the Singapore government in the form of comprehensive assurance packages which was strengthened further in Budget 2024. These packages, together with the government's continued commitments to defray GST expenses for lower to middle-income populations, will continue to bolster consumer spending.

Looking at other economic occurrences affecting trade patterns and global prices, the sudden Israel-Hamas conflict in October 2023 and the ongoing Red Sea conflict which is forcing ships to take longer routes in order to circumvent the disturbances in the Suez Canal are adding to the cost burden for businesses and consumers worldwide. Moreover, climate-related risks and the onset of the El Niño weather pattern that exacerbated the drought in the Panama Canal, another major point in global trade networks, only disrupt the supply chains further, bringing substantial risk to the retail industry and import-reliant nations like Singapore. Sheng Siong is cognizant of these risks and continues to strengthen its diverse network of suppliers and core capabilities to balance the implications of these macroeconomic developments in our favour.

In the backdrop of these challenges, I am pleased to report that our Group has demonstrated resilience and once again reported a strong performance for FY2023. The Group recorded a revenue of S\$1.37 billion, representing a 2.1% increase as compared to FY2022. We continue to grow further past the S\$1 billion mark in revenue driven by a robust store expansion strategy. The company's operational efficiency is underpinned by consistently stable margins. Our gross profit margin has reached an impressive 30.0%, reflecting a positive growth of 0.6 percentage point from 29.4% in FY2022. The Group's net profit for FY2023 increased to S\$134.0 million compared to S\$133.6 million in FY2022.

## Singapore

In the Group's core market, Singapore, two new stores were opened in FY2023 bringing the total number of outlets to 69. In a successful bid to grab viable opportunities presented by the Housing Development Board ("HDB"), I am happy to announce that the Group has already secured two new stores in the early months of 2024. We will continue to capitalise on the growing supply pipeline of new stores in residential areas, mainly the HDB estates.

Consumers in Singapore are facing the heat of higher GST and sticky inflation alongside rising transport and energy costs. Price-sensitive consumers who previously frequented upscale markets may now pivot towards budget-friendly supermarkets in an effort to manage their expenses. As consumers tend towards more budget-friendly alternatives, this shift is creating opportunities for our affordable house brands, contributing to favourable margins for the Group. Meanwhile, Sheng Siong, on our part, implemented a "counter-inflation" 1% discount on all in-store purchases, excluding specific items<sup>1</sup> for the first quarter of 2023 to partially alleviate the pressure of increasing prices.

For a second time, Sheng Siong was voted Singapore's Best Customer Service (Supermarket) by The Straits Times, attesting our commitment to delivering high level of customer satisfaction and service excellence.

Looking ahead to 2024, the Group will continue its efforts to grow its retail network in Singapore. We remain true to our goal of providing consumers with quality products at affordable prices with great service. At the same time, we continue to seek opportunities to diversify our supply chain further to navigate through the uncertain geopolitical and economic environment and refine our sales mix, eventually translating to a greater market share.

## China

The Group's operations in China continue to grow, through a steady and calculated approach. In 2023, we further strengthened our presence in China, recognising it as a market full of opportunities alongside the challenges that arise from the highly competitive nature of the retail industry in China. We not only opened a 5<sup>th</sup> store in Kunming this year, but also secured the retail space for the 6<sup>th</sup> store due to open in the second quarter of FY2024. China operations continue to be profitable.

We will keep a close eye on opportunities to amplify our position in China while prioritising efficiency and excellence at each level of the value chain, driven by a well-trained team and stronger operational processes.

<sup>1</sup> Excluding infant formula (Stages 1 & 2), Tobacco, Alcohol, Medicinal Products and Devices, Disposable Carrier Bag Charge, Phone Cards and Sheng Siong Vouchers.

# Chairman's Statement

## Giving Back to Our Shareholders

To express our appreciation towards our shareholders' long-term support, our Group has upheld its commitment to maximising shareholder value yet again. The board has proposed a final dividend of 3.20 cents per share and including the interim dividend of 3.05 cents per share, the total distribution for FY2023 stands at 6.25 cents per share. This represents a dividend payout ratio of about 70.1% of Group's net profit after tax.

## Sustainability

Sheng Siong is committed to upholding sustainable practices through its value chain. We aim to foster a business that benefits our customers, suppliers, colleagues, and the communities that we are a part of. Over the past three years, our collaboration with SkillsFuture Singapore through the Queen Bee project has supported over 70 small and medium-sized enterprises (SMEs) in their digitalisation journey. In 2023 alone, we hosted more than 100 SMEs at diverse workshop conducted by us, propelling their digital transformation and growth. This successful partnership has been extended to 2025, and we will continue do our part in trying to create a positive impact by addressing the skill development and other business needs of these SMEs.

As an environmental conservation initiative, our collaboration with the Infocomm Media Development Authority (IMDA) promotes eco-friendly electronic invoices among suppliers. In a more recent development, we announced our partnership with DBS Bank to

engage and support our suppliers in transitioning towards more sustainable business practices. Sheng Siong is committed to reducing both its own environmental impact and that of its supply chain, and is in preparation for Scope 3 emissions reporting and the development of our decarbonisation roadmap. By enabling our suppliers to operate with greater efficiency and embark on decarbonization initiatives, we hope to collectively reduce the environmental footprint of our supply chain, while contributing to the development of a more sustainable and resilient ecosystem, bringing benefits to our communities and securing a greener tomorrow.

In 2023, we also implemented the Disposable Carrier Bag Charge as mandated by the National Environment Agency (NEA) of Singapore. This initiative saw a significant decrease in the number of disposable carrier bags distributed at our stores, and we are committed to donate the proceeds to social and environmental causes.

We wish to provide you with an in-depth exploration of the most material sustainability matters affecting our business in our 2023 sustainability report.

## Acknowledgements

I would like to extend my heartfelt gratitude to all our stakeholders for their long-term support. We are grateful to our dedicated customers for their loyalty and to our investors for placing confidence in our ability to create value. A special acknowledgment goes to our management team and committed employees for their invaluable

contributions throughout the year, and to our suppliers and contractors for their collaborative support. I would also like to express my appreciation for the Board of Directors for their guidance and leadership.

## Awards & Accolades

In 2023 we were honoured to receive the following awards in recognition of our corporate strength and strong brand equity:



- 1 Superbrands 2023**
- 2 SIAS Investors' Choice Awards 2023 (Consumer Staples Category):**
  - Most Transparent Company Award (MTCA) Winner
- 3 The Edge Billion Dollar Club 2023:**
  - Weighted ROE over 3 Years (Sector Category: Food & Beverages; Food & Drug Retailing)
- 4 The Straits Times, Singapore's Best Customer Service 2023/24 (Category: Supermarkets)**
- 5 NTUC May Day Awards 2023**
  - Plaque of Commendation
- 6 SkillsFuture Employer Awards (Gold) 2023**



# 主席献词

亲爱的股东们，

我很荣幸代表董事会呈献截至2023年12月31日财政年的年报。

全球在2023年面临相当大的挑战，地缘政治不稳定和通货膨胀位居首位。虽然世界各地的通货膨胀在2023年底开始放缓，但仍然高于冠病疫情前的水平，各国央行也对立即进行货币政策转型持谨慎态度。在这种情况下，消费者继续面临能源和食品价格等开支上涨的问题，新加坡也不例外。为了缓解通货膨胀对家庭的影响，新加坡政府采取了一系列的措施，包括在2024年的预算案中加强援助配套。这些援助配套和政府继续为中低收入的人群缓解消费税压力的承诺，都将支撑消费开支。

纵观其他影响贸易和全球价格的经济事件，2023年10月突发的以色列-哈马斯冲突，以及红海冲突导致船只通过更长的航线规避苏伊士运河的骚乱，都增加了全球企业和消费者的成本负担。此外，全球贸易网络的另一个重要通道——巴拿马运河——也由于厄尔尼诺现象的出现，加剧其干旱情况。其他与气候相关的风险也进一步干扰供应链，为零售业和新加坡这类依赖进口的国家带来实质性的风险。昇菘意识到这些风险，并继续加强供应商网络的多元化和核心能力，以平衡这些宏观经济发展对我们的影响。

在这些挑战的背景下，我很高兴地报告集团再次在2023年展现了韧性，取得强劲的业绩。集团录得了13亿7000万新元的营业额，比2022财年增长了2.1%。我们通过开店策略在10亿新元的营业额基础上取得持续增长。公司的运营效率来自稳定的利润率，毛利率已经达到30.0%，较2022财年的29.4%增长了0.6个百分点。集团2023财年的净利润也增至13亿4000万新元，相比2022财年的13亿3600万新元有所增长。

## 新加坡

集团去年在新加坡的核心市场开设了两间新店，使分店总数达到了69间。我很高兴地宣布，集团把握了建屋发展局提供的机会，2024年初取得了两间新店。我们主要把握组屋区的新店供应管道来获取利益。

本地的消费者正面临消费税提高和持续通胀的负担，不断上涨的交通费和能源成本也造成压力。对价格敏感的消费者，尽管以往常光顾高端超市，现在可能会转向价格实惠的超市以控制生活开支。随着消费者偏向更平价的选择，

也为集团价格公道的自家品牌创造机会，带来更高的利润率。与此同时，昇菘也为民生略尽棉力，在2023年第一季度为几乎所有商品<sup>1</sup>推出了1%的“缓解通胀”折扣，以帮助减轻价格上涨的压力。

昇菘去年再次荣获《海峡时报》评选的新加坡最佳顾客服务奖(超市组别)，充分认证公司致力提高顾客满意度及提供优质服务的承诺。

展望2024年，集团将继续努力在新加坡扩大零售网。我们坚持为消费者提供优质产品、实惠的价格和优良的服务。与此同时，我们将继续寻求机会进一步使供应链多元化，以应对不确定的地缘政治和经济环境，并优化我们的销售组合，进而为公司带来更大的市场份额。

## 中国

集团在中国采取了稳健而谨慎的方式，中国的业务继续稳步增长。2023年，我们进一步扩大在中国的存在。中国市场充满了机遇，同时也面临激烈的零售业竞争所带来的挑战。我们去年不仅在昆明开设了第五间分店，还签下了第六间分店，这间新店计划在2024财年第二季开业。中国业务继续取得盈利。

我们有受过良好培训的团队和强大的营运流程，在着重价值链的效率和优化的同时，也会密切关注在中国的扩展机会。

## 回馈股东

为感谢股东的长期支持，集团信守为股东带来最大价值的承诺。董事会建议派发每股3.20分的年终股息，加上每股3.05分的中期股息，2023财年的总派息为每股6.25分。股息派发总额相当于70.1%的集团税后净利。

## 持续发展

昇菘致力透过价值链维持可持续发展的实践。我们旨在培育一个既符合顾客、供应商、同事的利益，也符合我们所处社区利益的商业模式。过去三年来，我们在精深技能发展局的“领头羊”计划下，支持逾70间中小型企业展开转型的旅程。单就2023年，超过100间中小型企业参加了我们所主办的各式工作坊，帮助这些企业取得数码转型和成长。这项合作项目已延长至2025年，我们将继续尽我们的一份力，致力满足这些中小型企业的技能发展和其他业务需求，希望带来积极影响。

为保护环境，我们与资讯通信媒体发展局合作，向供应商推广较环保的电子发票。近期，我们也宣布与星展银行合作，支持供应商过渡到可持续发展的商业做法。昇菘致力减少自身及供应链的环境影响，着手准备温室气体范围3的排放报告及制定集团的减碳计划。通过帮助供应商更高效地营运和开始减碳，我们希望能共同降低供应链的环境足迹，同时为更可持续、更具韧性的生态系统发展做出贡献，为社区带来利益及更绿色的明天。

2023年，我们依照环境局的规定实施了一次性购物袋收费。这一举措显著减少了我们分店所分发的塑料袋，我们承诺将所得款项捐赠给社会和环保组织。

我们将在2023年的可持续发展报告中，为您深入探讨影响公司业务最重要的可持续发展课题。

## 致谢

我谨向所有的利益相关者表达最诚挚的感谢，感谢他们长期以来的支持。我们深深地感激所有忠诚的顾客对昇菘的信任，以及投资者对我们能创造价值的信心。特别感谢我们的管理团队和敬业的员工一年来的付出，以及供应商和承包商的鼎力支持。最后，我也要向董事会的指导和领导表示感谢。

## 奖项与殊荣

我们在2023年很荣幸地获得了以下奖项，肯定了我们的企业实力和品牌资产：

- 2023年新加坡超级品牌
- 2023年新加坡证券投资者协会“投资者的选择” – 最透明公司奖
- 2023年The Edge 十亿元俱乐部：
  - 3年加权净资产收益率 (产业总类：餐饮业；食品及药物零售)
- 《海峡时报》：新加坡最佳顾客服务2023/24 (组别：超市)
- 2023年全国职工总会劳动节奖章 – 公司表扬奖牌
- 2023年技能创前程雇主奖(金奖)

主席  
林福荣BBM

1 婴儿配方奶粉(1和2段)、烟酒类产品、医药产品和设备、购物袋收费、电话卡及昇菘礼券除外。

# CEO's Statement & Operations Review

**LIM HOCK CHEE** <sup>BBM</sup>  
CEO

FY2023 saw a 4.3% yoy increase in gross profit to S\$410.5 million in line with the increase in revenue. Gross profit margins remained stable with a 0.6 percentage point increase to 30.0% in FY2023.



**S\$1.37 billion**  
revenue



**6**  
new stores

which contributed a 2.5% yoy increase to total sales

Dear Shareholders,

Amidst the backdrop of a challenging macroeconomic landscape, Sheng Siong's operational resilience has allowed us to navigate these turbulent times with relative stability. We seized the opportunity to strengthen our supply chain further, ensuring reliability in delivering quality goods to our valued customers at affordable prices and with great service. Reflecting on our financial and operational performance each year, we strive to transform obstacles into catalysts of growth.

## Revenue and Store Growth

Revenue for FY2023 increased by 2.1% year-on-year ("**yoy**") to S\$1.37 billion as compared to S\$1.34 billion in FY2022. The increase was mainly driven by 6 new stores, which contributed a 2.5% yoy increase to total sales. Two of these stores were opened in FY2023 and the other four in FY2022. The increase was partially offset by a 0.3% lower revenue contribution from the Yishun store closed in FY2022 due to lease expiration. The subsidiary in China continued to be profitable and contributed 2.4% to the total revenue in FY2023.

In Singapore, we opened two stores in FY2023, one at 91 Jalan Satu and another at 471B Yishun Street 42. As of 31 December 2023, the total retail area of the Group in Singapore reached 618,349 square feet with a total of 69 stores in Singapore. For Kunming, China, one new store was secured in FY2023, bringing the total number of stores to six. The 6<sup>th</sup> store is due to open in 2Q FY2024.

## Gross Profit

FY2023 saw a 4.3% yoy increase in gross profit to S\$410.5 million in line with the increase in revenue. Gross profit margins remained stable with a 0.6 percentage point increase to 30.0% in FY2023. This was primarily due to our consistent efforts to refine our sales mix towards higher margin products while addressing the increased staff costs and utilities expenses. All in all, this reflects Sheng Siong's strong market competitiveness and efficient cost management ability.

## Other Income

In FY2023, other income decreased from S\$17.3 million in FY2022 to S\$14.3 million. This is mainly due to lesser supplier rebates recognised this year.

## Operating Expenses

Affected by the rising energy prices and labour cost, the Group's operating costs rose by 8.4% yoy contributed by a 10% yoy increase in selling and distribution expenses to S\$221.4 million. This was primarily due to a S\$13.8 million yoy increase in utility expenses, the electricity supply agreement for which was renewed at a higher prevailing market rate compared to FY2022, and higher staff costs by S\$6.6 million resulting from tight labour market conditions.

## Net Profit

The effective tax rate for FY2023 of 17.9% was higher than the statutory rate of 17.0% mainly due to certain expenses which were not tax deductible.

Despite encountering higher costs driven by external factors, the Group reported a modest increase in net profit after tax for FY2023 to S\$134.0 million compared to S\$133.6 million in FY2022.

## Financial Position

The Group continues to be on the lookout for valuable cash-generation opportunities. In FY2023, cash flow from operating activities increased by S\$10.3 million yoy to S\$177.1 million. Additionally, the Group maintains a robust financial position with a strong cash and cash equivalents' balance of S\$324.4 million as of 31 December 2023 which may be used to manage unforeseen risks effectively and seize promising growth opportunities as they arise.



S\$410.5 million  
gross profit

with a 0.6 percentage point  
increase to 30.0% in FY2023



S\$14.3 million  
other income

decreased from S\$17.3 million  
in FY2022



S\$271.0 million  
operating  
expenses

mainly due to a S\$13.8 million yoy  
increase in utility expenses



S\$134 million  
net profit



S\$177.1 million  
operating  
cash inflow



# CEO's Statement & Operations Review

## Looking Forward

### Singapore:

The increasing cost of living in Singapore has been a long-standing concern. The Singapore government has been actively working on controlling domestic inflation via various policy measures. However, it is anticipated that inflation in Singapore will remain higher than pre-COVID levels in 2024, averaging between 2.5% and 3.5%.<sup>1</sup> This, coupled with the GST hike, will inevitably put additional pressure on consumers. However, on the other hand, it brings new opportunities for the Group.

As consumers seek ways to manage expenses, they may turn to our budget-friendly house brand products. This underscores our dedication to offering quality items at affordable prices, aligning with our commitment to serving consumers' needs. In addition, supportive government measures like the new Cost-of-Living support package and GST voucher schemes are expected to boost favourable supermarket revenue trends even further.

At the same time, Sheng Siong is cognizant of the challenges that lie ahead in 2024. Considering the ongoing geopolitical uncertainties and trade conflicts, energy prices are expected to remain on the higher end. The recent conflict in the Red Sea, coupled with the drought-like conditions in the Panama Canal<sup>2</sup> are causing shipping costs to rise and may have further consequences as they block major choke points of global supply chain networks. Moreover, climate risks like the El Nino weather patterns continue to threaten food supplies globally. In order to navigate these difficulties and maintain resilience, the Group is committed to

further diversifying its supply chain and enhancing the efficiency of its overall operations.

Looking at our expansion strategy in Singapore, the Group opened two new stores in FY2023, and secured two more in early 2024. The supply pipeline of new stores remains robust, with HDB opening up four stores for tender in January 2024 with more to come through the year. The Group actively bids for these spaces and will continue to seek a presence in newer neighbourhoods as HDB rolls out and accelerates<sup>3</sup> the development of its estates.

### China:

China is recognised as an incredibly competitive retail market. Sheng Siong has been seeking a prudent development strategy in China with a total of five operational stores, four of which are profitable. The 6<sup>th</sup> store is secured for opening in 2Q FY2024. We will strive to further optimise our operational efficiency, refine our sales mix and build a well-trained team to continue to cautiously strengthen our presence in China.

## Furthering Digitalisation and Sustainability

Sheng Siong understands the vital role of digitalisation and innovation in building an organisation's adaptability and operational efficiency amidst today's myriad of challenges. Over the years, Sheng Siong has taken steps to streamline its operations and optimise costs by boosting productivity and refining its warehouse management systems. We have successively deployed a centralised warehouse management system and an automated replenishment system to name a few. Additionally, this year,

we introduced AI-powered smart electronic scales and self-checkout counters in our stores to further elevate the customer experience while also managing our rising manpower costs.

Looking beyond the walls of our organisation, we are also playing an instrumental role in assisting Small and Medium-sized Enterprises (SMEs) in expediting their digital transformation journey. To date, in partnership with SkillsFuture Singapore under Queen Bee programme, we have assisted over a 100 SMEs in identifying their skill gaps and have organised tailored training programmes to effectively address these gaps. This successful partnership will be extended to 2025.

Speaking of other exciting initiatives to come, Sheng Siong has partnered with DBS Bank to support suppliers in their decarbonisation journey. This initiative marks the first collaboration between two SkillsFuture Queen Bee companies. Together with our partners, Sheng Siong will use our expertise and influence to empower over 1000 SMEs to build a sustainable business ecosystem and reduce their environmental footprint.

## Conclusion

Our promise to deliver value to both consumers and shareholders is unwavering, underpinned by a robust business model. We will continue to adapt to the rapidly changing macroeconomic environment and look for ways to boost our competitiveness strategically. With a clear vision in mind, we are hurdled towards a stronger future for Sheng Siong and all those we serve.

1 <https://www.cnb.com/2024/01/29/singapores-central-bank-leaves-policy-unchanged-in-first-quarterly-meeting-of-2024.html#:~:text=Singapore's%20central%20bank%20left%20its,exchange%20rate%20or%20S%24NEER>

2 <https://www.aircargonews.net/business/supply-chains/panama-and-suez-canal-double-crisis-threaten-global-supply-chains/>

3 <https://www.hdb.gov.sg/about-us/news-and-publications/press-releases/19600-BTO-flats-to-be-launched-in-2024-across-three-sales-exercises>

# 总裁献词及业务回顾

亲爱的股东们，

在充满挑战的宏观经济环境下，昇菘的营运韧性让集团能稳定地应对这动荡的时期。我们把握时机进一步强化供应链，确保以实惠的价格和卓越的服务，提供顾客最优质的产品。每年检讨财务和营运表现时，我们都努力将障碍转化为增长的催化剂。

## 营业额和分店增长

2023财年的营业额取得2.1%的同比增长达到13亿7000新元，相对于2022财年的13亿4000新元。这主要因为六间新店推动了增长，为全年的营业额贡献了2.5%的涨幅。两间新店在2023财年开业，其余四间新店则在2022财年投入营业。营业增长也由于义顺分店结业而有所抵消，该分店在2022财年租约到期后关闭，导致营业额下降了0.3%。中国的子公司继续实现盈利，为集团2023财年的总营业额贡献2.4%。

在本地，集团2023财年开设了两间新店，分别位于惹兰沙都大牌91和义顺42街大牌471B。截至2023年12月31日，集团在本地的零售空间达到61万8349平方尺，拥有69间分店遍布全岛。中国昆明方面则在2023财年签下一间新店，使中国的分店增加至六间，这间新店预料在2024财年第二季开业。

## 毛利

2023财年的毛利按年增加4.3%，达到4亿1050万新元，与营业额增长一致。毛利率也维持平稳，2023财年提高了0.6个百分点达到30.0%。这主要由于集团持续改善销售比例，导向毛利率较高的产品，以应付员工成本和电费开支的上扬。总体而言，这反映了昇菘强大的市场竞争力和高效的成本管理。

## 其他收入

集团的其他收入从2022财年的1730万新元减少至2023财年的1430万新元，主要因为2023财年的供应商回扣减少。

## 营运开支

受到能源价格上涨和劳动成本增加的影响，集团的营运成本同比增加了8.4%，主要由于销售和分销费用按年增加10%至2亿2140万新元。因为集团续签的电力供应协议较2022财年的市场电价高，2023财年的电费因此增加1380万新元，而紧张的劳动力市场条件也导致人工成本增加660万新元。

## 净利

2023财年的有效税率为17.9%，比17.0%的法定税率高，主要因为部分开销无法扣税。

尽管外部因素导致成本上升，但集团2023财年的税后净利略有增长，相较于2022财年的1亿3360万新元，达到1亿3400万新元。

## 财务状况

集团持续寻找有价值的现金生成契机。2023财年，经营活动现金流同比增加1030万新元，达到1亿7710万新元。此外，集团保持强劲的财务状况，截至2023年12月31日的现金余额高达3亿2440万新元，这将有助集团有效地管理突发风险，并及时把握有潜力的发展机会。

## 展望未来

### 新加坡：

新加坡生活成本不断上涨是受到长期关注的课题，政府一直在通过各项政策积极控制本地的通货膨胀。然而，新加坡2024年的通货膨胀率预计将保持在高于疫情前的水平，平均维持在2.5%至3.5%之间。<sup>1</sup> 通胀与消费税提高的相结合，将不可避免地给消费者带来额外压力，但这也为集团带来了新的契机。

随着消费者想方设法开源节流，他们可能转向昇菘价格亲民的自家品牌产品。这凸显了昇菘致力以实惠的价格提供优质产品的承诺，也跟昇菘尽心服务消费者的承诺相一致。此外，政府新推出的生活费特别补助计划和邻里购物券等援助措施，预料将进一步提振超市的营收趋势。

与此同时，昇菘也意识到2024年将面临的挑战。考虑到地缘政治的不确定和贸易冲突，能源价格预计将居高不下。最近红海地区的冲突，再加上巴拿马运河2的干旱情况导致航运成本上升，可能会进一步阻碍全球供应链的主要瓶颈。此外，厄尔尼诺等气候现象将继续威胁全球的食品供应。为应付这些困难及保持韧性，集团致力使供应链更多元化，并提高整体的营运效率。

回顾我们在新加坡的扩展策略，集团在2023财年开设了两间新店，并在2024年月初标得两间超市店面。新店的供应渠道仍然强劲，建屋发展局在2024年1月为

四间超市店面招标，相信今年将会有更多的超市店面陆续推出。集团积极参与这些新店的招标，随着建屋局积极推出和发展1新组屋区，集团将继续在这些新区开设新店。

### 中国：

中国被认为是一个竞争激烈的零售市场。昇菘在中国一直维持谨慎的发展战略，目前拥有五间分店，其中四间分店已经实现盈利。第六间分店确定将于2024财年第二季度开业。我们将努力进一步优化运营效率及完善产品的销售比例，并建立一个训练有素的团队，一步一脚印地稳固昇菘在中国的存在。

## 促进数码化和创新

在今时今日的挑战下，昇菘充分意识到数码化和创新能为公司建立韧性和运营效率。多年来，昇菘采取营运精简的做法，通过提高生产率和完善仓储管理系统来优化成本。我们使用了中央货仓管理和自动补货等系统。今年，昇菘的分店也引入具备人工智能的电子秤和自助结账柜台，希望进一步提升顾客体验，同时也管理不断上涨的人力成本。

公司之外，昇菘也发挥重要角色，协助中小企业加快数码化转型。截至目前，我们与精深技能发展局合作的“领头羊”计划，已帮助逾100家中小企业识别技能差距，并举办各项培训活动帮助中小企业了解潜在的不足。这项与精深局的合作会延续至2025年。

其它令人振奋的项目还包括，昇菘与星展银行合作鼓励供应商减碳。这项合作标志着精深局的两间“领头羊”公司首次携手合作。昇菘将利用自身的专业技能和影响力，影响逾1000家中小企业建立可持续的商业生态系统，减少彼此的环境足迹。

## 总结

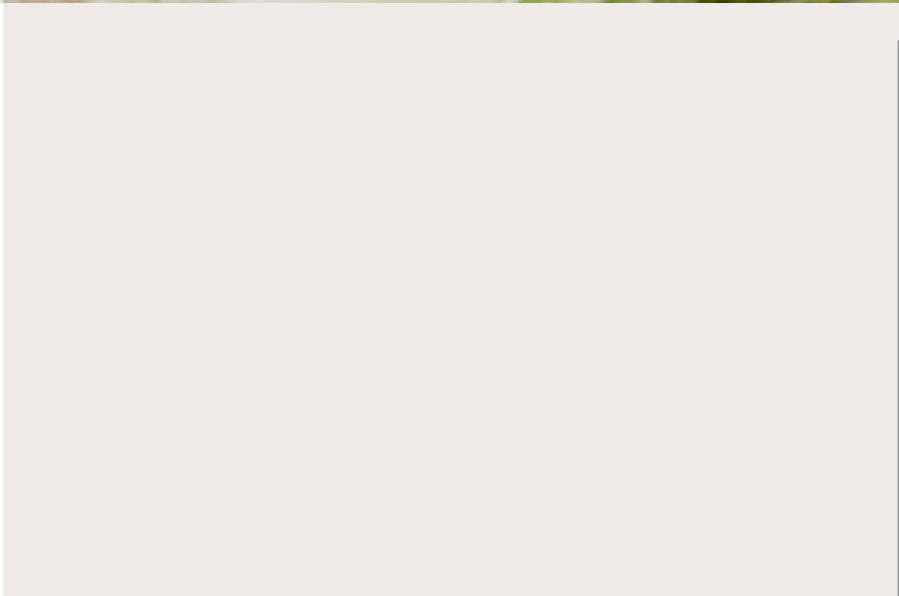
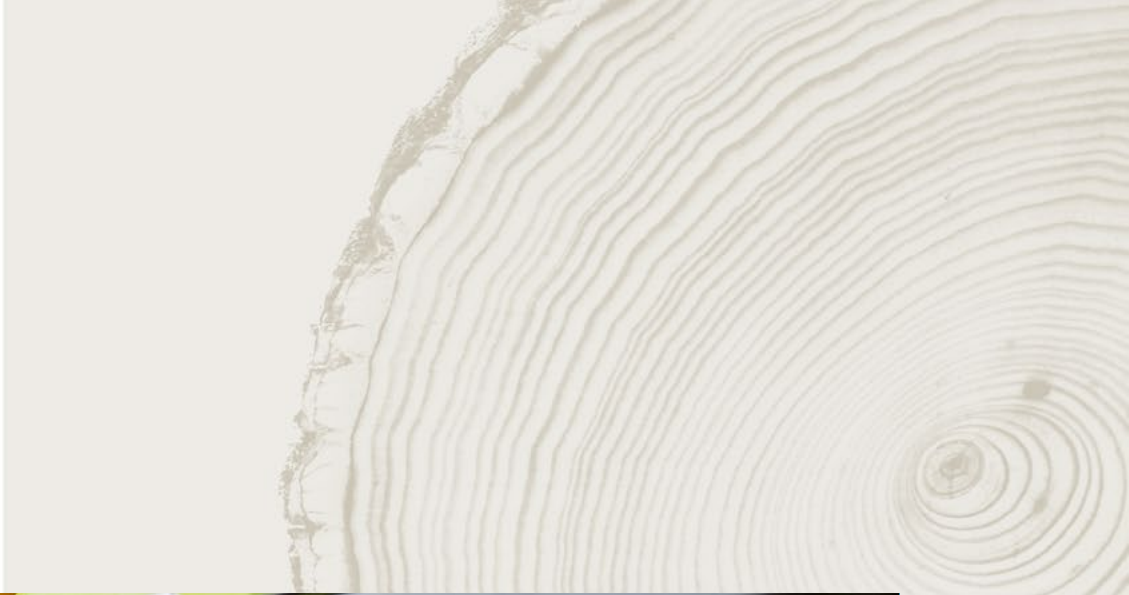
我们为消费者和股东创造价值的承诺始终如一，并以集团稳健的商业模式为基础。我们将继续适应瞬息万变的宏观经济环境，并寻找能提升竞争力的战略途径。怀揣着清晰的愿景，我们将为昇菘以及所服务的所有人共同奋斗，迈向更加强大的未来。

总裁  
林福星BBM

Investing in People  
Elevating Your  
Everyday







# Our House Brands

We understand the importance of providing our customers with quality products at accessible prices. From everyday essentials to premium offerings, our house brands have become reliable choices and indispensable staples for every household.



1,650 products



24 brands



## Our House Brands

### Healthier Choice & Organic

Embracing health trends and mindful choices, consumers will increasingly find more Healthier Choice products under our trusted house brands. Be spoilt for choices with our organic coconut water and notably, the first dark chocolate with the Healthier Choice Symbol in the market.





# Our House Brands

## New Products

To meet the evolving and varied tastes of consumers, we are always brainstorming to develop new products that our customers would like under our house brands.

From savoury snacks like rice crackers and potato chips to everyday essentials such as laundry capsules and pull-up diapers, we strive to meet your needs.



# Board of Directors



## Lim Hock Eng<sup>BBM</sup> Executive Chairman

Date of first appointment: 10 November 2010

Date of last re-appointment: 26 April 2022

Mr Lim Hock Eng<sup>BBM</sup> is our Executive Chairman and his areas of responsibility include business strategy, planning and business administration. Mr Lim also manages our day-to-day operations, including overseeing the setting-up process for our new stores, supervising the preparation and submission of our bids and tenders for new premises, as well as the renovation works, equipment purchases and installations required to fit out such premises.

Mr Lim is one of the founding shareholders of C M M Marketing Management Pte Ltd and Sheng Siong Supermarket Pte Ltd. He has been a director since Sheng Siong Supermarket Pte Ltd was incorporated in 1983, and has been instrumental in our Group's growth. Mr Lim has more than 40 years of experience in grocery retailing. Prior to founding our Group, Mr Lim was employed in his family's hog rearing business.

Mr Lim is appointed as a patron of Yio Chu Kang Citizens' Consultative Committee from December 2022 to November 2024. Since 2014, Mr Lim has been appointed as the Chairman of the CDAC@ Ang Mo Kio Management Committee in the Chinese Development Assistance Council.

In recognition of Mr Lim's contributions, he was conferred the *Bintang Bakti Masyarakat*, or the Public Service Star Medal, by the President of the Republic of Singapore in 2022. In 2016, he received the *Pingat Bakti Masyarakat*, or the Public Service Medal.

Our Executive Directors, Mr Lim Hock Eng, Mr Lim Hock Chee and Mr Lim Hock Leng are brothers.

### **Present Directorships in other Listed Companies:**

NIL

### **Past Directorships in other Listed Companies (FY2021–2023):**

NIL

# Board of Directors



## Lim Hock Chee<sup>BBM</sup> Chief Executive Officer

Date of first appointment: 10 November 2010

Date of last re-appointment: 28 April 2023

Mr Lim Hock Chee<sup>BBM</sup> is our Chief Executive Officer and is responsible for overseeing our operations, setting directions for new growth areas and developing business strategies.

Mr Lim is one of the founding shareholders of C M M Marketing Management Pte Ltd and Sheng Siong Supermarket Pte Ltd, and has been a director of our Group since Sheng Siong Supermarket Pte Ltd was incorporated in 1983. He has been instrumental in our Group's growth and has been leading the expansion of our business and operations since inception. Mr Lim also manages Singapore's day-to-day operations, including overseeing the operations in China and aspects of the meat-related business of our grocery retailing operations, such as selection, supply, processing, storage and quality control. Mr Lim has more than 40 years of experience in grocery retailing. Prior to founding our Group, Mr Lim was employed in his family's hog rearing business.

In 2006, Mr Lim was awarded the *Pingat Bakti Masyarakat*, or the Public Service Medal, by the Singapore Prime Minister's Office and the Long Service Award by the Singapore Prime Minister's Office in 2007. Since 2010, Mr Lim has served as a Council Member of the Singapore Chinese Chamber of Commerce and Industry (SCCCI) and is elected as the vice president of the 61<sup>st</sup> Council in 2022.

Mr Lim was a member of Ministry of Trade and Industry's Retail Price Watch Group (RPWG) from 2011 to 2013. He was appointed as a member of IRAS' Taxpayer Feedback Panel – Mandarin Dialogue from 2012 to 2014, on behalf of SCCCI. For the next two years, Mr Lim continued to be a member of the feedback panel in his own capacity as a corporate taxpayer.

In 2012, he was a member of the Tripartite Committee for Low Wage Workers and Inclusive Growth, contributing to the committee from an employer's perspective. In Singapore's National Day Awards 2014, Mr Lim was awarded the Public Service Star Medal or *Bintang Bakti Masyarakat*. He was also appointed as a director of Health Promotion Board from 2014 to 2016.

In 2017, Mr Lim served on the Payments Council established by the Monetary Authority of Singapore to foster innovation and promote interoperability in Singapore's payments industry.

At the same time, he was a member of Enterprise Singapore Future Economy Council Lifestyle Sub-committee for two terms from 2017 to 2020.

Mr Lim was re-appointed as a board member of the Singapore Productivity Centre for a second term from 2021 to 2023 to assist enterprises to be future-ready. In March 2022, he became a member of the Committee Against Profiteering, set up to address concerns about businesses using the GST increase to raise prices. He is also appointed as the director of Business China and Singapore Chinese Cultural Centre, and a member of CDAC Board of Trustees in the same year.

Currently, Mr Lim serves on the Marsiling Citizen's Consultative Committee as Vice-Chairman, and on the advisory committee of Qihua Primary School in Woodlands. He is also a patron of the National Crime Prevention Council.

Our Executive Directors, Mr Lim Hock Eng, Mr Lim Hock Chee and Mr Lim Hock Leng are brothers.

### Present Directorships in other Listed Companies:

NIL

### Past Directorships in other Listed Companies (FY2021–2023):

NIL



## Lim Hock Leng

### Managing Director

Date of first appointment: 10 November 2010

Date of last re-appointment: 26 April 2022

Mr Lim Hock Leng is our Managing Director and is responsible for overseeing our operations and developing our business in alignment with consumer preferences and consumption patterns. Mr Lim also manages our day-to-day operations, including overseeing various aspects of the seafood business of our grocery retailing business, such as selection, supply, storage and quality control.

Mr Lim is one of the founding shareholders of C M M Marketing Management Pte Ltd and Sheng Siong Supermarket Pte Ltd. He has been a director since 1994, and has been instrumental in our Group's growth. Mr Lim has 40 years of experience in grocery retailing. Prior to founding our Group, Mr Lim was employed in his family's hog rearing business.

Our Executive Directors, Mr Lim Hock Eng, Mr Lim Hock Chee and Mr Lim Hock Leng are brothers.

#### Present Directorships in other Listed Companies:

NIL

#### Past Directorships in other Listed Companies (FY2021–2023):

NIL

## Lin Ruiwen

### Executive Director

Date of first appointment: 27 April 2016

Date of last re-appointment: 26 April 2021

*Standing for re-election at the AGM*

Ms Lin Ruiwen is our Executive Director and is responsible for identifying, charting and implementing sustainable business strategies in new growth areas, especially in merchandising, marketing, management and business development for fresh fruits and vegetables. Ms Lin chairs the Business Excellence, Sustainability and Risk Management committees.

Before taking on the role of Executive Director, Ms Lin joined our Group in 2009 as a Manager of International Business Development and was promoted to Senior Manager in 2014. At that time, she was already managing the direct sourcing, import pricing, marketing and merchandising of our fresh fruits and vegetables.

Ms Lin has been appointed a member of the Technical Committee on Food Processing and Distribution for two terms from 2021 to 2026. She is also reappointed by Singapore Business Federation as a Human Capital Action Committee member (formerly known as Jobs and Skills Advisory Committee) for a second term from 2024 to 2025. In addition, she is the member of the NVPC Company of Good (COG) Advisory Circle and the Packaging Partnership Programme Advisory Committee, serving from 2023 to 2024.

Prior to joining our Group, Ms Lin was a senior executive of Youth Bank for Heartware Network, a not-for-profit youth organisation focusing on youth development and volunteerism, from November 2006 to July 2007. From March to October 2006, she was a purchasing executive in the commercial supplies department of Singapore Airlines Ltd ("SIA"), which handled the sourcing and purchasing for SIA's in-flight sales business.

Ms Lin obtained a Master's Degree in Public Affairs from Sciences Po Paris, France, in 2009. She graduated from Singapore Management University in 2005, with a Bachelor of Science (Economics) Degree.

Currently, Ms Lin serves as the Secretary to the CDAC@Ang Mo Kio Management Committee. She is also the daughter of our Executive Chairman, Mr Lim Hock Eng.

#### Present Directorships in other Listed Companies:

NIL

#### Past Directorships in other Listed Companies (FY2021–2023):

NIL



# Board of Directors



## Patrick Chee Teck Kwong <sup>PBM</sup> Lead Independent Director

Date of first appointment: 29 July 2021  
Date of last re-appointment: 26 April 2022  
*Standing for re-election at the AGM*

Mr Chee Teck Kwong Patrick PBM is our Lead Independent Director. Mr Chee holds a Bachelor of Law (Hons) Degree from the National University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the senior courts of England and Wales. Mr Chee has been in private legal practice since 1980 and is now a Senior Legal Consultant with Withers KhattarWong LLP, an international law firm. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions, setting up of family offices and listing of companies. He has also advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia and China. He also conducts civil litigation and arbitration proceedings. Mr Chee had initiated and was instrumental to the setting up of a full licensed KhattarWong's law practice in Vietnam.

Mr Chee is a Notary Public and a Commissioner for Oaths and is a member of Singapore Institute of Arbitrators, and Singapore Institute of Directors. He had served several years in the sub-committee of National Crime Prevention Council, Singapore, and worked with National Productivity Board, Singapore in developing and seeing the successful launch of some well-known franchises in Singapore in the early 1990s. From 2002 to 2013, Mr Chee was the Organising Chairman of the "National Street Soccer League – Lee Hsien Loong Challenge Trophy" and Vice Chairman of Teck Ghee Community Club.

He is also Honorary Legal Advisor to Hospitality Purchasing Association Singapore, and several big clans and trade associations in Singapore. Mr Chee is also the recipient of the National Day Awards 2003 – "The Public Service Medal (*Pingat Bakti Masyarakat*)" from the President of the Republic of Singapore.

### Present Directorships in other Listed Companies:

- China International Holdings Limited
- MeGroup Ltd
- QAF Limited
- Noel Gifts International Ltd

### Past Directorships in other Listed Companies (FY2021–2023):

- OneApex Limited (retired on 30 January 2024)

## Tan Huay Lim Independent Director

Date of first appointment: 22 December 2021  
Date of last re-appointment: 26 April 2022  
*Standing for re-election at the AGM*

Mr Tan has more than 40 years of experience in audit, accounting and finance. He served as a partner at KPMG Singapore for 23 years until his retirement in September 2015.

Mr Tan has extensive experience in auditing companies in a wide range of industries. He was a Banking Partner involved in the audit of financial institutions and was involved in a number of initial public offerings as well as mergers and acquisitions during his tenure with KPMG. Mr Tan was the Singapore Head of KPMG Global China Practice from September 2010 to September 2015.

Mr Tan received his Bachelor's degree in Commerce (Accountancy) from Nanyang University Singapore in August 1978. He is a fellow member of the Institute of Singapore Chartered Accountants, the Association of Certified Accountants (United Kingdom), and the Certified Practising Accountants (Australia).

### Present Directorships in other Listed Companies:

- OUE REIT Management Pte Ltd, the Manager of OUE Real Estate Investment Trust
- Dasin Retail Trust Management Pte Ltd, the Trustee-Manager of Dasin Retail Trust
- Elite Commercial REIT Management Pte Ltd, the Manager of Elite Commercial REIT
- Linklogis Inc. (listed on The Stock Exchange of Hong Kong Limited)
- SF REIT Asset Management Limited, the Manager of SF Real Estate Investment Trust (listed on The Stock Exchange of Hong Kong Limited)

### Past Directorships in other Listed Companies (FY2021–2023):

- Zheneng Jinjiang Environment Holding Company Limited
- ASL Marine Holdings Ltd
- Koufu Group Limited



## Tan Poh Hong

### Independent Director

Date of first appointment: 5 January 2018

Date of last re-appointment: 28 April 2023

Ms Tan Poh Hong is our Independent Director. She is Singapore's Non-Resident Ambassador to the Kingdom of Denmark.

Prior to joining the Group, she was the Chief Executive Officer of Agri-Food & Veterinary Authority (AVA) of Singapore from 2009 to 2017. AVA was the national authority responsible for food security and safety. Ms Tan was instrumental in transforming and expanding the organisation's mandate to cater to new challenges facing the country. In particular, she built up the organisation's capabilities to manage and strengthen Singapore's food security. She initiated and led stakeholder engagement and partnership initiatives, and drove the push to transform the local farming sector.

Prior to her appointment at AVA, Ms Tan was the Deputy CEO of the Housing and Development Board (HDB) from 2004 to 2009, where she was responsible for the planning, development and management of HDB properties. She also held various leadership positions in HDB, ranging from sales and operations to corporate strategy and communications; and policy research and development.

Ms Tan holds a BSc (Hons) in Estate Management from the National University of Singapore (1981), and a Master of Business Administration (with Distinction) from New York University (1988). Ms Tan was awarded the Public Administration Medal (Gold) in 2013, and the Public Service Medal in 1999 by the Singapore Government.

#### Present Directorships in other Listed Companies:

- Ann Aik Limited
- APAC Realty Ltd
- Centurion Corporation Ltd
- VICOM Limited
- OTS Holdings Ltd

#### Past Directorships in other Listed Companies (FY2021–2023):

*NIL*





# Board of Directors



## Ko Chuan Aun

### Independent Director

Date of first appointment: 22 December 2021

Date of last re-appointment: 26 April 2022

Mr Ko Chuan Aun is our Independent Director. He is currently the Chairman of HSK Resources Pte Ltd.

Previously between May 2014 to October 2017, Mr Ko was the President and Executive Director of KOP Limited. Prior to the reverse take-over exercise by the former, Mr Ko was the Executive Director and Group CEO of Scorpio East Holdings Ltd from March 2012 to May 2014. Mr Ko also holds chairmanships and directorships in various private and public companies. He is an Independent Director of KSH Holdings Ltd. He has more than 15 years of working experience with the former Trade Development Board of Singapore (TDB, now known as Enterprise Singapore). His last appointment with the then TDB was Head of China Operations.

In the past 30 years, Mr Ko has been very actively involved in business investments in the PRC market. He was previously appointed as a Member of the Steering Committee of Network China. In addition, he served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade & Investment Committee as well as Investment Advisor to the Fushun Foreign Trade & Economic Cooperation Bureau, PRC.

Mr Ko is currently the Vice President of the Enterprise Singapore Society and the Singapore Koh Clan Association respectively. He also serves as the Vice Chairman of Public Relation Committee under the Singapore-China Business Association. Mr Ko was awarded the Service to Education (Pewter) by the Ministry of Education in 2016.

#### Present Directorships in other Listed Companies:

- KSH Holdings Limited

#### Past Directorships in other Listed Companies (FY2021–2023):

- Lian Beng Group Ltd
- Koon Holdings Limited
- Pavillon Holdings Ltd



## Cheng Li Hui

### Independent Director

Date of first appointment: 22 December 2021

Date of last re-appointment: 26 April 2022

Ms Cheng Li Hui is our Independent Director. Prior to joining the Group, Ms Cheng served on the board of NTUC Foodfare in 2019, which thereafter merged with NTUC Fairprice in September 2019.

She was appointed the Deputy Chief Executive Officer and Director of Hai Leck Holdings Ltd from January 2012 to December 2017. She assisted the CEO in overseeing the daily operations of the Group, including scaffolding, corrosion prevention, insulation and refractory, as well as its maintenance businesses.

Ms Cheng holds a Master of Applied Finance from Macquarie University and a Bachelor of Arts from the National University of Singapore.

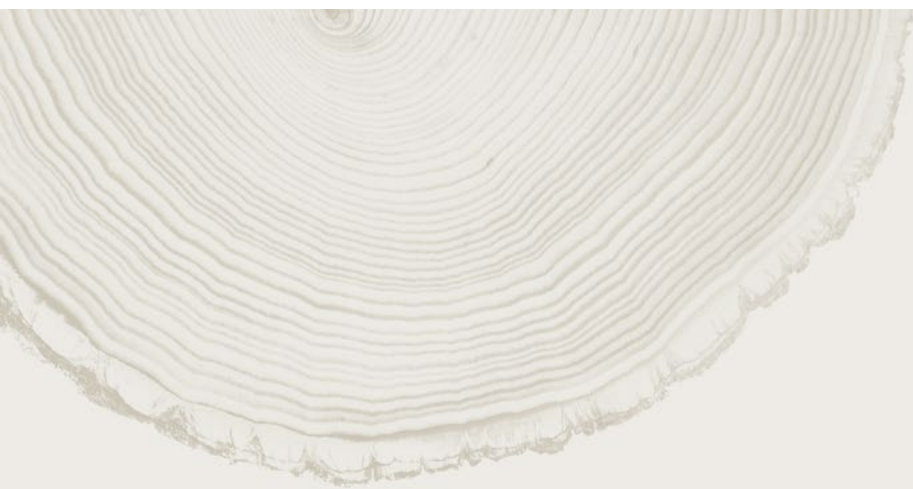
#### Present Directorships in other Listed Companies:

NIL

#### Past Directorships in other Listed Companies (FY2021–2023):

NIL

# Key Executives



## Tan Ling San Director

Mr Tan Ling San is responsible for the administration and implementation of our Group's policies and strategies, and for evaluating new growth areas for our business. Mr Tan spearheaded the restructuring of our Group and oversees the expansion of our store network.

Prior to joining our Group in 2006, Mr Tan founded and served as the executive chairman of PSC Corporation (now known as Hanwell Holdings Ltd), a company currently listed on the SGX-ST and engaged in, inter alia, the supply of consumer essentials through its chain of Econ Minimart stores (as they were then known). Mr Tan has more than 60 years of experience in grocery retailing.

## Fan Hongbo Financial Controller

Mr Fan Hongbo joined the Group in September 2022, and is responsible for overseeing our Group's finance and accounting functions, cash management, strategic planning and budgets, tax management, corporate governance and internal controls.

Prior to joining the Group, he was the finance manager of Lion Asiapac Limited, responsible for financial accounting and reporting, treasury control and taxation. He joined Moore Stephens LLP as Audit Associate in 2007, and left as its Assistant Audit Manager in 2011.

Mr Fan holds a Master's Degree in Business Administration from the University of Strathclyde, and is a member of the Institute of Singapore Chartered Accountants, and also a fellow member of the Association of Chartered Certified Accountants.

## Lee Moi Hong Director/ Head – Dry Goods

Mdm Lee Moi Hong oversees our Group's packing and distribution of dry goods such as biscuits, spices, flour, dried shrimp, Chinese herbs and other similar products.

Mdm Lee has worked with our Group since its inception in 1985. During her career with us, she has held several positions in our Group and her responsibilities have included overseeing the cutting, processing, storing and repacking of meat products, the selection and packing of dried foods, general store operations, and the inspection of our stores on a regular basis. In 2007 and 2008, Mdm Lee was appointed a director of our subsidiaries, Sheng Siong Supermarket Pte Ltd and C M M Marketing Management Pte Ltd, respectively. Prior to joining our Group, Mdm Lee was employed in her family's poultry rearing and processing business. She has approximately 40 years of relevant experience in grocery retailing and related industries. Mdm Lee is the spouse of our Executive Director, Mr Lim Hock Chee.

# Key Executives

## Ho Chee Haw Director/ Head – Retail Operations

Mr Ho Chee Haw oversees the business and operations of our stores in Singapore and China.

Mr Ho joined us in 1999 and during his career with us, held various positions in our Group, beginning as a cashier and rising through a series of promotions to a senior managerial position. In 2001, Mr Ho served as a supervisor overseeing our grocery department functions, before being promoted to executive within the same department and then to assistant manager of one of our stores in 2003. In 2005, he became manager of a store. In 2007, he rose to become an assistant area manager, and then to area manager's position a year later, overseeing our stores' operations. He was promoted to Assistant General Manager in January 2012. In January 2014, he was appointed a director of our subsidiaries, Sheng Siong Supermarket Pte Ltd and C M M Marketing Management Pte Ltd.

Mr Ho graduated from Sekolah Menengah Bakri Muar in Johor, Malaysia in 1999. He attended various training courses, including courses at the Singapore Institute of Retail

Studies, the Singapore National Employers Federation, Arise Services Pte Ltd, SSA Consulting Group Pte Ltd and PS Consulting Group in 2006, 2008, 2009, 2010 and 2011 under the Singapore Workforce Skills Qualification Scheme, which is administered by the Singapore Workforce Development Agency. He also completed industry-specific courses by Singapore Chinese Chamber Institute of Business in 2012 to gain practical management knowledge for retail business. To hone his leadership and organisational skills, he attended workshops that cover themes like "Six-Star Attitude" and "Teaching Organisation" in the same year.

In 2016, Mr Ho was awarded the SkillsFuture Study Award in International Business from IE Singapore, where he completed the "Senior Management Programme on Internationalisation" at NUS Lee Kuan Yew School of Public Policy.

## Leong Weng Fong Director/ Head – Purchasing and Promotions

Mr Leong heads the purchasing team and is responsible in leading negotiations with our suppliers in areas such as trading terms and planning for promotions with our major corporate partners.

He plays a key role in implementing procurement strategies and leads his team in sourcing for good quality and appealing merchandise for sale at our stores.


Mr Leong joined the company in 2000 and has held various positions in our Group, beginning as a grocery stacker and rising through a series of promotions to become the Purchasing General Manager in 2015. In July 2021, he was appointed a director of our subsidiaries, Sheng Siong Supermarket Pte Ltd and C M M Marketing Management Pte Ltd.

## Chow Kee Min Director/ Head – House Brands and Marketing

Mr Chow Kee Min is responsible for the House Brands department and oversees the team in overall product development, marketing and sales management of house brands products including rice, cooking oils, household products, frozen products etc.

Mr Chow joined C M M Marketing Management Pte Ltd in 2007 as the Business Development and Promotion Assistant General Manager. He became the Marketing Deputy General Manager of the Housebrands department in 2018. In July 2021, he was appointed a director of our





subsidiaries, Sheng Siong Supermarket Pte Ltd and CMM Marketing Management Pte Ltd.

Prior to joining the Group, he was the Sales Manager at Topseller Pte Ltd. Mr Chow holds a Certificate in Business Studies from Singapore Institute of Management.

### Woo Chee Kit Chief Information Officer

Mr Woo Chee Kit was appointed as Acting Chief Information Officer on 1 May 2017, and was subsequently redesignated Chief Information Officer on 1 July 2023. He oversees the IT systems required for the Group's operations and also IT procurement, budgeting and staff deployment.

Mr Woo joined the Group as a software development manager in 2013 and was promoted to a senior managerial role in 2016. He was responsible for optimizing existing IT infrastructure and brainstorming new processes to improve the efficiency of the company's newly integrated retail systems.

Prior to joining the Group, he was a Senior Manager with CHD Asia Pte Ltd, entrusted by their European head office to build up a IT team in Singapore. He has more than 15 years

of experience in system integration and management of regional software development, IT infrastructure, security, pre-sales and support.

Mr Woo holds a B.Sc. (Hons) in Software Engineering from Coventry University, United Kingdom.

### Wong Heng San Deputy General Manager International Business Development

Mr Wong Heng San's responsibilities include overseeing our Group's international sourcing operations, as well as identifying, planning and executing our international trading operations and investments.

Appointed by Agri-Food & Veterinary Authority of Singapore ("AVA"), Mr Wong was a member of the Food Fish Business Cluster for a term of two (2) years from 2013 to 2015. The objectives of the Business Cluster were to identify new sources and gather feedback on issues on food supply so as to enhance the resilience and ensure a stable supply, besides fostering closer industry integration between the private sector and AVA. The food-related functions of AVA have since been consolidated into a new statutory board, known as the Singapore Food Agency.

Prior to joining us in 2007, Mr Wong began his career at Golden Hope Commodity Pte Ltd, where he was engaged in commodity futures trading between 1980 and 1981. Between 1981 and 1989, Mr Wong worked at the Singapore Trade Development Board ("STDB"), where his responsibilities included serving at STDB's China Desk to assist Singaporean and Chinese companies in their trading and investment operations in the PRC and Singapore, respectively. In 1989, Mr Wong was appointed Centre Director of the Beijing-Singapore Trade Office by STDB, as well as Assistant Commercial Representative for Beijing, PRC by the Singapore Ministry of Foreign Affairs. In 1991, Mr Wong served as a Commercial Attaché in the Singapore Embassy in Beijing, PRC. From 1992 to 2007, Mr Wong worked in PSC Corporation (now known as Hanwell Holdings Ltd) where he served as general manager of a joint venture company involving PSC Corporation in Shanghai, PRC.

Mr Wong graduated from Nanyang University (which subsequently merged with the University of Singapore to form the National University of Singapore) in 1980, with a Bachelor's degree in Government and Public Administration.





Bringing Convenience Closer  
Reaching You  
Where It Matters





# Financial Highlights



**S\$1,367.7 mil**  
revenue



**S\$410.5 mil**  
gross profit



**30.0 %**  
gross profit  
margin



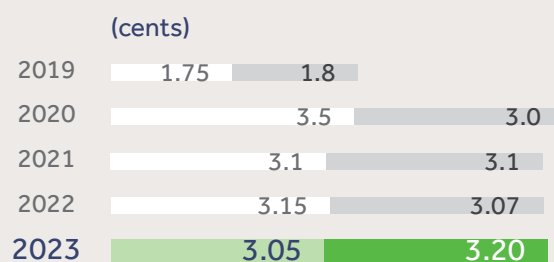
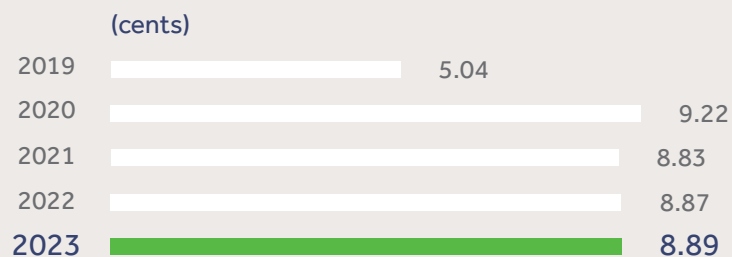
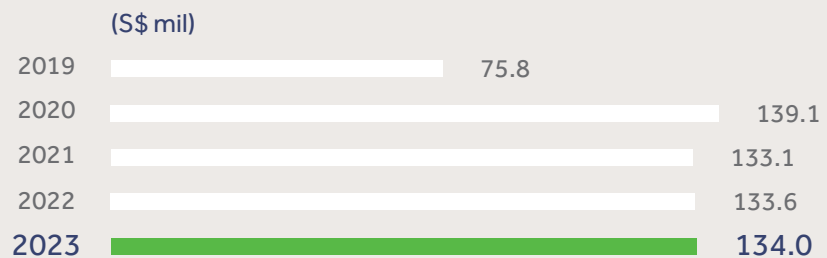
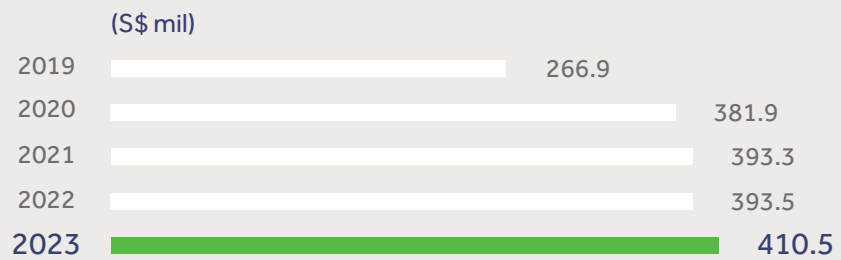
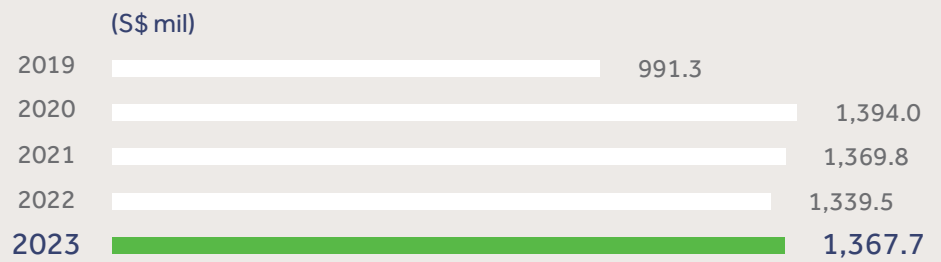
**S\$134 mil**  
net profit



**8.89 cents**  
earnings per  
share



**6.25 cents**  
dividend per  
share



■ Interim Dividend ■ Final Dividend

# Corporate Governance

## Introduction

Sheng Siong Group Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) are committed to achieving high standards of corporate governance. The Board of Directors of the Company (the “**Board**”) believes that good corporate governance protects and enhances shareholders’ value and is essential to the long-term sustainability of the Group’s business and performance.

This report describes the Group’s corporate governance practices for the financial year ended 31 December 2023 (“**FY2023**”) with specific references to the principles of the Code of Corporate Governance 2018 (the “**Code**”). In so far as any principles have not been complied with, the explanations for deviation from the Code have been provided in this report.

## Board Matters

### Board’s Conduct of its Affairs

*Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

The Board is primarily responsible for providing entrepreneurial leadership and establishing the business strategies and objectives of the Group, which focuses on sustainable long-term value creation. The Board will ensure that the necessary resources and a conducive environment are available for the Company to meet its objectives, and that the Management is provided with a framework to assess and manage risks on a balanced basis while pursuing the objectives. The framework would include safeguards, suitable processes, and internal controls to ensure that shareholders’ interests are protected. The Board sets the Group’s values and standards, ensures transparency in dealings with the other stakeholders and oversees Management by periodically reviewing their performance. The Board holds Management accountable for performance. All Board Members possess diversified knowledge and experience and are expected to act in good faith, ethically, and with integrity and exercise independent and objective judgment in discharging their duties and responsibilities objectively as fiduciaries, in the best interests of the Group.

The Company has adopted a “Conflict of Interests Policy” to protect the Group’s integrity and decision-making process to give its stakeholders confidence in the Group’s business ethics, integrity, intentions and actions. Where conflicts of interest arise, the Board will ensure that the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governing Interested Person Transactions and the Accounting Standard on the disclosure of related person transactions are adhered to. Where a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board. In addition, the Directors would abstain from voting and decisions involving the issues of conflict.

The Group’s key stakeholders include its shareholders, customers, suppliers, business partners, employees and the community. The Board is guided by a Code of Conduct and Ethics to ensure that obligations to these key stakeholders are understood and met.

Newly appointed Directors will receive a formal appointment letter setting out their duties and obligations and undergo an orientation that includes a briefing by Management on the Group’s structure, businesses, operations, policies and governance practices. In addition, new Directors who do not have prior experience as a Director of a public-listed company in Singapore will attend training programme conducted by the Singapore Institute of Directors (“**SID**”) or the training programme conducted by Institute of Singapore Chartered Accountants (“**ISCA**”) and SAC capital.

# Corporate Governance

The Company encourages existing Directors to attend training courses organised by the SID, or other training institutions which are aimed at providing them with the latest updates on changes in relevant regulations, commercial risks, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group and/or the Directors in connection with their duties and responsibilities as a Director of a public-listed company in Singapore, and such training will be funded by the Company. This is to enable them to discharge their duties as Board Members properly.

During FY2022, the Directors attended the LED – Environmental, Social and Governance Essentials (Core) course conducted by SID or other sustainability training courses approved by the SGX-ST.

The Directors will also receive updates and the necessary training on new laws, regulations and corporate governance matters, which have an important bearing on the Company and the Directors' obligations to the Company, from time to time. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA"), which are relevant to the Directors, are regularly circulated to the Board. In addition, the Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the Audit and Risk Committee (the "ARC") and the Board on the new and revised financial reporting standards that apply to the Company or the Group.

In addition, the Board has an internal guideline governing the matters that require the Board's approval which has been clearly communicated to the Management. The matters that require the Board's approval include:

- a. any major (which is defined as amounts in excess of 5% of the Group's net tangible assets ("NTA") funding proposals;
- b. material acquisitions and disposal of assets;
- c. major investments, acquisitions and divestments, including the Group's commitment in terms of capital and other resources, whether it be on or off-balance sheet;
- d. matters as specified under the SGX-ST's interested person transaction policy;
- e. transactions which are not in the ordinary course of business of the Company;
- f. allotment and issuance of shares;
- g. declaration of dividends;
- h. announcements or press releases on SGXNet, including financial result announcements;
- i. annual report, sustainability report, Directors' statement and audited financial statements;
- j. any other matters as prescribed under the relevant legislation and regulations, and the provision of the Company's Constitution.

The Board has delegated specific responsibilities to three (3) Board Committees, which are appointed with written terms of references: (a) the Nominating Committee (the "NC"); (b) the Remuneration Committee (the "RC"); and (c) the ARC (collectively, the "Board Committees") to facilitate effective management. The Board Committees operate within clearly defined terms of reference or scope. The terms of references are periodically reviewed to ensure their relevance, and they play an important role in ensuring good corporate governance in the Company and within the Group. Any change to the terms of reference for any Board Committee requires the Board's specific approval. While each Board Committee has the power to examine particular issues and will make recommendations to the Board, the ultimate responsibility for the final decision on all matters lies with the Board.

Our Board meets regularly and as warranted by particular circumstances, as deemed appropriate by the Board members. Fixed meetings are scheduled every quarter, and additional meetings are convened as and when there are matters requiring the Board's consideration and decision at any particular point in time. In addition, our Constitution allows each Director to participate in the Board Meeting through teleconference, video conference, audio visual or other similar communication equipment. The Board and Board Committees also make decisions via circular resolutions.



# Corporate Governance

The number of Board and Board Committee meetings and general meeting held in FY2023 and the attendance of our Directors at these meetings are as follows:

Number of meetings held	Board		NC		RC		ARC		AGM**
	4		1		1		4		1
	Position	Attended	Position	Attended	Position	Attended	Position	Attended	Attended
<b>Executive Directors</b>									
Mr. Lim Hock Eng	M	4	–	1*	–	1*	–	4*	1
Mr. Lim Hock Chee	C	4	–	1*	–	1*	–	4*	1
Mr. Lim Hock Leng	M	4	–	1*	–	1*	–	4*	1
Ms. Lin Ruiwen	M	4	–	1*	–	1*	–	4*	1
Mr. Tan Ling San <sup>(1)</sup>	VC	1	–	1*	–	1*	–	1*	1
<b>Non-Executive Directors</b>									
Mr. Chee Teck Kwong Patrick	M	4	C	1	M	1	M	4	1
Mr. Tan Huay Lim	M	4	M	1	M	1	C	4	1
Ms. Tan Poh Hong	M	4	M	1	C	1	M	4	1
Mr. Ko Chuan Aun	M	4	M	1	M	1	M	4	1
Ms. Cheng Li Hui	M	4	M	1	M	1	M	4	1

\* By invitation

M Member

C Chairman

VC Vice Chairman

\*\* The Annual General Meeting ("AGM") was held virtually

(1) Mr. Tan Ling San retired as the Vice Chairman and Executive Director on 28 April 2023.

The Executive Chairman works with the Financial Controller ("FC") and the Company Secretaries to set the agenda for Board and Board Committees' meetings, overseeing the quality and timely despatch of the Board papers and promoting open discussions between Board Members and Management before and during the board and Board Committees' meetings. The Board and Board Committees' papers include financial, business, sustainability, and corporate matters of the Group to enable the Directors to be adequately briefed on matters to be considered at the Board and Board Committees' meetings.

Directors are given separate and independent access to the Group's Management and Company Secretaries to address any enquiries. In addition, Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

The Company Secretaries and/or her/their representative(s) are present at Board meetings and ensure that procedures are followed, and that applicable rules and regulations are complied with, including advising the Management to ensure that material information is disclosed on a prompt basis. The Company Secretaries and/or her/their representative(s) will also attend all meetings of the Board Committees. The Company Secretaries and/or her/their representative(s) assist the Executive Chairman and the Chairman of each Board Committees in the development of the agendas for the various Board and Board Committees meetings. They also ensure good information flows within the Board and Board Committees, and between Management and Independent Directors, advising the Board on all corporate governance matters, facilitating orientation and assisting with professional development as required. Minutes of all meetings are prepared by the Company Secretaries and will be circulated respectively to the Board and Board Committees for their review and approval. The appointment and removal of the Company Secretary(ies) are subject to the approval of the Board as a whole.

# Corporate Governance

## Board Composition and Balance

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

As of the date of this Annual Report, our Board comprises nine (9) Directors, five (5) of whom are non-executive and independent. The Board of Directors is constituted as follows:

Mr. Lim Hock Eng, Executive Chairman  
Mr. Lim Hock Chee, Chief Executive Officer  
Mr. Lim Hock Leng, Managing 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

The criterion for independence is based on the provisions set out in the Code, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 210(5)(d) of the Listing Manual of the SGX-ST. The Board considers an “independent” Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement in the best interests of the Company.

Each Independent Director is required to complete an Independence Confirmation Form annually to confirm his/her independence. The NC reviews the independence of each Director on an annual basis based on the provisions set out in the Code as well as the Listing Rules of the SGX-ST. In its review, the NC considers all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval. Based on the Board evaluation and review conducted by the NC for FY2023, the NC and the Board are of the view that Mr. Chee Teck Kwong Patrick, Mr. Tan Huay Lim, Ms. Tan Poh Hong, Mr. Ko Chuan Aun and Ms. Cheng Li Hui are independent. Currently, there are no Independent Directors, who would have served the Board beyond nine (9) years since their appointment to the Board.

The NC is of the view that the current Board, with Independent and Non-Executive Directors making up a majority of the Board, the Board has a strong and independent element to exercise objective judgement through constructive dialogue and no individual or group of individuals dominate the Board’s decision-making process. The Group has appointed Mr. Chee Teck Kwong Patrick as Lead Independent Director, who avails himself to shareholders when they have concerns which contact through the normal channels fails to resolve or for which such contact is inappropriate or inadequate. The Independent Directors and/or Non-Executive Directors play an important role in ensuring that the strategies and/or plans proposed by Management are constructively challenged, fully discussed and examined, and take into account the long- term interests of not only the shareholders, but also that of other stakeholders such as the employees, customers and suppliers of the Group. Our Independent Directors and/or Non-Executive Directors participate actively in discussions, reviewing and assessing Management’s performance. They, led by the Lead Independent Director also meet regularly without the presence of Management to discuss the affairs of the Group and will provide feedback to the Executive Chairman after such meetings, as appropriate. As disclosed earlier, where a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

# Corporate Governance

The Board recognises that establishing and maintaining a diverse Board is important in supporting the Company to achieve its strategic objectives for sustainable development while building an inclusive and collaborative culture within the Company. Effective decision-making can be enhanced by harnessing business experiences, industry knowledge, variety of skill sets, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board. In line with the Code and Rule 710A(1) of the Listing Manual of the SGX-ST, the Company has adopted its Board Diversity Policy in FY2022. The Board is of the view that gender is an important aspect of diversity and will strive to ensure that female candidates will be included for consideration whenever there is a new appointment, and female representation on the Board is continually improved over time. The Board also commits to appointing at least one (1) female Director to the NC. The Board has also adopted a target to achieve and maintain gender diversity at 30%. Currently, three (3) of the 9 Board members are female, representing 33.33% of the total Board membership. Our two (2) female Independent Directors are also members of the NC. In consultation with the NC, the Board will conduct a review from time to time to assess the Board Diversity Policy to ensure its effectiveness. The NC would discuss any recommendation or revision to the Board Diversity Policy prior to recommending it to the Board for consideration and approval.

In reviewing both the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above, in order to arrive at an optimum balanced composition of the Board.

As a Group, the Directors bring with them a broad range of relevant industry knowledge, expertise and experience in areas such as accounting, finance, business, legal, food safety, real estate and management. The size and composition of the Board are reviewed by the NC on an annual basis to ensure that the Board has the appropriate balance, a mix of expertise and experience and collectively possesses the necessary skill sets and core competencies for effective decision-making. The experience and skill of the Directors are further described on pages 17 to 22.

For FY2023, the NC had reviewed and is of the opinion that the current size of nine (9) Directors for the Board composition is appropriate, considering the nature and scope of the Group's operations. The current Board composition represents a well-balanced mix of skills, experience, expertise and knowledge of the Group to facilitate effective decision-making.

## Executive Chairman and Chief Executive Officer ("CEO")

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

Mr. Lim Hock Eng, our Executive Chairman, is primarily responsible for leading the Board, and together with the other Executive Directors, provide overall leadership and strategic vision for the Group including business strategy and planning, and business administration.

As the Executive Chairman, with the assistance of the FC and the Company Secretaries, he also ensures effective and comprehensive Board discussion on matters brought to the Board, including but not limited to:

- a. scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- b. setting the agenda (in consultation with the CEO, FC, and with the assistance of the Company Secretaries) and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues;
- c. ensuring that all Directors receive accurate, timely and clear information;
- d. promoting active engagement and open dialogue amongst the Directors as well as between the Board and the Management;
- e. ensuring effective communication among stakeholders, the Board, and the Management;
- f. leading the Group to achieve and maintain a high standard of corporate governance with the support of the Board, the Management, and the Company Secretaries.



# Corporate Governance

Although Mr. Lim Hock Eng, our Executive Chairman, Mr. Lim Hock Chee, our CEO, and Mr. Lim Hock Leng, our Managing Director, are siblings and Ms. Lin Ruiwen, our Executive Director, is the daughter of Mr. Lim Hock Eng, their roles in managing the day-to-day operations of the Group are clearly defined. The overall management oversight responsibility rests with our CEO, Mr. Lim Hock Chee. Taking into consideration the current corporate structure, nature and the scope of the Group's operations, as well as the ARC, NC, and RC consisting of all Independent Directors, the NC is of the view that there is an appropriate balance of power and accountability to ensure independent decision making.

Taking cognisance that the Chairman of the Board is an Executive Director and thus not independent, in accordance with the Code, the Group has appointed Mr. Chee Teck Kwong Patrick as Lead Independent Director to coordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He also avails himself to shareholders should they have concerns which contact through the normal channels of communication with the Chairman or the Management has failed to resolve or for which such contact is inappropriate or inadequate.

## Nominating Committee

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors taking into account the need for progressive renewal of the Board.*

The NC comprises five (5) Non-Executive Directors, all of whom, including the Chairman, are independent. The Lead Independent Director, Mr. Chee Teck Kwong Patrick is the Chairman of the NC.

- Mr. Chee Teck Kwong Patrick (Chairman)
- Mr. Tan Huay Lim
- Ms. Tan Poh Hong
- Mr. Ko Chuan Aun
- Ms. Cheng Li Hui

The Chairman of the NC is neither a substantial shareholder of the Company, nor directly associated with a substantial shareholder of the Company.

The NC has a term of reference, which is endorsed by the Board, and sets out its duties and responsibilities. The principal functions of the NC include:

- reviewing the Board and its committees' structure, size and composition and making recommendations to the Board, where appropriate;
- reviewing the Board Diversity Policy and targets, and ensuring that the policy has been complied;
- determining the process for search, nomination, selection and appointment of new Board Members and assessing nominees or candidates for appointment to the Board;
- determining, on an annual basis, if a Director is independent;
- recommending the nomination of Directors who are retiring by rotation to be put forward for re-election;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;
- assessing the effectiveness of the Board as a whole and the contribution of each of the Directors to the effectiveness of the Board; and
- establishing and reviewing the training programme for the Board.

# Corporate Governance

The NC has discussed and noted that although there is no succession plan in place at the moment for the Executive Chairman or CEO, Mr. Lim Hock Eng, Mr. Lim Hock Chee and Mr. Lim Hock Leng are the founders of the Company and are responsible for building up the business. Each of them is capable of succeeding either the Executive Chairman or the CEO if the need arises. Furthermore, the Board and the NC are of the view that the Management is capable of providing continuity during the search for a new Chairman or CEO.

In the event that a vacancy on the Board arises, the NC may identify suitable candidates for appointment as the new Director through the business network of the Board Members or engage independent professional advisers to assist in the search for suitable candidates. In selecting candidates, the NC will, in consultation with the Board, consider the needs of the Group and the relevant expertise required. The NC will generally identify suitable candidates skilled in core competencies such as legal, accounting or finance, business or management expertise, Information Technology or industry knowledge. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. The NC will also ensure that female candidates are considered for the new appointment, if any. Meetings with the candidates may be arranged to facilitate dialogue and open discussion. Upon appointment, arrangements will be made for the new Director to attend various briefings with the Management.

Board renewal must be an ongoing process to ensure good governance and to maintain relevance to the changing needs of the Group. As such, no Director stays in office for more than three (3) years unless re-elected by shareholders. In recommending a Director for re-election to the Board, the NC considers, amongst other things, his/her performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs).

The NC has recommended the nomination of Ms. Lin Ruiwen, Mr. Chee Teck Kwong Patrick and Mr. Tan Huay Lim, who are retiring by rotation pursuant to the Company's Constitution, for re-election at the forthcoming AGM.

The Board has accepted the NC's afore-mentioned recommendations and being eligible, Ms. Lin Ruiwen, Mr. Chee Teck Kwong Patrick and Mr. Tan Huay Lim will be standing for re-election at the AGM. Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he has a conflict of interest in the subject matter under consideration.

For the financial year under review, the NC is of the view that the Independent Directors of the Company are independent (as defined in the Code and SGX-ST Listing Manual) and are able to exercise judgment on the corporate affairs of the Group independent of the Management. The NC has received annual confirmation of independence from the Independent Directors of the Company, each confirming that he/she does not have any relationship which may affect his/her independence as provided under the Code and the SGX-ST Listing Manual.

The Board does not see the need to define the maximum number of listed company Directorships which any Director may hold, but nevertheless has tasked the NC to review if a Director with multiple board representations is devoting sufficient time and attention to the affairs of the Group. The NC is satisfied that sufficient time and attention are being given by each of the Directors to the affairs of the Group, taking into account, inter alia, the attendance records of the Directors at the respective Board and Board Committee meetings and their contributions towards the decision making of the Board and Board Committees, notwithstanding that some of the Directors have multiple board representations.

The key information regarding the Directors such as academic and professional qualifications, Board Committees served, Directorships or chairmanships both present and past held over the preceding three (3) years in other listed companies and other major appointments, whether the appointment is executive or non-executive, are set out on pages 17 to 22 of this Annual Report.

# Corporate Governance

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(6) of the Listing Manual of the SGX-ST:

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
Date of Appointment	27 April 2016	29 July 2021	22 December 2021
Date of last re-appointment (if applicable)	26 April 2021	26 April 2022	26 April 2022
Age	41	70	68
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for the appointment of directors, and the re-nomination and re-election of Directors to the Board, is set out in pages 34 to 35 of the Annual Report.		
Whether appointment is executive, and if so, the area of responsibility	Executive Director	Lead Independent Director	Independent Director
	Please refer to the detailed description of the area of responsibilities set out in pages 17 to 22 of the Annual Report		
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Lead Independent Director, Chairman of Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee	Independent Director, Chairman of Audit and Risk Committee, and a member of the Nominating Committee and Remuneration Committee
Professional qualifications	Please refer to the detailed description of the directors; qualifications and working experience set out in pages 17 and 22 of the Annual Report		
Working experience and occupation(s) during the past 10 years			
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Daughter of Mr. Lim Hock Eng, the Executive Chairman of the Company.  Niece of Mr. Lim Hock Chee, the Company's Chief Executive Officer and Mr. Lim Hock Leng, the Company's Managing Director.	Nil	Nil



# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
Conflict of interest (including any competing business)	<p>As disclosed in the table "Other Principal Commitments Including Directorships – Present" below, Ms. Lin Ruiwen is also a Director of Sheng Siong Holdings Pte Ltd. The Group sells/buys to/from Sheng Siong Holdings Pte Ltd.</p> <p>Transactions with these companies are carried out on normal commercial terms and do not prejudice the interests of the Company or its minority shareholders and are tracked and reported according to the rules on Interested Persons Transactions as stipulated in Chapter 9 of SGX-ST Listing Manual. These transactions had been included our Annual Report 2023 on page 54.</p>	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships  - Past (for the last 5 years)	Nil	<ol style="list-style-type: none"> <li>Hai Leck Holdings Limited</li> <li>OneApex Limited</li> </ol>	<ol style="list-style-type: none"> <li>ASL Marine Holdings Ltd</li> <li>Koufu Group Limited</li> <li>Zheneng Jinjiang Environment Holding Company Limited</li> </ol>
Other Principal Commitments Including Directorships  - Present	<ol style="list-style-type: none"> <li>Sheng Siong Supermarket Pte Ltd</li> <li>C M M Marketing Management Pte Ltd</li> <li>Sheng Siong Holdings Pte Ltd</li> <li>SE Tust Limited</li> <li>96 Capital Management Pte Ltd</li> <li>Gingko Global Ltd</li> </ol>	<ol style="list-style-type: none"> <li>China International Holdings Limited</li> <li>MeGroup Ltd</li> <li>QAF Limited</li> <li>Noel Gifts International Ltd</li> </ol>	<ol style="list-style-type: none"> <li>OUE REIT Management Pte Ltd, the Manager of OUE Real Estate Investment Trust</li> <li>Linklogis Inc. (listed on the Hong Kong Stock Exchange)</li> <li>SF REIT Asset Management Limited, the Manager of SF Real Estate Investment Trust (listed on the Hong Kong Stock Exchange)</li> <li>Dasin Retail Trust Management Pte Ltd, the Trustee-Manager of Dasin Retail Trust</li> <li>Elite Commercial REIT Management Pte Ltd, the Manager of Elite Commercial REIT</li> </ol>

# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
<b>The general statutory disclosures of the Directors are as follows:</b>			
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	<p>Mr. Tan Huay Lim was appointed as Independent Non-Executive Director of Xihe Holdings (Pte) Ltd. ("XHPL") on 1 July 2020. XHPL was placed under interim judicial management on 13 August 2020 and under judicial management on 13 November 2020. XHPL has been in liquidation pursuant to compulsory winding up since 24 March 2022. Mr. Tan resigned as Independent Non-Executive Director of XHPL on 28 August 2020.</p> <p>The events which led to XHPL being placed under judicial management to restructure its debts took place prior to Mr. Tan's appointment on the board of XHPL.</p> <p>Mr. Tan was appointed as an Independent Non-Executive Director of Xihe Capital (Pte) Ltd. ("XCPL") on 1 July 2020. XCPL was placed under liquidation pursuant to a members' voluntary winding up since 22 October 2020 and has been in liquidation pursuant to a creditors' voluntary winding up since 19 November 2021. Mr. Tan resigned as independent Non-Executive Director of XCPL on 28 August 2020.</p> <p>The events which led to XCPL being in liquidation pursuant to a creditors' voluntary winding up took place prior to Mr. Tan's appointment on the board of XCPL.</p>

# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
c. Whether there is any unsatisfied judgment against him?	No	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No



# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	<p><i>The following additional information in relation to item (f) is provided for information only and does not result in the question being answered in the positive.</i></p> <p>Mr. Tan Huay Lim is an Independent and Non-Executive Director, the lead Independent Director and the Chairman of the Audit and Risk Committee of Dasin Retail Trust Management Pte. Ltd. ("<b>DRTM</b>"), the trustee-manager of Dasin Retail Trust (the "Trust") listed on the Singapore Exchange Securities Trading Limited.</p> <p>On 25 May 2023, an Originating Claim has been filed against Mr. Tan and DRTM in the Singapore High Court, by Mr. Zhang Zhencheng ("<b>ZZC</b>"), a non-executive director and a shareholder of DRTM as well as a substantial unitholder of the Trust.</p> <p>Further information of the Originating Claim is set out in the announcement of the Trust dated 27 May 2023.</p> <p>On 16 June 2023, DRTM filed its Defence in the Originating Claim denying the entire claim.</p>

# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
			<p>On 21 June 2023, Mr. Tan filed a Defence and Counterclaim in the Originating Claim, with ZZC and DRTM named as Defendants in the Counterclaim, to deny ZZC's entire claim and seek for reliefs in his Counterclaim, pursuant to Section 391 of the Companies Act 1967 of Singapore and Section 105 of the Business Trust Act 2004 of Singapore on the basis that, amongst others, Mr. Tan at all material times acted and performed his duties as an officer of DRTM honestly and reasonably.</p> <p>On 5 July 2023, ZZC and DRTM filed their respective Defences to his Counterclaim. Both ZZC and DRTM have in the Defences essentially taken the position that they disagree with Mr. Tan's positions set out in the Counterclaim.</p> <p>The proceedings are still pending and there has yet to be any determination by the courts or any finding of fraud or dishonesty or which involves any breach of law or regulations by Mr. Tan.</p>
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	No	No	No
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	<p>Mr. Tan was a Council Member of the Management Committee from 30 October 2007 to 31 March 2013 of Ren Ci Hospital &amp; Medicare Centre ("RCHMC"), a non-profit voluntary welfare organisation established in Singapore.</p> <p>On 29 March 2009, Mr. Tan was interviewed by the Commercial Affairs Department ("CAD") in his capacity as a Council Member of the Management Committee of RCHMC in connection with CAD's investigations in the affairs of RCHMC.</p> <p>For the avoidance of doubt, Mr. Tan was not the subject of the foregoing investigations and following the interview, Mr. Tan has not been required by the CAD to provide any further assistance in the matter for which he was interviewed.</p> <p>RCHMC, which was registered as a society under the Societies Act 1986 of Singapore, was dissolved on 31 March 2013.</p>



# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# Corporate Governance

Details	Name of Retiring Director		
	Lin Ruiwen	Chee Teck Kwong Patrick	Tan Huay Lim
<b>Information required</b>			
<b>Disclosure applicable to the appointment of Director only.</b>			
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of Directors.		
If yes, please provide details of prior experience.			
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.			

## Board Performance

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual Directors.*

The Board has implemented a process to be carried out by the NC to assess (i) the performance and effectiveness of the Board as a whole and its Board Committees; and (ii) the contribution of each Director to the effectiveness of the Board.

The assessment of the Board utilises a confidential questionnaire, covering areas such as the effectiveness of the Board in its monitoring role, the mix of expertise, experiences and skills represented on the Board, sustainability reporting etc., and is completed by each Director individually. Such performance criteria are approved by the Board, and they address, inter alia, how the Board has enhanced long-term shareholders' value. The performance criteria do not change unless circumstances deem it necessary and a decision to change them would be justified by the Board.

The completed questionnaires are collated for the NC's deliberation. The NC then presents the results, conclusions and its recommendations to the Board. The Board has met its performance objectives in respect of FY2023. The Board is of the view that the Board and Board Committees operate effectively and each Director contributes to the effectiveness of the Board and the Board Committees. No external facilitator was used during the evaluation of FY2023's performance.

The evaluation of individual Directors is conducted informally by the NC. Some factors taken into consideration by the NC include attendance records, contributions during Board meetings, as well as individual performance of principal functions and fiduciary duties. The performance of each Director is taken into account in re-election.

The assessment of the Board, Board Committees and each individual Director is carried out once every year. Each member of the NC shall not participate in any decision-making in respect to the assessment of his/her performance or re-nomination as a Director.

# Corporate Governance

## Remuneration Matters

### Procedures for developing remuneration policies

*Principle 6: The Board has a formal and transparent procedure for developing policies on Director's and executive's remuneration and for fixing the remuneration packages of individual Directors and key management personnel. No Director should be involved in deciding his or her own remuneration.*

### Remuneration Committee

The RC comprises the following Non-Executive Directors, all of whom, including the Chairman, are independent:

- Ms. Tan Poh Hong (Chairman)
- Mr. Chee Teck Kwong Patrick
- Mr. Tan Huay Lim
- Mr. Ko Chuan Aun
- Ms. Cheng Li Hui

The RC has a term of reference, which is endorsed by the Board, and sets out its duties and responsibilities. The principal functions of the RC include:

- recommending to the Board for endorsement, a framework of remuneration for our Directors and key management personnel in respect of all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind; and
- recommending specific remuneration on packages for each of our Executive Directors and key management personnel.

In developing the Group's remuneration framework, the RC may from time to time refer to market reports or seek expert advice on average remuneration corresponding to experience and the level of responsibility. No Director is involved in deciding his/her own remuneration.

The RC noted that apart from the payment in lieu of notice, the Company has no other obligations to the Executive Directors and/or key management personnel in the event of termination of their contracts of service.

The RC also reviews the total remuneration of employees who are related to Directors annually, to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any member of the RC who is related to the employee under review abstains from such review.

The RC has full authority to seek any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. The Company did not engage any remuneration consultants during FY2023.

# Corporate Governance

## Level and Mix of Remuneration

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

## Remuneration of Executive Directors and Key Management Personnel

The remuneration package of our Executive Directors and key management personnel comprises the following components:

(a) *Fixed Component*

The fixed component comprises basic salary, annual wage supplements and statutory employer's contributions to the Central Provident Fund. In setting remuneration packages, the RC may take into account industry conditions, prevailing market practices, and the remuneration policies of comparable companies.

(b) *Variable Component*

This component comprises a variable bonus based on the performance of Group and its business units. To link rewards to performance, staff are assessed based on a matrix of indicators which includes non-quantitative criteria and is not limited solely to financial performance. Such non-quantitative criteria include contribution to the team, attitude, and special qualities displayed in discharging their responsibilities. Manpower cost which is the biggest item in operating expenses varies in direct proportion to operating results mainly because the variable component for the Executive Directors, key management personnel and middle-level managers form a significant portion of their total remuneration.

(c) *Benefits*

Benefits provided are consistent with market practice and include medical benefits and travel allowances.

The remuneration system has proven to be value accretive since its introduction in 2008.

Having reviewed and considered the variable components of the remuneration of management, which comprises bonus and incentives, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim these variable components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

## Remuneration of Non-Executive Directors

The Independent and/or Non-Executive Directors are paid fixed Directors' fees, which are reviewed by the RC, taking into account the level of each Director's contribution, the effort and time spent, their respective responsibilities and the prevailing market practices. The proposed Directors' fees are also subject to approval by shareholders at each AGM.

The Company currently does not have any share-based compensation scheme, or any long-term incentive scheme involving the offer of shares or grant of options in place to encourage the non-executive directors to hold shares in the Company.



# Corporate Governance

## Disclosure on Remuneration

**Principle 8:** *The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.*

The disclosure on remuneration is provided to enable investors to understand the link between the remuneration paid to Directors and Management, and corporate and individual performance. A breakdown of the remuneration of Directors for FY2023 is set out below.

	Salary <sup>(1)</sup>	Variable Bonus	Director's Fees (S\$'000)	Benefits in Kind	Total
<b>Executive Directors</b>					
Mr. Lim Hock Eng	302	5,446	20*	32	5,800
Mr. Lim Hock Chee	374	5,446	20*	16	5,856
Mr. Lim Hock Leng	307	5,446	20*	12	5,785
Ms. Lin Ruiwen	312	–	20*	–	332
<b>Non- Executive Directors</b>					
Ms. Tan Poh Hong	–	–	60**	–	60
Mr. Chee Teck Kwong Patrick	–	–	60**	–	60
Mr. Tan Huay Lim	–	–	60**	–	60
Mr. Ko Chuan Aun	–	–	60**	–	60
Ms. Cheng Li Hui	–	–	60**	–	60

### Notes:

\* Directors' fees payable by subsidiaries of the Company.

\*\* Directors' fees payable to independent and/or Non-Executive Directors are subject to the approval of shareholders at the forthcoming AGM.

(1) Includes the annual wage supplement and employers' CPF.

The remuneration of the top eight (8) key management personnel for FY2023 is set out below. The total remuneration paid to these personnel (who are not Directors or the CEO of the Company) is approximately S\$8.0 million (2022: S\$2.6 million).

	Salary <sup>(1)</sup>	Variable Bonus	Director's Fees (%)	Benefits in Kind	Total
<b>Key management personnel</b>					
<i>S\$5,750,001 to S\$6,000,000</i>					
Mr. Tan Ling San	5.1	93.8	0.3*	0.8	100
<i>S\$500,001 to S\$750,000</i>					
Mr. Ho Chee Haw, Alvin	29.5	68.1	2.4*	–	100
<i>S\$250,001 to S\$500,000</i>					
Mr. Chow Kee Min	38.8	53.6	4.8*	2.8	100
Mr. Leong Weng Fong	41.0	51.8	4.7*	2.5	100
<i>S\$1 to S\$250,000</i>					
Mr. Fan Hongbo	82.1	17.9	0.0	0.0	100
Mdm. Lee Moi Hong <sup>(2)</sup>	91.2	0.0	8.0*	0.8	100
Mr. Woo Chee Kit	82.1	17.9	0.0	0.0	100
Mr. Wong Heng San	74.8	17.9	0.0	7.3	100

### Notes:

\* Directors' fees paid by subsidiaries of the Company.

(1) Includes the annual wage supplement, fixed bonus and employers' CPF.

(2) Mdm. Lee Moi Hong is the wife of CEO, Mr. Lim Hock Chee.

# Corporate Governance

Overall, the Company's Executive Directors and the Group's key management personnel have met the key performance objectives in FY2023. No termination, retirement or post-employment benefits have been granted to the Company's Directors and key management personnel.

The remuneration of employees who are immediate family members of a Director or the CEO of the Company and whose salary exceeds S\$100,000 for FY2023 is set out below:

<i>S\$301,000 to S\$400,000</i>		
Ms. Lin Ruiwen	Executive Director	Daughter of Mr. Lim Hock Eng, niece of Mr. Lim Hock Chee, Mr. Lim Hock Leng
<i>S\$200,001 to S\$300,000</i>		
Mdm. Lee Moi Hong	Head of Dry Goods	Wife of Mr. Lim Hock Chee
<i>S\$101,000 to S\$200,000</i>		
Mr. Lin Junlin, Nigel	Executive Assistant to CEO	Son of Mr. Lim Hock Leng, nephew of Mr. Lim Hock Eng, Mr. Lim Hock Chee
Mr. Lin Zikai	Executive Assistant to CEO	Son of Mr. Lim Hock Chee, nephew of Mr. Lim Hock Eng, Mr. Lim Hock Leng
Mr. Lin Yuansheng	Executive Assistant to CEO	Son of Mr. Lim Hock Chee, nephew of Mr. Lim Hock Eng, Mr. Lim Hock Leng

## Accountability And Audit

### Risk Management and Internal Controls

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The Group's level of risk tolerance and risk management policies are determined by the Board. The Board and Management are responsible for overseeing the Group's risk management framework and policies, including reviewing the Group's business and operational activities to identify areas of significant risk. There is a Risk Management Committee led by our Executive Director, Ms. Lin Ruiwen, comprising managers from various departments who will meet regularly to undertake these tasks. The ARC and the Board will review the reports and recommendations of the Risk Management Committee and look into the system of internal controls and measures taken to mitigate such risks.

The Group has a risk management framework in place to manage its exposure to risks that are associated with the conduct of its business to safeguard shareholders' interests and the sustainability of the Company, as well as to provide a basis to make an informed decision having regard to the risk exposure of the Group. The purpose of the risk management framework is to make recommendations on the processes to monitor key risks to the Group and to propose a reporting process by which the ARC and Board are kept updated on how ongoing and new risks are being addressed by Management. An overview of the key risks, the extent of the Group's exposure and the risk management measures have been set out on pages 56 to 65 of this Annual Report.

# Corporate Governance

Based on the risk management framework, the nature and extent of the risks to the Group will be assessed regularly by Risk Committee. A set of risk registers to document risks arising from this risk management framework has also been established to document all key risks and the corresponding countermeasures and will be updated whenever new risks emerge or when there are applicable changes in the business environment. During FY2023, the Risk Management Committee, together with the Group's key management personnel assessed the key risks to the Company.

## *Periodic Risk Reports*

Periodic risk reports will be prepared by the Risk Management Committee, to highlight any emerging risks or high-risk issues to the ARC on a timely basis. In addition, any new risks of significance will be assessed and reported to the ARC.

## *Annual Risk Reports*

On an annual basis, a risk refresher will be performed within the Group to understand if there are any changes to the existing top risks identified and if there are any risks that require a more detailed assessment. An annual risk report with the updated top risks of the Group will be compiled by the Risk Management Committee and submitted to the ARC. Relying on the above risk reports and other reports from the internal and external auditors, the ARC carried out assessments of the effectiveness of key internal controls during the year. Weaknesses in the internal controls or recommendations from the internal and external auditors to further improve the internal controls of the Group were reported to the ARC. The ARC will also follow up on the actions taken by Management and on the recommendations made by both the internal and external auditors.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Board has received assurance from (i) the CEO and the FC that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; (ii) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

## **Annual review of the Group's Risk Management and Internal Control Systems**

The Board and the ARC have undertaken an assessment of the adequacy and effectiveness of the Group's risk management and internal control systems. Based on the internal controls (including financial, operational, compliance and information technology controls and risk management systems) established and maintained by the Group, work performed by the internal and external auditors, the review and documentation of the Group's key risks performed by Management, the Board with the concurrence of the ARC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at the date of this Annual Report.

# Corporate Governance

## Audit and Risk Committee

*Principle 10: The Board has an Audit Committee which discharges its duties objectively.*

The ARC comprises the following Non-Executive Directors, all of whom, including the Chairman, are independent.

- Mr. Tan Huay Lim (Chairman)
- Mr. Chee Teck Kwong Patrick
- Ms. Tan Poh Hong
- Mr. Ko Chuan Aun
- Ms. Cheng Li Hui

The Board is of the view that the members of the ARC, including the ARC Chairman, have sufficient accounting, financial management or legal experience to discharge the ARC's responsibilities, given their experience as Directors, partners and/or management in their respective fields.

None of the members of the ARC were former partners or Directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or Director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The ARC has terms of reference, which is endorsed by the Board, and sets out its duties and responsibilities. The principal functions of the ARC include:

- reviewing the significant financial reporting issues and judgments, so as to ensure the integrity of the Group's financial statements and quarterly announcements;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit;
- reviewing the adequacy and effectiveness of the Group's risk management and internal controls, including financial, operational and compliance controls;
- reviewing the assurance from the CEO and the Financial Controller on the financial statements and financial records;
- reviewing the independence and objectivity of the external auditors;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditors and approving the remuneration and terms of engagement of the external auditors; and
- reviewing the Company's procedures and policy for concern about possible improprieties in financial reporting and other matters including whistleblowing, and ensuring that arrangements are in place by which staff and any other person may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters and for appropriate follow-up action to be taken.

The ARC also reviews the interested person transactions of the Group on a quarterly basis to ensure that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Group and its minority shareholders.

The ARC meets with the internal auditors and the external auditors without the presence of Management annually.

The ARC also reviewed the independence of the external auditors and noted that the fees payable by the Group to our external auditors for FY2023 are as follows:

<b>Fees paid/payable to external auditor for FY2023</b>	<b>S\$</b>
<b>Audit</b>	280,000
<b>Non-audit</b>	57,000
<b>Total</b>	337,000



# Corporate Governance

In addition, the ARC has undertaken a review of all non-audit services provided by the external auditors, Messrs. KPMG LLP, and is of the view that such services would not affect the independence of the external auditors.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in the appointment of its auditors. Sheng Siong Supermarket (Malaysia) Sdn Bhd, the Company's wholly-owned subsidiary, is dormant and Sheng Siong (China) Supermarket Co., Ltd., the Company's 60%-owned subsidiary, which commenced operations in November 2017 and is not considered as significant, are audited by other firms of certified public accountants.

The ARC members are given periodic updates on changes to accounting standards and issues which may have a direct impact on financial statements.

## Whistle-Blowing Policy

The Group has implemented a whistle-blowing policy, which provides employees and any other persons with channels through which they may report any concern, irregularity or improper act committed by another employee of the Group. The whistle-blowing procedure allows complainants (including anonymous reporting) to raise their concerns in confidence and remain protected against reprisals within the limits of the law or victimisation for whistle-blowing in good faith. The policy is endorsed by the ARC and report(s), or concern(s) over wrongdoing or malpractice are made directly to the Chairman of the ARC. All reports/complaints including the complainant's identity will be treated as private and strictly confidential. Details of the whistle-blowing policy and the dedicated communication channels such as email address and postal address have been made available to all employees. The ARC may commission independent investigations of any suspected fraud or irregularity, which has or is likely to have a material impact on the Company's operating results or financial position and review the findings of such investigations. The ARC is responsible for oversight and monitoring of whistle-blowing. In FY2023, there were no substantiated whistle-blowing instances reported to the ARC or to any Directors.

## Anti-Corruption Policy

The Group has implemented an Anti-Corruption Policy to demonstrate its commitment and has provided standards of conduct for all Directors, officers, employees and outside parties, such as suppliers, customers, etc to conduct business with integrity and consistent with ethical and moral standards, and in compliance with all applicable laws and regulatory requirements for the prevention of corruption, bribery and extortion.

The Group has, and will continue to take a zero-tolerance approach against all forms of corruption, bribery and extortion, in the Group's businesses. As of to-date, there were no reported cases of corruption or fraudulent activities.

## Audit and Risk Committee's Commentary on Significant Financial Reporting Matters

The ARC considered the recognition of revenue from supermarket operations as a significant financial reporting matter. A significant percentage of the revenue from supermarket operations is received in cash, and there is an inherent risk of misappropriation of cash.

The ARC obtained an understanding of the key internal controls over the collection, custody and recording of revenue and held discussions with the external auditors regarding the scope and results of the audit work on the recognition of revenue including those received in cash.

The above significant reporting matter was also an area of focus for the external auditor in their audit report set out in this Annual Report.

# Corporate Governance

## Internal Audit

The Group has engaged Messrs. PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC RSPL") as its internal auditors. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors. PwC RSPL reports primarily to the ARC Chairman and submits its audit plan to the ARC for approval prior to the commencement of the internal audit. The internal audit is carried out in accordance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. PwC RSPL has full access to the documents, records, properties and personnel (including the ARC) of the Group.

The ARC reviewed and is satisfied with the adequacy and effectiveness of the internal audits performed by PwC RSPL at least annually to, inter alia, ensure that (i) the internal audit function is independent, effective and adequately resourced and has appropriate standing within the Group; and (ii) the recommendations of the internal auditors are properly implemented.

## Communication With Shareholders

*Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise the shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance and prospects.*

*Principle 12: The Company communicates regularly with its shareholders and facilitate the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure the best interests of the Company are served.*

The Company endeavours to maintain regular, timely and effective communication with its shareholders. The Company disseminates all price-sensitive information to its shareholders on a non-selective basis. The Company has opted for half-yearly reporting of its consolidated unaudited financial results but has continued to provide detailed business updates for the first and third quarters to keep shareholders informed of the business condition of the Group. All these are published through the SGXNET, together with press releases and presentation materials for analysts' and investors' briefings, which are held quarterly immediately after the release of our quarterly results. Besides these quarterly briefings, the Company will meet with investors upon request or communicate via its website, which provides an email link which has been used by shareholders to raise queries or express their views. The Company has engaged an Investor Relations Consultant to assist with these tasks. The shareholders can also through the Company's website at <https://corporate.shengsiong.com.sg/investors/> to access the financial information and profile of the Group.

In line with the Company's sustainability practices, all shareholders will receive printed copies of the Notice of AGM, proxy form and Request Form for the printed copy of the Annual Report. The Annual Report and Notice of AGM will be sent to the shareholders by electronic means via publication on the Company's website at <https://corporate.shengsiong.com.sg/investors> and SGX website at <https://www.sgx.com/securities/company-announcements>. The Notice of AGM is also advertised in the newspaper. Each item of special business included in the notices of shareholders' meetings is accompanied, where appropriate, by an explanation for the proposed resolution. All shareholders are entitled to attend the general meetings and are provided with the opportunity to participate in the general meetings. The shareholders are also informed of the poll voting procedures at the general meetings.

The Constitution of the Company allows a member of the Company to appoint one (1) or two (2) proxies to attend and vote at general meetings instead of the member. Pursuant to Section 181 of the Companies Act 1967, members who are relevant intermediaries (as defined in Section 181 of the Companies Act 1967), which include banking corporations providing nominee services and holders of capital markets services licence providing custodial services for securities, are allowed to appoint more than two proxies.

# Corporate Governance

Voting in absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the shareholder's identity is not compromised.

The Company welcomes the views of shareholders on matters concerning the Group and encourages shareholders' participation at AGM. As the AGM held in 2023 was done virtually, shareholders were encouraged to ask questions in writing through a dedicated website. The Company answered all the queries by posting the answers on the website and through SGXNET. Nonetheless, though the AGM was held virtually, all Directors, including the Chairman of each of the ARC, NC and RC, and Management and the external auditors were in attendance. The attendance of the Directors at AGM held in FY2023 is disclosed in the Annual Report on page 31.

Separate resolutions on substantive matters will be tabled, to avoid the "bundling" of resolutions and all resolutions are to be voted by poll, following which the detailed results showing, inter alia, the number of votes cast for and against each resolution and the respective percentages will be announced. The minutes of general meetings, which will typically include substantial comments or queries from shareholders and responses from the Board and Management, will be made available to shareholders upon written request. The minutes for the AGM held in FY2023 will be published via SGXNET within one (1) month from the date of the AGM.

Although the Group does not currently have a formal dividend policy, the Group endeavours to distribute up to 70% of our net profit after tax to our shareholders as we wish to reward our shareholders for participating in our Group's growth. The declaration and payment of future dividends will depend on our operating results, financial condition, and other cash requirements including capital expenditure, the terms of borrowing arrangements (if any), dividend yield of comparable companies (if any) listed in Singapore and other factors deemed relevant by our Directors. There is no assurance that our Company will make dividend distributions in the future.

The Board has recommended a final dividend of 3.20 Singapore cents per ordinary share for FY2023 which is subject to the shareholders' approval at the forthcoming AGM of the Company.

The Group publishes annually a Sustainability Report which will describe in detail its engagement and relationship with material stakeholders. The Company will, through its corporate website, dedicated Apps on mobile devices and other forms of social media engages and communicates with stakeholders.

## Dealings in securities

The Company has adopted an internal policy on dealings in the Company's securities, which is in line with the requirements of the SGX-ST Listing Manual.

The Company, Directors and the Company's officers are prohibited from dealing in the Company's securities during the period commencing one (1) month before the announcement of the Group's half-year and full-year financial results.

The Company, Directors and the Company's officers are also prohibited from dealing in the Company's securities on short-term considerations and are expected to observe insider-trading laws at all times even when dealing in securities within a permitted trading period, especially if they are in possession of material unpublished price sensitive information of the Company.

# Corporate Governance

## Interested Person Transactions

The Company has established procedures to ensure that all interested persons transactions are carried out on normal commercial terms and do not prejudice the interests of the Company and its minority shareholders. Details of the interested person transactions entered into by the Group during FY2023 are set out below:

### Interested Person Transactions

From 1 January 2023 to 31 December 2023

Name of Interested Person(s)	Description of Interested Person Transactions	Aggregate value of all interested person transactions during the financial period 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>	23	–
	Reimbursement of utilities at cost paid by F M Food Court Pte Ltd <sup>(1)</sup> to Sheng Siong Group Ltd	518	–
	Reimbursement of miscellaneous expenses at cost paid by F M Food Court Pte. Ltd. <sup>(1)</sup> to Sheng Siong Group Ltd.	5	–
	Provision of IT repair and maintenance services to F M Food Court Pte Ltd <sup>(1)</sup>	10	–
E Land Properties Pte Ltd <sup>(1)</sup> Lim Hock Eng Lim Hock Chee Lim Hock Leng	Rent payable by Sheng Siong Group Ltd. to E Land Properties Pte Ltd <sup>(1)</sup> for the lease of operating spaces for 3 years from Year 2023.	2,351	–
	Rent payable to Sheng Siong Group Ltd. for lease of operating space for 3 years from August 2023.	43	–
	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	744	–
Sheng Siong Holdings Pte Ltd <sup>(2)</sup> Lim Hock Eng Lim Hock Chee Lim Hock Leng Lin Ruiwen	Purchases of gold to manufacture medallions to reward the long-service employees	546	–



# Corporate Governance

**Notes:**

- (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.
- (2) This entity is an associate of Messrs Lim Hock Eng, Lim Hock Chee, Lim Hock Leng, the Executive Directors and controlling shareholders of Sheng Siong Group Ltd, and Ms Lin Ruiwen an Executive Director of Sheng Siong Group Ltd.

## **Material Contracts**

Save as disclosed above, there were no other material contracts, which involve the interests of any Director and/or controlling shareholder, were entered into by the Group during FY2023 and are still subsisting as at 31 December 2023, or were entered into since 31 December 2023.

# Risk Management

## Risk Management Oversight

**Risk management is an essential part of business management. The Group's risk and control framework aims to provide reasonable assurance that business objectives are met by ensuring that:**

- 1) management control is embedded into daily operations to achieve efficiency and effectiveness and safeguard assets.
- 2) compliance with legal and regulatory requirements and the integrity of the Group's financial reporting and related disclosures.

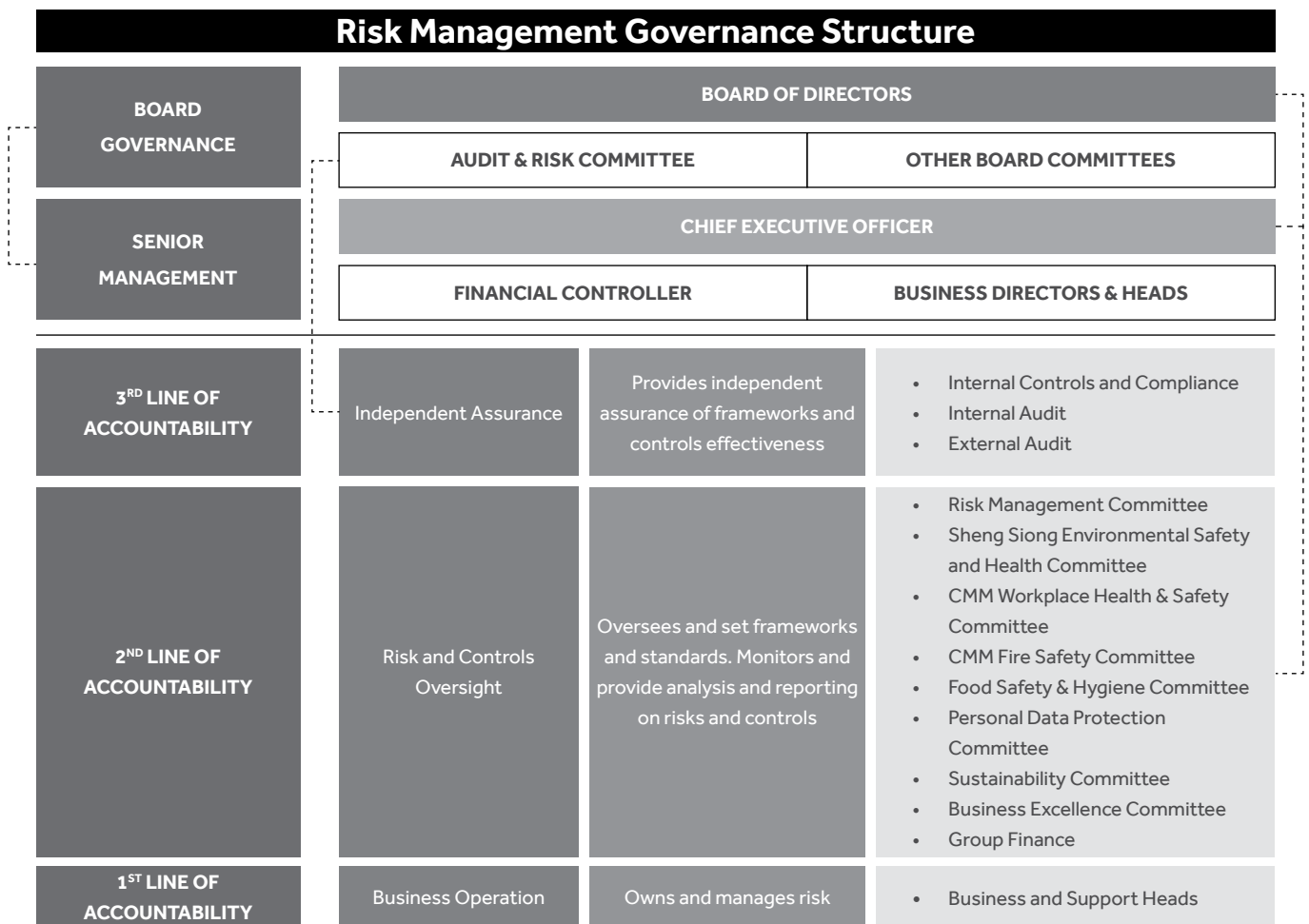
The Board determines the Group's level of risk tolerance and risk management policies and is further supported by the Audit and Risk Committee in discharging risk management oversight responsibility. Together, the Board and Management are responsible for the governance of risks, including reviewing the Group's business and operational activities to identify areas of significant risk. At the working level, a Risk Management Committee comprising managers from various departments meets regularly to undertake these tasks. The Board will review the reports and recommendations of the Risk Management Committee and look into the system of internal controls and measures taken to mitigate such risks.

The Group applies a three-line accountability approach to managing risks. Our internal controls include the following:

- 1) financial, operational, compliance and information technology controls and risk management systems
- 2) work performed by the internal and external auditors
- 3) review and documentation of the Group's critical risks performed by Management

# Risk Management

The Group aims to take a balanced approach to risk management and sets the Group's risk appetite and tolerance limits that it is willing to take in pursuit of its strategic business objectives. The internal controls and risk management system established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no internal controls and risk management system can provide absolute assurance in this regard or against material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.



# Risk Management

## Risk Management Framework

The Group's risk management framework is as follows. The process considers both the impact and likelihood of the risks identified.



## Sheng Siong Group's Risks

The following is an overview of the key risks faced by the Group. It describes the nature and the extent of the Group's exposure to these risks and our management measures. Our risks can be categorised into six key pillars:

- 1) Business and strategy risks:**  
Business and strategy risks are related to factors affecting businesses and their ability to meet earnings or output/output targets, including customer demand, revenue improvement, growth, macroeconomic conditions, competition and regulatory environment.
- 2) Operational risks:**  
Operational risks refer to underperformance or loss resulting from inadequate or failed internal processes, people, products, information technology and practices.
- 3) Financial risks:**  
Financial risks arise from volatility in the underlying financial market, including factors such as interest rates, foreign exchange and equity prices. It also includes the uncertainty of a counterparty, supplier or customer in meeting its obligations.
- 4) Compliance risks:**  
Compliance risks arise from violating or non-conformance with laws, rules, regulations, or ethical standards. It also includes breaches of contractual requirements.
- 5) Information Technology risks:**  
Information technology (IT) risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, storms or floods.
- 6) Sustainability and Climate-related risks:**  
Sustainability risks arise from any environmental, social, or governance (ESG) condition that could cause a material impact on the company. Climate-related risks include risks related to the transition to a lower-carbon economy, which could entail policy, legal, technology and market changes and physical risks associated with the physical impacts of climate change, such as extreme weather events, chronic heat waves, sea-level rise, water stress and biodiversity loss.



# Risk Management

Risk Pillars	Risks	Risk Management Measures
<b>Business and Strategy Risks</b>	<p><b>Strategy and investment risk</b></p> <ul style="list-style-type: none"> <li>The Group grows organically through its existing business activities by improving its sales mix and operational efficiencies, expansion of its distribution centre and physical network locally and overseas, and new ventures (e.g., online grocery retail). It is exposed to risks associated with its expansion plans, including the financial burden of setting up new businesses and new stores, adopting automation technologies, and dealing with unfamiliar rules and regulations in foreign jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>Business proposals and investment activities are evaluated through the performance of due diligence exercise and, where necessary, supported by external professional advice to ensure that they are in line with the Group's strategic focus and that they meet the expected rate of financial returns, taking into consideration other relevant risk factors.</li> <li>The senior management reviews all business proposals for final approval and, where necessary, seeks advice from the Board.</li> <li>Investments are monitored to ensure they are on track to meet the Group's strategic intent, investment objectives and returns.</li> </ul>
	<p><b>Market and political risk</b></p> <ul style="list-style-type: none"> <li>The Group currently operates in Singapore and China. It is exposed to changes in government policies and regulations and unfavourable political developments, which may limit the realisation of business opportunities and investments in these countries.</li> <li>The Group's business operations are exposed to economic uncertainties that continue to affect the global economy and international capital markets.               <ul style="list-style-type: none"> <li>Inflationary pressures may erode customers' purchasing power.</li> <li>Higher transportation and utility costs arising from the oil price increase may affect the financial performance of the Group.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Actively engage with key stakeholders to keep up-to-date on potential political, economic and industrial changes to anticipate and promptly respond to any adverse changes in market conditions.</li> </ul>
	<p><b>Supply chain risk</b></p> <ul style="list-style-type: none"> <li>Rising geopolitical risk may disrupt the supply chain resulting in supply delay or shortage of supply, or even unavailability of supply.</li> <li>High inflation rate may result in high cost of goods or affect supplier's production due to high input costs, rendering the Group to be uncompetitive.</li> </ul>	<ul style="list-style-type: none"> <li>Practise diversification in sourcing products to reduce dependency on a single source.</li> <li>Advance purchase planning in anticipation of disruptions.</li> </ul>

# Risk Management

Risk Pillars	Risks	Risk Management Measures
<b>Business and Strategy Risks</b>	<p><b>Regulatory risk</b></p> <ul style="list-style-type: none"> <li>The Group's operations are subject to changes in prevailing laws and regulations in their respective jurisdictions, particularly in corporate law, environment law, and local government interventions impacting the industry.</li> </ul>	<ul style="list-style-type: none"> <li>Keep a close working relationship with respective local authorities and business partners to keep abreast of any changes and material regulatory development.</li> <li>All business certificates and licences are obtained and renewed promptly following applicable laws and regulations.</li> </ul>
	<p><b>Competition risk</b></p> <ul style="list-style-type: none"> <li>The Group continue to face intense competition. It may lose its competitive edge due to new market entrants, the growth of existing competitors, and the emergence of new and better-receptive products.</li> </ul>	<ul style="list-style-type: none"> <li>Actively monitor and respond to market dynamics.</li> <li>Strengthen competitiveness through product differentiation, market positioning, and leveraging on the brand name.</li> <li>Put in conscientious efforts to supply high-quality products, especially fresh produce and house brand products, and provide excellent customer service while sustaining operational efficiency to improve competitiveness, productivity and profitability.</li> </ul>
	<p><b>Reputation risk</b></p> <ul style="list-style-type: none"> <li>The Group may face negative publicity or public confidence diminution if transactions or events are mishandled.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain open communication to ensure timely and effective communication of essential information with its stakeholders (such as customers, public media, regulators, investor community, etc.).</li> <li>Clear corporate mission statements and guiding principles are in place and communicated to all employees to uphold the Group's reputation.</li> </ul>
	<p><b>Business continuity risk</b></p> <ul style="list-style-type: none"> <li>The Group may encounter unforeseen circumstances, including internal and external threats, which can prevent the continuation of its business operations, such as during crises or disasters (e.g., infectious disease outbreaks, terrorism attacks, fires, cybersecurity attacks etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Put in place Business Continuity Plans (BCP) for identified scenarios to allow for prompt responses and expedite recovery to enhance the Group's resilience to potential business interruptions and safeguard critical business functions from significant risks.               <ul style="list-style-type: none"> <li>Infectious Disease e.g., COVID-19</li> <li>Fire Break-out (CERT)</li> <li>IT BCP</li> <li>Extreme Weather Events e.g. Heat Wave, Flood</li> </ul> </li> <li>Ensure adequate insurance coverage for business disruptions.</li> </ul>

# Risk Management

Risk Pillars	Risks	Risk Management Measures
	<p><b>Operational processes risk</b></p> <ul style="list-style-type: none"> <li>• Possible breakdown in internal processes, deficiencies in people and management, or operational failure arising from external events could result in potential loss to the Group.               <ul style="list-style-type: none"> <li>- Weak inventory management system, including reordering, handling, replenishment and expiry management, may result in cost leakage and food wastage.</li> <li>- Poor logistic planning and coordination may result in delays in the delivery or receipt of goods.</li> <li>- Lack of quality and timely information to keep up with business demands and facilitate decision-making may impact business performance.</li> <li>- The Group may trade in unfavourable terms, causing the Group to be unable to offer competitive pricing.</li> <li>- Any forms of fraud, bribery, and corruption that could be perpetrated by employees, third parties, or collusion between employees and third parties will have a detrimental impact on the Group.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Establish operating manuals, standard operating procedures and the delegation of authority matrix.</li> <li>• Streamline and digitalise business processes to keep processes rigorous and transparent.</li> <li>• Conduct regular reviews of policies and authority limits to ensure their relevance in meeting changing business environments.</li> <li>• Establish a sound procurement and competitive sourcing policy and effective inventory management policy to provide sustainable value to our customers continuously.</li> <li>• Establish a strong performance incentive-sharing scheme to drive desired conduct and motivate performance.</li> <li>• Put in place key management policies to prevent malpractices, including               <ul style="list-style-type: none"> <li>- Employee Handbook</li> <li>- Anti-Corruption Policy</li> <li>- Conflict of Interests Policy</li> <li>- Whistleblowing Procedure/Policy</li> </ul> </li> </ul>
<p><b>Operational Risks</b></p>	<p><b>Human capital risk</b></p> <ul style="list-style-type: none"> <li>• The Group depends on the service of good personnel for business continuity. While no individual is indispensable, the loss of specialised skills and the leadership of the key management personnel could result in business interruptions and a loss in shareholders' confidence.</li> <li>• Insufficient succession planning may impede the Group's future growth.</li> <li>• Inadequate training of employees may impede service level and impact the Group's performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmark and review the competitiveness of the remuneration package periodically.</li> <li>• Provide a cohesive and inclusive environment where employees can develop their potential and career path to ensure that human capital is nurtured and retained.</li> <li>• Establish a robust and non-discriminatory performance incentive-sharing scheme to drive desired conduct and motivate performance.</li> <li>• Establish a structured succession planning programme in the form of a management trainee programme to identify and develop talents.</li> <li>• Set up in-house training portal to facilitate training and assessment.</li> <li>• Establish a career roadmap and training plans for all employees.</li> <li>• Embark on a HR consultancy, as needed, including areas of improvement for employment practices, job redesign, identification of training courses required to upskill workers and redesign of existing roles with the automation set in place.</li> </ul>

# Risk Management

Risk Pillars	Risks	Risk Management Measures
<b>Operational Risks</b>	<p><b>Occupational health and safety risk</b></p> <ul style="list-style-type: none"> <li>Workplace injuries may expose the Group to fines, penalties, and litigations.</li> <li>Failure to provide a safe and healthy working environment potentially affects the brand and social image of the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Establish operating manuals and standard operating procedures to guide team members on safe work procedures.</li> <li>Set up workplace safety committees to oversee workplace safety policies and procedures.</li> <li>Reward and penalty programme in place to drive desired safe work practices.</li> <li>Enhance workplace safety training.</li> <li>Ensure adequate insurance coverage for workplace accidents.</li> </ul>
	<p><b>Product risk</b></p> <ul style="list-style-type: none"> <li>Changing customer expectations requires continually evolving and improving our business model to meet their needs and preferences. Products and services offered by the Group may also fail to meet customers' needs and expectations. There could be negative impacts on our brand and reputation if we cannot respond appropriately to changing customer preferences, market conditions and community sentiment, rendering the Group uncompetitive.</li> </ul>	<ul style="list-style-type: none"> <li>Build a strong customer-first culture and dedicated customer strategy that encourages listening and engaging with our customers, sharing qualitative and quantitative customer feedback from our stores and customer feedback channels with our teams to improve our product selections and services.</li> </ul>
	<p><b>Customer Safety risk</b></p> <ul style="list-style-type: none"> <li>Customers' health and safety are paramount to our business. We need to provide a safe environment for customers to shop and also ensure that our products are safe for use and consumption. Failure to ensure the health and safety of our customers could negatively impact our team, customers and operations and expose the Group to investigations, legal claims, or litigation which may adversely affect our reputation and have financial impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Build a strong customer-first culture and dedicated customer strategy that encourages listening and engaging with our customers, sharing qualitative and quantitative customer feedback from our stores and customer feedback channels with our teams to improve health and safety standards.</li> <li>Ensure adequate insurance coverage for public liability.</li> </ul>
<b>Financial Risks</b>	<p><b>Theft and misappropriation risk</b></p> <ul style="list-style-type: none"> <li>Voluminous transactions are paid through cash and held at outlets, which carries the potential risk of theft and misappropriation.</li> </ul>	<ul style="list-style-type: none"> <li>Establish operating manuals, standard operating procedures and the delegation of authority matrix, e.g., Retail Cashiering Management, Cash and Bank Management, Vouchers Management etc.</li> </ul>

# Risk Management

Risk Pillars	Risks	Risk Management Measures
Financial Risks	<p><b>Liquidity risk</b></p> <ul style="list-style-type: none"> <li>Liquidity management, including making timely payments to team members and suppliers, is an essential operational requirement and necessary to support growth initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor financial performance closely and regularly.</li> </ul>
	<p><b>Foreign currency risk</b></p> <ul style="list-style-type: none"> <li>The foreign exchange risk of the Group arises from purchases denominated in currencies other than Singapore dollars. The fluctuation of the foreign currency affects the cost of the goods.</li> <li>Exchange gain or loss arises when the Group make payment in currencies different from Singapore dollars.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the exchange rates of major currencies closely and only purchase sufficient amount for the purchase of goods.</li> </ul>
Compliance Risks	<p><b>Compliance risk</b></p> <ul style="list-style-type: none"> <li>As a listed company incorporated in Singapore with an overseas subsidiary in China, the Group must comply with all the local statutory and regulatory requirements. The complexity and diversity of our business and retail environment mean we are subject to various legal and regulatory requirements, including health and safety, food safety, product safety, employment, competition, anti-corruption, and anti-money laundering. The rapid changes in laws, regulations and practices in different jurisdictions have complicated compliance.</li> <li>Failure to comply with these requirements could negatively impact our team, customers and operations and expose the Group to investigations, legal claims, or litigation, which may adversely affect our reputation and have financial impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Have a compliance framework, business-specific operational compliance plans, and assurance programmes which support effective operations while managing our compliance obligations considering any emerging regulatory change and monitoring changes to existing laws and regulations, e.g., workplace safety audits, internal and external audits etc.</li> <li>Align our policies and procedures as reasonable and practical with the requirements of best practice accredited framework, systems and industry standards, e.g., adopted ISO22000 Food Safety Management Standards, and principles of Cold Chain Management.</li> <li>Put in place key management policies to prevent malpractices, including             <ul style="list-style-type: none"> <li>Employee Handbook</li> <li>Anti-Corruption Policy</li> <li>Conflict of Interests Policy.</li> </ul> </li> <li>Maintain effective whistle-blowing and well-defined communication channels, whereby employees and other stakeholders could raise concerns on any unethical, fraudulent, or corrupt practices, in good faith, without fear of retaliation, for investigation and action subject to applicable laws.</li> </ul>



# Risk Management

Risk Pillars	Risks	Risk Management Measures
<b>Compliance Risks</b>	<p><b>Data protection and privacy risk</b></p> <ul style="list-style-type: none"> <li>Data privacy breaches may undermine customer confidence and result in litigation from customers and regulatory fines and penalties.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with applicable data protection laws and perform regular reviews to refine practices.</li> <li>Implement security policies, procedures, technologies and tools designed to minimise the risk of privacy breaches. (For more information on the management of personal data, please refer to the data privacy policy on Sheng Siong's website).</li> <li>Conduct awareness training to ensure that employees who handle personal data are mindful of data protection principles and are equipped with the proper knowledge to carry out good protection practices in their day-to-day activities.</li> <li>Establish an escalation process for incident management to ensure a timely response, internally or externally, to minimise impact.</li> </ul>
<b>Information Technology Risks</b>	<p><b>Cybersecurity risk</b></p> <ul style="list-style-type: none"> <li>Our technology environment is becoming increasingly complex with sophisticated cyber security threats, network disruptions, changing regulatory requirements and business needs.</li> <li>Cyber-attacks can disrupt operations, and the resulting cyber thefts of sensitive and confidential information could lead to litigations and financial losses.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance necessary and up-to-date IT controls and governance practices, including the strengthening of network security by investment in technologies, systems, infrastructure, and capabilities to provide secure and stable platforms.</li> <li>Regularly update security patches to the system and encrypt critical information.</li> <li>Put in place appropriate measures to safeguard against the loss of information and data security and ensure the continuity of the Group's business activities and its prompt recovery from an IT crisis.</li> <li>Engage independent parties to provide assurance over the adequacy and strength of our cyber and security processes and controls, e.g., internal audit.</li> <li>Conduct regular training for users to educate and heighten awareness of cyber threats.</li> </ul>

# Risk Management

Risk Pillars	Risks	Risk Management Measures
<b>Sustainability and Climate-related risks</b>	<p><b>Sustainability and climate risks</b></p> <ul style="list-style-type: none"> <li>• A lack of holistic understanding, identification, and prioritisation of sustainability risk factors could have a detrimental impact on the Group's competitiveness and longevity.</li> <li>• Climate change-related risks such as transition, physical, and food security could impact our business operations and negatively affect stakeholder and societal expectations if not managed appropriately.</li> <li>• Some key risks include:               <ul style="list-style-type: none"> <li>- Increasing carbon tax</li> <li>- Costs to transit to lower emissions technology</li> <li>- Enhanced climate reporting obligations</li> <li>- Changing stakeholder expectations</li> <li>- Physical risks, e.g., extreme weather events, floods, heat wave</li> <li>- Supply chain disruptions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Monitor our sustainability and climate-related risks closely.</li> <li>• Monitor our commitments to sustainability targets in the short-to-medium term.</li> <li>• Review and identify opportunities to enhance the adoption of renewable energy and more energy-efficient equipment and technology.</li> </ul>

# Directors' Statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

- (a) the financial statements set out on pages 73 to 109 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

The directors in office at the date of this statement are as follows:

Lim Hock Eng  
Lim Hock Chee  
Lim Hock Leng  
Lin Ruiwen  
Chee Teck Kwong Patrick  
Tan Huay Lim  
Tan Poh Hong  
Ko Chuan Aun  
Cheng Li Hui

# Directors' Statement

## Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
<b>Name of director and corporation in which interests are held</b>				
<b>The Company</b>				
<b>Ordinary shares</b>				
Lim Hock Eng	137,400,000	120,000,000	714,574,100 <sup>(1)</sup>	685,764,576 <sup>(1)</sup>
Lim Hock Chee	138,374,100	118,374,100	715,707,100 <sup>(1)(2)</sup>	689,497,576 <sup>(1)(2)</sup>
Lim Hock Leng	127,400,000	118,590,476	724,574,100 <sup>(1)</sup>	687,174,100 <sup>(1)</sup>

Notes:

- (1) Mr. Lim Hock Eng, Mr. Lim Hock Chee and Mr. Lim Hock Leng (each a "Lim Director") are siblings and each of them is a director and shareholder (each holding an equity interest of approximately 33.3%) of Sheng Siong Holdings Pte. Ltd. ("SS Holdings"). Pursuant to Section 7 of the Companies Act 1967:
- (a) Mr. Lim Hock Eng is deemed to be interested in the shares of the Company held by (i) the other Lim Directors (265,774,100 shares as at 1 January 2023 and 236,964,576 at 31 December 2023); and (ii) SS Holdings (448,800,000 shares) as at 1 January 2023 and 31 December 2023; and
- (b) Mr. Lim Hock Chee is deemed to be interested in the shares of the Company held by (i) the other Lim Directors (264,800,000 shares as at 1 January 2023 and 238,590,476 at 31 December 2023); and (ii) SS Holdings (448,800,000 shares) as at 1 January 2023 and 31 December 2023; and
- (c) Mr. Lim Hock Leng is deemed to be interested in the shares of the Company held by (i) the other Lim Directors (275,774,100 shares as at 1 January 2023 and 238,374,100 at 31 December 2023); and (ii) SS Holdings (448,800,000 shares) as at 1 January 2023 and 31 December 2023.
- (2) Mr. Lim Hock Chee is also deemed to be interested in the 2,107,100 shares in Sheng Siong Group Ltd. held by his spouse, Mdm Lee Moi Hong as at 1 January 2023 and 31 December 2023.

By virtue of Section 7 of the Companies Act 1967, Mr. Lim Hock Eng, Mr. Lim Hock Chee and Mr. Lim Hock Leng are deemed to have interests in the subsidiaries of the Company, all of which are wholly-owned, at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of its related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no other changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2024.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# Directors' Statement

## Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

## Audit and Risk Committee

The members of the Audit and Risk Committee during the year and at the date of this statement are:

- Tan Huay Lim (Chairman), Independent Director
- Chee Teck Kwong Patrick, Lead Independent Director
- Tan Poh Hong, Independent Director
- Ko Chuan Aun, Independent Director
- Cheng Li Hui, Independent Director

The Audit and Risk Committee performs the functions specified in Section 201B of the Companies Act 1967, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

The Audit and Risk Committee has held four meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external and internal auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.



# Directors' Statement

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

## **Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Lim Hock Eng**

*Director*

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**Lim Hock Chee**

*Director*

28 March 2024

# Independent Auditors' Report

Member of the Company  
Sheng Siong Group Ltd.

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of Sheng Siong Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 73 to 109.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Cash sales/receipts arising from supermarket operations**

#### ***The key audit matter***

A substantial volume of the sales from supermarket operations is derived from cash sales. In view of the high volume of cash transactions, there is a risk of misappropriation of cash and cash sales may not be recorded.

#### ***How the matter was addressed in our audit***

We assessed the Group's controls over the recording of sales, collection and custody of cash including segregation of duties. We have tested key controls such as reconciliation of sales to records of receipts and cash and bank balances. We agreed revenue recorded from transactions to cash or card receipts using data analytics routines.

### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

# Independent Auditors' Report

Member of the Company  
Sheng Siong Group Ltd.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# Independent Auditors' Report

Member of the Company  
Sheng Siong Group Ltd.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Sarina Lee.

**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

**Singapore**

*28 March 2024*

# Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Property, plant and equipment	4	283,658	291,608	–	–
Right-of-use assets	4	101,797	97,286	–	–
Investment in subsidiaries	5	–	–	82,261	82,261
<b>Non-current assets</b>		385,455	388,894	82,261	82,261
Inventories	6	91,802	101,182	–	–
Trade and other receivables	7	28,535	19,540	202,317	200,221
Cash and cash equivalents	8	324,401	275,499	354	202
<b>Current assets</b>		444,738	396,221	202,671	200,423
<b>Total assets</b>		830,193	785,115	284,932	282,684
<b>Equity</b>					
Share capital	9	235,373	235,373	235,373	235,373
Merger reserve	10	(68,234)	(68,234)	–	–
Foreign currency translation reserve		(695)	(590)	–	–
Statutory reserve	11	218	156	–	–
Accumulated profits		327,113	285,541	49,159	46,960
<b>Equity attributable to owners of the Company</b>		493,775	452,246	284,532	282,333
Non-controlling interest		3,203	2,927	–	–
<b>Total equity</b>		496,978	455,173	284,532	282,333
<b>Liabilities</b>					
Lease liabilities	12	66,920	62,598	–	–
Deferred tax liabilities	13	2,306	1,540	–	–
<b>Non-current liabilities</b>		69,226	64,138	–	–
Trade and other payables	14	199,943	197,455	393	347
Current tax payable		29,638	35,297	7	4
Lease liabilities	12	34,408	33,052	–	–
<b>Current liabilities</b>		263,989	265,804	400	351
<b>Total liabilities</b>		333,215	329,942	400	351
<b>Total equity and liabilities</b>		830,193	785,115	284,932	282,684

The accompanying notes form an integral part of these financial statements.



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000 Reclassified
Revenue	15	1,367,719	1,339,464
Cost of sales		(957,187)	(945,966)
<b>Gross profit</b>		410,532	393,498
Other income	24	15,917	18,789
Selling and distribution expenses	24	(221,425)	(201,362)
Administrative expenses	24	(49,610)	(48,740)
<b>Results from operating activities</b>		155,414	162,185
Finance income	16	11,224	3,674
Finance expenses	16	(3,518)	(2,777)
<b>Profit before tax</b>		163,120	163,082
Tax expense	18	(29,124)	(29,440)
<b>Profit for the year</b>	17	133,996	133,642
<b>Profit attributable to:</b>			
Owners of the Company		133,650	133,303
Non-controlling interest		346	339
<b>Profit for the year</b>		133,996	133,642
<b>Other comprehensive income</b>			
<b>Item that is or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences – foreign operations		(175)	(820)
<b>Total comprehensive income for the year</b>		133,821	132,822
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		133,545	132,811
Non-controlling interest		276	11
<b>Total comprehensive income for the year</b>		133,821	132,822
<b>Earnings per share</b>			
- Basic and diluted (cents)	19	8.89	8.87

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

Year ended 31 December 2023

	Attributable to owners of the Company							
	Share capital \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Statutory reserve \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Group</b>								
At 1 January 2022	235,373	(68,234)	(98)	–	246,365	413,406	2,916	416,322
<b>Total comprehensive income for the year</b>								
Profit for the year	–	–	–	–	133,303	133,303	339	133,642
<b>Other comprehensive income</b>								
Foreign currency translation differences	–	–	(492)	–	–	(492)	(328)	(820)
<b>Total comprehensive income for the year</b>	–	–	(492)	–	133,303	132,811	11	132,822
<b>Transaction with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
Dividends paid (Note 9)	–	–	–	–	(93,971)	(93,971)	–	(93,971)
<b>Total transaction with owners</b>	–	–	–	–	(93,971)	(93,971)	–	(93,971)
Transfer to statutory reserve	–	–	–	156	(156)	–	–	–
<b>At 31 December 2022</b>	<b>235,373</b>	<b>(68,234)</b>	<b>(590)</b>	<b>156</b>	<b>285,541</b>	<b>452,246</b>	<b>2,927</b>	<b>455,173</b>
At 1 January 2023	235,373	(68,234)	(590)	156	285,541	452,246	2,927	455,173
<b>Total comprehensive income for the year</b>								
Profit for the year	–	–	–	–	133,650	133,650	346	133,996
<b>Other comprehensive income</b>								
Foreign currency translation differences	–	–	(105)	–	–	(105)	(70)	(175)
<b>Total comprehensive income for the year</b>	–	–	(105)	–	133,650	133,545	276	133,821
<b>Transaction with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
Dividends paid (Note 9)	–	–	–	–	(92,016)	(92,016)	–	(92,016)
<b>Total transaction with owners</b>	–	–	–	–	(92,016)	(92,016)	–	(92,016)
Transfer to statutory reserve	–	–	–	62	(62)	–	–	–
<b>At 31 December 2023</b>	<b>235,373</b>	<b>(68,234)</b>	<b>(695)</b>	<b>218</b>	<b>327,113</b>	<b>493,775</b>	<b>3,203</b>	<b>496,978</b>

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>Operating activities</b>			
Profit for the year		133,996	133,642
Adjustments for:			
Depreciation of:			
– property, plant and equipment	4	17,876	19,539
– right-of-use assets	4	35,140	33,014
Gain on disposal of property, plant and equipment	17	(11)	(20)
Gain on derecognition of right-of-use assets	17	–	(12)
Unrealised exchange gain		(205)	(1,017)
Interest income	16	(11,224)	(3,674)
Interest expense	16	3,518	2,777
Tax expense	18	29,124	29,440
		208,214	213,689
Changes in:			
– inventories		9,380	(2,799)
– trade and other receivables		(8,995)	(7,936)
– trade and other payables		2,488	(14,936)
<b>Cash generated from operations</b>		211,087	188,018
Taxes paid		(34,017)	(21,213)
<b>Cash flows from operating activities</b>		177,070	166,805
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		105	149
Purchase of property, plant and equipment		(10,158)	(8,795)
Interest received		11,224	3,674
<b>Cash flows from/(used in) investing activities</b>		1,171	(4,972)
<b>Financing activities</b>			
Dividends paid		(92,016)	(93,971)
Repayment of borrowings		–	(5,000)
Payment of lease liabilities		(34,171)	(31,938)
Interest paid on lease liabilities		(3,276)	(2,569)
<b>Cash flows used in financing activities</b>		(129,463)	(133,478)
<b>Net increase in cash and cash equivalents</b>		48,778	28,355
Cash and cash equivalents at beginning of the year		275,499	246,642
Effect of exchange rate changes on balances held in foreign currencies		124	502
<b>Cash and cash equivalents at end of the year</b>	8	324,401	275,499

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2024.

## 1. Domicile and activities

Sheng Siong Group Ltd. (the "Company") was incorporated on 10 November 2010 in the Republic of Singapore and has its registered office at 6 Mandai Link, Singapore 728652.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 5.

## 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in Note 2.5.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

These 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 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Management is of the opinion that 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 year.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 2. Basis of preparation (cont'd)

### 2.5 Changes in material accounting policies

#### **New accounting standards and amendments**

The Group has applied the following SFRS(I)s and amendments to SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards does not have a material effect on the financial statements.

#### *Material accounting policy information*

The Group adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

## 3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in material accounting policies.

### 3.1 Basis of consolidation

#### **(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interest ("NCI") in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.1 Basis of consolidation (cont'd)

#### (ii) Non-controlling interest

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### (iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### (iv) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 3.2 Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance costs/income.

#### (ii) Foreign operations

The assets and liabilities of a foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in the other comprehensive income ("OCI"). However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.



# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.2 Foreign currency (cont'd)

#### (ii) Foreign operations (cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

### 3.3 Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.3 Property, plant and equipment (cont'd)

#### (iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

Leasehold land and properties	-	lease period or useful lives, whichever is shorter
Renovations	-	5 years
Plant and machinery	-	3-5 years
Office equipment, furniture and fittings	-	5 years
Motor vehicles	-	5 years
Computers	-	3 years
Solar panels	-	10 years
Cold room	-	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.4 Financial instruments

#### (i) Recognition and initial measurement

##### Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement

##### Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.4 Financial instruments (cont'd)

#### (ii) Classification and subsequent measurement (cont'd)

##### ***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Non-derivative financial assets: Subsequent measurement and gains and losses**

##### ***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### **Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### (iii) Derecognition

##### **Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.4 Financial instruments (cont'd)

#### (iii) Derecognition (cont'd)

##### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

#### (v) Share capital

##### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

##### **Dividends**

Dividends on ordinary shares are recognised when they are approved for payment. Dividends on ordinary shares classified as equity are accounted for as movements in accumulated profits.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of the lease component and the aggregate stand-alone price of the non-lease component. The relative stand-alone price of the lease and non-lease components are determined on the basis of the price the lessor would charge for that component separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.5 Leases (cont'd)

#### **As a lessee (cont'd)**

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a payment option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.



# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.7 Impairment

#### **Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit ("CGU") exceeds its estimated recoverable amount.

### 3.8 Employee benefits

#### **(i) Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

#### **(ii) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 3.9 Revenue

#### ***Supermarket operations***

The Group operates a chain of supermarket retail stores selling consumer products. Revenue is recognised when control of the goods has been transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. It is the Group's policy to sell its products to the end customer with a right of return within 3 days. However, based on the accumulated historical experience, the estimated amount of returns was negligible. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

### 3.10 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; or
- dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.10 Finance income and finance costs (cont'd)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 3.11 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 3. Material accounting policies (cont'd)

### 3.11 Tax expense (cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

### 3.12 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted the new or amended accounting standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and Company's statement of financial position.

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

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

	2023 \$'000	2022 \$'000
<b>Group</b>		
Property, plant and equipment owned	283,658	291,608
Right-of-use assets	101,797	97,286
	<b>385,455</b>	<b>388,894</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 4. Property, plant and equipment / Right-of-use assets (cont'd)

### (a) Property, plant and equipment owned

Group	Leasehold properties \$'000	Renovations \$'000	Plant and machinery \$'000	Office equipment, furniture and fittings \$'000		Motor vehicles \$'000	Computers \$'000	Solar panels \$'000	Cold room \$'000	Construction in-progress \$'000	Total \$'000
				Plant and machinery \$'000	Office equipment, furniture and fittings \$'000						
<b>Cost</b>											
At 1 January 2022	293,786	27,584	79,514	6,511	12,789	19,622	3,766	8,769	68	452,409	
Additions	-	2,335	5,474	44	554	388	-	-	-	8,795	
Disposals	-	(97)	(1,185)	(21)	(493)	(105)	-	-	-	(1,901)	
Effect of movements in exchange rates	-	(561)	(192)	(3)	(11)	(108)	-	-	-	(875)	
At 31 December 2022	293,786	29,261	83,611	6,531	12,839	19,797	3,766	8,769	68	458,428	
Additions	-	1,707	5,768	425	1,279	965	-	14	-	10,158	
Disposals	-	-	(2,361)	(199)	(942)	(151)	-	-	(68)	(3,721)	
Effect of movements in exchange rates	-	(234)	(81)	(1)	(5)	(47)	-	-	-	(368)	
At 31 December 2023	293,786	30,734	86,937	6,756	13,171	20,564	3,766	8,783	-	464,497	
<b>Accumulated depreciation</b>											
At 1 January 2022	28,243	19,855	59,200	5,416	9,855	17,098	2,637	7,222	-	149,526	
Depreciation	4,285	3,059	8,446	379	937	1,579	376	478	-	19,539	
Disposals	-	(93)	(1,147)	(21)	(408)	(103)	-	-	-	(1,772)	
Effect of movements in exchange rates	-	(297)	(91)	(1)	(4)	(80)	-	-	-	(473)	
At 31 December 2022	32,528	22,524	66,408	5,773	10,380	18,494	3,013	7,700	-	166,820	
Depreciation	4,285	2,501	7,671	429	1,039	1,094	377	480	-	17,876	
Disposals	-	-	(2,342)	(198)	(936)	(151)	-	-	-	(3,627)	
Effect of movements in exchange rates	-	(145)	(45)	(1)	(3)	(36)	-	-	-	(230)	
At 31 December 2023	36,813	24,880	71,692	6,003	10,480	19,401	3,390	8,180	-	180,839	
<b>Carrying amounts</b>											
At 1 January 2022	265,543	7,729	20,314	1,095	2,934	2,524	1,129	1,547	68	302,883	
At 31 December 2022	261,258	6,737	17,203	758	2,459	1,303	753	1,069	68	291,608	
At 31 December 2023	256,973	5,854	15,245	753	2,691	1,163	376	603	-	283,658	

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 4. Property, plant and equipment / Right-of-use assets (cont'd)

### (a) Property, plant and equipment owned (cont'd)

The Group's major leasehold land and properties owned as at 31 December 2023 are as follows:

Location	Description	Tenure	Floor area (sq. m.)
Blk 4 Toa Payoh Lorong 7 #01-107 Singapore 310004	1 HDB shop unit	55 years commencing 24 September 2013	219
Blk 506 Tampines Central 1 #01-361 Singapore 520506	3 storey shopping mall*	75 years commencing 31 December 2014	3,876
18 Yishun Avenue 9 Singapore 768897	6 units in shopping mall*	96 years commencing 31 March 2016	1,727
209 New Upper Changi Road #01-631 Singapore 460209	1 HDB shop unit*	62 years commencing 20 May 2016	2,844
Blk 118 Aljunied Avenue 2 #01-100 Singapore 380118	1 HDB shop unit on 1 <sup>st</sup> and 2 <sup>nd</sup> floor*	60 years commencing 26 December 2019	2,717
Blk 4 Toa Payoh Lorong 7 #01-113 Singapore 310004	1 HDB shop unit*	47 years commencing 26 January 2021	130
1 Jalan Berseh New World Centre Singapore 209037	22 units in shopping mall	72 years commencing 30 October 2021	1,790
6 Mandai Link, Singapore 728652 <sup>1</sup>	4 storey warehouse with ancillary offices	30 years commencing in 2009, with an option to extend for a further 30 years	59,549 <sup>2</sup>
Woodlands Road <sup>1,3</sup>	Leasehold land	22 years commencing in 2016 <sup>4</sup>	

\* The excess space are subleased to third parties under operating lease arrangements.

1 These leasehold land and properties are classified as right-of-use assets.

2 Floor area of the extended building built on 6 Mandai Link and Woodlands Road.

3 This leasehold land with an area of 1,795 sqm is adjacent to 6 Mandai Link.

4 There is an option for another 30 years extension subject to certain terms and conditions.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 4. Property, plant and equipment / Right-of-use assets (cont'd)

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

Right-of-use assets relate to leasehold land and properties of which the Group is a lessee.

	Leasehold land and properties	
	2023	2022
	\$'000	\$'000
<b>Group</b>		
Balance at 1 January	97,286	79,505
Additions	39,832	52,307
Adjustment	(9)	(7)
Depreciation	(35,140)	(33,014)
Derecognition	–	(995)
Effect of movements in exchange rates	(172)	(510)
Balance at 31 December	101,797	97,286

## 5. Investment in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Equity investments, at cost	82,261	82,261

The subsidiaries of the Company are as follows:

Name of subsidiaries	Principal activities	Place of business/ Country of incorporation	Effective equity interest held by the Group	
			2023	2022
			%	%
Sheng Siong Supermarket Pte Ltd <sup>1</sup>	Supermarket operations	Singapore	100	100
C M M Marketing Management Pte Ltd <sup>1</sup>	Trading of general and wholesale imports and exports	Singapore	100	100
Sheng Siong Supermarket Sdn. Bhd. <sup>2</sup>	Dormant	Malaysia	100	100
Sheng Siong (China) Supermarket Co., Ltd. <sup>2</sup>	Supermarket operations	China	60	60

KPMG LLP is the auditor of all significant subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Listing Manual of the Singapore Exchange Securities Trading Limited if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

<sup>1</sup> Audited by KPMG LLP, Singapore.

<sup>2</sup> Audited by other certified public accountants.



# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 6. Inventories

	Group	
	2023 \$'000	2022 \$'000
Goods for resale	91,802	101,182

In 2023, changes in goods for resale recognised in cost of sales amounted to \$918,015,000 (2022: \$909,787,000).

## 7. Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables	12,822	9,991	–	–
Amounts due from related parties (trade)	1	1	–	–
Amounts due from related parties (non-trade)	51	21	–	–
Amounts due from subsidiaries:				
- non-trade	–	–	153,812	154,011
- dividend receivable	–	–	48,500	46,200
Other receivables	3,492	2,250	–	–
Grant receivable	2,802	838	–	–
Deposits	3,209	2,362	–	–
	22,377	15,463	202,312	200,211
Prepayments	6,158	4,077	5	10
	28,535	19,540	202,317	200,221

Non-trade amounts due from related parties and subsidiaries are unsecured, interest-free and repayable on demand. There is no impairment loss allowance on the outstanding balances.

The Group's exposure to credit and market risks related to trade and other receivables are disclosed in Note 23.

## 8. Cash and cash equivalents

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash in hand	12,603	12,830	*	*
Cash at banks	16,232	22,920	354	202
Fixed deposits	295,566	239,749	–	–
	324,401	275,499	354	202

\* Amount is less than \$1,000.

Fixed deposits are placed with banks in Singapore and China with interest rates of 2.71% to 4.69% (2022: 0.48% to 4.87%).

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 9. Share capital

	2023		2022	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
In issue at 1 January and 31 December	1,503,537	235,373	1,503,537	235,373

### Ordinary shares

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.

### Dividends

The following exempt (one-tier) dividends were declared and paid by the Company:

	2023 \$'000	2022 \$'000
<i>Ordinary dividends paid in respect of the financial year ended 2021</i>		
Final cash dividend of 3.10 cents per ordinary share	–	46,610
<i>Ordinary dividends paid in respect of the financial year ended 2022</i>		
Interim cash dividend of 3.15 cents per ordinary share	–	47,361
Final cash dividend of 3.07 cents per ordinary share	46,158	–
<i>Ordinary dividends paid in respect of the financial year ended 2023</i>		
Interim cash dividend of 3.05 cents per ordinary share	45,858	–
	92,016	93,971

Subject to the approval by the shareholders at the forthcoming Annual General Meeting, the directors have proposed an exempt (one-tier) final dividend of 3.20 cents per share (2022: exempt (one-tier) final dividend of 3.07 cents per share) amounting to an estimated amount of \$48.1 million (2022: \$46.2 million) in respect of the year ended 31 December 2023. This proposed dividend has not been included as a liability in the financial statements. The total dividends paid and proposed for the year, comprising the interim and final dividend in respect of the year ended 31 December 2023 approximates 70.3% (2022: 70.2%) of the Group's net profit attributable to owners of the Company.

### Capital management

The Group defines capital as share capital and accumulated profits.

The Group's objective when managing capital is to maintain an efficient capital structure in the long term so as to maximise shareholder value. In order to maintain or achieve an efficient capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 10. Merger reserve

Merger reserve represents the difference between the nominal value of shares of \$78.2 million issued by the Company in exchange for the nominal value of shares of subsidiaries, totalling \$10 million acquired during the restructuring exercise in 2011, which was accounted for as a business combination under common control.

## 11. Statutory reserve

The Group has a subsidiary, Sheng Siong (China) Co., Ltd that is established in the People's Republic of China ("PRC"). The PRC subsidiary follows the accounting principles and relevant financial regulations of PRC ("PRC GAAP") in the preparation of the accounting records and its financial statements. Under the relevant PRC regulations, after setting off any accumulated losses, the subsidiary is required to appropriate 10% of the profit arrived at in accordance with PRC GAAP for each year to a statutory reserve. The appropriation is required until the statutory reserve reaches 50% of the PRC subsidiary's registered capital.

Subject to approval from the relevant PRC authorities, the statutory reserve may be used to increase the registered capital of the subsidiary. The statutory reserve is not available for dividend distribution other than in the event of liquidation of the PRC subsidiary.

## 12. Lease liabilities

The Group leases land and properties which includes shop outlets. The leases typically run for a period of 3 to 60 years, some with an option to renew, subject to certain terms and conditions on expiry.

The Group leases certain shop outlets with contract terms of 1 year or less. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases in accordance with SFRS(I) 16 Leases.

	Group	
	2023 \$'000	2022 \$'000
Non-current	66,920	62,598
Current	34,408	33,052
	101,328	95,650

### Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	2023		2022	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Lease liabilities	SGD	3.7% to 5.0%	2024 - 2069	120,157	94,557	100,132	89,578
Lease liabilities	CNY	5.5%	2024 - 2038	9,379	6,771	8,287	6,072
				129,536	101,328	108,419	95,650

The Group's exposure to liquidity risk related to lease liabilities is disclosed in Note 23.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 12. Lease liabilities (cont'd)

### i. Amounts recognised in consolidated statement of profit or loss and other comprehensive income

	Group	
	2023	2022
	\$'000	\$'000
Interest on lease liabilities	(3,518)	(2,777)
Income from sub-leasing right-of-use assets presented in 'other income'	1,632	1,526
Expenses relating to short-term leases	(2,498)	(3,729)

### ii. Amounts recognised in consolidated statement of cash flows

	Group	
	2023	2022
	\$'000	\$'000
Total cash outflow for leases	37,447	34,507

### iii. Extension options

Some property leases contain extension options whereby notice must be served to the landlord prior to the expiry of the lease to negotiate on the new renewal terms and conditions. The Group assesses the renewal terms and conditions and will extend the lease if it makes economic sense.

The Group assumed that condition for extension of its leased land at 6 Mandai Link granted by the lessor for an additional 30 years commencing from 10 January 2039 will be met, and the Group used the current rent in calculating the lease liabilities for the additional 30 years which amounted to \$6,796,000 (2022: \$5,801,000).

### iv. Leases as lessor

#### **Operating lease**

The Group sub-leases a number of excess outlet space to third parties and corporations in which directors of the Group have substantial financial interests under operating leases. The leases typically run for an initial period of one to three years. The Group also leases its property to third parties and corporations in which directors of the Group have substantial financial interests under operating leases. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from property and property sub-lease recognised by the Group during 2023 was \$3,583,000 (2022: \$3,038,000).

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 12. Lease liabilities (cont'd)

### iv. Leases as lessor (cont'd)

#### Operating lease (cont'd)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023 \$'000	2022 \$'000
Less than one year	2,290	2,290
One to two years	952	1,715
Two to three years	95	627
	3,337	4,632

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Total \$'000
	Lease liabilities \$'000	Unsecured term loan \$'000	
<b>Balance at 1 January 2022</b>	76,694	5,000	81,694
<b>Changes from financing cash flows</b>			
Payment of lease liabilities	(31,938)	–	(31,938)
Interest paid	(2,569)	–	(2,569)
Repayment of borrowings	–	(5,000)	(5,000)
<b>Total changes from financing cash flows</b>	(34,507)	(5,000)	(39,507)
<b>Non-cash changes</b>			
New leases	52,307	–	52,307
Derecognition	(1,007)	–	(1,007)
Interest expense	2,777	–	2,777
Adjustment	(7)	–	(7)
Effects of movement in exchange rates	(607)	–	(607)
<b>Total non-cash changes</b>	53,463	–	53,463
<b>Balance at 31 December 2022</b>	95,650	–	95,650
<b>Balance at 1 January 2023</b>	95,650	–	95,650
<b>Changes from financing cash flows</b>			
Payment of lease liabilities	(34,171)	–	(34,171)
Interest paid	(3,276)	–	(3,276)
<b>Total changes from financing cash flows</b>	(37,447)	–	(37,447)
<b>Non-cash changes</b>			
New leases	39,832	–	39,832
Interest expense	3,518	–	3,518
Adjustment	(9)	–	(9)
Effects of movement in exchange rates	(216)	–	(216)
<b>Total non-cash changes</b>	43,125	–	43,125
<b>Balance at 31 December 2023</b>	101,328	–	101,328

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 13. Deferred tax liabilities

Movements in deferred tax (assets)/liabilities during the years are as follows:

	At 1 January 2022 \$'000	Recognised in profit or loss (Note 18) \$'000	At 31 December 2022 \$'000	Recognised in profit or loss (Note 18) \$'000	At 31 December 2023 \$'000
<b>Group</b>					
Other receivables	–	–	–	476	476
Property, plant and equipment	4,424	(1,520)	2,904	(393)	2,511
Right-of-use assets	10,672	3,213	13,885	1,509	15,394
Lease liabilities	(11,867)	(3,382)	(15,249)	(826)	(16,075)
Net deferred tax liabilities	3,229	(1,689)	1,540	766	2,306

## 14. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables	124,788	127,163	–	–
Amounts due to:				
– related parties (non-trade)	68	25	–	–
– directors	890	897	300	300
Other payables	8,092	7,410	45	3
Deposits received				
– tenant deposits	579	691	–	–
– customer deposits	687	750	–	–
Accrued expenses	55,921	55,261	48	44
	191,025	192,197	393	347
Contract liabilities	6,162	4,973	–	–
Advances	2,756	285	–	–
	199,943	197,455	393	347

The amounts due to directors relate to short-term employee benefits and directors' fees pending approval by the shareholders. The non-trade amounts due to related parties, non-trade amounts due to directors, and other payables are unsecured, interest-free and payable within the next twelve months.

The tenants' deposit of \$579,000 (2022: \$691,000) includes security deposits of \$197,000 (2022: \$198,000) from related parties.

Contract liabilities relate to advance consideration received from customers for sale of gift vouchers and e-vouchers.

The Group's exposure to currency risk and liquidity risk related to trade and other payables are disclosed in Note 23.



# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 15. Revenue

	Group	
	2023 \$'000	2022 \$'000
Supermarket operations	1,367,719	1,339,464

Significant changes in the contract liabilities during the year are as follows:

	Group	
	2023 \$'000	2022 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,987)	(2,970)
Increases due to cash received, excluding amounts recognised as revenue during the year	4,176	3,652

## 16. Finance income and finance expense

	Group	
	2023 \$'000	2022 \$'000
Interest income received/receivable from:		
- financial institutions	11,224	3,674
Lease liabilities:		
- interest expense	(3,518)	(2,777)

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 17. Profit for the year

Profit for the year is arrived at after (charging)/crediting the following items:

	Group	
	2023	2022
	\$'000	\$'000
Audit fees paid/payable to auditors of the Group	(280)	(280)
Non-audit fees paid/payable to auditors of the Group	(57)	(78)
Short-term lease expense	(2,498)	(3,729)
Operating lease income	3,583	3,038
Depreciation of:		
– property, plant and equipment	(17,876)	(19,539)
– right-of-use assets	(35,140)	(33,014)
Gain on disposal of plant and equipment	11	20
Gain on derecognition of right-of-use assets	–	12
Sales of recyclable items	1,754	2,798
Exchange gain, net	1,722	1,438
Government grants	5,375	4,200
Staff costs	(200,084)	(191,958)
Contributions to defined contribution plans, included in staff costs	(13,389)	(12,759)

## 18. Tax expense

	Note	Group	
		2023	2022
		\$'000	\$'000
<b>Current tax expense</b>			
Current year		28,938	31,034
(Over)/Under provided in prior years		(580)	95
		28,358	31,129
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences		(66)	(1,686)
Under/(Over) provided in prior years		832	(3)
	13	766	(1,689)
<b>Total tax expense</b>		29,124	29,440

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 18. Tax expense (cont'd)

### Reconciliation of effective tax rate

	Group	
	2023	2022
	\$'000	\$'000
Profit before tax	163,120	163,082
Tax expense using Singapore tax rate of 17% (2022: 17%)	27,730	27,724
Tax exempt income	(43)	(657)
Expenses not deductible for tax purposes	1,205	2,207
Effect of tax rates in foreign jurisdictions	(20)	74
Under provision in respect of prior years	252	92
	29,124	29,440

## 19. Earnings per share

	Group	
	2023	2022
	\$'000	\$'000
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	133,650	133,303

	Group	
	No. of shares	No. of shares
	'000	'000
Total number of shares as at 1 January and 31 December	1,503,537	1,503,537
Weighted average number of shares during the year	1,503,537	1,503,537

There were no potential dilutive ordinary shares in existence for the financial years ended 31 December 2023 and 2022.

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

## 20. Segment reporting

The Group operates in one segment which relates to the provision of supermarket supplies and supermarket operations. The Group's operations are mainly located in Singapore. The overseas subsidiaries' operations are not significant for the financial years ended 31 December 2023 and 2022.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 21. Commitments

### (a) Capital commitments

As at the reporting date, the Group has the following outstanding capital commitments which have not been provided for in the financial statements:

	Group	
	2023	2022
	\$'000	\$'000
Approved capital expenditure	4,393	3,918

### (b) Investment

As at 31 December 2023, the Group has an outstanding commitment of uncalled capital contribution of US\$3 million (approximately \$4 million) (2022: US\$3 million (approximately \$4 million)) in respect of investment in Sheng Siong (China) Supermarket Co., Ltd.

## 22. Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

### Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors of the holding company and subsidiaries, and key executives are considered as key management personnel of the Group. The amounts stated below for key management compensation are for all the directors and key executives.

Key management personnel compensation included in staff costs, comprises:

	Group	
	2023	2022
	\$'000	\$'000
Short-term employee benefits (including defined contribution plans)	25,935	25,976
Directors' fees	500	500
	26,435	26,476

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 22. Related parties (cont'd)

### **Other related party transactions**

Other than disclosed elsewhere in the financial statements, transactions carried out with related parties in the normal course of business on terms agreed between the parties are as follows:

	2023	2022
	\$'000	\$'000
<b>Corporations in which directors of the Group have substantial financial interests</b>		
Sales	23	24
Operating lease and utilities expenses	(2,960)	(2,395)
Operating lease and utilities income	1,323	960
Other income	109	218
Other expenses	(550)	(688)

## 23. Financial risk management

### **Overview**

The Group's levels of risk tolerance and risk management policies are determined by the Board. The Board and management are responsible for overseeing the Group's risk management framework and policies, including reviewing the Group's business and operational activities to identify areas of significant risk and implementing measures to mitigate such risks.

The Group operates in Singapore and China, sourcing its supplies worldwide and is exposed to a variety of financial risks, comprising market risk like currency and interest rate risks, credit risk and liquidity risk.

### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or a counterparty fails to settle its financial and contractual obligations, as and when they fall due.

The Group and the Company's exposure to credit risk arises mainly from cash and cash equivalents, trade receivables and non-trade amounts due from subsidiaries. The bulk of the trade receivables relates to amounts owing by credit card companies.

The carrying amounts of financial assets represent the Group's maximum exposures to credit risk, before taking into account any collateral held. The Group does not require any collateral in respect of its financial assets.

The impairment losses recognised on the financial assets for both 2023 and 2022 were insignificant.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of credit card companies. However, the Group's past default experience does not show significantly different loss patterns for different customer segments, and the historical loss rate is not further distinguished between the different customer bases.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 23. Financial risk management (cont'd)

### Credit risk (cont'd)

#### Expected credit loss assessment for trade receivables (lifetime ECL)

For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL based on historical loss rate. The loss allowance is estimated based on historical credit losses rates and the past due status of the customers, adjusted as appropriate to reflect current and forward looking factors affecting the customers' ability to repay the receivables. Accordingly, the credit risk profile of trade receivables is presented based on their past due status. Trade receivables are substantially from companies with a good collection track record with the Group and hence the loss allowance is negligible to the Group.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and trade amounts due from related parties as at 31 December:

	Carrying amount Credit impaired	
	\$'000	
<b>Group</b>		
<b>2023</b>		
Neither past due nor impaired	12,122	No
Past due 0 – 30 days	652	No
Past due 31 – 60 days	42	No
Past due 61 – 90 days	1	No
Past due 91 – 180 days	6	No
	<u>12,823</u>	
<b>2022</b>		
Neither past due nor impaired	8,704	No
Past due 0 – 30 days	579	No
Past due 31 – 60 days	82	No
Past due 61 – 90 days	67	No
Past due 91 – 180 days	560	No
	<u>9,992</u>	

#### Expected credit loss assessment for cash and cash equivalents (12-month ECL)

Impairment on cash and cash equivalents have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the credit worthiness of the bank counterparties. The amount of the allowance is negligible.

Cash and cash equivalents consists of cash and fixed deposits which are placed with banks regulated under the Singapore Banking Act and the China Banking Regulatory Commission.



# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 23. Financial risk management (cont'd)

### Credit risk (cont'd)

*Expected credit loss assessment for non-trade amounts due from subsidiaries (12-month ECL)*

The Company held non-trade receivables from its subsidiaries of \$202,312,000 (2022: \$200,211,000). These are mainly loans to subsidiaries to satisfy their funding requirements. The Company considers that these exposures have low credit risk as there has been no significant increase in the risk of default on the non-trade amounts due from subsidiaries since initial recognition. The amount of the allowance is negligible.

*Expected credit loss assessment for other receivables, non-trade amount due from related parties, grant receivable and deposits (12-month ECL)*

Impairment on other receivables, non-trade amount due from related parties, grant receivable and deposits have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The other receivables, non-trade amount due from related parties, grant receivable and deposits are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables and deposits since initial recognition. The amount of the allowance is negligible.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and capital expenditure requirements.

*Exposure to liquidity risk*

The following are the expected contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	<b>Cash flows</b>				
	<b>Carrying amount \$'000</b>	<b>Expected contractual cash flows \$'000</b>	<b>Within 1 year \$'000</b>	<b>Between 1 to 5 years \$'000</b>	<b>More than 5 years \$'000</b>
<b>Group</b>					
<b>31 December 2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	191,025	(191,025)	(191,025)	–	–
Lease liabilities	101,328	(129,536)	(39,257)	(66,097)	(24,182)
	<b>292,353</b>	<b>(320,561)</b>	<b>(230,282)</b>	<b>(66,097)</b>	<b>(24,182)</b>
<b>31 December 2022</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	192,197	(192,197)	(192,197)	–	–
Lease liabilities	95,650	(108,419)	(48,152)	(45,120)	(15,147)
	<b>287,847</b>	<b>(300,616)</b>	<b>(240,349)</b>	<b>(45,120)</b>	<b>(15,147)</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 23. Financial risk management (cont'd)

### Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Carrying amount \$'000	Cash flows			
		Expected contractual cash flows \$'000	Within 1 year \$'000	Between 1 to 5 years \$'000	More than 5 years \$'000
<b>Company</b>					
<b>31 December 2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	393	(393)	(393)	–	–
<b>31 December 2022</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables	347	(347)	(347)	–	–

\* Excludes contract liabilities and advances.

### Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

### Foreign currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of the Company and its subsidiaries. The currencies in which these transactions are primarily denominated in are United States dollars ("USD"), Euro ("EUR"), Australian dollars ("AUD"), New Zealand dollars ("NZD") and Chinese yuan ("CNY").

The summary of quantitative data about the Group's exposure to foreign currency risk in Singapore dollar equivalent amounts as reported to the management of the Group based on its risk management policy is as follows:

	USD \$'000	EUR \$'000	AUD \$'000	NZD \$'000	CNY \$'000
<b>Group</b>					
<b>31 December 2023</b>					
Cash and cash equivalents	1,464	411	189	429	4,838
Trade payables	(3,904)	–	(1,988)	–	–
Net exposure	(2,440)	411	(1,799)	429	4,838
<b>31 December 2022</b>					
Cash and cash equivalents	154	529	409	363	86
Trade payables	(3,092)	(122)	(458)	–	–
Net exposure	(2,938)	407	(49)	363	86

At reporting date, the Company is not exposed to significant foreign currency risk.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 23. Financial risk management (cont'd)

### *Foreign currency risk (cont'd)*

#### *Sensitivity analysis*

A 10% weakening of the functional currencies of the Company and its subsidiaries, against the following currencies at the reporting date would have increased/(decreased) profit before tax by the Singapore dollar equivalent amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

	Profit before tax	
	2023	2022
	\$'000	\$'000
<b>Group</b>		
USD	(244)	(294)
EUR	41	41
AUD	(180)	(5)
NZD	43	36
CNY	484	9

A 10% strengthening of the functional currencies of the Company and its subsidiaries, against the above currencies at the reporting date would have had the equal but opposite effect on the above currencies to the Singapore dollar equivalent amounts shown above, on the basis that all other variables remain constant.

### *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to interest earned on the cash balances. As at the reporting date, there is no significant interest rate risks.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 23. Financial risk management (cont'd)

### Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount		Total \$'000
		Amortised cost \$'000	Other financial liabilities \$'000	
<b>Group</b>				
<b>31 December 2023</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	7	22,377	–	22,377
Cash and cash equivalents	8	324,401	–	324,401
		346,778	–	346,778
<b>Financial liabilities not measured at fair value</b>				
Lease liabilities	12	–	(101,328)	(101,328)
Trade and other payables**	14	–	(191,025)	(191,025)
		–	(292,353)	(292,353)
<b>31 December 2022</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	7	15,463	–	15,463
Cash and cash equivalents	8	275,499	–	275,499
		290,962	–	290,962
<b>Financial liabilities not measured at fair value</b>				
Lease liabilities	12	–	(95,650)	(95,650)
Trade and other payables**	14	–	(192,197)	(192,197)
		–	(287,847)	(287,847)

\* Excludes prepayments.

\*\* Excludes contract liabilities and advances.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 23. Financial risk management (cont'd)

### Accounting classifications and fair values (cont'd)

	Note	Carrying amount		Total \$'000
		Amortised	Other financial	
		cost \$'000	liabilities \$'000	
<b>Company</b>				
<b>31 December 2023</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	7	202,312	–	202,312
Cash and cash equivalents	8	354	–	354
		<u>202,666</u>	<u>–</u>	<u>202,666</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	14	–	(393)	(393)
<b>31 December 2022</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	7	200,211	–	200,211
Cash and cash equivalents	8	202	–	202
		<u>200,413</u>	<u>–</u>	<u>200,413</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	14	–	(347)	(347)

\* Excludes prepayments.

### Estimation of fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

#### Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) approximate their fair values because of the short period to maturity.

# Notes to the Financial Statements

For the financial year ended 31 December 2023

## 24. Comparative figures

During the financial year ended 31 December 2023, the Group reclassified the following expenses to reflect the economic substance of such expenses in relation to the financial year ended 31 December 2022.

	<b>As previously reported for 12 months ended 31 Dec 2022 \$'000</b>	<b>Reclassification \$'000</b>	<b>After reclassification for 12 months ended 31 Dec 2022 \$'000</b>
Other income	17,306	1,483	18,789
Selling and distribution expenses	(7,855)	(193,507)	(201,362)
Administrative expenses	(236,217)	187,477	(48,740)
Other expenses	(4,547)	4,547	–



# 财务状况表

截至 2023 年 12 月 31 日

	备注	集团		公司	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>资产</b>					
房地产、厂房与器材	4	283,658	291,608	–	–
使用权资产	4	101,797	97,286	–	–
于子公司的投资	5	–	–	82,261	82,261
非流动资产		385,455	388,894	82,261	82,261
库存	6	91,802	101,182	–	–
贸易和其它应收账款	7	28,535	19,540	202,317	200,221
银行结余和现金	8	324,401	275,499	354	202
流动资产		444,738	396,221	202,671	200,423
总资产		830,193	785,115	284,932	282,684
<b>权益</b>					
股本	9	235,373	235,373	235,373	235,373
储备	10	(68,234)	(68,234)	–	–
外汇兑换储备		(695)	(590)	–	–
法定储备金	11	218	156	–	–
累计盈利		327,113	285,541	49,159	46,960
可归属股东的权益		493,775	452,246	284,532	282,333
非控股权益		3,203	2,927	–	–
总权益		496,978	455,173	284,532	282,333
<b>负债</b>					
租赁负债	12	66,920	62,598	–	–
递延税款负债	13	2,306	1,540	–	–
非流动负债		69,226	64,138	–	–
贸易和其它应付账款	14	199,943	197,455	393	347
当前应缴税务		29,638	35,297	7	4
租赁负债	12	34,408	33,052	–	–
流动负债		263,989	265,804	400	351
总负债		333,215	329,942	400	351
总权益与负债		830,193	785,115	284,932	282,684

# 综合损益表和其它综合收益表

截至 2023 年 12 月 31 日

	备注	2023 \$'000	2022 \$'000 重新分类
营业额	15	1,367,719	1,339,464
销售成本		(957,187)	(945,966)
毛利		410,532	393,498
其它收入	24	15,917	18,789
销售与分销开支	24	(221,425)	(201,362)
行政开支	24	(49,610)	(48,740)
营运活动的业绩		155,414	162,185
财务收入	16	11,224	3,674
财务开支	16	(3,518)	(2,777)
税前盈利		163,120	163,082
税务开支	18	(29,124)	(29,440)
全年盈利	17	133,996	133,642
盈利:			
可归属股东的盈利		133,650	133,303
非控制股权益的盈利		346	339
全年盈利		133,996	133,642
其它综合收入			
可重新分类为损益的项目:			
外企的外币换算差额		(175)	(820)
全年综合收入总额		133,821	132,822
综合收入:			
可归属股东的综合收入		133,545	132,811
非控股权益的综合收入		276	11
全年综合收入总额		133,821	132,822
每股盈利			
- 基本和摊薄 (分)	19	8.89	8.87

# Statistics of Shareholdings

As at 15 March 2024

Number of shares	:	1,503,537,000
Number of Treasury Shares and Percentage	:	Nil
Number of Subsidiary Holdings and Percentage	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

## Distribution Of Shareholdings

Size Of Shareholdings	No. Of		No. Of	
	Shareholders	%	Shareholders	%
1 - 99	18	0.10	337	0.00
100 - 1,000	3,476	19.88	2,499,909	0.17
1,001 - 10,000	10,276	58.73	55,876,324	3.72
10,001 - 1,000,000	3,685	21.08	164,872,512	10.96
1,000,001 AND ABOVE	37	0.21	1,280,287,918	85.15
<b>Total</b>	<b>17,492</b>	<b>100.00</b>	<b>1,503,537,000</b>	<b>100.00</b>

## Twenty Largest Shareholders

No.	Name	No. Of Shareholders	%
1	SHENG SIONG HOLDINGS PTE LTD	448,800,000	29.85
2	CITIBANK NOMINEES SINGAPORE PTE LTD	136,986,193	9.11
3	LIM HOCK ENG	120,000,000	7.98
4	LIM HOCK LENG	118,590,476	7.89
5	LIM HOCK CHEE	117,700,000	7.83
6	RAFFLES NOMINEES (PTE.) LIMITED	75,038,764	4.99
7	HSBC (SINGAPORE) NOMINEES PTE LTD	54,349,943	3.61
8	DBSN SERVICES PTE. LTD.	47,485,707	3.16
9	DBS NOMINEES (PRIVATE) LIMITED	41,205,928	2.74
10	OCBC SECURITIES PRIVATE LIMITED	13,564,506	0.90
11	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	10,702,000	0.71
12	LIN YUANFENG	10,000,000	0.67
13	PHILLIP SECURITIES PTE LTD	9,503,482	0.63
14	LIN JIELIN JASMINE	8,809,524	0.59
15	LIM KIM HOCK	8,400,000	0.56
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,906,199	0.53
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,904,205	0.46
18	IFAST FINANCIAL PTE. LTD.	6,619,510	0.44
19	CHUA KOK SOON	4,500,000	0.30
20	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,150,514	0.28
<b>Total</b>		<b>1,251,216,951</b>	<b>83.23</b>

# Statistics of Shareholdings

As at 15 March 2024

## Substantial Shareholders as at 15 March 2024

(As recorded in the Register of Substantial Shareholders)

Name	Direct Interest		Deemed Interest	
	No. Of Shares	%	No. Of Shares	%
Lim Hock Eng	120,000,000	7.98	685,764,576 <sup>(1)</sup>	45.61
Lim Hock Chee	118,374,100	7.87	689,497,576 <sup>(1) (2)</sup>	45.86
Lim Hock Leng	118,590,476	7.89	687,174,100 <sup>(1)</sup>	45.70
Sheng Siong Holdings Pte Ltd	448,800,000	29.85	—	—

### Notes:

- (1) Mr. Lim Hock Eng, Mr. Lim Hock Chee and Mr. Lim Hock Leng (each a “**Lim Director**”) are siblings and each of them is a director and shareholder (each holding an equity interest of approximately 33.3%) of Sheng Siong Holdings Pte Ltd (“**SS Holdings**”). Pursuant to Section 7 of the Companies Act 1967:
- (a) Mr. Lim Hock Eng is deemed to be interested in the shares of the Company held by (i) the other Lim directors (236,964,576 shares); and (ii) SS Holdings (448,800,000 shares);
  - (b) Mr. Lim Hock Chee is deemed to be interested in the shares of the Company held by (i) the other Lim Directors (238,590,476 shares); and (ii) SS Holdings (448,800,000 shares); and
  - (c) Mr. Lim Hock Leng is deemed to be interested in the shares of the Company held by (i) the other Lim directors (238,374,100 shares); and (ii) SS Holdings (448,800,000 shares).
- (2) Mr Lim Hock Chee is also deemed to be interested in the 2,107,100 shares held by his spouse, Mdm Lee Moi Hong.

## Shareholdings Held By The Public

Based on the information available to the Company as at 15 March 2024, approximately 46.3% of the issued ordinary shares of the Company are held by the public. Accordingly, the Company had complied with Rule 723 of the Listing Manual of the SGX-ST.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Thirteenth Annual General Meeting of SHENG SIONG GROUP LTD. (the “**Company**”) will be convened at 6 Mandai Link, Singapore 728652 on Thursday, 25 April 2024 at 10.00 a.m. (the “**Annual General Meeting**”) for the following purposes:

## As Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To declare a final (one-tier tax exempt) dividend of 3.20 cents per ordinary share for the financial year ended 31 December 2023. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company’s Constitution (the “**Constitution**”):

### Regulation 89

- |                             |                       |
|-----------------------------|-----------------------|
| Ms. Lin Ruiwen              | <b>(Resolution 3)</b> |
| Mr. Chee Teck Kwong Patrick | <b>(Resolution 4)</b> |
| Mr. Tan Huay Lim            | <b>(Resolution 5)</b> |

*[See Explanatory Note (i)]*

4. To approve the payment of Directors’ fees of S\$300,000 for the financial year ended 31 December 2023 (2022: S\$300,000). **(Resolution 6)**
5. To re-appoint Messrs. KPMG LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## As Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares in the capital of the Company (“Shares”) - Share Issue Mandate**

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

# Notice of Annual General Meeting

- (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, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the same meaning ascribed to it in the rules of the Listing Manual;

# Notice of Annual General Meeting

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."

*[See Explanatory Note (ii)]*

**(Resolution 8)**

By Order of the Board

Mr. Lim Hock Chee  
Chief Executive Officer  
Singapore, 3 April 2024

## Explanatory Notes:

- (i) Ms. Lin Ruiwen, will upon re-election as a Director of the Company, remain as the Executive Director of the Company.

Mr. Chee Teck Kwong Patrick, will upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the Nominating Committee and a member each of the Audit and Risk Committee and Remuneration Committee. The Board considers Mr. Chee Teck Kwong Patrick to be independent for the purposes of Rule 704(8) of the Listing Manual.

Mr. Tan Huay Lim, will upon re-election as a Director of the Company, remain as the Independent Director, the Chairman of the Audit and Risk Committee and a member each of the Nominating Committee and Remuneration Committee. The Board considers Mr. Tan Huay Lim to be independent for the purposes of Rule 704(8) of the Listing Manual.

Please refer to page 36 of the Corporate Governance Report in the Annual Report 2023 for the detailed information for Ms. Lin Ruiwen, Mr. Chee Teck Kwong Patrick and Mr. Tan Huay Lim as required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.

- (ii) The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued on a pro-rata basis, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares. In determining the 20% which may be issued other than on a pro-rata basis, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time the Ordinary Resolution 8 is passed.



# Notice of Annual General Meeting

## Notes:

1. The members of the Company are invited to **attend physically** at the Annual General Meeting ("AGM"). **There will be no option for the members to participate virtually.** Printed copies of the Notice of AGM and Proxy Form will be sent to the members of the Company whereas, the Annual Report for the financial year ended 31 December 2023 will be sent to members by electronic means via publication on the Company's website at <https://corporate.shengsiong.com.sg/investors/>. The Notice of AGM and Proxy Form will also be made available on the SGX website at the <https://www.sgx.com/securities/company-announcements>.
2. A member (whether individual or corporate) who is not a Relevant Intermediary\*, is entitled to attend and vote at the Annual General Meeting and is entitled to appoint not more than two (2) proxies to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.

The accompanying proxy form for the AGM may be accessed at the Company's website at URL: <https://corporate.shengsiong.com.sg/investors/> and will also be made available on the SGX website at URL: <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints more than one (1) proxy, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the form of proxy. He/She/It must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the proxy/proxies will vote or abstain from voting at his/her discretion for that resolution.

A member who is a Relevant Intermediary\* may appoint one or more proxies to attend, ask question(s) and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a direct share or shares held by such member. Where such member appoints more than one (1) proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, the proportion of his/her shareholding to be represented by each proxy shall be specified in the Proxy Form.

\* "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:-
  - (a) if submitted by post, be lodged at the office of the Company at 6 Mandai Link, Singapore 728652: or
  - (b) if submitted by email, be received by the Company at [investor.relations@shengsiong.com.sg](mailto:investor.relations@shengsiong.com.sg).

in each case, not less than seventy-two (72) hours before the time appointed for holding the AGM, i.e., by 10:00 a.m. on 22 April 2024 and in default the Proxy Form for the AGM shall not be treated valid.

Members are strongly encouraged to submitted completed proxy forms electronically via email. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes should approach their respective relevant intermediaries (which would include CPF and SRS operators) through which they hold such Shares at least seven (7) working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form for appointment of proxy to vote on their behalf by 10.00 a.m. on 15 April 2024.
7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
8. Members, including CPF and SRS investors who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporate), NRIC/Passport/Company Registration Numbers, contact numbers, shareholding types and number of Shares held together with their submission of question, to the Company's Share Registrar address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

# Notice of Annual General Meeting

9. Members may submit questions relating to the Annual Report and resolutions set out in the Notice in advance:

- (a) by email to [investor.relations@shengsiong.com.sg](mailto:investor.relations@shengsiong.com.sg); or
- (b) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-03/07 Singapore 098632.

All questions must be submitted by 11 April 2024.

Members, including CPF and SRS investors who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporate), NRIC/Passport/Company Registration Numbers, contact numbers, shareholding types and number of Shares held together with their submission of question, to the Company's Share Registrar address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions from members soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from members will be posted on the SGXNet and the Company's website. Any subsequent clarifications sought by the members after 11 April 2024 will be addressed at the AGM. The Minutes of the AGM will be published on the SGXNet and the Company's website within one (1) month after the date of the AGM.

## **Personal Data Privacy:**

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# Sheng Siong Group Ltd.

(Company Registration No.: 201023989Z)

(Incorporated in Singapore with limited liabilities)

## Annual General Meeting

# PROXY FORM

(Please see notes overleaf  
before completing this Form)

### IMPORTANT

- Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes should approach their respective relevant intermediaries (which would include CPF and SRS operators) through which they hold such Shares at least seven (7) working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form for appointment of proxy to vote on their behalf by 10.00 a.m. on 15 April 2024.
- A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
- Members, including CPF and SRS investors who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporate), NRIC/Passport/Company Registration Numbers, contact numbers, shareholding types and number of Shares held together with their submission of question, to the Company's Share Registrar address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.

I/We\*, \_\_\_\_\_ (name)

(NRIC No. / FIN No. / Passport No. / Company Registration No.) \_\_\_\_\_

of \_\_\_\_\_ (address)

being a member/members\* of **SHENG SIONG GROUP LTD.** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No of Shares	%

\*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No of Shares	%

or failing him/her/them\*, the Chairman of the Annual General Meeting ("**Meeting**") of the Company as my/our\* proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Meeting of the Company to be convened and held at 6 Mandai Link, Singapore 728652 on **25 April 2024 at 10.00 a.m.** and at any adjournment thereof. I/We\* direct my/our\* proxy/proxies to vote for, against, or abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their\* discretion.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
<b>Ordinary Business</b>				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2	Approval of payment of the final dividend			
3	Re-election of Ms. Lin Ruiwen as a Director			
4	Re-election of Mr. Chee Teck Kwong Patrick as a Director			
5	Re-election of Mr. Tan Huay Lim as a Director			
6	Approval of Directors' fees amounting to S\$300,000 for the financial year ended 31 December 2023			
7	Re-appointment of Messrs. KPMG LLP as Auditors and to authorise the Board of Directors of the Company to fix their remuneration			
<b>Special Business</b>				
8	Authority to allot and issue shares in the capital of the Company – Share Issue Mandate			

\* Delete where inapplicable

\*\* Voting will be conducted by poll. If you wish to cast all your votes 'For' or 'Against' or 'Abstain' from voting in respect of a resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Signatures of Shareholder(s)  
and/or, Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares Held
(a) CDP Register	
(b) Register of Members	

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
2. A member (whether individual or corporate) who is not a Relevant Intermediary\* entitled to attend and vote at the Annual General Meeting and is entitled to appoint not more than two (2) proxies to attend and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.

The accompanying proxy form for the AGM may be accessed at the Company's website at <https://corporate.shengsiong.com.sg/investors/> and will also be made available on the SGX website at URL: <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints more than one (1) proxy, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the form of proxy. He/She/It must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the proxy/proxies will vote or abstain from voting at his/her discretion for that resolution.

A member who is a Relevant Intermediary\* may appoint one or more proxies to attend, ask question(s) and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a direct share or shares held by such member. Where such member appoints more than one (1) proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, the proportion of his/her shareholding to be represented by each proxy shall be specified in the Proxy Form.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

3. A proxy, need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company at 6 Mandai Link, Singapore 728652; or
  - (b) if submitted by email, be received by the Company at [investor.relations@shengsiong.com.sg](mailto:investor.relations@shengsiong.com.sg),

in each case, not less than seventy-two (72) hours before the time appointed for holding the AGM, i.e., by 10:00 a.m. on 22 April 2024 and in default the Proxy Form for the AGM shall not be treated valid.

Members are strongly encouraged to submitted completed proxy forms electronically via email. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. Persons who hold Shares through relevant intermediaries (including CPF and SRS investors) and wish to exercise their votes should approach their respective relevant intermediaries (which would include CPF and SRS operators) through which they hold such Shares at least seven (7) working days before the AGM to submit their voting instructions in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form for appointment of proxy to vote on their behalf by 10.00 a.m. on 15 April 2024.
7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
8. Members, including CPF and SRS investors who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporate), NRIC/Passport/Company Registration Numbers, contact numbers, shareholding types and number of Shares held together with their submission of question, to the Company's Share Registrar address or email address provided. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), excluding CPF and SRS investors, should contact their respective relevant intermediaries to submit their questions based on the abovementioned instructions.
9. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intention of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 April 2024.

# Corporate Information

## Board of Directors

Mr Lim Hock Eng, *Executive Chairman*  
Mr Lim Hock Chee, *Chief Executive Officer*  
Mr Lim Hock Leng, *Managing 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*

## Audit and Risk Committee

Mr Tan Huay Lim, *Committee Chairman*  
Mr Chee Teck Kwong Patrick  
Ms Tan Poh Hong  
Mr Ko Chuan Aun  
Ms Cheng Li Hui

## Nominating Committee

Mr Chee Teck Kwong Patrick, *Committee Chairman*  
Mr Tan Huay Lim  
Ms Tan Poh Hong  
Mr Ko Chuan Aun  
Ms Cheng Li Hui

## Remuneration Committee

Ms Tan Poh Hong, *Committee Chairman*  
Mr Chee Teck Kwong Patrick  
Mr Tan Huay Lim  
Mr Ko Chuan Aun  
Ms Cheng Li Hui

## Company Secretaries

Ms Sharon Lim Siew Choo (ACS, ACG)  
Ms Goh Xun Er (ACS, ACG)

## Independent Auditor

KPMG LLP  
12 Marina View, #15-01  
Asia Square Tower 2  
Singapore 018961

Partner-in-charge of the audit:  
Ms Sarina Lee  
Date appointed: 10 September 2020

## Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd  
1 Harbourfront Avenue  
Keppel Bay Tower #14-03/07  
Singapore 098632  
Tel: 6536 5355  
Fax: 6536 1360

## Registered Office

6 Mandai Link  
Singapore 728652  
Tel: 6895 1888  
Fax: 6269 8265

## Website

[corporate.shengsiong.com.sg](http://corporate.shengsiong.com.sg)



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6 Mandai Link Singapore 728652

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