



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

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**(1) ENTRY INTO AGREEMENT FOR LEASE WITH JTC CORPORATION IN CONNECTION WITH THE LEASE OF LAND AT SUNGEI KADUT STREET 1, SINGAPORE 729361**

**(2) ASSIGNMENT OF LEASE OF LAND AT 6 MANDAI LINK, SINGAPORE 728652**

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## **1. INTRODUCTION**

The board of directors ("**Board**" or "**Directors**") of Sheng Siong Group Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement by the Company released on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") dated 28 August 2025 (the "**Announcement**"), in relation to the letter of offer (the "**JTC Letter**") from JTC Corporation ("**JTC**") for the lease of the land at PID 8202301010 @ Sungei Kadut Street 1, Singapore 729361, Private Lot No. A7020883 (the "**Sungei Kadut Property**") .

Further to the Announcement, the Board wishes to announce that C M M Marketing Management Pte. Ltd. ("**CMM**"), a wholly-owned subsidiary of the Company, has accepted the offer from JTC pursuant to the terms of the JTC Letter on 24 September 2025. In conjunction with the foregoing, CMM has also accepted a related offer from JTC in relation to the assignment of the property at 6 Mandai Link, Singapore 728652, Private Lot Nos. A2328000 and A3004756 (the "**Mandai Link Property**") to MDL Property Pte. Ltd. ("**MDL**"), another wholly-owned subsidiary of the Company, on 24 September 2025 ("**Assignment Consent Letter**").

The Group intends to use the new site at the Sungei Kadut Property, to establish a new warehouse, distribution centre, and headquarters in replacement of its current facility located at the Mandai Link Property. In accordance with the terms of the JTC Letter, the Group's current facility will be assigned to MDL, which will assume the remainder of the original lease term (such arrangement, herein referred to as the "**Lease and Assignment Plan**").

## **2. INFORMATION ON THE LEASE AND ASSIGNMENT PLAN**

### **2.1 JTC Letter**

The JTC Letter is in respect of the lease of the land at the Sungei Kadut Property which has a land area measuring 61,297 square metres with a maximum gross plot ratio of 2.50.

Pursuant to the terms of the JTC Letter, the lease of the Sungei Kadut Property is expected to be 33 years ("**Lease Term**"), contingent upon certain conditions, and is expected to commence on 18 December 2025 ("**Commencement Date**"). However, possession of the Sungei Kadut Property will be granted within two (2) months before the Commencement Date ("**Possession Date**"), and the period between the Possession Date and the Commencement Date will be rent-free ("**Rent-free Period**").

Following the Rent-free Period, the land rent is payable to JTC ("**Land Rent**") in advance on the first day of each month of the Lease Term. The Land Rent will be revised on 18 December 2026 and 18 December of every year during the Lease Term. Additionally, JTC may conduct a preliminary and/or final survey of the Sungei Kadut Property and adjust the Land Rent according to the results of the survey.

CMM also has to fulfil a declared investment comprising of at least S\$120 million on new plant and machinery ("**Declared Investment**"). The Declared Investment must be fulfilled within four (4) years from the Commencement Date.

## 2.2 Assignment Consent Letter

CMM currently occupies and is the existing tenant of the Mandai Link Property which has a land area measuring 25,005 square metres with a maximum gross plot ratio of 2.50. The existing tenancy will expire on 9 January 2039 with a renewable option for another 30 years up to 9 January 2069.

The offer in the JTC Letter is subject to CMM's acceptance of the assignment of the Mandai Link Property. Accordingly, CMM entered into the Assignment Consent Letter with JTC to approve the assignment of the Mandai Link Property to MDL. MDL will assume the remainder of the original lease term of the Mandai Link Property and at its own costs and expenses, enter into a variation of lease and/or supplemental document with JTC, no later than six (6) months from 21 August 2025 ("**Assignment Completion Date**").

After the assignment, CMM is expected to continue operating the Mandai Link Property, as a subtenant, occupying at least 70% of the gross floor area for a maximum period of two (2) years from the date of the temporary occupation permit of the Sungei Kadut Property.

In addition, MDL must sell or assign the Mandai Link Property to a JTC-approved buyer, subject to further terms prescribed by JTC, within two (2) years from the date of the temporary occupation permit of the Sungei Kadut Property or by 17 December 2031, whichever is earlier (the "**Mandatory Sales Requirement**").

## 3. RATIONALE

The Mandai Link Property, which serves as the Group's existing warehouse, distribution centre, and headquarters, was originally designed to support approximately 50 supermarkets. Over the years, the Group has invested in technology to boost operational efficiency. In 2021, an extension to the Mandai Link Property allowed the Group to further expand its capacity to serve more supermarkets. However, due to growing consumer demand and the Group's continued expansion, it is expected that the Group's network of supermarkets in Singapore will soon exceed the facility's capacity and consequently impact the Group's operational efficiency.

In line with the Group's strategic initiatives to expand and enhance its warehouse management and logistic capabilities in the long term, the Sungei Kadut Property will be established as the Group's new warehouse, distribution centre, and headquarters. With a land area 2.5 times that of the Mandai Link Property, the Sungei Kadut Property is expected to have the capacity to support at least 120 supermarkets, in line with the Group's target of adding three (3) new stores each year over the next 10-15 years. The Sungei Kadut Property will feature multiple temperature-controlled storage zones with integrated food processing capabilities. The Group also plans to invest in advanced warehousing and distribution automation, leveraging advanced systems such as automated storage and retrieval systems ("**ASRS**"), robotics, and smart inventory management. The adoption of the new technology will significantly reduce manual handling, minimise errors, and create a safer and more streamlined working environment.

With this increased area and the new technology, the Group will be able to further strengthen its warehouse management operations, improve cost efficiency and be equipped with the flexibility to support the Group's expansion plan.

## 4. INVESTMENT AND SOURCE OF FUNDS

Based on preliminary discussions with relevant third-party professionals and consultants, and subject to variances arising from macroeconomic factors, the Group estimates that the Land Rent payable by CMM to JTC over the 33 years Lease Term, cost of plant and machineries, building and construction, the installation of Solar Photovoltaic Panels ("**Solar Panels**"), cold rooms, fit-out work and other related expenses will cost approximately S\$520 million ("**Estimated Investment Costs**"). The Estimated Investment Costs shall be funded by internally generated resources and external financing sources including borrowings.

## 5. OTHER SALIENT TERMS OF THE LEASE AND ASSIGNMENT PLAN

In addition to the terms outlined above, the key terms and conditions in relation to the Sungei Kadut Property and the Mandai Link Property also include the following:

### 5.1 Confirmation of Tenure of the Sungei Kadut Property

Based on the terms and conditions in the JTC Letter, the grant of the lease of the Sungei Kadut Property by JTC ("**Confirmation of Tenure**") is subject to the following obligations being satisfied:

- (a) the fulfilment of the Declared Investment within four (4) years of the Commencement Date;
- (b) the completion of development and construction of a building, structures and installations on the Sungei Kadut Property in accordance with the building terms and requirements annexed to the JTC Letter ("**Building Works**"), within a period of four (4) years from the Commencement Date ("**Building Period**"), to a gross plot ratio of not less than 2.46 ("**Minimum Gross Plot Ratio**") and not more than 2.50 ("**Maximum Gross Plot Ratio**"), and in accordance with any applicable guidelines required and plans approved by JTC, and/or the relevant authorities; and
- (c) the installation of Solar Panels on the roof of the Sungei Kadut Property if there is a contiguous roof area of at least 800 square metres and, by 17 June 2030 ("**Completion Submission Date**"), the submission to JTC of either (i) certification that the available contiguous roof area is less than 800 square metres, or (ii) where the roof area meets or exceeds 800 square metres, the as-built drawings of the installed Solar Panels, certification that the installation complies with the approved plans, and any other details relating to the Solar Panels as may be required by JTC ("**Green Building Obligations**").

Until the Confirmation of Tenure, CMM will be a licensee of the Sungei Kadut Property.

Subject to there being no existing breaches and the satisfaction of the aforementioned obligations, the lease in relation to the Sungei Kadut Property will be issued for execution after (i) the issuance of certificate of statutory completion for the Building Works (including the Green Building Obligations), (ii) the issuance of a certificate of title of the Sungei Kadut Property to JTC, and (iii) CMM or MDL no longer being the lessee of the Mandai Link Property.

### 5.2 Restrictive Covenants

With respect to the lease of the Sungei Kadut Property under the JTC Letter, the following restrictive covenants and conditions will apply:

- (a) the Sungei Kadut Property is leased on an "as is" basis and is permitted to be used solely for the purposes of a regional headquarters and central distribution centre with cold room storage and food processing, as well as general warehousing;
- (b) CMM may apply to JTC to sublet the Sungei Kadut Property only after the temporary occupation permit has been obtained in respect of the Sungei Kadut Property;
- (c) CMM may apply to JTC to assign its interest in the Sungei Kadut Property, except during the assignment prohibition period, which refers to (i) the period from the Commencement Date until the expiry of 10 years after the date of the Confirmation of Tenure, and (ii) the last five (5) years of the Lease Term; and
- (d) upon acceptance of the JTC Letter, CMM may mortgage the Sungei Kadut Property by submitting a notice of mortgage in accordance with JTC's prevailing requirements at the time of mortgage.

With respect to the assignment of the Mandai Link Property under the Assignment Consent Letter, the following restrictive covenants and conditions will apply:

- (a) the Mandai Link Property is permitted to be used solely for the purposes of a regional headquarters and central distribution centre with cold room storage and food processing ("**Authorised Use**"). There shall not be any change in the Authorised Use of the Mandai Link Property within five (5) years from the Assignment Completion Date;
- (b) MDL may apply to JTC to sublet the Mandai Link Property which is not occupied by CMM to other subtenant(s) ("**Other Subletting**"), in which subletting fees will be payable in accordance with JTC's subletting policies; and
- (c) MDL may apply to JTC to assign its interest in the Mandai Link Property, except during the assignment prohibition period, which refers to the last five (5) years of the remaining lease term.

In any event, where CMM or MDL intends to sell, transfer or assign its interest in or any part of the Sungei Kadut Property or Mandai Link Property respectively, a written offer must first be made to JTC before any other party is approached ("**ROFR Offer**"). If JTC declines the ROFR Offer, CMM or MDL (as applicable) may then seek JTC's approval to proceed with the proposed transaction involving a third party.

### 5.3 Control Requirement

As at the date of the JTC Letter and Assignment Consent Letter, 100% of the issued shares of CMM and MDL are directly or indirectly owned by the Company respectively. The Company is required to maintain its ownership of more than 50% of the issued shares in CMM and MDL respectively ("**Control Requirement**").

Any change in ownership which results in the Company holding less than the required percentage under the Control Requirement will require JTC's prior approval. In addition, CMM will be required to pay applicable fees as set out in the JTC Letter (the "**Mandatory Condition Payment Table**").

### 5.4 Termination

In respect of the Sungei Kadut Property, the Lease Term is expected to be 33 years commencing from 18 December 2025. However, the Lease Term may be shortened or terminated under the following circumstances:

- (a) in the event where CMM fails to satisfy the Declared Investment and develop the Sungei Kadut Property to a gross plot ratio of not less than the Minimum Gross Plot Ratio and complete the Building Works (including the Green Building Obligations), JTC will at its discretion either:
  - (i) not grant the lease to CMM; or
  - (ii) pro-rate the Lease Term and further lease term (if any) ("**Reduced Term**") in accordance with the terms of the JTC Letter. However, if the Reduced Term is less than 10 years, the lease will not be granted.
- (b) Additionally, prior to the Confirmation of Tenure, CMM may, with JTC's prior consent, terminate the agreement for lease or surrender the Sungei Kadut Property. In such event, CMM will be required to pay the applicable amount, as set out in the Mandatory Condition Payment Table.

In respect of the Mandai Link Property, the assignment will be terminated if MDL fails to comply with the Mandatory Sales Requirement. In such case, MDL must:

- (a) surrender the Mandai Link Property to JTC without any compensation;

- (b) execute all documents required by JTC to effect the surrender; and
- (c) return the Mandai Link Property free from encumbrances and in accordance with the terms and conditions set out in the Assignment Consent Letter, without prejudice to any other rights or remedies that JTC may have.

The Mandatory Sales Requirement will not apply if, for any reason, the lease for the Sungei Kadut Property is terminated before the time at which the requirement would otherwise take effect.

## 6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE SGX-ST LISTING MANUAL

For the purposes of Chapter 10 of the SGX-ST Listing Manual, the relative figures for the Lease and Assignment Plan computed on the bases set out in Rule 1006 and based on the latest audited financial results of the Group for the financial year ended 31 December 2024 are as follows:

Rule	Bases	Relative Figure
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	N.A.
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	N.A.
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	16.47% <sup>(1)</sup>
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A.

### Notes:

- (1) Based on Estimated Investment Costs and the Company's market capitalisation of approximately S\$3.2 billion as at 24 September 2025

As the relative figure under Rule 1006(c) of the Listing Manual in relation to the Lease and Assignment Plan exceeds 5% but does not exceed 20%, the Lease and Assignment Plan is classified as a Discloseable Transaction.

## 7. FINANCIAL EFFECTS

For illustrative purposes only, the pro forma financial effects of the Lease and Assignment Plan on the Company are set out below based on, *inter alia*, the respective assumptions. The financial effects on the NTA and EPS of the Group have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

### 7.1 Net Tangible Assets ("NTA") per Share

Assuming that the Lease and Assignment Plan was entered into on 31 December 2024, the pro forma financial effects of the Lease and Assignment Plan on the NTA of the Group are as follows:

	<b>Before entering into the Lease and Assignment Plan</b>	<b>After entering into the Lease and Assignment Plan</b>
NTA as at 31 December 2024 (S\$)	534,923.00	534,923.00
Number of issued and paid-up shares	1,503,537.00	1,503,537.00
NTA per Share (cents)	27.04	24.80

## 7.2 Earnings per share ("EPS")

Assuming that the Lease and Assignment Plan had been entered into on 1 January 2024, the pro forma impact of the Lease and Assignment Plan on the EPS of the Group would be as follows:

	<b>Before entering into the Lease and Assignment Plan</b>	<b>After entering into the Lease and Assignment Plan</b>
Profit attributable to equity holders of the Company (S\$)	137,522.00	135,515.00 <sup>(1)</sup>
Weighted average number of shares (excluding treasury shares)	1,503,537.00	1,503,537.00
Earnings per Share (cents)	9.15	9.01

### Notes:

(1) This figure takes into account depreciation costs of right-of-use assets and finance cost of lease liabilities.

## 8. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN THE PROPOSED TRANSACTION

None of the Directors and, to the best of the Directors' knowledge, none of the controlling shareholders of the Company (other than in their capacity as directors or shareholders of the Company, as the case may be) has any interests, directly or indirectly, in the Lease and Assignment Plan.

## 9. SERVICE CONTRACTS

No person will be appointed on the Board in connection with the Lease and Assignment Plan and no service contracts in relation thereto will be entered by the Group.

### By Order of the Board

Lim Hock Chee  
Chief Executive Officer  
25 September 2025