

Staying Ahead With Adaptability

ANNUAL REPORT 2022



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The Wise Adapt
Themselves to
Circumstances as
Water Moulds Itself
to The Pitcher

- CHINESE PROVERB.



ABOUT

SHENG SIONG GROUP

Sheng Siong Group Ltd is one of Singapore's largest retailers with 67 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 1,600 products under 23 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 has been rebranded as "Sheng Siong Online" in 2021 to be in line with our core branding strategy. Following the opening of four overseas stores in Kunming, China since 2017, another new store is in the pipeline this year.

Established in 1985 and listed on 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. We have attained ISO 22000:2018 Food Safety Management System certification for 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.

Improving Efficiency with Digitalisation

Sheng Siong is dedicated to improve efficiency within our business operations through embracing digitalisation. We have implemented multiple projects to increase productivity and improve warehouse management and customer experience.



Innovation One

The company has implemented a digital inventory management system to track its inventory levels, monitor demand patterns, and optimise supply chain operations in order to reduce stockouts and waste, while ensuring products' availability.





CHAIRMAN'S MESSAGE



S\$1,340 million
REVENUE



3.07 cents
DIVIDEND PER SHARE

Dear Shareholders,

On behalf of our Board of Directors, I am pleased to present Sheng Siong Group Ltd's ("Sheng Siong", together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2022 ("FY2022").

Since the COVID-19 pandemic, the world has been grappling with multiple challenges with each passing year. The post-pandemic era was confronted with high inflationary pressures, which triggered monetary tightening across some of the largest nations in the world, limiting disposable income among households. Geopolitical and trade tensions that followed in 2022 disrupted global supply chains and food and energy prices. These hurdles have forced businesses to rethink how they operate and look for better alternatives to stay competitive. The global food and beverage industry was not spared the consequences. Sheng Siong on our end has stood fast on our fundamental values and continued to strengthen our core capabilities. Over the years, the Group has made tireless efforts to diversify its food supplies ensured minimal disruptions to our sources of supplies. These efforts have also gone hand in hand with managing our input costs and ensuring that we continue to provide value to our customers.

The Group believes in operating with high transparency and accountability for its results. In FY2022, the Group reported a revenue of S\$1.3 billion as it continued on a path of normalisation with the Singapore economy opening up. While this was 2.2% below the revenue for FY2021, it remains above the S\$1 billion mark for the third consecutive year. It is noteworthy to mention that the Group's margins have remained resilient, signifying operational efficiency and a better sales mix. As compared with FY2022, gross profit margin and net profit margin increased marginally by 0.7 and 0.3 percentage points respectively.



CHAIRMAN'S MESSAGE



To express our gratitude towards our shareholders and their steadfast belief and support rendered to the Group, we remain committed to distributing stable dividends year after year. The Board has proposed a final dividend of 3.07 cents per share and including the interim dividend of 3.15 cents per share, the total distribution for FY2022 stands at 6.22 cents per share.

SINGAPORE

The Group's focus is predominantly on the Singapore market where it believes there is sufficient room to grow. Sheng Siong was not only able to navigate through the COVID-19 pandemic in Singapore but also saw exceptional financial performance and growth through the journey. With the Singapore government deciding to remove all COVID-19 border measures from 13 February 2023, stepping down the DORSCON alert to its lowest level¹, sales may continue to taper to more normalised levels as people return to dining out and travelling. On the other hand, with inflationary pressures rising, we have also noticed consumers developing more budget-conscious habits and choosing to shop with us, in search of value-for-money products for their daily needs.

Nevertheless, the Group remains committed to its strategy of growth through a wider retail store network across Singapore with a target of opening at least 3 stores each year. In this regard, the Group takes pro-active steps to bid for new stores in residential areas, mainly the Housing Development Board (HDB) estates, and continues to be on the lookout for retail space in untapped regions. In 2022, we successfully opened 4 new stores in Singapore, increasing our total store count to 67 as of 31 December 2022. With the expected pipeline of HDB flats to be built in the coming years, the Group is on a stable growth trajectory.

CHINA

China has a reputation of being a particularly challenging market but Sheng Siong and its subsidiary Sheng Siong (China) Supermarket Co., Ltd ("Subsidiary") have managed to enjoy a level of profitability and self-sufficiency. Through an unhurried and steady process, the Group has been putting all its effort into maximising efficiency and perfecting its operations at each level of the value chain in China. On the premise of promising results from the existing 4 stores in China, 3 of which remain profitable, I am pleased to announce that we are set to open a 5th store in Kunming, China. The Subsidiary entered into a lease agreement for the new store on 8 December 2022 and this store will be operational in 2Q2023. We look forward to growing through such opportunities in the long run.

1 Ministry of Health Singapore, Singapore to exit acute phase of pandemic:
<https://www.moh.gov.sg/news-highlights/details/singapore-to-exit-acute-phase-of-pandemic>

CHAIRMAN'S MESSAGE

GIVING BACK TO OUR STAKEHOLDERS

To express our gratitude towards our shareholders and their steadfast belief and support rendered to the Group, we remain committed to distributing stable dividends year after year. The Board has proposed a final dividend of 3.07 cents per share and including the interim dividend of 3.15 cents per share, the total distribution for FY2022 stands at 6.22 cents per share. This represents a dividend payout ratio of 70.0% of the Group's net profit after tax.

SUSTAINABILITY

Sheng Siong aspires to create value sustainably for all our stakeholders, including our customers, suppliers, employees and the communities in which we operate. We are constantly integrating innovative sustainable practices into our business operations and consider them a crucial aspect of our long-term development strategy. We also encourage other operators in our community to adopt such practices where possible. In line with this, Sheng Siong took on projects like the Queen Bee programme and InvoiceNow, in partnership with SkillsFuture Singapore and Infocomm Media Development Authority (IMDA) respectively, to support Small and Medium-Sized Enterprises (SMEs) suppliers in building their digital capabilities and go green.

In playing our part to combat climate change, our supermarkets have been designated as E-waste collection points where customers are encouraged to drop off used household batteries, light bulbs and fluorescent circular lamps over our counters for recycling. In addition, in an effort to reduce the excessive use of disposable carrier bags, Sheng Siong is working closely with the government to impose a bag charge from 3 July 2023. We are also in close discussions with various stakeholders on the impending Beverage Container Return Scheme.

Our sustainability report for FY2022 will delve deeper into such initiatives and will also elaborate on the most material sustainability topics impacting our business that may be of utmost concern to our stakeholders.

AWARDS AND ACCOLADES

In 2022, as a testimony to our strong brand equity, operational value and robust overall performance, we were honoured to be awarded the following accolades:

- Superbrands 2022
- The Edge Billion Dollar Club 2022: Commerce, Overall Sector Winner, Best-Performing Stock, Most Profitable Company (Sector Category: Food & Beverages; Food & Drug Retailing)
- SIAS Investors' Choice Awards 2022 (Consumer Staples Category)– Most Transparent Company Award (MTCA)
- The Straits Times, Singapore's Best Customer Service 2022/23 (Category: Supermarkets)
- President's Certificate of Commendation (COVID-19)



ACKNOWLEDGEMENTS

To conclude, I would like to express my sincere appreciation to our loyal customers for their firm cooperation and trust during unprecedented times. I would like to thank our management team and employees for their devoted efforts throughout the year. It is your combined hard work and diligence that have enabled us to overcome the most challenging times to emerge stronger. I would also wish to express my gratitude and appreciation to the Board of Directors for their invaluable contributions throughout the year.

LIM HOCK ENG ^{BBM}
Executive Chairman

主席献词

亲爱的股东们，

我很荣幸代表董事会呈现截至2022年12月31日财政年的年报。

自冠状病毒疫情暴发以来，全球每年都在应付各种挑战。后疫情时期迎来了高通胀压力导致世界大国收紧货币政策，限制了家庭的可支配收入。2022年接踵而来的是地缘政治和贸易紧张，干扰了供应链、食品和能源价格。这些难题迫使企业重新思考营运方式，并寻找更好的替代方案以维持竞争力。全球的食品和饮料行业也不例外，昇菘坚守了公司的基础，并继续强化核心能力。集团在过去几年也坚持不懈地使食品供应来源多元化，加上公司为控制投入成本所作出的努力，都确保我们能继续为顾客提供价值。

集团相信须通过透明和负责任的经营方式来达到业绩。随着新加坡的经济开放，集团在2022财年的发展继续趋于常态，全年营业额报13亿新元。尽管营业额与2021财年相比少了2.2%，但集团的营业额还是持续第三年超越了10亿新元的标杆，象征了集团营运效率和销售比例的改善。相对于2021财年，毛利率和净利率也稍微提高了0.7和0.3个百分点。

新加坡

集团目前主要着重于新加坡市场，相信本地还有足够的增长空间。昇菘不仅度过了冠病疫情，也见证了优异的财务表现和增长。随着新加坡政府在2023年2月13日解除所有冠病边境限制，并将DORSCON疾病应对级别下调至最低¹，销售额也将因为人们恢复在外用餐和旅游的习惯而逐渐趋缓。另一方面，由于通胀压力增加，我们也观察到消费者会选择到昇菘购物，为日常需求采购物超所值的产品。

尽管如此，集团还是会致力于拓展本地的分店网络作为扩展策略，目标是每年在本地开设至少三间分店。因此，集团会积极参与建屋局超市店面的竞标，并在还未进驻的地区寻找零售空间。2022财年，我们在本地开设了四间新店，使截至2022年12月31日的总店数增加到67间。由于接下来预计会有很多组屋项目竣工，集团还是处在稳定的增长轨迹。

中国

中国向来是充满挑战的市场，但是昇菘及其子公司昇菘（中国）超市有限公司（“子公司”）却能达到一定的盈利和自给自足的能力。透过不疾不徐和稳扎稳打的方式，集团在中国一直倾力于优化价值链的效率和营运。以目前中国四间分店的良好表现为前提，其中有三间分店保持盈利，我也很高兴地宣布，我们即将在中国昆明开设第五间分店。子公司已经在2022年12月8日签署租约协议，新店预料会在2023年第二季投入营运。我们期待长远下来能从这些机会获得增长。

回馈股东

为了感谢股东们对集团的坚定信念和支持，我们每一年都致力派发稳定的股息给所有股东。董事会建议派发每股3.07新分的年终股息和3.15新分的中期股息，2022财年的总股息达到每股6.22新分，股息派发总额相等于税后净利的70.0%。

持续发展

昇菘希望能以可持续的方式为所有利益相关者创造价值，这包括了我们的顾客、供应商、职员及分店所在的社区。因此，我们不断在商业运作中整合创新和可持续的做法，并将之作为我们长期发展策略的关键。我们也鼓励社区的其它伙伴与我们携手共进。秉持这样的信念，昇菘参与了精深技能发展局的技能创前程领头羊计划（SkillsFuture Queen Bee Programme，简称“领头羊计划”），以及资讯通信媒体发展局的全国电子发票网络InvoiceNow计划，以支持中小型企业建立数码能力及具备环保意识。

我们也为气候变化略尽绵力，所有的昇菘分店都设置成电子垃圾收集站，希望以此能鼓励顾客到收银台回收家用电池、灯泡和环形荧光灯。昇菘也针对即将在2023年7月3日实行的塑料袋收费与政府密切合作，以及和各利益相关者讨论接下来将落实的饮料瓶罐退费制。

我们将会2022财年的可持续发展报告中分享更多详情，并对影响生意的可持续发展重要课题进行阐述，内容也会是利益相关者所关注的课题。

奖状与殊荣

2022年，作为对集团的品牌资产、营运价值和整体表现的肯定，我们有幸荣获以下的殊荣：

- 2022年新加坡超级品牌
- 2022年The Edge 十亿元俱乐部：总冠军、最佳表现的股票和最具盈利的公司（产业总类：餐饮业；食品及药物零售）
- 2022年新加坡证券投资者协会“投资者的选择” - 最透明公司奖
- 《海峡时报》：新加坡最佳顾客服务 2022/23（组别：超市）
- 总统表扬状（2019冠状病毒）

致谢

我由衷地感谢我们忠实的顾客，在前所未见的时期配合和相信我们。我也要感谢管理层团队和全体员工在过去一年的付出，因为集团上下一心的努力，我们才能从艰难的时期越战越勇。最后，我也衷心感谢董事会这一年的宝贵贡献。

1 Ministry of Health Singapore, Singapore to exit acute phase of pandemic: <https://www.moh.gov.sg/news-highlights/details/singapore-to-exit-acute-phase-of-pandemic>

CEO'S STATEMENT & OPERATIONS REVIEW



The Group maintains a strong balance sheet and cash position both for unforeseen circumstances and novel business opportunities. In FY2022, the Group generated cash flow from operating activities of S\$166.8 million compared to S\$172.7 million in FY2021.

Dear Shareholders,

While every year comes with its own set of challenges, the magnitude of it in the recent past has been particularly daunting. Along this journey, Sheng Siong aimed to get the best out of each predicament and converted them into opportunities where possible. Keeping the important lessons from each year in mind, we continue to put persistent efforts into improving our financial and operational performance.

REVENUE AND STORE GROWTH

In FY2022, revenue fell by 2.2% yoy to S\$1.34 billion mainly due to the normalisation in sales which was driven by the significant relaxation of COVID-19 measures and mobility restrictions since April of FY2022. Sales of comparable stores in Singapore decreased by 4.8% which was partially offset by a 2.1% contribution from the new stores – 1 store that was opened in December 2021 and 4 stores that were opened in FY2022. The subsidiary in China continued to perform well, contributing 2.6% of the total revenue in FY2022. The total revenue in China increased by 23.5% yoy.

In Singapore, we opened 4 new stores in FY2022 at 151 Bedok South Road, 377 Hougang St 32, 31A Margaret Drive and 643 Senja Close. As of 31 December 2022, the Group had a total retail area of 607,822 square feet and a total store count of 67 in Singapore. For Kunming, China, we stand at a total of 4 stores and also entered into a lease agreement for a 5th store in December 2022.

GROSS PROFIT

Despite the decline in revenue in FY2022, the Group's gross profit and gross profit margins have remained quite stable owing to an improved sales mix. Gross profit increased 0.1% yoy to S\$393.5 million for FY2022. Gross profit margin increased marginally from 28.7% in FY2021 to 29.4% for the year.

OTHER INCOME

The Group reported a 42.9% yoy increase in other income to S\$17.3 million in FY2022 benefitting from one-off rebates from suppliers.

OPERATING EXPENSES

Against the backdrop of the volatile macroeconomic environment, administrative expenses for FY2022 increased by 2.6% yoy to S\$236.2 million. This was largely due to the operating expenses incurred by 5 new stores which were opened in FY2021 and FY2022, coupled with a full year's operating expenses of 2 stores opened in China. Premises-related costs contributed 45% of the total increment. The depreciation of right-of-use assets increased by S\$2.1 million primarily attributed to the new leases signed in FY2022 and FY2021.

CEO'S STATEMENT & OPERATIONS REVIEW

NET PROFIT

The effective tax rate for FY2022 of 18.1% was higher than the statutory rate of 17.0% mainly due to certain expenses which were not tax deductible.

As a reflection of our operational strength, net profit for FY2022 increased by 0.4% yoy to S\$133.6 million while net profit margin increased to 10.0% yoy, a 0.3 percentage points increase compared to FY2021.

FINANCIAL POSITION

The Group maintains a strong balance sheet and cash position both for unforeseen circumstances and novel business opportunities. In FY2022, the Group generated cash flow from operating activities of S\$166.8 million compared to S\$172.7 million in FY2021. There were higher working capital requirements during the year which was offset by lesser income tax paid as compared to FY2021. The Group's cash and cash equivalents stood at S\$275.5 million as at 31 December 2022, compared to S\$246.6 million in the previous year.

LOOKING FORWARD

SINGAPORE

The decision to remove all COVID-19 restrictions starting February 2023¹ marks another shift to adopting an endemic approach to COVID-19 by the Singapore government. Consumers have returned to dining out and travelling abroad, resulting in a post-pandemic normalisation of our sales. Singapore's headline and core inflation are expected to average 5.5%-6.5% and 3.5%-4.5% respectively for 2023², which is relatively higher than the 2021 average. While sales continue to taper, the current inflationary environment presents us with a unique opportunity on the back of our value-for-money proposition. Reduced household disposable income is expected to attract more consumers to our economically priced house brand products, further improving our performance. Additionally, favourable support schemes introduced by the government like the GST and CDC vouchers, targeted to subsidise consumer grocery spending, are expected to directly benefit supermarkets like Sheng Siong.

1 Ministry of Health Singapore, Singapore to exit acute phase of pandemic: <https://www.moh.gov.sg/news-highlights/details/singapore-to-exit-acute-phase-of-pandemic>

2 Ministry of Trade and Industry Singapore, Consumer Price Development in December 2022: <https://www.mas.gov.sg/-/media/mas/epg/cpd/2022/inflation202212.pdf>



CEO'S STATEMENT & OPERATIONS REVIEW

However, we are aware of the challenges that may impact our operations and increase costs going into 2023, creating margin pressures. Inflation and the energy crises caused the cost of utilities to peak in 3Q2022 and are expected to remain at comparatively elevated levels in 2023. Tighter financial conditions, geopolitical tensions and trade conflicts across most developed economies may have a larger-than-expected impact on the global economy and supply chains. While these developments remain out of our control, the Group is focused on minimising negative impact through diversification of procurement sources, enhancement of operations through integration of technology and improvement of overall efficiency in the value chain.

The Group is committed to its growth strategy in Singapore of opening at least 3 stores each year. The Group proactively bids for potential retail space in Housing Development Board (HDB) estates, particularly to expand into regions where it does not have a presence. In fact, the Group started FY2023 on a good note as our bid for a store in a new area was successful, and the store located at 91 Jalan Satu has opened in March. With the rising demand for affordable housing in Singapore, there is a push for HDB developments in the near-term, which could potentially translate to more expansion opportunities for the Group. Overall, Sheng Siong has been able to successfully navigate through uncertain and volatile market conditions to deliver consistent results in Singapore and hopes to continue on that path.

CHINA

The Group has taken a cautious but calculated approach in China. As of FY2022, we operate 4 stores in Kunming, 3 of which are profitable and self-funding. With China reopening and moving away from its zero-COVID-19 policy, we expect to improve our sales comparatively due to increased footfall. As for FY2023, with the successful signing of a lease agreement, we are set to open our 5th store within the first half of FY2023.

FURTHERING DIGITALISATION AND INNOVATION

With multiple supply chain disruptions and operational challenges that we are faced with today, the importance of innovation to remain relevant, competitive and efficient has never been more apparent. The Group is aware of this and has, over the years, explored and implemented multiple projects in order to increase productivity and improve warehouse management and customer experience. Operationally, we continue to benefit from our central warehouse management and logistic system and in-store auto-replenishment system, among other technologies adopted.

To provide greater flexibility to our customers, we introduced electronic vouchers to our corporate customers. The e-vouchers programme improved coordination and provided more convenience in terms of contactless payments. Additionally, we have also installed cash withdrawal machines (\$TM) at 64 of our stores to facilitate easy cash management for our shoppers. In 2022, we pushed out our online training platform to improve accessibility to training materials and facilitate learning on-the-go.

While we invest in our technology and systems internally, we also look beyond and try to do our part in supporting the communities we work with. Back in 2020, Sheng Siong became the first Queen Bee partner to be appointed for the retail sector, in partnership with SkillsFuture Singapore under the SkillsFuture Queen Bee (SFQB) programme. As a Queen Bee, Sheng Siong has been championing the development of Small and Medium-Sized Enterprises (SMEs) and suppliers, equipping them with the necessary skills to build up digital capabilities and scale. More than 30 SMEs have joined Sheng Siong's SkillsFuture Queen Bee programme and we strive to understand their business needs and cater training programmes accordingly. I am pleased to announce SkillsFuture Singapore has extended the partnership for another three years till 2025.

Another such initiative of the Group is our partnership with Infocomm Media Development Authority (IMDA). Since 2021, the Group has taken to educating its suppliers about the need to go green and become environmentally responsible. We encouraged them to onboard the nationwide e-invoicing method InvoiceNow in order to enjoy faster payments and smoother invoicing which is also more sustainable in the long-run.

CONCLUSION

Sheng Siong has emerged out of the pandemic as a stronger organisation. The Group is aware of the challenges that we are faced with and, being mindful of the uncertainty, will continue to closely monitor the developments as they evolve. Sheng Siong believes in being agile and adaptable while securing its operations from extreme downside risks. We will continue to leverage on our strong operational foundation and values in order to foster productivity and growth.

LIM HOCK CHEE ^{BBM}
CEO

总裁献词及业务回顾

亲爱的股东们，

尽管每一年都有不同的挑战，但近期的挑战所带来的影响却特别棘手。昇菘在这个过程中，会尽其所能将每一个危机转化为契机。以每一年所学到的经验为借鉴，我们会再接再厉提升财务和营运表现。

营业额和分店增长

2022财年，集团的营业额同比下降2.2%达到13亿4000万新元，主要因为当局同年4月放宽了冠病措施和行动限制。本地的同店销售与上一年相比减少了4.8%，但也因为新店贡献了2.1%的增长而部分抵消。集团在2021年12月开设了一间新店，2022财年则开设了四间新店。中国的子公司继续表现良好，为2022财年的总营业额贡献了2.6%，中国全年的营业额取得23.5%的同比增长。

在本地，集团2022财年所开设的四间新店位于勿洛南路大牌151，后港32街大牌377，玛格烈通道大牌31A和信佳弄大牌643。截至2022年12月31日，集团在本地一共有60万7822平方尺的零售空间，分店总数达到67间。集团在中国昆明则有四间分店，同时也于2022财年12月签署了第五间分店的租约。

毛利

尽管集团的营业额在2022财年有所减少，但是毛利和毛利率都因为销售比例的改善，而维持稳定。2022财年的毛利取得0.1%的同比增长达到3亿9350万新元，毛利率则从2021财年的28.7%稍微提升到29.4%。

其他收入

集团的其他收入因为2022财年所获得的供应商津贴，而同比增长42.9%达到1730万新元。

营运开支

由于宏观经济环境动荡，2022财年的行政开支与上一年相比提高了2.6%达到2亿3620万新元。行政开支的增长主要因为2021和2022财年五间新店的营运开支及中国两间新店全年的营运开支，而与产业相关的开支也占了45%的增幅。使用权资产的折旧则因为2022和2021财年所签署的新租约而增加了210万新元。

净利

2022财年的有效税率为18.1%，比17.0%的法定税率高，主要因为部分开销无法扣税。

集团的税后净利也反映了我们的营运能力，2022财年的税后净利取得0.4%的同比增长达到1亿3360万新元，而净利润则达到10%，比2021财年增加了0.3个百分点。

财务状况

集团维持了强劲的资产负债表和现金流量表，以备不时之需和新的商业契机。集团的营运活动所得的现金从2021财年的1亿7270万新元跌至2022财年的1亿6680万新元。这主要因为营运所需的资金增加，但也由于去年的所得税支出减少而有所抵消。集团截至2022年12月31日的现金为2亿7550万新元，相对于前一年的2亿4660万新元现款。

展望未来

新加坡

新加坡政府决定在2023年2月13日解除所有冠病边境限制，代表当局进一步将冠病疫情视为地方性流行病来处理。消费者恢复在外用餐和出国旅游的习惯，使我们的销售额在疫情之后趋缓。本地的整体通胀和核心通胀预计在2023年将分别平均增长5.5%至6.5%和3.5%至4.5%²，较2021年来得高。随着销售额恢复正常，当前的通胀环境给以物超所值为品牌定位的昇菘

带来了独特的契机。当家庭的可支配收入减少，我们定价实惠的自家品牌产品预料将对消费者更具吸引力，进一步提高我们的成绩。此外，政府推出的消费税补助券和邻里购物券，都是专为消费者购买杂货提供补助，这将直接惠及昇菘等超市业者。

尽管如此，我们也意识到2023年所带来的挑战，将可能影响营运和增加成本，造成利润压力。通胀和能源危机已经使2022年第三季的水电费上扬，今年预料也将维持高价。大部分发达经济体所出现的经济条件收紧、地缘政治紧张及贸易冲突，都将使全球经济和供应链带来意想不到的冲击。虽然这些发展不在我们的控制内，但集团还是会透过多元采购，科技整合，及提升价值链的整体效率，将负面影响降至最低。

集团致力于拓展本地的分店网络作为扩展策略，目标是每年在本地开设至少三间分店。因此，集团会积极参与建屋局超市店面的招标，并在还未进驻的地区寻找零售空间。2023财年伊始也捎来佳音，集团成功在新的地区标到超市店面，这间位于惹兰沙都大牌91的分店也在3月投入营业。由于国人对住屋的需求增加，当局将在近期推出更多的政府组屋项目，相信会给集团带来更多的扩展机会。整体而言，昇菘向来都能顺利克服波动不定的市场环境，交出稳定的业绩，集团会继续坚持不懈。

中国

集团在中国采取了谨慎和务实的做法，截至2022财年在昆明拥有四间分店，其中三间持续盈利，并具备自给自足的能力。随着中国结束清零政策开放后，我们预料中国分店的销售额将因为顾客增加而有所提升。步入2023财年，我们签署了第五间新店的租约，新店预料将在2023财年的上半年开业。

促进数码化和创新

我们今天面临许多供应链干扰和营运挑战，因此我们更应该通过创新力来维持企业的相关性、竞争力和效率。集团深谙其道，多年来不断探讨和落实各种项目来提升生产力、货仓管理及顾客体验。营运方面，我们继续从科技项目获益，像是中央仓储管理系统、物流系统、店内的自动补货系统等。为了提供顾客便利，我们也向企业客户推出电子礼券，这不仅优化了各方的协调，也为免接触式付款提供了另一个便利的选择。此外，我们的64间分店也装置新型提款机（\$TM）方便顾客提款。去年，公司推出了线上培训平台，让职员能轻易接触教材并随时随地地完成培训。

除了投入内部的科技和系统，我们也目光放远到与我们合作的社群。自2020年起，昇菘成为了精深技能发展局“领头羊计划”在零售业的首位合作伙伴。作为“领头羊”，昇菘向中小型业者提倡转型，透过提供所需的技能帮助中小型业者打造数码能力。逾30间中小企业加入了昇菘和精深局的“领头羊计划”。我们通过了解个别企业的需求，制定相应的培训计划。我很高兴宣布精深局将与昇菘延长三年的合作直到2025年。

集团的另一项倡议是与资讯通信媒体发展局合作，昇菘在2021年便开始向供应商宣导环保意识，并鼓励供应商加入全国电子发票网络InvoiceNow计划，以享有更便捷的付款体验，更顺畅的发票过程，及更具持续性的做法。

总结

昇菘从疫情蜕变成更坚韧的公司，我们能预见接下来会面临的挑战，也意识到目前局势的不稳定，所以会密切留意事态的发展。昇菘相信只要能随机应变和因时制宜，就能避免营运遭遇严重的负面风险。我们会继续凭借良好的营运基础和价值来促进生产力和增长。

1 Ministry of Health Singapore, Singapore to exit acute phase of pandemic: <https://www.moh.gov.sg/news-highlights/details/singapore-to-exit-acute-phase-of-pandemic>
2 Ministry of Trade and Industry Singapore, Consumer Price Development in December 2022: <https://www.mas.gov.sg/-/media/mas/epg/cpd/2022/inflation202212.pdf>





Driving Growth with Innovation

Sheng Siong sees the importance of innovation to remain relevant, competitive and efficient. We take pride in continuous innovation and entrepreneurial spirit to boost our business performance.

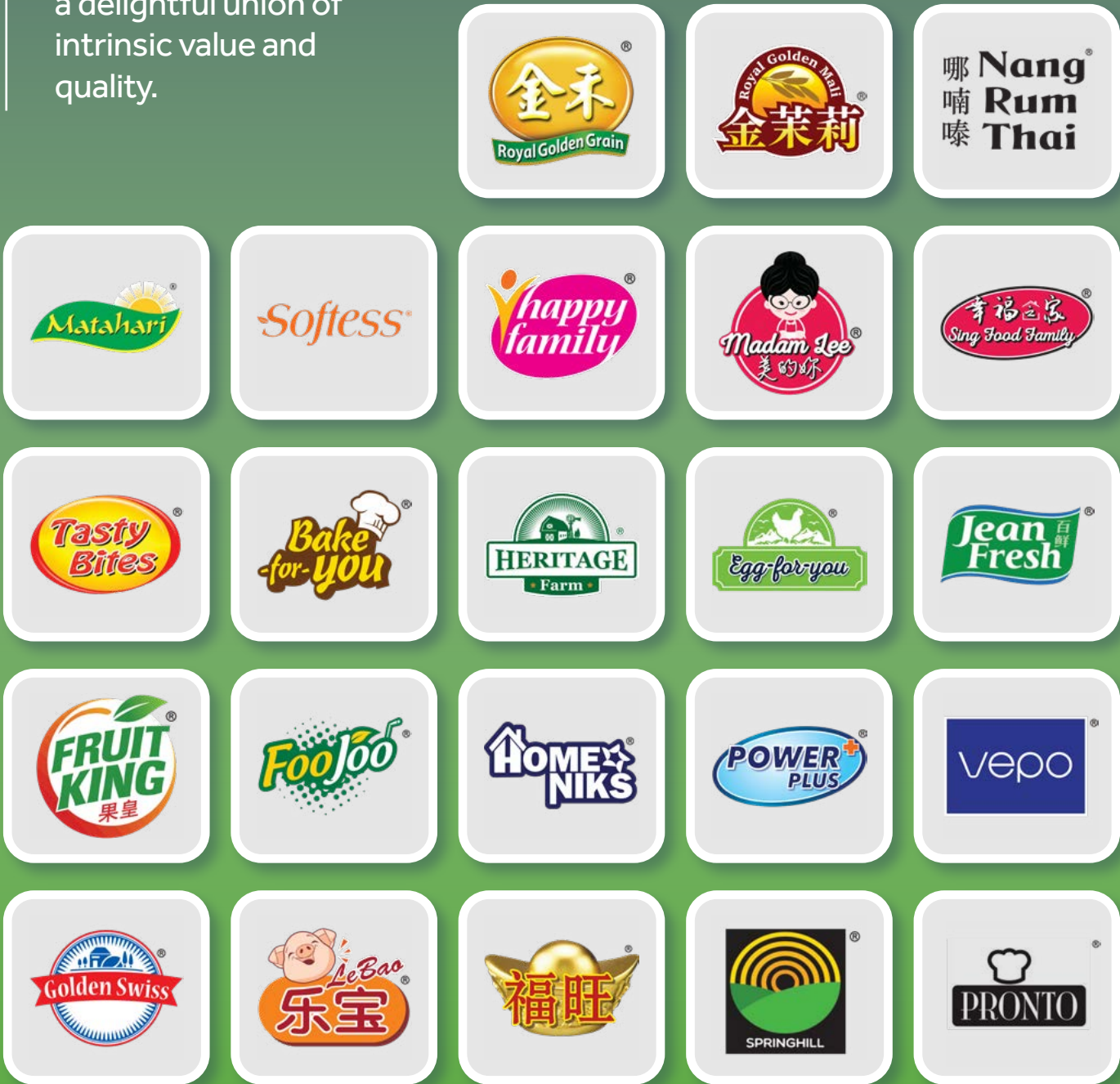


Innovation Two

Sheng Siong has leveraged data analytics to better understand customers' preferences and behaviours. This enables the company to remain competitive by tailoring product offerings and promotions to better meet customers' needs.

OUR HOUSE BRANDS

Over the past decade, we have begun curating a selection of house brands to bring our customers a delightful union of intrinsic value and quality.





HEALTHIER CHOICE

Sheng Siong offers a wide variety of house brand products that serves as a healthier and more nutritional choice for our consumers.





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 own labels.



BOARD OF DIRECTORS



TAN LING SAN

Vice Chairman and Executive Director

LIM HOCK ENG^{BBM}

Executive Chairman

LIM HOCK CHEE^{BBM}

Chief Executive Officer



LIN RUIWEN

Executive Director

LIM HOCK LENG

Managing Director

PATRICK CHEE TECK KWONG^{PBM}

Lead Independent Director

TAN HUAY LIM

Independent Director



KO CHUAN AUN

Independent Director

TAN POH HONG

Independent Director

CHENG LI HUI

Independent Director

BOARD OF DIRECTORS

LIM HOCK ENG^{BBM}

Executive Chairman

Date of first appointment: 10 November 2010

Date of last re-appointment: 26 April 2022

Mr Lim Hock Eng^{BBM} 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 (FY2020– 2022):

NIL

TAN LING SAN

Vice Chairman and Executive Director

Date of first appointment: 28 April 2017

Date of last re-appointment: 22 June 2020

Standing for re-election at the AGM

Mr Tan Ling San is our Executive Vice Chairman and 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, 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.

Present Directorships in other Listed Companies:

NIL

Past Directorships in other Listed Companies (FY2020–2022):

NIL

LIM HOCK CHEE^{BBM}

Chief Executive Officer

Date of first appointment: 10 November 2010

Date of last re-appointment: 26 April 2021

Standing for re-election at the AGM

Mr Lim Hock Chee^{BBM} 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.

BOARD OF DIRECTORS

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 61st 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 on a two-year term, 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 Subcommittee for two terms from 2017 to 2020.

Mr Lim is re-appointed as a board member of the Singapore Productivity Centre for a second term from November 2021 to October 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 also serves on the Marsiling Citizen's Consultative Committee as Vice-Chairman, and on the advisory committee of Qihua Primary School in Woodlands. At the same time, 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 (FY2020–2022):
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 more than 30 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 (FY2020–2022):
NIL

BOARD OF DIRECTORS

LIN RUIWEN

Executive Director

Date of first appointment: 27 April 2016

Date of last re-appointment: 26 April 2021

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 from 2021 to 2023. She is also appointed by Singapore Business Federation as a member of the Jobs and Skills Advisory Committee for a second term from 2022 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 (FY2020–2022):

NIL

PATRICK CHEE TECK KWONG ^{PBM}

Lead Independent Director

Date of first appointment: 29 July 2021

Date of last re-appointment: 26 April 2022

Mr Chee Teck Kwong Patrick ^{PBM} is our Lead Independent Director. Mr Chee holds a Bachelor of Law (Hons) Degree from The 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
- OneApex Limited
- MeGroup Ltd
- QAF Limited
- Noel Gifts International Ltd

Past Directorships in other Listed Companies (FY2020–2022):

- Hai Leck Holdings Limited

BOARD OF DIRECTORS

TAN HUAY LIM

Independent Director

Date of first appointment: 22 December 2021

Date of last re-appointment: 26 April 2022

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 in 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:

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

Past Directorships in other Listed Companies (FY2020–2022):

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

TAN POH HONG

Independent Director

Date of first appointment: 5 January 2018

Date of last re-appointment: 26 April 2021

Standing for re-election at the AGM

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 (FY2020–2022):
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 and Lian Beng Group 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 People's Republic of China (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:

- Lian Beng Group Ltd
- KSH Holdings Limited

Past Directorships in other Listed Companies (FY2020–2022):

- 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 has 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 Pte 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 National University of Singapore. She is an Elected Member of Parliament for Tampines Group Representation Constituency (GRC).

Present Directorships in other Listed Companies:

NIL

Past Directorships in other Listed Companies (FY2020–2022):

NIL



SHENGSIONG



KEY EXECUTIVES

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 Masters 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 store manager 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, with a Form 5 certificate. He has also 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 from 2006 to 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 June 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 brand 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 House brands department in 2018. In June 2021, he was appointed a director of our subsidiaries, Sheng Siong Supermarket Pte Ltd and C M M 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.

KEY EXECUTIVES

WOO CHEE KIT

Acting Chief Information Officer

Mr Woo Chee Kit was appointed Acting Chief Information Officer on 1 May 2017, heading the IT department of the Group. 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 13 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 is 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 are 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 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.

Uplifting Experiences with Care

Sheng Siong places an emphasis on providing the utmost care to its customers. The company is constantly looking for ways to improve its stores, products, and services to meet customers' needs and expectations.



Innovation Three

On top of constantly expanding and diversifying our product offerings, Sheng Siong also offers house brands for customers to enjoy affordable, yet high-quality options.

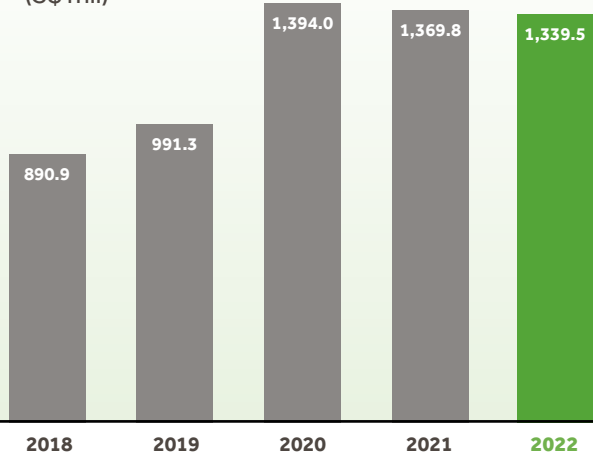




FINANCIAL HIGHLIGHTS

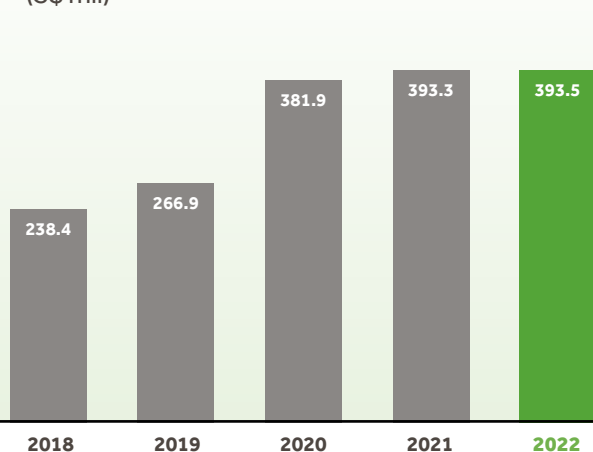
REVENUE

(S\$ mil)



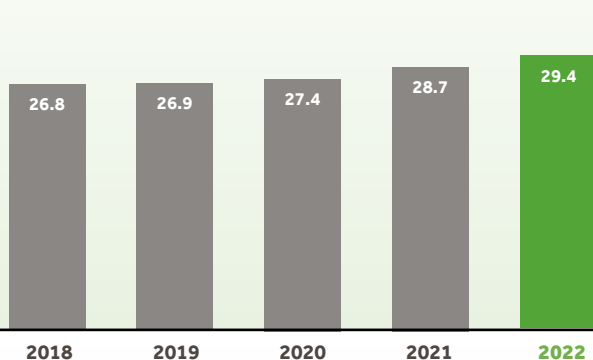
GROSS PROFIT

(S\$ mil)



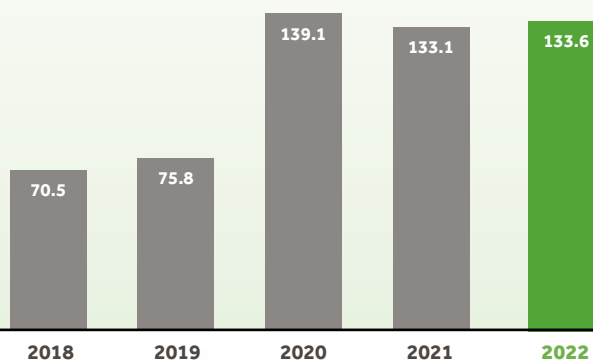
GROSS PROFIT MARGIN

(%)



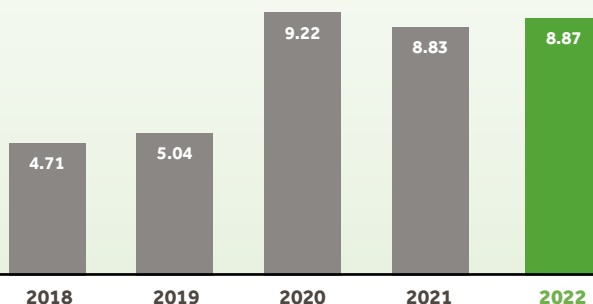
NET PROFIT

(S\$ mil)



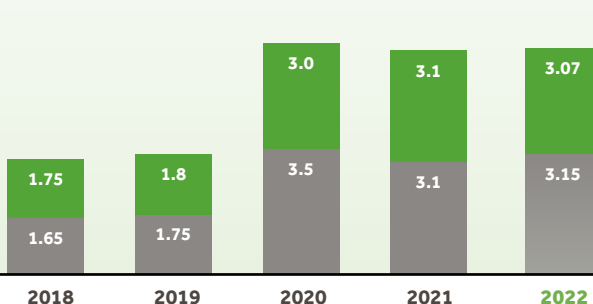
EARNINGS PER SHARE

(cents)



DIVIDEND PER SHARE

(cents)



● 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 2022 (“**FY2022**”) 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 decision 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 courses organised by the Singapore Institute of Directors (“**SID**”) or other training institutions in areas such as accounting, sustainability, legal and industry-specific knowledge, where appropriate, in connection with their duties.

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.

CORPORATE GOVERNANCE

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 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 Audit and Risk Committee (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 a Board Meeting through teleconference, video conference, audio visual or other similar communication equipment. The Board and Board Committees also make decisions by circular resolutions.

CORPORATE GOVERNANCE

The number of Board and Board Committee meetings and general meeting held in FY2022 and the attendance of our Directors at these meetings are as follows:

Number of meetings held	Board		NC		RC		ARC		AGM**
	4		3		2		5		1
	Position	Attended	Position	Attended	Position	Attended	Position	Attended	Attended
Executive Directors									
Mr. Lim Hock Chee	M	4	–	2*	–	1*	–	4*	1
Mr. Lim Hock Eng	C	4	–	2*	–	1*	–	4*	1
Mr. Lim Hock Leng	M	4	–	2*	–	1*	–	4*	1
Mr. Tan Ling San	M	4	–	2*	–	1*	–	4*	1
Ms. Lin Ruiwen	M	4	–	2*	–	1*	–	4*	1
Non-Executive Directors									
Mr. Chee Teck Kwong Patrick	M	4	C	3	M	2	M	5	1
Mr. Tan Huay Lim	M	4	M	3	M	2	C	5	1
Ms. Tan Poh Hong	M	4	M	3	C	2	M	5	1
Mr. Ko Chuan Aun	M	4	M	3	M	2	M	5	1
Ms. Cheng Li Hui	M	4	M	3	M	2	M	5	1

* By invitation

M Member

C Chairman

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

The Executive Chairman works with the Chief Financial Officer ("CFO") and the Company Secretary to set the agenda for board 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 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 Secretary 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 Secretary and/or her 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 Secretary and/or her representative(s) will also attend all meetings of the Board Committees. The Company Secretary and/or her 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 Secretary and will be circulated respectively to the Board and Board Committees for their review and approval. The appointment and removal of the Company Secretary 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 ten (10) Directors, five (5) of whom are non-executive and independent. The Board of Directors is constituted as follows:

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

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 FY2022, 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 9 years since their appointment to the Board.

While the Chairman is part of the management team and a sibling of the CEO, the Board is of the opinion that based on the Group’s current size and operations, it is not necessary to have Independent Directors and Non-Executive Directors make up a majority of the Board at present. As the Independent Directors and Non-Executive Directors make up half of the Board, the Board is able 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 during the year. 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 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 10 Board Members are female, representing 30% of the total Board membership. Our two (2) female Independent Directors are also members of the NC. The NC would review the Board Diversity Policy from time to time to ensure its effectiveness. The NC would discuss any recommendation or revision to the Board Diversity Policy prior to recommend to the Board for consideration and approval.

In reviewing 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 18 to 22.

For FY2022, the NC had reviewed and is of the opinion that the current size of 10 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 Chief Financial Officer ("CFO") and the Company Secretary, 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, CFO, and with the assistance of the Company Secretary) 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 Secretary.

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 to 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. 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 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 Mr. Lim Hock Chee, Mr. Tan Ling San and Ms. Tan Poh Hong who are retiring by rotation pursuant to the Company's Constitution, for re-election at the forthcoming AGM.

Mr. Tan Ling San has expressed to the NC and the Board that he will not be seeking re-election at the forthcoming AGM. Upon his retirement, Mr. Tan Ling San will cease to be the Vice Chairman and Executive Director of the Company at the conclusion of the forthcoming AGM. The NC and the Board noted Mr. Tan Ling San's retirement and thank him for his past contribution as the Vice Chairman and Executive Director of the Company.

The Board has accepted the NC's afore-mentioned recommendations and being eligible, Mr. Lim Hock Chee and Ms. Tan Poh Hong 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 committee meetings and their contributions towards the decision making of the Board and committee, 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 years in other listed companies and other major appointments, whether the appointment is executive or non-executive, are set out on pages 18 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	
	Lim Hock Chee	Tan Poh Hong
Date of Appointment	10 November 2010	5 January 2018
Date of last re-appointment (if applicable)	26 April 2021	26 April 2021
Age	62	65
Country of principal residence	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	Independent Director
	Please refer to the detailed description of the area of responsibilities set out in pages 18 to 22 of the Annual Report.	
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive and Chief Executive Officer	Independent Director, Chairman of Remuneration Committee and member of Audit and Risk Committee and Nominating Committee
Professional qualifications	Please refer to the detailed description of the directors; qualifications and working experience set out in the pages 18 and 21 of the Annual Report.	
Working experience and occupation(s) during the past 10 years		
Shareholding interest in the listed issuer and its subsidiaries	138,374,100 shares (direct interests)	Nil
	715,707,100 shares (deemed interests)	
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	<p>The Executive Directors, Mr. Lim Hock Eng, Mr. Lim Hock Chee and Mr. Lim Hock Leng are brothers.</p> <p>Mdm. Lee Moi Hong is the spouse of Mr. Lim Hock Chee. She heads the dry goods department in the Group and is a Director of the Group's subsidiaries Sheng Siong Supermarket Pte Ltd and C M M Marketing Management Pte Ltd.</p> <p>Uncle of Ms. Lin Ruiwen, Executive Director</p>	Nil

CORPORATE GOVERNANCE

Details	Name of Retiring Director	
	Lim Hock Chee	Tan Poh Hong
Conflict of interest (including any competing business)	<p>As disclosed in the table "Other Principal Commitments Including Directorships – Present" below, Mr. Lim Hock Chee is also a Director of E Land Properties Pte Ltd, F M Food Court Pte Ltd, ECL Money Changer Pte Ltd and Sheng Siong Holdings Pte Ltd. Mr. Lim Hock Chee, Mr. Lim Hock Eng and Mr. Lim Hock Leng each holds approximately 33.3% of the equity interest of E Land Properties Pte Ltd, ECL Money Changer Pte Ltd and Sheng Siong Holdings Pte Ltd; and 21.57% of F M Foodcourt Pte Ltd. The Group leases space to/from and sells goods and services to these companies.</p> <p>Mr. Lim Hock Chee's son Mr. Lin Yuansheng is the sole owner of iSoft Apps Pte Ltd, which trades IT services and equipment with the Group.</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 in our Annual Report 2022 on page 53 and 54.</p>	
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years)	Nil	<ol style="list-style-type: none"> 1. AgriFood and Veterinary Authority 2. Agrifood Technologies Pte Ltd 3. Barramundi Asia Pte Ltd

CORPORATE GOVERNANCE

Details	Name of Retiring Director	
	Lim Hock Chee	Tan Poh Hong
Other Principal Commitments Including Directorships Present	<ol style="list-style-type: none"> 1. Sheng Siong Supermarket Pte Ltd 2. C M M Marketing Management Pte Ltd 3. Sheng Siong Holdings Pte Ltd 4. E Land Properties Pte Ltd 5. ECL Money Changer Pte Ltd 6. F M Food Court Pte Ltd 7. SE Trust Limited 8. Singapore Chinese Chamber of Commerce & Industry 9. Chinese Chamber Realty Pte Ltd 10. Singapore Chinese Chamber of Commerce Foundation 11. CDAC Board of Trustees 12. Singapore Chinese Cultural Centre 13. Business China 	<ol style="list-style-type: none"> 1. APAC Realty Ltd 2. Jilin Food Zone Pte Ltd 3. VICOM Limited 4. Ann Aik Limited 5. Centurion Corporation Ltd 6. OTS Holdings Ltd 7. Vanguard Healthcare Pte Ltd
The general statutory disclosures of the Directors are as follows:		
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
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

CORPORATE GOVERNANCE

Details	Name of Retiring Director	
	Lim Hock Chee	Tan Poh Hong
c. Whether there is any unsatisfied judgment against him?	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
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
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
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

CORPORATE GOVERNANCE

Details	Name of Retiring Director	
	Lim Hock Chee	Tan Poh Hong
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
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
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
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
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
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

CORPORATE GOVERNANCE

Details	Name of Retiring Director	
	Lim Hock Chee	Tan Poh Hong
<p>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,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
<p>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?</p>	No	No
<p>Information required</p> <p>Disclosure applicable to the appointment of Director only.</p>		
<p>Any prior experience as a director of an issuer listed on the Exchange?</p>	<p>Not applicable. This is a re-election of Directors.</p>	
<p>If yes, please provide details of prior experience.</p>		
<p>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.</p>		

CORPORATE GOVERNANCE

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 FY2022. 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 FY2022'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 of the assessment of his/her performance or re-nomination as a Director.

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

CORPORATE GOVERNANCE

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;
- recommending specific remuneration on packages for each of our Executive Directors and key management personnel; and
- administering the Sheng Siong Share Award Scheme.

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 FY2022.

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 Group's and the performance of the 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.

CORPORATE GOVERNANCE

(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 about ten years ago.

Having reviewed and considered the variable components of the remuneration of management, which comprises bonus, incentives and/or share options or share awards, 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.

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 FY2022 is set out below.

	Salary ⁽¹⁾	Variable Bonus	Director's Fees	Benefits in Kind	Total
	(S\$'000)				
Executive Directors					
Mr. Lim Hock Eng	307	5,398	20*	56	5,781
Mr. Lim Hock Chee	377	5,398	20*	37	5,832
Mr. Lim Hock Leng	317	5,398	20*	31	5,766
Mr. Tan Ling San	305	5,398	20*	23	5,746
Ms. Lin Ruiwen	311	–	20*	14	345
Non-Executive Directors					
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.

CORPORATE GOVERNANCE

The remuneration of the top eight key management personnel for FY2022 is set out below. The total remuneration paid to these personnel (who are not Directors or the CEO of the Company) is approximately S\$2.6 million (2021: S\$3.2 million).

	Salary ⁽¹⁾	Variable Bonus	Director's Fees (%)	Benefits in Kind	Total
Key management personnel					
<i>S\$500,001 to S\$750,000</i>					
Mr. Ho Chee Haw, Alvin	20.9	76.6	2.5*	–	100
<i>S\$250,001 to S\$500,000</i>					
Ms. Joanne Chua Oi Keng ⁽²⁾	63.3	36.7	–	–	100
Mr. Chow Kee Min	39.2	55.7	5.1*	–	100
Mr. Leong Weng Fong	42.0	53.0	5.0*	–	100
<i>S\$1 to S\$250,000</i>					
Mr. Fan Hongbo ⁽³⁾	79.7	20.3	–	–	100
Mdm. Lee Moi Hong ⁽⁴⁾	91.9	–	8.1*	–	100
Mr. Woo Chee Kit	67.7	32.3	–	–	100
Mr. Wong Heng San	64.9	35.1	–	–	100

Notes:

- * Directors' fees paid by subsidiaries of the Company.
- (1) Includes the annual wage supplement, fixed bonus and employers' CPF.
- (2) Ms. Joanne Chua Oi Keng left the Group on 28 February 2023.
- (3) Mr. Fan Hongbo was appointed as the Financial Controller on 1 September 2022.
- (4) Mdm. Lee Moi Hong is the wife of our 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 FY2022. 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 FY2022 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
Ms. Lim Guek Li	Senior Manager	Sister of Mr. Lim Hock Eng, Mr. Lim Hock Chee, Mr. Lim Hock Leng. Aunt of Ms. Lin Ruiwen
Ms. Lim Huek Hun	Manager	Sister of Mr. Lim Hock Eng, Mr. Lim Hock Chee, Mr. Lim Hock Leng. Aunt of Ms. Lin Ruiwen

Sheng Siong Share Award Scheme

The Sheng Siong Share Award Scheme was approved by the shareholders of the Company at an extraordinary general meeting held on 25 April 2013, and is administered by the scheme committee, comprising the RC and two (2) Executive Directors duly authorised and appointed by the Board.

Participants in the Sheng Siong Share Award Scheme will receive awards which represent the right to receive fully paid shares of the Company free of charge, upon the participant achieving prescribed performance targets and upon expiry of the prescribed vesting periods.

No awards were granted during FY2022, and as of the date of this Annual Report, no awards are outstanding, under the Sheng Siong Share Award Scheme.

CORPORATE GOVERNANCE

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 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 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 page 55 to 63 of this Annual Report.

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 FY2022, the Risk Committee, together with the Group's key management personnel assessed the key risks to the Company.

Risk Reporting

Periodic Risk Reports

Periodic risk reports will be prepared by the Risk 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 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.

CORPORATE GOVERNANCE

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 Financial Controller 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.

Audit and Risk Committee

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

The Audit Committee of the Company has been renamed as ARC with effect from 26 April 2022 to reflect additional scope and responsibilities of the ARC. 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 was former partners or Directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two 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.

CORPORATE GOVERNANCE

The ARC has a term 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 FY2022 are as follows:

Fees paid/payable to external auditor for FY2022	S\$
Audit	280,000
Non-audit	78,000
Total	358,000

In addition, the ARC has undertaken a review of all non-audit services provided by the external auditors, 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 auditor. 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.

CORPORATE GOVERNANCE

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 FY2022, there were no 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.

Internal Audit

The Group has engaged PricewaterhouseCoopers LLP ("PwC") as its internal auditor. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors. PwC 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 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 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.

CORPORATE GOVERNANCE

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 business updates for the first and third quarters to keep shareholders informed of the business conditions 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 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 or two 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.

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 2022 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 FY2022 is disclosed in the Annual Report on page 31.

CORPORATE GOVERNANCE

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 FY2022 was published via SGXNET within one 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 3.07 Singapore cents per ordinary share for FY2022 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 FY2022 are set out below:

INTERESTED PERSON TRANSACTIONS From 1 January 2022 to 31 December 2022

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 ⁽¹⁾ 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 ⁽¹⁾	24	–
Lim Hock Leng	Lease of operation space by F M Food Court Pte Ltd ⁽¹⁾ from Sheng Siong Group Ltd for 3 years from May 2022	1,023	–
	Utilities paid by F M Food Court Pte Ltd ⁽¹⁾ to Sheng Siong Group Ltd	259	
	Provision of IT repair and maintenance services to F M Food Court Pte Ltd ⁽¹⁾	8	
E Land Properties Pte Ltd ⁽¹⁾ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Rent payable by Sheng Siong Group Ltd. to E Land Properties Pte Ltd ⁽¹⁾ for the lease of operating spaces for 2 to 3 years from Year 2022	2,463	–
E Land Properties Pte Ltd ⁽¹⁾ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Utilities paid by Sheng Siong Group Ltd. to E Land Properties Pte Ltd ⁽¹⁾ for the lease of operating space	271	–
iSoft Apps Pte Ltd ⁽²⁾ Lin Yuansheng	IT hardware and software-related items supplied to Sheng Siong Group Ltd by iSoft Apps Pte Ltd ⁽²⁾	99	–
	Other income received by Sheng Siong Group Ltd. from iSoft Apps Pte Ltd ⁽²⁾ for the sale of software solutions	210	–

CORPORATE GOVERNANCE

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)
Sheng Siong Holdings Pte Ltd ⁽³⁾ Lim Hock Eng Lim Hock Chee Lim Hock Leng Lin Ruiwen	Purchases of gold to manufacture medallions to reward the long-service employees	561	–

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 Mr Lin Yuansheng who is the son of Mr Lim Hock Chee, Chief Executive Officer of Sheng Siong Group Ltd.
- (3) 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 FY2022 and are still subsisting as at 31 December 2022, or were entered into since 31 December 2022.

RISK MANAGEMENT

RISK MANAGEMENT

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; and
- 2) compliance with legal and regulatory requirements and the integrity of the Group's financial reporting and related disclosures.

RISK MANAGEMENT GOVERNANCE STRUCTURE

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 Committee comprising managers from various departments meet regularly to undertake these tasks. The Board will review the reports and recommendations of the Risk Committee and look into the system of internal controls and measures taken to mitigate such risks.

The Group applies a three lines of 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; and
- 3) review and documentation of the Group's key risks performed by 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.



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.



MANAGING 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/outcome 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 transition 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
Business and Strategy Risks	<p>Strategy and investment risk</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. The senior management reviews all business proposals for final approval and, where necessary, seek the advice from the Board. Investments are monitored to ensure they are on track to meet the Group's strategic intent, investment objectives and returns.
	<p>Market and political risk</p> <ul style="list-style-type: none"> 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 those countries. 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"> Inflationary pressures may erode customers' purchasing power. Higher transportation and utility costs arising from the oil price increase may affect the financial performance of the Group. 	<ul style="list-style-type: none"> 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.
	<p>Supply chain risk</p> <ul style="list-style-type: none"> Rising geopolitical risk may disrupt the supply chain resulting in supply delay or shortage of supply, or even unavailability of supply. 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. 	<ul style="list-style-type: none"> Practise diversification in sourcing products to reduce dependency on a single source. Advance purchase planning in anticipation of disruptions.

RISK MANAGEMENT

RISK PILLARS	RISKS	RISK MANAGEMENT MEASURES
Business and Strategy Risks	<p>Regulatory risk</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Keep a close working relationship with respective local authorities and business partners to keep abreast of any changes and material regulatory development. All business certificates and licences are obtained and renewed promptly following applicable laws and regulations.
	<p>Competition risk</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Actively monitor and respond to market dynamics. Strengthen competitiveness through product differentiation, market positioning, and leveraging on the brand name. 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.
	<p>Reputation risk</p> <ul style="list-style-type: none"> The Group may face negative publicity or public confidence diminution if transactions or events are mishandled. 	<ul style="list-style-type: none"> Maintain open communication to ensure timely and effective communication of essential information with its stakeholders (such as customers, public media, regulators, investor community, etc.). Clear corporate mission statements and guiding principles are in place and communicated to all employees to uphold the Group's reputation.
	<p>Business continuity risk</p> <ul style="list-style-type: none"> 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.) 	<ul style="list-style-type: none"> 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"> Infectious Disease e.g., COVID-19 Fire Break-out (CERT) IT BCP Ensure adequate insurance coverage for business disruptions.

RISK MANAGEMENT

RISK PILLARS	RISKS	RISK MANAGEMENT MEASURES
Operational Risks	<p>Operational processes risk</p> <ul style="list-style-type: none"> • 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"> - Weak inventory management system, including reordering, handling, replenishment and expiry management, may result in cost leakage and food wastage. - Poor logistic planning and coordination may result in delays in the delivery or receipt of goods. - Lack of quality and timely information to keep up with business demands and facilitate decision-making may impact business performance. - The Group may trade in unfavourable terms, causing the Group to be unable to offer competitive pricing. - 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. 	<ul style="list-style-type: none"> • Establish operating manuals, standard operating procedures and the delegation of authority matrix. • Streamline and digitalise business processes to keep processes rigorous and transparent. • Conduct regular reviews of policies and authority limits to ensure their relevance in meeting changing business environments. • Establish a sound procurement and competitive sourcing policy and effective inventory management policy to provide sustainable value to our customers continuously. • Establish a strong performance incentive-sharing scheme to drive desired conduct and motivate performance. • Put in place key management policies to prevent malpractices, including: <ul style="list-style-type: none"> - Employee Handbook; - Anti-Corruption Policy; - Conflict of Interests Policy; and - Whistleblowing Procedure/Policy.
	<p>Human capital risk</p> <ul style="list-style-type: none"> • 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. • Insufficient succession planning may impede the Group's future growth. • Inadequate training of employees may impede service level and impact the Group's performance. 	<ul style="list-style-type: none"> • Benchmark and review the competitiveness of the remuneration package periodically. • Provide a cohesive and inclusive environment where employees can develop their potential and career path to ensure that human capital is nurtured and retained. • Establish a robust and non-discriminatory performance incentive-sharing scheme to drive desired conduct and motivate performance. • Establish a structured succession planning programme in the form of a management trainee programme to identify and develop talents. • Set up in-house training portal to facilitate training and assessment. • Establish a career roadmap and training plans for all employees. • 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 automation set in place.

RISK MANAGEMENT

RISK PILLARS	RISKS	RISK MANAGEMENT MEASURES
Operational Risks	Occupational health and safety risk <ul style="list-style-type: none"> Workplace injuries may expose the Group to fines, penalties, and litigations. Failure to provide a safe and healthy working environment potentially affects the brand and social image of the Group. 	<ul style="list-style-type: none"> Establish operating manuals and standard operating procedures to guide team members on safe work procedures. Set up workplace safety committees to oversee workplace safety policies and procedures. Reward and penalty programme in place to drive desired safe work practices. Enhance workplace safety training. Ensure adequate insurance coverage for workplace accidents.
	Product risk <ul style="list-style-type: none"> Changing customer expectations require us to continually evolve and improve 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. 	<ul style="list-style-type: none"> Build a strong customer-first culture and dedicated customer strategy that encourages listening and engaging with our customers. Share qualitative and quantitative customer feedback from our stores and customer feedback channels with our teams to improve our product selections and services.
	Customer Safety risk <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Build a strong customer-first culture and dedicated customer strategy that encourages listening and engaging with our customers. Share qualitative and quantitative customer feedback from our stores and customer feedback channels with our teams to improve health and safety standards. Ensure adequate insurance coverage for public liability.
Financial Risks	Theft and misappropriation risk <ul style="list-style-type: none"> Voluminous transactions are paid through cash and held at outlets, which carries the potential risk of theft and misappropriation. 	<ul style="list-style-type: none"> Establish operating manuals, standard operating procedures and the delegation of authority matrix, e.g., Retail Cashiering Management, Cash and Bank Management, Vouchers Management etc.

RISK MANAGEMENT

RISK PILLARS	RISKS	RISK MANAGEMENT MEASURES
Financial Risks	<p>Liquidity risk</p> <ul style="list-style-type: none"> Liquidity management, including making timely payments to team members and suppliers, is an essential operational requirement and necessary to support growth initiatives. 	<ul style="list-style-type: none"> Monitor financial performance closely and regularly.
	<p>Foreign currency risk</p> <ul style="list-style-type: none"> 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. Exchange gain or loss arises when the Group make payment in currencies different from Singapore dollars. 	<ul style="list-style-type: none"> Monitor the exchange rates of major currencies closely and only purchase sufficient amount for the purchase of goods.
Compliance Risks	<p>Compliance risk</p> <ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> 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. Align our policies and procedures as reasonable and practical with the requirements of best practice accredited framework, systems and industry standards, e.g., adopt ISO22000 Food Safety Management Standards, and principles of Cold Chain Management. Put in place key management policies to prevent malpractices, including <ul style="list-style-type: none"> Employee Handbook; Anti-Corruption Policy; and Conflict of Interests Policy. 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.

RISK MANAGEMENT

RISK PILLARS	RISKS	RISK MANAGEMENT MEASURES
Compliance Risks	<p>Data protection and privacy risk</p> <ul style="list-style-type: none"> Data privacy breaches may undermine customer confidence and result in litigation from customers and regulatory fines and penalties. 	<ul style="list-style-type: none"> Ensure compliance with applicable data protection laws and perform regular reviews to refine practices. 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). 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. Establish an escalation process for incident management to ensure a timely response, internally or externally, to minimise impact.
Information Technology Risks	<p>Cybersecurity risk</p> <ul style="list-style-type: none"> Our technology environment is becoming increasingly complex with sophisticated cybersecurity threats, network disruptions, changing regulatory requirements and business needs. Cyber-attacks can disrupt operations, and the resulting cyber thefts of sensitive and confidential information could lead to litigations and financial losses. 	<ul style="list-style-type: none"> 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. Regularly update security patches to the system and encrypt critical information. 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. Engage independent parties to provide assurance over the adequacy and strength of our cyber and security processes and controls, e.g., internal audit. Conduct regular training for users to educate and heighten awareness of cyber threats.

RISK MANAGEMENT

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

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 2022.

In our opinion:

- (a) the financial statements set out on pages 71 to 111 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 2022 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 Chee
Lim Hock Eng
Lim Hock Leng
Tan Ling San
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:

Name of director and corporation in which interests are held	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
The Company				
Ordinary shares				
Lim Hock Chee	138,374,100	138,374,100	715,707,100 ⁽¹⁾⁽²⁾	715,707,100 ⁽¹⁾⁽²⁾
Lim Hock Eng	137,400,000	137,400,000	714,574,100 ⁽¹⁾	714,574,100 ⁽¹⁾
Lim Hock Leng	127,400,000	127,400,000	724,574,100 ⁽¹⁾	724,574,100 ⁽¹⁾

Notes:

- (1) Mr. Lim Hock Chee, Mr. Lim Hock Eng 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 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 2022 and 31 December 2022); and (ii) SS Holdings (448,800,000 shares);
- (b) 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 2022 and 31 December 2022); 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 (275,774,100 shares as at 1 January 2022 and 31 December 2022); 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 in Sheng Siong Group Ltd. held by his spouse, Mdm. Lee Moi Hong.

By virtue of Section 7 of the Companies Act 1967, Mr. Lim Hock Chee, Mr. Lim Hock Eng 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 2023.

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

LONG TERM INCENTIVE SCHEMES

Sheng Siong Share Award Scheme was approved by members at an Extraordinary General Meeting ("EGM") held on 25 April 2013. The Sheng Siong Share Award Scheme provides the flexibility in tailoring reward and incentive packages for the employees and directors, and at the same time, aligning their interest with those of the shareholders. The Sheng Siong Share Award Scheme is administered by the Sheng Siong Share Award Scheme Committee comprising members of the Remuneration Committee and two Executive Directors duly authorised and appointed by the Board.

Other information regarding the Sheng Siong Share Award Scheme is set out below:

Awards represent the right of a Sheng Siong Share Award Scheme participant to receive fully paid shares (via the issue of new shares and/or transfer of treasury shares) free of charge upon achieving prescribed performance targets and upon the expiry of the prescribed vesting periods. The Sheng Siong Share Award Scheme Committee shall have the absolute discretion to decide on, inter alia:

- The date on which the Award is to be vested;
- The number of shares to be awarded;
- The prescribed performance target(s);
- The vesting period; and
- The extent to which shares under the Award shall be released on the prescribed performance targets being achieved, either in full or in part.

The aggregate number of shares which may be delivered pursuant to the Sheng Siong Share Award Scheme shall not exceed 15% of the issued capital of the Company (excluding treasury shares) from time to time. The duration of the Sheng Siong Share Award Scheme is ten years from the EGM date.

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;
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries; and
- (iii) no awards granted by the Company or its subsidiaries to any person under the Sheng Siong Share Award Scheme.

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.

DIRECTORS' STATEMENT

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.

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

Lim Hock Chee

Director

Lim Hock Eng

Director

28 March 2023

INDEPENDENT AUDITORS' REPORT

Members 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 2022, 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 significant accounting policies, as set out on pages 71 to 111.

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 2022 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.

INDEPENDENT AUDITORS' REPORT

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.

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.

INDEPENDENT AUDITORS' REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Assets					
Property, plant and equipment	4	291,608	302,883	–	–
Right-of-use assets	4	97,286	79,505	–	–
Investment in subsidiaries	5	–	–	82,261	82,261
Non-current assets		388,894	382,388	82,261	82,261
Inventories	6	101,182	98,383	–	–
Trade and other receivables	7	19,540	11,604	200,221	200,721
Cash and cash equivalents	8	275,499	246,642	202	308
Current assets		396,221	356,629	200,423	201,029
Total assets		785,115	739,017	282,684	283,290
Equity					
Share capital	9	235,373	235,373	235,373	235,373
Merger reserve	10	(68,234)	(68,234)	–	–
Foreign currency translation reserve		(590)	(98)	–	–
Statutory reserve	11	156	–	–	–
Accumulated profits		285,541	246,365	46,960	47,551
Equity attributable to owners of the Company		452,246	413,406	282,333	282,924
Non-controlling interest		2,927	2,916	–	–
Total equity		455,173	416,322	282,333	282,924
Liabilities					
Lease liabilities	13	62,598	48,945	–	–
Deferred tax liabilities	14	1,540	3,229	–	–
Non-current liabilities		64,138	52,174	–	–
Trade and other payables	15	197,455	212,391	347	361
Current tax payable		35,297	25,381	4	5
Term loan	12	–	5,000	–	–
Lease liabilities	13	33,052	27,749	–	–
Current liabilities		265,804	270,521	351	366
Total liabilities		329,942	322,695	351	366
Total equity and liabilities		785,115	739,017	282,684	283,290

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 2022

	Note	2022 \$'000	2021 \$'000
Revenue	16	1,339,464	1,369,760
Cost of sales		(945,966)	(976,468)
Gross profit		393,498	393,292
Other income		17,306	12,110
Selling and distribution expenses		(7,855)	(7,576)
Administrative expenses		(236,217)	(230,237)
Other expenses		(4,547)	(5,358)
Results from operating activities		162,185	162,231
Finance income	17	3,674	1,115
Finance expenses	17	(2,777)	(2,364)
Profit before tax		163,082	160,982
Tax expense	19	(29,440)	(27,874)
Profit for the year	18	133,642	133,108
Profit attributable to:			
Owners of the Company		133,303	132,833
Non-controlling interest		339	275
Profit for the year		133,642	133,108
Other comprehensive income			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		(820)	(169)
Total comprehensive income for the year		132,822	132,939
Total comprehensive income attributable to:			
Owners of the Company		132,811	132,732
Non-controlling interest		11	207
Total comprehensive income for the year		132,822	132,939
Earnings per share			
- Basic and diluted (cents)	20	8.87	8.83

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the Company							
	Share capital	Merger reserve	Foreign currency	Statutory reserve	Accumulated profits	Total	Non-controlling interest	Total equity
			translation reserve					
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group								
At 1 January 2021	235,373	(68,234)	3	–	205,248	372,390	2,709	375,099
Total comprehensive income for the year								
Profit for the year	–	–	–	–	132,833	132,833	275	133,108
Other comprehensive income								
Foreign currency translation differences	–	–	(101)	–	–	(101)	(68)	(169)
Total comprehensive income for the year	–	–	(101)	–	132,833	132,732	207	132,939
Transaction with owners, recognised directly in equity								
Distribution to owners of the Company								
Dividends paid (Note 9)	–	–	–	–	(91,716)	(91,716)	–	(91,716)
Total transaction with owners	–	–	–	–	(91,716)	(91,716)	–	(91,716)
At 31 December 2021	235,373	(68,234)	(98)	–	246,365	413,406	2,916	416,322
At 1 January 2022	235,373	(68,234)	(98)	–	246,365	413,406	2,916	416,322
Total comprehensive income for the year								
Profit for the year	–	–	–	–	133,303	133,303	339	133,642
Other comprehensive income								
Foreign currency translation differences	–	–	(492)	–	–	(492)	(328)	(820)
Total comprehensive income for the year	–	–	(492)	–	133,303	132,811	11	132,822
Transaction with owners, recognised directly in equity								
Distribution to owners of the Company								
Dividends paid (Note 9)	–	–	–	–	(93,971)	(93,971)	–	(93,971)
Total transaction with owners	–	–	–	–	(93,971)	(93,971)	–	(93,971)
Transfer to statutory reserve	–	–	–	156	(156)	–	–	–
At 31 December 2022	235,373	(68,234)	(590)	156	285,541	452,246	2,927	455,173

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Operating activities			
Profit for the year		133,642	133,108
Adjustments for:			
Depreciation of:			
– property, plant and equipment	4	19,539	20,435
– right-of-use assets	4	33,014	31,179
Gain on disposal of property, plant and equipment	18	(20)	(205)
Gain on derecognition of right-of-use assets	18	(12)	(14)
Unrealised exchange gain		(1,017)	(465)
Interest income	17	(3,674)	(1,115)
Interest expense	17	2,777	2,364
Tax expense	19	29,440	27,874
		213,689	213,161
Changes in:			
– inventories		(2,799)	(20,472)
– trade and other receivables		(7,936)	8,345
– trade and other payables		(14,936)	4,302
Cash generated from operations		188,018	205,336
Taxes paid		(21,213)	(32,633)
Cash flows from operating activities		166,805	172,703
Investing activities			
Proceeds from disposal of property, plant and equipment		149	263
Purchase of property, plant and equipment		(8,795)	(31,693)
Interest received		3,674	1,115
Cash flows used in investing activities		(4,972)	(30,315)
Financing activities			
Dividends paid		(93,971)	(91,716)
Repayment of borrowings		(5,000)	(25,000)
Payment of lease liabilities		(31,938)	(31,003)
Interest paid on lease liabilities		(2,569)	(2,158)
Cash flows used in financing activities		(133,478)	(149,877)
Net increase/(decrease) in cash and cash equivalents		28,355	(7,489)
Cash and cash equivalents at beginning of the year		246,642	253,901
Effect of exchange rate changes on balances held in foreign currencies		502	230
Cash and cash equivalents at end of the year	8	275,499	246,642

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 2023.

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 2022 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 significant 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)s requires management to make judgements, estimates and assumptions 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 2022

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New 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 2022:

- *Amendment to SFRS(I) 16: COVID-19-Related Rent Concessions beyond 30 June 2021*
- *Amendments to SFRS(I) 3: Reference to the Conceptual Framework*
- *Amendments to SFRS(I) 16: Property, Plant and Equipment – Proceeds before Intended Use*
- *Annual Improvements to SFRS(I)s 2018-2020*

The application of these amendments to standards does not have a material effect on the financial statements.

3 SIGNIFICANT 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 accounting policies.

3.1 Basis of consolidation

(i) Acquisitions of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholders that control the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(ii) 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 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iii) 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 either at fair value, or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

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

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) 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.

(vi) 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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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 recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(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.

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.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(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 other asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Construction-in-progress is not subject to depreciation.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 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.

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.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

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

Financial assets: Business model assessment (cont'd)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

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

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 using 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.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

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) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(v) 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.

(vi) 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.

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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

(i) As a lessee (cont'd)

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.

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. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

(ii) As a lessor

At inception 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 their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

Rental income from sub-leased property is recognised as 'other income'.

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.

3.7 Impairment

Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Credit-impaired financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. 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 product. 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 Other income

(i) Rental income

Rental income receivable under operating leases is recognised in profit or loss as 'other income' on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Government grants

Government grants relating to property, plant and equipment ("PPE") are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the PPE. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 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.

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.

3.12 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 OCI.

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 that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognition deferred tax.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Tax expense (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.13 Earnings per share

The Group presents basic and diluted 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held and for the effects of all dilutive potential ordinary shares.

3.14 Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Executive Directors.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 New standards and interpretations not adopted

The Group has not adopted the following standards and interpretations applicable to the Group that have been issued but are not yet effective.

Management anticipates that the adoption of the new standards and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

- *Amendment to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *Amendment to SFRS(I) 1-1: Classification of Liabilities as Current or Non-Current*
- *SFRS(I) 17 Insurance Contracts and Amendments to SFRS(I) 17 Insurance Contracts*
- *Amendment 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*

4 PROPERTY, PLANT AND EQUIPMENT / RIGHT-OF-USE ASSETS

	2022	2021
	\$'000	\$'000
Group		
Property, plant and equipment owned	291,608	302,883
Right-of-use assets	97,286	79,505
	388,894	382,388

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9.4 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
Cost										
At 1 January 2021	274,234	23,044	75,415	6,440	12,631	17,582	3,766	8,577	-	421,689
Additions	19,552	4,016	4,511	115	1,349	1,890	-	192	68	31,693
Disposals	-	-	(1,075)	(56)	(1,278)	(16)	-	-	-	(2,425)
Adjustment	-	371	609	12	83	134	-	-	-	1,209
Effect of movements										
in exchange rates	-	153	54	-	4	32	-	-	-	243
At 31 December 2021	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
Accumulated depreciation										
At 1 January 2021	24,143	16,564	51,017	5,045	10,013	14,313	2,260	6,746	-	130,101
Depreciation	4,100	2,831	8,587	409	1,019	2,636	377	476	-	20,435
Disposals	-	-	(1,040)	(50)	(1,261)	(16)	-	-	-	(2,367)
Adjustment	-	371	609	12	83	134	-	-	-	1,209
Effect of movements										
in exchange rates	-	89	27	-	1	31	-	-	-	148
At 31 December 2021	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
Carrying amounts										
At 1 January 2021	250,091	6,480	24,398	1,395	2,618	3,269	1,506	1,831	-	291,588
At 31 December 2021	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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 2022 are as follows:

Location	Description	Tenure	Floor area (sq. m.)
Blk 4, Lorong 7 Toa Payoh, #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 st and 2 nd floor	60 years commencing 26 December 2019	2,717
Blk 4, Lorong 7 Toa Payoh, #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 ¹	4 storey warehouse with ancillary offices	30 years commencing in 2009, with an option to extend for a further 30 years	59,549 ²
Woodlands Road ^{1,3}	Leasehold land	22 years commencing in 2016 ⁴	

* 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 1,795sqm 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 2022

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	
	2022	2021
	\$'000	\$'000
Group		
Balance at 1 January	79,505	48,711
Additions	52,307	62,464
Adjustment	(7)	–
Depreciation	(33,014)	(31,179)
Derecognition	(995)	(536)
Effect of movements in exchange rates	(510)	45
Balance at 31 December	97,286	79,505

5. Investment in subsidiaries

	Company	
	2022	2021
	\$'000	\$'000
Equity investments, at cost	82,261	82,261

The subsidiaries of the Company are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2022	2021
			%	%
Sheng Siong Supermarket Pte Ltd ¹	Supermarket operations	Singapore	100	100
C M M Marketing Management Pte Ltd ¹	Trading of general and wholesale importers and exports	Singapore	100	100
Sheng Siong Supermarket Sdn. Bhd. ²	Dormant	Malaysia	100	100
Sheng Siong (China) Supermarket Co., Ltd. ²	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.

¹ Audited by KPMG LLP, Singapore.

² Audited by other certified public accountants.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. INVENTORIES

	Group	
	2022 \$'000	2021 \$'000
Goods for resale	101,182	98,383

In 2022, changes in goods for resale recognised in cost of sales amounted to \$909,787,000 (2021: \$939,916,000).

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	9,991	7,468	–	–
Amounts due from related parties (trade)	1	–	–	–
Amounts due from related parties (non-trade)	21	–	–	–
Amounts due from subsidiaries:				
- non-trade	–	–	154,011	154,011
- dividend receivable	–	–	46,200	46,700
Other receivables	2,250	617	–	–
Grant receivable	838	–	–	–
Deposits	2,362	1,859	–	–
	15,463	9,944	200,211	200,711
Prepayments	4,077	1,660	10	10
	19,540	11,604	200,221	200,721

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 grant receivable relates to Covid-19 related grants given by the Singapore Government.

The Group's exposure to credit and market risks related to trade and other receivables are disclosed in Note 24.

8. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash in hand	12,830	11,248	*	*
Cash at banks	22,920	42,924	202	308
Fixed deposits	239,749	192,470	–	–
	275,499	246,642	202	308

* Amount is less than \$1,000.

Fixed deposits are placed with banks in Singapore and China with interest rates of 0.48% to 4.87% (2021: 0.08% to 3.32%).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9. SHARE CAPITAL

	2022		2021	
	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:

	2022 \$'000	2021 \$'000
<i>Ordinary dividends paid in respect of the financial year ended 2020</i>		
Final cash dividend of 3.00 cents per ordinary share	–	45,106
<i>Ordinary dividends paid in respect of the financial year ended 2021</i>		
Interim cash dividend of 3.10 cents per ordinary share	–	46,610
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	–
	93,971	91,716

Subject to the approval by the shareholders at the forthcoming Annual General Meeting, the directors have proposed an exempt (one-tier) final dividend of 3.07 cents per share (2021: exempt (one-tier) final dividend of 3.10 cents per share) amounting to an estimated amount of \$46.2 million (2021: \$46.6 million) in respect of the year ended 31 December 2022. 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 2022 approximates 70.2% (2021: 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 2022

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 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. TERM LOAN

	Group	
	2022 \$'000	2021 \$'000
Unsecured term loan		
Current	–	5,000
	–	5,000

The Group's exposure to liquidity risk related to the unsecured term loan is disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12. TERM LOAN (CONT'D)

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

	Liabilities		Total \$'000
	Lease liabilities \$'000	Unsecured term loan \$'000	
Balance at 1 January 2021	45,503	30,000	75,503
Changes from financing cash flows			
Payment of lease liabilities	(31,003)	–	(31,003)
Interest paid	(2,158)	–	(2,158)
Repayment of borrowings	–	(25,000)	(25,000)
Total changes from financing cash flows	(33,161)	(25,000)	(58,161)
Non-cash changes			
New leases	62,464	–	62,464
Derecognition	(550)	–	(550)
Interest expense	2,364	–	2,364
Effects of movement in exchange rates	74	–	74
Total non-cash changes	64,352	–	64,352
Balance at 31 December 2021	76,694	5,000	81,694
Balance at 1 January 2022	76,694	5,000	81,694
Changes from financing cash flows			
Payment of lease liabilities	(31,938)	–	(31,938)
Interest paid	(2,569)	–	(2,569)
Repayment of borrowings	–	(5,000)	(5,000)
Total changes from financing cash flows	(34,507)	(5,000)	(39,507)
Non-cash changes			
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)
Total non-cash changes	53,463	–	53,463
Balance at 31 December 2022	95,650	–	95,650

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. 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	
	2022 \$'000	2021 \$'000
Non-current	62,598	48,945
Current	33,052	27,749
	95,650	76,694

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	2022		2021	
				Face value	Carrying amount	Face value	Carrying amount
				\$'000	\$'000	\$'000	\$'000
Lease liabilities	SGD	3.7% to 5.0%	2022 - 2069	100,132	89,578	77,781	69,802
Lease liabilities	CNY	5.5%	2022 - 2036	8,287	6,072	9,672	6,892
				108,419	95,650	87,453	76,694

The Group's exposure to liquidity risk related to lease liabilities is disclosed in Note 24.

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

	Group	
	2022 \$'000	2021 \$'000
Interest on lease liabilities	(2,777)	(2,364)
Income from sub-leasing right-of-use assets presented in 'other income'	1,526	1,458
Expenses relating to short-term leases	(3,729)	(3,168)

ii. Amounts recognised in consolidated statement of cash flows

	Group	
	2022 \$'000	2021 \$'000
Total cash outflow for leases	34,507	33,161

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. LEASE LIABILITIES (CONT'D)

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 \$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 2022 was \$3,038,000 (2021: \$2,939,000).

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

	Group	
	2022 \$'000	2021 \$'000
Less than one year	2,290	1,759
One to two years	1,715	1,259
Two to three years	627	732
	4,632	3,750

14. DEFERRED TAX LIABILITIES

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

	At	Recognised	At	Recognised	At
	1 January	in profit or loss	31 December	in profit or loss	31 December
	2021	(Note 19)	2021	(Note 19)	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Property, plant and equipment	4,810	(386)	4,424	(1,520)	2,904
Leases	(1,195)	–	(1,195)	(169)	(1,364)
Net deferred tax liabilities	3,615	(386)	3,229	(1,689)	1,540

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	127,163	123,936	–	–
Amounts due to:				
- related parties (non-trade)	25	25	–	–
- directors	897	929	300	300
Other payables	7,410	5,250	3	5
Deposits received	1,441	1,149	–	–
Accrued expenses	55,261	70,695	44	56
	192,197	201,984	347	361
Contract liabilities	4,973	4,291	–	–
Advances received from suppliers	285	6,116	–	–
	197,455	212,391	347	361

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, amounts due to directors, and other payables are unsecured, interest-free and payable within the next twelve months.

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 24.

16. REVENUE

	Group	
	2022 \$'000	2021 \$'000
Supermarket operations	1,339,464	1,369,760

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

	Group	
	2022 \$'000	2021 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,970)	(2,858)
Increases due to cash received, excluding amounts recognised as revenue during the year	3,652	3,386

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. FINANCE INCOME AND FINANCE EXPENSE

	Group	
	2022	2021
	\$'000	\$'000
Interest income received/receivable from:		
- financial institutions	3,674	1,115
Lease liabilities:		
- interest expense	(2,777)	(2,364)

18. PROFIT FOR THE YEAR

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

	Group	
	2022	2021
	\$'000	\$'000
Audit fees paid/payable to auditors of the Group	(280)	(286)
Non-audit fees paid/payable to auditors of the Group	(78)	(53)
Short-term lease expense	(3,729)	(3,168)
Operating lease income	3,038	2,939
Depreciation of:		
- property, plant and equipment	(19,539)	(20,435)
- right-of-use assets	(33,014)	(31,179)
Gain on disposal of plant and equipment	20	205
Gain on derecognition of right-of-use assets	12	14
Sales of recyclable items	2,798	2,841
Exchange gain, net	1,438	629
Government grants	4,200	4,806
Staff costs	(191,958)	(193,122)
Contributions to defined contribution plans, included in staff costs	(8,706)	(7,339)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

19. TAX EXPENSE

	Note	Group	
		2022 \$'000	2021 \$'000
Current tax expense			
Current year		31,034	29,020
Under/(Over) provided in prior years		95	(760)
		31,129	28,260
Deferred tax expense			
Origination and reversal of temporary differences		(1,686)	(386)
Over provided in prior years		(3)	–
	14	(1,689)	(386)
Total tax expense		29,440	27,874
Reconciliation of effective tax rate			
Profit before tax		163,082	160,982
Tax expense using Singapore tax rate of 17% (2021: 17%)		27,724	27,367
Tax exempt income		(657)	(702)
Expenses not deductible for tax purposes		2,207	1,898
Effect of tax rates in foreign jurisdictions		74	71
Under/(Over) provision in respect of prior years		92	(760)
		29,440	27,874

20. EARNINGS PER SHARE

	Group	
	2022 \$'000	2021 \$'000
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	133,303	132,833
	Group	
	No. of shares '000	No. of shares '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 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

21. 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 2022 and 2021.

22. 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	
	2022 \$'000	2021 \$'000
Approved capital expenditure	3,918	3,965

(b) Investment

As at 31 December 2022, the Group has an outstanding commitment of uncalled capital contribution of US\$3 million (approximately \$4 million) (2021: US\$3 million (approximately \$4 million)) in respect of investment in Sheng Siong (China) Supermarket Co., Ltd.

23. 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	
	2022 \$'000	2021 \$'000
Short-term employee benefits (including defined contribution plans)	25,976	26,590
Directors' fees	500	520
	26,476	27,110

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

23. 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:

	2022	2021
	\$'000	\$'000
Corporations in which directors of the Group have substantial financial interests		
Sales	24	24
Operating lease and utilities expenses	(2,395)	(2,306)
Operating lease and utilities income	960	414
Reimbursement of expenses	(561)	(428)

24. 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 2022 and 2021 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 2022

24. 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 \$'000	Credit impaired
Group		
2022		
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>	
	Carrying amount \$'000	Credit impaired
Group		
2021		
Neither past due nor impaired	6,849	No
Past due 0 – 30 days	446	No
Past due 31 – 60 days	99	No
Past due 61 – 90 days	74	No
Past due 91 – 180 days	–	N/A
	<u>7,468</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 2022

24. 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 \$200,211,000 (2021: \$200,711,000). These are 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:

	Cash flows				
	Carrying amount \$'000	Expected contractual cash flows \$'000	Within 1 year \$'000	Between 1 to 5 years \$'000	More than 5 years \$'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables*	192,197	(192,197)	(192,197)	–	–
Lease liabilities	95,650	(108,419)	(48,152)	(45,120)	(15,147)
	287,847	(300,616)	(240,349)	(45,120)	(15,147)
31 December 2021					
Non-derivative financial liabilities					
Unsecured term loan	5,000	(5,000)	(5,000)	–	–
Trade and other payables*	201,984	(201,984)	(201,984)	–	–
Lease liabilities	76,694	(87,453)	(30,026)	(41,041)	(16,386)
	283,678	(294,437)	(237,010)	(41,041)	(16,386)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit 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
Company					
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	347	(347)	(347)	–	–
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	361	(361)	(361)	–	–

* Excludes contract liabilities and advances received from suppliers.

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
Group					
31 December 2022					
Cash and cash equivalents	154	529	409	363	86
Trade payables	(3,092)	(122)	(458)	–	–
Net exposure	(2,938)	407	(49)	363	86
31 December 2021					
Cash and cash equivalents	1,591	326	137	233	6
Trade payables	(1,097)	(1)	(775)	–	(27)
Net exposure	494	325	(638)	233	(21)

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 2022

24. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit 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 2021.

	Profit before tax	
	2022	2021
	\$'000	\$'000
Group		
USD	(294)	49
EUR	41	33
AUD	(5)	(64)
NZD	36	23
CNY	9	(2)

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 2022

24. 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		
		Amortised	Other financial	Total
		cost	liabilities	
		\$'000	\$'000	\$'000
Group				
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables*	7	15,463	–	15,463
Cash and cash equivalents	8	275,499	–	275,499
		290,962	–	290,962
Financial liabilities not measured at fair value				
Lease liabilities	13	–	(95,650)	(95,650)
Trade and other payables**	15	–	(192,197)	(192,197)
		–	(287,847)	(287,847)
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables*	7	9,944	–	9,944
Cash and cash equivalents	8	246,642	–	246,642
		256,586	–	256,586
Financial liabilities not measured at fair value				
Unsecured term loan	12	–	(5,000)	(5,000)
Lease liabilities	13	–	(76,694)	(76,694)
Trade and other payables**	15	–	(201,984)	(201,984)
		–	(283,678)	(283,678)

* Excludes prepayments.

** Excludes contract liabilities and advances received from suppliers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount		Total \$'000
		Amortised cost \$'000	Other financial liabilities \$'000	
Company				
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables*	7	200,211	–	200,211
Cash and cash equivalents	8	202	–	202
		200,413	–	200,413
Financial liabilities not measured at fair value				
Trade and other payables**	15	–	(347)	(347)
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables*	7	200,711	–	200,711
Cash and cash equivalents	8	308	–	308
		201,019	–	201,019
Financial liabilities not measured at fair value				
Trade and other payables**	15	–	(361)	(361)

* Excludes prepayments.

** Excludes contract liabilities and advances received from suppliers.

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.

财务报表 – 财务状况表

截至2022年12月31日

	备注	集团		公司	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
资产					
房地产、厂房与器材	4	291,608	302,883	–	–
使用权资产	4	97,286	79,505	–	–
于子公司的投资	5	–	–	82,261	82,261
非流动资产		388,894	382,388	82,261	82,261
库存	6	101,182	98,383	–	–
贸易和其它应收账款	7	19,540	11,604	200,221	200,721
银行结余和现金	8	275,499	246,642	202	308
流动资产		396,221	356,629	200,423	201,029
总资产		785,115	739,017	282,684	283,290
权益					
股本	9	235,373	235,373	235,373	235,373
储备	10	(68,234)	(68,234)	–	–
外汇兑换储备		(590)	(98)	–	–
法定储备金	11	156	–	–	–
累计盈利		285,541	246,365	46,960	47,551
可归属股东的权益		452,246	413,406	282,333	282,924
非控股权益		2,927	2,916	–	–
总权益		455,173	416,322	282,333	282,924
负债					
租赁负债	13	62,598	48,945	–	–
递延税款负债	14	1,540	3,229	–	–
非流动负债		64,138	52,174	–	–
贸易和其它应付账款	15	197,455	212,391	347	361
当前应缴税务		35,297	25,381	4	5
定期贷款	12	–	5,000	–	–
租赁负债	13	33,052	27,749	–	–
流动负债		265,804	270,521	351	366
总负债		329,942	322,695	351	366
总权益与负债		785,115	739,017	282,684	283,290

综合损益表和其它综合收益表

截至2022年12月31日

	备注	2022 \$'000	2021 \$'000
营业额	16	1,339,464	1,369,760
销售成本		(945,966)	(976,468)
毛利		393,498	393,292
其它收益		17,306	12,110
销售与分销开支		(7,855)	(7,576)
行政开支		(236,217)	(230,237)
其它开支		(4,547)	(5,358)
营运活动的业绩		162,185	162,231
财务收益	17	3,674	1,115
财务开支	17	(2,777)	(2,364)
税前盈利		163,082	160,982
税务开支	19	(29,440)	(27,874)
全年盈利	18	133,642	133,108
盈利：			
可归属股东的盈利		133,303	132,833
非控制股权益的盈利		339	275
全年盈利		133,642	133,108
其它综合收益			
可重新分类为损益的项目：			
外企的外币换算差额		(820)	(169)
全年综合收益总额		132,822	132,939
综合收益：			
可归属股东的综合收益		132,811	132,732
非控股权益的综合收益		11	207
全年综合收益总额		132,822	132,939
每股盈利			
- 基本和摊薄 (分)	20	8.87	8.83

STATISTICS OF SHAREHOLDINGS

As at 15 March 2023

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 SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	18	0.11	363	0.00
100 - 1,000	3,398	20.24	2,459,690	0.16
1,001 - 10,000	9,879	58.85	53,697,305	3.57
10,001 - 1,000,000	3,457	20.59	154,030,532	10.25
1,000,001 AND ABOVE	35	0.21	1,293,349,110	86.02
TOTAL	16,787	100.00	1,503,537,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SHENG SIONG HOLDINGS PTE LTD	448,800,000	29.85
2	LIM HOCK CHEE	137,700,000	9.16
3	LIM HOCK ENG	137,400,000	9.14
4	LIM HOCK LENG	127,400,000	8.47
5	CITIBANK NOMINEES SINGAPORE PTE LTD	113,235,539	7.53
6	RAFFLES NOMINEES (PTE.) LIMITED	75,409,319	5.02
7	HSBC (SINGAPORE) NOMINEES PTE LTD	61,577,262	4.10
8	DBS NOMINEES (PRIVATE) LIMITED	55,283,065	3.68
9	DBSN SERVICES PTE. LTD.	47,971,488	3.19
10	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	10,655,800	0.71
11	LIM KIM HOCK	8,400,000	0.56
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,171,300	0.48
13	PHILLIP SECURITIES PTE LTD	6,930,879	0.46
14	IFAST FINANCIAL PTE. LTD.	6,667,947	0.44
15	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	6,219,781	0.41
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,090,450	0.41
17	CHUA KOK SOON	4,500,000	0.30
18	OCBC SECURITIES PRIVATE LTD	3,908,806	0.26
19	CI EN INVESTMENTS PTE LTD	3,680,000	0.24
20	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,286,100	0.15
	TOTAL	1,271,287,736	84.56

STATISTICS OF SHAREHOLDINGS

As at 15 March 2023

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2023 (As recorded in the Register of Substantial Shareholders)

NAME	DIRECT INTEREST		DEEMED INTEREST	
	No. of Shares	%	No. of Shares	%
Lim Hock Eng	137,400,000	9.14	714,574,100 ⁽¹⁾	47.53
Lim Hock Chee	138,374,100	9.20	715,707,100 ^{(1) (2)}	47.60
Lim Hock Leng	127,400,000	8.47	724,574,100 ⁽¹⁾	48.19
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 Chee is deemed to be interested in the shares of the Company held by (i) the other Lim Directors (264,800,000 shares); and (ii) SS Holdings (448,800,000 shares);

(b) 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); 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 (275,774,100 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 2023, approximately 43.2% 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 Twelfth Annual General Meeting of SHENG SIONG GROUP LTD. (the “**Company**”) will be convened and held by way of electronic means on 28 April 2023 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 2022 together with the Auditors’ Report thereon.

(Resolution 1)

2. To declare a final (one-tier tax exempt) dividend of 3.07 cents per ordinary share for the financial year ended 31 December 2022.

(Resolution 2)

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

Regulation 89

Mr. Lim Hock Chee

(Resolution 3)

Ms. Tan Poh Hong

(Resolution 4)

- (b) To note the retirement of Mr. Tan Ling San pursuant to Regulation 89 of the Constitution and he will not be seeking for re-election at this Annual General Meeting.

[See Explanatory Note (i)]

4. To approve the payment of Directors’ fees of S\$300,000 for the financial year ended 31 December 2022 (2021: S\$300,000).

(Resolution 5)

5. To re-appoint KPMG LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration.

(Resolution 6)

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:

NOTICE OF ANNUAL GENERAL MEETING

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:

- (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;

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.

NOTICE OF ANNUAL GENERAL MEETING

- (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 7)

By Order of the Board

Mr. Lim Hock Chee
Chief Executive Officer
Singapore, 6 April 2023

Explanatory Notes:

- (i) Mr. Lim Hock Chee, will upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company.

Ms. Tan Poh Hong will, upon re-election as a Director of the Company, remain as the Independent Director, the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee. The Board considers Ms. Tan Poh Hong 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 2022 for the detailed information for Mr. Lim Hock Chee and Ms. Tan Poh Hong as required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.

- (ii) The Ordinary Resolution 7 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 7 is passed.

Notes:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting and Proxy Form will be sent to members, whereas, the Annual Report for the financial year ended 31 December 2022 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 Annual General Meeting and Proxy Form will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means, submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by shareholders at the Annual General Meeting, are set out in the Company's announcement on 6 April 2023 titled "Letter to shareholders on alternative arrangements for the Annual General Meeting ("AGM)": This announcement 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 <https://www.sgx.com/securities/company-announcements>.

NOTICE OF ANNUAL GENERAL MEETING

3. 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 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 Annual General Meeting 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 <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints more than one 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.

CPF or SRS investors who wish to appoint the Chairman of the Annual General Meeting to act as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 19 April 2022 (being at least seven (7) working days before the Annual General Meeting).

4. A proxy, need not be a member of the Company.
5. 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

in either case, by 10:00 a.m. on 25 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the Annual General Meeting) and in default the Proxy Form for the Annual General Meeting shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email.

6. A Depositor's name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the Annual General Meeting in order for the Depositor to be entitled to vote.

* "Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy, 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 or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and/ or representatives appointed for the Annual General Meeting and/or any adjournment thereof and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting and/or any adjournment thereof, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where a member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), 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 or service providers) 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.

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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****Alternative Arrangements for Annual General Meeting**

- The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting and Proxy Form will be sent to members, whereas, the Annual Report for the financial year ended 31 December 2022 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 Annual General Meeting and Proxy Form will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements relating to attendance at the Annual General Meeting via electronic means, submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and proxy voting at the Annual General Meeting, are set out in the Company's announcement on 6 April 2023 titled "Letter to shareholders on alternative arrangements for the Annual General Meeting ("AGM")". This announcement 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 <https://www.sgx.com/securities/company-announcements>.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a member's proxy to attend and vote on his/her/its behalf at the Annual General Meeting.
- CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 19 April 2023 (being at least seven (7) working days before the Annual General Meeting).

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	Email Address [^]	NRIC/Passport Number	Proportion of Shareholdings	
				No of Shares	%

*and/or (delete as appropriate)

Name	Address	Email Address [^]	NRIC/Passport Number	Proportion of Shareholdings	
				No of Shares	%

[^] Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL: <https://conveneagm.com/sg/shengsiong2023> in order to access the "live" audio-visual webcast or "live" audio-only stream of the Annual General Meeting proceedings.

or failing him/her/them*, the Chairman of the Annual General Meeting ("**Meeting**") of the Company as my/our* proxy to attend, ask question(s) and vote for me/us on my/our behalf at the Meeting of the Company to be convened and held **by way of electronic means on 28 April 2023 at 10.00 a.m.** and at any adjournment thereof. I/We* direct my/our* proxy to vote for or against, or to 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 discretion.

No.	Resolutions relating to:	No. of votes 'For'***	No. of votes 'Against'***	No. of votes 'Abstain'***
Ordinary Business				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022			
2	Approval of payment of the final dividend			
3	Re-election of Mr. Lim Hock Chee as a Director			
4	Re-election of Ms. Tan Poh Hong as a Director			
5	Approval of Directors' fees amounting to S\$300,000 for the financial year ended 31 December 2022			
6	Re-appointment of KPMG LLP as Auditors and to authorise the Board of Directors of the Company to fix their remuneration			
Special Business				
7	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. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2023.

 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. Please insert the total number of ordinary shares (Shares) held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this instrument of proxy shall be deemed to relate to all the Shares held by you.
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 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. This proxy form 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 <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints more than one 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.

CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 19 April 2023 (being at least seven (7) working days before the Annual General Meeting).

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 deposited at the office of the Company at 6 Mandai Link, Singapore 728652; or
 - (b) if submitted electronically, be submitted via email of the Company at investor.relations@shengsiong.com.sg.

in either case, **by 10:00 a.m. on 25 April 2023, being 72 hours before the time appointed for holding the Annual General Meeting.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the proxy/proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the proxy/proxies is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised. Where the instrument appointing the proxy/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, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy/proxies (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 instrument appointing the proxy/proxies if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

* Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of the Laws of the Republic of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of the Laws of the Republic of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of the Laws of the Republic of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 April 2023.

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CORPORATE INFORMATION

Board of Directors	<ul style="list-style-type: none">: Mr Lim Hock Eng, Executive Chairman: Mr Tan Ling San, Vice Chairman and Executive Director: 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	<ul style="list-style-type: none">: Mr Tan Huay Lim, Committee ChairmanMr Chee Teck Kwong PatrickMs Tan Poh HongMr Ko Chuan AunMs Cheng Li Hui
Nominating Committee	<ul style="list-style-type: none">: Mr Chee Teck Kwong Patrick, Committee ChairmanMr Tan Huay LimMs Tan Poh HongMr Ko Chuan AunMs Cheng Li Hui
Remuneration Committee	<ul style="list-style-type: none">: Ms Tan Poh Hong, Committee ChairmanMr Chee Teck Kwong PatrickMr Tan Huay LimMr Ko Chuan AunMs Cheng Li Hui
Company Secretary	<ul style="list-style-type: none">: Ms Shirley Tan Sey Liy (FCS, FCG)
Independent Auditor	<ul style="list-style-type: none">: KPMG LLP12 Marina View, #15-01Asia Square Tower 2Singapore 018961 Partner-in-charge of the audit:Ms Sarina LeeDate appointed: 10 September 2020
Share Registrar	<ul style="list-style-type: none">: Boardroom Corporate & Advisory Services Pte Ltd1 Harbourfront AvenueKeppel Bay Tower #14-03/07Singapore 098632Tel: 6536 5355Fax: 6536 1360
Registered Office	<ul style="list-style-type: none">: 6 Mandai LinkSingapore 728652Tel: 6895 1888Fax: 6269 8265
Website	<ul style="list-style-type: none">: corporate.shengsiong.com.sg



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