



# SHENG SIONG GROUP LTD

## Financial Statement

### PART 1- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | GROUP<br>3 months ended<br>31 Dec |               |              | GROUP<br>Year ended<br>31 Dec |               |              |
|---|-----------------------------------|---------------|--------------|-------------------------------|---------------|--------------|
|   | 2020                              | 2019          | +/- (-)<br>% | 2020                          | 2019          | +/- (-)<br>% |
|   | S\$'000                           | S\$'000       |              | S\$'000                       | S\$'000       |              |
| Revenue   | 319,290                           | 247,859       | 28.8         | 1,393,998                     | 991,284       | 40.6         |
| Cost of sales   | (232,176)                         | (180,478)     | 28.6         | (1,012,140)                   | (724,426)     | 39.7         |
| Gross profit  | 87,114                            | 67,381        | 29.3         | 381,858                       | 266,858       | 43.1         |
| Other income  | 10,928                            | 1,707         | n.m.         | 41,243                        | 8,933         | n.m.         |
| Distribution expenses   | (1,504)                           | (2,655)       | (43.4)       | (7,222)                       | (7,669)       | (5.8)        |
| Administrative expenses   | (57,603)                          | (44,043)      | 62.8         | (245,159)                     | (172,787)     | 41.9         |
| Other expenses  | (1,236)                           | (689)         | 79.4         | (4,580)                       | (2,752)       | 66.4         |
| <b>Results from operating activities</b>  | <b>37,699</b>                     | <b>21,701</b> | <b>73.7</b>  | <b>166,140</b>                | <b>92,583</b> | <b>79.4</b>  |
| Finance income  | 227                               | 280           | (18.9)       | 984                           | 1,338         | (26.5)       |
| Finance expense   | (460)                             | (560)         | (17.9)       | (2,016)                       | (2,014)       | 0.1          |
| <b>Profit before tax</b>  | <b>37,466</b>                     | <b>21,421</b> | <b>74.9</b>  | <b>165,108</b>                | <b>91,907</b> | <b>79.6</b>  |
| Tax expense   | (5,341)                           | (4,046)       | 32.0         | (25,975)                      | (16,152)      | 60.8         |
| <b>Profit for the period/year</b>   | <b>32,125</b>                     | <b>17,375</b> | <b>84.9</b>  | <b>139,133</b>                | <b>75,755</b> | <b>83.7</b>  |
| <b>Other comprehensive income</b>   |                                   |               |              |                               |               |              |
| Items that may be re-classified subsequently to profit or loss                      |                                   |               |              |                               |               |              |
| Foreign currency translation differences arising on consolidation of foreign entity | 59                                | (8)           | n.m.         | 293                           | (137)         | n.m.         |
| <b>Total comprehensive income for the period/year</b>                               | <b>32,184</b>                     | <b>17,367</b> | <b>85.3</b>  | <b>139,426</b>                | <b>75,618</b> | <b>84.4</b>  |



# SHENG SIONG GROUP LTD

## Financial Statement

|   | GROUP          |               |             | GROUP          |               |             |
|---|----------------|---------------|-------------|----------------|---------------|-------------|
|   | 3 months ended |               |             | Year ended     |               |             |
|   | 31 Dec         |               |             | 31 Dec         |               |             |
|   | 2020           | 2019          | + / (-)     | 2020           | 2019          | + / (-)     |
|   | S\$'000        | S\$'000       | %           | S\$'000        | S\$'000       | %           |
| <b>Profit net of tax for the period/year attributable to:</b> |                |               |             |                |               |             |
| Owners of the company   | 32,079         | 17,383        | 84.5        | 138,650        | 75,732        | 83.1        |
| Non controlling interest                                      | 46             | (8)           | n.m.        | 483            | 23            | n.m.        |
|   | <u>32,125</u>  | <u>17,375</u> | <u>84.9</u> | <u>139,133</u> | <u>75,755</u> | <u>83.7</u> |
| <b>Total comprehensive income attributable to:</b>            |                |               |             |                |               |             |
| Owners of the company   | 32,114         | 17,378        | 84.8        | 138,826        | 75,650        | 83.5        |
| Non controlling interest                                      | 70             | (11)          | n.m.        | 600            | (32)          | n.m.        |
|   | <u>32,184</u>  | <u>17,367</u> | <u>85.3</u> | <u>139,426</u> | <u>75,618</u> | <u>84.4</u> |

### 1(a)(ii) Notes to the income statement

|   | Note | GROUP          |              | GROUP         |              |
|---|------|----------------|--------------|---------------|--------------|
|   |      | 3 months ended |              | Year ended    |              |
|   |      | 31 Dec         |              | 31 Dec        |              |
|   |      | 2020           | 2019         | 2020          | 2019         |
|   |      | S\$'000        | S\$'000      | S\$'000       | S\$'000      |
| Depreciation of property, plant and equipment     | (1)  | 5,524          | 4,669        | 20,675        | 18,055       |
| Depreciation of right-of-use assets               | (2)  | 7,595          | 7,070        | 29,910        | 23,702       |
| Exchange gain                                     |      | (285)          | (165)        | (1,334)       | (520)        |
| Loss on disposal of property, plant and equipment |      | 121            | -            | 124           | 42           |
| Interest income                                   |      | (227)          | (280)        | (984)         | (1,338)      |
| Interest expense                                  | (3)  | 460            | 560          | 2,016         | 2,014        |
| Finance expense                                   |      | 233            | 280          | 1,032         | 676          |
| <b>Other income:</b>                              |      |                |              |               |              |
| Rental income                                     | (4)  | 498            | 772          | 2,282         | 3,313        |
| Sale of scrap materials                           |      | 457            | 222          | 1,540         | 1,249        |
| Government grants                                 | (5)  | 9,379          | 208          | 34,876        | 2,109        |
| Miscellaneous income                              |      | 594            | 504          | 2,545         | 2,262        |
|   |      | <u>10,928</u>  | <u>1,706</u> | <u>41,243</u> | <u>8,933</u> |



# SHENG SIONG GROUP LTD

---

## Financial Statement

---

### Notes:

1. The increase in depreciation for the period and the year was attributable mainly to property, plant and equipment bought in FY2020.
2. The increase in depreciation for right-of-use assets for the year was attributable mainly to the renewal of leases for the supermarket outlets which were not classified as right-of-use assets in FY2019.
3. This finance expense relates to interest on lease liabilities which were brought onto the consolidated statements of financial position upon the recognition of the right-of-use assets following the adoption of SFRS (I) 16 Leases in FY2019.
4. Rental income was derived from leasing of excess retail space to external parties and was lower in the period and the year mainly because of rebates relating to COVID-19 given to tenants.
5. The government grants were from Government agencies for the COVID-19 Budget Supplementary Packages, Wage Credit, Special Employment Schemes and Capability Development Scheme. It was higher in FY2020 mainly because of COVID-19 grants consisting of the Job Support Scheme, Rental rebates, Foreign Workers levy rebates and Property Tax rebates. The gross values of these rebates are reported in other income and the related expenses like the additional month of salary for all staff except directors are taken up as staff costs or net off against rental income in the case of rebates given to the Group's tenants.



# SHENG SIONG GROUP LTD

## Financial Statement

### 1(b)(i) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 31 Dec 2020    | 31 Dec 2019    | 31 Dec 2020    | 31 Dec 2019    |
|   | S\$'000        | S\$'000        | S\$'000        | S\$'000        |
| <b>Non current assets</b>                                   |                |                |                |                |
| Right-of-use assets   | 48,710         | 60,903         | -              | -              |
| Property, plant and equipment                               | 291,589        | 295,286        | -              | -              |
| Investment in subsidiaries                                  | -              | -              | 82,261         | 82,261         |
|   | <b>340,299</b> | <b>356,189</b> | <b>82,261</b>  | <b>82,261</b>  |
| <b>Current assets</b>                                       |                |                |                |                |
| Inventories   | 77,911         | 82,166         | -              | -              |
| Trade and other receivables                                 | 19,949         | 17,981         | 199,300        | 181,354        |
| Cash and cash equivalents                                   | 253,901        | 76,419         | 274            | 299            |
|   | <b>351,761</b> | <b>176,566</b> | <b>199,574</b> | <b>181,653</b> |
| <b>Total assets</b>   | <b>692,060</b> | <b>532,755</b> | <b>281,835</b> | <b>263,914</b> |
| <b>Equity attributable to equity holders of the Company</b> |                |                |                |                |
| Share capital   | 235,373        | 235,373        | 235,373        | 235,373        |
| Merger reserve  | (68,234)       | (68,234)       | -              | -              |
| Accumulated profits   | 205,248        | 146,285        | 46,083         | 28,094         |
| Foreign currency translation reserve                        | 3              | (173)          | -              | -              |
| Equity attributable to owners of the Company                | 372,390        | 313,251        | 281,456        | 263,467        |
| Non Controlling interest                                    | 2,709          | 2,109          | -              | -              |
| <b>Total equity</b>   | <b>375,099</b> | <b>315,360</b> | <b>281,456</b> | <b>263,467</b> |
| <b>Non-current liabilities</b>                              |                |                |                |                |
| Lease liabilities   | 23,129         | 30,239         | -              | -              |
| Term loan   | 15,000         | -              | -              | -              |
| Deferred tax liabilities                                    | 3,615          | 3,042          | -              | -              |
|   | <b>41,744</b>  | <b>33,281</b>  | <b>-</b>       | <b>-</b>       |
| <b>Current liabilities</b>                                  |                |                |                |                |
| Lease liabilities   | 22,374         | 26,743         | -              | -              |
| Trade and other payables                                    | 208,089        | 140,766        | 379            | 447            |
| Term loan   | 15,000         | -              | -              | -              |
| Current tax payable   | 29,754         | 16,605         | -              | -              |
|   | <b>275,217</b> | <b>184,114</b> | <b>379</b>     | <b>447</b>     |
| <b>Total liabilities</b>                                    | <b>316,961</b> | <b>217,395</b> | <b>379</b>     | <b>447</b>     |
| <b>Total equity and liabilities</b>                         | <b>692,060</b> | <b>532,755</b> | <b>281,835</b> | <b>263,914</b> |



# SHENG SIONG GROUP LTD

## Financial Statement

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

|   | GROUP       |             | GROUP       |             |
|---|-------------|-------------|-------------|-------------|
|   | 31 Dec 2020 | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2019 |
|   | S\$'000     | S\$'000     | S\$'000     | S\$'000     |
|   | Secured     | Unsecured   | Secured     | Unsecured   |
| <b>Amount repayable in one year or less</b> |             |             |             |             |
| Term loan                                   | Nil         | 15,000      | Nil         | Nil         |
| <b>Amount repayable after one year</b>      |             |             |             |             |
| Term loan                                   | Nil         | 15,000      | Nil         | Nil         |

(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

## CONSOLIDATED STATEMENT OF CASH FLOW

|   | Group          |               | Group          |                |
|---|----------------|---------------|----------------|----------------|
|   | 3 months ended |               | Year ended     |                |
|   | 31 Dec         |               | 31 Dec         |                |
|   | 2020           | 2019          | 2020           | 2019           |
|   | S\$'000        | S\$'000       | S\$'000        | S\$'000        |
| <b>Operating activities</b>                       |                |               |                |                |
| Profit for the period/year                        | 32,125         | 17,375        | 139,133        | 75,755         |
| Adjustments for:                                  |                |               |                |                |
| Depreciation of right-of-use assets               | 7,595          | 7,070         | 29,910         | 23,702         |
| Depreciation of property, plant and equipment     | 5,524          | 4,669         | 20,675         | 18,055         |
| Loss on disposal of property, plant and equipment | 121            | -             | 124            | 42             |
| Unrealised exchange gain                          | (41)           | (22)          | (58)           | (88)           |
| Interest income                                   | (227)          | (280)         | (984)          | (1,338)        |
| Interest expense                                  | 460            | 560           | 2,016          | 2,014          |
| Tax expense                                       | 5,341          | 4,046         | 25,975         | 16,152         |
|   | 50,898         | 33,418        | 216,791        | 134,294        |
| Changes in inventories                            | 4,194          | (18,322)      | 4,255          | (12,269)       |
| Changes in trade and other receivables            | (10,160)       | (101)         | (1,968)        | (4,992)        |
| Changes in trade and other payables               | 16,844         | 22,753        | 67,323         | 15,103         |
| Cash generated from operations                    | 61,776         | 37,748        | 286,401        | 132,136        |
| Taxes paid  | (5,877)        | (24)          | (12,252)       | (14,814)       |
| <b>Cash flows from operating activities</b>       | <b>55,899</b>  | <b>37,724</b> | <b>274,149</b> | <b>117,322</b> |



# SHENG SIONG GROUP LTD

## Financial Statement

### Investing activities

|   |                |                 |                 |                 |
|---|----------------|-----------------|-----------------|-----------------|
| Proceeds from disposal of property, plant and equipment | -              | 3               | 30              | 91              |
| Purchase of property, plant and equipment               | (4,168)        | (37,236)        | (17,132)        | (53,611)        |
| Interest received                                       | 227            | 280             | 984             | 1,338           |
| <b>Cash flows used in investing activities</b>          | <b>(3,941)</b> | <b>(36,953)</b> | <b>(16,118)</b> | <b>(52,182)</b> |

### Financing activities

|  |                |                |                 |                 |
|--|----------------|----------------|-----------------|-----------------|
| Dividend paid                                  | -              | -              | (79,687)        | (52,624)        |
| Loan drawdown                                  | -              | -              | 30,000          | -               |
| Repayment of lease liabilities                 | (7,933)        | (7,004)        | (31,213)        | (23,282)        |
| <b>Cash flows used in financing activities</b> | <b>(7,933)</b> | <b>(7,004)</b> | <b>(80,900)</b> | <b>(75,906)</b> |

|  |                |                |                |                 |
|--|----------------|----------------|----------------|-----------------|
| <b>Net increase in cash and cash equivalents</b>                       | <b>44,025</b>  | <b>(6,233)</b> | <b>177,131</b> | <b>(10,766)</b> |
| Cash and cash equivalents at beginning of the period                   | 209,776        | 82,638         | 76,419         | 87,234          |
| Effect of exchange rate changes on balances held in foreign currencies | 100            | 14             | 351            | (49)            |
| <b>Cash and cash equivalents at end of the period/year</b>             | <b>253,901</b> | <b>76,419</b>  | <b>253,901</b> | <b>76,419</b>   |



# SHENG SIONG GROUP LTD

## Financial Statement

*1(d)(i) A statement (for the issuer and group) showing (i) all change in equity or (ii) change in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.*

| Group   | Attributable to owners of the Company |                |                    |                                      |          | Non-Controlling interest | Total equity |
|---|---------------------------------------|----------------|--------------------|--------------------------------------|----------|--------------------------|--------------|
|   | Share capital                         | Merger reserve | Accumulated profit | Foreign currency translation reserve | Total    |                          |              |
|   | S\$'000                               | S\$'000        | S\$'000            | S\$'000                              | S\$'000  | S\$'000                  | S\$'000      |
| <b>At 1 January 2019</b>  | 235,373                               | (68,234)       | 123,177            | (91)                                 | 290,225  | 2,141                    | 292,366      |
| <b>Total comprehensive income for the year</b>                    |                                       |                |                    |                                      |          |                          |              |
| Profit for the year   | -                                     | -              | 75,732             | -                                    | 75,732   | 23                       | 75,755       |
| <b>Other comprehensive income</b>                                 |                                       |                |                    |                                      |          |                          |              |
| Foreign currency translation differences for foreign entity       | -                                     | -              | -                  | (82)                                 | (82)     | (55)                     | (137)        |
| <b>Total comprehensive income for the year</b>                    | -                                     | -              | 75,732             | (82)                                 | 75,650   | (32)                     | 75,618       |
| <b>Transactions with owners, recorded directly in equity:</b>     |                                       |                |                    |                                      |          |                          |              |
| <b>Contribution by and distributions to owners of the Company</b> |                                       |                |                    |                                      |          |                          |              |
| Dividend paid   | -                                     | -              | (52,624)           | -                                    | (52,624) | -                        | (52,624)     |
| <b>Total transactions with owners</b>                             | -                                     | -              | (52,624)           | -                                    | (52,624) | -                        | (52,624)     |
| <b>As at 31 December 2019</b>                                     | 235,373                               | (68,234)       | 146,285            | (173)                                | 313,251  | 2,109                    | 315,360      |
| <b>At 1 January 2020</b>  | 235,373                               | (68,234)       | 146,285            | (173)                                | 313,251  | 2,109                    | 315,360      |
| <b>Total comprehensive income for the year</b>                    |                                       |                |                    |                                      |          |                          |              |
| Profit for the year   | -                                     | -              | 138,650            | -                                    | 138,650  | 483                      | 139,133      |
| <b>Other comprehensive income</b>                                 |                                       |                |                    |                                      |          |                          |              |
| Foreign currency translation differences for foreign entity       | -                                     | -              | -                  | 176                                  | 176      | 117                      | 293          |
| <b>Total comprehensive income for the year</b>                    | -                                     | -              | 138,650            | 176                                  | 138,826  | 600                      | 139,426      |
| <b>Transactions with owners, recorded directly in equity:</b>     |                                       |                |                    |                                      |          |                          |              |
| <b>Contribution by and distributions to owners of the Company</b> |                                       |                |                    |                                      |          |                          |              |
| Dividend paid   | -                                     | -              | (79,687)           | -                                    | (79,687) | -                        | (79,687)     |
| <b>Total transactions with owners</b>                             | -                                     | -              | (79,687)           | -                                    | (79,687) | -                        | (79,687)     |
| <b>As at 31 December 2020</b>                                     | 235,373                               | (68,234)       | 205,248            | 3                                    | 372,390  | 2,709                    | 375,099      |



# SHENG SIONG GROUP LTD

## Financial Statement

| Company   | Share capital<br>S\$'000 | Accumulated profits<br>S\$'000 | Total Equity<br>S\$'000 |
|---|--------------------------|--------------------------------|-------------------------|
| <b>As at 1 January 2019</b>                                   | 235,373                  | 27,576                         | 262,949                 |
| <b>Total comprehensive income for the year</b>                |                          |                                |                         |
| Profit for the year   | -                        | 53,142                         | 53,142                  |
| <b>Transactions with owners, recorded directly in equity:</b> |                          |                                |                         |
| <b>Distributions to owners</b>                                |                          |                                |                         |
| Dividend paid   | -                        | (52,624)                       | (52,624)                |
| <b>Total transactions with owners</b>                         | -                        | (52,624)                       | (52,624)                |
| <b>As at 31 December 2019</b>                                 | <u>235,373</u>           | <u>28,094</u>                  | <u>263,467</u>          |
| <b>As at 1 January 2020</b>                                   | 235,373                  | 28,094                         | 263,467                 |
| <b>Total comprehensive income for the year</b>                |                          |                                |                         |
| Profit for the year   | -                        | 97,676                         | 97,676                  |
| <b>Transactions with owners, recorded directly in equity:</b> |                          |                                |                         |
| <b>Distributions to owners</b>                                |                          |                                |                         |
| Dividend paid   | -                        | (79,687)                       | (79,687)                |
| <b>Total transactions with owners</b>                         | -                        | (79,687)                       | (79,687)                |
| <b>As at 31 December 2020</b>                                 | <u>235,373</u>           | <u>46,083</u>                  | <u>281,456</u>          |

*1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share option or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.*

There were no changes in the Company's share capital arising from rights issue, bonus issue, share-buybacks, exercise of share option or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares held.

*d)(iii) To show the total number of issued shares as at the end of the current financial period and as at the end of the immediately preceding year.*

| Company                       | As at                       |                             |
|-------------------------------|-----------------------------|-----------------------------|
|                               | 31 Dec 2020<br>No of shares | 31 Dec 2019<br>No of shares |
| Total number of issued shares | <u>1,503,537,000</u>        | <u>1,503,537,000</u>        |





# SHENG SIONG GROUP LTD

## Financial Statement

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current financial year as compared with the audited combined financial statements as at 31 December 2019. The Group has also applied new standards and amendments for the annual period beginning on 1 January 2020 and the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

|  | GROUP<br>3 months ended |                      | GROUP<br>Year ended  |                      |
|--|-------------------------|----------------------|----------------------|----------------------|
|  | 31 Dec 2020             | 31 Dec 2019          | 31 Dec 2020          | 31 Dec 2019          |
| Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:                      |                         |                      |                      |                      |
| - based on number of shares in issue at the end of period/year/weighted average number of shares in issue during the period/year (cents) | 2.13                    | 1.16                 | 9.22                 | 5.04                 |
| Number of shares in issue as at the end of the period/year   | <u>1,503,537,000</u>    | <u>1,503,537,000</u> | <u>1,503,537,000</u> | <u>1,503,537,000</u> |
| Weighted average number of shares in issue during the period/year  | <u>1,503,537,000</u>    | <u>1,503,537,000</u> | <u>1,503,537,000</u> | <u>1,503,537,000</u> |



# SHENG SIONG GROUP LTD

## Financial Statement

### Note:

There were no potentially dilutive shares during the period/year reported on.

7. *Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.*

|   | GROUP       |             | COMPANY     |             |
|---|-------------|-------------|-------------|-------------|
|   | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2020 | 31 Dec 2019 |
|   | Cents       | Cents       | Cents       | Cents       |
| Net asset value per ordinary share based on issued share capital at the end of the period reported on | 24.77       | 20.83       | 18.72       | 17.52       |

8. *A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.*

## INCOME STATEMENT

### OVERVIEW

Net profit on a year-on-year basis increased by 84.9% to \$32.1m and 83.7% to \$139.1m in 4Q2020 and FY2020 respectively due to an increase in gross profit arising from the strong growth in revenue, improved gross margin in FY2020 and higher other income but was partially offset by higher operating expenses.

### Revenue

|                                | 31 Dec 2020                | 31 Dec 2019            |
|--------------------------------|----------------------------|------------------------|
| <b>Number of stores</b>        | 63(Singapore)+2<br>(China) | 59(Singapore)+2(China) |
| <b>Retail area</b>             | 571,150 sq. ft*            | 529,480 sq. ft*        |
| <b>Revenue for year (\$'m)</b> | \$1,394m                   | \$991.3m               |

\*Singapore's operations only.

The changes to store count and retail area since the beginning of FY2020 were: -

| Store # |                                     | Opened/Closed  | Retail area (sq. ft) |
|---------|-------------------------------------|----------------|----------------------|
| 59      | <b>As at 1 January 2020</b>         |                | 529,480              |
|         | <b>New stores opened</b>            |                |                      |
| 60      | Aljunied Ave 2 Block 118            | January 2020   | 18,000               |
| 61      | Marsiling Drive Block 202           | January 2020   | 5,500                |
| 62      | Sengkang West Block 455             | July 2020      | 9,070                |
| 63      | 6 Potong Pasir Ave 2                | September 2020 | 4,600                |
| 64      | Tampines Street 86 Block 872C       | September 2020 | 8,500                |
|         | <b>Store closed</b>                 |                |                      |
| 63      | Penjuru Dormitory                   | October 2020   | (4,000)              |
|         | <b>Total as at 31 December 2020</b> |                | <b>571,150</b>       |



# SHENG SIONG GROUP LTD

## Financial Statement

The five stores listed in the table above together with the five which were opened in 2019 will be considered as new stores and will not be included in computing comparable same store sales.

The store at Penjuru Dormitory had been inactive since 1Q2020 because of COVID-19 lock-down and was closed on 31 October 2020 when the lease was not renewed. Pre-COVID-19 revenue from this store was less than 1% of Group's revenue.

The changes in revenue were attributable to:

|                       | <b>4Q2020 vs 4Q2019</b> | <b>FY2020 vs FY2019</b> |
|-----------------------|-------------------------|-------------------------|
| New stores            | 10.6%                   | 10.5%                   |
| Comparable same store | 18.2%                   | 29.1%                   |
| China                 | 0%                      | 1.0%                    |
| Total                 | 28.8%                   | 40.6%                   |

Compared with the corresponding prior period/year, revenue increased very strongly by 28.8% and 40.6% in 4Q2020 and FY2020 respectively mainly because of elevated demand arising from COVID-19. The effect on revenue can be seen in the year-on-year change of FY2020's quarterly's revenue as shown in the table below.

|        | REVENUE<br>\$m | % change<br>y-o-y | COVID-19 factors   |
|--------|----------------|-------------------|--|
| 1Q2020 | 328.7          | 30.7              | Dorscon level changed to orange on 7 Feb. Loading up pantry  |
| 2Q2020 | 418.7          | 75.8              | Circuit breaker in place, lock-down, movement and dining out forbidden   |
| 3Q2020 | 327.3          | 28.9              | Circuit breaker lifted. Restriction on group size, working from home encouraged. Travel in/out of the country is restricted. |
| 4Q2020 | 319.3          | 28.6              | Same as 3Q2020 except that Phase 3 started on 28 Dec-group size increased.   |

### **Gross Profit**

Gross profit increased by 43.1% and 29.3% in FY2020 and 4Q2020 respectively mainly because of the increase in revenue and improved gross margin for FY2020.

### **Gross Margin**

| FY2020 | FY2019 | 4Q2020 | 4Q2019 |
|--------|--------|--------|--------|
| 27.4%  | 26.9%  | 27.3%  | 27.2%  |

Gross margin improved slightly in FY2020 compared with FY2019 because of higher gross margin in the first half of FY2020 as selling prices were firmly underpinned by the strong demand. In addition, a higher sales mix of fresh to non-fresh and a higher volume of house brands sold in 1Q2020 contributed to the improvement in gross margin.

### **Other Income**

Please refer to the explanations on page 3 for the changes in other income.



# SHENG SIONG GROUP LTD

## Financial Statement

### Administrative Expenses

Increases in administrative expenses were mainly in the following areas: -

|   | <b>4Q2020 vs 4Q2019</b> | <b>FY2020 vs FY2019</b> |
|---|-------------------------|-------------------------|
|   | <b>\$m</b>              | <b>\$m</b>              |
| Staff costs   | 12.8                    | 67.8                    |
| Rental of outlets   | -                       | (3.7)                   |
| Depreciation (excluding property plant and equipment in the central distribution center and in distribution expenses) | 0.4                     | 1.7                     |
| Utilities   | 0.1                     | 0.5                     |
| Property tax  | (0.2)                   | (0.7)                   |
| Others  | 0.2                     | 0.8                     |
| Depreciation of right-of-use assets   | 0.3                     | 6.2                     |
| <b>Total increase</b>   | <b>13.6</b>             | <b>72.6</b>             |

Increases in staff costs were attributable mainly to (1) the additional headcount required to cope with the increased volume, implement the safe distancing and tracing measures relating to COVID-19, and to operate the new store, (2) higher provision for bonus as a result of the higher operating profit and (3) the additional one month of salary which was paid in 2Q2020 to all staff except directors for their diligence during the period of elevated demand. Rental decreased mainly because of leases which were capitalized as right-of-use assets. Property tax rebates from the Budget 2020 package were the reasons for the savings in property taxes.

### Other Expenses

Other expenses were higher by \$0.5m and \$1.8m in 4Q2020 and FY2020 respectively mainly because of higher finance charges relating to credit cards, and other non-cash payments arising from the higher volume which was offset by exchange gains.

### Tax

The effective tax rate for FY2020 of 15.7% was lower than the statutory rate of 17% mainly because of income, partially offset by expenses which were not taxable.

### China

The subsidiary in China continued to be profitable.



# SHENG SIONG GROUP LTD

## Financial Statement

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Purchase of property, plant and equipment amounting to \$17.1m which was offset by depreciation charges of \$20.7m were the main reasons for the decrease in property, plant and equipment of \$3.7m. Purchases of property, plant and equipment consist of:

| Description   | \$m         |
|---|-------------|
| Fitting out new stores, renovating old stores, purchase of electronic equipment and upgrading supermarkets' equipment | 9.6         |
| Construction and equipping of new warehouse   | 1.2         |
| Upgrading equipment at the central distribution center and purchase of commercial vehicles                            | 6.0         |
| China   | 0.3         |
| <b>Total</b>  | <b>17.1</b> |

Inventory decreased by \$4.3m mainly because of improvement in inventory turnover. The increase in trade and other receivables of \$2.0m was due to an increase in trade and other receivables of \$6.7m which was offset by a decrease of \$4.7m in deposits and prepayments. The increases in trade receivables were from unreimbursed Budget Supplementary vouchers issued by Government agencies and amount due from credit cards and financial institutions which was higher because of the increase in revenue. The increase in other receivables was due mainly to accruals of COVID-19 rebates to be received in 2021 and higher charges to suppliers arising from the higher revenue. The reclassification to properties, plant and equipment from deposits for equipment commissioned for use in FY2020 was the main reason for the reduction in deposits paid.

The increase in trade and other payables by \$67.3m was due to an increase in payables of \$23.2m arising from the higher volume and in accruals of \$44.1m mainly because of provision for FY2020 staff bonuses.

## CASH FLOW

Sales were mostly made on a cash basis. There were no major changes to the payment cycle.

The increase in cash generated from operating activities for 4Q2020 and FY2020 was mainly because of the higher volume of business and better management of working capital. Changes in the various component of working capital in FY2020 have been explained in the foregoing paragraphs commenting on the changes in the consolidated statement of financial position.

After payment of \$79.7m for dividends and \$17.1m for acquisition of properties, plant and equipment, cash and cash equivalent balances stood at \$253.9m at the end of FY2020, an increase of \$177.5m compared with FY2019.

9. *Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.*

The revenue and net profit for 4Q2020 compared with 3Q2020 were within the 5% as guided in our announcement made on 27 January 2021.

10. *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.*



# SHENG SIONG GROUP LTD

## Financial Statement

### Singapore

Demand was elevated in FY2020 because of COVID-19, but has tapered in the second half of FY2020 as restrictions on movements were relaxed. Though tapered, demand was still much higher than pre-COVID-19 levels. The Group's revenue in 2021 will depend on how COVID-19 develops which will affect demand and the timing of the opening of new stores. Since the declaration of DORSCON ORANGE, there was only one tender in November 2020 for two new HDB shops for use as supermarkets. The two shops are at Block 115A Alkaff Crescent (6280 sq. ft) and Block 610 Tampines North Drive (4,130 sq. ft). The result of the tender has not been announced. The Group will continue to look for retail space in new and existing HDB housing estates, particularly in HDB estates where the Group has no presence.

The level of COVID-19 support from the Government to the businesses and the people will be lower in 2021 with improvement in the COVID-19 situation.

Competition in the supermarket industry is expected to remain keen among the brick and mortar and on-line players.

Although there were no major disruptions to the food supply chain in FY2020 because of COVID-19, there are still risks of disruption either because of COVID-19, weather or geo-political events which will affect input prices.

The Group will continue to nurture the growth of the new stores and will continue to enhance gross margin by seeking for more efficiency gains in the supply chain and driving for a higher mix of fresh produce.

### 11. Dividend

#### (a) Current Financial Period Reported On

Yes

|                  |                       |
|------------------|-----------------------|
| Name of Dividend | Final                 |
| Dividend Type    | Cash                  |
| Dividend Rate    | 3.0 cent per share    |
| Tax rate         | Tax exempt (one-tier) |

#### (b) Corresponding Period of the immediately Preceding Financial Year

|                  |                       |
|------------------|-----------------------|
| Name of Dividend | Final                 |
| Dividend Type    | Cash                  |
| Dividend Rate    | 1.80 cent per share   |
| Tax rate         | Tax exempt (one-tier) |

#### (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

This is a tax exempt (one-tier) dividend.



# SHENG SIONG GROUP LTD

## Financial Statement

(d) *The date the dividend is payable.*

The Directors propose, subject to shareholders' approval at the Annual General Meeting to be convened on 26 April 2021, a final dividend, tax exempt (one-tier) of 3.0 cents per share to be paid on 20 May 2021.

(e) *The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined*

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 pm on 10 May 2021 for the preparation of dividend warrants. Duly completed registrable transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-00, Singapore 048623 by 5.00 p.m. on 10 May 2021 will be registered to determine shareholders' entitlement to the proposed final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with Shares at 5.00 pm on 10 May 2021 will be entitled to the proposed final dividend.

12. *If no dividend has been declared (recommended), a statement to that effect.*

Not applicable.

13. Breakdown of results in the first and second half year.

|   | <b>FY 2020</b> | <b>FY 2019</b> | <b>Increase/(decrease)</b> |
|---|----------------|----------------|----------------------------|
|   | <b>GROUP</b>   | <b>GROUP</b>   | <b>GROUP</b>               |
|   | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>                   |
| Sales reported for the first half year              | 747,400        | 489,592        | 52.7                       |
| Operating profit after tax for the first half year  | 75,224         | 37,791         | 99.1                       |
| Sales reported for the second half year             | 646,598        | 501,692        | 28.9                       |
| Operating profit after tax for the second half year | 63,940         | 37,964         | 68.4                       |

14 Segment reporting

In FY2020, the Group operated in one segment only, which is the retailing of supermarket supplies and supermarket operations. The Group's operates in Singapore and China, but will not be reporting China as a separate geographical segment as in FY2020, the revenue, net profit and net assets employed were not significant. The Group's subsidiary in Malaysia remained inactive.

15. *If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.*

The Group did not obtain a mandate under Rule 920(1)(a)(ii). The interested person transactions during the year were: -



# SHENG SIONG GROUP LTD

Financial Statement

## INTERESTED PERSON TRANSACTIONS

From 1 January 2020 to 31 December 2020

| 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) (\$'000) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---|---|---|---|
| F M Food Court Pte Ltd/ <sup>1</sup><br>Lim Hock Eng<br>Lim Hock Chee<br>Lim Hock Leng                    | Sale of goods and services by Sheng Siong Group Ltd to F M Food Court Pte Ltd <sup>(1)</sup>  | 46  | -   |
|   | Lease of operation space by FM Food Court Pte Ltd <sup>(1)</sup> from Sheng Siong Group Ltd   | 313   | -   |
| E Land Properties Pte Ltd/ <sup>1</sup><br>Lim Hock Eng<br>Lim Hock Chee<br>Lim Hock Leng                 | Rent and utilities paid by Sheng Siong Group Ltd. to E Land Properties Pte Ltd <sup>(1)</sup> for lease and license of operations space | 2,150   | -   |
| Sheng Siong Holdings Pte Ltd <sup>2</sup><br>Lim Hock Eng<br>Lim Hock Chee<br>Lim Hock Leng<br>Lin Ruiwen | Re-billing at cost of purchases of gold to manufacture long service medallions to be awarded to employees                               | 470   | -   |

Note:

- (1) These entities are associates of Messrs. Lim Hock Eng, Lim Hock Chee and Lim Hock Leng, the executive directors and controlling shareholders of Sheng Siong Group Ltd.
- (2) This entity is an associate of Messrs. Lim Hock Eng, Lim Hock Chee, Lim Hock Leng, the executive directors and controlling shareholders of Sheng Siong Group Ltd, and Ms. Lin Ruiwen an executive director of Sheng Siong Group Ltd.





# SHENG SIONG GROUP LTD

## Financial Statement

16. A breakdown of the total dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -

| Type                           | FY2020 (\$'000) | FY2019 (\$'000) |
|--------------------------------|-----------------|-----------------|
| Ordinary-Interim               | \$52,624        | \$26,312        |
| Ordinary-Final                 | \$45,106        | \$27,064        |
| <b>Total</b>                   | <b>\$97,730</b> | <b>\$53,376</b> |
| <b>Total per share (cents)</b> | <b>6.50</b>     | <b>3.55</b>     |

\*Estimated based on 1,503,537,000 shares at the end of the financial year.

17. Disclosure relating pursuant to Rule 704(13).

| Name              | Age (in 2020) | Family relationship with any director, CEO and/or substantial shareholder | Current position (in 2020) and duties, and the year the position was first held   | Details of changes in duties and position held, if any, during the year 2020 |
|-------------------|---------------|---|---|--|
| Tan Bee Loo       | 60            | Wife of Lim Hock Eng  | 1985: Head, Fruits and Vegetables<br>2007: Director of Sheng Siong Supermarket Pte Ltd<br>2008: Director of C M M Marketing Management Pte Ltd                        | N.A.   |
| Lee Moi Hong      | 60            | Wife of Lim Hock Chee   | 1985: Head, Dry Goods<br>2007: Director of Sheng Siong Supermarket Pte Ltd<br>2008: Director of C M M Marketing Management Pte Ltd                                    | N.A.   |
| Lim Huek Hun      | 67            | Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng                   | 2010: Manager, Eggs Department of CMM Marketing Management Pte Ltd  | N.A.   |
| Lim Guek Li       | 54            | Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng                   | 2008: Manager, Sheng Siong Supermarket Pte Ltd<br>2018: Senior Manager, Sheng Siong Supermarket Pte Ltd   | N.A.   |
| Lin Ruiwen        | 37            | Daughter of Lim Hock Eng  | 2009: Manager, International Business Development<br>2014: Senior Manager, International Business Development<br>2016: Appointed as Director of Sheng Siong Group Ltd | N.A.   |
| Lin Junlin, Nigel | 32            | Son of Lim Hock Leng  | 2018: Senior Manager Seafood Department<br>2020: Executive Assistant to CEO   | Re-designated  |
| Lin Zi Kai        | 28            | Son of Lim Hock Chee  | 2015: Assistant Manager, Marketing Department<br>2020: Executive Assistant to CEO   | Promoted   |
| Lin Yuansheng     | 32            | Son of Lim Hock Chee  | 2020: Executive Assistant to CEO  | Joined Jan 2020  |



# SHENG SIONG GROUP LTD

Financial Statement

---

## **CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

**BY ORDER OF THE BOARD**

LIM HOCK CHEE  
CEO  
24 February 2021