



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

Contents

A. Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
B. Interim Statements of Financial Position	4
C. Interim Statements of Changes in Equity	5
D. Interim Consolidated Statement of Cash Flows	7
E. Notes to the Condensed Interim Financial Statements	8
F. Other Information Required by Listing Rule Appendix 7.2	20



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

A. Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

		The Group					
		6 months ended			12 months ended		
		31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
Note		S\$'000	S\$'000	+/- (-)	S\$'000	S\$'000	+/- (-)
	Revenue	688,085	646,598	6.4%	1,369,760	1,393,998	(1.7%)
	Cost of sales	(487,309)	(471,079)	3.4%	(976,468)	(1,012,140)	(3.5%)
	Gross profit	200,776	175,519	14.4%	393,292	381,858	3.0%
	Other income	4,564	21,298	(78.6%)	12,110	41,243	(70.6%)
	Selling and distribution expenses	(4,016)	(2,451)	63.9%	(7,576)	(7,222)	4.9%
	Administrative expenses	(116,883)	(115,939)	0.8%	(230,237)	(245,159)	(6.1%)
	Other expenses	(2,636)	(2,429)	8.5%	(5,358)	(4,580)	17.0%
	Results from operating activities	81,805	75,998	7.6%	162,231	166,140	(2.4%)
	Finance income	631	416	51.7%	1,115	984	13.3%
	Finance expenses	(1,286)	(958)	34.2%	(2,364)	(2,016)	17.3%
	Profit before tax	81,150	75,456	7.5%	160,982	165,108	(2.5%)
	Tax expense	(14,133)	(11,547)	22.4%	(27,874)	(25,975)	7.3%
	Profit for the year	67,017	63,909	4.9%	133,108	139,133	(4.3%)
	Profit attributable to:						
	Owners of the company	66,899	63,834	4.8%	132,833	138,650	(4.2%)
	Non-controlling interest	118	75	57.3%	275	483	(43.1%)
	Profit after tax	67,017	63,909	4.9%	133,108	139,133	(4.3%)



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

		The Group					
		6 months ended			12 months ended		
		31 Dec	31 Dec	Change	31 Dec	31 Dec	Change
Note		2021	2020		2021	2020	
		S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
	Other comprehensive income						
	Item that is or may be reclassified subsequently to profit or loss:						
	Foreign currency translation differences – foreign entities	22	198	n.m	(169)	293	n.m
	Total comprehensive income for the period / year	67,039	64,107	4.6%	132,939	139,426	(4.7%)
	Total comprehensive income attributable to:						
	Owners of the company	66,912	63,953	4.6%	132,732	138,826	(4.4%)
	Non-controlling interest	127	154	(17.5%)	207	600	(65.5%)
	Total comprehensive income for the period / year	67,039	64,107	4.6%	132,939	139,426	(4.7%)
	Earnings per share						
	Basic and diluted (cents)	8	4.45	4.25	8.83	9.22	

n.m denotes not meaningful



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

B. Interim Statements of Financial Position

	Note	The Group		The Company	
		31 Dec 2021 S\$'000	31 Dec 2020 S\$'000	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Assets					
Property, plant and equipment	12	302,883	291,588	-	-
Right-of-use assets	12	79,505	48,711	-	-
Investment in subsidiaries		-	-	82,261	82,261
Non-current assets		382,388	340,299	82,261	82,261
Inventories		98,383	77,911	-	-
Trade and other receivables		11,604	19,949	200,721	199,300
Cash and cash equivalents		246,642	253,901	308	274
Current assets		356,629	351,761	201,029	199,574
Total assets		739,017	692,060	283,290	281,835
Equity					
Share capital	10	235,373	235,373	235,373	235,373
Merger reserve		(68,234)	(68,234)	-	-
Foreign currency translation reserve		(98)	3	-	-
Accumulated profits		246,365	205,248	47,551	46,083
Equity attributable to owners of the Company		413,406	372,390	282,924	281,456
Non-controlling interest		2,916	2,709	-	-
Total equity		416,322	375,099	282,924	281,456
Liabilities					
Deferred tax liabilities		3,229	3,615	-	-
Term loan	14	-	15,000	-	-
Lease liabilities	15	48,945	23,129	-	-
Non-current liabilities		52,174	41,744	-	-
Trade and other payables		212,391	208,089	361	379
Current tax payable		25,381	29,754	5	-
Term loan	14	5,000	15,000	-	-
Lease liabilities	15	27,749	22,374	-	-
Current liabilities		270,521	275,217	366	379
Total liabilities		322,695	316,961	366	379
Total equity and liabilities		739,017	692,060	283,290	281,835



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

C. Interim Statements of Changes in Equity

<u>Group</u>	Attributable to owners of the Company					Non-Controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000		
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 2020	235,373	(68,234)	(173)	146,285	313,251	2,109	315,360
Total comprehensive income for the year							
Profit for the year	-	-	-	138,650	138,650	483	139,133
Other comprehensive Income							
Foreign currency translation differences	-	-	176	-	176	117	293
Total comprehensive income for the year	-	-	176	138,650	138,826	600	139,426
Transaction with owners, recognised directly in equity							
Distribution to owners of the Company							
Dividends paid (Note 9)	-	-	-	(79,687)	(79,687)	-	(79,687)
Total transaction with Owners	-	-	-	(79,687)	(79,687)	-	(79,687)
At 31 December 2020	235,373	(68,234)	3	205,248	372,390	2,709	375,099



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

<u>Company</u>	Attributable to owners of the Company		
	Share capital S\$'000	Accumulated profits S\$'000	Total equity S\$'000
At 1 January 2021	235,373	46,083	281,456
Total comprehensive income for the year			
Profit for the year	-	93,184	93,184
Total comprehensive income for the year	-	93,184	93,184
Transaction with owners, recognised directly in equity			
Distribution to owners of the Company			
Dividends paid	-	(91,716)	(91,716)
Total transaction with owners	-	(91,716)	(91,716)
At 31 December 2021	235,373	47,551	282,924
At 1 January 2020	235,373	28,094	263,467
Total comprehensive income for the year			
Profit for the year	-	97,676	97,676
Total comprehensive income for the year	-	97,676	97,676
Transaction with owners, recognised directly in equity			
Distribution to owners of the Company			
Dividends paid	-	(79,687)	(79,687)
Total transaction with owners	-	(79,687)	(79,687)
At 31 December 2020	235,373	46,083	281,456

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

D. Interim Consolidated Statement of Cash Flows

	Note	The Group	
		12 months ended	
		31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Operating activities			
Profit for the year		133,108	139,133
Adjustments for:			
Depreciation of:			
– property, plant and equipment	6.1	20,435	20,675
– right-of-use assets	6.1	31,179	29,910
(Gain)/Loss on disposal of property, plant and equipment	6.1	(205)	124
Gain on disposal of right-of-use assets	6.1	(14)	-
Unrealised exchange gain		(465)	(58)
Interest income	6.1	(1,115)	(984)
Interest expense	6.1	2,364	2,016
Tax expense	7	27,874	25,975
		<u>213,161</u>	<u>216,791</u>
Changes in:			
– inventories		(20,472)	4,255
– trade and other receivables		8,345	(1,968)
– trade and other payables		4,302	67,323
Cash generated from operations		<u>205,336</u>	<u>286,401</u>
Taxes paid		(32,633)	(12,253)
Cash flows from operating activities		<u>172,703</u>	<u>274,148</u>
Investing activities			
Proceeds from disposal of property, plant and equipment		263	30
Purchase of property, plant and equipment	12	(31,693)	(17,131)
Interest received		1,115	984
Cash flows used in investing activities		<u>(30,315)</u>	<u>(16,117)</u>
Financing activities			
Dividends paid	9	(91,716)	(79,687)
(Repayment)/Proceeds from borrowings	14	(25,000)	30,000
Payment of lease liabilities	15	(31,003)	(29,197)
Interest paid on lease liabilities	15	(2,158)	(2,016)
Cash flows used in financing activities		<u>(149,877)</u>	<u>(80,900)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(7,489)</u>	<u>177,131</u>
Cash and cash equivalents at beginning of the year		253,901	76,419
Effect of exchange rate changes on balances held in foreign currencies		230	351
Cash and cash equivalents at end of the year		<u>246,642</u>	<u>253,901</u>



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Sheng Siong Group Ltd (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The primary activity of the Company is that of investment holding. The principal activities of the subsidiaries are trading and wholesale importers of consumer goods and the operations of supermarket retail stores selling consumer products.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months and financial year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council. The condensed interim financial statements do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last interim financial statements for the period ended 30 June 2021 and the last annual financial statements for the year ended 31 December 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Changes in accounting policies

Classification of property, plant and equipment / right-of-use assets

Property, plant and equipment and right-of-use assets were aggregated as a single financial statement caption as “property, plant and equipment” in the consolidated financial statements of the Group as at 31 December 2020. In this condensed interim financial statements, property, plant and equipment and right-of-use assets are disaggregated as “property, plant and equipment” and “right-of-use assets” respectively.



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

Except for the adoption of the new and amendments to SFRS(I)s that are effective for the annual period beginning on 1 January 2021 as described below, the accounting policies applied in these condensed interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the current reporting period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*

The application of these amendments to standards and interpretations did not have a material effect on the condensed interim financial statements.

2.5 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical judgements made in applying the Group's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the year.

4. Segment information

The Group operates in one segment, which relates to the supermarket operations selling consumer goods. The Group operates in Singapore and China, but will not be reporting China as a separate geographical segment as the China operations are not significant for the years ended 31 December 2021 and 31 December 2020. The subsidiary in Malaysia remained inactive.

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

5. Revenue information

The Group operates a chain of supermarket retail stores selling consumer products. Revenue is recognised when the control of the goods has been transferred, being at the point the customer purchases the goods at the retail store.

6. Profit before taxation
6.1 Significant items

	Note	The Group			
		6 months ended		12 months ended	
		31 Dec	31 Dec	31 Dec	31 Dec
		2021	2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	12	10,346	10,661	20,435	20,675
Depreciation of right-of-use assets	12	15,956	15,187	31,179	29,910
Exchange gain, net		(360)	(477)	(629)	(1,326)
(Gain)/Loss on disposal of property, plant and equipment		(133)	121	(205)	124
Gain on disposal of right-of-use assets		(14)	-	(14)	-
Staff costs		(97,130)	(97,402)	(193,122)	(208,494)
Contribution to defined contribution plans, included in staff costs		(3,798)	(3,346)	(7,339)	(6,382)
Interest income		(631)	(416)	(1,115)	(984)
Interest expense		1,286	958	2,364	2,016
Finance expense, net		655	542	1,249	1,032
Other income:					
Rental income		1,451	849	2,939	2,081
Sale of scrap materials		1,678	893	2,841	1,514
Government grants	(a)	1,150	18,274	4,806	34,804
Miscellaneous income		285	1,282	1,524	2,844
		4,564	21,298	12,110	41,243

- (a) Government support in the form of COVID-19 Budget Supplementary Packages, Wage Credit and Special Employment Schemes.

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

6.2 Related party transactions

Other than disclosed elsewhere in the condensed interim financial statements, significant transactions with related parties based on agreed terms are shown as follows:

	The Group			
	6 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Corporations in which directors of the Group have substantial financial interests				
Sales	14	19	24	37
Rental and utilities expenses	(1,159)	(1,145)	(2,306)	(2,140)
Rental and utilities income	124	162	414	437

7. Taxation

The Group calculates the tax expense using the statutory tax rate that would be applicable to the expected total annual earnings. The major components of tax expense in the interim consolidated statement of profit or loss are:

	The Group			
	6 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense				
Current year	15,825	11,260	29,020	24,821
(Over)/under provided in prior years	(760)	581	(760)	581
	<u>15,065</u>	<u>11,841</u>	<u>28,260</u>	<u>25,402</u>
Deferred tax expense				
Origination and reversal of temporary differences	(932)	(294)	(386)	573
Total tax expense	<u>14,133</u>	<u>11,547</u>	<u>27,874</u>	<u>25,975</u>

8. Earnings per share

Basic earnings per share is computed by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period / year.



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

	The Group			
	6 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020
Basic earnings per share (Singapore cents)	4.45	4.25	8.83	9.22
	No. of shares			
	'000	'000	'000	'000
Total number of shares in issue at the end of the period / year	1,503,537	1,503,537	1,503,537	1,503,537
Weighted average number of shares at during the period / year	1,503,537	1,503,537	1,503,537	1,503,537

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

9. Dividends

	The Group	
	FY 2021	FY 2020
	S\$'000	S\$'000
Ordinary dividends paid:		
Final exempt 2020 dividend of 3.00 cents per share (2020: Final exempt 2019 dividend of 1.80 cents per share)	45,106	27,063
Interim exempt 2021 dividend of 3.10 cents per share (2020: Interim exempt 2020 dividend of 3.50 cents per share)	46,610	52,624
	91,716	79,687

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

10. Share capital

	The Group and the Company			
	31 Dec 2021		31 Dec 2020	
	Number of		Number of	
	shares	Amount	shares	Amount
	'000	\$'000	'000	\$'000
Ordinary shares in issue	1,503,537	235,373	1,503,537	235,373

The Company did not hold any treasury shares as at 31 December 2021.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to claims on Company's residual assets.

All issued ordinary shares are fully paid, with no par value.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

11. Net asset value

	The Group		The Company	
	As at 31 Dec			
	2021	2020	2021	2020
Net asset value per ordinary share (Singapore cents)	27.50	24.77	18.82	18.72
Number of shares as at end of year ('000)	1,503,537	1,503,537	1,503,537	1,503,537

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

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

	Note	31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Group			
Property, plant and equipment	(a)	302,883	291,588
Right-of-use assets	(b)	79,505	48,711
		382,338	340,299

(a) **Property, plant and equipment**

	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Group		
Cost		
At 1 January	421,689	411,508
Additions	31,693	17,131
Adjustment	1,209	-
Disposals	(2,425)	(6,950)
Effect of movements in exchange rates	243	-
At 31 December	452,409	421,689
Accumulated depreciation		
At 1 January	130,101	116,222
Depreciation for the year	20,435	20,675
Adjustment	1,209	-
Disposals	(2,367)	(6,796)
Effect of movements in exchange rates	148	-
At 31 December	149,526	130,101
Carrying amounts		
At 31 December	302,883	291,588

Acquisitions and disposals

For the year ended 31 December 2021, the Group acquired assets amounting to \$31,693,000 (2020: \$17,131,000) and disposed assets with carrying amount of \$58,000 (2020: \$154,000). The proceeds from disposals amounted to \$263,000 (2020: \$30,000) resulting in a gain on disposal of \$205,000 (2020: Loss on disposal of \$124,000), which was included in "other expenses" in the interim consolidated statement of profit or loss.

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

(b) Right-of-use assets

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	\$'000	\$'000
Group		
At 1 January	48,711	60,903
Additions	62,464	17,787
Depreciation charge for the year	(31,179)	(29,910)
Disposals	(536)	(69)
Effect of movements in exchange rate	45	-
At 31 December	<u>79,505</u>	<u>48,711</u>

Amount recognised in profit and loss

	<u>The Group</u>			
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Interest on lease liabilities	1,287	958	2,364	2,016
Income from sub-leasing right-of-use assets presented in "other income"	(743)	(935)	(1,458)	(2,081)
Expenses relating to short-term leases	<u>1,606</u>	<u>1,329</u>	<u>3,168</u>	<u>3,043</u>

13. Classification of financial assets and liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2021 and 31 December 2020.

Accounting classification and fair values

The fair value 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 reasonable approximation of fair value.



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

	Carrying amount		
	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Group			
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables*	9,944	-	9,944
Cash and cash equivalents	246,642	-	246,642
	256,586	-	256,586
Financial liabilities not measured at fair value			
Unsecured term loan	-	(5,000)	(5,000)
Lease liabilities	-	(76,694)	(76,694)
Trade and other payables**	-	(206,275)	(206,275)
	-	(287,969)	(287,969)
31 December 2020			
Financial assets not measured at fair value			
Trade and other receivables*	17,971	-	17,971
Cash and cash equivalents	253,901	-	253,901
	271,872	-	271,872
Financial liabilities not measured at fair value			
Unsecured term loan	-	(30,000)	(30,000)
Lease liabilities	-	(45,503)	(45,503)
Trade and other payables**	-	(204,590)	(204,590)
	-	(280,093)	(280,093)
Company			
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables*	200,711	-	200,711
Cash and cash equivalents	308	-	308
	201,019	-	201,019

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

	Carrying amount		
	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Company			
31 December 2020			
Financial liabilities not measured at fair value			
Trade and other payables	-	(361)	(361)
Financial assets not measured at fair value			
Trade and other receivables*	199,294	-	199,294
Cash and cash equivalents	274	-	274
	199,568	-	199,568
Financial liabilities not measured at fair value			
Trade and other payables	-	(379)	(379)

* Excludes prepayments.

** Excludes 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:

Unsecured term loan

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows, discounted using the market rate of interest at the reporting date.

Other financial assets and liabilities

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

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021

Valuation techniques and unobservable inputs

The following tables show the valuation technique used in measuring Level 3 fair values, as well as the significant unobservable input used.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Unsecured term loan	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount rate: 3.0% (2020: 3.0%)	The estimated fair value varies inversely against the discount rate.

14. Term loan

	The Group	
	31-Dec-21	31-Dec-20
	S\$'000	S\$'000
	Unsecured	Unsecured
Amount repayable in one year or less		
Term loan	5,000	15,000
Amount repayable after one year		
Term loan	-	15,000

The unsecured term loan of \$30.0 million was granted by a government agency in June 2020, of which \$10.0 million and \$15.0 million were repaid in June 2021 and December 2021 respectively.

15. Lease liabilities

	The Group	
	31 Dec 21	31 Dec 20
	\$'000	\$'000
Non-current	48,945	23,129
Current	27,749	22,374
	<u>76,694</u>	<u>45,503</u>



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

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 2020	56,982	-	56,982
Changes from financing cash flows			
Payment of lease liabilities	(29,197)	-	(29,197)
Interest paid	(2,016)	-	(2,016)
Proceeds from borrowings	-	30,000	30,000
Total changes from financing cash flows	(31,213)	30,000	(1,213)
Other changes			
New leases	17,787	-	17,787
Disposals	(69)	-	(69)
Interest expense	2,016	-	2,016
Total other changes	19,734	-	19,734
Balance at 31 December 2020	45,503	30,000	75,503
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)
Other changes			
New leases	62,464	-	62,464
Disposals	(550)	-	(550)
Interest expense	2,364	-	2,364
Effects of movement in exchange rates	74	-	74
Total other changes	64,352	-	64,352
Balance at 31 December 2021	76,694	5,000	81,694

16. Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of condensed interim financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1. Review

The interim statements of financial position of Sheng Siong Group Ltd and its subsidiaries as at 31 December 2021, the interim consolidated statement of profit or loss and other comprehensive income for the six-month and year ended 31 December 2021, and the interim statements of changes in equity and interim consolidated statement of cash flows for the year ended 31 December 2021 and related explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated Statement of Profit or Loss for the 12 months ended 31 December 2021

Overview

	The Group		
	FY 2021	FY 2020	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales reported for the first half year	681,675	747,400	(8.8%)
Operating profit after tax for the first half year	66,091	75,224	(12.1%)
Sales reported for the second half year	688,085	646,598	6.4%
Operating profit after tax for the second half year	67,017	63,909	4.9%

Revenue declined 1.7% to \$1,370 million from \$1,394 million last year. The decrease was mainly due to high base of elevated demand arising from measures taken amid COVID-19 pandemic in 1H FY 2020 that was partially offset by 2.9% increment from the full year operations of 5 new stores which were opened in year 2020.

Net profit before tax decreased by 2.5% from \$165.1 million to \$161.0 million in FY 2021, mainly attributable to a sharp \$29.1 million decline in other income because of reduced government grants.

Revenue

	31 Dec 21	31 Dec 20
Number of stores	64 (Singapore) + 4 (China)	63 (Singapore) + 2 (China)
Retail area	*576,640 square foot	*571,150 square foot
Revenue for the year (\$'m)	\$1,370m	\$1,394m
Revenue per sq. ft.	*\$2,343 psf	*\$2,390 psf

*Singapore's operations only.



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

Revenue	No. of stores	Revenue 2H FY 2021 vs 2H FY 2020	Revenue FY 2021 vs FY 2020
New store – Singapore open 1 store in 2021 (2020: 5)	6	2.2%	2.9%
Comparable same store – Singapore	58	3.6%	(4.8%)
China (open 2 stores in 2H 2021)	4	0.7%	0.2%
Total	68	6.4%	(1.7%)

Gross profit

Arising from the change in sales mix, the gross margin edged up slightly from 27.4% to 28.7%. Gross profit increased from \$381.9 million to \$393.3 million in FY 2021 despite 1.7% decline in revenue.

Gross margin

2H FY 2021	2H FY 2020	FY 2021	FY 2020
29.2%	27.1%	28.7%	27.4%

Other income

The Government support in the form of COVID-19 Budget Supplementary Packages, Wage Credit, and Special Employment Schemes amounted to \$34.9 million in FY 2020. As the situation arising from COVID-19 pandemic stabilised during the year, the support granted was reduced to \$4.8 million in FY 2021.

Administrative expenses

In FY 2021, the total administrative expenses were \$230.2 million, registering a decline of \$14.9 million from \$245.2 million last year. Breakdown of the decrease by nature of expense was tabled below:

	2H FY 2021 vs 2H FY 2020	FY 2021 vs FY 2020
	\$'million	\$'million
Staff cost	0.1	(17.2)
Rental, utilities, cleaning expenses and stamp duty	0.2	0.3
Property tax	0.5	1.1
Depreciation of fixed asset	(0.2)	(0.6)
Depreciation of right-of-use assets	0.7	1.3
Others	(0.4)	0.2
Total	0.9	(14.9)



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

Staff cost contributed to the bulk of the decline. The staff was rewarded with higher bonus on increased operating profit arose from sterling sales performance and an additional one-month salary was paid in 2Q FY 2020 to all staff excluding the directors. Savings in property tax was attributable to rebates granted from the Budget 2020 package which was not available to the Group in FY 2021.

Other expenses

Other expenses were \$5.4 million, registering \$0.8 million more than last year, mainly on account of reduced foreign currency exchange gain.

Tax

The effective tax rate for FY 2021 of 17.3% was higher than the statutory rate of 17.0% mainly due to certain expenses that are not deductible and the corporate tax rate of China is 25%.

China

The subsidiary in China continued to be profitable.

Consolidated Statement of Financial Position

Non-current assets increased by \$42.1 million from \$340.3 million to \$382.4 million as at 31 December 2021. The increase was mainly attributable to the acquisition of property, plant and equipment of \$31.7 million and the addition of right-of-use assets amounting to \$62.5 million, offset by depreciation of property, plant and equipment and right-of-use assets of \$20.4 million and \$31.2 million respectively.

Current assets increased by \$4.8 million from \$351.8 million to \$356.6 million as at 31 December 2021, mainly due to the increase in inventory of \$20.5 million from \$77.9 million to \$98.4 million as at 31 December 2021. This was partly offset by the decrease in trade and other receivables as a result of prompt collection of receivables. Trade and other receivables fell \$8.3 million from \$19.9 million to register \$11.6 million as at 31 December 2021.

Total liabilities increased by \$5.7 million from \$317.0 million to \$322.7 million as at 31 December 2021, mainly due to increase in lease liabilities that was partially offset against the repayment of \$25.0 million of unsecured loan during the year.

Consolidated Statement of Cash Flows

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

Cash generated from operating activities for FY 2021 decreased to \$172.7 million from \$274.1 million reported a year ago. This was mainly due to higher working capital requirements and paying more income tax on account of high business volume generated in FY 2020. Changes in the various component of working capital have been explained in the above paragraph when we commented on the changes in the consolidated statement of financial position. As at 31 December 2021, cash and cash equivalent was \$246.6 million, down by \$7.3 million from \$253.9 million reported a year ago.



The cash position of FY 2021 was arrived at after taking into consideration FY 2020 final dividend of \$45.1 million and FY 2021 interim dividend of \$46.6 million, \$31.7 million for the acquisition of properties, plant and equipment and \$25.0 million for the partial repayment of unsecured term loan.

Consolidated Statement of Profit or Loss for the 6 months ended 31 December 2021

Revenue for the 2nd half of FY 2021 grew 6.4% to \$688.1 million compared to the corresponding period last year. 3 new stores which were opened in 2nd half of FY 2020 in Singapore contributed 23.9% to the increment. A new store was opened in August and November 2021 respectively in China resulting in 9.7% of the increase in revenue.

Profit before tax was \$81.2 million, registering 7.5% increase from \$75.5 million reported for the same period last year. The increase was mainly due to higher gross profit margin of 29.2% compared to 27.1% registered in 2H FY 2020, that was partially offset against the marginally 2.2% or \$2.7 million increase in operating expenses. The sharp decline of \$16.7 million in other income partly offset the increase in profit before tax on the back of high revenue and gross margin.

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

Not applicable.

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

As we move into 2022, the Singapore economy continues to be impacted by COVID-19 with the emergence of the highly infectious Omicron variant. The uncertainty of COVID-19 may affect our business outlook.

Despite the recent rise in COVID-19 cases, the Singapore government has not tightened restrictions. However, businesses and the general public are exercising caution and practicing more social responsibility that may continue to drive demand.

On the other hand, if the domestic COVID-19 situation stabilizes, together with the further easing of restrictions on movements of people and increasing percentage of the population being vaccinated may cause the elevated demand to taper down as consumers increase their spending on other social activities and/or international travels.

Although COVID-19 did not cause any major disruption to our food supply chain last year, we observe increasing supply chain pressures and higher energy prices resulting in higher input costs. In Singapore, the core inflation rate rose to 2.1% in December 2021¹, the highest since July 2014. There are also risks of disruptions from climate or geo-political events that may affect input prices. At Sheng Siong, we continue our efforts in diversifying our sources of supply, and work closely with our suppliers to minimize these disruptions.



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

Tight measures taken in FY 2020 and FY 2021 to curb the spread of the COVID-19 virus have greatly affected the supply of new HDB shops. During the year 2021, we were successful in our bid to secure the leases of three stores of which we open a store on 30 December 2021. We plan to open the other two stores in 1H FY 2022. The Group will continue to look out for retail spaces in new and existing HDB housing estates, particularly in estates where the Group has no presence.

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

The Group will continue to monitor the performance of existing and new stores closely by working on our core competencies thereby improving the gross margin arising from changes in sales mix.

^[1] <https://www.mas.gov.sg/-/media/MAS/EPG/CPD/2021/Inflation202112.pdf>

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

5a. Whether a final ordinary dividend has been recommended: Yes

5b. Current Financial Period Reported On

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	3.1 cent per share
Tax rate	Tax exempt (one-tier)

5c. Corresponding Period of the immediately Preceding Financial Year

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

5d. The date the dividend is payable

The Directors propose, subject to shareholders' approval at the Annual General Meeting to be held on 26 April 2022, a final dividend of 3.1 cents (last year: 3.0 cents) per share, to be paid on 20 May 2022. Taken with the interim dividend of 3.1 cents per share already paid, this will give a total distribution for the year of 6.2 cents per share (last year: 6.5 cents).

5e. 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.

Registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, Keppel Bay Tower, #14-03/07, Singapore 098632 up to 5.00 p.m. on 10 May 2022 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 10 May 2022 for the preparation of dividend warrants.

6. If no dividend has been declared (recommended), a statement to the effect and the reason (s) for the decision.

Not applicable.

7. 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:

**INTERESTED PERSON TRANSACTIONS
From 1 January 2021 to 31 December 2021**

Name of Interested Person(s)	Description of Interested Person Transactions	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'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 ⁽¹⁾ / Lim Hock Eng	Sale of goods and services by Sheng Siong Group Ltd to F M Food Court Pte Ltd ⁽¹⁾	34	-
Lim Hock Chee Lim Hock Leng	Lease of operating space by FM Food Court Pte Ltd ⁽¹⁾ from Sheng Siong Group Ltd	1,473	-
E Land Properties Pte Ltd ⁽¹⁾ / Lim Hock Eng Lim Hock Chee Lim Hock Leng	Rent paid by Sheng Siong Group Ltd. to E Land Properties Pte Ltd ⁽¹⁾ for lease of operating space	1,367	-

Name of Interested Person(s)	Description of Interested Person Transactions	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
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 lease of operating space	265	-
Sheng Siong Holdings Pte Ltd ⁽²⁾ / Lim Hock Eng Lim Hock Chee Lim Hock Leng Lin Ruiwen	Purchases of gold to manufacture medallions to reward the long service employees	428	-

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 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.

8. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Refer to item 2.

9. Confirmation By the Company Pursuant to Rule 720(1) of SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format as set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

Condensed Interim Financial Statements
For the 6 Months and Full Year Ended 31 December 2021
10. A breakdown of the total dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -

Type	FY2021	FY2020
Ordinary-Interim (\$'000)	46,610	52,624
Ordinary-Final (\$'000)	46,610	45,106
Total (\$'000)	93,220	97,730
Total per share (cents)	6.20	6.50

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

11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a related of a director of chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Bee Loo	62	Wife of Lim Hock Eng	1985: Head, Fruits and Vegetables 2007: Director of Sheng Siong Supermarket Pte Ltd 2008: Director of C M M Marketing Management Pte Ltd.	On 31 December 2021, she retired as a Director of Sheng Siong Supermarket Pte Ltd and C M M Marketing Management Pte Ltd. She also resigned as the Head of Fruits and Vegetable Department.
Lee Moi Hong	62	Wife of Lim Hock Chee	1985: Head, Dry Goods 2007: Director of Sheng Siong Supermarket Pte Ltd 2008: Director of C M M Marketing Management Pte Ltd	N.A.



SHENG SIONG GROUP LTD

Condensed Interim Financial Statements

For the 6 Months and Full Year Ended 31 December 2021

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lim Huek Hun	69	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	56	Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng	2008: Manager, Sheng Siong Supermarket Pte Ltd 2018: Senior Manager, Sheng Siong Supermarket Pte Ltd	N.A.
Lin Ruiwen	39	Daughter of Lim Hock Eng	2009: Manager, International Business Development 2014: Senior Manager, International Business Development 2016: Appointed as Director of Sheng Siong Group Ltd	N.A.
Lin Junlin, Nigel	34	Son of Lim Hock Leng	2018: Senior Manager Seafood Department 2020: Executive Assistant to CEO	N.A.
Lin Zi Kai	30	Son of Lim Hock Chee	2015: Assistant Manager, Marketing Department 2020: Executive Assistant to CEO	N.A.
Lin Yuansheng	34	Son of Lim Hock Chee	2020: Executive Assistant to CEO	N.A.
Yong Hui Min	35	Daughter-in-law of Lim Hock Chee	N.A.	Joined on 3 January 2022 as Internal Control and Compliance Manager

On behalf of the Board of Directors

Lim Hock Eng
Executive Chairman

Lim Hock Chee
Chief Executive Officer

23 February 2022