SHENG SIONG GROUP LTD

Full Year Financial Statement

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

The Group consists of three wholly owned subsidiaries and was formed through a restructuring exercise. Please refer to the notes on page 9 for the details of the restructuring exercise. As the restructuring exercise involved the transfer of equity interests under common control, the pooling-of-interests method is used in the preparation of the consolidated financial statements. Pursuant to the restructuring exercise, the consolidated financial statements of the Group for the comparative period have been prepared as if the Company has been in existence throughout the reported periods.

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 3 months ended 31 December			GROUP Year ended 31 December		
	2011 S$'000	2010 S$'000	+/ (-)	2011 S$'000	2010 S$'000	+/ (-)
Revenue	138,860	147,949	(6.1)	578,443	628,432	(8.0)
Cost of sales	(112,046)	(113,218)	(1.0)	(450,595)	(491,675)	(8.4)
Gross profit	26,814	34,731	(22.8)	127,848	136,757	(6.5)
Other income	860	1,514	(43.2)	3,252	15,918	(79.6)
Distribution expenses	(903)	(1,241)	(27.2)	(4,122)	(4,372)	(5.7)
Administrative expenses	(21,137)	(25,994)	(18.7)	(91,567)	(98,314)	(6.9)
Other expenses	(369)	(257)	43.6	(1,138)	(1,284)	(11.4)
Results from operating activities	5,265	8,753	(39.8)	34,273	48,705	(29.6)
Net finance (expenses)/income	(42)	2	n.m	(63)	25	n.m
Profit before income tax	5,223	8,755	(40.3)	34,210	48,730	(29.8)
Income tax expense	(1,472)	(1,508)	(2.4)	(6,954)	(6,095)	14.1
Profit for the year	3,751	7,247	(48.2)	27,256	42,635	(36.1)

	GROUP 3 months ended 31 December			GROUP Year ended 31 December		
	2011 S$'000	2010 S$'000		2011 S$'000	2010 S$'000	+/ (-)
Other comprehensive income						
Net change in fair value of other investment transferred to profit or loss	-	-		-	(13,437)	n.m
Total comprehensive income	3,751	7,247	(48.2)	27,256	29,198	(6.7)

n.m denotes not meaningful.

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

	Note	GROUP 3 months ended 31 December 2011 S$'000	GROUP 3 months ended 31 December 2010 S$'000	GROUP Year ended 31 December 2011 S$'000	GROUP Year ended 31 December 2010 S$'000
Depreciation of property, plant and equipment	(1)	2,158	1,107	6,155	4,249
Exchange (gain)/loss net		(56)	52	(100)	29
Loss on disposal of property, plant and equipment		(4)	99	25	104
Stock write-offs	(2)	1,657	106	1,985	1,514
Non-audit fees paid to auditors of the company	(3)	-	-	520	16
Other income:					
Dividend income	(4)	-	79	-	287
Rental received	(5)	130	33	916	2,453
Sale of scrap materials		234	253	1,073	1,028
Government grants	(6)	62	-	62	177
Cash grants in relation to the jobs credit scheme	(6)	-	-	-	639
Gain on disposal of other investment	(7)	-	-	-	9,413
Gain on deemed disposal of other investment		-	-	-	153
Miscellaneous income		434	1,149	1,201	1,768
		860	1,514	3,252	15,918
Net finance (expenses)/ income:					
Interest income		17	2	19	25
Interest expenses	(8)	(59)	-	(82)	-
		(42)	2	(63)	25
Tax					
Under/(over) provision in respect of prior years	(9)	296	(1)	454	(565)

Notes

1. The increase in depreciation was due mainly to the capital expenditure incurred for the new office and distribution centre in Mandai Link.
2. These amounts were the variances between the inventory balance in the books and the actual quantity, determined by physical inventory counts.
3. These relates to professional fees paid to auditors of the Company in connection with the initial public offerings of the Company' shares charged to profit and loss as well as fees relating to tax compliance services. Another amount of $103,000 (also in connection with the initial public offerings of the Company's shares) was capitalised as share issue expense and deducted from equity.
4. There was no dividend income in FY2011 as the investments were fully divested by 31 December 2010.
5. Rental received was lower by $1.5m mainly due to the closure of the Ten Mile Junction outlet in November 2010. Previously, the excess retail space at this outlet was leased out to generate rental income.
6. The government grant from Spring Singapore was a one-off receipt which did not recur in FY2011. The last payout of the grant from the Job Credit Scheme was received in June 2010.
7. Gain on disposal of other investment amounting to $9.4m in FY2010 came from the sale of quoted shares. These investments were fully divested by 31 December 2010.
8. The interest expense arose from the term loan to finance the construction of the new office and distribution centre. The interest expense was incurred after the building obtained its temporary occupation permit. Interest expense incurred during the construction period was capitalized.
9. IRAS assessed tax on gains amounting to $3.1m on the sale of investments in FY2009, which we had not provided previously as it was considered capital in nature. We have objected to the assessment and will furnish the information which they have requested for them to review the matter again. This additional assessment was the main reason for the under-provision in prior year taxes

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

	GROUP		COMPANY	
	31 Dec 2011 S$'000	31 Dec 2010 S$'000	31 Dec 2011 S$'000	31 Dec 2010 S$'000
Non-current assets				
Property, plant and equipment	72,095	58,328	-	-
Investment in subsidiaries	-	-	78,234	
	72,095	58,328	78,234	-
Current assets				
Inventories	36,427	26,405	-	-
Trade and other receivables	6,959	4,715	43,728	-
Cash and cash equivalents	122,120	85,885	60,212	-
Asset held for sale	3,584	-	-	-
	169,090	117,005	103,940	-
Total assets	241,185	175,333	182,174	-
Equity attributable to equity holders of the Company				
Share capital	156,349	78,234	156,349	-
Merger reserve	(68,234)	(68,234)	-	
Accumulated profits	60,210	33,881	25,595	-
Total equity	148,325	43,881	181,944	-
Non-current liabilities				
Financial liabilities	-	19,091	-	-
Deferred tax liabilities	1,075	608	-	-
	1,075	19,699	-	-
Current liabilities				
Trade and other payables	83,362	101,462	230	-
Financial liabilities	-	3,201	-	-
Current tax payable	8,423	7,090	-	-
	91,785	111,753	230	-
Total liabilities	92,860	131,452	230	-
Total equity and liabilities	241,185	175,333	182,174	-

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

	As at:	
	31 Dec 2011	**31 Dec 2010**
	S$'000	**S$'000**
Amount repayable in one year or less, or on demand		
- secured	-	3,201
- unsecured	-	-
	-	3,201
Amount repayable after one year		
- secured	-	19,091
- unsecured	-	-
Total	-	22,292

This loan was secured by:

a) First legal mortgage of the property under construction at Mandai Link Singapore,

b) the assignment of the rights, title and interest with respect to the property upon completion and

c) a corporate guarantee from Sheng Siong Supermarket Pte Ltd.

The loan was repaid in full in November 2011 and the security had been released.

1(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 Year ended 31 December	
	2011	**2010**
	S$'000	**S$'000**
Operating activities		
Profit for the year	27,256	42,635
Adjustments for:		
Depreciation of property, plant and equipment	6,155	4,249
Loss on disposal of property, plant and equipment	25	104
Gain on disposal of other investment	-	(9,413)
Gain on deemed disposal of other investment	-	(153)
Unrealised exchange loss/(gain)	(49)	(10)
Dividend income	-	(287)
Interest income	(19)	(25)
Interest expense	82	-
Income tax expense	6,954	6,095
	40,404	43,195
Changes in working capital:		
Inventories	(10,022)	(1,497)
Trade and other receivables	(2,350)	1,067
Trade and other payables	5,241	(1,409)
Cash generated from operations	33,273	41,356
Income taxes paid	(5,154)	(7,327)
Cash flows from operating activities	28,119	34,029
Investing activities		
Proceeds from disposal of property, plant and equipment	90	71
Proceeds from disposal of other investment	-	35,722
Purchase of property, plant and equipment	(23,621)	(38,391)
Purchase of other investment	-	(5,004)
Dividends received	-	287
Interest received	19	25
Payments of amounts owing to shareholders of entities under common control	(20,000)	-
Cash flows from investing activities	(43,512)	(7,290)

CONSOLIDATED STATEMENT OF CASH FLOW

	Group Year ended 31 December	
	2011	**2010**
	S$'000	**S$'000**
Financing activities		
Proceeds from bank loan	3,765	22,292
Repayment of bank loan	(26,057)	-
Non-trade amounts due from affiliated companies	106	36,676
Non-trade amounts due to affiliated companies	(136)	(136)
Non-trade amounts due to directors	(3,205)	2,461
Dividend paid	(927)	(41,239)
Interest paid	(82)	-
Net initial public offering ("IPO") proceeds	78,115	-
Cash flows from financing activities	51,579	20,054
Net increase in cash and cash equivalents	36,186	46,793
Cash and cash equivalents at beginning of the year	85,885	39,081
Effect of exchange rate changes on balances held in foreign currencies	49	11
Cash and cash equivalents at end of the period	122,120	85,885

Significant non-cash transaction:

During the year ended 31 December 2010, the Group declared and paid a dividend in specie amounting S$37,946,000 to the owners of the Group. The dividend payment was made using partially its available-for-sale investment securities.

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	**Share capital S$'000**	**Fair value reserve S$'000**	**Merger reserve S$'000**	**Accumulated profits S$'000**	**Total equity S$'000**
As at 1 January 2010	16,000	13,437	-	84,431	113,868
Contributions by and distributions to owners					
Issuance of share capital by way of capitalization of accumulated profits	14,000	-	-	(14,000)	-
Issuance of shares for acquisitions of subsidiaries pursuant to restructuring exercise*	78,234	-	-	-	78,234
Adjustments arising from restructuring exercise*	(30,000)	-	(68,234)	-	(98,234)
Total transactions with owners	62,234	-	(68,234)	(14,000)	(20,000)
Amount adjusted as of 1 January 2010	78,234	13,437	(68,234)	70,431	93,868
Total comprehensive income for the period					
Profit for the year	-	-	-	42,635	42,635
Other comprehensive income					
Net change in fair value of other investment	-	-	-	-	-
Net change in fair value of other investment transferred to profit or loss	-	(13,437)	-	-	(13,437)
Total comprehensive income for the period	-	(13,437)	-	42,635	29,198
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners					
Dividend paid	-	-	-	(79,185)	(79,185)
As at 31 December 2010	78,234	-	(68,234)	33,881	43,881

*Restructuring exercise

The Group was formed through a restructuring exercise which involved the acquisition by the Company of 100% of the issued capital of Sheng Siong Supermarket Pte. Ltd. and C M M Marketing Management Pte. Ltd. on 17 March 2011, and Sheng Siong Supermarket Sdn. Bhd. on 16 March 2011. Total purchase considerations of $78.2m were based on the aggregate net tangible assets of the three companies as shown in their management accounts as at 30 September 2010 adjusted for capital reduction of $20m. The purchase considerations were satisfied by way of 29,999,997 new shares issued to the existing shareholders of the three companies.

Pursuant to the restructuring exercise, the consolidated statement of changes in equity of the Group as of 31 December 2010 has been prepared as if the holding company, Sheng Siong Group Ltd had been in existence throughout the reporting periods.

At an Extraordinary General Meeting held on 18 March 2011, the shareholders of the Company approved the sub-division of each ordinary share of the Company into thirty-eight ordinary shares.

Group	**Share capital S$'000**	**Fair value reserve S$'000**	**Merger reserve S$'000**	**Accumulated profits S$'000**	**Total equity S$'000**
As at 1 January 2011	78,234	-	(68,234)	33,881	43,881
Total comprehensive income for the year					
Profit for the period	-	-	-	27,256	27,256
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners					
Issuance of shares pursuant to the IPO	80,367	-	-	-	80,367
IPO expenses taken to equity	(2,252)	-	-	-	(2,252)
Dividend paid	-	-	-	(927)	(927)
Total transactions with owners	78,115	-	-	(927)	77,188
At 31 December 2011	156,349	-	(68,234)	60,210	148,325

Company	**Share capital S$'000**	**Accumulated profits S$'000**	**Total equity S$'000**
As at date of incorporation	*-	-	-
Total comprehensive income for the period			
Profit for the year	-	25,595	25,595
Total comprehensive income for the period	-	25,595	25,595
Transactions with owners, recorded directly in equity:			
Contributions by and distributions to owners			
Restructuring exercise-consideration paid for acquisition of subsidiaries	78,234	-	78,234
Issue of 243,537,000 pursuant to the IPO	80,367	-	80,367
IPO expenses taken to equity	(2,252)	-	(2,252)
Total transactions with owners	156,349	-	156,349
At 31 December 2011	156,349	25,595	181,944

Note:-

* As at date of incorporation on 10 November 2010, the issued share capital was $3.00.

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.

Company	**No of shares**	**Share Capital $**
As at 10 November 2010 (date of incorporation)	3	3
Issue of new shares pursuant to the Restructuring Exercise	29,999,997	78,233,525
	30,000,000	78,233,528
Sub-division of shares	1,140,000,000	78,233,528
Pre-IPO share capital	1,140,000,000	78,233,528
New IPO shares issued	243,537,000	78,114,991*
Total as at 31 December 2011	1,383,537,000	156,348,519

* The proceeds from issuance of IPO shares are net of IPO expenses of S$2,252,000. Included in the IPO expenses was an amount of $103,000 paid to auditors of the Company.

1(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.

	As at	
Company	**31 Dec 2011 No of shares**	**31 Dec 2010 No of shares**
Total number of issued shares	1,383,537,000	3

There were no outstanding convertibles instruments for which shares may be issued. There were no treasury shares held.

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.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period.

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 reporting period as compared with the audited combined financial statements as at 31 December 2010, except for the adoption of the new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2011. The adoption of these new and revised accounting standards did not give rise to any significant changes to the financial statements.

5. If there 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. Earning 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	
	Year ended	
	31 Dec 2011	**31 Dec 2010**
Earning per ordinary share of the group for the financial year based on net profit attributable to shareholders:		
- based on weighted number of shares in issue	2.21 cents	3.74 cents
Number of shares as at 31 December	1,383,537,000	1,140,000,000
Weighted average number of shares in issue during the year	1,231,326,000	1,140,000,000

Note:-

There were no potentially dilutive shares.

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 2011 cents	**31 Dec 2010 cents**	**31 Dec 2011 cents**	**31 Dec 2010 Cents**
Net asset value per ordinary share based on issued share capital at the end of the period reported on	10.72	3.85	13.15	-

Note:-

The consolidated financial statements of the Group have been prepared to reflect the operations of the Company and its subsidiaries as a single economic enterprise under common control. The number of shares in issue and used in calculating the net asset value per share as at 31 December 2011 is 1,383,537,000. The number of shares used in calculating the net asset value per share as at 31 December 2010 is 1,140,000,000 shares, after adjusting for the sub-division.

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.

OVERVIEW
FY2011

Revenue decreased by 8.0% due mainly to the closure of two of our outlets at Ten Mile Junction and Tanjong Katong respectively. More information relating to the closure of these outlets is set out on page 38 of our IPO prospectus dated 4 August 2011 (the "IPO Prospectus"). Gross margins improved to 22.1% from 21.8% as a result of the margin enhancement initiatives. Operating expenses decreased by 6.7% mainly because of tight control and lower sale volume.

Other income declined by 79.6% due mainly to the gain on the disposal of other investments in FY2010 and lower rental income. As mentioned in the "Trend Information" section of the IPO Prospectus, the Group does not intend to acquire any other investments in FY2011. Accordingly, the Group's other income was expected to decrease in FY2011 vis-à-vis FY2010.

Despite the 8.0% fall in revenue, operating profits before considering other income decreased by only 5.4%. However net profits fell by 36.1% mainly because of the lower other income and a higher tax charge.

INCOME STATEMENT

Sales

	As at 31 Dec 2011	As at 31 Dec 2010
Number of outlets	25	23
Retail area	348,000 square	335,000 square feet

Sales of supermarkets have been contracting in the first three quarters of 2011 (on a quarter on quarter basis) as measured by the Retail Sales Index published by the Department of Statistics, Singapore.

The closure of the two outlets caused a reduction in turnover of $63.7m for FY2011 which were partially offset by the opening of new outlets, which resulted in a net decrease in turnover of $50.0m to $578.4m. The Ten Mile Junction and Tanjong Katong outlets were closed at the end of November 2010 and August 2011 respectively, as the buildings were sold for re-development. Four new outlets were opened in Elias Mall (January 2011), Teck Whye (May 2011), Thomson (November 2011) and Woodlands Industrial Park (November 2011) during the year. Comparable same store sales were lower by 1%. However, if sales at the Verge which is affected by ongoing MRT construction works in the vicinity were excluded, same store sales' growth was flat. Growth in some of the stores was encouraging, but was offset by declines in sales in the older stores in matured housing estates.

For the same reasons 4Q11 sales were lower than 4Q10 by $9.1m, or 6.1%

Cost of sale

Notwithstanding the lower sales of 8.0%, gross profit for FY2011 decreased only marginally by 6.5%, mainly because gross profit margin improved from 21.8% to 22.1%. The improvements came from lower purchase costs.

Gross profit margin was lower at 19.3% in 4Q11 compared with 3Q11 because of keener competition and the stock count adjustment of $2.0m. The gross profit margin for 4Q10 of 23.5% was higher than 3Q10's gross profit margin of 21.6% because of rebates from suppliers.

Other income

The absence of non-recurring items like gain on disposal of investments (such as quoted preference shares and debt securities), dividend income, government grants and lower rental income were the main reasons for the reduction in other income in FY2011 by $12.7m. Rental income was affected mainly by the closure of the Ten Mile Junction outlet.

Administrative Expenses

Costs were tightly controlled resulting in administrative expenses for FY2011 decreasing by 6.9%, attributable mainly to lower staff costs, offset by higher utility expenses and IPO expenses. Staff costs were lower due to lower level of provision for bonus resulting from lower profit in FY2011 compared with the previous year. Similarly, lower staff cost because of smaller bonus provision was the main reason for administrative expenses to be lower in 4Q11 compared with 4Q10.

Utility expenses were higher because of higher electricity rates in FY2011. Rental expenses for the supermarket outlets remained relatively stable at $14.5m for FY2011.

Distribution expenses
Distribution expenses for FY2011 were lower by $0.3m because of lower bonus provision for the staff in the current year.

Tax
The effective tax rate for FY2011 was higher than the corporate tax rate of 17% mainly because expenses relating to the IPO were not tax deductible and charges were incurred relating to under-provision of previous years taxes. Please refer to note 9 in section 1 (a) (i) for more details.

Net profit
Net profit after tax for 4Q11 was lower than 4Q10 mainly because of the lower gross profit. As for the year as a whole, net profit after tax decreased by 36.1% largely due to the absence of non-recurring other income, a lower gross profit because of the lower sales volume, offset by lower administrative expenses.

Operating margin before other income, interest and taxes was 5.4% compared with 5.2% in FY2010. Net margin for FY2011, having considered all items was 4.7% compared with 6.8% in 2010.

BALANCE SHEET

The construction of the new office and distribution centre at 6 Mandai Link was completed in May 2011 at a total cost of $65.0m, which included the cost of land, construction, fitting costs and plant and machinery. The net increase in the carrying value of property, plant and equipment of $17.4m was attributable mainly to the capital expenditure incurred in 2011 for this new building.

Inventory increased by $10m mainly because of stocking for Chinese New Year sales in January 2012 and a higher level of bulk purchasing, facilitated by the additional capacity in the new warehouse.

Sales were conducted principally in cash and balances due from trade and other receivables remain low. The increase in trade and other receivables by $2.2m was caused mainly by the increase of $1.1m in deposits and prepayments.

Cash and cash equivalent increased by $36.2m as a result of the positive cash flows generated from operating and financing (including IPO proceeds) activities.

Included in the trade and other payables as at 31 December 2010 was an amount owing to shareholders of entities under common control of $20.0m arising from the restructuring exercise. (Refer to details in paragraph 1(d)(i)). This amount was settled in 2011. Excluding this item, trade and other payables increased by $1.9m, mainly because of higher trade payables of $4.4m arising from inventory purchases, and $0.9m in other payables and accruals, which was offset by $3.2m reduction in amount due to directors.

An additional drawdown of $3.8m was made in FY2011 to pay for the construction of the new office and warehouse and this term loan from DBS Bank was fully repaid in November 2011.

Merger reserve as of 31 December 2010 represents the difference between the purchase considerations of $78.2m paid by the Company for the acquisition of the subsidiaries and the aggregated share capital of the combining entities.

CASH FLOW

Cash flows from operating activities were lower by $5.9m mainly because of lower operating profit, higher inventory and receivables. The decrease was however, partially offset by higher payables and a lower income tax payment during the year.

The main cash outflows from investing activities was the capital expenditure of $23.6m, for the new office and distribution centre and payment of $20m to the shareholders of entities under common control before the IPO.

Cash flows from financing activities were higher by $31.5m mainly because of net proceeds from the IPO of amount $78.1m. This increase was however, partially offset by the net repayment of the term loan amounting to $22.3m.

The Group ended the year with a strong cash and cash equivalent position of $122.1m.

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

Not applicable.

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.

The global economic climate is uncertain and economic growth in Singapore is forecast to be between 1 to 3% for 2012. Weak growth prospects in the developed economies and concerns about the Eurozone continue to cloud the near-term horizon.*

The drivers of revenue growth in the industry are population growth and consumer spending, which could be affected if economic conditions deteriorates. On a quarter on quarter basis, seasonally adjusted sales at supermarkets contracted between 1.6% to 3.4% in the first three quarters of 2011. The industry is expected to remain competitive.

We have opened four new stores in FY2011 and are actively looking for suitable shop spaces to open new stores, particularly in housing estates where we do not have a presence yet. Competition for shop spaces by retailers is expected to remain keen. Our competitors have announced that they are planning to open new stores in 2012.

Our move to the new office and distribution centre was completed and we will be leveraging on its enhanced capacity and capabilities to extract further value from the supply chain. The old warehouse at 3000 Marsiling Road was sold on 20 Jan 2012 for $15m, resulting in a net gain of $10.4m after deducting costs. This asset was presented as asset held for sale in the statement of financial position.

IRAS has assessed the gain on investments of $3.1m in 2009 as taxable, and if the gain in 2010 is treated similarly, the Group would have to pay another $1.6m in taxes.

* Source-MAS Release dated 8 December 2011.

11. Dividend

(a) Current Financial Period Reported On

Yes.

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	1.77 cents per share
Tax rate	Tax exempt-one tier

(b) Corresponding Period of the immediately Preceding Financial Year

Nil. The Company was incorporated on 10 November 2010. Please refer to the note below detailing dividends paid by the subsidiaries in 2010.

(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.

(d) The date the dividend is payable.

The dividend will be paid on 25 May 2012, subject to approval by the shareholders at the Annual General Meeting of the Company, to be convened on 24 April 2012.

(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

The Directors propose, subject to shareholders' approval at the Annual General Meeting to be convened, a final dividend of 1.77 cents per share tax exempt one-tier, to be paid on 25 May 2012.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 10 May 2012 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company ('Shares") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-00, Singapore 048623 at 5.00 p.m. on 10 May 2012 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 2012 will be entitlted to the proposed final dividend.

Note:

The following dividend payments were made by the subsidiaries prior to completion of the restructuring exercise, and were shown in the Group's change in equity statement in paragraph 1(d)(i).

Type	*Dividend per share*	*Amount ($'000)*	*Date paid*
Interim	0.53 cents	$6,000	23 March 2010
Interim	3.09 cents	$35,239	15 September 2010
Dividend in specie	3.33 cents	$37,946	3 December 2010
Final dividend	0.081 cents	$927	29 April 2011

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.

The Group made its first Financial Statement and Dividend announcement on 10 November 2011 in respect of the third quarter and nine months ended 30 September 2011. As such, no comparative half year numbers are available.

14 Segment reporting

The Group operates in one segment which relates to the provision of supermarket supplies and supermarket operations. The Group's operations are located in Singapore only, and the Malaysian subsidiary remained inactive in 2011.

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 party transactions during the year were:-

INTERESTED PERSON TRANSACTIONS
From 1 January 2011 to 31 December 2011

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./ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Sale of goods by F M Food Court Pte. Ltd. See Notes (1), (2) to Sheng Siong Group Ltd.	1,143	-
	Purchase of goods by F M Food Court Pte. Ltd. See Notes (1), (2) from Sheng Siong Group Ltd.	550	-
	Lease of operation space by F.M Food Court Pte Ltd from Sheng Siong Group Ltd.	286	-
E Land Properties Pte. Ltd./ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Rent and utilities paid by Sheng Siong Group Ltd. to E Land Properties Pte. Ltd. See Note (1) for lease and license of operations space	1,021	-
Shook Lin & Bok LLP/ Lee Teck Leng, Robson	Professional charges for IPO paid by Sheng Siong Group Ltd. to Shook Lin & Bok LLP.	540	-

The following interested person transactions were discontinued after the Company was listed on 17 August 2011.

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./ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Purchase of goods by F M Food Court Pte. Ltd. See Notes (1), (2),(3) from Sheng Siong Group Ltd.	405	-
	Lease of operation space by F M Food Court Pte. Ltd. See Notes (1), (2) from Sheng Siong Group Ltd.	286	-
	Provision of administrative services by F M Food Court Pte. Ltd. See Notes (1), (2) to	84	-

	Sheng Siong Group Ltd.		
E Land Properties Pte. Ltd./ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Provision of property management services by Sheng Siong Group Ltd. To E Land Properties Pte. Ltd. See Note (1)	19	-
ECL Money Changer Pte. Ltd./ Lim Hock Eng Lim Hock Chee Lim Hock Leng	Provision of money teller services by Sheng Siong Group to ECL Money Changer Pte. Ltd. See Note (1)	25	-

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) F M Food Court Pte. Ltd. was formerly known as Sheng Siong Food Court Pte. Ltd.

(3) Purchased from C M M Marketing Management Pte. Ltd., a wholly owned subsidiary of Sheng Siong Group Ltd.

Personal Guarantees

Messrs Lim Hock Eng, Lim Hock Chee and Lim Hock Leng, our executive directors, have also continued to provide joint and several personal guarantees for credit and banking facilities for the benefit of Sheng Siong Group Ltd. and its subsidiaries. The aggregate value of such facilities amounts to $2,947,000.00 as at 31 December 2011.

Please refer to the prospectus of Sheng Siong Group Ltd. registered by the Monetary Authority of Singapore on 4 August 2011 for further elaboration of the above transactions.

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	FY2011 ($'000)	FY2010 ($'000)
Ordinary	$24,489	Nil

17. Disclosure relating pursuant to Rule 704(13)

Name	**Age (in 2011)**	**Family relationship with any director, CEO and/or substantial shareholder**	**Current position (in 2011) and duties, and the year the position was first held**	**Details of changes in duties and position held, if any, during the year 2011**

Tan Bee Loo	51	Wife of Lim Hock Eng (Executive Chairman)	1985: Head, Fruits and Vegetables Since 2007: Director of Sheng Siong Supermarket Pte Ltd Since 2008: Director of C M M Marketing Management Pte Ltd	N.A.
Lee Moi Hong	51	Wife of Lim Hock Chee (Chief Executive Officer)	1985: Head, Dry Goods Since 2007: Director of Sheng Siong Supermarket Pte Ltd Since 2008: Director of C M M Marketing Management Pte Ltd	N.A.
Lim Huek Hun	58	Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng (Managing Director)	2010: Manager, Eggs Department of C M M Marketing Management Pte Ltd	N.A.
Lim Guek Li	45	Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng	2008: Manager, Sheng Siong Supermarket Pte Ltd	N.A.
Lin Ruiwen	28	Daughter of Lim Hock Eng	2009: Manager, International Business Development	N.A.
Florent Cailleau	30	Son-in-law of Lim Hock Eng	2009: Manager, International Business Development	N.A.
Tan Ching Fern	37	Daughter-in-law of Tan Ling San (Executive Director)	2007: Board Secretary and Corporate Affairs Manager	N.A.

BY ORDER OF THE BOARD

LIM HOCK CHEE
CEO
23 February 2012

The initial public offering of Sheng Siong Group Ltd. was sponsored by Oversea-Chinese Banking Corporation Limited ("OCBC").

OCBC assumes no responsibility for the contents of this announcement.