



SHENG SIONG GROUP LTD

Half Year 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 3 months ended 30 June | | | GROUP 6 months ended 30 June | | |
|--|------------------------------------|-----------------|--------------|------------------------------------|-----------------|--------------|
| | 2013 S\$'000 | 2012 S\$'000 | + / (-) % | 2013 S\$'000 | 2012 S\$'000 | + / (-) % |
| Revenue | 159,783 | 146,941 | 8.7 | 339,173 | 306,737 | 10.6 |
| Cost of sales | (122,748) | (114,732) | 7.0 | (261,729) | (241,239) | 8.5 |
| Gross profit | 37,035 | 32,209 | 15.0 | 77,444 | 65,498 | 18.2 |
| Other income | 860 | 1,080 | (20.4) | 2,427 | 12,323 | n.m |
| Distribution expenses | (1,040) | (952) | 9.2 | (2,099) | (1,883) | 11.5 |
| Administrative expenses | (26,308) | (23,765) | 10.7 | (54,341) | (47,031) | 15.5 |
| Other expenses | (337) | (258) | 30.6 | (805) | (667) | 20.7 |
| Results from operating activities | 10,210 | 8,314 | 22.8 | 22,626 | 28,240 | (19.9) |
| Finance income | 135 | 172 | (21.5) | 337 | 386 | (12.7) |
| Profit before tax | 10,345 | 8,486 | 21.9 | 22,963 | 28,626 | (19.8) |
| Tax expense | (1,843) | (1,450) | 27.1 | (3,958) | (4,752) | (16.7) |
| Profit for the period | 8,502 | 7,036 | 20.8 | 19,005 | 23,874 | (20.4) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | 8,502 | 7,036 | 20.8 | 19,005 | 23,874 | (20.4) |

n.m denotes “not meaningful”



SHENG SIONG GROUP LTD

Half Year Financial Statement

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

| | Note | GROUP | | GROUP | |
|--|------|--|--|--|--|
| | | 3 months ended 30 June 2013 S\$'000 | 3 months ended 30 June 2012 S\$'000 | 6 months ended 30 June 2013 S\$'000 | 6 months ended 30 June 2012 S\$'000 |
| Depreciation of property, plant and equipment | (1) | 2,468 | 1,960 | 4,851 | 3,842 |
| Exchange (gain)/loss net | | (18) | (74) | 7 | 37 |
| (Gain)/Loss on disposal of property, plant and equipment | | (16) | 14 | (14) | 19 |
| Other income: | | | | | |
| Rental received | (2) | 299 | 258 | 599 | 521 |
| Sale of scrap materials | | 235 | 239 | 478 | 483 |
| Government grants | (3) | 32 | 9 | 756 | 63 |
| Miscellaneous income | | 294 | 574 | 594 | 791 |
| Gain on disposal of Leasehold Property | (4) | - | - | - | 10,465 |
| | | 860 | 1,080 | 2,427 | 12,323 |
| Tax | | | | | |
| Underprovision in respect of prior years | (5) | - | - | - | 1,626 |

Notes

1. The increase in depreciation was attributable mainly to the new office and distribution centre in Mandai Link and the fitting out of the new retail stores.
2. Rental received is derived from leasing of excess space at some of the retail stores.
3. Grants were from Government agencies in partial support of an IT related productivity improvement program as well as grants under the Special Employment Credit Scheme.
4. The gain for 1H2012 was from the sale of the old warehouse at 3000 Marsiling Road ("Leasehold property"), which was no longer needed after the Group moved to the new distribution centre in July 2011. This sale was completed in 1Q2012.
5. The underprovision in 1H2012 was related to the tax on the gain on disposal of available for sale investment in FY2010, which was previously deemed as capital in nature. IRAS had assessed and the Group had paid the tax in 2013 under objection.



SHENG SIONG GROUP LTD

Half Year Financial Statement

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

| | GROUP | | COMPANY | |
|---|-------------------------|------------------------|-------------------------|------------------------|
| | 30 June 2013 S\$'000 | 31 Dec 2012 S\$'000 | 30 June 2013 S\$'000 | 31 Dec 2012 S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 73,478 | 74,624 | - | - |
| Investment in subsidiaries | - | - | 78,234 | 78,234 |
| | 73,478 | 74,624 | 78,234 | 78,234 |
| Current assets | | | | |
| Inventories | 33,624 | 39,987 | - | - |
| Trade and other receivables | 7,466 | 6,684 | 61,604 | 73,805 |
| Cash and cash equivalents | 117,646 | 120,399 | 35,598 | 31,057 |
| | 158,736 | 167,070 | 97,202 | 104,862 |
| Total assets | 232,214 | 241,694 | 175,436 | 183,096 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 156,349 | 156,349 | 156,349 | 156,349 |
| Merger reserve | (68,234) | (68,234) | - | - |
| Accumulated profits | 58,356 | 63,563 | 18,842 | 26,323 |
| Total equity | 146,471 | 151,678 | 175,191 | 182,672 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 1,706 | 1,630 | - | - |
| | 1,706 | 1,630 | - | - |
| Current liabilities | | | | |
| Trade and other payables | 76,463 | 79,707 | 256 | 413 |
| Current tax payable | 7,574 | 8,679 | (11) | 11 |
| | 84,037 | 88,386 | 245 | 424 |
| Total liabilities | 85,743 | 90,016 | 245 | 424 |
| Total equity and liabilities | 232,214 | 241,694 | 175,436 | 183,096 |

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

The Group had no borrowings as at 30 June 2013 and 31 December 2012 respectively.



SHENG SIONG GROUP LTD

Half Year Financial Statement

I(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 | | 6 months ended | |
| | 30 June | | 30 June | |
| | 2013 | 2012 | 2013 | 2012 |
| | SS'000 | SS'000 | SS'000 | SS'000 |
| Operating activities | | | | |
| Profit for the period | 8,502 | 7,036 | 19,005 | 23,874 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 2,468 | 1,960 | 4,851 | 3,842 |
| (Gain)/loss on disposal of property, plant and equipment | (16) | 14 | (14) | 19 |
| Gain on disposal of Leasehold property | - | - | - | (10,465) |
| Unrealised exchange (gain)/loss | (18) | (58) | 7 | (32) |
| Interest income | (135) | (172) | (337) | (386) |
| Tax expense | 1,843 | 1,450 | 3,958 | 4,752 |
| | <u>12,644</u> | <u>10,230</u> | <u>27,470</u> | <u>21,604</u> |
| Changes in inventories | 520 | (3,597) | 6,363 | 2,007 |
| Changes in trade and other receivables | 889 | (634) | (782) | (133) |
| Changes in trade and other payables | 9,715 | (8,578) | (3,244) | (10,537) |
| Cash generated from operations | <u>23,768</u> | <u>(2,579)</u> | <u>29,807</u> | <u>12,941</u> |
| Taxes paid | (2,815) | (3,121) | (4,987) | (5,124) |
| Cash flows from/(used in) operating activities | <u>20,953</u> | <u>(5,700)</u> | <u>24,820</u> | <u>7,817</u> |
| Investing activities | | | | |
| Proceeds from disposal of property, plant and equipment | 56 | 14 | 56 | 14,068 |
| Purchase of property, plant and equipment | (2,424) | (2,500) | (3,747) | (3,292) |
| Interest received | 135 | 172 | 337 | 386 |
| Cash flows (used in)/from investing activities | <u>(2,233)</u> | <u>(2,314)</u> | <u>(3,354)</u> | <u>11,162</u> |
| Financing activities | | | | |
| Dividend paid | (24,212) | (24,489) | (24,212) | (24,489) |
| Cash flows used in financing activities | <u>(24,212)</u> | <u>(24,489)</u> | <u>(24,212)</u> | <u>(24,489)</u> |
| Net decrease in cash and cash equivalents | <u>(5,492)</u> | <u>(32,503)</u> | <u>(2,746)</u> | <u>(5,510)</u> |
| Cash and cash equivalents at beginning of the period | 123,120 | 149,087 | 120,399 | 122,120 |
| Effect of exchange rate changes on balances held in foreign currencies | 8 | 58 | (7) | 32 |
| Cash and cash equivalents at end of the period | <u>117,646</u> | <u>116,642</u> | <u>117,646</u> | <u>116,642</u> |



SHENG SIONG GROUP LTD

Half Year 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 | Share capital S\$'000 | Merger reserve S\$'000 | Accumulated profits S\$'000 | Foreign currency translation reserve S\$'000 | Total equity S\$'000 |
|---|----------------------------------|-----------------------------------|--|---|---------------------------------|
| As at 1 January 2012 | 156,349 | (68,234) | 60,210 | * | 148,325 |
| Total comprehensive income for the period | | | | | |
| Profit for the period | - | - | 23,874 | - | 23,874 |
| Transactions with owners, recorded directly in equity: | | | | | |
| Distributions to owners | | | | | |
| Dividend paid | - | - | (24,489) | - | (24,489) |
| Total transactions with owners | - | - | (24,489) | - | (24,489) |
| At 30 June 2012 | 156,349 | (68,234) | 59,595 | * | 147,710 |
| | | | | | |
| At 1 January 2013 | 156,349 | (68,234) | 63,563 | * | 151,678 |
| Total comprehensive income for the period | | | | | |
| Profit for the period | - | - | 19,005 | - | 19,005 |
| Transactions with owners, recorded directly in equity: | | | | | |
| Distributions to owners | | | | | |
| Dividend paid | - | - | (24,212) | - | (24,212) |
| Total transactions with owners | - | - | (24,212) | - | (24,212) |
| As at 30 June 2013 | 156,349 | (68,234) | 58,356 | * | 146,471 |

* Amount outstanding is less than \$1,000.



SHENG SIONG GROUP LTD

Half Year Financial Statement

| Company | Share capital S\$'000 | Accumulated profits S\$'000 | Total equity S\$'000 |
|---|-----------------------------|-----------------------------------|----------------------------|
| As at 1 January 2012 | 156,349 | 25,595 | 181,944 |
| Total comprehensive income for the period | | | |
| Profit for the period | - | 228 | 228 |
| Transactions with owners, recorded directly in equity: | | | |
| Distributions to owners | | | |
| Dividend paid | - | (24,489) | (24,489) |
| Total transactions with owners | - | (24,489) | (24,489) |
| At 30 June 2012 | <u>156,349</u> | <u>1,334</u> | <u>157,683</u> |
| | | | |
| As at 1 January 2013 | 156,349 | 26,323 | 182,672 |
| Total comprehensive income for the period | | | |
| Profit for the period | - | 16,731 | 16,731 |
| Transactions with owners, recorded directly in equity: | | | |
| Distributions to owners | | | |
| Dividend paid | - | (24,212) | (24,212) |
| Total transactions with owners | - | (24,212) | (24,212) |
| As at 30 June 2013 | <u>156,349</u> | <u>18,842</u> | <u>175,191</u> |



SHENG SIONG GROUP LTD

Half Year Financial Statement

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.

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.

| Company | As at | |
|-------------------------------|---------------------|-------------------------|
| | 30 June 2013 | 31 December 2012 |
| | No of shares | No of shares |
| Total number of issued shares | 1,383,537,000 | 1,383,537,000 |

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.

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.



SHENG SIONG GROUP LTD

Half Year Financial Statement

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 financial statements as at 31 December 2012, 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 2013. 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. *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 | | GROUP | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | 3 months ended | | 6 months ended | |
| | 30 June 2013 | 30 June 2012 | 30 June 2013 | 30 June 2012 |
| Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders: | | | | |
| - based on weighted average number of shares in issue (cents) | 0.61 | 0.51 | 1.37 | 1.73 |
| Number of shares as at end of period | 1,383,537,000 | 1,383,537,000 | 1,383,537,000 | 1,383,537,000 |
| Weighted average number of shares in issue during the period | <u>1,383,537,000</u> | <u>1,383,537,000</u> | <u>1,383,537,000</u> | <u>1,383,537,000</u> |

Note:-

There were no potentially dilutive shares during the periods reported on.



SHENG SIONG GROUP LTD

Half Year Financial Statement

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 | |
|---|--------------|-------------|--------------|-------------|
| | 30 June 2013 | 31 Dec 2012 | 30 June 2013 | 31 Dec 2012 |
| | cents | cents | cents | cents |
| Net asset value per ordinary share based on issued share capital at the end of the period reported on | 10.59 | 10.96 | 12.66 | 13.20 |

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 for 1H2013 declined by 20.4% to \$19.0m compared with 1H2012. However, after excluding non-core items in 1H2012, consisting of a one time gain of \$10.5m from the sale of the warehouse and a provision of \$1.6m for prior year's tax, the core profit of \$19.0m is 26.7% higher than 1H2012's core profit of \$15.0m.

The improvement in core profit came mainly from higher revenue, contributed by new stores' sales and consequently the higher gross profits which was enhanced by improved gross margins. This was however, offset by lower comparable same store sales and higher operating expenses.

Similarly, core profit for 2Q2013 of \$8.5m was 20.8% higher than 2Q2012.

| | As at 30 June 2012 | As at 31 March 2013 | As at 30 June 2013 |
|------------------|---------------------|---------------------|---------------------|
| Number of stores | 27 | 33 | 33 |
| Retail area | 368,000 square feet | 400,000 square feet | 400,000 square feet |



REVENUE

2Q2013 compared with 2Q2012

There were no new stores opened in the first half of 2013. For the purpose of computing comparable same store sales, the three new stores opened in 2011 and 8 new stores opened in 2012 were considered as new stores and were excluded.

Revenue increased by \$12.8m (8.7%) mainly because of the increase in sales from the new stores amounting to \$20.1m which were offset by lower comparable same store sales of \$7.3m. The decline in comparable same store sales came mainly from the old stores in matured HDB estates, stores which were affected by competitors' activities, the Bedok Central and Verge stores which were affected by ongoing construction works in the vicinity and the store at Ang Mo Kio which was closed for about a month for major renovation. Excluding the stores affected by building and renovation works, comparable same store sales declined by 1.8%.

1H2013 compared with 1H2012

Revenue increased by \$32.4m or 10.6%, brought about mainly from contribution from new stores amounting to \$42.8m which were offset by lower comparable same store sales. Comparable same store sales continued to decline as explained above. In addition, the Teban store was closed for a month in 1Q2013 for renovation. Excluding these stores which were affected by building works comparable same store sales declined by 1.0%.

COST OF SALES

GROSS MARGIN

| 2Q2012 | 1Q2013 | 2Q2013 | HY2012 | HY2013 |
|--------|--------|--------|--------|--------|
| 21.9% | 22.5% | 23.2% | 21.4% | 22.8% |

Gross margins increased significantly to 23.2% in 2Q2013 compared with 21.9% in 2Q2012, but this may not be strictly comparable because gross margins in 2Q2012 were still recovering from the effect of the price war which started in the last quarter of 2011. On a sequential basis, 2Q2013 margin was an improvement over 1Q2013's margin of 22.5% because of stable selling prices, better sales mix and lower input cost brought about by efficiencies derived from the Mandai Distribution Centre which was offset by increases in some product costs which could not be recovered in full from the customers.

Comparing on a year-on-year basis, gross margin for 1H2013 improved to 22.8% from 21.4% for the same reasons explained above.

OTHER INCOME

Excluding the one time gain of \$10.5m from the sale of the old warehouse in 1Q2012, other income increased by \$0.6m in 1H2013 compared with 1H2012. The bulk of the increase was from Government grants received in 1Q2013 for an IT related productivity improvement project as well as grants under the Special Employment Credit Scheme.



SHENG SIONG GROUP LTD

Half Year Financial Statement

EXPENSES

Distribution expenses

The increase in distribution expenses year-on-year for the quarter and the half year were broadly in-line with the increase in revenue. The increase was attributable mainly to depreciation of the new trucks acquired to replace and augment the fleet.

Administrative Expenses

Administrative Expenses as a % of sales:

| 2Q2013 | 2Q2012 | 1H2013 | 1H2012 |
|---------|---------|--------|--------|
| \$26.3m | \$23.8m | 54.3m | 47.0m |
| 16.5% | 16.2% | 16.0% | 15.3% |

Increases were mainly in the following expenses:-

| | 2Q2013 vs 2Q2012 | 1H2013 vs 1H2012 |
|-------------------------------------|------------------|------------------|
| | \$'000 | \$'000 |
| Staff costs | 842 | 3,397 |
| Foreign workers' levy | 386 | 861 |
| Rental of outlets | 797 | 1,723 |
| Depreciation | 235 | 460 |
| Property tax of distribution centre | 146 | 285 |
| Others | 137 | 584 |
| Total increase | 2,543 | 7,310 |

Increases in staff cost were attributable mainly to the additional headcount required to operate the new outlets and a higher provision for bonus as a result of the higher operating profit. The increase was skewed in 1Q2013 mainly because of a higher level of bonus provision as operating profit in 1Q2013 was higher than 2Q2013. Foreign workers' levy increased mainly because of higher headcount as well as increase in the foreign workers' levy rate.

Rental of retail outlets increased mainly because of the higher store count and higher rental reversions. The increase for 1H2013 was more than double 2Q2013's increase because of rental and tentage for outdoor display during the Chinese New Year period. Property tax was higher as IRAS assessed a higher annual value on the Mandai Distribution Centre towards the end of 2012. The increase in depreciation was mainly from the capital expenditure spent in fitting out new outlets.

Other expenses

The higher sales volume resulting in a higher level of credit card transactions was the main reason for the increase of \$0.1m in 1H2013.



Finance Income

Interests earned on fixed deposits were lower mainly because of the slightly lower level of the principal amount.

Tax

The effective tax rate for both 1Q2013 and 1H2013 approximates the statutory rate of 17%.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Inventory at 30 June 2013 was lower by \$6.3m compared with 31 December 2012 as a higher level of inventory was carried at year end to cater for Chinese New Year sales in January and early February 2013.

Sales were conducted principally in cash and balances due from trade and other receivables as at 30 June 2013 remained low. The slight increase in trade and other receivables was only \$0.8m, which was attributable mainly to a higher level of receivables from credit card companies in line with higher revenue.

Trade and other payables as at 30 June 2013 decreased by \$3.2m mainly because of lower trade and other payables of \$4.7m which was offset by higher accruals of \$1.5m. Trade payables declined mainly because of a lower level of purchases.

CASH FLOW

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

2Q2013

Cash generated from operating activities of \$21.0m came from adjusted profit of \$12.6m and changes in working capital of \$11.1m, of which trade and other payables contributed \$9.7m, consisting of \$6.6m in trade payables and \$3.1 in accruals. The increase in trade payable at the end of the first quarter restored trade payable to a normal level. Payment for property, plant and equipment for the stores as well as the distribution centre amounted to \$2.4m, and after deducting the payment of the final dividend for FY2012 amounting to \$24.2m, cash and cash equivalents decreased by \$5.5m.

1H2013

Cash generated from operation was \$24.8m compared with \$7.8m in 1H2012. The improvement came mainly from higher operating profit and better use of working capital arising from a lower level of inventory, offset by a much smaller decrease in trade payable. Purchases of property, plant and equipment amounted to \$3.7m and together with the payment of the final dividend of \$24.2m for FY2012, cash and cash equivalent decreased by \$2.7m. Cash and cash equivalent, which represented 50.7% of the Group's total assets, remained at a healthy level of \$117.6m as at 30 June 2013.



SHENG SIONG GROUP LTD

Half Year Financial Statement

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.*

Competition in the supermarket industry remains keen and with interest rates moving up and major central banks driving up inflationary expectations, consumers will continue to be even more cost conscious. This may affect our ability to pass on increases in input cost in full to the customers.

One of our competitors had re-branded their chain of supermarkets and we expect to see keener competition. The Group is still looking for suitable retail space in areas where the Group does not have a presence. However, competition for retail space has not abated and looking for suitable retail outlets may be challenging.

Costs pressures, in particular, manpower costs are mounting across the entire economy. Without exception, the supermarket industry is also facing a tightening of availability of foreign workers. Cost is expected to rise because of higher levies for the employment of foreign workers. There are also market pressures to adjust upwards the wages of low-wage staff.

Food inflation was 1.8% in the first five months of this year compared with the same period in the previous year. Food inflation may spike because of unforeseen changes to weather, supply chain disruption etc, as evidenced by the increase in vegetable prices in April and May 2013. The Group may not be able to pass on increases in prices in full to the customers.

As some of our old stores in matured housing estates have seen declining same store sales, we may be earmarking these stores for major re-fitting, which could mean a month or so of lost sales for each of the affected stores.

11. Dividend

(a) *Current Financial Period Reported On*

Yes

| | |
|------------------|-----------------------|
| Name of Dividend | Interim |
| Dividend Type | Cash |
| Dividend Rate | 1.2 cent per share |
| Tax rate | Tax exempt (one-tier) |



SHENG SIONG GROUP LTD

Half Year Financial Statement

Corresponding Period of the immediately Preceding Financial Year

| | |
|------------------|-----------------------|
| Name of Dividend | Interim |
| Dividend Type | Cash |
| Dividend Rate | 1 cent per share |
| Tax rate | Tax exempt (one-tier) |

(b) *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.

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

The dividend will be paid on 23 August 2013.

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 on 13 August 2013 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 12 August 2013 will be registered to determine shareholders' entitlement to the interim dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited (CDP) are credited with Shares at 5.00 pm on 12 August 2013 will be entitled to the interim dividend.

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

Not applicable.



SHENG SIONG GROUP LTD

Half Year Financial Statement

13. 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 period were:-

INTERESTED PERSON TRANSACTIONS

From 1 January 2013 to 30 June 2013

| 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) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---|---|--|---|
| | | (\$'000) | (\$'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 | 178 | - |
| | Purchase of goods by F M Food Court Pte Ltd ^{See Notes (1), (2)} from Sheng Siong Group Ltd | 108 | - |
| | Lease of operation space by F M Food Court Pte Ltd from Sheng Siong Group Ltd | 185 | - |
| 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 | 801 | - |

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.



14. An update on the use of net proceeds from the issue of new shares for the IPO.

USE OF PROCEEDS FROM IPO

| Purpose | Estimated amount (\$ m) | Estimated percentage of gross proceeds raised from the issue of New Shares | Amount utilised (\$ m) | Percentage of gross proceeds raised from the issue of New Shares |
|---|--------------------------------|---|-------------------------------|---|
| Repayment of the Term Loan | 30.0 | 39.3% | 26.3 | 34.4% |
| Development and expansion of grocery retailing business and operations in Singapore and overseas | 20.0 | 26.2% | 6.9 ⁽¹⁾ | 9.0% |
| Working capital purposes | 22.2 | 29.0% | - | - |
| Expenses incurred in connection with the issue of New Shares | 4.2 | 5.5% | 4.0 | 5.2% |
| Total | 76.4 ⁽²⁾ | 100.0% | 37.2 | 48.7% |

Notes:

- (1) Relates to the opening of our new stores in Singapore and major renovation of existing stores.
- (2) Includes net proceeds from the exercise of the Over-allotment Option of \$13.5m.



SHENG SIONG GROUP LTD

Half Year Financial Statement

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

LIM HOCK CHEE
CEO
23 July 2013

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.
