



# 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

*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 Dec			GROUP Year ended 31 Dec		
	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
Revenue	187,098	178,371	4.9	764,433	725,987	5.3
Cost of sales	(140,385)	(135,109)	3.9	(575,531)	(550,301)	4.6
Gross profit	46,713	43,262	8.0	188,902	175,686	7.5
Other income	1,950	875	122.9	9,262	4,677	98.0
Distribution expenses	(1,101)	(1,134)	(2.9)	(4,431)	(4,259)	4.0
Administrative expenses	(31,087)	(28,858)	7.7	(125,264)	(117,417)	6.7
Other expenses	(296)	(486)	(39.1)	(1,984)	(1,855)	7.0
<b>Results from operating activities</b>	16,179	13,659	18.4	66,485	56,832	17.0
Finance income	310	312	(0.6)	1,215	916	32.6
<b>Profit before tax</b>	16,489	13,971	18.0	67,700	57,748	17.2
Tax expense	(1,881)	(2,179)	(13.7)	(10,914)	(10,146)	7.6
<b>Profit for the period</b>	14,608	11,792	23.9	56,786	47,602	19.3
<b>Other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive income</b>	14,608	11,792	23.9	56,786	47,602	19.3



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

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

	Note	GROUP 3 months ended 31 Dec		GROUP Year ended 31 Dec	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Depreciation of property, plant and equipment	(1)	3,575	2,807	13,411	10,935
Exchange gain		(187)	(52)	(26)	(48)
Gain on disposal of property, plant and equipment		-	(8)	-	(58)
Stock count variance	(2)	751	840	751	840
<b>Other income:</b>					
Rental income	(3)	880	199	3,563	1,218
Sale of scrap materials		296	296	1,198	1,109
Government grants	(4)	493	186	2,836	1,372
Miscellaneous income	(5)	281	194	1,665	978
		<u>1,950</u>	<u>875</u>	<u>9,262</u>	<u>4,677</u>

### Notes

1. The increase in depreciation for the quarter and the year was mainly due to additions to property, plant and machinery in the later part of FY2014 and in FY2015.
2. These amounts were the variances between the inventory balance in the books and physical inventory counts.
3. Rental income relates to the leasing of retail space to external parties. It was higher in the 4Q2015 as well as FY2015 compared with FY2014 mainly because of rent received from non-related tenants of Tampines Block 506. The purchase of Tampines Block 506 was completed on 31 December 2014.
4. The government grants were from various Government agencies in partial support of productivity improvement programs as well as grants under the wage credit and special employment credit schemes. The grants were higher in FY2015 as there were more productivity improvement projects.
5. The substantial increase in miscellaneous income was attributable to one-off advertising support from suppliers and business partners, net of expenses, amounting to \$0.8m relating to a special event in 3Q 2015.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

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

	GROUP		COMPANY	
	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	177,649	160,662	-	-
Investment in subsidiaries	-	-	78,234	78,234
	<b>177,649</b>	<b>160,662</b>	<b>78,234</b>	<b>78,234</b>
<b>Current assets</b>				
Inventories	52,459	43,142	-	-
Trade and other receivables	11,762	10,748	172,880	182,900
Cash and cash equivalents	125,931	130,470	11,754	386
	<b>190,152</b>	<b>184,360</b>	<b>184,634</b>	<b>183,286</b>
<b>Total assets</b>	<b>367,801</b>	<b>345,022</b>	<b>262,868</b>	<b>261,520</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	235,373	235,373	235,373	235,373
Merger reserve	(68,234)	(68,234)	-	-
Accumulated profits	77,057	69,136	27,134	25,794
<b>Total equity</b>	<b>244,196</b>	<b>236,275</b>	<b>262,507</b>	<b>261,167</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	2,241	2,204	-	-
	<b>2,241</b>	<b>2,204</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	108,715	95,845	361	353
Current tax payable	12,649	10,698	-	-
	<b>121,364</b>	<b>106,543</b>	<b>361</b>	<b>353</b>
<b>Total liabilities</b>	<b>123,605</b>	<b>108,747</b>	<b>361</b>	<b>353</b>
<b>Total equity and liabilities</b>	<b>367,801</b>	<b>345,022</b>	<b>262,868</b>	<b>261,520</b>

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

The Group had no borrowings as at 31 December 2014 and 31 December 2015 respectively.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

*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 3 months ended		Group Year ended	
	31 Dec		31 Dec	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Operating activities</b>				
Profit for the period/year	14,608	11,792	56,786	47,602
Adjustments for:				
Depreciation of property, plant and equipment	3,575	2,807	13,411	10,935
Gain on disposal of property, plant and equipment	-	(8)	-	(58)
Unrealised exchange gain	(68)	(39)	(36)	(35)
Interest income	(310)	(312)	(1,215)	(916)
Tax expense	1,881	2,179	10,914	10,146
	<u>19,686</u>	<u>16,419</u>	<u>79,860</u>	<u>67,674</u>
Changes in inventories	(9,354)	(4,565)	(9,317)	2,424
Changes in trade and other receivables	(3,317)	4,712	(1,014)	1,499
Changes in trade and other payables	11,456	5,439	12,870	7,602
Cash generated from operations	<u>18,471</u>	<u>22,005</u>	<u>82,399</u>	<u>79,199</u>
Taxes (paid)/refund	179	(1,055)	(8,926)	(7,477)
<b>Cash flows from operating activities</b>	<u>18,650</u>	<u>20,950</u>	<u>73,473</u>	<u>71,722</u>
<b>Investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	(98)	3	159
Purchase of property, plant and equipment	(19,120)	(69,432)	(30,401)	(80,942)
Interest received	310	312	1,215	916
<b>Cash flows used in investing activities</b>	<u>(18,810)</u>	<u>(69,218)</u>	<u>(29,183)</u>	<u>(79,867)</u>
<b>Financing activities</b>				
Dividend paid	-	-	(48,865)	(40,122)
Proceeds from issue of new shares through private placement	-	-	-	79,024
<b>Cash flows from/(used in) in financing activities</b>	<u>-</u>	<u>-</u>	<u>(48,865)</u>	<u>38,902</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(160)	(48,268)	(4,575)	30,757
Cash and cash equivalents at beginning of the period	126,023	178,699	130,470	99,678
Effect of exchange rate changes on balances held in foreign currencies	68	39	36	35
<b>Cash and cash equivalents at end of the period/year</b>	<u>125,931</u>	<u>130,470</u>	<u>125,931</u>	<u>130,470</u>



# SHENG SIONG GROUP LTD

## Full 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
<b>As at 1 January 2014</b>	156,349	(68,234)	61,656	*	149,771
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	47,602	-	47,602
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contribution from/(distributions) to owners</b>					
Issue new share	79,024	-	-	-	79,024
Dividend paid	-	-	(40,122)	-	(40,122)
<b>Total transactions with owners</b>	<b>79,024</b>	<b>-</b>	<b>(40,122)</b>	<b>-</b>	<b>38,902</b>
<b>At 31 December 2014</b>	<b>235,373</b>	<b>(68,234)</b>	<b>69,136</b>	<b>*</b>	<b>236,275</b>
<b>At 1 January 2015</b>	235,373	(68,234)	69,136	*	236,275
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	56,786	-	56,786
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Distributions to owners</b>					
Dividend paid	-	-	(48,865)	-	(48,865)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(48,865)</b>	<b>-</b>	<b>(48,865)</b>
<b>As at 31 December 2015</b>	<b>235,373</b>	<b>(68,234)</b>	<b>77,057</b>	<b>*</b>	<b>244,196</b>

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



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

Company	Share capital S\$'000	Accumulated profits S\$'000	Total Equity S\$'000
<b>As at 1 January 2014</b>	156,349	23,381	179,730
<b>Total comprehensive income for the year</b>			
Profit for the year	-	42,535	42,535
<b>Transactions with owners, recorded directly in equity:</b>			
<b>Contribution from/(distributions) to owners</b>			
Issue of new share	79,024	-	79,024
Dividend paid	-	(40,122)	(40,122)
<b>Total transactions with owners</b>	79,024	(40,122)	38,902
<b>At 31 December 2014</b>	<b>235,373</b>	<b>25,794</b>	<b>261,167</b>
<b>As at 1 January 2015</b>	235,373	25,794	261,167
<b>Total comprehensive income for the year</b>			
Profit for the year	-	50,205	50,205
<b>Transactions with owners, recorded directly in equity:</b>			
<b>Distributions to owners</b>			
Dividend paid	-	(48,865)	(48,865)
<b>Total transactions with owners</b>	-	(48,865)	(48,865)
<b>As at 31 December 2015</b>	<b>235,373</b>	<b>27,134</b>	<b>262,507</b>

*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.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

---

*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.*

<b>Company</b>	<b>As at</b>	
	<b>31 Dec 2015</b> <b>No of shares</b>	<b>31 December 2014</b> <b>No of shares</b>
Total number of issued shares	1,503,537,000	1,503,537,000

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current financial year as compared with the audited financial statements as at 31 December 2014, 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 2015. The adoption of these new and revised accounting standards did not give rise to any material financial impact to the financial statements.

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

Please refer to paragraph 4.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

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		GROUP	
	3 months ended		Year ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Earning per ordinary share of the group for the financial period based on net profit attributable to shareholders:				
- based on number of shares in issue (cents)	0.97	0.78	3.78	3.17
- based on weighted average number of shares in issue (cents)	0.97	0.78	3.78	3.34
Number of shares as at end of the period/year	1,503,537,000	1,503,537,000	1,503,537,000	1,503,537,000
Weighted average number of shares in issue during the period/year	<u>1,503,537,000</u>	<u>1,503,537,000</u>	<u>1,503,537,000</u>	<u>1,423,537,000</u>

**Note:-**

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

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

	GROUP		COMPANY	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	16.24	15.71	17.46	17.37

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.*





# SHENG SIONG GROUP LTD

## Full Year Financial Statement

### INCOME STATEMENT

#### OVERVIEW

Net profit for FY2015 increased by 19.3% to \$56.8m compared with \$47.6m mainly because of a higher gross profit arising from a 5.3% growth in revenue, improvement in gross margin to 24.7% from 24.2%, higher other income and net tax refunds of \$1.0m relating to prior years; which was offset by higher operating expenses. Similarly, net profit for 4Q2015 increased by 23.9% to \$14.6m compared with 4Q2014 with a better gross margin of 25.0% compared with 24.3%.

#### Revenue

	<b>FY2015</b>	<b>FY2014</b>
Number of outlets	39	34
Retail area at end of year	431,000 square feet	404,000 square feet
Revenue	\$764.4m	\$726.0m

The following stores which were opened in 2014 and 2015 will be considered as new stores and will not be included in computing comparable same store sales.

<b>Location</b>	<b>Month/ Year opened</b>
Penjuru (dormitory area)	December 2014
Block 506, Tampines	January 2015
Block 312A, Sumang, Punggol	May 2015
Block 547, Segar, Bukit Panjang	May 2015
Block 527D, Pasir Ris	June 2015
Block 85, Dawson Road	December 2015

Revenue increased by 5.3% in FY2015 of which 4.6% was contributed by the new stores and 0.7% by comparable same store sales from the old stores. Comparable same store sales grew by 1.4% in the first nine months of FY2015, but contracted by 1.7% in the last quarter. Besides the Loyang store which was affected by renovation in the vicinity of complex where it was situated, renovation of our big store in Clementi in 4Q2015, the fall in liquor sales in the Geylang store after the imposition of new restrictions on the sale of alcohol, the weaker ringgit which affected sales at Woodland store; tepid demand conditions intensified competitive pressures particularly in certain areas where there were new supermarkets.

Comparing year-on-year, 4Q2015's revenue was higher than 4Q2014 by 4.9%, with new stores contributing 6.6% which was offset by a contraction of 1.7% from comparable same store sales. Of all the reasons cited in the paragraph above, renovation done to the big store at Clementi and worsening demand conditions seemed to have aggravated the decline in comparable same store sales in 4Q2015.

#### Cost of sale

#### Gross margin

<b>4Q2015</b>	<b>4Q2014</b>	<b>FY2015</b>	<b>FY2014</b>
25.0%	24.3%	24.7 %	24.2%



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

Selling prices were mostly stable, albeit with some downward bias in FY2105. Opportunities to improve input costs continued to exist in FY2015, aided mostly by the global over-supply situation, weakening of emerging currencies leading to price discounts in cases where the suppliers invoice in Singapore Dollar and our conscious drive for efficiency gains in the supply chain through the logistical capability of our Central Distribution Centre, our IT system and the management of our fleet of delivery trucks.

On a sequential basis, the improvement to gross margin in 4Q2015 (25.0%) compared to 3Q2015 (24.3%), was aided by the absence of one-off effects to input costs like the haze, which occurred in 3Q2015.

### Other Income

Please refer to the explanations on page 2 for the changes in other income.

### Administrative Expenses

Increases were mainly in the following expenses:-

	<b>4Q2015 vs 4Q2014</b>	<b>FY2015 vs FY2014</b>
	<b>\$'m</b>	<b>\$'m</b>
Staff costs	1.4	6.3
Rental of outlets	0.4	1.0
Depreciation	0.6	1.6
Utilities	(0.5)	(1.9)
Others	0.3	0.8
<b>Total increase</b>	<b>2.2</b>	<b>7.8</b>

Administrative expenses increased by \$7.8m in FY2015 compared with FY2014 mainly because of increases in staff cost as more headcounts were needed to operate the new stores and a higher bonus provision because of the better financial performance in FY2015. Depreciation increased in FY2015 mainly because of additions to property plant and machinery of which the purchase of Tampines 506 was the most significant. Rental expenses increased mainly because of the new stores, but remained at about 2.7% of revenue. Costs were well controlled and administrative expenses as a percentage of revenue in FY2015 was a shade higher at 16.4%, compared with 16.2% in FY2014 as revenue generated from the new stores would require time to reach its optimum level.

### Finance Income

Finance income was higher by \$0.3m mainly because of higher interest rates in FY2015 and a higher amount of cash placed in fixed deposits.

### Tax

The effective tax rate for FY2015 was 16.1%, which lower than the statutory rate of 17.0% mainly because of net tax refunds relating to prior years amounting to \$1.0m which were received in 4Q2015. For this reason the effective tax rate for 4Q2015 was only 11.4%, compared with the statutory rate of 17.0%.



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The net increase in property, plant and equipment of \$17.0m consisted mainly of the progress payment for Yishun Junction 9 (\$18.0m), fitting out of the 5 new outlets opened in FY2015 and renovation of existing outlets (\$8.5m), purchase of IT related equipments (\$2.0m) for supermarket operation and purchase of plant and machinery to improve the capability of the warehouse (\$1.9m), offset by depreciation charges for the year.

Inventories increased by \$9.3m because of the increased store count to 39 at the end of FY2015 compared with 34 in FY2014, and the stocking up in December 2015 for 2016's Chinese New Year sales.

The increase in trade and other receivables of \$1.0m was due to increases in trade receivables of \$1.7m, mainly because of a higher amount due from a credit card company, increase in deposits and prepayment of \$1.8m, which was offset by lower other receivables of \$2.7m. Other receivable was lower mainly because of a GST amount of \$3.0m, outstanding as at 31 December 2014 which was refunded in 1Q2015. Trade and other payables increased by \$12.9m largely because of an increase in trade payables of \$8.3m as goods were bought and stocked up in preparation for Chinese New Year in 2016 and an increase in accruals of \$3.2m mainly because of the provision for bonus.

### CASH FLOW

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

Cash generated from operating activities before working capital changes and payment of tax amounted to \$19.7m and \$79.9m for 4Q2015 and FY2015 respectively, were in line with the improved operating performance. Cash used or generated from changes in inventory were driven mainly by the number of stores and the timing of Chinese New Year.

Prepayments and trade receivable from credit card companies increased in 4Q2015 and this was the reason why cash of \$3.3m was used to fund changes in receivables that quarter. Cash generated or used to fund payables were in line with the changes in the level of inventory purchases and provision for bonuses.

Payment for property plant and equipment of \$30.4m was lower than the \$80.9m in FY2014 mainly because of the payment of \$67m in FY2014 for the purchase of Tampines 506. Overall, net cash and cash equivalents decreased by \$4.6m, leaving the Group with a healthy cash and cash equivalent at the end of FY2015 amounting to \$125.9m.

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

Not applicable.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

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.

Singapore's economy is expected to grow sluggishly in 2016 and retail sales which have been generally weak in the last few months are not expected to improve spectacularly. Likewise, sales at supermarkets have not been exciting and the Group expects competition in the supermarket industry to remain keen. Consumers are expected to be more cost conscious which may affect the Group's ability to pass on increases in input cost in full to the customers.

The Group is still looking for suitable retail space particularly 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. The Group has previously announced changes to some of its leases, but for easy reference, a summary of what is likely to happen in the next **twelve months** is shown below.

Location	Existing Area	Remarks
Yishun Junction 9	10,500 to 18,600 sq. ft.	The Group expects to take vacant possession of the lots on/or before 6 March 2016. The lot designated for supermarket use is 10,500 sq. ft. and the Group will be applying for change of use for the adjoining lots totaling 8,100 sq. ft. A supermarket of at least 10,500 sq. ft. is likely to be opened in 2Q2016.
Loyang Point, Block 258	6,000 sq. ft.	The complex where the Loyang Point Supermarket is situated will be closed in 2Q2016 for A&E works and our lease will be terminated on 15 April 2016. The renovated complex will re-open in 1Q2017 and the Group's supermarket will be re-located to a new lot with an area of approx. 8,000 sq. ft.
Block 506 Tampines	10,000 sq. ft.	Most of the tenancies on the first and second floor will expire in 2Q2016 and 3Q2016. The supermarket which is presently on the second floor with an area approx. 9,800 sq. ft. will be closed in 4Q2016 to facilitate A&E works to the building. Thereafter, the supermarket will re-open in January 2017 with an area of approximately 25,000 sq. ft.

In aggregate, the revenue for the supermarkets at Loyang Point Block 258 and Block 506 Tampines was 4.6 % of the Group's turnover in 2015.

The Group was the successful bidder in a recent tender for a supermarket space in Block 188 Circuit Road, with an area of approximately 3,500 sq. ft., and is waiting for HDB to grant and execute the lease.

There were reports in the local media recently that the owners of the properties where the Group's Jurong Superbowl Supermarket (3 Yuan Ching Road) and The Verge Supermarket (2 Serangoon Road) are located, intend to sell/are in the process of selling these properties. Both the Jurong Superbowl Supermarket and The Verge Supermarket leases expire on 31 March 2017, and their respective areas are 16,400 sq. ft and 45,000 sq. ft.

The rules governing the employment of foreign workers are unlikely to be relaxed and the Group's expansion plan may be affected if we cannot hire sufficient workers.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

Food inflation was benign in FY2015, but may spike because of unforeseen changes to weather, supply chain disruption etc, as evidenced by the increase in vegetable prices in 3Q2015 because of the haze.

Some of the old stores in matured housing estates have seen declining same store sales and the Group 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. The Group will nurture the growth of the new stores and continue to enhance gross margin by seeking for more efficiency gains in the supply chain and driving for a high mix of fresh produce.

### 11. Dividend

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

Yes

<b>Name of Dividend</b>	Final
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	1.75 cent per share
<b>Tax rate</b>	Tax exempt (one-tier)

#### Corresponding Period of the immediately Preceding Financial Year

<b>Name of Dividend</b>	Final
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	1.50 cent per share
<b>Tax rate</b>	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 26 May 2016 if approved by shareholders at the Annual General Meeting to be held on the 27 April 2016.

(d) *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, tax exempt (one-tier) of 1.75 cents to be paid on 26 May 2016

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 16 May 2016 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



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

5.00 p.m. on 16 May 2016 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 16 May 2016 will be entitled to the proposed final dividend.

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

Not applicable.

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

	GROUP		
	FY 2015	FY 2014	%
	S\$'000	S\$'000	increase/(decrease)
Sales reported for the first half year	377,355	361,260	4.5
Operating profit after tax for the first half year	27,697	23,606	17.3
Sales reported for the second half year	387,078	364,727	6.1
Operating profit after tax for the second half year	29,089	23,996	21.2

14 Segment reporting

In FY2015, the Group operated in one segment only, 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 FY2015.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

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.

### INTERESTED PERSON TRANSACTIONS

From 1 January 2015 to 31 December 2015

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 Sheng Siong Group Ltd to F M Food Court Pte Ltd <sup>(1)</sup>	263	-
	Purchase of goods by Sheng Siong Group Ltd from F M Food Court Pte Ltd <sup>(1)</sup>	-	-
	Lease of operation space by F M Food Court Pte Ltd <sup>(1)</sup> from Sheng Siong Group Ltd	573	-
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 <sup>(1)</sup> for lease and license of operations space	1,628	-
Tan Ling San <sup>2</sup>	Joint venture entered into between Sheng Siong Group Ltd, Luchen Group Co., Ltd and Mr Tan Ling San	8,031	-

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) Please refer to the Company's announcement made on 14 May 2015.



# SHENG SIONG GROUP LTD

## Full Year Financial Statement

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

Type	FY2015 (\$'000)	FY2014 (\$'000)
Ordinary-Interim	\$26,312	\$20,753
Ordinary-Final	\$26,312*	\$22,553
<b>Total</b>	<b>\$52,624</b>	<b>\$43,306</b>
<b>Total per share (cents)</b>	<b>3.5</b>	<b>3.0</b>

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

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

Name	Age (in 2015)	Family relationship with any director, CEO and/or substantial shareholder	Current position (in 2014) and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year 2015
Tan Bee Loo	55	Wife of Lim Hock Eng	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	55	Wife of Lim Hock Chee	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	62	Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng	2010: Manager, Eggs Department of C M M Marketing Management Pte Ltd	N.A.
Lim Guek Li	49	Sister of Lim Hock Eng, Lim Hock Chee and Lim Hock Leng	2008: Manager, Sheng Siong Supermarket Pte Ltd	N.A.
Tan Yong Ghee	51	Brother-in-law of Lim Hock Eng	2001: Manager, Vegetables Department of C M M Marketing Management Pte Ltd	N.A.
Lin Ruiwen	32	Daughter of Lim Hock Eng	2009: Manager, International Business Development 2014: Senior Manager, International Business Development	Promoted to current position in Jan 2014
Florent Cailleau	34	Son-in-law of Lim Hock Eng	2009: Manager, International Business Development	Promoted to current position in Jan 2014
Tan Ching Fern	41	Daughter-in-law of Tan Ling San	2007: Board Secretary and Corporate Affairs Manager	N.A.





# SHENG SIONG GROUP LTD

Full Year Financial Statement

---

**BY ORDER OF THE BOARD**

LIM HOCK CHEE  
CEO  
23 February 2016