



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		
	2018 S\$'000	2017 S\$'000	+ / (-) %	2018 S\$'000	2017 S\$'000	+ / (-) %
Revenue	212,982	201,516	5.7	441,265	418,638	5.4
Cost of sales	(154,837)	(148,009)	4.6	(323,344)	(310,811)	4.0
Gross profit	58,145	53,507	8.7	117,921	107,827	9.4
Other income	1,641	1,800	(8.8)	4,015	4,326	(7.2)
Distribution expenses	(1,439)	(1,341)	7.3	(2,919)	(2,769)	5.4
Administrative expenses	(37,188)	(33,568)	10.8	(75,456)	(67,790)	11.3
Other expenses	(487)	(675)	(27.9)	(1,082)	(1,314)	(17.7)
Results from operating activities	20,672	19,723	4.8	42,479	40,280	5.5
Finance income	175	33	n.m	362	57	n.m
Profit before tax	20,847	19,756	5.5	42,841	40,337	6.2
Tax expense	(3,711)	(3,658)	1.4	(7,451)	(7,113)	4.8
Profit for the period	17,136	16,098	6.4	35,390	33,224	6.5
Other comprehensive income						
Items that may be re-classified subsequently to profit and loss						
Foreign currency translation differences for foreign entity	(38)	139	n.m	70	(30)	n.m
Total comprehensive income	17,098	16,237	5.3	35,460	33,194	6.8



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	GROUP 3 months ended			GROUP 6 months ended		
	30 June			30 June		
	2018 S\$'000	2017 S\$'000	+ / (-) %	2018 S\$'000	2017 S\$'000	+ / (-) %
Profit net of tax for the period attributable to :						
Owners of the company	17,154	16,131	6.3	35,430	33,270	6.5
Non-controlling interest	(18)	(33)	n.m	(40)	(46)	(13.0)
	17,136	16,098	6.5	35,390	33,224	6.5
Total comprehensive income attributable to :						
Owners of the company	17,131	16,214	5.7	35,472	33,252	6.7
Non-controlling interest	(33)	23	n.m	(12)	(58)	7.9
	17,098	16,237	5.7	35,460	33,194	6.8

n.m denotes not meaningful

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

	Note	GROUP 3 months ended 30 June		GROUP 6 months ended 30 June	
		2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
		Depreciation of property, plant and equipment	(1)	4,149	3,713
Exchange (gain) net		(133)	(158)	(253)	(107)
Loss /(gain) on disposal of property, plant and equipment		-	54	-	63
Other income:					
Rental income	(2)	641	682	1,253	1,398
Sale of scrap materials		280	420	682	844
Government grants	(3)	303	443	905	1,331
Miscellaneous income	(4)	417	255	1,175	753
		1,641	1,800	4,015	4,326



Notes

1. The increase in depreciation charges for the period was attributable mainly to additions to property, plant and equipment subsequent to 1Q2017.
2. Rental income was derived from leasing of excess retail space to external parties and was slightly lower in 1H2018 and 2Q2018 compared with the corresponding previous periods mainly because of downward adjustments to rents and expiry of the remaining tenancies in Block 506 Tampines, in preparation of the expansion and re-location of the supermarket in 2Q2017.
3. The government grants were from Government agencies under the Wage Credit, Temporary and Special Employment Schemes and were lower in 1H2018 mainly because grants were higher for the Special Employment Credit received in 1H2017.
4. Miscellaneous income was higher in 1H2018 compared with 1H2017 mainly because of a suppliers' one-off advertising subsidy in 1Q2018.



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

	GROUP		COMPANY	
	30 June 2018 S\$'000	31 Dec 2017 S\$'000	30 June 2018 S\$'000	31 Dec 2017 S\$'000
Non-current assets				
Property, plant and equipment	261,735	254,691	-	-
Investment in subsidiaries	-	-	82,261	82,261
	261,735	254,691	82,261	82,261
Current assets				
Inventories	58,100	60,766	-	-
Trade and other receivables	11,887	14,657	179,760	185,733
Cash and cash equivalents	75,715	73,438	85	769
	145,702	148,861	179,845	186,502
Total assets	407,437	403,552	262,106	268,763
Equity				
Share capital	235,373	235,373	235,373	235,373
Merger reserve	(68,234)	(68,234)	-	-
Accumulated profits	112,618	103,500	26,506	33,075
Foreign currency translation reserve	73	31	-	-
Equity attributable to owners of the Company	279,830	270,670	261,879	268,448
Non controlling interest	2,483	2,495	-	-
Total equity	282,313	273,165	261,879	268,448
Non-current liabilities				
Deferred tax liabilities	3,241	2,558	-	-
	3,241	2,558	-	-
Current liabilities				
Trade and other payables	106,605	111,322	227	315
Current tax payable	15,278	16,507	-	-
	121,883	127,829	227	315
Total liabilities	125,124	130,387	227	315
Total equity and liabilities	407,437	403,552	262,106	268,763

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

The Group had no borrowings as at 30 June 2018 and 31 December 2017 respectively.



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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		Group	
	3 months ended		6 months ended	
	30 June		30 June	
	2018	2017	2018	2017
	SS'000	SS'000	SS'000	SS'000
Operating activities				
Profit for the period	17,136	16,098	35,390	33,224
Adjustments for:				
Depreciation of property, plant and equipment	4,149	3,713	8,160	7,457
Loss on disposal of property, plant and equipment	-	54	-	63
Unrealised exchange loss/(gain)	(22)	2	6	53
Interest income	(175)	(33)	(362)	(57)
Tax expense	3,711	3,658	7,451	7,113
	<u>24,799</u>	<u>23,492</u>	<u>50,645</u>	<u>47,853</u>
Changes in inventories	(3,421)	46	2,666	10,709
Changes in trade and other receivables	(867)	(830)	2,770	2,287
Changes in trade and other payables	15,803	12,182	(4,717)	(17,315)
Cash generated from operations	<u>36,314</u>	<u>34,890</u>	<u>51,364</u>	<u>43,534</u>
Taxes paid	(7,153)	(4,762)	(7,997)	(5,792)
Cash flows from operating activities	<u>29,161</u>	<u>30,128</u>	<u>43,367</u>	<u>37,742</u>
Investing activities				
Proceeds from disposal of property, plant and equipment	-	2	-	119
Purchase of property, plant and equipment	(5,929)	(1,217)	(15,204)	(3,943)
Interest received	175	33	362	57
Cash flows used in investing activities	<u>(5,754)</u>	<u>(1,182)</u>	<u>(14,842)</u>	<u>(3,767)</u>
Financing activity				
Dividend paid	(26,312)	(27,815)	(26,312)	(27,815)
Cash flows used in financing activity	<u>(26,312)</u>	<u>(27,815)</u>	<u>(26,312)</u>	<u>(27,815)</u>
Net increase/ (decrease) in cash and cash equivalents	(2,905)	1,131	2,213	6,160
Cash and cash equivalents at beginning of the period	78,636	68,319	73,438	63,510
Effect of exchange rate changes on balances held in foreign currencies	(16)	(137)	64	(83)
Cash and cash equivalents at end of the period	<u>75,715</u>	<u>69,587</u>	<u>75,715</u>	<u>69,587</u>



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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.

Attributable to owners of the Company						Non- Control- ling interest	Total equity
Group	Share capital	Merger reserve	Accumu- lated profit	Foreign currency translation reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2017	235,373	(68,234)	84,830	91	252,060	2,792	254,852
Total comprehensive income for the period							
Profit for the period	-	-	33,270	-	33,270	(46)	33,224
Other comprehensive income							
Foreign currency translation differences for foreign entity	-	-	-	(18)	(18)	(12)	(30)
Total comprehensive income for the period			33,270	(18)	33,252	(58)	33,194
Dividend paid	-	-	(27,815)	-	(27,815)	-	(27,815)
Total transactions with owners	-	-	(27,815)	-	(27,815)	-	(27,815)
At 30 June 2017	235,373	(68,234)	90,285	73	257,497	2,734	260,231
At 1 January 2018	235,373	(68,234)	103,500	31	270,670	2,495	273,165
Total comprehensive income for the period							
Profit for the period	-	-	35,430	-	35,430	(40)	35,390
Other comprehensive income							
Foreign currency translation differences for foreign entity	-	-	-	42	42	28	70
Total comprehensive income for the period	-	-	35,430	42	35,472	(12)	35,460
Transactions with owners, recorded directly in equity:							
Dividend paid	-	-	(26,312)	-	(26,312)	-	(26,312)
Total transactions with owners	-	-	(26,312)	-	(26,312)	-	(26,312)
As at 30 June 2018	235,373	(68,234)	112,618	73	279,830	2,483	282,313



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Company	Share capital S\$'000	Accumulated profits S\$'000	Total Equity S\$'000
As at 1 January 2017	235,373	28,643	264,016
Total comprehensive income for the period			
Profit for the period	-	29,710	29,710
Transactions with owners, recorded directly in equity:			
Distributions to owners			
Dividend paid	-	(27,815)	(27,815)
Total transactions with owners	-	(27,815)	(27,815)
At 30 June 2017	<u>235,373</u>	<u>30,538</u>	<u>265,911</u>
As at 1 January 2018	235,373	33,075	268,448
Total comprehensive income for the period			
Profit for the period	-	19,743	19,743
Transactions with owners, recorded directly in equity:			
Distributions to owners			
Dividend paid	-	(26,312)	(26,312)
Total transactions with owners	-	(26,312)	(26,312)
As at 30 June 2018	<u>235,373</u>	<u>26,506</u>	<u>261,879</u>

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

There were no changes to the Company's capital since the end of the previous period reported on.

There were no treasury shares held.



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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 2018	31 December 2017
	No of shares	No of shares
Total number of issued shares	1,503,537,000	1,503,537,000

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.

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 2017, 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 2018. 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.



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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		6 months ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Earning per ordinary share of the group for the financial period based on net profit attributable to shareholders:				
- based on number of shares/ weighted average number of shares in issue (cents)	1.14	1.07	2.36	2.21
Number of shares as at end of period	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	<u>1,503,537,000</u>	<u>1,503,537,000</u>	<u>1,503,537,000</u>	<u>1,503,537,000</u>

Note:-

There were no potentially dilutive shares during the periods 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	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	18.61	18.00	17.42	17.85
Number of shares as at end of period/year	<u>1,503,537,000</u>	<u>1,503,537,000</u>	<u>1,503,537,000</u>	<u>1,503,537,000</u>

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.*



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OVERVIEW

Net profit in 1H2018 increased by 6.5% to \$35.4m compared with \$33.2m in 1H2017, mainly because of a 9.4% increase in gross profit arising from growth of 5.4% in revenue augmented by improved gross margin and higher finance income, but was partially offset by lower other income and higher operating expense. The subsidiary in China which began operations in November 2017 recorded a loss of \$0.1m in 1H2018.

INCOME STATEMENT

Revenue

Retail area

	As at 30 June 2018	As at 30 June 2017	As at 31 December 2017
Number of stores	48 (Singapore)+1(China)	42 (Singapore)	44 (Singapore)+1(China)
Retail area*	436,000 square feet*	427,000 square feet*	404,000 square feet*
Revenue for period/year	\$441.3m	\$418.6m	\$829.9m

*Singapore's retail area only.

The changes to revenue were:-

	1H2018 vs 1H2017	2Q2018 vs 2Q2017
New stores	7.6%	7.8%
Comparable same store	4.5%	4.2%
Closed stores-The Verge and Woodlands	(7.6)%	(7.2)%
China	0.9%	0.9%
Total	5.4%	5.7%

The Group opened four new stores in Singapore in 1Q2018 and these together with the three stores which were opened in the last five months of FY2017 will be considered as new stores. There were no new stores opened in 2Q2018.

Retail sales at supermarkets in Singapore took a dip in April and May 2018, recording a year-on-year contraction of 2.6%* and 0.8%* respectively, probably because of cautious consumer's sentiments. Correspondingly comparable same store sales slipped to 4.2% in 2Q2018 compared with 5.6% in the 1Q2018. Excluding the growth in the Block 506 Tampines store where the retail area was expanded by 15,000 square feet to 25,000 square feet in 2Q2017, comparable same store sales growth in 2Q2018 would be 2.3%.

GROSS PROFIT

Gross profit grew by 9.4% in 1H2018 and 8.7% in 2Q2018 mainly because of higher revenue and improvement in gross margin.

*Source-Retail Sales Index, Department of Statistic, Singapore.



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GROSS MARGIN

2Q2018	2Q2017	1H2018	1H2017
27.3%	26.8%*	26.7%	26.0%*

*After an adjustment re-classifying from cost of sales to administrative expenses.

Gross margin increased to 27.3% in 2Q2018 compared with 26.8% in 2Q2017 mainly because of lower input cost brought about by a higher level of suppliers' rebates and a higher sales mix of fresh versus non-fresh produce. Fresh produce commands a higher gross margin than non-fresh.

On a quarter on quarter basis, gross margin in 2Q2018 was higher than 1Q2018's gross margin of 26.2% as gross margin tends to be lower in the first quarter because of Chinese New Year festive sales.

OTHER INCOME

The explanations for the variances in other income are in Page 2 and 3.

EXPENSES

Administrative Expenses

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

	2Q2018 vs 2Q2017	1H2018 vs 1H2017
	\$m	\$m
Staff costs	1.0	3.1
Rental of outlets	1.0	1.2
Depreciation (excluding property, plant and machinery in the central distribution centre)	0.5	0.8
Others	0.6	1.1
China's	-	0.5
Total increase	3.1*	6.7*

* After an adjustment re-classifying from cost of sales to administrative expenses.

Increases in staff cost were attributable mainly to the additional headcount required to operate the new stores and a higher provision for bonus as a result of the higher operating profit. The bulk of the increase in depreciation was attributable mainly to the fitting out of the new stores and the purchases of IT equipments. The increase in rental was mainly because of the new outlets. Administrative expenses as a % of sales was higher at 17.1% in 1H2018 compared with 16.4% in 1H2017 (after the adjustment from cost of sales) as sales in the new outlets require time to grow to its optimal levels.

Distribution Expenses

The increases in distribution expenses in 2Q2018 and 1H2018 were attributable mainly to higher staff and operational cost of the fleet because of the higher volume, but was offset by lower depreciation charges as some of the trucks became fully depreciated.



Other Expenses

Other expenses were lower mainly because of exchange differences which were offset by higher finance charges relating to non-cash payments.

Finance Income

Finance income was higher in 1H2018 and 2Q2018 mainly because of the higher amount of cash placed in fixed deposits.

Tax

The effective tax rates for both 1H2018 and 2Q2018 approximates the statutory rate of 17%.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The increase in property, plant and equipment was due mainly to purchases amounting to \$15.2m which was offset by depreciation charges of \$8.2m.

Inventories at 30 June 2018 declined by a net \$2.7m compared with 31 December 2017 as inventory bought for 2018's Chinese New Year was sold, but were offset by stocking up activities for the coming Chinese seven month festive sales.

Sales were conducted principally in cash. Balances due from trade and other receivables consist mainly of amounts owing by credit card companies, other receivables, prepayments, advance payments and rental deposits paid for supermarket outlets. The net reduction of \$2.8m was due mainly to a reduction in prepayment and advance payments as the underlying transactions were completed subsequent to 31 December 2017.

Trade and other payables as at 30 June 2018 decreased by \$4.7m mainly because of a reduction in non-trade payables and accruals of \$11.0m as bonuses and other accrued expenses were paid subsequent to year end, but was offset by an increase in trade payables of \$6.3m. Trade payable increased as the Group commenced stocking for the Chinese seven month festive sales.

CASH FLOW

There were no significant changes to the terms of trade. The increases in cash generated from operating activities before working capital changes and payment of tax in 2Q2018 and 1H2018 were in line with the increased volume of business. Payment of \$15.2m in 1H2018 for acquisition of property, plant and equipment consists of \$8.2m for fitting out the new stores, acquiring IT equipment and replacement of some of the equipment in the distribution centre, \$5.3m for the extension of the warehouse and \$ 1.7m incurred by the supermarket in China.

After the payment of the final dividend in respect of FY2017 amounting to \$26.3m cash and cash equivalents increased by \$2.2m to \$75.7m as at 30 June 2018.



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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 is expected to remain keen. The recovery in demand could become uncertain or may remain subdued if the local economic conditions deteriorate.

Core inflation, more particularly food inflation has remained subdued but the risks of unpredictable weather or tariff wars could disrupt the supply chain and distort prices.

The Group is still looking for suitable retail spaces in areas where it does not have a presence. However, competition for new HDB shops is still keen and looking for suitable retail space or successfully bidding for new HDB shops may be challenging.

The two new stores at Bukit Batok Block 440 (5,900 sq ft) and Yishun Block 675 (5,320 sq ft) commenced operations on 13 July 2018, bringing our store count to 50 and increasing our retail space to approximately 447,000 sq ft.

Construction of the new extension to the distribution centre is estimated to be completed before the end of FY2018.

11. Dividend

(a) Current Financial Period Reported On

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1.65 cent per share
Tax rate	Tax exempt (one-tier)

Corresponding Period of the immediately Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1.55 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).*



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This is a tax exempt (one tier) dividend.

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

The dividend will be paid on 23 August 2018.

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 2018 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 August 2018 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 10 August 2018 will be entitled to the interim dividend.

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

Not applicable.



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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 2018 to 30 June 2018

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 \$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 ⁽¹⁾	87	-
	Lease of operation space by F.M Food Court Pte Ltd ⁽¹⁾ from Sheng Siong Group Ltd	287	-
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 ⁽¹⁾ for lease and license of operations space	1,101	-

Note:

(1) These entities are associates of Messrs Lim Hock Eng, Lim Hock Chee and Lim Hock Leng, the executive directors and controlling shareholders of Sheng Siong Group Ltd.

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) 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.



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

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

BY ORDER OF THE BOARD

LIM HOCK CHEE
CEO
30 July 2018