



SHENG SIONG GROUP LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201023989Z)

CHANGE IN USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING ("IPO")

The Board of Directors of Sheng Siong Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's (i) prospectus registered by the Monetary Authority of Singapore on 4 August 2011; (ii) announcement on the change in use of proceeds from the Company's IPO dated 28 October 2014; and (iii) announcement of the Group's unaudited financial results for the period ended 31 March 2015 dated 23 April 2015 ("**Announcement**").

The Company previously disclosed, *inter alia*, that S\$42.2 million of the proceeds from the issue of new shares for the IPO ("**IPO Proceeds**"), of which S\$16.9 million remains unutilised as at the date of this announcement, was intended to be used for the development and expansion of the Group's grocery retailing business and operations in Singapore and overseas.

An update on the use of IPO Proceeds was provided in the Announcement as follows:

Purpose	Estimated amount (S\$ million)	Estimated percentage of gross IPO Proceeds	Amount utilised (S\$ million)	Percentage of gross IPO Proceeds
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	42.2 ⁽³⁾	55.2%	25.3 ⁽¹⁾	33.1%
Expenses incurred in connection with the issue of New Shares	4.2	5.5%	4.0	5.2%
Total	76.4 ⁽²⁾	100.0%	55.6	72.7%

Notes:

- (1) Relates to the opening of our new stores in Singapore and the purchase of retail space for our supermarket operations.
- (2) Includes net proceeds from the exercise of the over-allotment option of S\$13.5 million.
- (3) Includes an amount of \$22.2 million originally designated for working capital now re-allocated. Please refer to the Company's announcement dated 28 October 2014.

The Company wishes to announce that the intended use for the unutilised IPO Proceeds of S\$16.9 million, which was previously stated to be for funding the development and expansion of the Group's grocery retailing business and operations in Singapore and overseas, has been expanded to include funding the purchase of plant and machinery for use at the Group's distribution centre at

Mandai Link. The afore-mentioned plant and machinery will be used to provide logistics, packaging or delivery support to the Group's retailing business.

The Company will make further announcements as and when the IPO Proceeds are materially disbursed and will provide a status report on the use of the IPO Proceeds in its annual report.

By Order of the Board

Lim Hock Chee
Chief Executive Officer

24 April 2015