



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; and (ii) announcement of the Group's unaudited financial results for the period ended 30 June 2014 dated 23 July 2014 ("**Announcement**").

The Company previously disclosed, *inter alia*, that S\$20.0 million and S\$22.2 million of the proceeds from the issue of new shares for the IPO ("**IPO Proceeds**") were intended to be used for the development and expansion of the Group's grocery retailing business and operations in Singapore and overseas, and working capital purposes, respectively.

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	20.0	26.2%	20.0 ⁽¹⁾	26.2%
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%	50.3	65.8%

Notes:

(1) Relates to the opening of new stores in Singapore and major renovation of existing stores.

(2) Includes net proceeds from the exercise of the over-allotment option of S\$13.5 million.

The Company wishes to announce that it has re-allocated the unutilised IPO Proceeds of S\$22.2 million, which was previously intended for working capital purposes, to fund the development and expansion of the Group's grocery retailing business and operations in Singapore and overseas. Taking into account the cash flow generated from the Group's operations and its existing cash and cash equivalents, the Company is of the view that the Group does not need to utilise the IPO Proceeds to fund its working capital requirements for the foreseeable future.

The Company will make further announcements as and when the IPO Proceeds are materially disbursed and 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

28 October 2014