SHENGSIONG

... all for you!

1Q2018

Results Presentation

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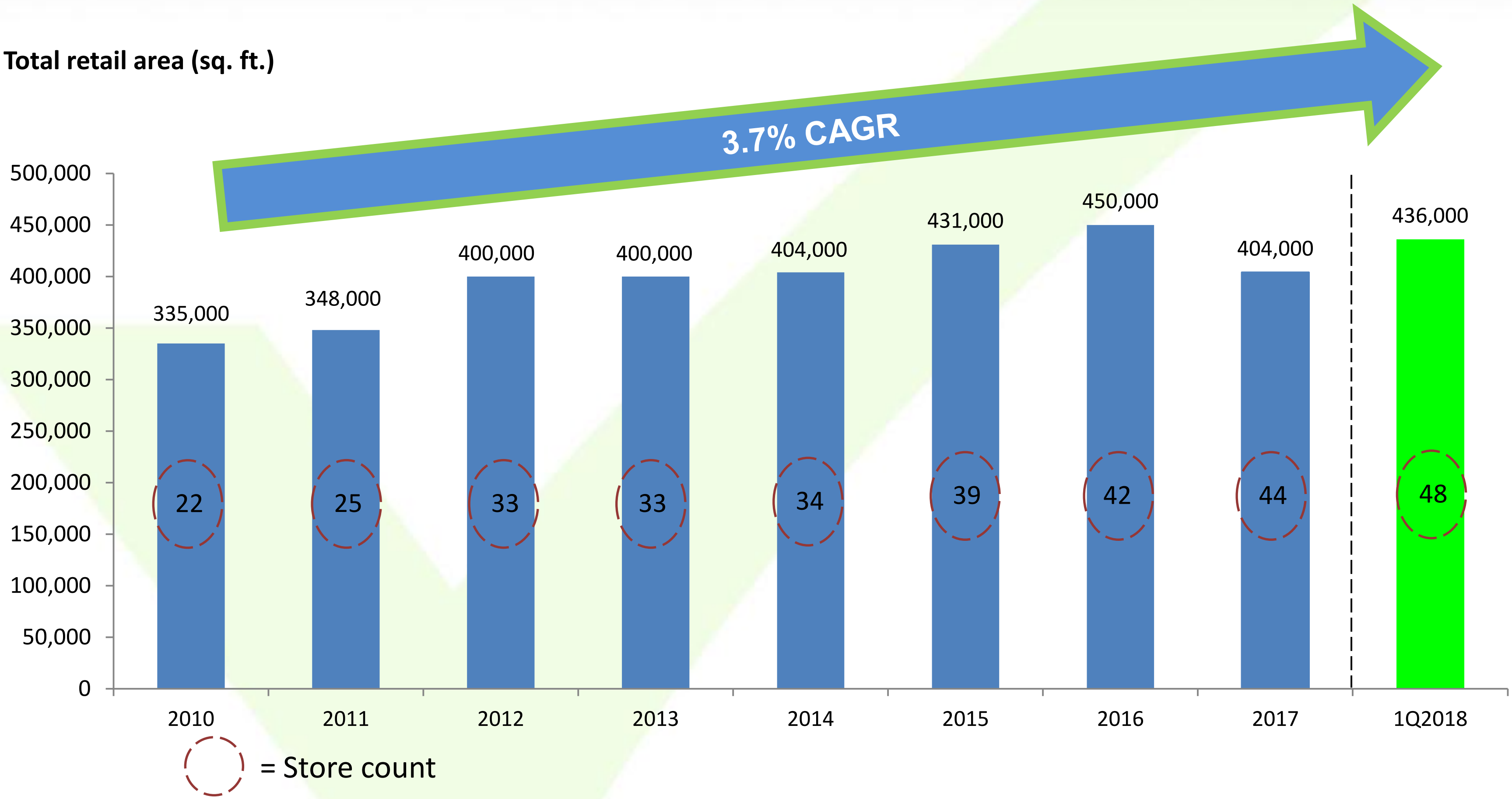
Financial Highlights for 1Q2018

Revenue	↑ 5.1% yoy	S$228.3 million
Gross profit margin	↑ 1.0pp*	26.2%
Operating profit margin	↑ 0.1pp*	9.6%
Net profit	↑ 6.6% yoy	S$18.3 million
Retail area	↓ 4.6% yoy	436,000 sq ft**

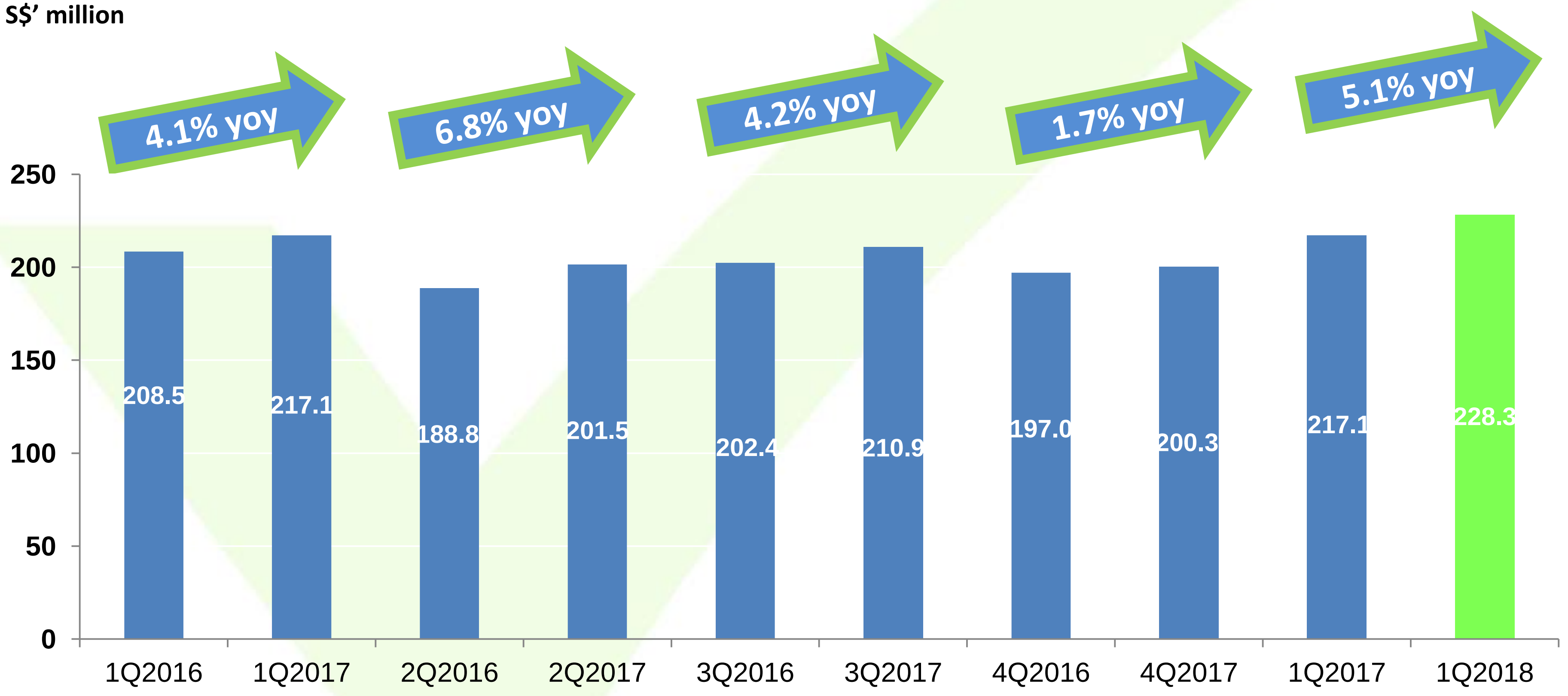
** pp denotes percentage points*
*** Singapore only*

Retail Area



- Total outlets increased to 48 as at 31 March 2018 with the opening of Fernvale Street, Anchorvale Crescent, Canberra Street and ITE Ang Mo Kio stores.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.

Revenue Trend



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Breakdown of Revenue Growth

	1Q2018	1Q2017
New stores	6.7%	6.2%
Comparable same store sales	5.6%	(2.1%)*
Verge and Woodlands Block 6A **	(8.0%)	
Supermarket in China	0.8%	-
Total revenue growth	5.1%	4.1%

* Including Loyang Point which reopened in February 2017

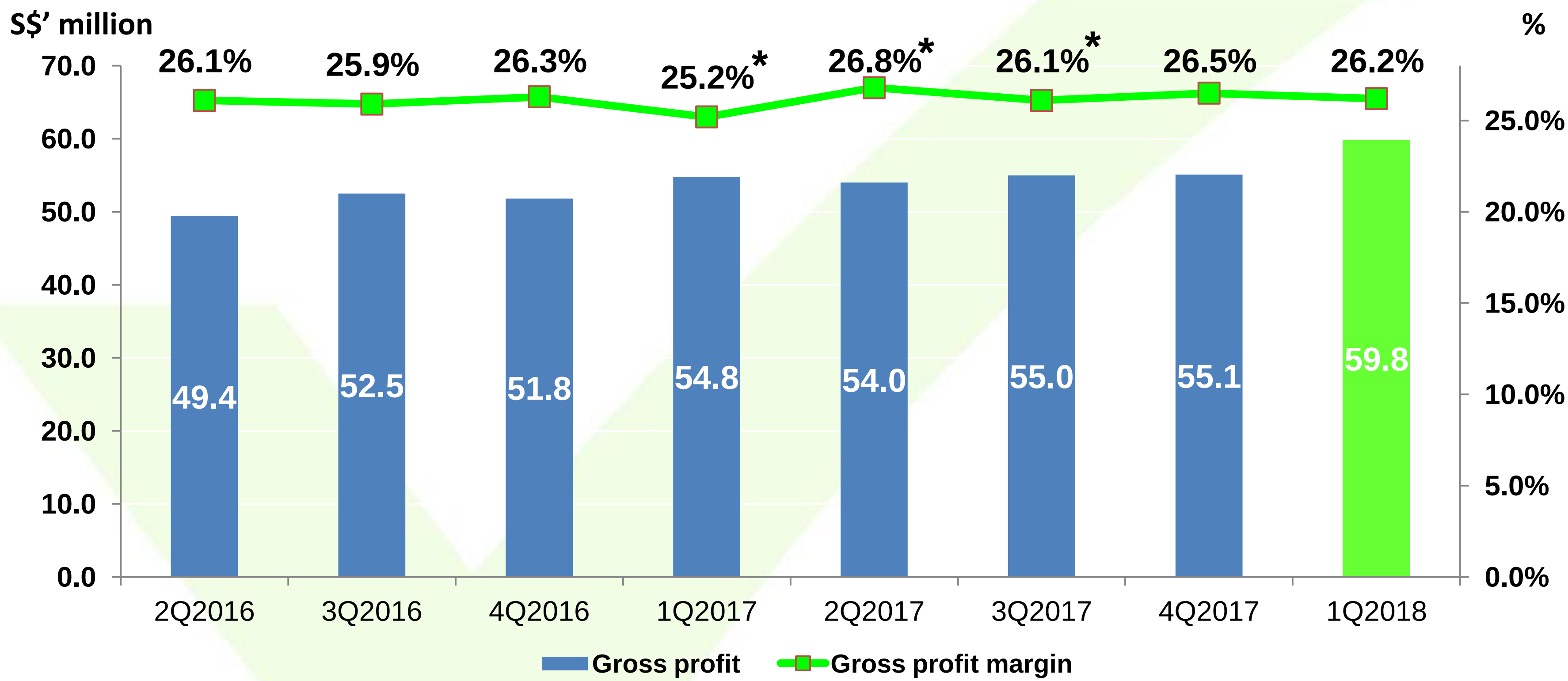
**Verge and Woodlands Block 6A were closed in June 2017 and November 2017 respectively

Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S$'000)	Revenue per square feet (S$)	Remarks
2011	353,000[(1)]	578,443	1,638	Closure of Tanjong Katong store and negative same store sales
2012	369,000[(1)]	637,317	1,727	New store sales, positive same store sales offset by closure of Tanjong Katong
2013	400,000	687,390	1,718	New store sales offset by renovation works affecting Bedok Central and Verge stores
2014	400,000	725,987	1,815	New stores and positive same store sales
2015	422,000[(1)]	764,433	1,810	Turnover at new stores require time to reach optimum
2016	436,000[(1)]	796,683	1,826	More smaller stores
2017	435,700[(1)]	829,827	1,905	Closure of the Verge and Woodlands Block 6A – partial effect
1Q2017	457,000	217,122	475	
1Q2018	436,000	226,397	519	Closure of the Verge and Woodlands Block 6A – full effect

[(1)] *Weighted average area*

Gross Profit Trend



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

- Gross margin increased to 26.2% in 1Q2018 compared with 25.2% in 1Q2017, mainly due to higher sales mix of fresh products which command a higher gross margin versus non-fresh products, and suppliers' rebates.

Balance Sheet Highlights

S$' Million	As at 31 Mar 2018	As at 31 Dec 2017	Remarks
Inventories	54.7	60.8	Goods which were purchased at the end of FY2017 for Chinese New Year sales in February 2018 were sold
Trade and other payables	90.8	111.3	Purchases for Chinese New Year sales were settled and a decrease in accruals of $13.8 million attributable mainly to the payment of bonuses relating to FY2017 and other accrued expenses
Property, plant and equipment (PPE)	260.0	254.7	The purchase of property, plant and equipment amounting to $9.2 million
Cash and cash equivalents	78.6	73.4	

Outlook

Business Outlook

- Competition in the supermarket industry is likely to remain keen.
- Retail space:

2Q2018	Bukit Batok Blk 440*	+5,900 square feet
2Q2018	Yishun Blk 675*	+5,320 square feet

*Subject to the grant and execution of lease agreement with HDB

Growth strategy

- Continue expanding network of outlets in Singapore, especially in areas with no presence
- Nurture growth of new stores
- Rejuvenate old stores
- Nurture growth of Kunming supermarket (China) and build Sheng Siong's brand in China

Continue margin enhancement initiatives

- Increase direct sourcing and bulk handling
- Improve sales mix of higher margin products
- Increase selection and types of house brand products

Operational efficiencies

- Remain vigilant on operating costs
- Continue to automate work processes

Investor Relations Point-of-Contact:
Yit Sung NGO / Jing Wen YONG
Tel: (65) 6438 2990
Fax: (65) 6438 0064
Email: yitsung@financialpr.com.sg
jingwen@financialpr.com.sg

Questions & Answers