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3Q2019 Results Presentation

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Financial Highlights for 3Q2019

Revenue	↑ 11.4% yoy	**S$253.8 million**
Gross profit margin	↑ 0.6pp*	**27.1%**
Operating profit margin	↑ 0.8pp*	**9.9%**
Net profit	↑ 16.5%	**S$20.6 million**
Retail area	↑ 11.7% yoy	**512,000 sq ft****

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

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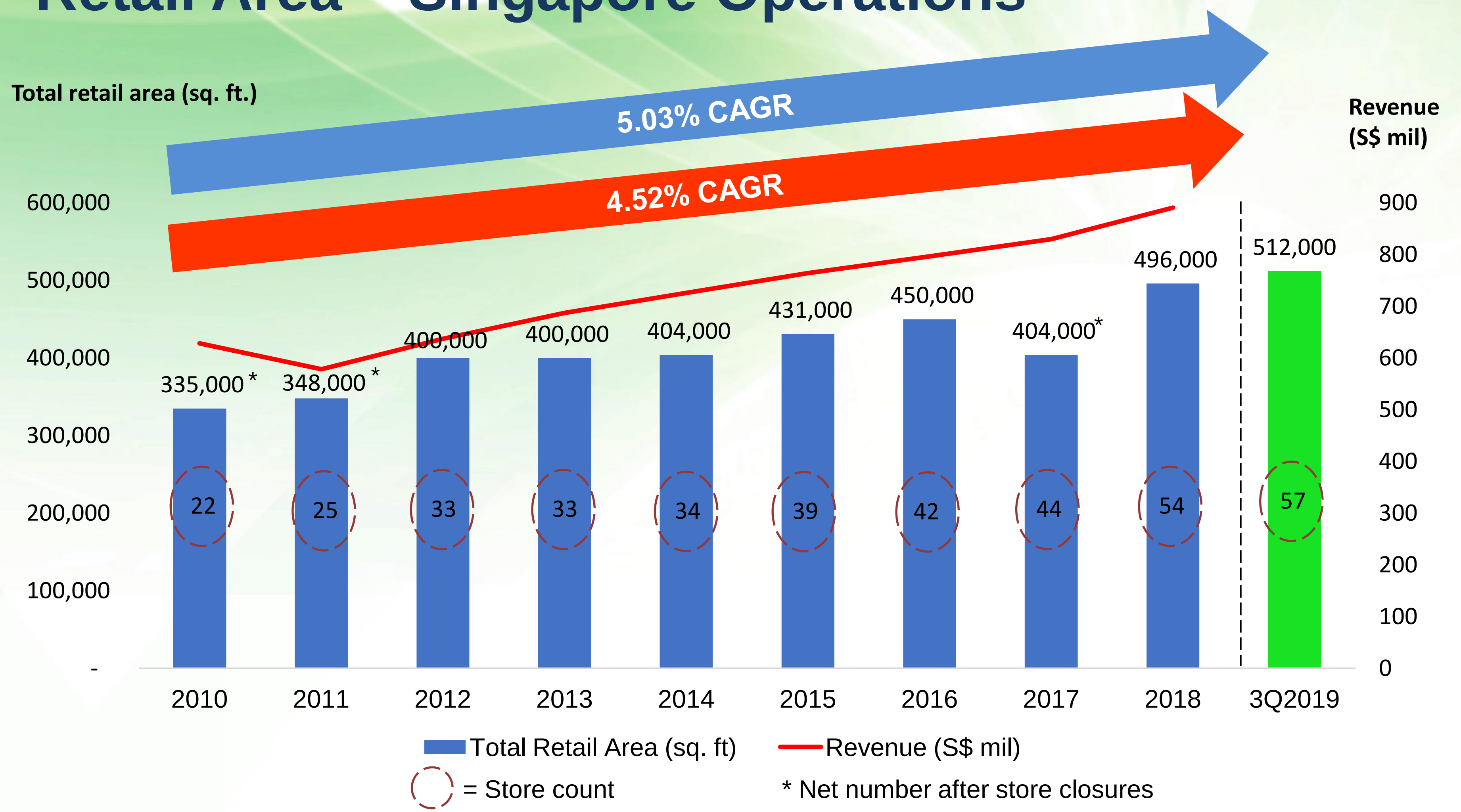
Retail Area – Singapore Operations



- 57 outlets as at 30 September 2019
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.

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Revenue Trend

Breakdown of Revenue Growth

	3Q2019	3Q2018
New stores	10.4%	10.6%
Comparable same store sales	(0.3%)	0.2%
Verge and Woodlands Block 6A *	-	(4.0%)
Supermarkets in China	1.3%	1.2%
Total revenue growth	11.4%	8.0%

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

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Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S$'000)	Revenue per square feet (S$)	Remarks
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	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
2018	447,600[(1)]	882,200	1,971	Closure of the Verge and Woodlands Block 6A – full effect and new stores
9M2018	430,500[(1)]	662,900	1,540	Closure of the Verge and Woodlands Block 6A and new stores
9M2019	502,500[(1)]	738,814	1,470	New stores

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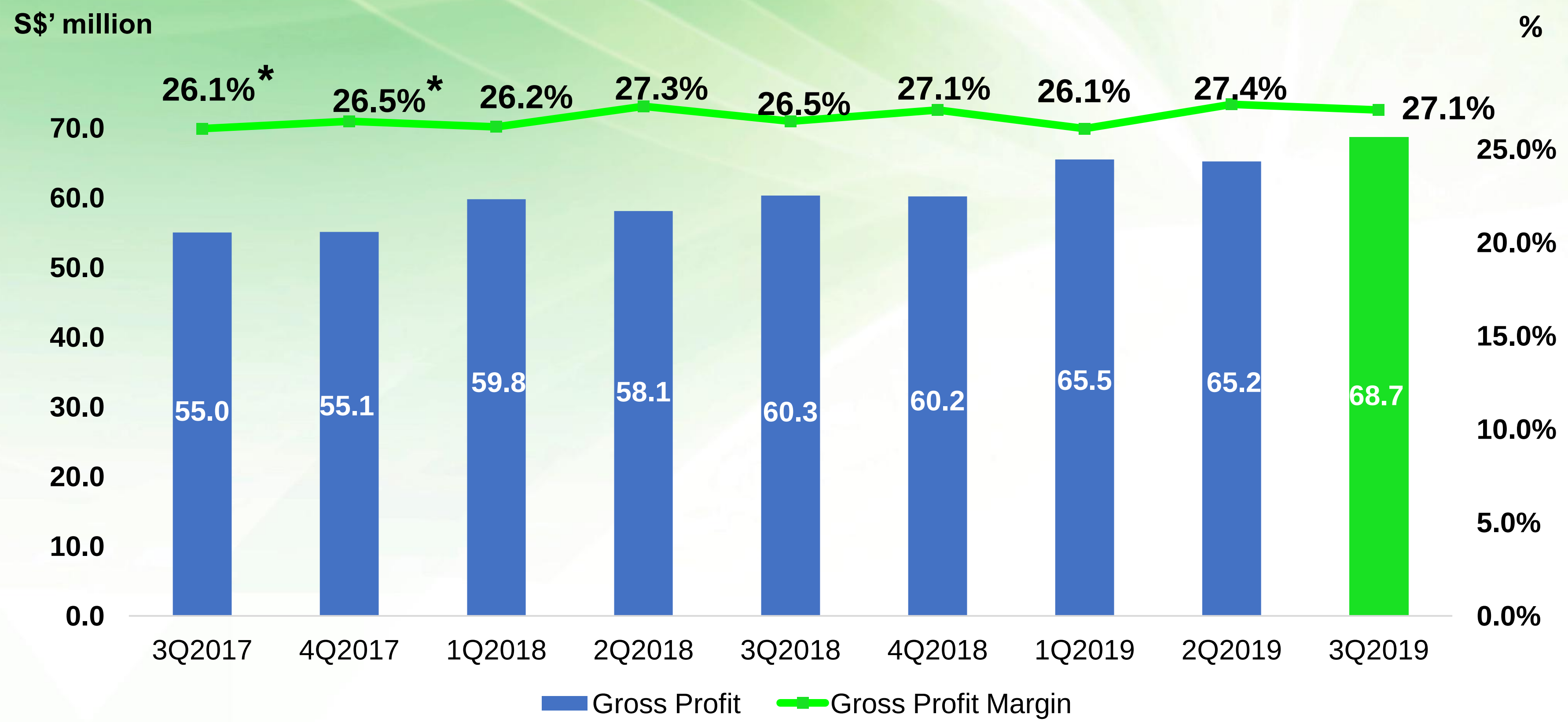
[(1)] *Weighted average area*

Gross Profit Trend



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

- Gross margin increased to 27.1% in 3Q2019 compared with 26.5% in 3Q2018, mainly because of a slightly higher sales mix of fresh versus non-fresh produce and lower input cost arising from higher suppliers' rebates.

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Balance Sheet Highlights

S$' Million	As at 30 Sep 2019	As at 31 Dec 2018	Remarks
Inventories	63.8	69.9	Goods purchased towards the end of FY2018 for Chinese New Year were sold
Trade and other payables	118.0	125.7	Reduction in bonus provision as bonus for FY2018 was paid in March and April 2019
Property, plant and equipment (PPE)	262.7	266.2	Purchase of property, plant and equipment amounting to $16.4 million
Right-of-use assets (leases)	52.7	-	Adoption of SFRS (I) 16
Lease liabilities	48.1	-	Adoption of SFRS (I) 16
Cash and cash equivalents	82.6	87.2	

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Outlook

Business Outlook

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

Retail Space:

- **New stores opened*/opening/(closing):**

19 October 2019*	Woodland Street 13 Blk 182	+8,500 square feet
19 October 2019*	Tampines Ave 9 Blk 602A	+9,000 square feet
1Q2020	Marsiling Drive Blk 202	+5,300 square feet
11 December 2019	200 Upper Thomson Road	(10,000 square feet)**

** Lease expires

Growth strategy

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

Continue margin enhancement initiatives

- 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

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Questions & Answers

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