SHENGSIONG

... all for you!

2Q2018

Results Presentation

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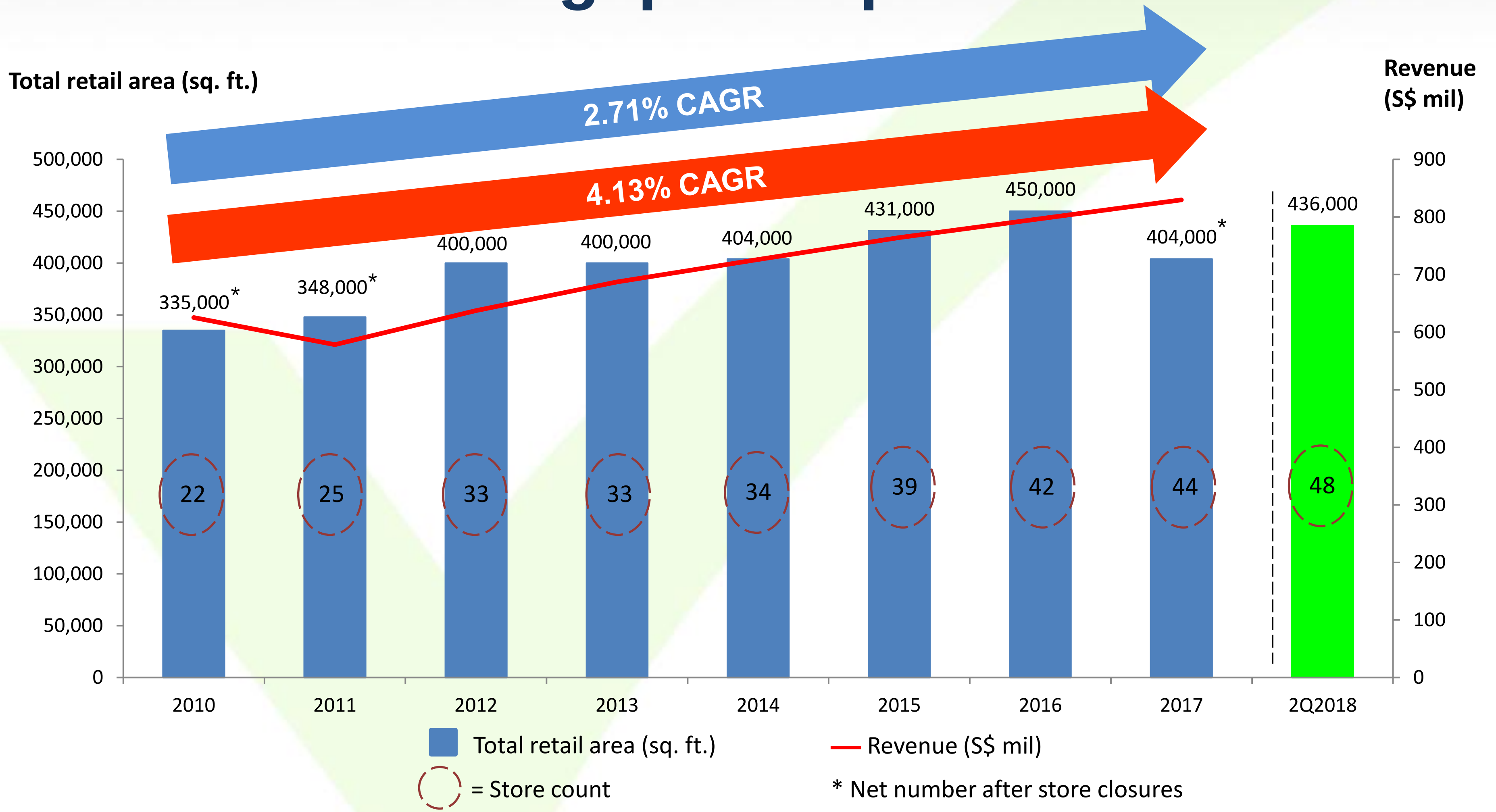
Financial Highlights for 2Q2018

Revenue	↑ 5.7% yoy	S$213.0 million
Gross profit margin	↑ 0.5pp*	27.3%
Operating profit margin	↓ 0.1pp*	9.7%
Net profit	↑ 6.4% yoy	S$17.1 million
Retail area	↑ 2.1% yoy	436,000 sq ft**

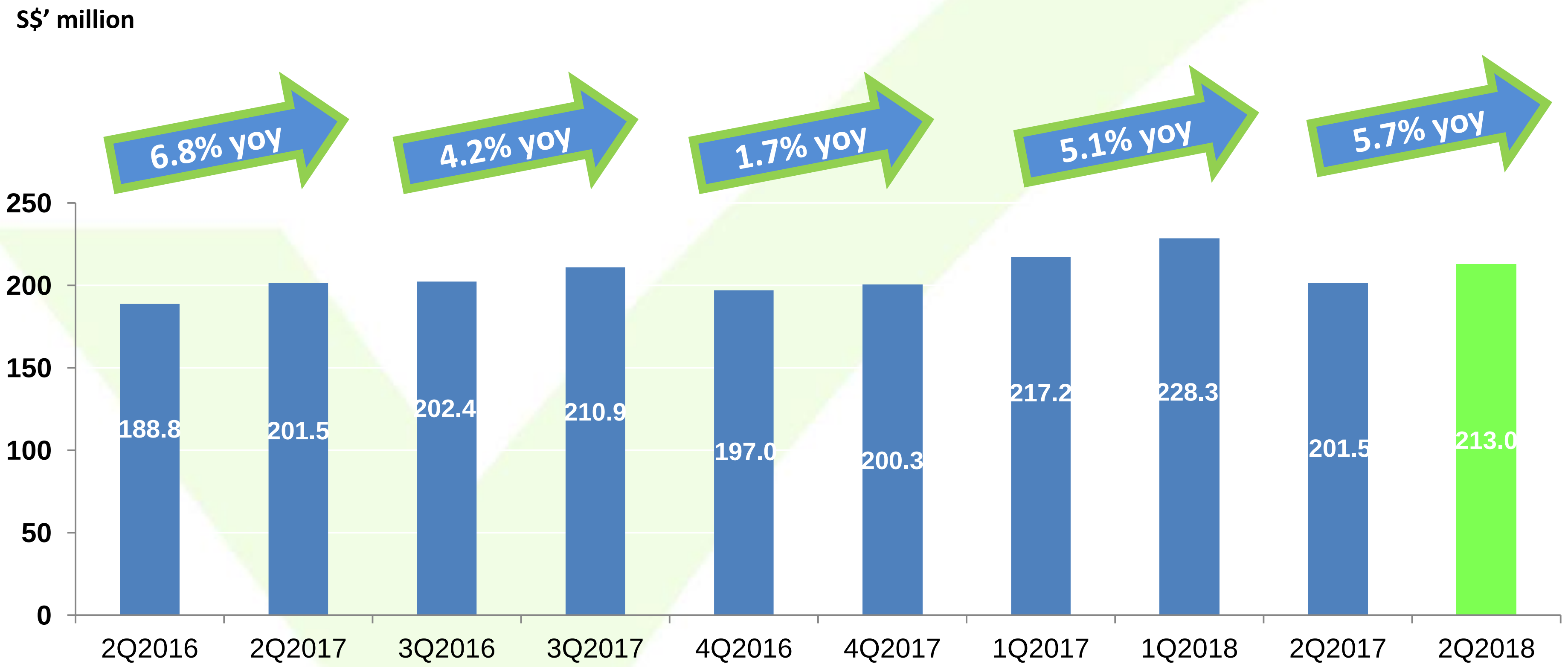
** pp denotes percentage points*
*** Singapore only*

Retail Area - Singapore Operations



- Total outlets remained as 48 as at 30 June 2018
- 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



Breakdown of Revenue Growth

	2Q2018	1Q2018	2Q2017
New stores	7.8%	6.2%	5.2%
Comparable same store sales	4.2%	5.6%	1.6%
Verge and Woodlands Block 6A *	(7.2%)	(8.0%)	
Supermarket in China	0.9%	0.8%	-
Total revenue growth	5.7%	4.6%	6.8%

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

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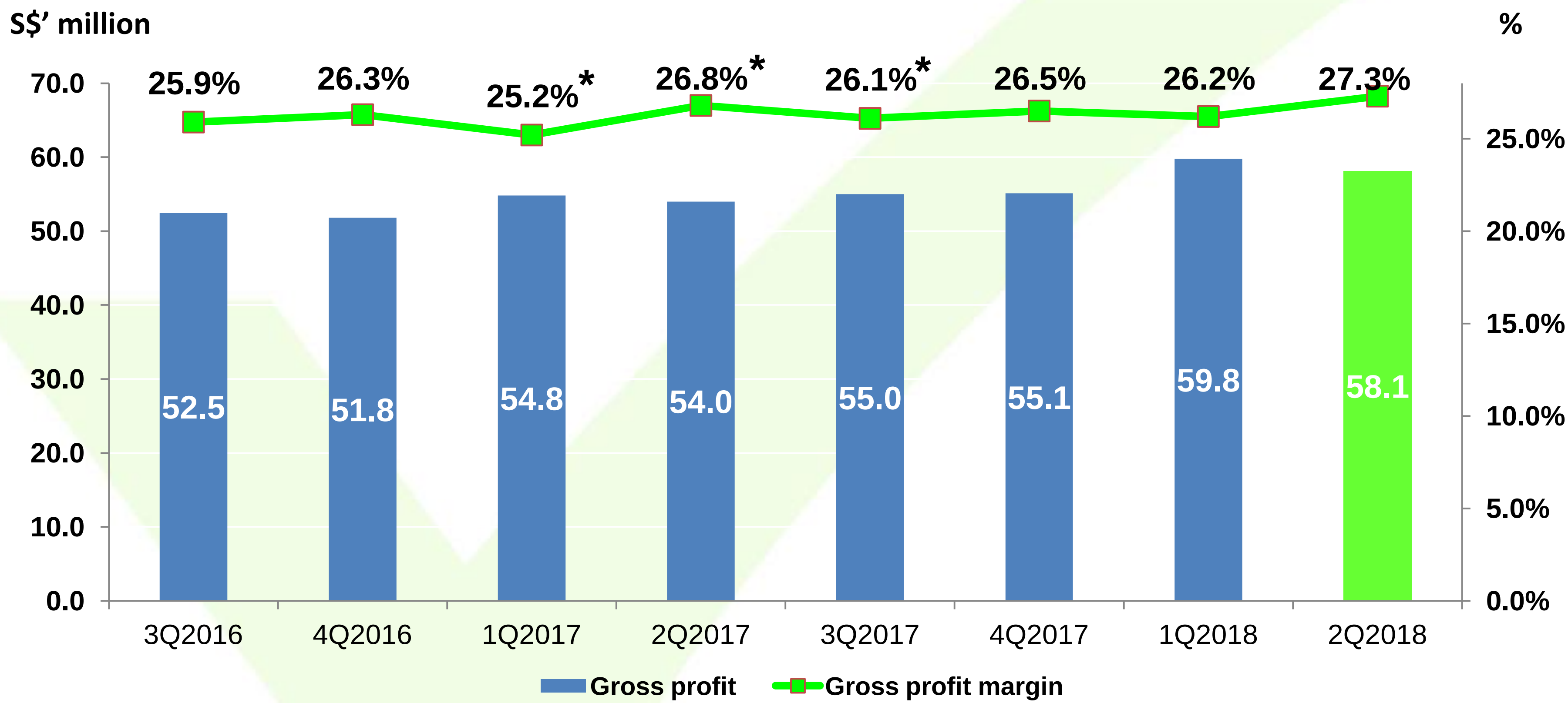
Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S$'000)	Revenue per square feet (S$)	Remarks
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	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
1H2017	427,000	418,638	980	
1H2018	428,000[1]	437,562	1023	Closure of the Verge and Woodlands Block 6A – full effect and new stores

[1] *Weighted average area*

Gross Profit Trend



* 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 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 30 June 2018	As at 31 Dec 2017	Remarks
Inventories	58.1	60.8	Goods which were purchased for Chinese New Year were sold but were offset by stocking up activities for the coming Chinese seven month festive sales.
Trade and other payables	106.6	111.3	A decrease in non-trade payable and accruals but offset by an increase in trade payable due to stocking activities for the Chinese seven month festive sales
Property, plant and equipment (PPE)	261.7	254.7	Purchase of property, plant and equipment amounting to $15.2 million
Cash and cash equivalents	75.7	73.4	

Outlook

Business Outlook

- Competition in the supermarket industry is likely to remain keen.
- Retail space (new stores):

July 2018	Bukit Batok Blk 440	+5,900 square feet
July 2018	Yishun Blk 675	+5,320 square feet

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

- 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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Financial PR

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Questions & Answers