SHENGSIONG
... all for you!

1Q2017
Results Presentation

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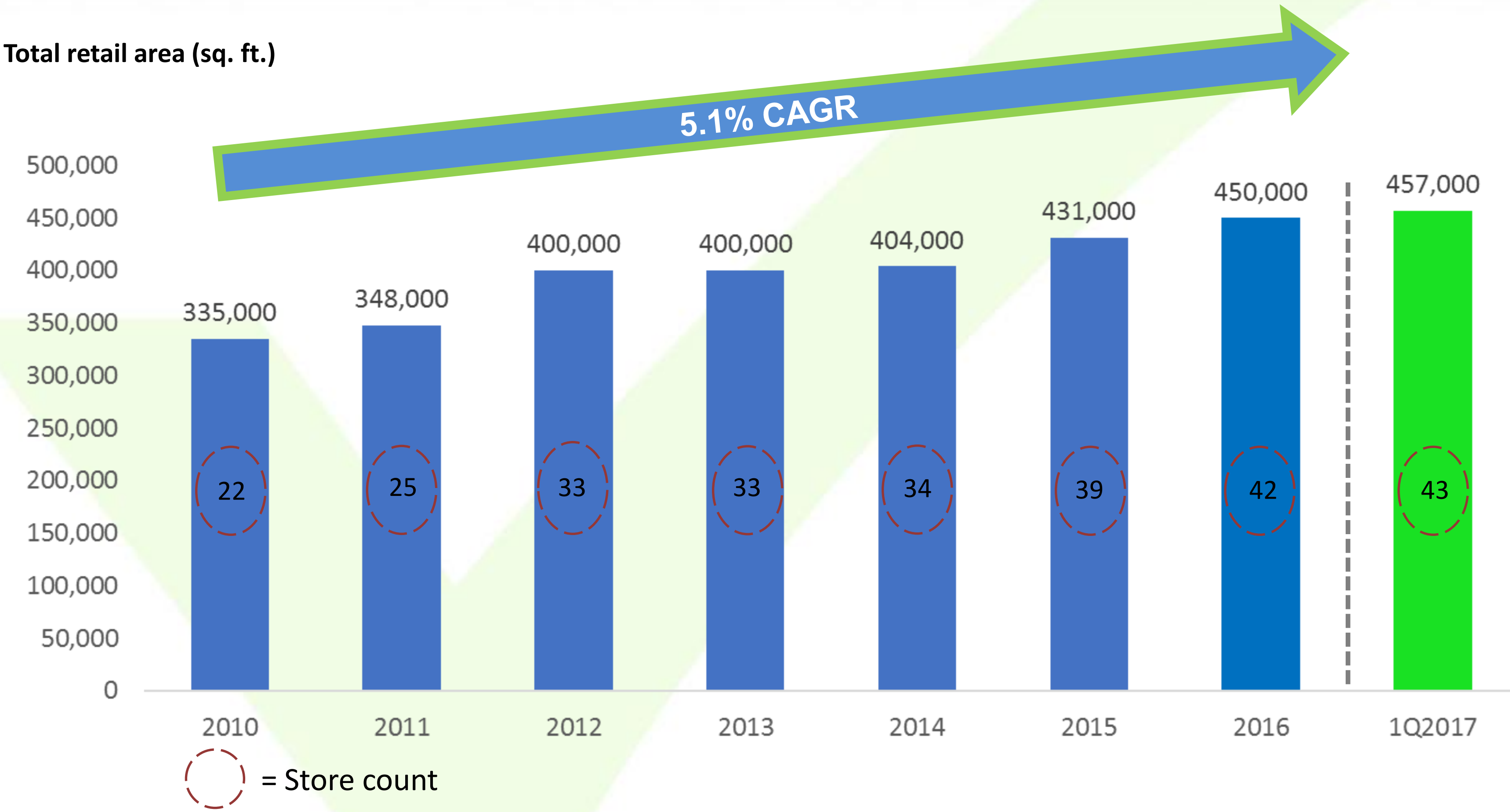
Financial Highlights for 1Q2017

Revenue	↑ 4.1% yoy	S$217.1 million
Gross profit margin	↑ 0.5 pp*	25.0%
Operating profit margin	↑ 0.2pp*	9.5%
Net profit	↑ 4.3% yoy	S$17.1 million
Retail area	↑ 6.0% yoy	457,000 sqft

* *pp denotes percentage points*

Retail Area



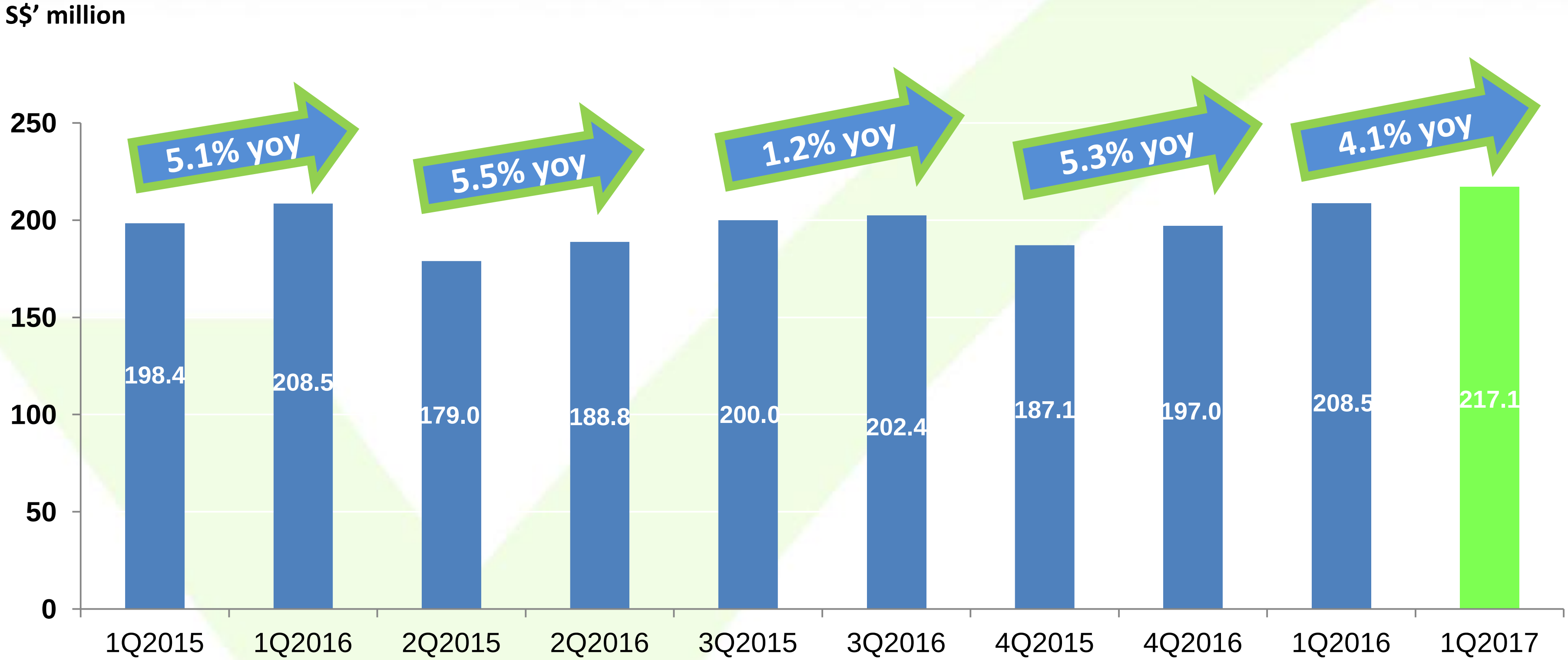
- Total outlets increased to 43 as at 31 March 2017 with the re-opening of the Loyang store in February 2017.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.

Revenue Per Square Feet

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 Tekka stores
2014	400,000[(2)]	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

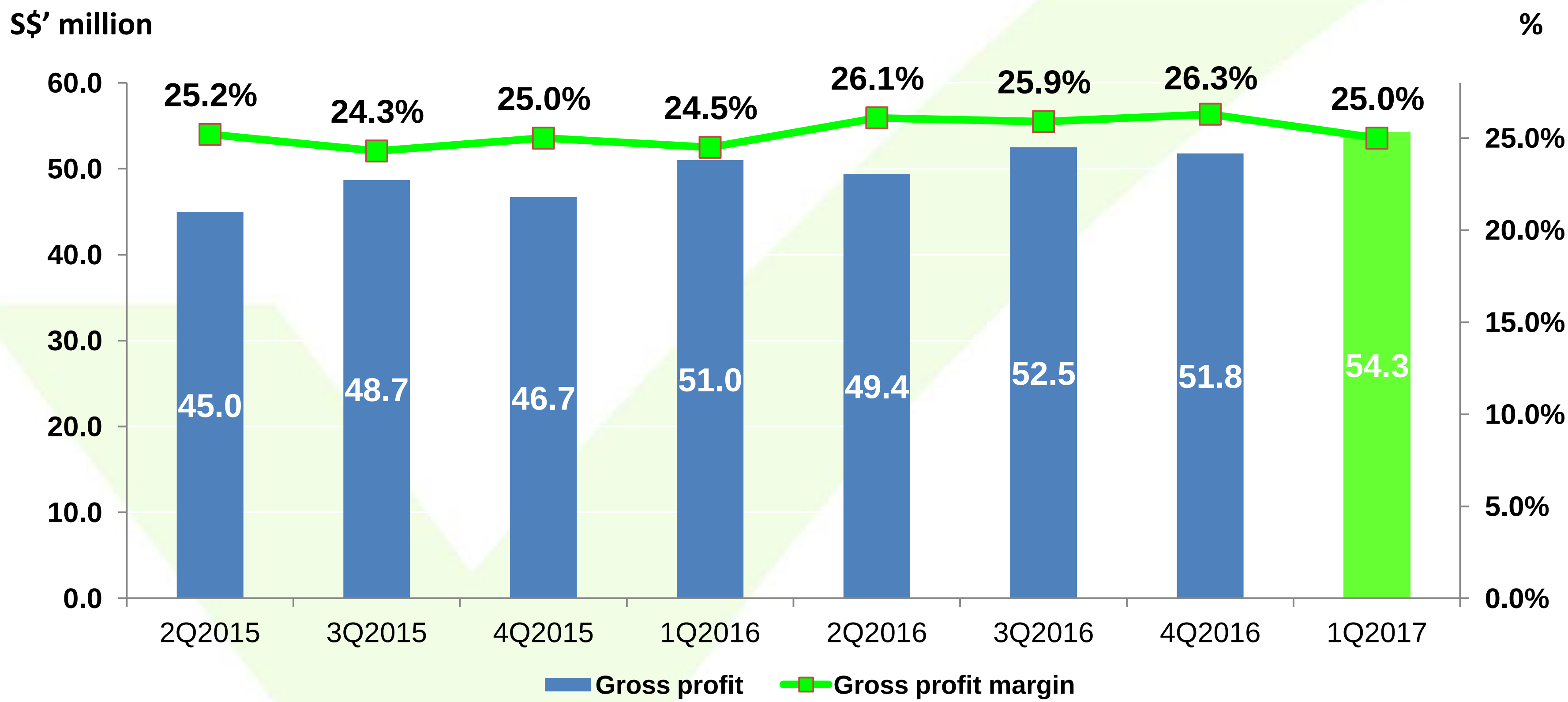
[(1)] *Average weighted area*
[(2)] *Excluding Penjuru (4,000 square feet) store opened in December 2014*

Revenue Trend



- Revenue increased by 4.1% yoy in 1Q2017 of which 6.2% was contributed by the new stores but the Loyang store and flattish comparable same store sales lowered revenue growth by 2.1%.
- Comparable same store sale was affected by lackluster demand and contraction in footfall in stores located in areas affected by the slowdown in the oil and gas industry, the ongoing renovation to the building where Block 506 Tampines store is located and the Woodlands store as residents moved out with the date of closure drawing near.

Gross Profit Trend



- Gross margins improved to 25.0% in 1Q2017 compared with 24.5% in 1Q2016, mainly because of higher rebates for bulk handling and promotions.
- Consistent with seasonal trends, gross margin was lower than 4Q2016's gross margin of 26.3%, as the industry tends to push for volume during festive seasons.

Balance Sheet Highlights

S$' Million	As at 31 Mar 2017	As at 31 Dec 2016	Remarks
Inventories	51.2	61.9	Goods which were purchased at the end of FY2016 for Chinese New Year sales in 2017 were sold
Trade and other payables	88.0	117.5	Purchases for Chinese New Year sales were paid and accrued bonuses
Property, plant and equipment (PPE)	250.9	252.0	Depreciation charges of $3.7m, which was offset by capital expenditures of $2.7m
Cash and cash equivalents	68.3	63.5	Lower payment for capex

Outlook

Business Outlook

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

June 2017	Tampines Central (Expanded)	+15,000 square feet
June 2017	The Verge (closed)	- 45,036 square feet
Aug 2017	Woodlands (closed)	- 41,500 square feet

Growth strategy

- Continue expanding network of outlets in Singapore, especially in areas with no presence
- Nurture growth of new stores

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
- Remain vigilant on operating costs

E-commerce initiatives

- Continue learning from the pilot project

Questions & Answers

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