



Zhongmin Baihui Retail Group Ltd.
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MEDIA RELEASE

Zhongmin Baihui reports strong net profit of RMB 12.3 million for 1Q2014

- Net profit this quarter is a turnaround from the net loss of RMB 2.7 million in 1Q2013
- Revenue grew 146% on contributions from additional stores
- Strong net cash position of RMB 183.1 million as at 31 March 2014
- Pipeline of four expected store openings over 2014-2015

RMB million Y/E Dec	1Q2014	1Q2013	Chg %
Revenue	255.6	103.7	146
Cost of sales	(165.5)	(60.9)	172
Gross Profit	90.1	42.8	111
Profit before tax	16.6	(0.7)	NM
Net Profit	12.3	(2.7)	NM
EPS (RMB)*	0.06	(0.01)	

* - based on weighted average number of 196,320,000 shares

12 May 2014 – Zhongmin Baihui Retail Group Ltd., (“Zhongmin Baihui”, “中闽百汇” or “the Group”), an established PRC department store brand that operates one of the largest shopping mall chains in Fujian province, has reported a 146% growth in revenue to RMB 255.6 million for the three months ended 31 March 2014 (“1Q2014”), compared to RMB 103.7 million for the comparative period in 2013 (“1Q2013”). The Group also recorded a net profit of RMB 12.3 million for the period, compared to a net loss of RMB 2.7 million in 1Q2013.

“It has been a strong start to the year, mainly due to the additional stores in Quanzhou City and Xiamen City which began contributing to our results over the course of 2013. We hope to build on the momentum and continue the good financial performance over the rest of FY2014.”

- **Mr. Lee Swee Keng (“李瑞庆”), Executive Chairman of Zhongmin Baihui**

Operating Review

The Group’s 146% revenue growth was mainly attributable to contributions from stores which were added to the Group in FY2013, comprising three stores in Quanzhou City and one store in Xiamen City. In addition to the revenue growth, gross profit more than doubled from RMB 42.8 million in 1Q2013 to RMB 90.1 million in 1Q2014, with gross profit margins on direct sales activities lodging an improvement from 9.4% to 11.7%.

Net profit for 1Q2014 was RMB 12.3 million, compared to a net loss of RMB 2.7 million in 1Q2013.

The Group had a strong net cash flow of RMB 37.9 million from operating activities with RMB 5.2 million net cash being used in investing activities. This resulted in cash and cash equivalents increasing to RMB 183.1 million as at 31 March 2014.

Outlook

The Group expects to continue the expansion of its network of stores within Fujian province, with two planned store openings in 2014 in Quanzhou City, and two more in 2015 – one in Quanzhou City, and the other in Zhangzhou City. The Group is also confident in the growth of its strategically-located stores. In particular, the train station in the building which the Group's Xiamen Wucun Store occupies is undergoing construction to expand its size and capacity. The station is expected to re-open in early 2015, in time for the Lunar New Year, with all work expected to be fully completed by end 2015.

“Our strategy has always been to select optimal locations for our stores. The Xiamen Wucun Store has been one of our best performing stores, and we expect that once the train station works are complete, store traffic will pick up even more as a result of the increased passenger volume.”

- **Mr. Lee Swee Keng (“李瑞庆”), Executive Chairman of Zhongmin Baihui**

About Zhongmin Baihui Retail Group Ltd. (Bloomberg: ZBR SP, Reuters: ZBRG.SI)

Zhongmin Baihui Retail Group Ltd. is principally engaged in the operation of the “中闽百汇” department stores in Xiamen City, Quanzhou City and Zhangzhou City, Fujian province and Nanjing City, Jiangsu province in the PRC. Strategically located in commercial centres, the Group's stores are in close proximity to residential, shopping and commercial areas as well as public transportation hubs that offer high visibility and steady flow of human traffic.

From its first store in Anxi County, Quanzhou City, Fujian province in 1997, the Group has rapidly expanded to operate 11 retail department stores with a total aggregate Gross Floor Area (GFA) of approximately 1.9 million sq ft. The Group plans to open more stores in Fujian province.

With 17 years of strong retail reputation under the “中闽百汇” brand name, the Group's stores offer a wide variety of quality merchandise and customer-oriented services catering to middle to high level income bracket consumers.

The Group's revenue is mainly derived from four sources, namely direct sales, commission from concessionaire sales, rental income and income from managed rental.

For more information please refer to <http://www.zhongminbaihui.com.sg>

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