SHENGSIONG

... all for you!

1Q2014
Results Presentation

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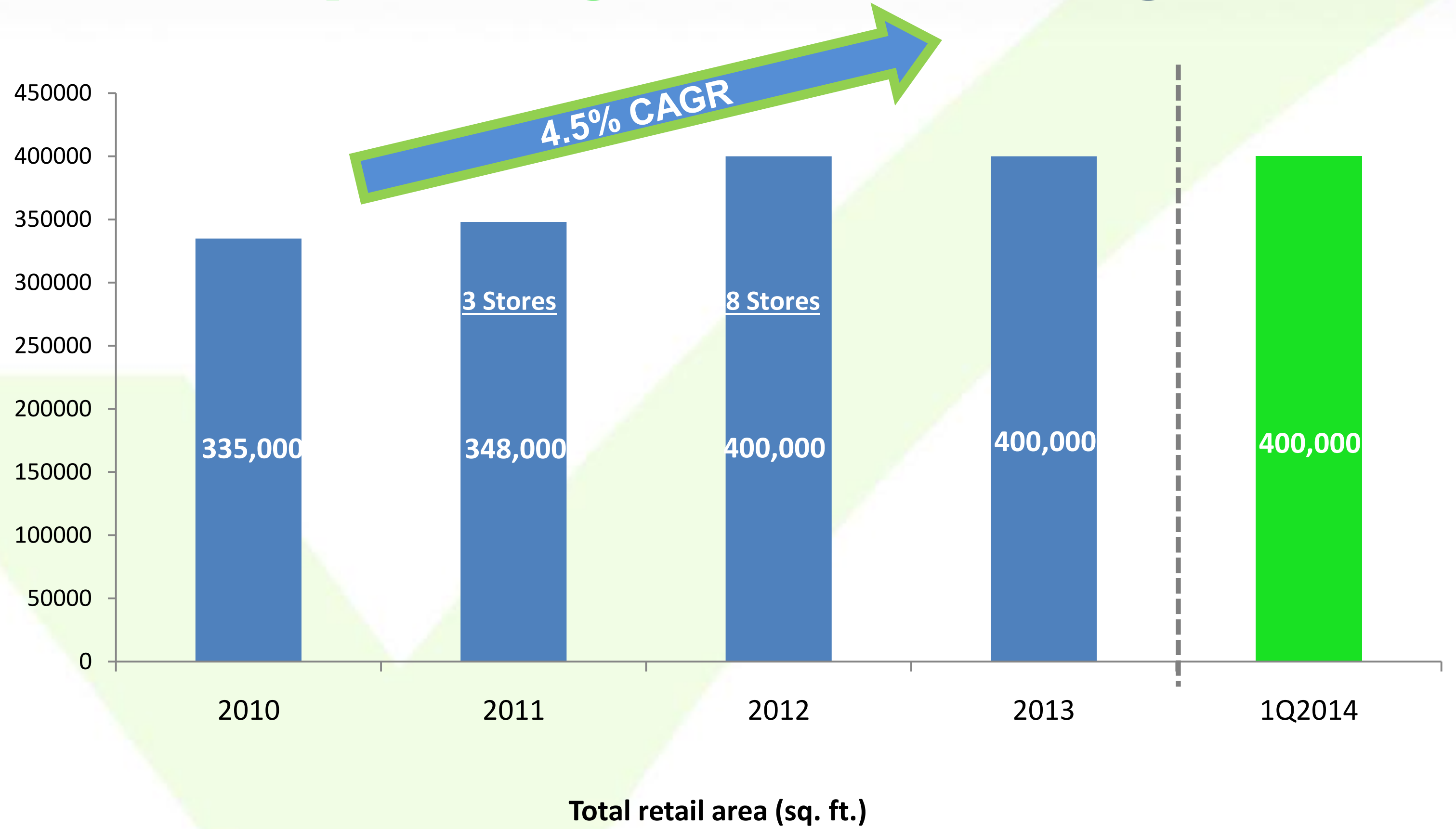
Financial Highlights for 1Q2014

Revenue	5.7% yoy	S$189.7 million
Gross profit margin	1.3pp*	23.8%
Operating profit margin	1.0pp*	7.9%
Net profit	19.3% yoy	S$12.5 million
Retail area	Maintained	400,000 sqft

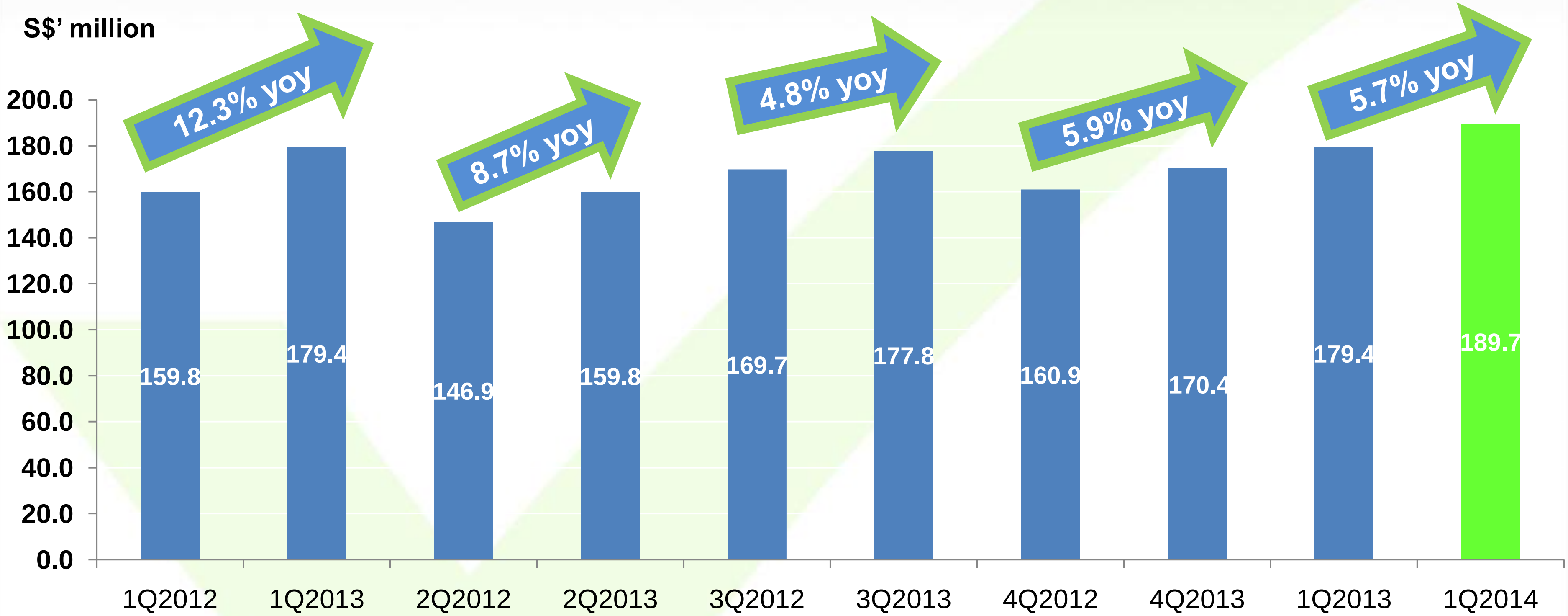
* *pp denotes percentage points*

Outlets Opening and Closing



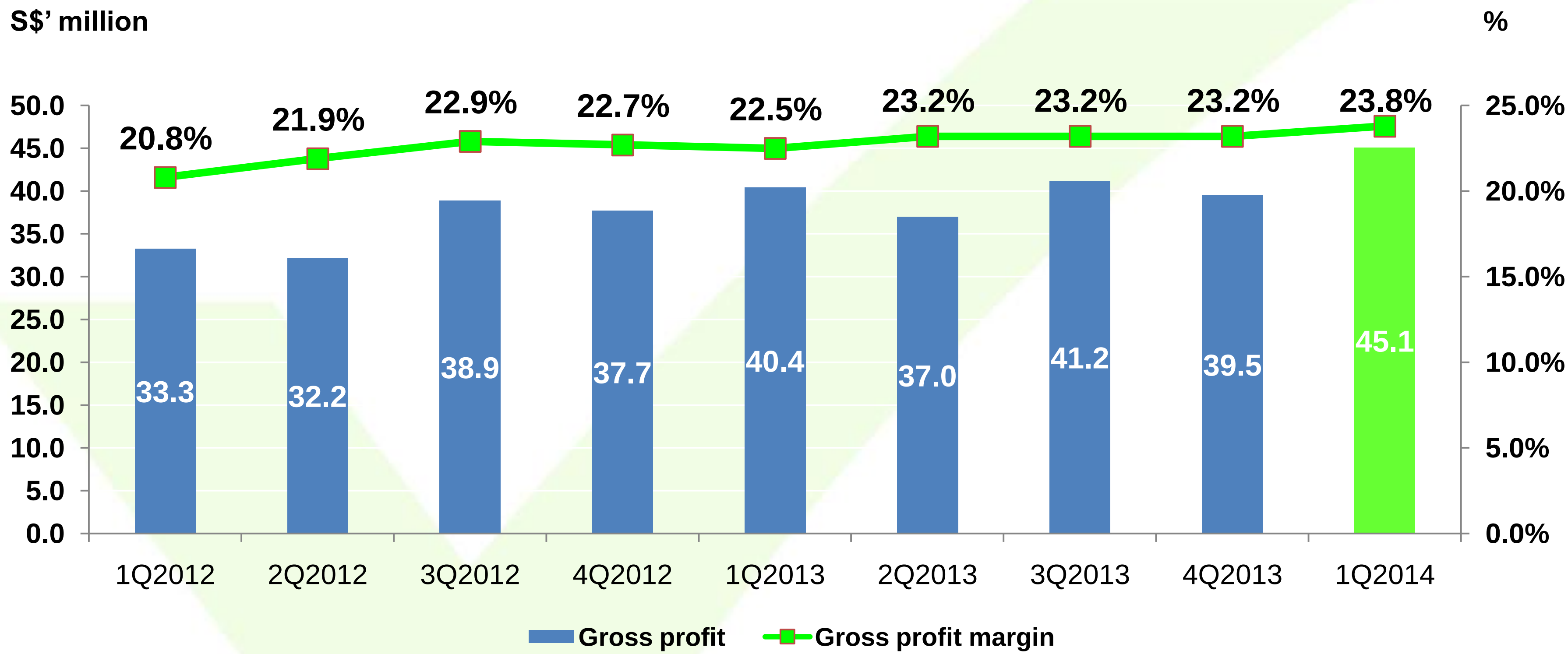
- Total outlets maintained at 33 as at 31 March 2014, total retail area at around 400,000 sq. ft.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas that we do not have a presence

Revenue Trend



- Revenue increased 5.7% yoy to S$189.7 million for 1Q2014, of which
  - 2.7% was contributed by the eight new stores which were opened in 2012; and
  - 3.0% by comparable same store sales.
  - Comparable same store sales would have increased by 3.9% if the stores at Bedok Central and The Verge, affected by construction work in the vicinity, were excluded
- The increase in comparable same store sales was the result of longer operating hours for most of the stores and marketing initiatives

Gross Profit Trend



- The Group's gross margins increased to 23.8% in 1Q2014 compared with 22.5% in 1Q2013, due to lower input costs derived from the distribution centre and higher selling prices
- Sequentially, on a quarter on quarter basis, gross margin improved from 23.2% partially because of the adjustment to rebates received from suppliers

Net Profit

S$'000	1Q2014	1Q2013	% Change	Reason(s) for change
Gross profit	**45,057**	**40,409**	11.5%	Higher gross margin due to lower input costs derived from the distribution centre and higher selling prices
Operating expenses#	(31,502)	(29,560)	6.6%	Increase in staff cost due to a higher provision for bonus arising from the better financial performance of the Group in 1Q2014 compared with 1Q2013
Operating profit	**15,055**	**12,416**	21.2%	
Net finance (expense)/ income	174	202	(13.9%)	
Profit before income tax	**15,229**	**12,618**	20.7%	
Income tax expense	(2,697)	(2,115)	27.5%	
Net profit	**12,532**	**10,503**	19.3%	Higher revenue and gross margin

 # Refers to distribution, administrative and other expenses

Balance Sheet Highlights

S$' 000	As at 31 Mar 2014	As at 31 Dec 2013
Inventories	35,776	45,566
Trade and other payables	68,558	88,243
Property, plant and equipment (PPE)	88,259	90,756
Cash and cash equivalents	111,770	99,678

- Inventories decreased by S$9.8 million as goods which were purchased at the end of FY2013 for Chinese New Year sales in January 2014 were sold
- The payment of purchases for stocks for Chinese New Year sales and the resumption of purchases back to normal level was the main reasons for the reduction in trade and other payables by S$19.7 million
- Property, plant and equipment decreased by S$2.5 million mainly because of depreciation charges

Outlook

Business Outlook

- Competition in the supermarket industry is likely to remain keen.
- The Group expects to see pressure on food and manpower costs going forward.

Growth strategy

- Continue expanding network of outlets in Singapore especially in areas without presence in
- Expect revenue from the 8 new stores opened in FY2012 to contribute positively to the Group's financial performance in 2014

Continue margin enhancement initiatives

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

E-commerce initiatives

- Commenced pilot project in 4Q2013

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Questions & Answers