



SHENG SIONG

... all for you!



FY2017 Results Presentation

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Financial Highlights for FY2017

Revenue

4.2%
yoy

S\$829.9 million

Gross profit margin

0.5pp*

26.2%

Operating profit margin

0.4pp*

9.9%

Net profit

10.9%
yoy

S\$69.5 million

Retail area

10.2%
yoy

404,000 sq ft

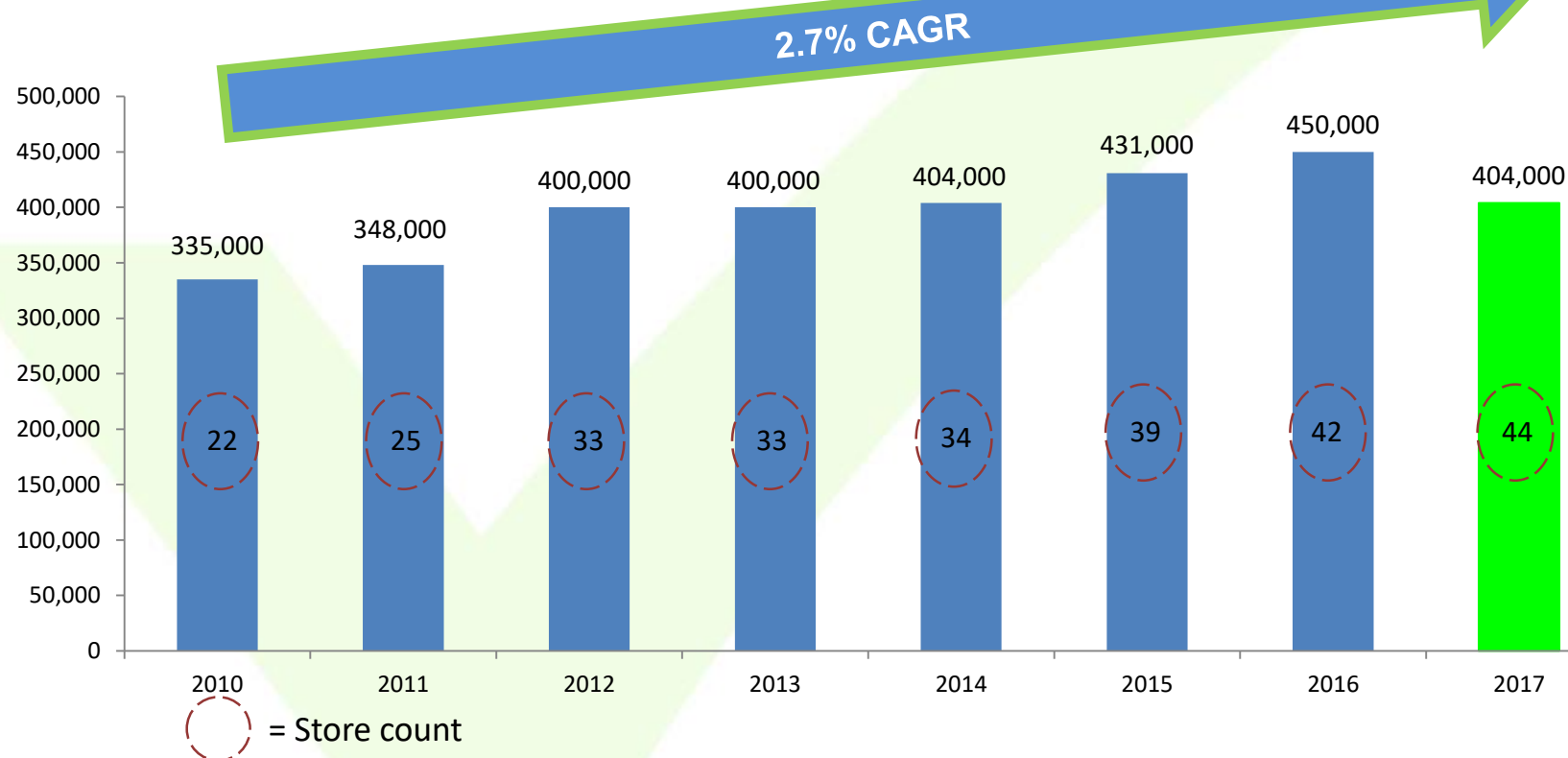
* pp denotes percentage points



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Retail Area

Total retail area (sq. ft.)

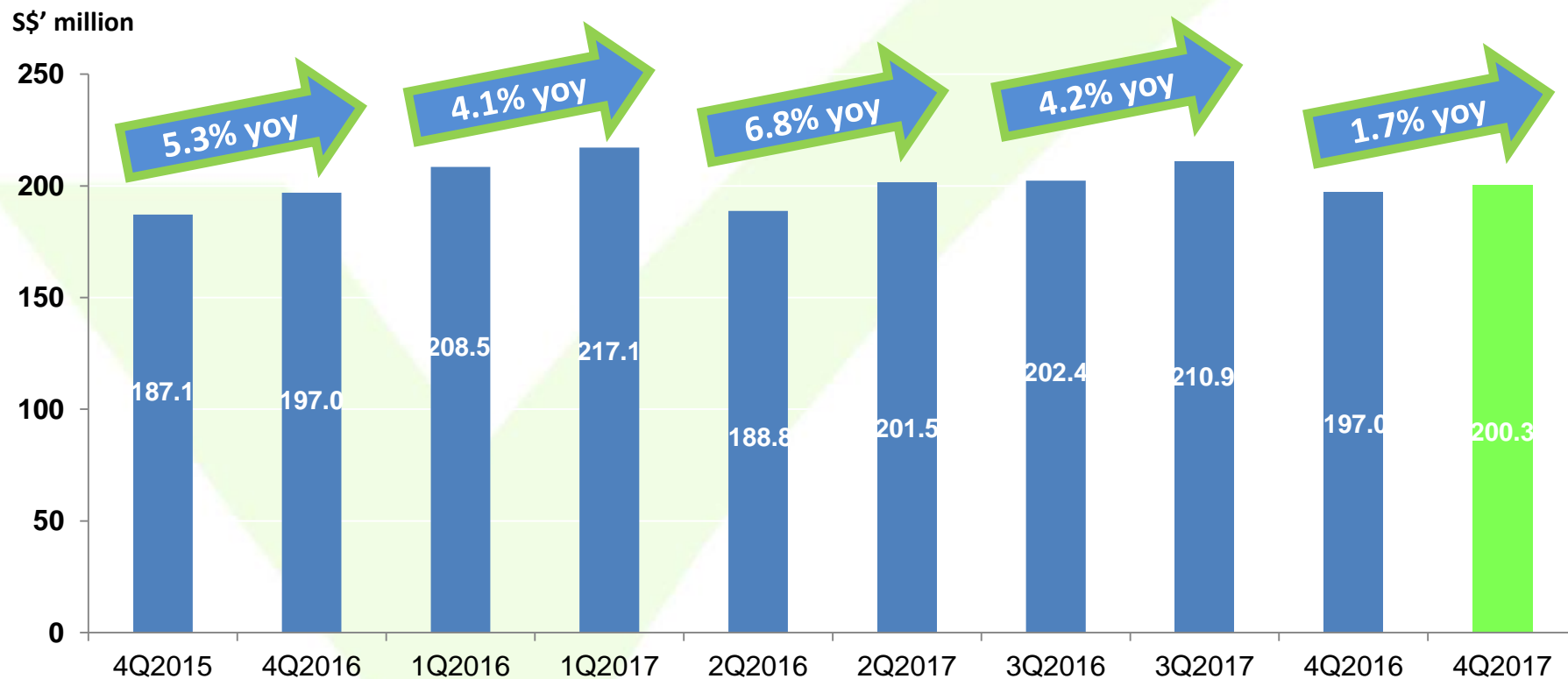


- Total outlets increased to 44 as at 31 December 2017 with the opening of Fajar 446 store, Edgedale Plains 660A and Woodlands Street 12 and the closure of the Verge and the Woodlands Block 6A stores.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.



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Revenue Trend



Breakdown of Revenue Growth

	4Q2017	4Q2016	FY2017	FY2016
New stores	2.7%	8.0%	4.5%	6.2%
Comparable same store sales	3.2%	0.2%	2.1%	0.2%
Loyang Point, Verge and Woodlands Block 6A	(4.2%)	(2.9%)	(2.4%)	(2.2%)
Total revenue growth	<u>1.7%</u>	<u>5.3%</u>	<u>4.2%</u>	<u>4.2%</u>

Loyang Point closed in April 2016 and reopened in February 2017 while Verge and Woodlands Block 6A were closed in June 2017 and November 2017 respectively



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	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
2017	435,700 ⁽¹⁾	829,827	1,905	Closure of the Verge and Woodlands Block 6A

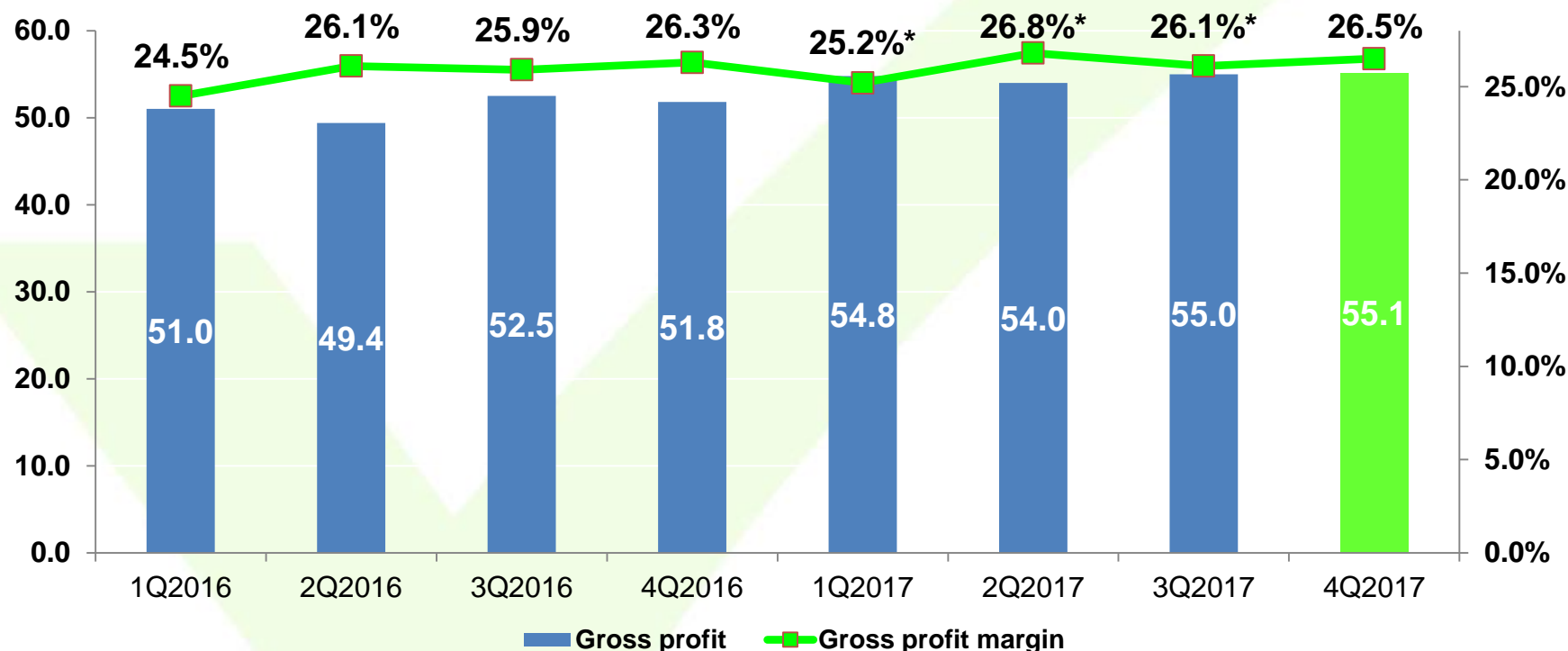
⁽¹⁾ Weighted average area



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Gross Profit Trend

S\$' million



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

- Gross margin increased to 26.2% in FY2017 compared with 25.7% in FY2016, mainly because of better buying prices and higher rebates from suppliers.
- These rebates were given for special promotions and volume discounts.



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Balance Sheet Highlights

S\$' Million	As at 30 Dec 2017	As at 31 Dec 2016	Remarks
Inventories	60.8	61.9	Stocking up for Chinese New Year will be accelerated in January 2018 as Chinese New Year will fall on 16 February 2018
Trade and other payables	111.3	117.5	The decrease was due to timing of the payments which was offset by an increase in accruals of \$1.9 million
Property, plant and equipment (PPE)	254.7	252.0	The purchase of property, plant and equipment amounting to \$17.7 million was offset by depreciation
Cash and cash equivalents	73.4	63.5	



Outlook

Business Outlook

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

- Retail space:

Jan 2018	Fernvale Street Blk 417	+5,600 square feet
Jan 2018	Anchorvale Blk 338	+5,200 square feet
Feb 2018	Canberra Street Blk 105	+11,300 square feet
April 2018	ITE Ang Mo Kio	+10,000 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



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Questions & Answers

