SHENGSIONG

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FY2011
Results Presentation

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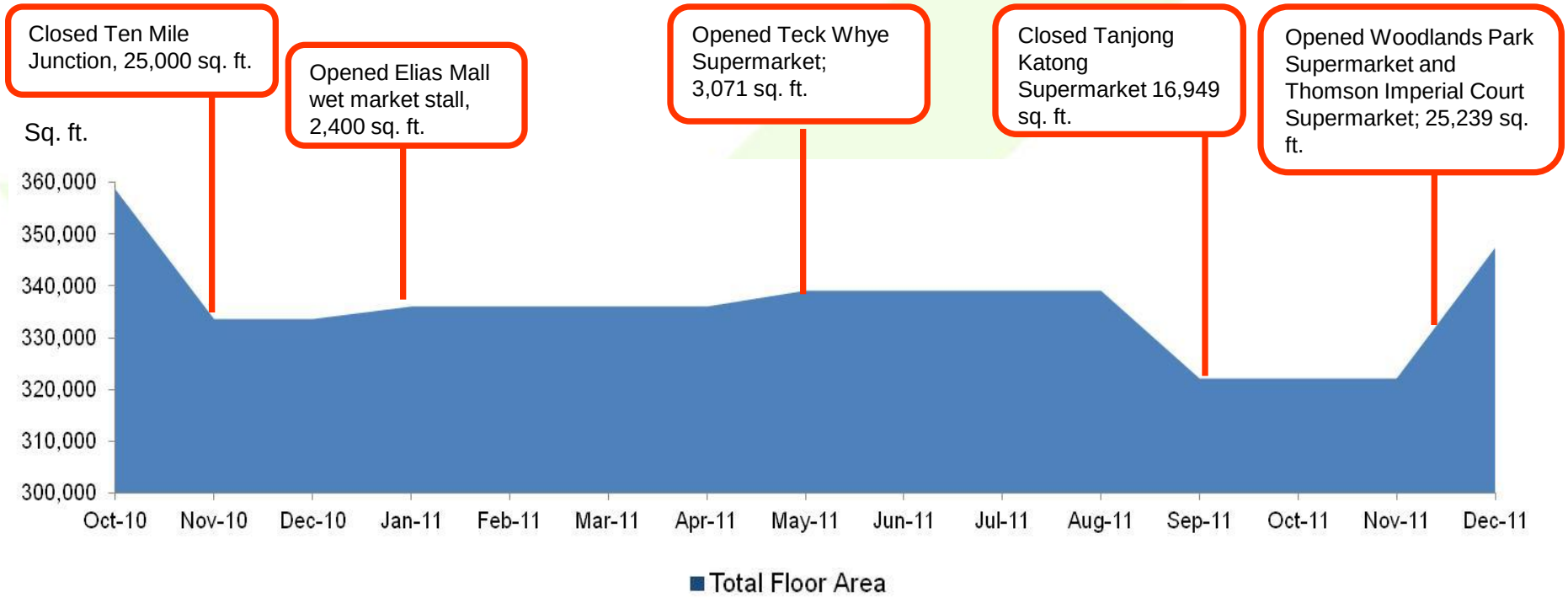
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Financial Highlights for FY2011

Revenue	8.0% yoy	S$578.4 million
Gross profit margin	0.3pp	22.1%
Operating profit excluding one-off other income and expenses* margin	0.1pp	6.2%
Net profit	36.1% yoy	S$27.3 million
Dividend		S$0.0177 per share

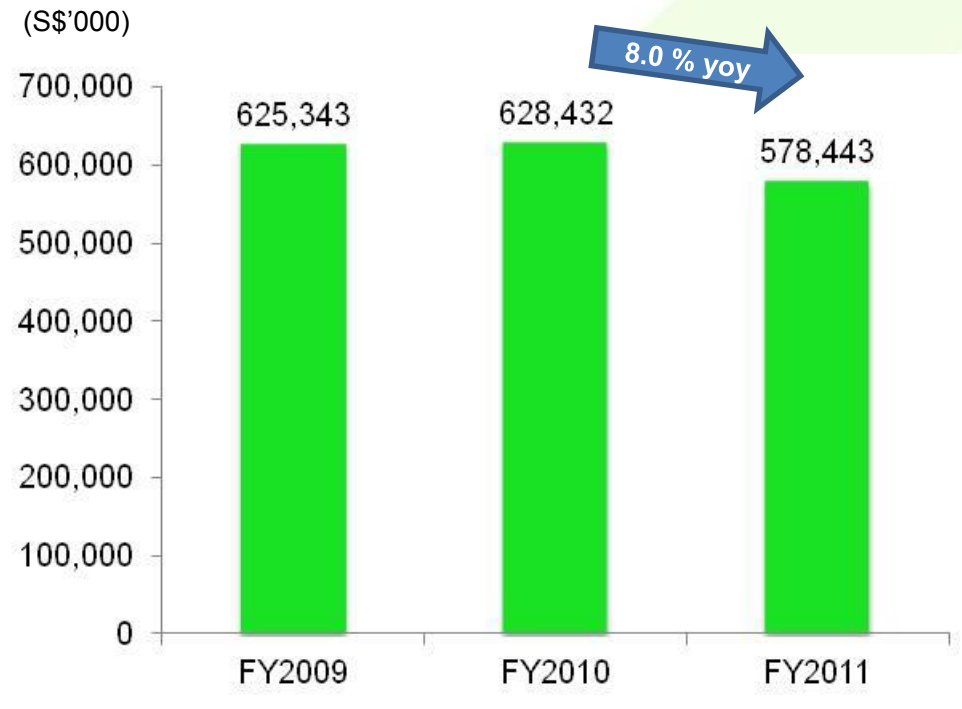
** One-off other income and expenses includes: Cash grants from Jobs Credit scheme, gains on disposal of other investments, dividend income and IPO expenses*

Outlet Opening and Closing in 2011



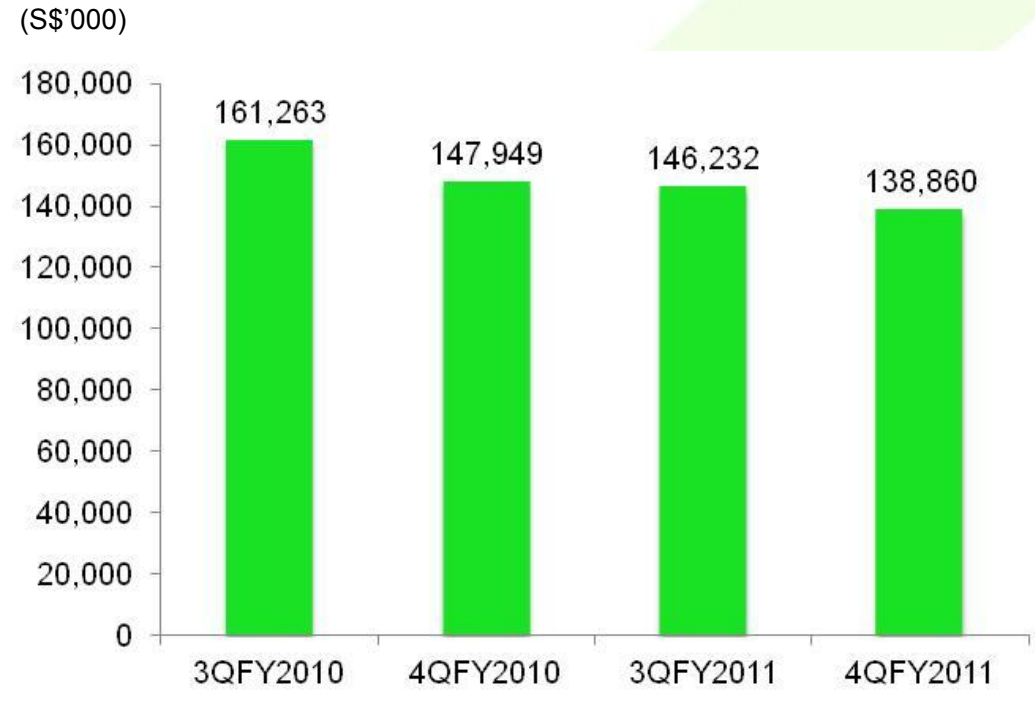
- Total outlets increased to 25 as at 31 Dec 2011, from 23 as at 31 Dec 2010
- Total retail area increased to around 348,000 sq. ft. in Dec 2011, from 335,000 sq. ft. in Dec 2010

Revenue Trend



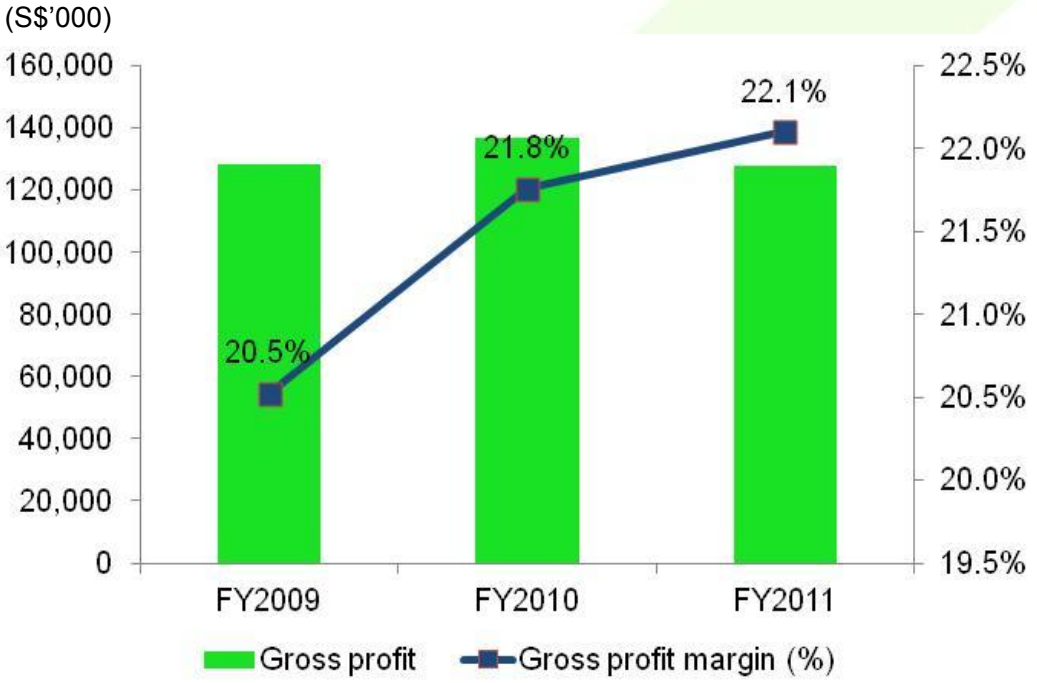
- Closure of Ten Mile Junction outlet and Tanjong Katong outlet were bigger than the stores opened in 2011
- Mismatch in timing of store opening and closing

4QFY2011 Revenue



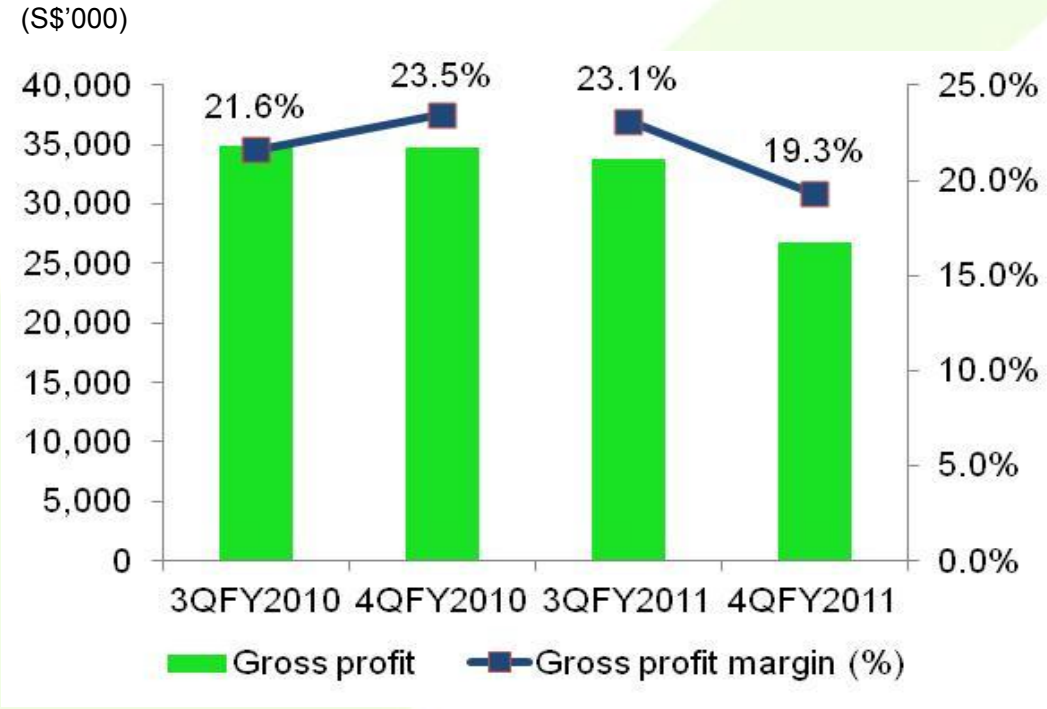
- Absence of contribution from Ten Mile Junction outlet from November 2010 and Tanjong Katong outlet from September 2011
- Woodlands outlet and Thomson Imperial Court outlet started contributing only from November 2011

Gross Profit Trend



- Increase rebates from bulk handling
- Increase in direct sourcing
- Better sales mix of higher-margin products

4QFY2011 Gross Profit



- Increased promotions and stock count adjustments of S$1.9 million decreased margins by 3.8 p.p* qoq to 19.3% in 4QFY2011
- Increased rebates from supplies improved margins by 1.9 p.p* qoq to 23.5% in 4QFY2010

** p.p denotes percentage points*

Net Profit

	FY2011	FY2010	% Change	FY2009	% Change	Reason/s for change from FY2010 to FY2011
Gross profit	**127,848**	**136,757**	**(6.5)**	**128,361**	**6.5**	
Operating expenses excluding IPO expenses	(95,015)	(103,970)	(8.6)	(101,603)	2.3	FY2011: Lower staff cost offset by higher utilities expenses
Operating profit excluding other income and IPO expenses	**32,833**	**32,787**	**-**	**26,758**	**22.5**	
Other income	3,252	15,918	(79.6)	12,930	23.1	FY2010: One-off income* amounted to a total of S$12.0 million
IPO expenses	(1,812)	-	-	**-**	**-**	
Operating profit	**34,273**	**48,705**	**(29.6)**	**39,688**	**22.7**	
Net finance (expense)/ income	(63)	25	(352.0)	182	(86.2)	
Profit before income tax	**34,210**	**48,730**	**(29.8)**	**39,870**	**22.2**	
Income tax expense	(6,954)	(6,095)	14.1	(6,290)	(3.1)	FY2011: IPO expenses are not tax-deductible
Net profit	**27,256**	**42,635**	**(36.1)**	**33,580**	**27.0**	

** One-off other income includes: Cash grants from Jobs Credit scheme, gains on disposal of other investments and dividend income*

Balance Sheet Highlights

(S$'000)	As at 31 Dec 2011	As at 31 Dec 2010
Property, plant and equipment (PPE)	72,095	58,328
Cash and cash equivalents	122,120	85,885
Total debt	-	22,292

- PPE increased due to net increase in carrying value attributable to capital expenditure incurred for Mandai Link Distribution Centre
- Repayment of S$22.3 million loans in November 2011
- Net cash position improved to S$122.1 million, supported by strong operating cash flows
- S$24.5 million of cash earmarked for dividends

FY2012 Outlook

Continue to expand network of outlets in Singapore

- Actively seeking new locations
- In final negotiations for 3 outlets with a combined retail area of approximately 31,500 sq. ft., expects to conclude negotiations by end of 2QFY2012
- Secured a 2,000 sq. ft. outlet targeted to commence operations by 2QFY2012
- Expects revenue from Elias Mall, Teck Whye, Woodlands Park and Thomson Imperial Court outlets to improve

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

- Formed steering committee; in the midst of planning pilot phase

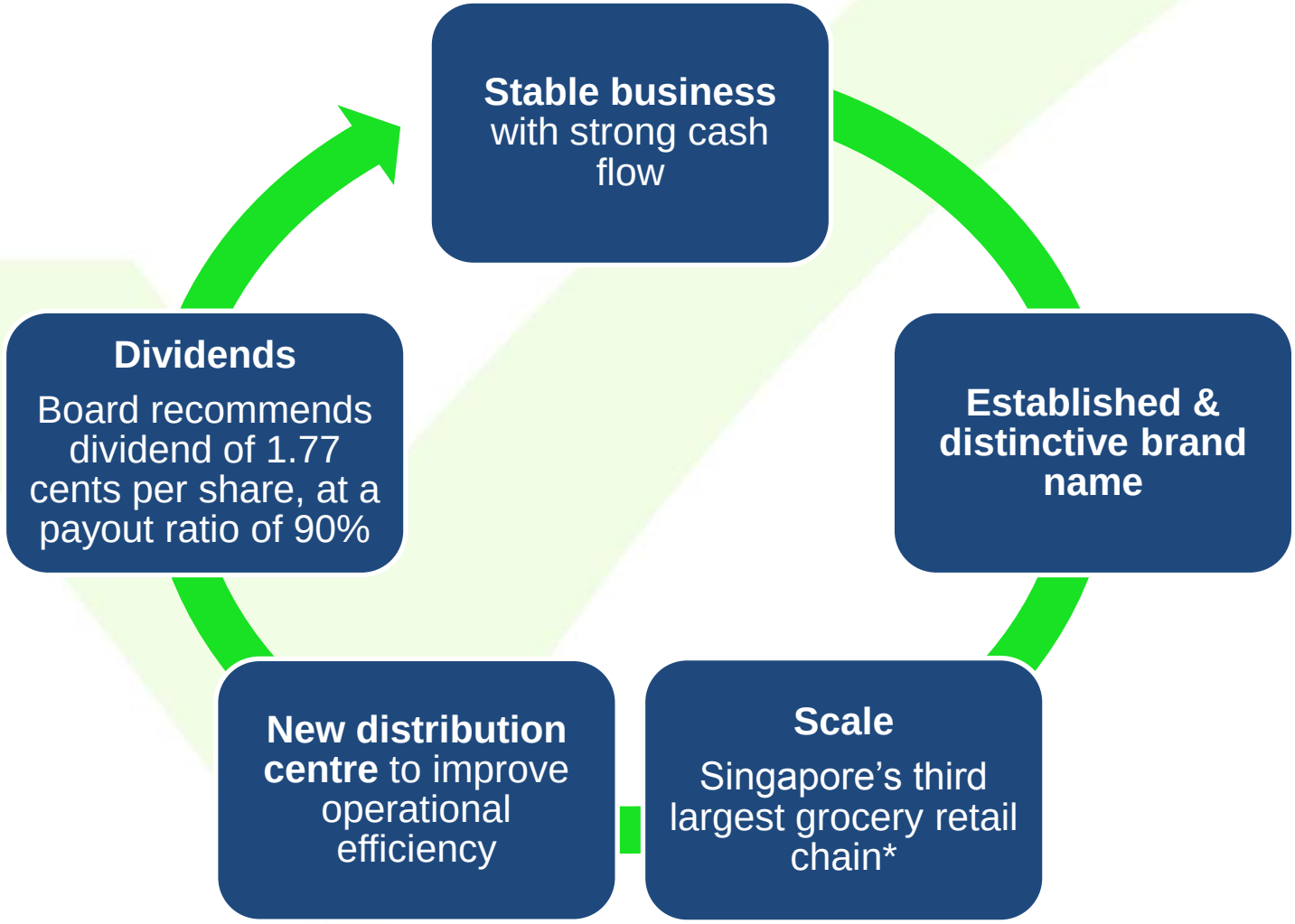
Divestment gain

- Divested Marsiling warehouse for S$15 million in January 2012, resulting in gain of S$10.4 million

Investor Relations

- Winner of the *Most Transparent Company Award - New Issues Category* at the SIAS Investors' Choice Awards 2011 in October 11
- Winner of Best Small-Cap Equity Deal of FinanceAsia Achievement Awards 2011
- Participated in:
  - J.P. Morgan Singapore Emerging Cap Series – Small Talk, Big Ideas series in 2011
  - Standard Chartered Emerging Corporates Autumn Conference 2011
  - CLSA ASEAN Access Day 2011
  - DBS Pulse of Asia Conference 2012

Sheng Siong Investment Merits



** Source: Independent Market Research Report on Chain Supermarket Industry (CSI) in Singapore by Frost & Sullivan in March 2011*

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Question & Answer

