



SHENG SIONG

... all for you!



3Q2015 Results Presentation

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Financial Highlights for 3Q2015

Revenue

7.3%
yoy

S\$200.0 million

Gross profit margin

0.1 pp*

24.3%

Operating profit margin

0.9 pp*

8.8%

Net profit

18.7%
yoy

S\$14.5 million

Retail area

6.5%
yoy

426,000 sqft

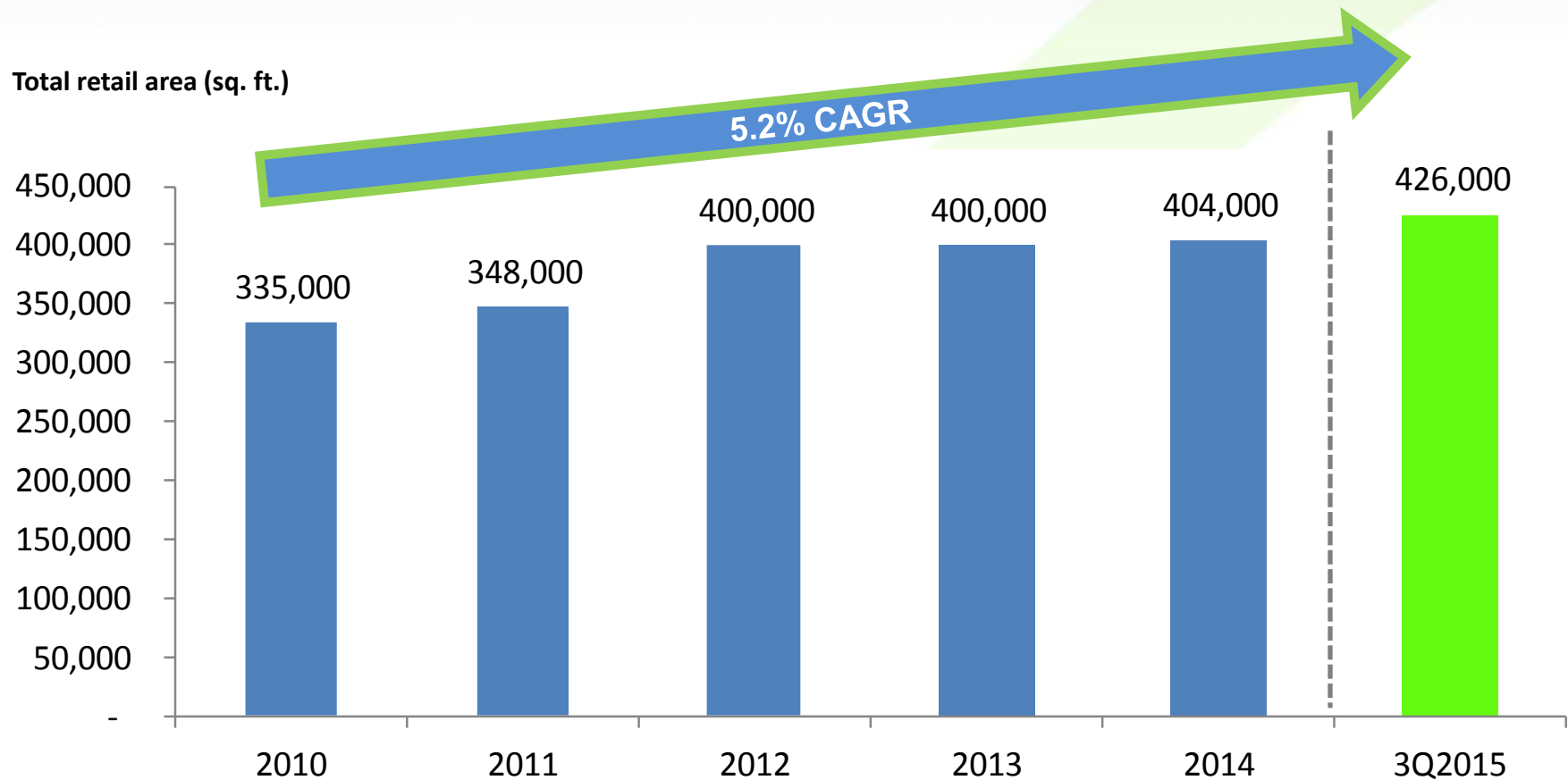
* pp denotes percentage points



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Retail Area

Total retail area (sq. ft.)

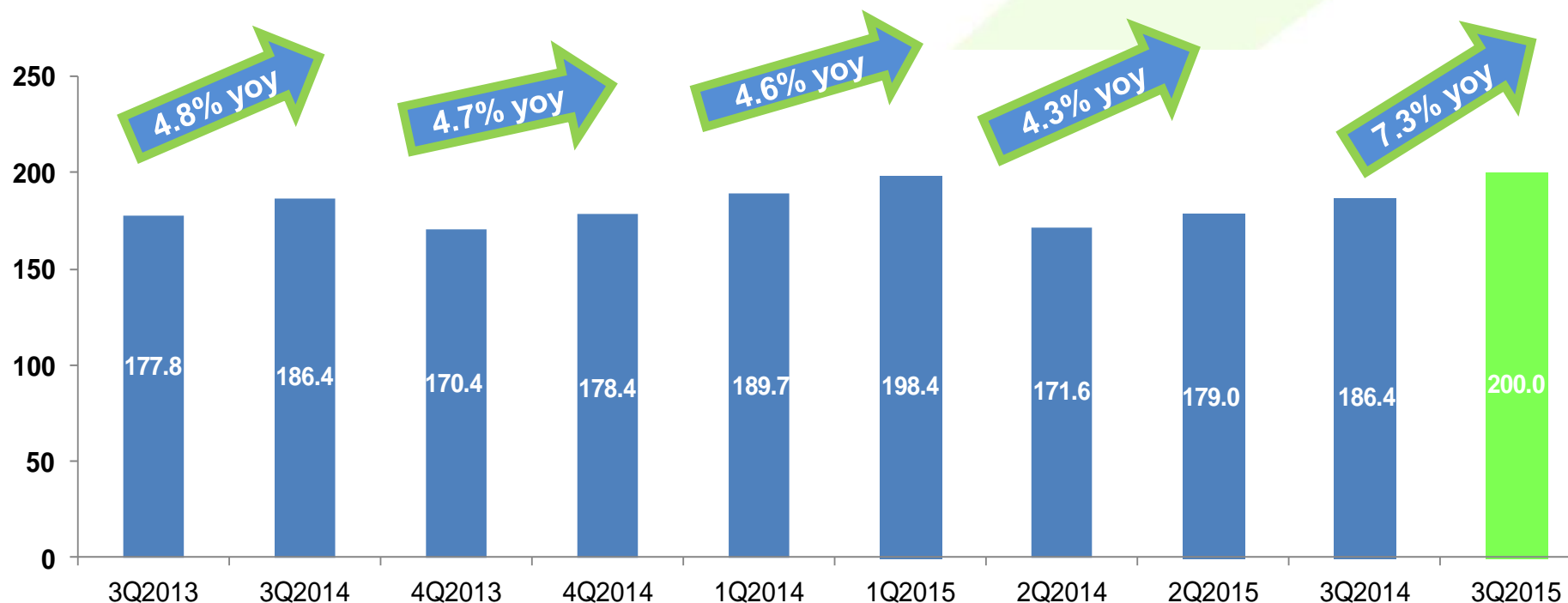


- Total stores increased to 38 as at 30 September 2015, from 33 as at 30 September 2014 with total retail area increased 6.5% to around 426,000 sq. ft.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where we do not have a presence



Revenue Trend

S\$' million



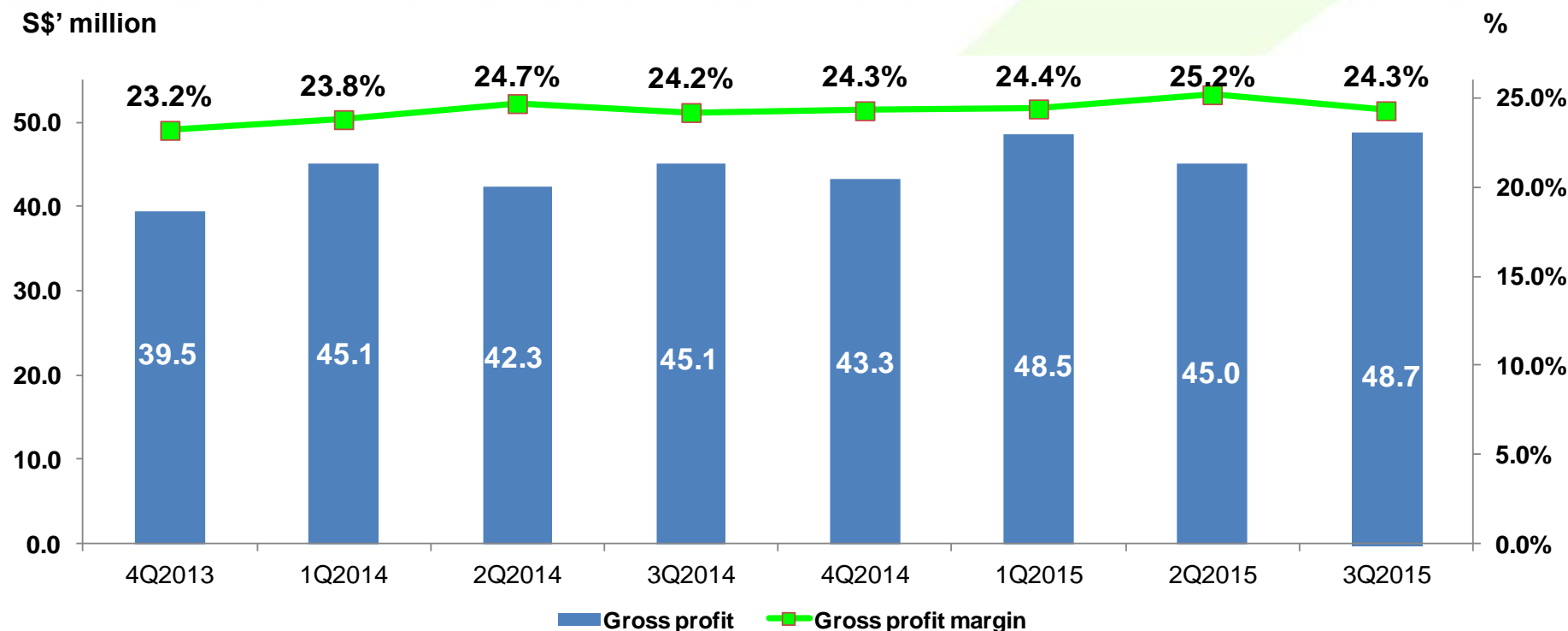
- Revenue increased 7.3% yoy to S\$200.0 million for 3Q2015, of which
 - 6.2% was contributed by new stores; and
 - 1.1% from comparable same store sales.
- On a quarter-on-quarter basis, comparable same store sales growth from the old stores for 3Q2015 of 1.1% was an improvement compared with a growth of 0.3% in 2Q2015.



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Gross Profit Trend

S\$' million



- Gross margin was stable and increased marginally to 24.3% in 3Q2015 compared with 24.2% in 3Q2014, despite keener competition in 3Q2015 arising from SG 50 celebrations and cautious spending because of the general economic uncertainties.
- Consistent with seasonal trends, gross margin was lower in 3Q2015 compared with 2Q2015 (25.2%) as retailers pushed for volume to capitalise on festive demand arising from the celebration of the Lunar Seventh Month.



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Balance Sheet Highlights

S\$' 000	As at 30 Sep 2015	As at 31 Dec 2014
Inventories	43,105	43,142
Trade and other payables	97,259	95,845
Property, plant and equipment (PPE)	162,105	160,662
Cash and cash equivalents	126,022	130,470

- Inventories remained relatively stable at S\$43.1 million.
- The increase in Trade and other payables by S\$1.4 million was attributable mainly higher trade payables of S\$7.0 million, which was in line with the higher volume, but was offset by lower accruals for expenses and other payables of S\$5.6 million.
- 9M2015 capital expenditure of S\$11.3 million included:
 - Progress payment for purchase of Yishun Junction 9 - S\$5.0 million;
 - Fitting out of new stores and renovation of old stores – S\$3.7 million;
 - Automatic cash collection machines for self-checkout project – S\$0.4 million
 - Maintenance capital expenditures – S\$2.2 million
- Net property, plant and equipment increased by S\$1.5 million after offsetting depreciation charges.
- As at the end of 3Q2015, cash and cash equivalents was a healthy S\$126.0 million.



Outlook

Business Outlook

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

Growth strategy

- Continue expanding network of stores in Singapore especially in areas without presence
- Nurture growth of new stores
- Rejuvenate old stores

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

- Continue learning from the pilot project

Overseas expansion

- The Group and its other partner are still looking at potential sites in Kunming to operate the first supermarket



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Questions & Answers

