



SHENG SIONG

... all for you!



4Q2014 and FY2014 Results Presentation



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Financial Highlights for 4Q2014

Revenue

4.7%
yoy

S\$178.4 million

Gross profit margin

1.1 pp*

24.3%

Operating profit margin

1.1 pp*

7.7%

Net profit

26.5%
yoy

S\$11.8 million

Retail area

1.0%
yoy

404,000 sqft

* pp denotes percentage points



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Financial Highlights for FY2014

Revenue

5.6%
yoy

S\$726.0 million

Gross profit margin

1.2 pp*

24.2%

Operating profit margin

1.0 pp*

7.8%

Net profit

22.3%
yoy

S\$47.6 million

Retail area

1.0%
yoy

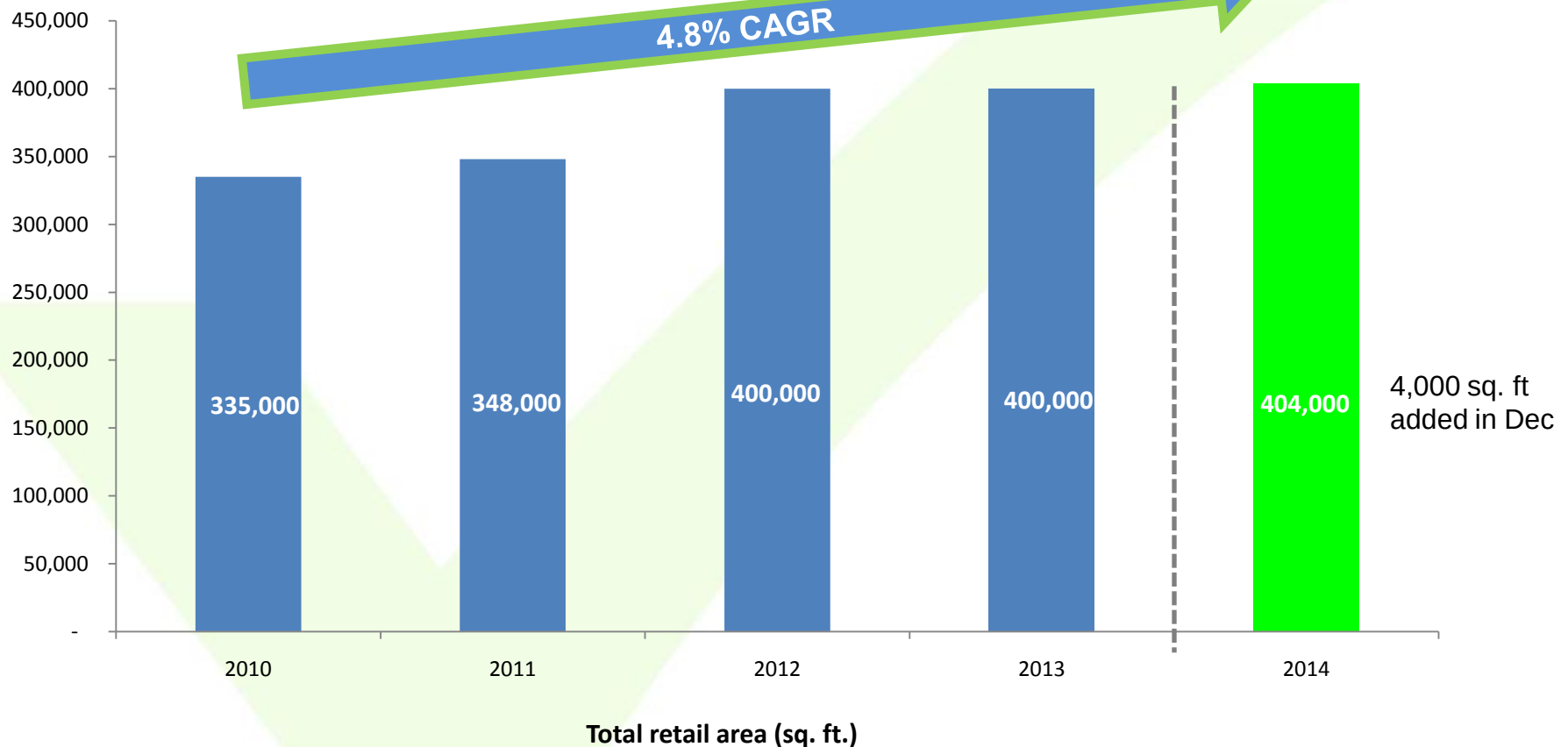
404,000 sqft

* pp denotes percentage points



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Outlets Opening and Closing



- Total outlets increased to 34 as at 31 December 2014, from 33 as at 31 December 2013 with total retail area increased 1.0% to around 404,000 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 Per Square Feet

Year	Area (square feet)	Revenue (S\$)	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 ⁽²⁾	725,987	1,815	New stores and positive same store sales

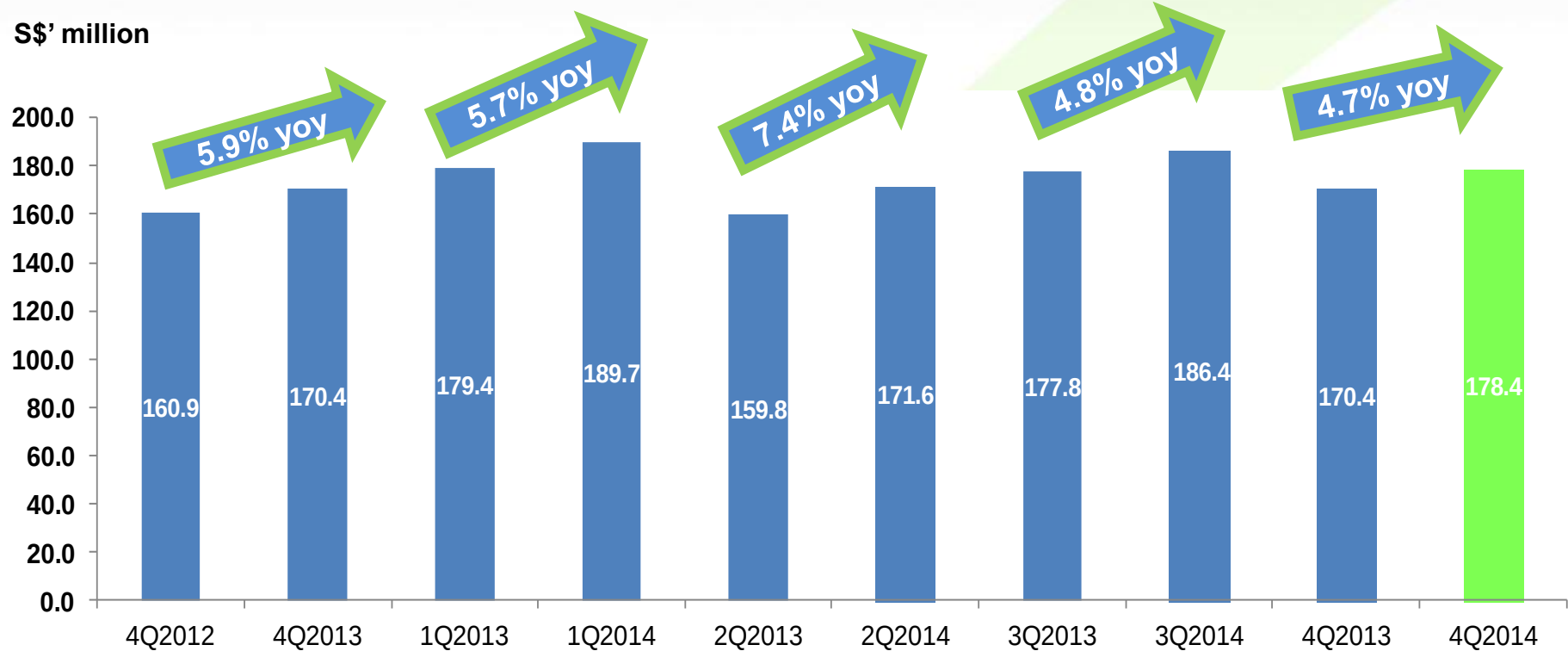
⁽¹⁾ Average weighted area

⁽²⁾ Excluding Penjuru (4,000 square feet) store opened in December 2014



Revenue Trend

S\$' million



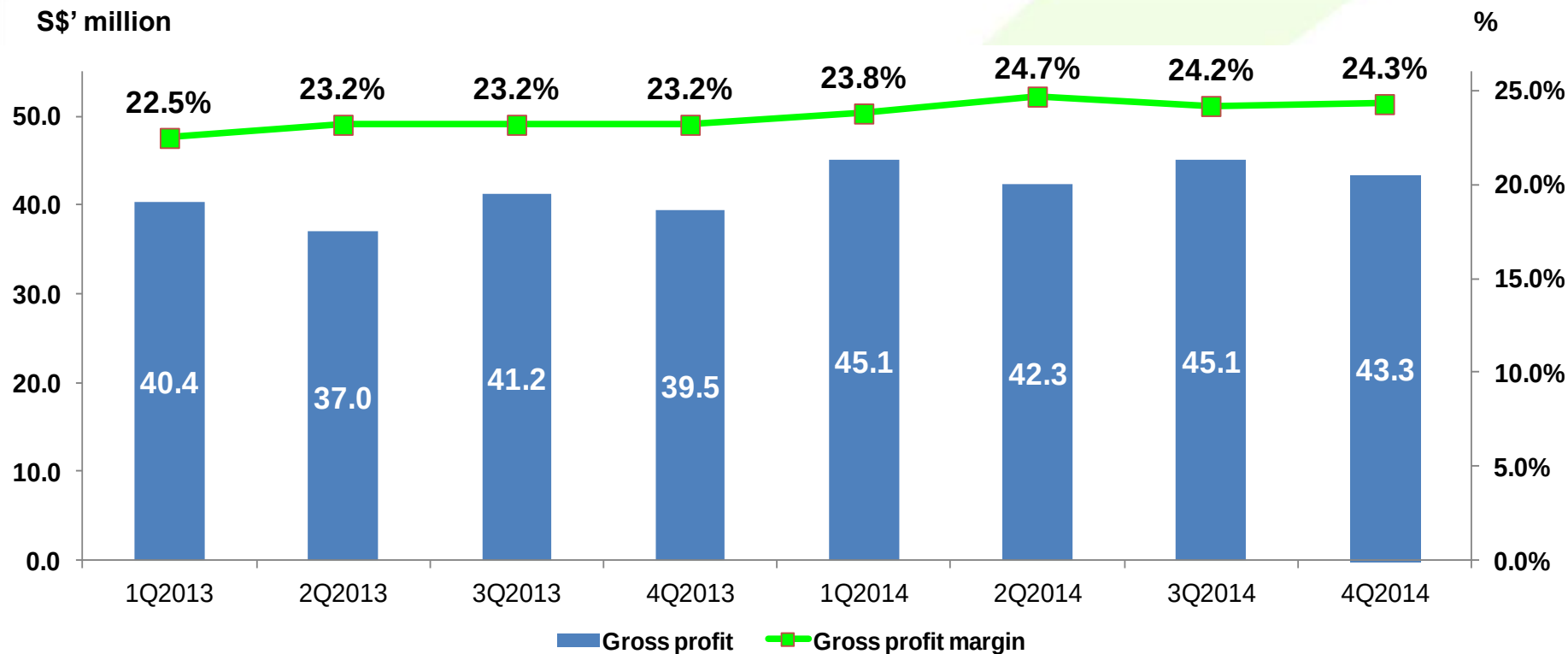
Revenue increased 5.6% yoy to S\$726.0 million for FY2014, of which

- 2.3% was contributed by the eight new stores which were opened in 2012; and
- 3.3% from comparable same store sales.
- The increase in revenue was driven mainly by growth in the new stores, longer operating hours, marketing initiatives and renovation to some of the old stores.
- Most of the new stores, which are now in their third year of operation, continued to grow within expectations.



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Gross Profit Trend



- The Group's gross margins increased steadily to 24.2% in FY2014 compared with 23.0% in FY2013, driven mainly by lower input costs derived from the distribution centre, better sales mix, and stable selling prices

Balance Sheet Highlights

S\$' 000	As at 31 Dec 2014	As at 31 Dec 2013
Inventories	43,142	45,566
Trade and other payables	95,845	88,243
Property, plant and equipment (PPE)	160,662	90,756
Cash and cash equivalents	130,470	99,678

- Inventories decreased by S\$2.4 million because the Group started stocking up in December 2013 for 2014's Chinese New Year sales. Stocking up for 2015's Chinese New Year sales will commence only in January 2015.
- The increase in trade and other payables by S\$7.6million was attributable to an increase in other payables of S\$11.9 million arising mainly from a change in timing for the payment of bonuses which offset by a reduction of S\$4.3 million in trade payables, arising mainly from a lower level of purchases.
- The net increase in PPE of S\$69.9 million consisted mainly of the purchase of Block 506 Tampines (S\$67.0 million), progress payments for Yishun Junction 9 (S\$6.1 million) and maintenance capex (S\$8.0 million) offset by depreciation charges for the year.
- As at the end of FY2014, the Group's cash and cash equivalents was a healthy S\$130.5 million. On 9 September 2014, the Company issued, by way of a private placement of 120 million new shares raising a net amount of S\$79.0 million, which will be utilized to purchase retail space to expand the grocery retailing business in Singapore.



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 outlets in Singapore especially in areas without presence
- Expect higher revenue from the existing stores (new and old) to contribute positively to the Group's financial performance in 2015

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

Overseas expansion

- Entered into a conditional Joint Venture Agreement with a local partner to operate supermarkets in Kunming, China



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Questions & Answers

