



SHENG SIONG

... all for you!



1Q2015
Results Presentation

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Financial Highlights for 1Q2015

Revenue

4.6%
yoy

S\$198.4 million

Gross profit margin

0.6 pp*

24.4%

Operating profit margin

0.6 pp*

8.5%

Net profit

12.2%
yoy

S\$14.1 million

Retail area

3.5%
yoy

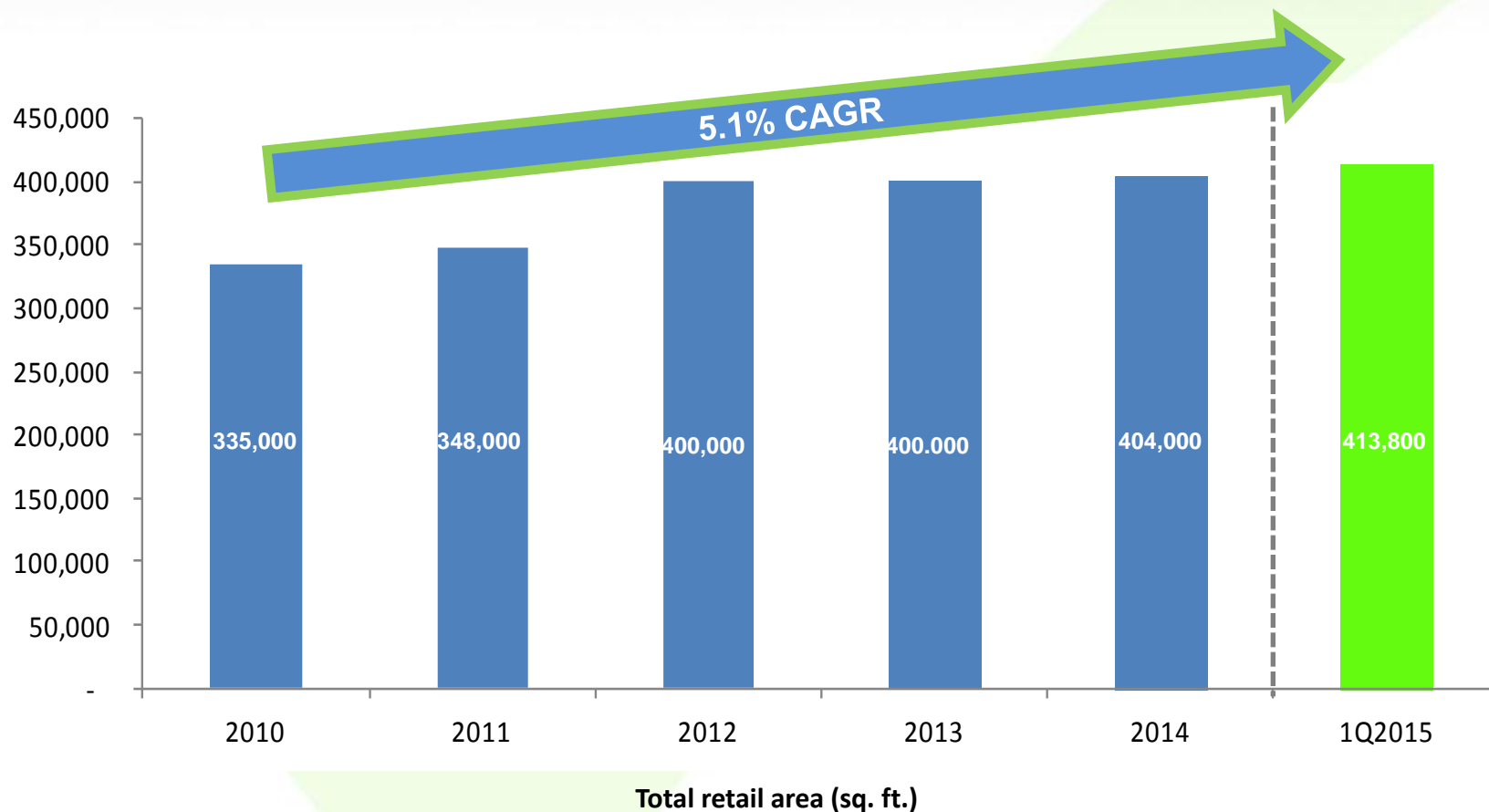
413,800 sqft

* pp denotes percentage points



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Retail Area

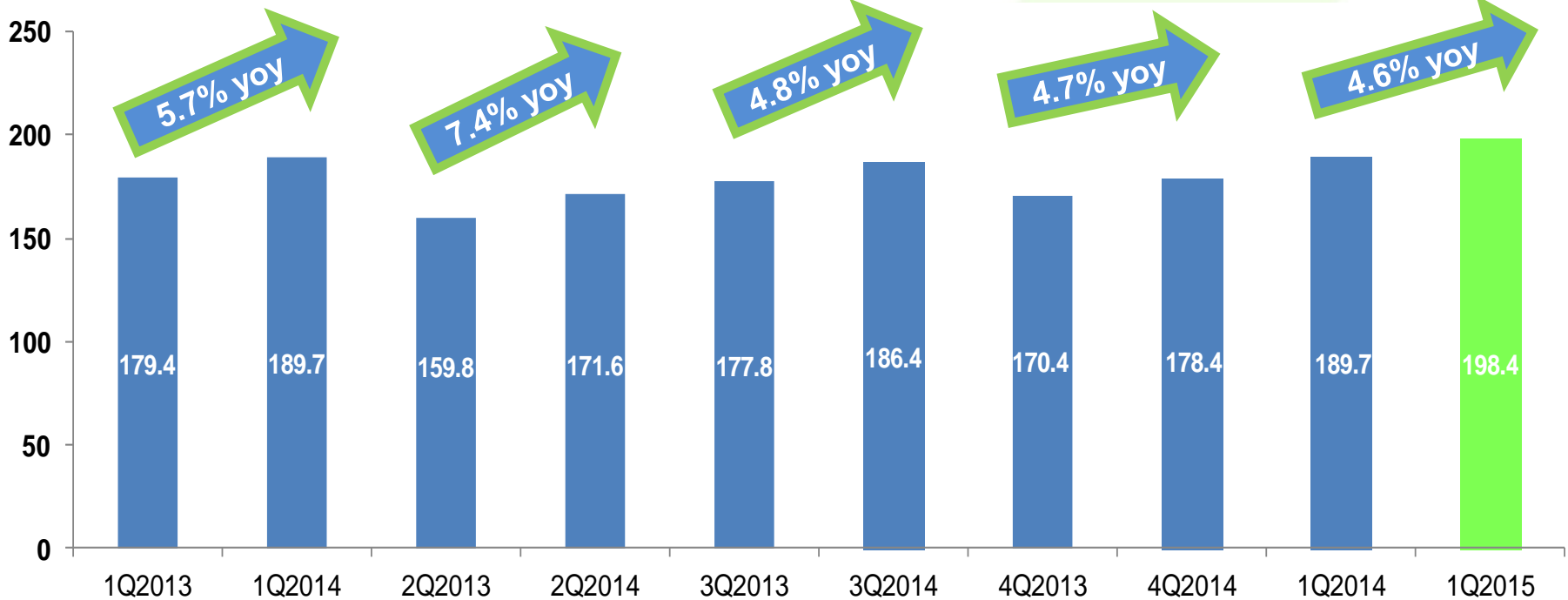


- Total outlets increased to 35 as at 31 March 2015, from 33 as at 31 March 2014 with total retail area increased 3.5% to around 413,800 sq. ft.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where we do not have a presence



Revenue Trend

S\$' million

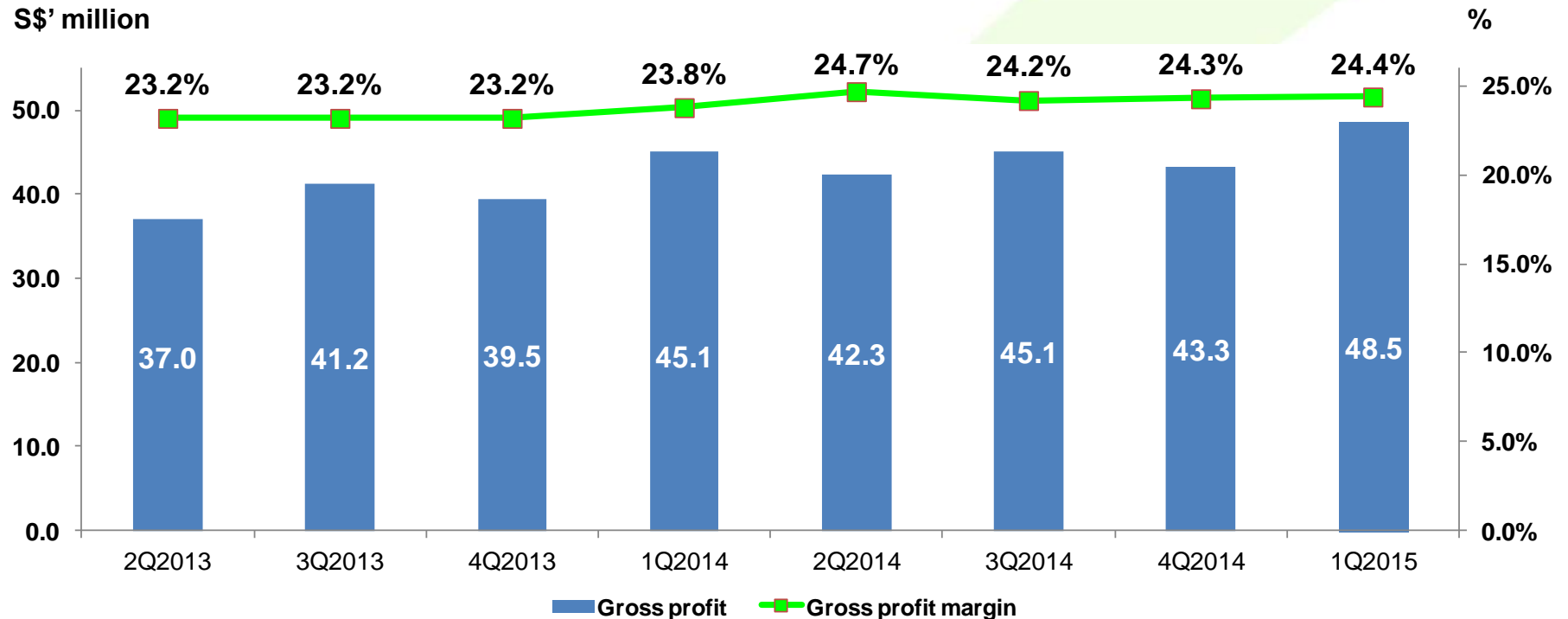


- Revenue increased 4.6% yoy to S\$198.4 million for 1Q2015, of which
 - 1.7% was contributed by new stores; and
 - 2.9% from comparable same store sales.
- Revenue growth at the Bedok Central Store has recovered, but revenue growth remained flat at the Tekka Store.



Gross Profit Trend

S\$' million



- Gross margin increased to 24.4% in 1Q2015 compared with 23.8% in 1Q2014, driven mainly by the reduction in input costs derived from the distribution centre.



Balance Sheet Highlights

S\$' 000	As at 31 Mar 2015	As at 31 Dec 2014
Inventories	41,979	43,142
Trade and other payables	85,290	95,845
Property, plant and equipment (PPE)	161,603	160,662
Cash and cash equivalents	139,403	130,470

- Inventories decreased by S\$1.2million as goods which were purchased at the end of FY2014 for Chinese New Year sales in 2015 were sold.
- The decrease in Trade and other payables by S\$10.6 million was attributable mainly to the reduction in accrued expense of S\$8.1 million resulting from the partial payment of the balance of FY2014's bonus in March 2015.
- The net increase in PPE of S\$0.9 million consisted mainly of a progress payment of S\$1.8 million towards the purchase of retail space at Yishun Junction 9, which is under construction, S\$1.5 million for upgrading and opening new stores and S\$0.9 million for increasing the processing capabilities of the distribution centre.
- As at the end of 1Q2015, the Group's cash and cash equivalents was a healthy S\$139.4 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 outlets in Singapore especially in areas without presence
- Expect higher revenue from the existing stores to contribute positively to the Group's financial performance in 2015
- 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 housebrand products

E-commerce initiatives

- Continue learning from the pilot project

Overseas expansion

- Operate Joint Venture in Kunming, China to test market conditions



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Questions & Answers

