



SHENG SIONG

... all for you!



4Q2015 and FY2015 Results Presentation



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Financial Highlights for FY2015

Revenue

5.3%
yoy

S\$764.4 million

Gross profit margin

0.5 pp*

24.7%

Operating profit margin

0.9 pp*

8.7%

Net profit

19.3%
yoy

S\$56.8 million

Retail area

6.7%
yoy

431,000 sq ft

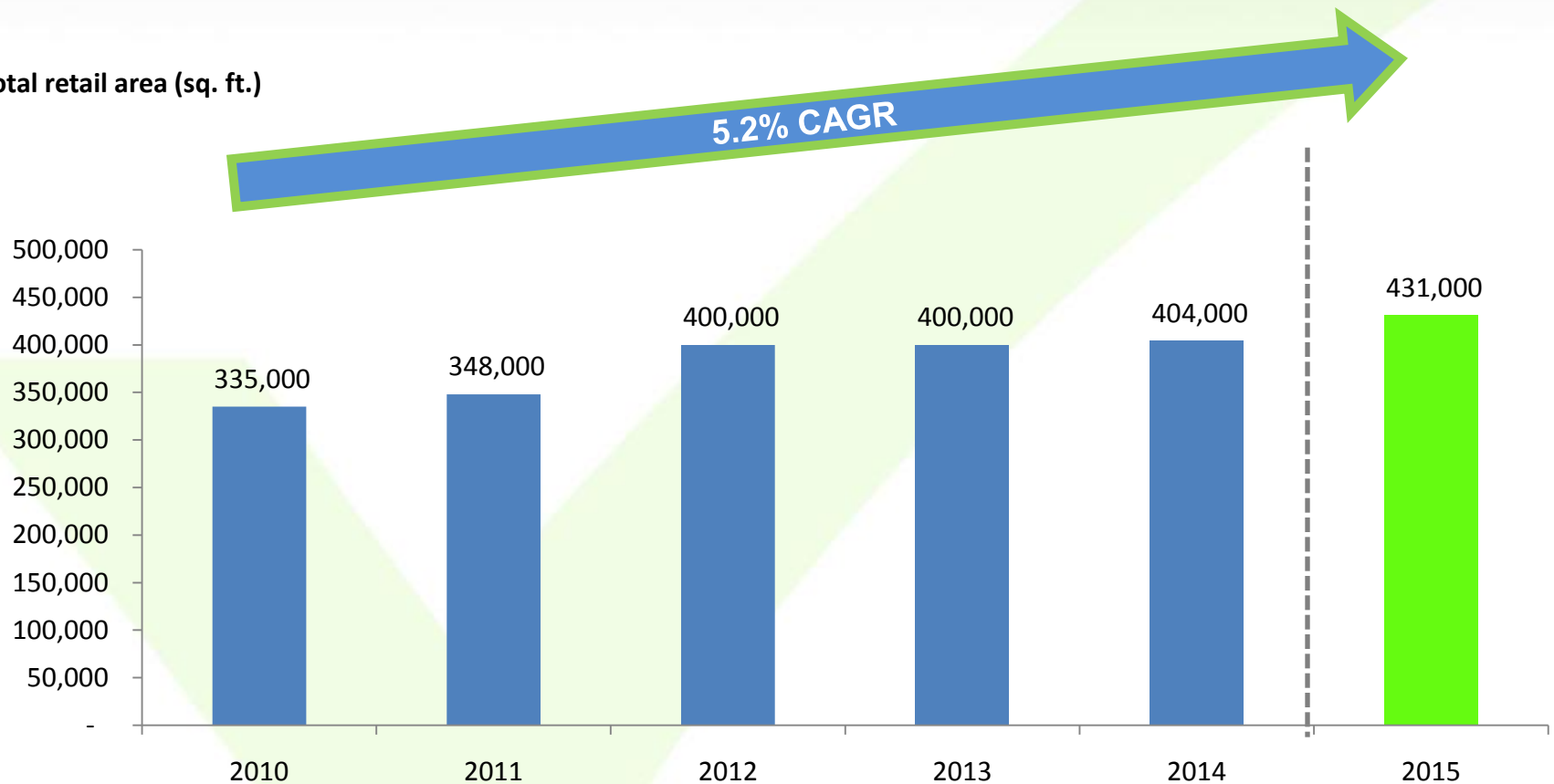
* pp denotes percentage points



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Retail Area

Total retail area (sq. ft.)



- Total stores increased to 39 as at 31 December 2015, from 34 as at 31 December 2014 with total retail area increased 6.7% to around 431,000 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\$'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 ⁽²⁾	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

⁽¹⁾ Average weighted area

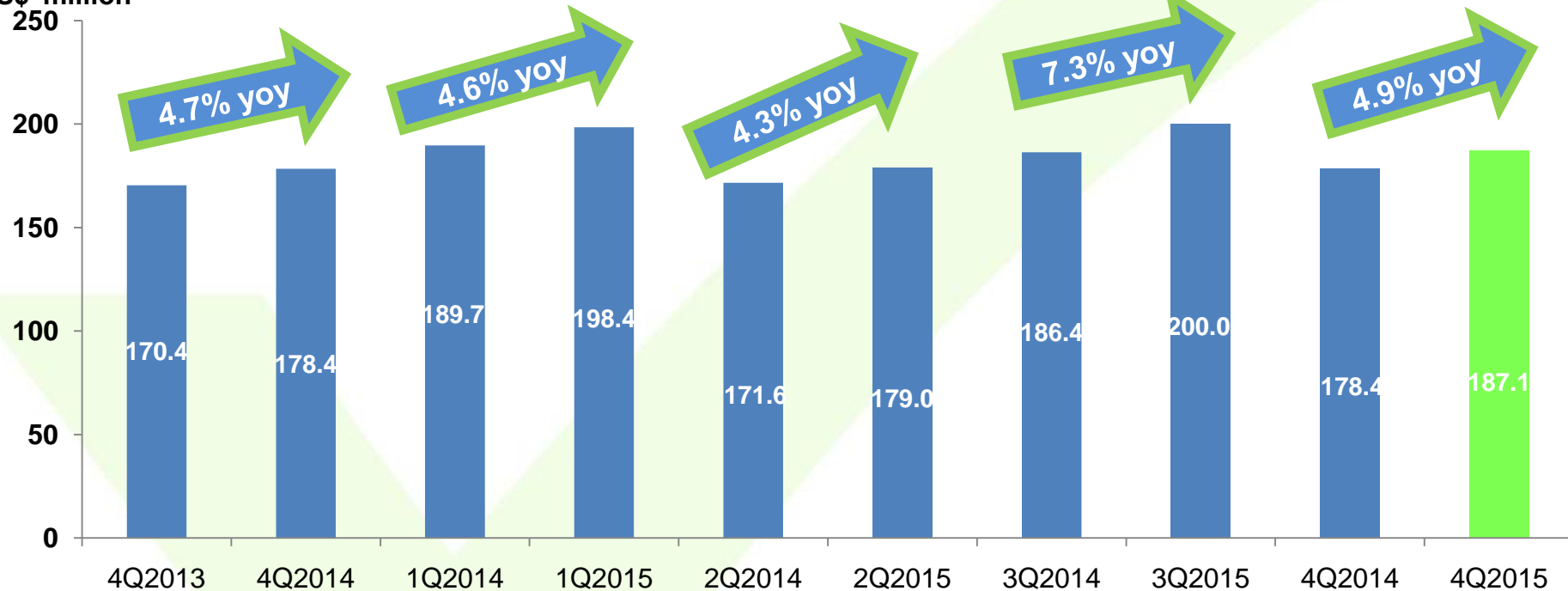
⁽²⁾ Excluding Penjuru (4,000 square feet) store opened in December 2014



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Revenue Trend

S\$' million

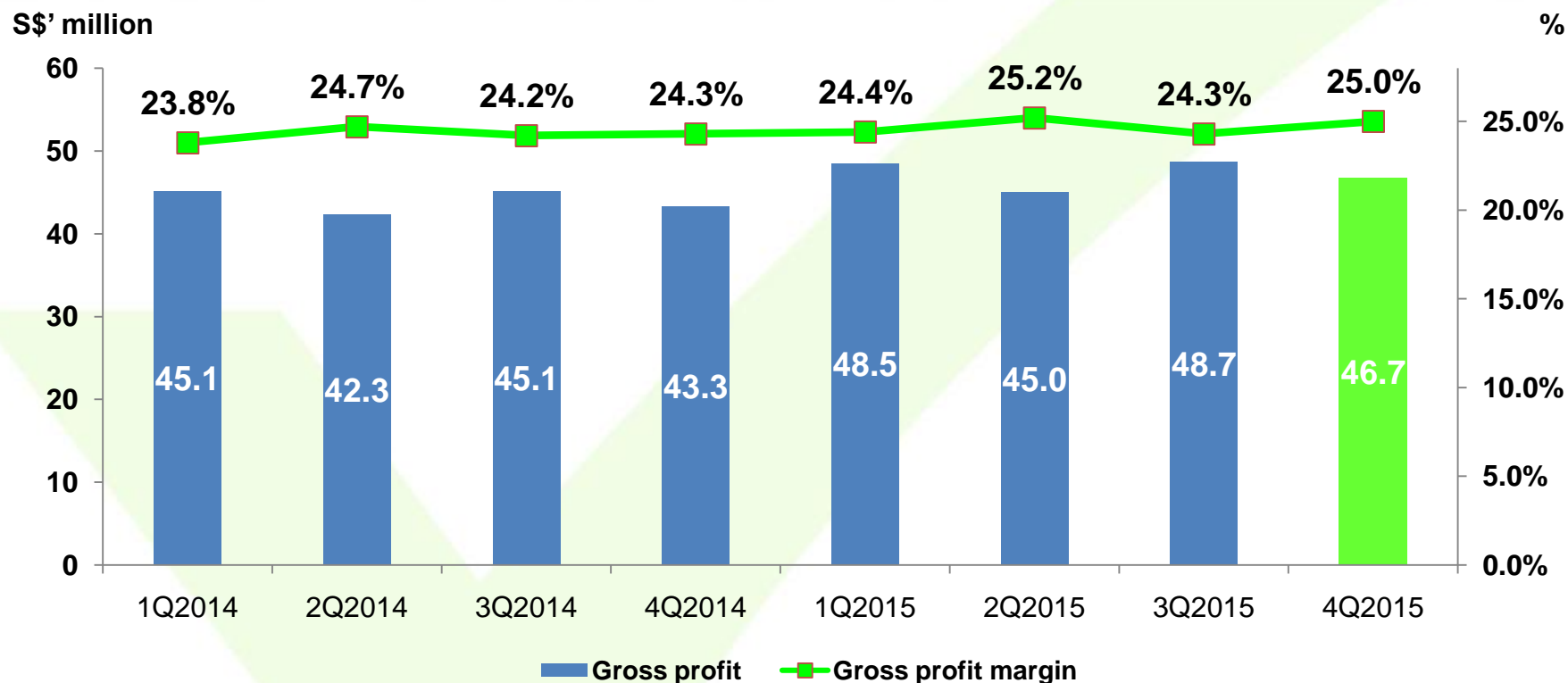


- Revenue increased 5.3% yoy to S\$764.4 million for FY2015, of which was mainly contributed by the new stores opened in 2014 and 2015.
- These new stores are located at:
 - Penjuru (dormitory area)
 - Block 506, Tampines
 - Block 312A, Sumang, Punggol
 - Block 547, Segar, Bukit Panjang
 - Block 527D, Pasir Ris
 - Block 85 Dawson Road



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Gross Profit Trend



- Gross margins increased to 24.7% in FY2015 compared with 24.2% in FY2014.
- Selling prices were mostly stable, albeit with some downward bias in FY2015.
- Opportunities to improve input costs continued to exist in FY2015, aided mostly by the global over-supply situation, weakening of emerging currencies leading to price discounts in cases where the suppliers invoice in Singapore Dollar and various margin enhancing initiatives taken by the Group.



Balance Sheet Highlights

S\$' Million	As at 31 Dec 2015	As at 31 Dec 2014
Inventories	52.4	43.1
Trade and other payables	108.7	95.8
Property, plant and equipment (PPE)	177.6	160.7
Cash and cash equivalents	125.9	130.4

- Inventories increased by S\$9.3 million to S\$52.5 million.
- The increase in Trade and other payables by S\$12.9 million was attributable mainly higher trade payables of S\$8.3 million, which was in line with the higher volume in preparation for Chinese New Year
- FY2015 capital expenditure of S\$30.4 million included:
 - Progress payment for purchase of Yishun Junction 9 - S\$18.0 million;
 - Fitting out of new stores and renovation of old stores – S\$8.5 million;
 - Purchase of IT related equipments – S\$2.0 million
 - Purchase of plant and machinery – S\$1.9 million
- Net property, plant and equipment increased by S\$17.0 million after offsetting depreciation charges.
- As at the end of FY2015, cash and cash equivalents was a healthy S\$125.9 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



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Questions & Answers

