



SHENG SIONG

... all for you!



2Q2015
Results Presentation

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Financial Highlights for 2Q2015

Revenue

4.3%
yoy

S\$179.0 million

Gross profit margin

0.8 pp*

25.2%

Operating profit margin

1.1 pp*

8.9%

Net profit

23.1%
yoy

S\$13.6 million

Retail area

6.5%
yoy

426,000 sqft

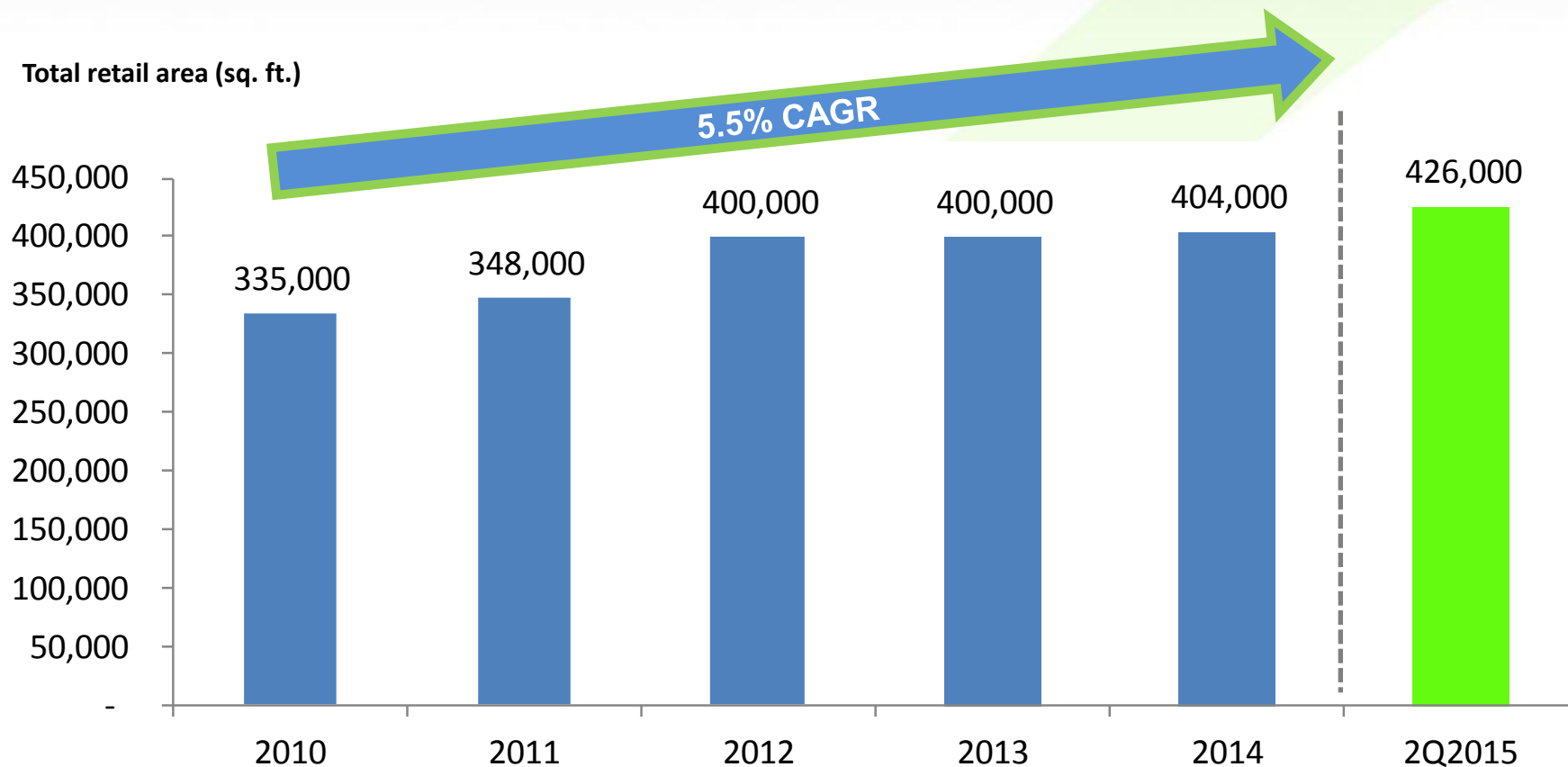
* pp denotes percentage points



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Retail Area

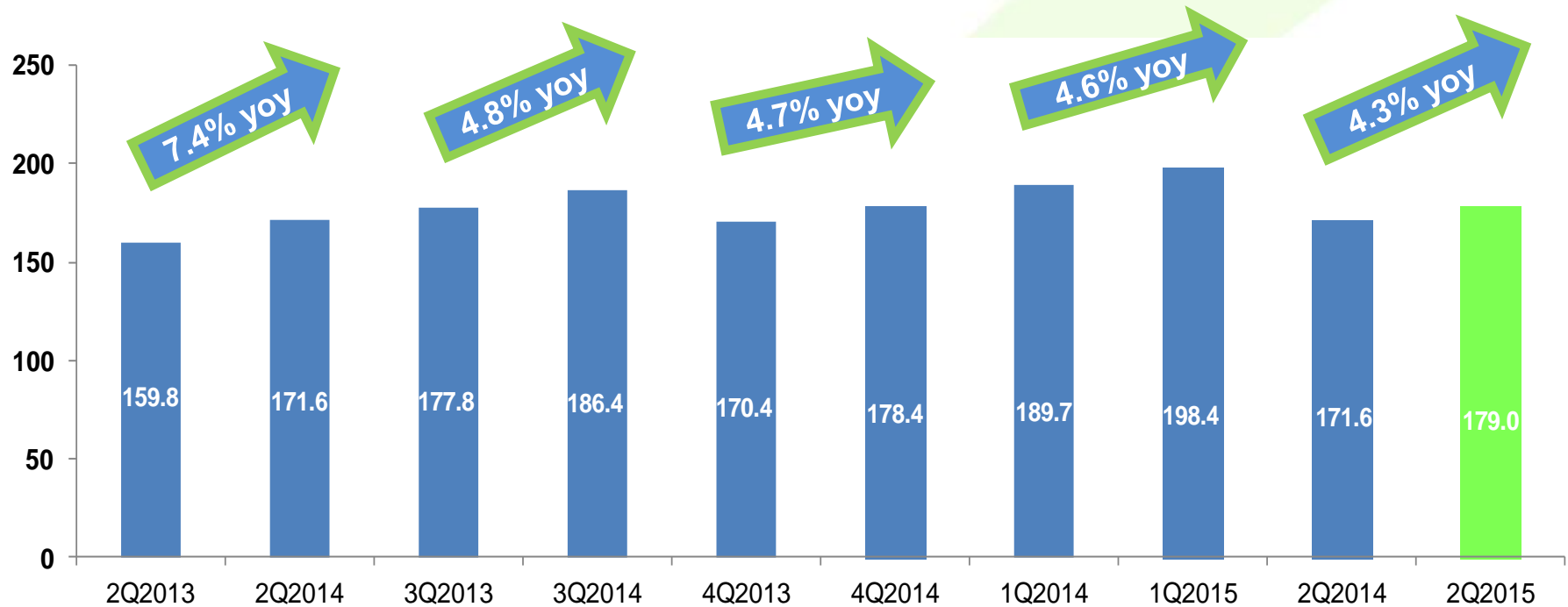
Total retail area (sq. ft.)



- Total stores increased to 38 as at 30 June 2015, from 33 as at 30 June 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

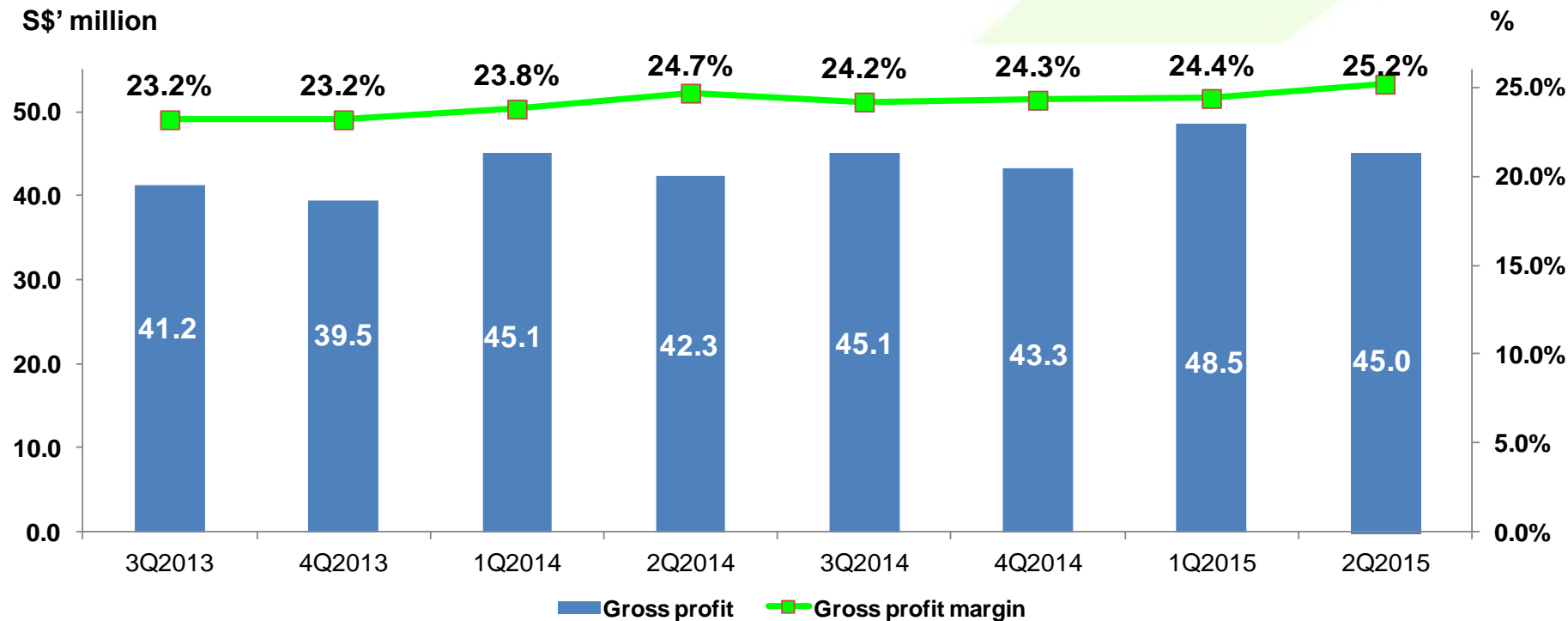


- Revenue increased 4.3% yoy to S\$179.0 million for 2Q2015, of which
 - 1.4% was contributed by new stores; and
 - 2.9% from comparable same store sales.
- Only two out of the five new stores were operational in 2Q2015



Gross Profit Trend

S\$' million



- Gross margins increased to 25.2% in 2Q2015 compared with 24.4% in 2Q2014 mainly because of lower input costs arising from better buying prices and efficiency gains derived from the central distribution centre at Mandai.



Balance Sheet Highlights

S\$' 000	As at 30 Jun 2015	As at 31 Dec 2014
Inventories	41,469	43,142
Trade and other payables	88,686	95,845
Property, plant and equipment (PPE)	160,420	160,662
Cash and cash equivalents	131,681	130,470

- Inventories decreased by S\$1.7 million compared with 31 December 2014 despite higher revenue.
- The decrease in Trade and other payables by S\$7.2 million was attributable mainly to lower accruals, as bonuses for FY2014 which were accrued as at 31 December 2014 were paid in 2Q2015.
- 1H2015 capital expenditure of S\$6.2 million included:
 - Progress payment for purchase of Yishun Junction 9 – S\$1.8 million;
 - Fit-out new stores and to upgrade or replace fittings at the old stores – S\$3.5 million;
 - Purchase of additional equipment for the distribution centre – S\$0.9 million
- Net property, plant and equipment decreased by S\$0.2 million after offsetting depreciation charges.
- As at the end of 2Q2015, cash and cash equivalents was a healthy S\$131.7 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
- 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

