



**SHENG SIONG**  
*... all for you!*



**2Q2017**  
**Results Presentation**

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# Financial Highlights for 2Q2017

Revenue

6.8%  
yoy

S\$201.5 million

Gross profit margin

0.5 pp\*

26.6%

Operating profit margin

0.2pp\*

9.8%

Net profit

6.1%  
yoy

S\$16.1 million

Retail area

1.8%  
yoy

427,000 sqft

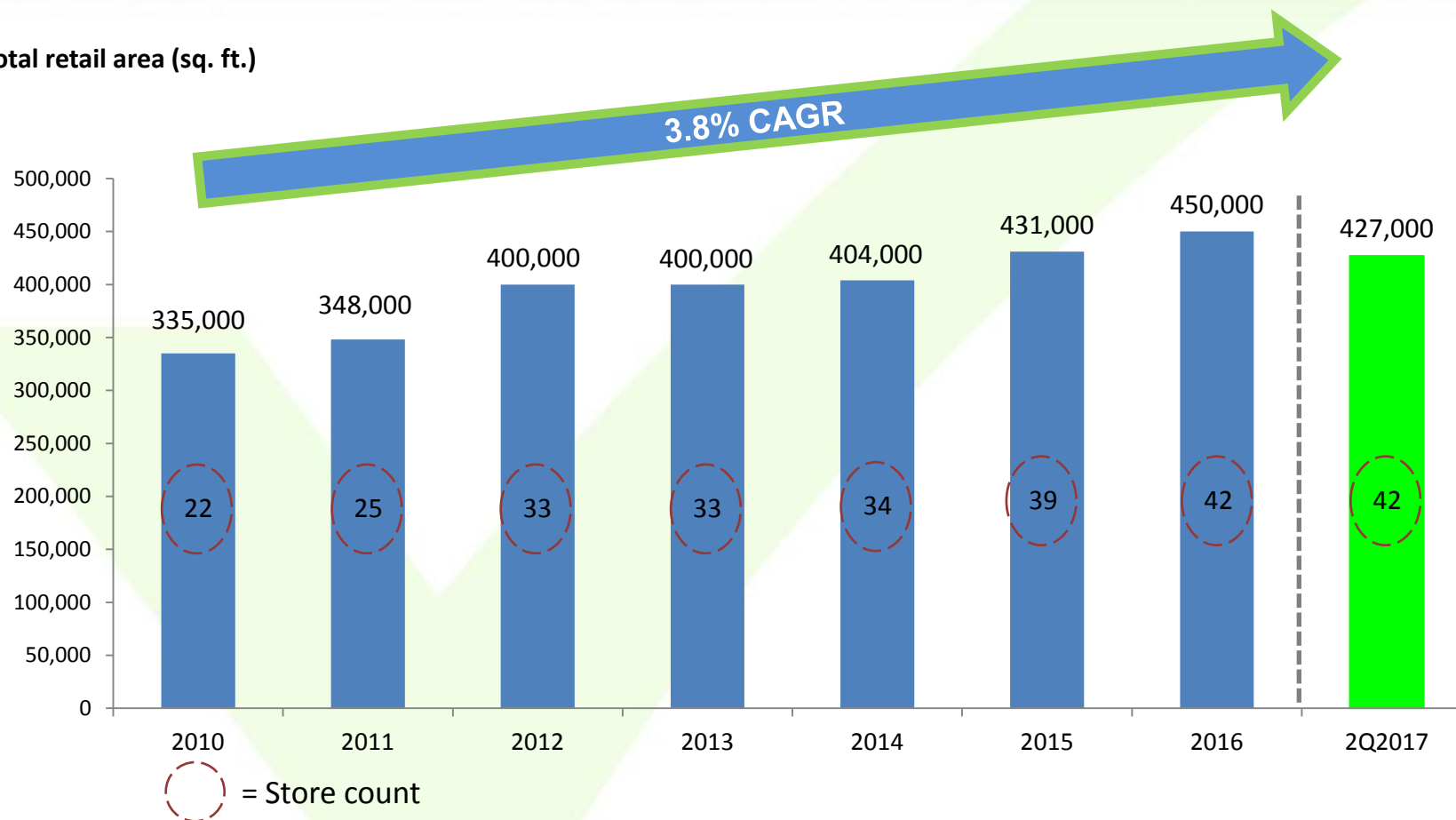
\* pp denotes percentage points



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# Retail Area

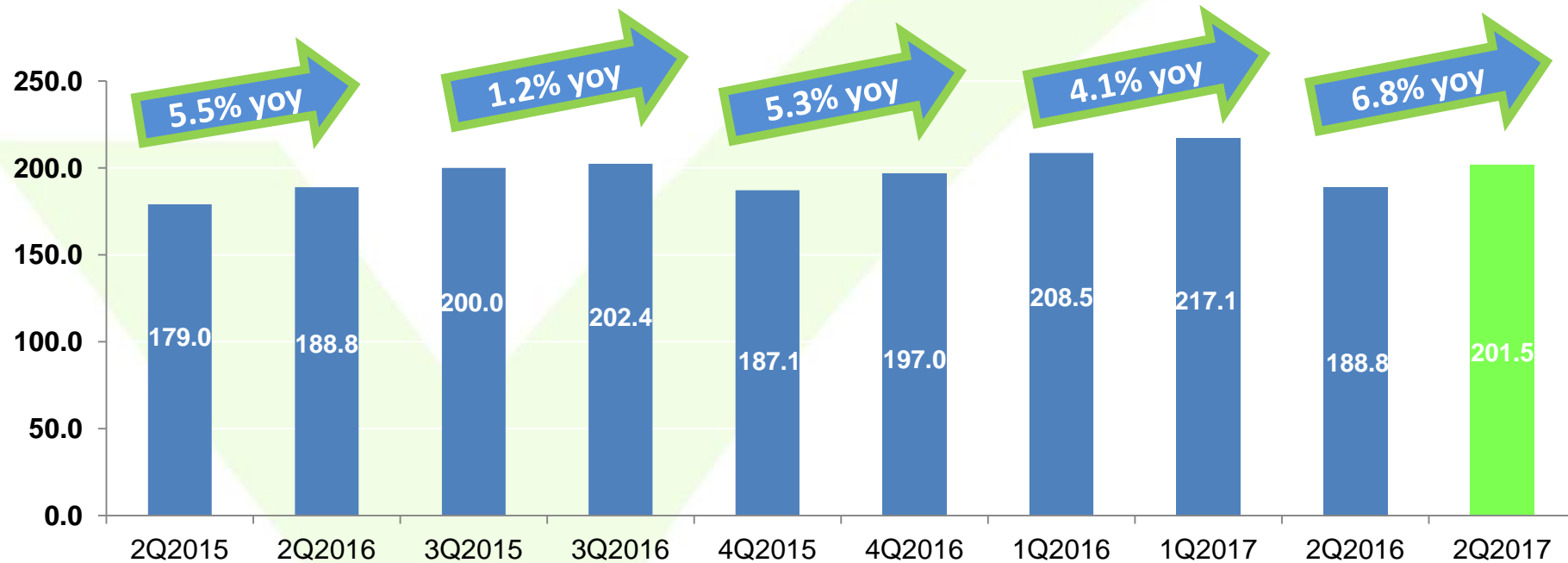
Total retail area (sq. ft.)



- Total outlets remained at 42 as at 30 June 2017 with the reopening of Loyang Point and the closure of The Verge.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.

# Revenue Trend

S\$' million



# Breakdown of Revenue Growth

	2Q2017	2Q2016
<b>New stores</b>	5.2%	6.0%
<b>Comparable same store sales</b>	0.9% <sup>(1)</sup>	2.2% <sup>(2)</sup>
<b>Loyang Point and Verge <sup>(3)</sup></b>	0.7%	(2.7%)
<b>Total revenue growth</b>	<u>6.8%</u>	<u>5.5%</u>

(1) 1.7% if Woodlands store which is closing in October is excluded

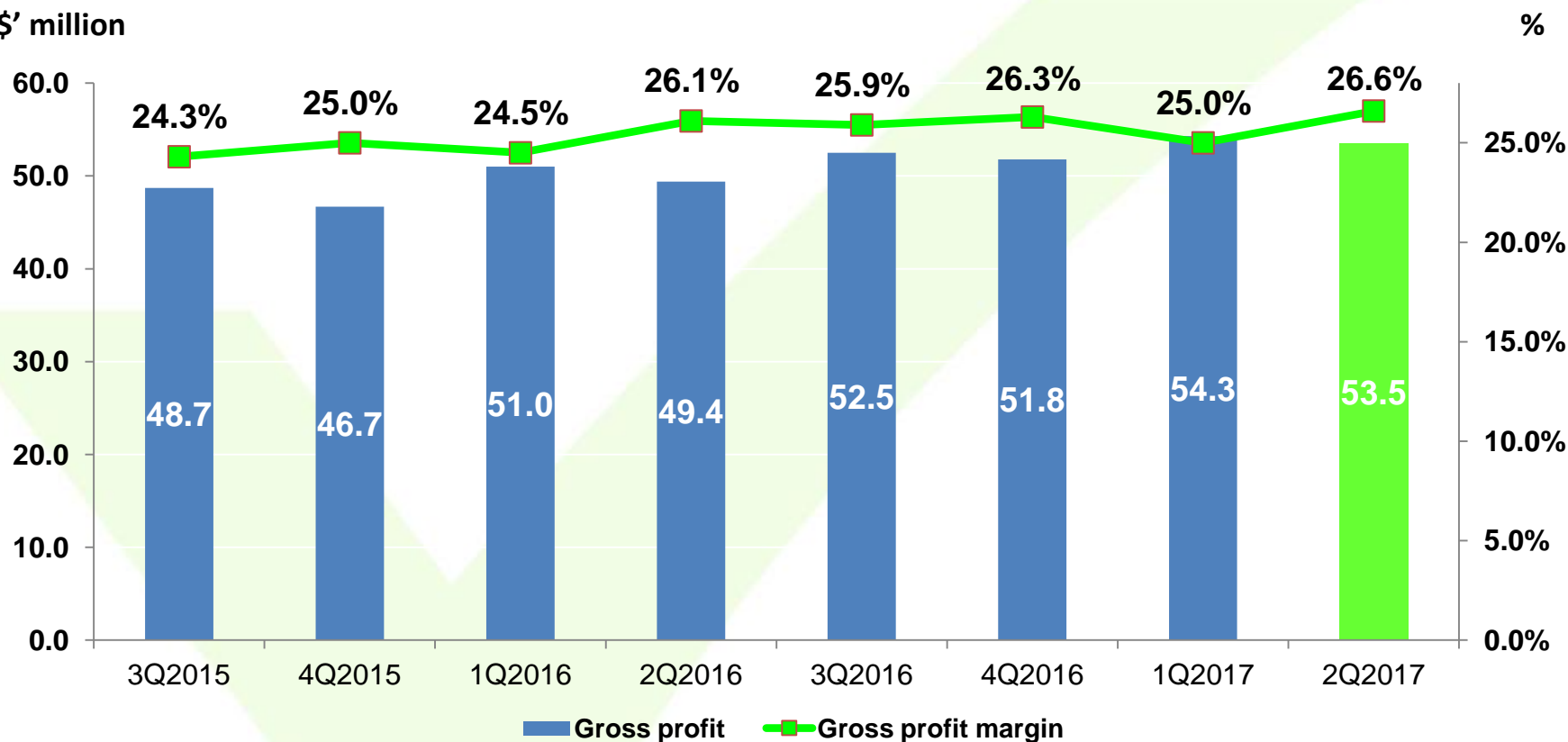
(2) 1.3% if McNair store which was closed for a month for renovation is excluded

(3) Loyang Point closed in April 2016 and reopened in February 2017 while The Verge closed in June 2017



# Gross Profit Trend

S\$' million



- Gross margins improved to 26.6% in 2Q2017 compared with 26.1% in 1Q2017, mainly because of input cost which was lowered by efficiency gains derived from the central distribution centre and a higher level of suppliers' rebates; and a better sales mix of higher gross margin fresh versus non-fresh produce.

# Balance Sheet Highlights

S\$' Million	As at 30 June 2017	As at 31 Dec 2016	Remarks
<b>Inventories</b>	51.2	61.9	Goods which were purchased for Chinese New Year sales in 2017 were sold
<b>Trade and other payables</b>	100.2	117.5	Accrued bonus were paid
<b>Property, plant and equipment (PPE)</b>	248.3	252.0	Depreciation charges of \$7.5m, which was offset by capital expenditures of \$3.8m
<b>Cash and cash equivalents</b>	69.6	63.5	Lower payment for capex





# Outlook

## Business Outlook

- Competition in the supermarket industry is likely to remain keen.

- Retail space:

Oct 2017	Woodlands (closed)	- 41,500 square feet
Sept 2017	Fajar, Bukit Panjang	+ 4,000 square feet
Oct 2017	Woodlands (open)	+12,000 square feet

## Growth strategy

- Continue expanding network of outlets in Singapore, especially in areas with no presence
- 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 house brand products
- Remain vigilant on operating costs

## E-commerce initiatives

- Continue learning from the pilot project



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# Questions & Answers

