

Super Coffeemix bullish as growth strategy unfolds

It is expanding its ingredients division, rebranding its consumer segment

By **WONG SU-JIN**

HOME GROWN company Super Coffeemix is bullish about its prospects.

The company is not only expanding its footprints in China, but is also now exploring opportunities for possible collaboration with partners in Indonesia.

Said CEO David Teo: "We hope to replicate the successful partnership with San Miguel in the Philippines for other existing markets such as China and Indonesia, and are now exploring other avenues to expand our market presence in these countries."

In 2006, the group partnered San Miguel Super Coffeemix to form a joint venture which now controls 45 per cent of the sugar-free coffeemix segment there. Last year, the joint venture also launched Sugar Free ProHealth series of instant coffeemixes.

Mr Teo said the new partnerships Super Coffeemix will be part of its strategy to grow its consumer goods and ingredients divisions in the years ahead.

The year-old ingredient division started as part of the group's efforts at vertical integration to better control the quality of its raw materials, but the company is now looking to expand the current production capacity devoted to third parties from 20 per cent to 50 per cent.

In September 2009, the

ingredients division saw third-party sales of its non-dairy creamer jump to 9,000 tonnes – up from 787 tonnes in 2007 – while third-party sales of instant coffee rose to 860 tonnes, from 0.42 tonnes in FY07.

Sales in Taiwan and China performed well, while the company is in talks with several huge instant beverage players in various growing markets like Taiwan and China to supply them with ingredients.

Besides China and Taiwan, the group has also set its sights on Malaysia, Philippines, Korea and Vietnam as key markets for its ingredients business.

Its ingredients division has also enjoyed substantial local demand from food and beverage outlets looking for a more efficient way of food preparation.

In fact, the recent melamine scandal in China, where dairy products were

found to be tainted with abnormally high levels of the adulterant, proved to be an unexpected boon for the ingredients division.

In lieu of the China suppliers, many consumers in Taiwan turned to Super's ingredients division for their non-dairy creamer – which boasts of a strong emphasis on quality and food safety.

The branded consumer goods division is also undergoing a rebranding exercise, which has so far caused a substantial rise in sales.

For example, simply re-designing the packaging of its "Ipoh White Coffee" caused sales to increase 12-fold.

Also, the introduction of "functional coffees" – the brainchild of Elaine Teo, the general manager – has seen great success since it was first launched in 2007 with "Super Power" – a coffee enriched with the pur-

portedly aphrodisiac herb tongkat ali.

The Super brand itself has been valued at more than \$52 million dollars in year 2006.

Super is also the market leader for its instant coffee and instant cereal in many South-east Asian markets including Thailand, Myanmar, Philippines, Malaysia and Singapore.

The group aims to expand its influence in its weaker Asian markets, such as Indonesia and China, by looking for potential partners to better penetrate the markets as part of the corporate strategy for its branded consumer goods division.

Despite the economic crisis in late 2008, Super has managed to weather the storm as the subsequent recession unexpectedly created conducive conditions for its products.

Besides the consumers' inevitable switch to low-

er-cost coffees in difficult times, the recession also meant less competition and better rates for advertisement from the media.

All in all, it appears Super has good reason to be optimistic about its potential growth in the coming year, especially given its re-focused strategies of growth for both its ingredients and branded consumer goods division.



'We hope to replicate the successful partnership with San Miguel in the Philippines for other existing markets such as China and Indonesia, and are now exploring other avenues to expand our market presence in these countries.'

– David Teo

DIVIDENDS ANNOUNCED

	Payment (cts)	Ex date	Books close	Pay date		Payment (cts)	Ex date	Books close	Pay date
Asia Pac Brew	ak 18,000	26-Jan	28-Jan	10-Feb	Novo Grp	aw 0.500	28-Dec	30-Dec	21-Jan
Australand Prop ^	ah 2,000	29-Dec	31-Dec	08-Feb	PNE Industries	an 0.250	03-Feb	05-Feb	26-Feb
BRC Asia	ak 0.800	28-Jan	01-Feb	11-Feb	SBI Offshore	aw 0.200	28-Dec	30-Dec	12-Jan
Cerebos Pac	af 19,000	04-Feb	08-Feb	23-Feb	SingTel	aw 6,200	18-Dec	22-Dec	14-Jan
Cerebos Pac	an 6,000	04-Feb	08-Feb	23-Feb	Suntec Reit	ag 2,971	17-Dec	21-Dec	20-Jan
Cosmosteel Hldgs	ak 1,000	25-Feb	01-Mar	15-Mar	Thai Village	ak 0.700	05-Feb	09-Feb	25-Feb
Eastern Hldgs	aw 0.400	05-Jan	07-Jan	18-Jan	Viz Branz Ltd	be 0.750	13-Jan	15-Jan	28-Jan
Etika Intl	ak 2,000	27-Jan	29-Jan	10-Feb	WBL Corp	ak 6,000	01-Feb	03-Feb	17-Feb
Ezra Hldgs	ak 1,500	30-Dec	04-Jan	18-Jan	Xpress Hldgs	an 0.110	19-Jan	21-Jan	02-Feb
F&N	ak 10,500	01-Feb	03-Feb	12-Feb	Xpress Hldgs	bh 0.040	19-Jan	21-Jan	02-Feb
Global Invest	ah 1,000	07-Jan	11-Jan	25-Feb					
GP Ind	aw 1,000	24-Dec	29-Dec	12-Jan					
Hiap Seng Engg	aw 1,000	30-Dec	04-Jan	18-Jan					
Hisaka Hldgs	ak 0.750	26-Jan	28-Jan	09-Feb					
Hisaka Hldgs	bh 0.250	26-Jan	28-Jan	09-Feb					
Lyxor/Jap10US\$ #	ag 0.800	14-Dec	16-Dec	11-Jan					
AIMS AMPCapREIT	tb 0.950	25-Nov	30-Nov	al					
Miyoshi Precision	ak 0.300	08-Jan	12-Jan	29-Jan					

Legends : (\$) US\$; (¥) Rmb; (HK\$) HK\$; (A\$) A\$; (£) Pound; (R\$) R\$; (S\$) S\$; (€) Euro; (฿) Baht; (RM) RM; (₱) Peso; (₹) Rupee; (NT\$) NTS; (af) Cash/Bonus Tax Exempt (One-Tier); (ag) Dividend/Distribution; (ah) Final; (aj) To be announced; (ak) Final Tax Exempt (One Tier); (an) First and Final Tax Exempt (One Tier); (aw) Interim Tax Exempt (One Tier); (bb) Special; (be) Special Interim Tax Exempt (One Tier); (bh) Special Tax Exempt (One Tier);

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