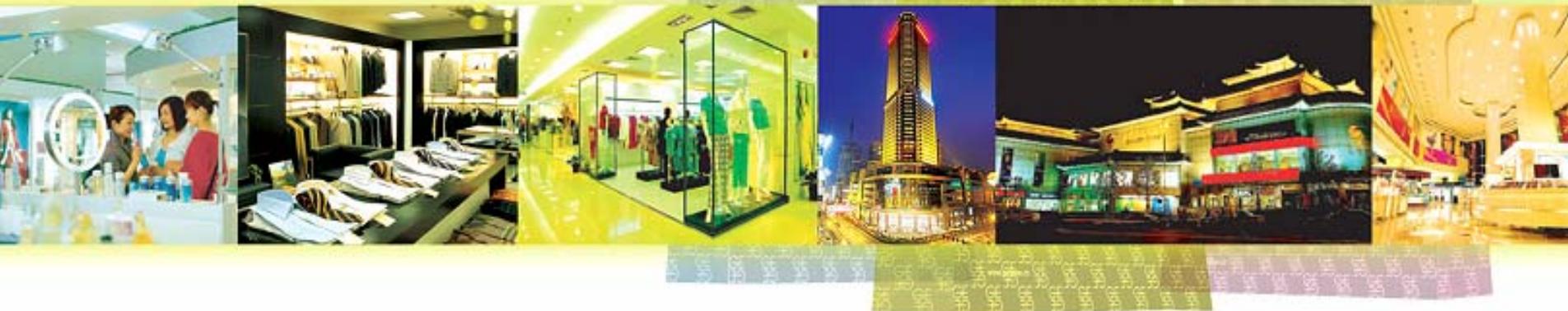




GOLDEN EAGLE RETAIL GROUP LIMITED 金鷹商貿集團有限公司

Interim Results 2007



CORPORATE
PRESENTATION

1H 2007 Overview

▶ Achieved satisfactory results in 1H 2007

- ✓ Total GSP increased to RMB2,239.8 million,  31.7%
- ✓ Profits attributable to the shareholders surged to RMB181.5 million,  40.6%
- ▶ **Same stores sales growth maintained at a high level of about 23.1%, Nanjing Xinjiekou store, Yangzhou store and Xuzhou store respectively recorded 22.5%, 28.7% and 36.2% same store growth**
- ▶ **Opened Kunming Store in August 2007, bringing the total number of stores from eight to nine, with total GFA increased from approximately 232,000 m² to 266,000 m²**
- ▶ **Introduced renowned international brands, including HERMES, GUCCI, HUGO BOSS and GIVENCHY, to Kunming store**
- ▶ **Planned to open two new stores in Huai An and Yancheng, which are expected to commence operation in 2H 2008**
- ▶ **Number of VIPs further increased to 400,000**

1H 2007 Financial Highlights



<i>Six months ended 30 June (RMB million)</i>	2007	2006	(+/-)
Gross Sales Proceeds (GSP)	2,239.8	1,700.4	31.7%
- Concessionaire Sales	2,049.9	1,518.4	35.0%
- Direct Sales	181.5	174.5	4.0%
- Rental Income	8.5	7.5	12.2%
Gross Profit	389.4	308.1	26.4%
Profit before tax	268.8	192.5	39.6%
Profit Attributable to Shareholders	181.5	129.1	40.6%
EPS – Basic (RMB fen)	9.99	7.33	36.3%
Interim Dividend (RMB fen)	Nil	3.8	NA



Financial Position

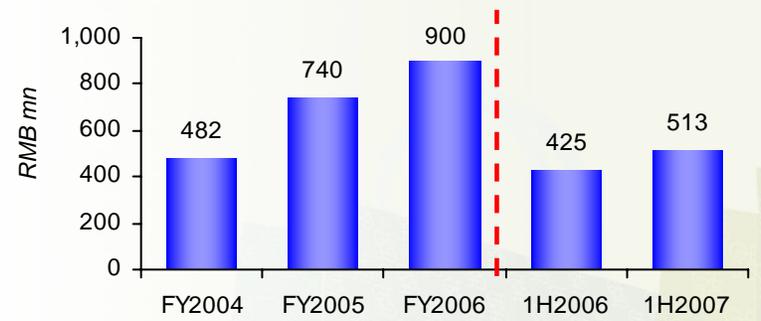
<i>RMB Million</i>	As at 30 June 2007	As at 31 Dec 2006
Net Current Assets	21.6	6.6
Total Assets	3,264.0	3,015.2
Convertible Bonds	811.7	796.8
Cash on Hand	1,201.3	1,099.2
Current Ratio (Times)	1.0	1.0
Gearing Ratio (note 1)	24.9	26.4

Note 1: *Gearing ratio = total bank borrowings and convertible bonds/ total assets*

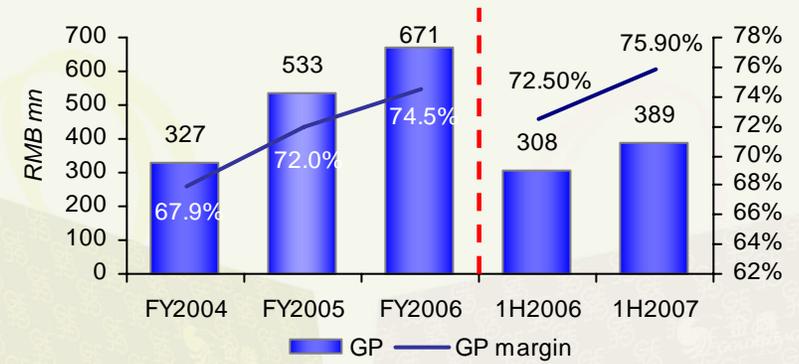
Strong Growth and Profitability



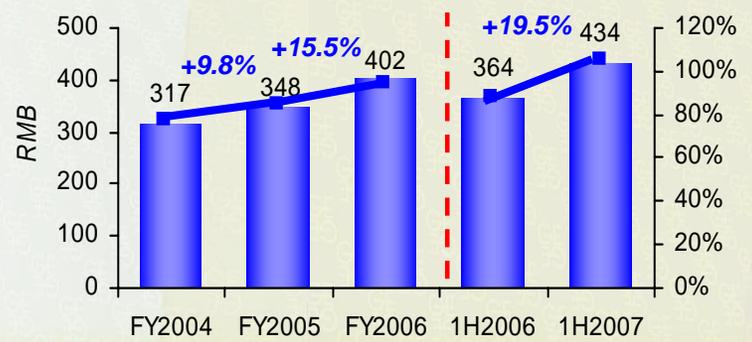
Turnover



Gross Profit



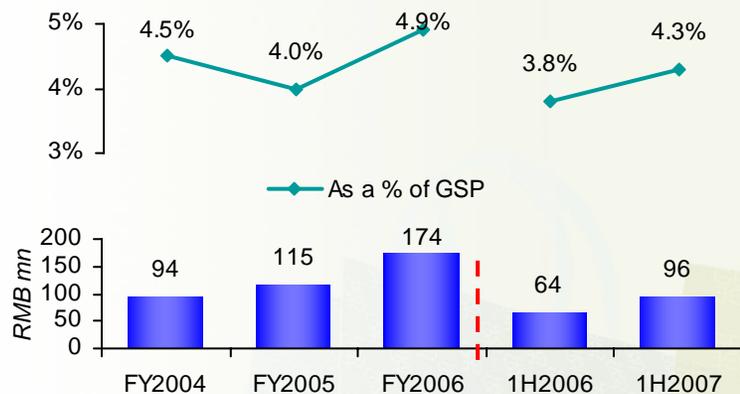
Sales per Ticket



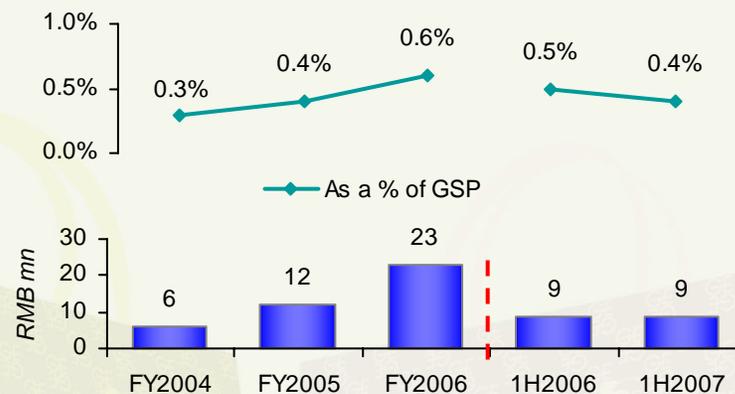
Stable Expense Ratios



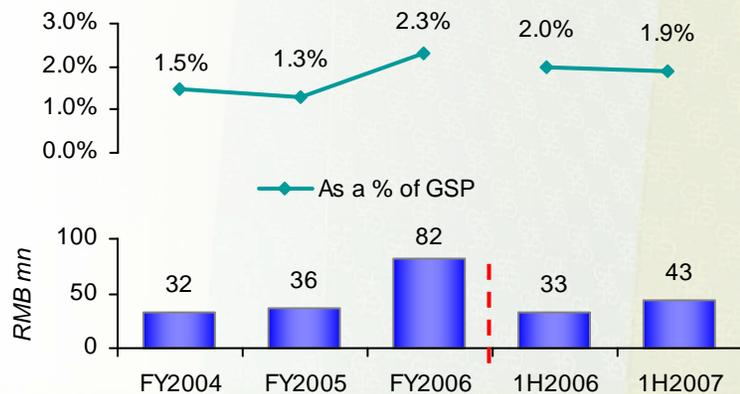
Selling expense



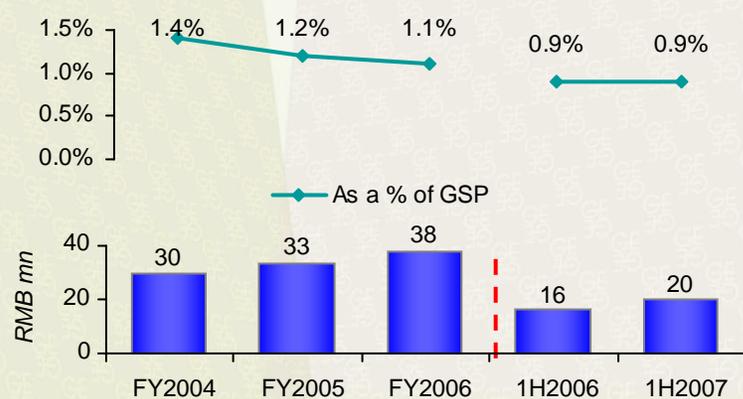
Rental expense



Staff expense



Water and electricity expense

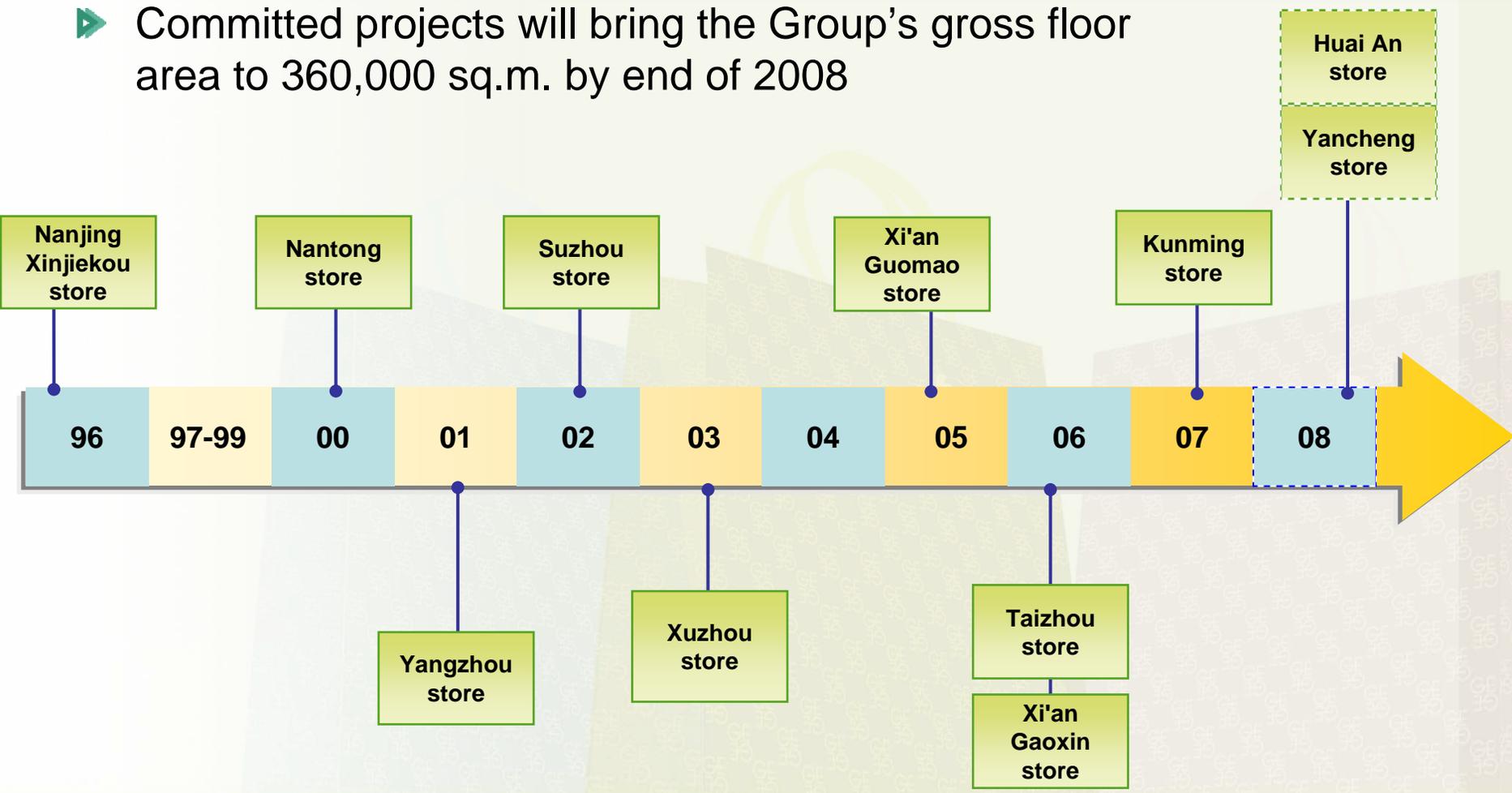


Business Review

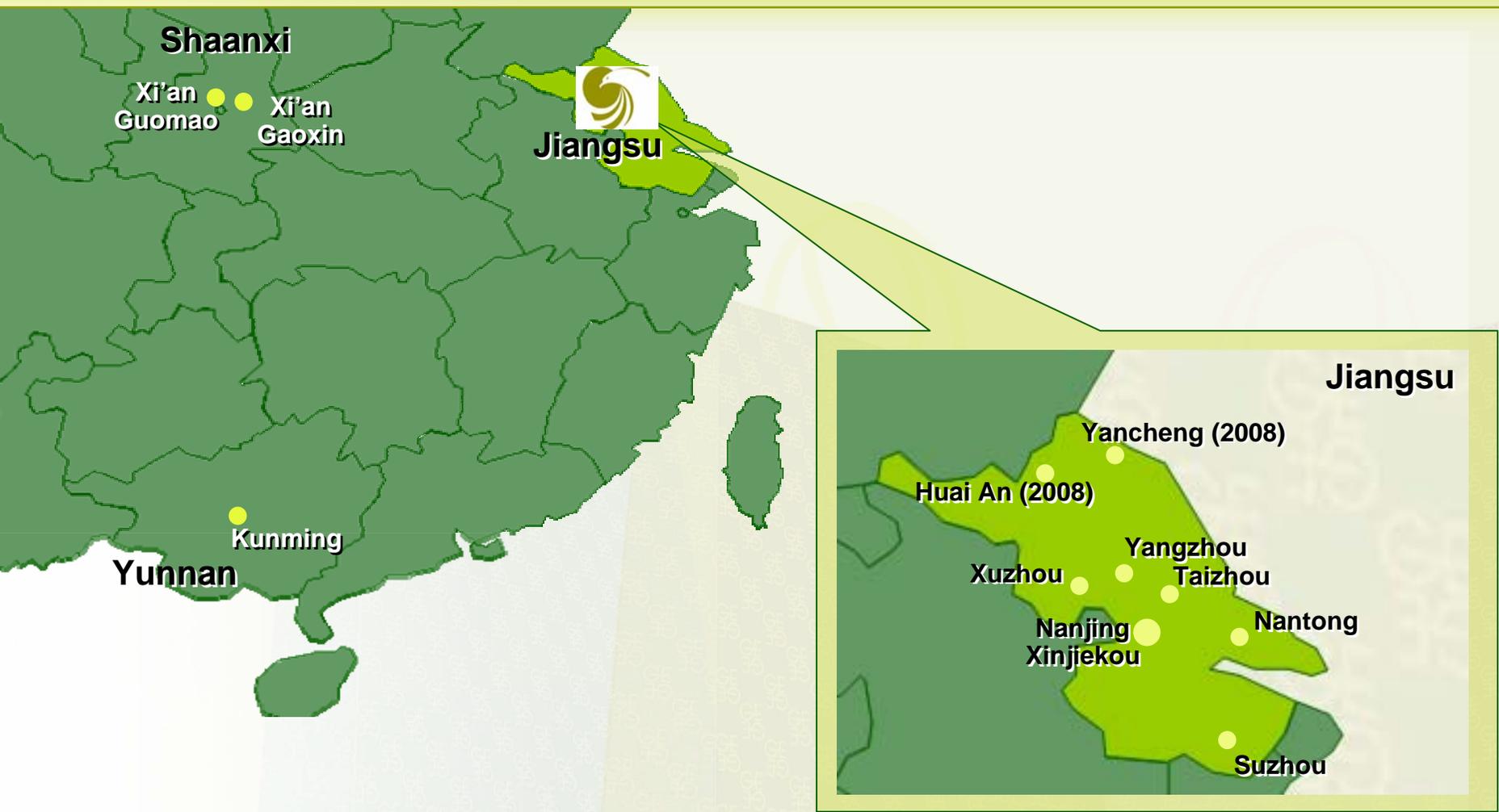


Growing Presence in the PRC

▶ Committed projects will bring the Group's gross floor area to 360,000 sq.m. by end of 2008



Extensive Store Network



Rapidly Growing Store Sales

The leading stylish premium department store in second-tier cities, catering for the high-end retail market

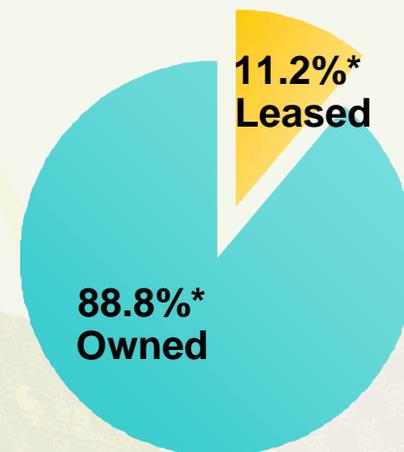
	Nanjing Xinjiekou	Nantong	Yangzhou	Suzhou	Xuzhou	Xi'an Guomao	Xi'an Gaoxin	Taizhou
								
Years into operation⁽¹⁾	11 years	6.5 years	5.5 years	4.5 years	3.5 years	1.5 year	1 year	6 months
1H07 sales (RMB mil)	1,081.3	124.7	370.3	94.7	358.5	48.1	79.5	82.4
1H07 sales growth (%)	22.5%	7.6%	28.7%	8.3%	36.2%	-5.2%	NA	NA
GFA (sq.m.)	25,034	5,711	28,609	12,089	37,183	6,923	20,455	24,988

(1) As at 30 June 2007

Self Owned Properties

▶ Self owned properties in prime locations account for more than 89% of our operating area

Store (in operation)	Owned/ leased	Operating area (sq. m)
Nanjing Xinjiekou	Owned	25,034
Nantong	Owned	5,711
Yangzhou	Owned / leased	26,713 / 1,896
Xuzhou	Owned	37,183
Suzhou	Leased	12,089
Xi'an Guomao	Leased	6,923
Xi'an Gaoxin	Owned	20,455
Taizhou	Owned	24,988
Kunming	Owned	25,000



Owned-to-leased GFA ratio

Store (to be opened in 2H08)	Owned /leased	GFA (sq. m)
Huai An	Owned	About 48,000
Yancheng	Owned	About 50,000

* As a percentage of total operating area (sq m) as at [31 August] 2007

Broadened VIP Customer Base



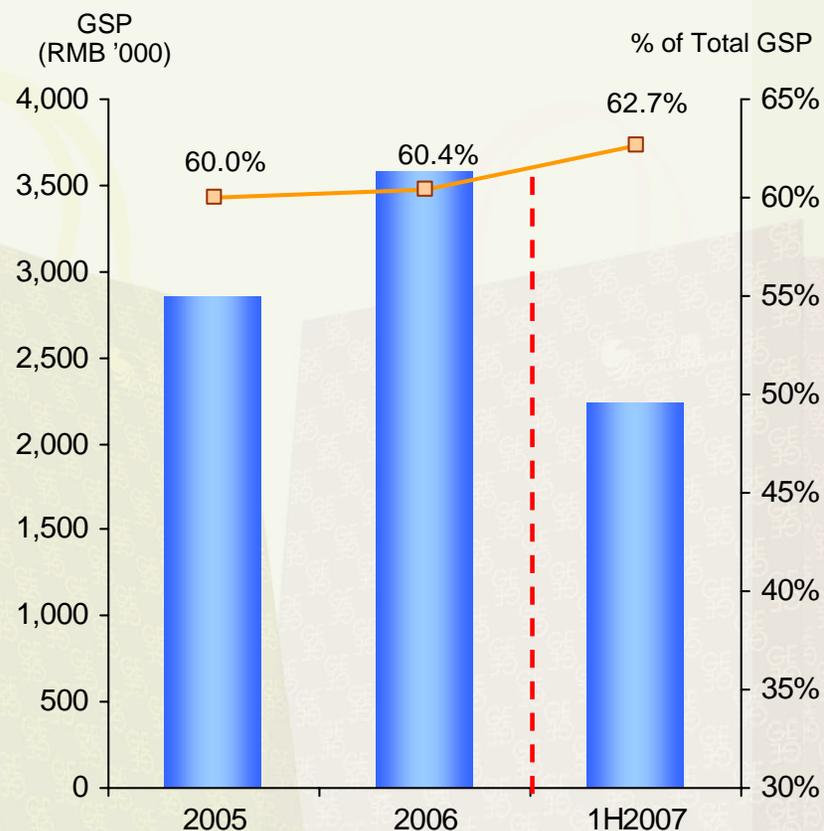
Broadened VIP customer base to further strengthen the customer loyalty and pave way for long term growth

- ▶ 400,000 members (as at 30 June 2007)
- ▶ VIP consumption accounted for 62.7% (1H2006 : Approx 60%) of total GSP

Continued efforts in VIP promotion programs with the BOC Golden Eagle affinity credit card with the Bank of China

- ▶ Expanded functions of VIP cards
- ▶ Absorbed premium customers of BOC

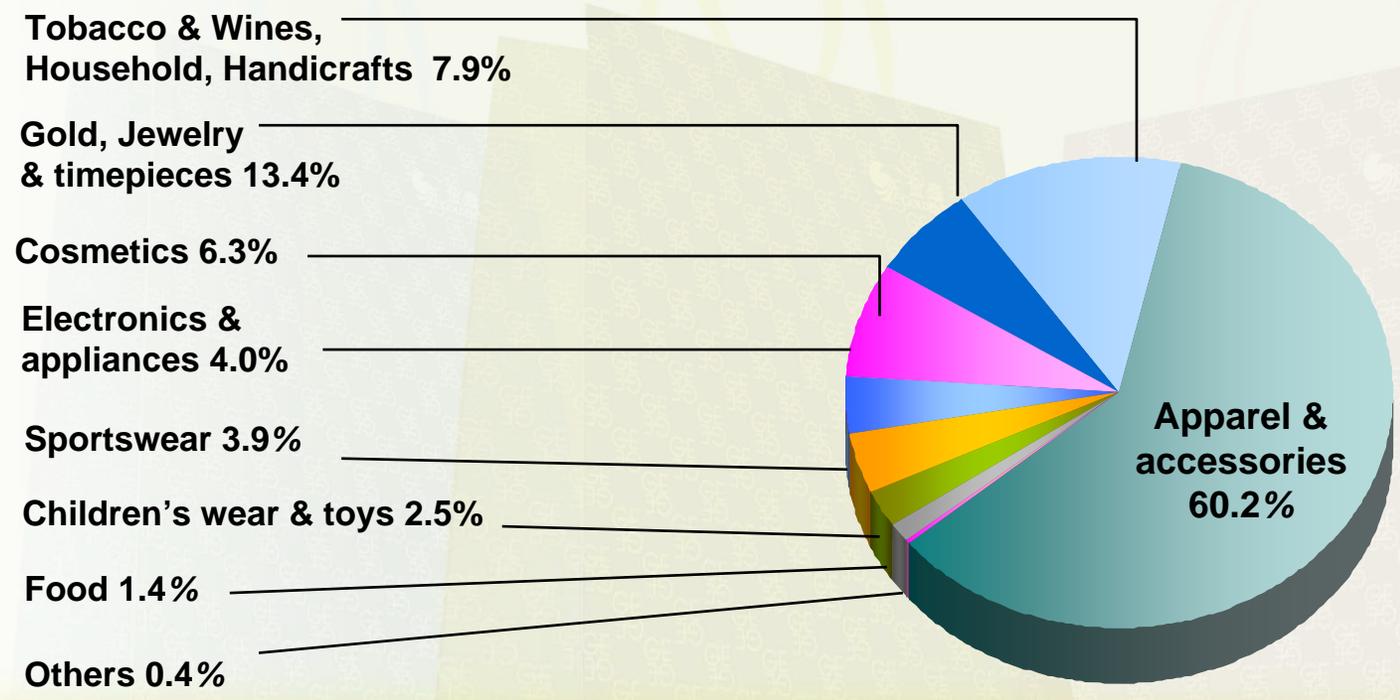
Purchases by VIP members



Enhanced Merchandise Offering

- ▶ Increased proportion of high-end products (apparel & accessories, gold, jewelry & timepieces) to drive GSP and growth
- ▶ Introduced HERMES, GUCCI, HUGO BOSS and GIVENCHY in Kunming store

Merchandise Mix 2007



Future Plans and Strategies



Operating and Growth Strategy



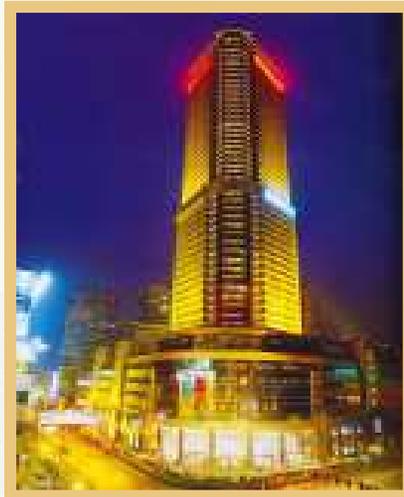
Operating strategy

- ▶ Expand market share and consolidate leading position in Jiangsu Province
- ▶ Expand in Southwestern part of PRC
- ▶ Optimize merchandise mix and brand mix

Growth strategy

- ▶ Identify new projects to increase store numbers and retailing area
- ▶ New store openings and strategic acquisitions
- ▶ Own properties in prime locations in second tier cities to immune the Group from rental fluctuations

Our mission



“To be the leading premium department store chain in the PRC”

Open Forum





Disclaimer

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