



# Annual Results 2009 April 2010



金鷹  
GOLDEN EAGLE

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

Incorporated in the Cayman Islands with limited liability  
Stock code:3308

# Achievements in 2009

- ▶ **Achieved encouraging results amid challenging market landscape in 2009**
  - ✓ Total GSP increased to RMB 8,191.7 million, 📈 31.1%
  - ✓ Concessionaire rate remains stable at 20.3%
  - ✓ Profit from operations increased to RMB 958.2 million, 📈 35.0%
  
- ▶ **Same store sales growth (“SSSG”) maintained at a high level of 17.5%**
- ▶ **Nanjing Xijiekou Store, Yangzhou Store and Xuzhou Store recorded SSSG of 8.6%, 13.6% and 21.3% respectively**
- ▶ **Xi’an Gaoxin Store, Taizhou Store, Kunming Store and Nanjing Zhujiang Store recorded strong SSSG of 53.8%, 40.1%, 46.9% and 41.8% respectively**

# Achievements in 2009

- ▶ **Number of VIPs further increased to over 743,000, accounting for 63.2% of the Group's total GSP**
- ▶ **Managed Nanjing Orient Store and opened Yangzhou Jinghua Store, Shanghai Store, Nanjing Hanzhong Store, additional area for Taizhou Store and Nanjing Xianlin Store bringing the total number of stores from 12 to 17, with total GFA increased to approx. 539,000 sq. m.**
- ▶ **Entered into co-operation agreements to open new stores in Jiangsu, Anhui and Yunnan Provinces**

# 2009 Financial Highlights

<i>Year ended 31 December (RMB million)</i>	<b>2009</b>	<b>2008</b>	<b>(+/-)</b>
<b>Gross Sales Proceeds (GSP)</b>	8,191.7	6,249.0	+31.1%
- Concessionaire Sales	7,564.6	5,786.7	+30.7%
- Direct Sales	588.9	438.5	+34.3%
- Rental Income and Management Service Fees	38.2	23.8	+60.5%
<b>EBITDA</b>	1,062.1	786.1	+35.1%
<b>EBIT (Profit from operations)</b>	958.2	710.0	+35.0%
Profit Attributable to Shareholders	250.9	613.4	-59.1%
EPS – Basic (RMB)	0.137	0.339	-59.6%

# 2009 Financial Highlights

<i>Year ended 31 December (RMB million)</i>	<b>2009</b>	<b>2008</b>	<b>(+/-)</b>
<b>Profit Attributable to Shareholders</b>			
As reported	250.9	613.4	-59.1%
Excluding the effects of Convertible Bonds related items:			
- Fair value changes on conversion and redemption options	461.7	(74.1)	
- Effective interest expense	55.4	81.4	
- Exchange difference	-	(48.6)	
<b>As adjusted</b>	<b><u>768.0</u></b>	<b><u>572.1</u></b>	<b>+34.2%</b>
<b>Adjusted basic earnings per share (RMB)</b>	<b><u>0.419</u></b>	<b><u>0.316</u></b>	<b>+32.8%</b>

# Financial Position

<i>RMB Million</i>	<b>As at 31 Dec 2009</b>	<b>As at 31 Dec 2008</b>
<b>Total Assets</b>	5,983.4	4,782.6
<b>Total Liabilities</b>	3,064.8	3,124.7
<b>Net Assets</b>	2,918.6	1,657.9
<b>Convertible Bonds</b>	-	852.8
<b>Short-term bank loan</b>	269.0	-
<b>Cash and near cash</b> (note 1)	2,290.0	2,090.6
<b>Gearing Ratio</b> (note 2)	4.5%	17.8%
<b>Adjusted gearing Ratio</b> (note 3)	-	17.8%

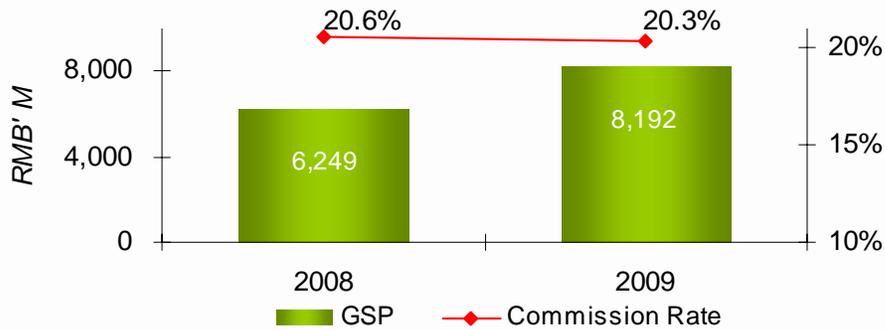
Note 1: *Cash and near cash represents bank balances and cash and various short-term bank related deposits, including structured bank deposit and pledged bank deposit.*

Note 2: *Gearing ratio = total bank borrowings and convertible bonds / total assets*

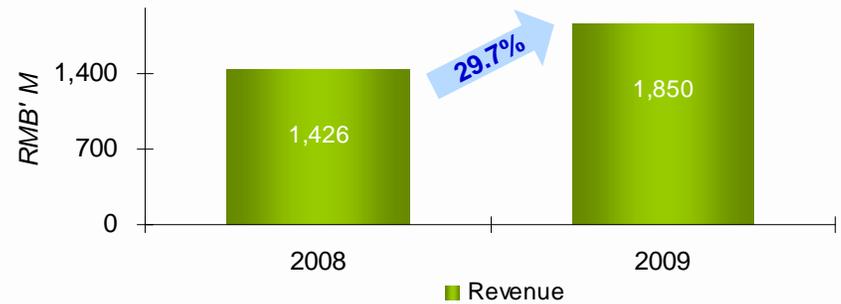
Note 3: *Adjusted gearing ratio excludes the effects of pledged bank deposit and short-term bank loan.*

# Strong Growth and Profitability

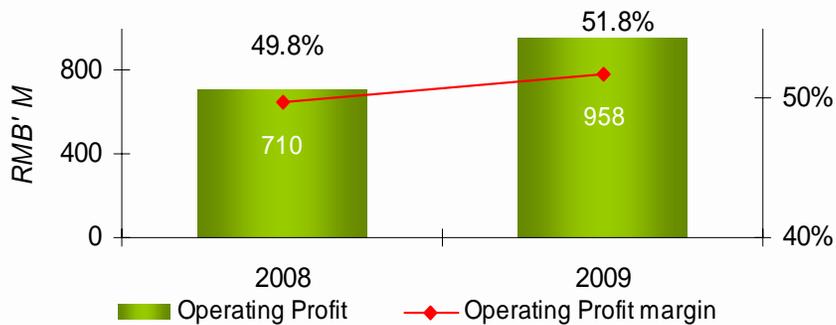
## GSP & Commission Rate



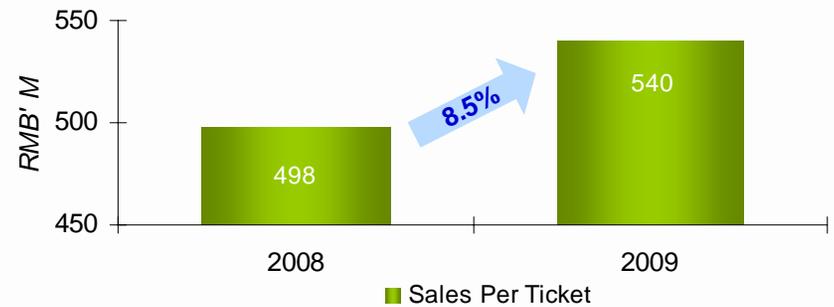
## Revenue



## Operating Profit

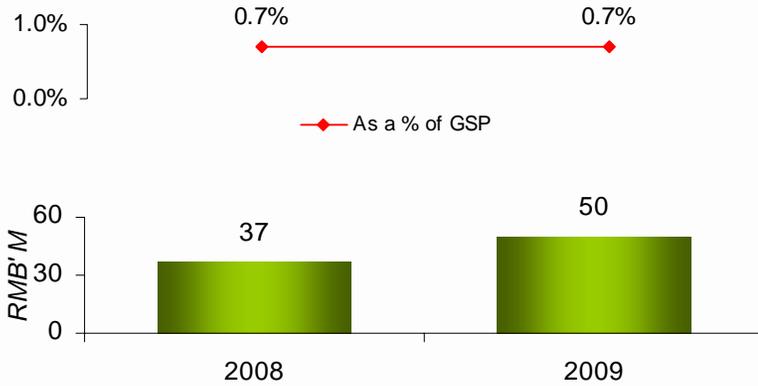


## Sales Per Ticket (same store basis)

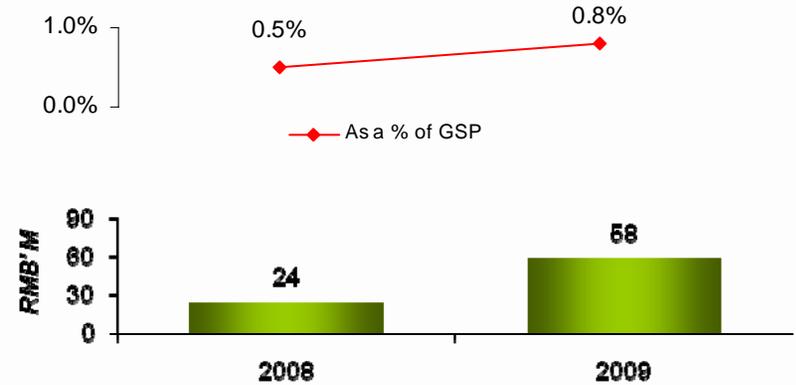


# Stable Expense Ratios

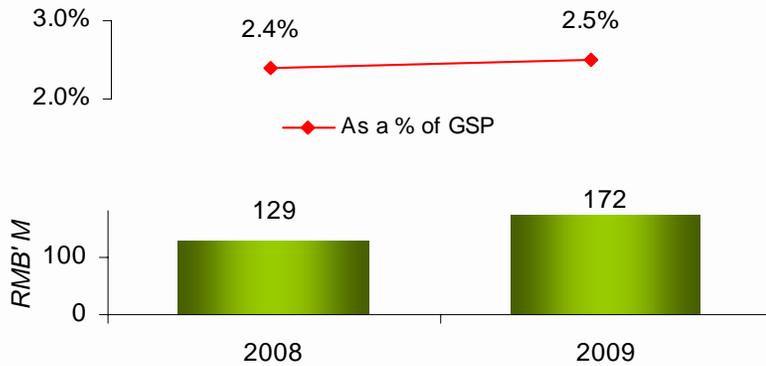
## Advertising and Promotion Expense



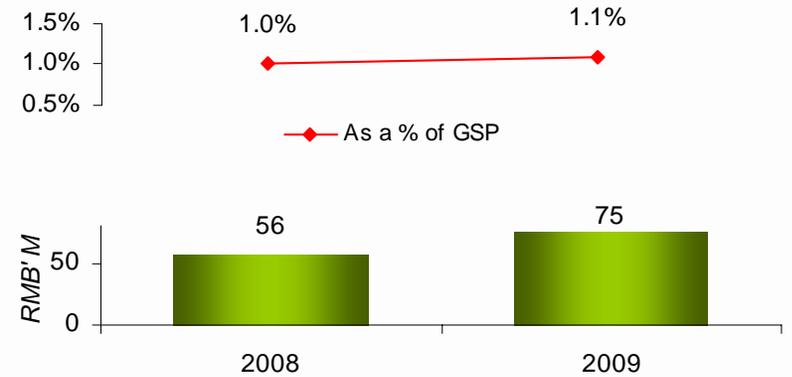
## Rental Expense



## Staff Expense



## Water and Electricity Expense

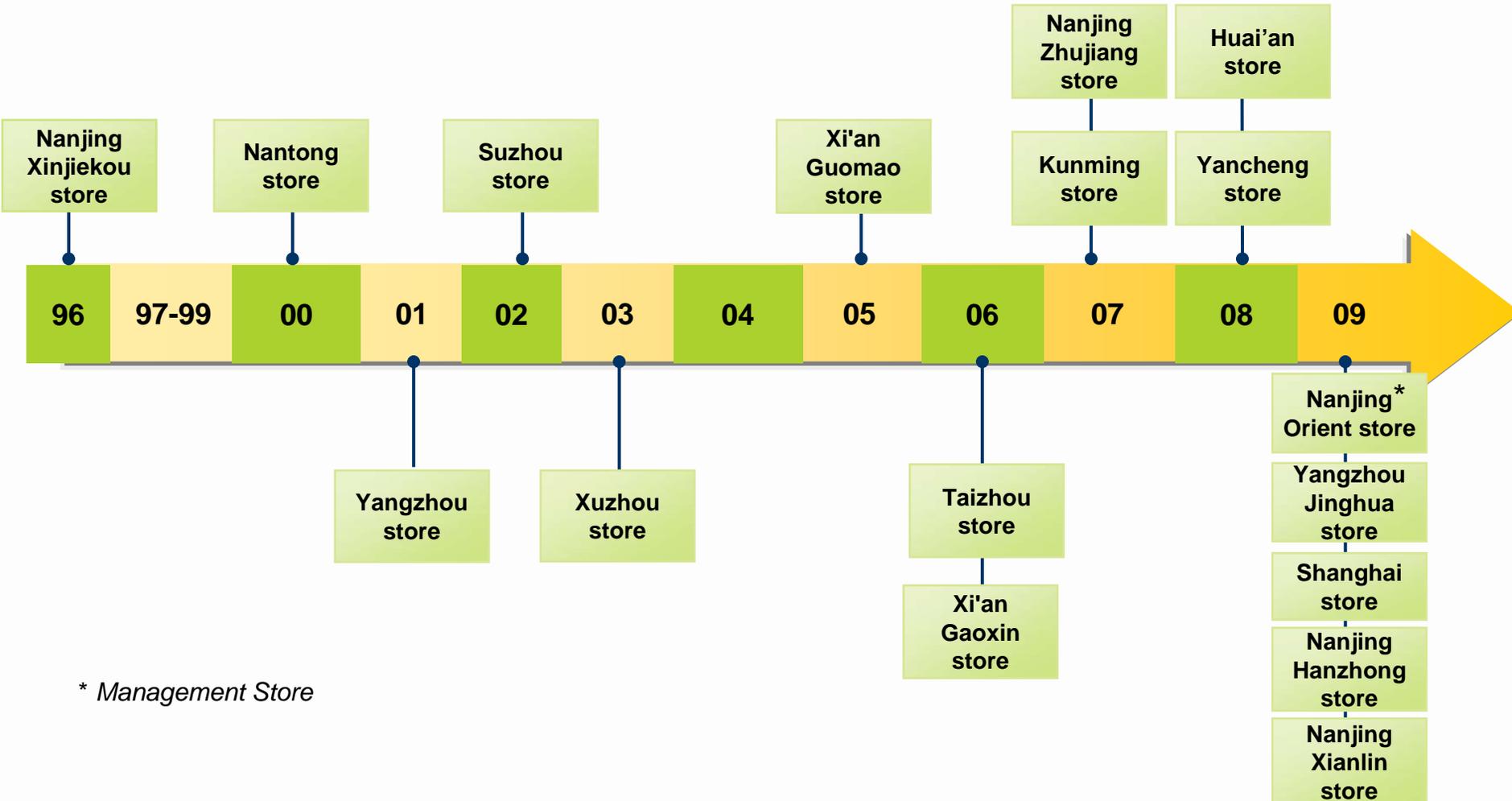




# Business Review

# Growing Presence in the PRC

▶ Including Nanjing Orient Store, the Group's GFA has been increased to approx. 539,000 sq. m. by the end of 2009



\* Management Store

# Extensive Store Network



# Rapidly Growing Store Sales

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

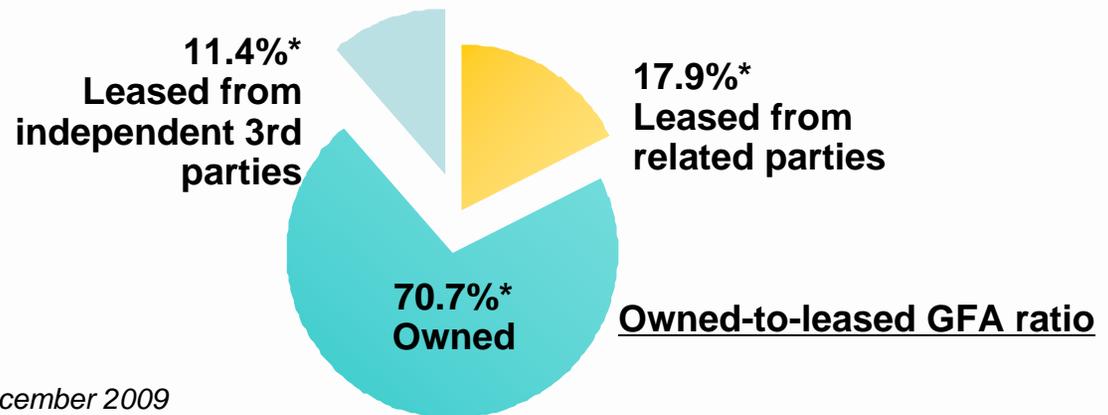
	NJ Xinjiekou	Nantong	Yangzhou	Suzhou	Xuzhou	Xi'an Guomao	Xi'an Gaoxin	Taizhou	Kunming	NJ Zhujiang	Huai'an	Yancheng	Yangzhou Jinghua	SH	NJ Hanzhong	NJ Xianlin
<b>Years into operation (1)</b>	13.5 Years	9 Years	8 Years	7 Years	6 Years	4 Years	3.5 Years	3 Years	2.5 Years	2 Years	1 Year	1 Year	Since Apr 09	Since May 09	Since Jul 09	Since Dec 09
<b>09 sales (RMB' M)</b>	2,834	251	1,085	276	1,234	83	570	450	239	243	216	300	93	231	72	6
<b>09 sales growth (%)</b>	8.6%	-4.2%	13.6%	19.2%	21.3%	3.4%	53.8%	40.1%	46.9%	41.8%	NA	NA	NA	NA	NA	NA
<b>Operating Area (sq.m.)</b>	25,034	5,711	28,609	12,089	37,183	6,923	20,455	33,273	24,158	23,961	30,859	33,750	19,173	15,229	10,887	16,800

(1) As at 31 December 2009



# Self Owned Properties

- ▶ Self owned properties in prime locations account for 70.7% of our GFA



\* As a percentage of total GFA (sq. m.) as at 31 December 2009

Store (in operation)	Owned / leased	GFA (sq. m.)
Nanjing Xinjiekou	Owned	33,447
Nantong	Owned	8,795
Yangzhou	Owned / leased	37,562 / 3,450
Suzhou	Leased	14,960
Xuzhou	Owned	51,266
Xi'an Guomao	Leased	10,029
Xi'an Gaoxin	Owned	27,287
Taizhou	Owned	58,374

Store (in operation)	Owned / leased	GFA (sq. m.)
Kunming	Owned	33,702
Nanjing Zhujiang	Leased	33,578
Huai'an	Owned	49,689
Yancheng	Owned	62,000
Yangzhou 2	Leased	29,598
Shanghai	Leased	21,306
Nanjing Hanzhong	Leased	12,462
Nanjing Xianlin	Leased	24,440

**Total**

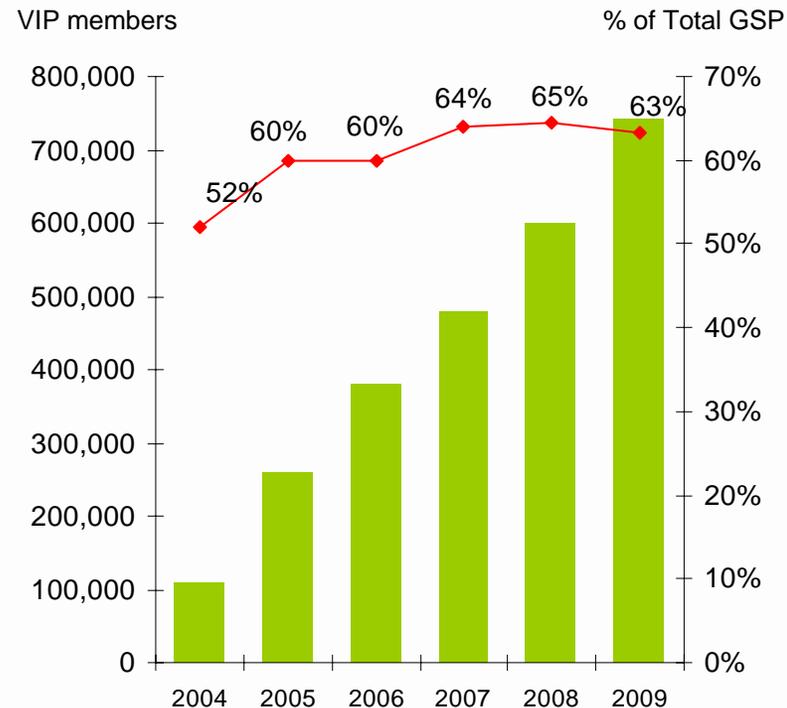
**511,945**

# A Broad VIP Customer Base

**A broad and growing VIP customer base has continued to strengthen customer loyalty to pave way for long term growth**

- ▶ 743,000 members\*
- ▶ VIP consumption accounted for 63.2% of total GSP in 2009
- ▶ 3 classes: Platinum, Gold and Silver
- ▶ Application and renewal based on spending
- ▶ Bonus awards, exclusive benefits

**Purchases by VIP members**

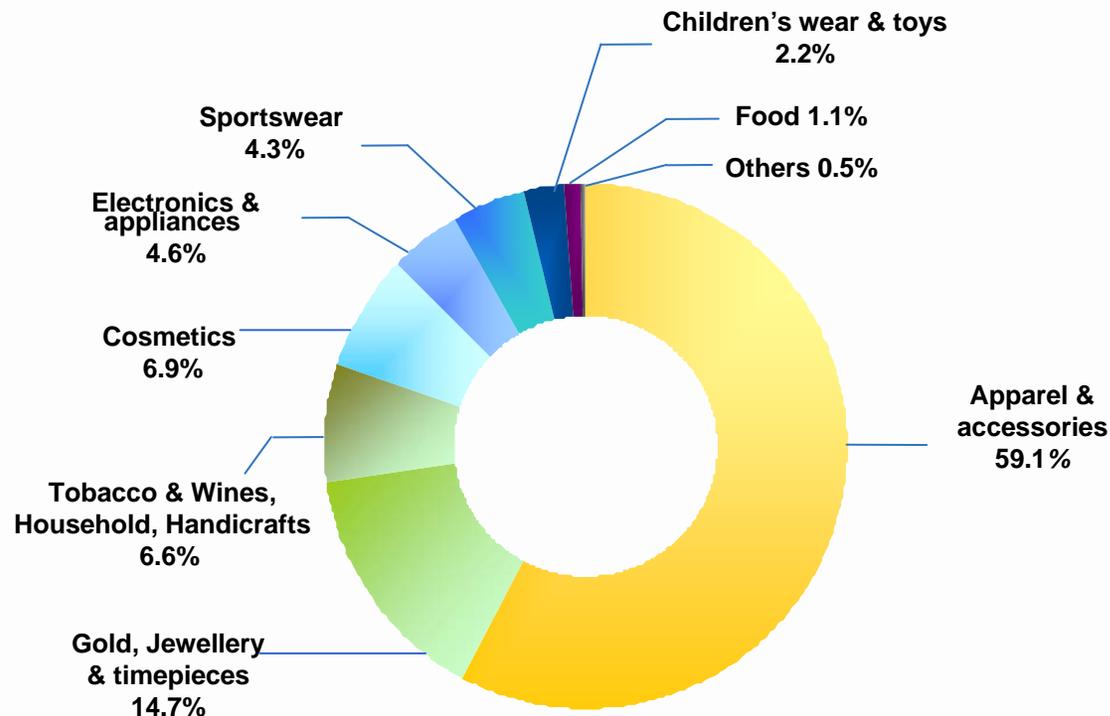


\* As at 31 December 2009

# Merchandise Offering

- ▶ Offer a wide range of mid to high-end merchandise to meet the “one-stop shopping” needs of our customers

**Merchandise Mix in 2009**





# Future Strategies

# Operating and Growth Strategy

## Operating Strategy

- ▶ Effective adjustment of brand portfolio and promotional campaigns to boost sales
- ▶ Self-owned property or long-term leases to immune the Group from rental inflation and enjoy the upside of owned properties' appreciation
- ▶ Implement effective cost control, optimize operation flow, enhance overall efficiency and management standard

## Growth Strategy

- ▶ To double our GFA in the coming three years
- ▶ Expanding into Jiangsu's neighboring provinces such as Anhui
- ▶ Merger and acquisition of companies that provides attractive returns

# Upcoming new stores

Upcoming store GFA (sq. m.)	Owned / leased	2010	2011	2012
Huaipei, Anhui	Leased	29,133		
Heifei, Anhui	Leased	75,600		
Yancheng Additional	Owned	19,476		
Suqian, Jiangsu	Owned		67,000	
Jiangning, Nanjing	Owned		50,000	
Hexi, Nanjing	Owned		70,000	
Kunshang, Jiangsu	Owned		50,000	
Kunming II, Yunnan	Leased		39,000	
Liyang, Jiangsu	Owned			50,000
Danyang, Jiangsu	Leased			50,000
Lianyungang, Jiangsu	Owned			40,000
Xinjiekou II, Nanjing	Owned			50,000
Changzhou, Jiangsu	Owned			80,000
<b>Total</b>	<b>2009: 511,945</b>	<b>124,209</b>	<b>276,000</b>	<b>270,000</b>



# Post balance sheet events

# Financial highlights

## 1Q financial highlights

- ▶ Achieved over 30% GSP growth
- ▶ Over 20% SSSG
- ▶ Maintained stable gross profit margin

# Our Mission



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



# Open Forum

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