

北京京客隆
商业集团股份有限公司
BEIJING JINGKELONG COMPANY LIMITED

Stock code: 8245 HK

Interim Results 2007

August 2007



Financial Summary



RMB '000	For the 6 months ended 30 Jun		
	2007 <i>(unaudited)</i>	2006 <i>(audited)</i>	Change
Turnover	2,572,208	2,161,105	+19.0%
Gross profit	337,995	263,086	+28.5%
Profit attributable to shareholders	56,819	47,305	+20.1%
Basic earnings per share <i>(RMB)</i>	14.8 cents⁽¹⁾	19.2 cents	N/A

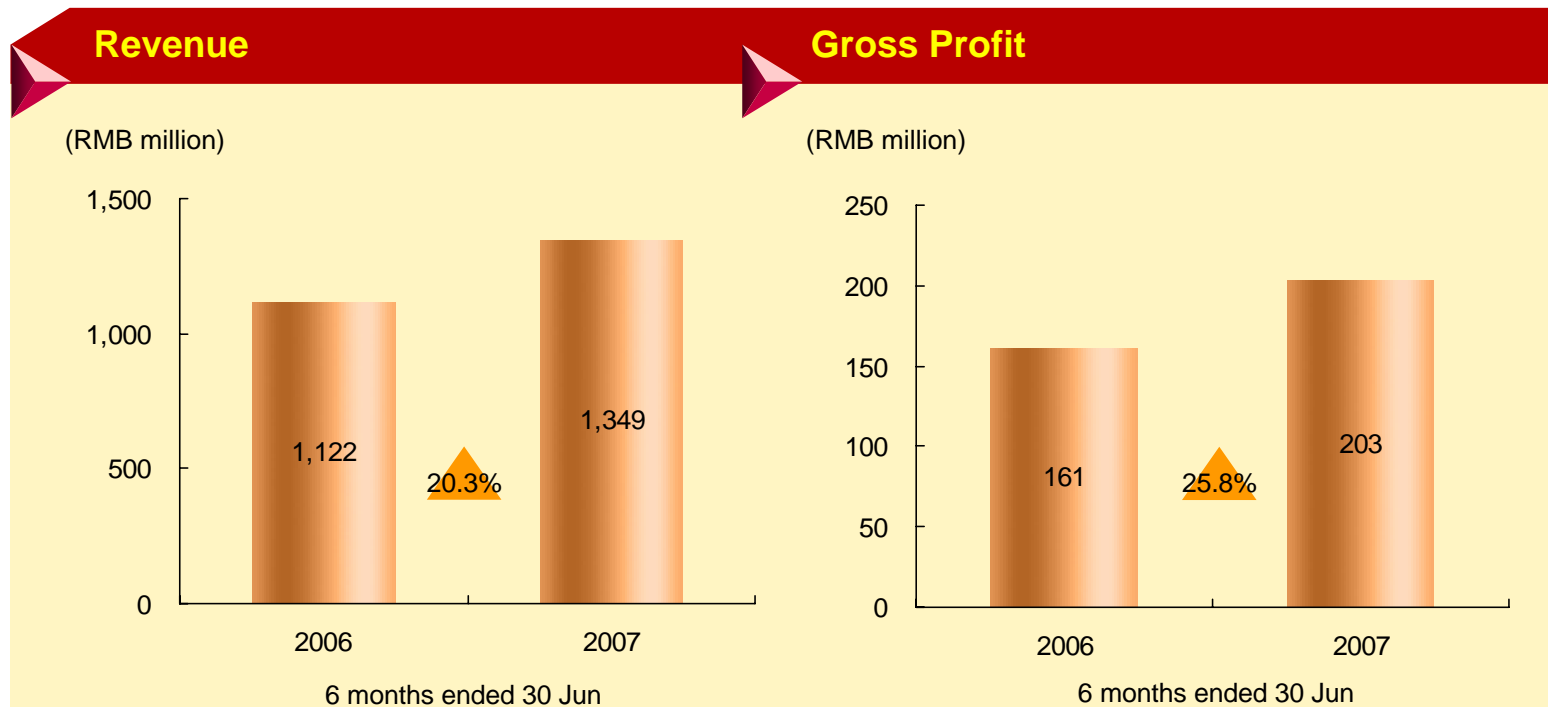
(1) (1) Increase in equity from listing proceeds

Retail Business - Revenue and Gross Profit



■ Retail business:

- Revenue increased by approximately 20.3%
- Gross profit rose by approximately 25.8%
- Gross profit margin increased from 14.4% to 15.0%



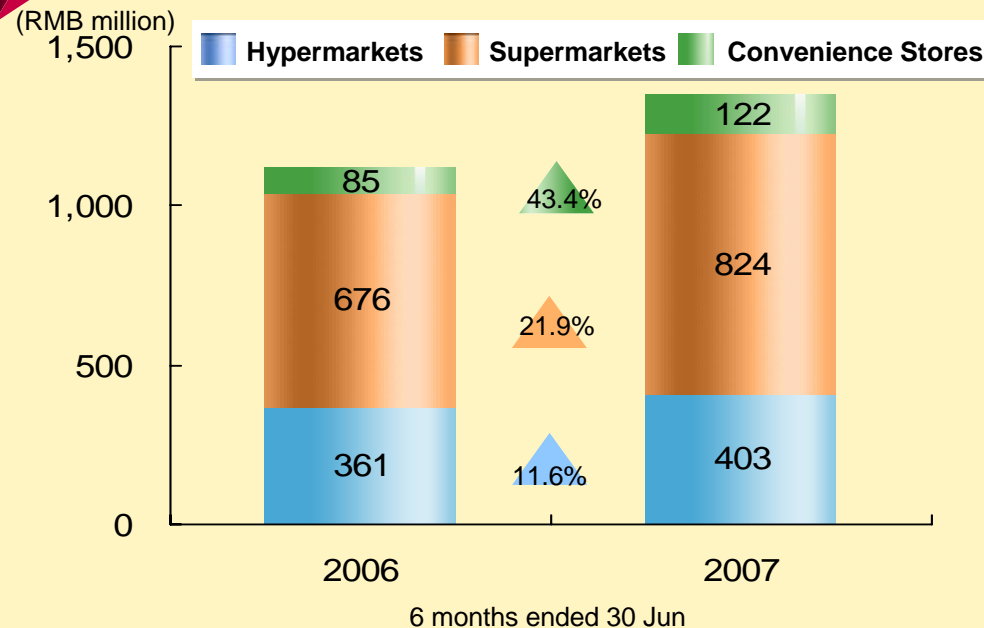
Revenue and Gross Profit Margin Breakdown by Retail Segments



- Revenue from hypermarkets, supermarkets and convenience stores accounted for approximately 29.9%, 61.1% and 9.0% of total revenue from retail business respectively

- GP margin rose :
 - Bulk purchase enhancing bargaining power
 - Better margin from live and fresh produce
 - Optimization of product mix

Revenue Breakdown by Retail Segments



Gross Profit Margin by Retail Segments

	For the 6 months ended 30 June	
	2007	2006
Hypermarket	15.2%	13.4%
Supermarket	15.0%	14.8%
Convenience Store	15.0%	14.7%

Business Statistics by Format



Hypermarkets	As at 30 Jun	
	2006	2007
Number of stores	4	5
Total operating area ('000 sq.m.)	38.6	44.9
Average area per store ('000 sq.m.)	9.7	9.0
Revenue/Operating area/day (RMB)	51.6	49.5
Average value per transaction (RMB)	52.1	48.5
Same store sales growth (%)	1.3	7.8

Supermarkets	As at 30 Jun	
	2006	2007
Number of stores	29	40
Total operating area ('000 sq.m.)	72.4	92.3
Average area per store ('000 sq.m.)	2.5	2.3
Revenue/Operating area/day (RMB)	51.8	49.3
Average value per transaction (RMB)	30.4	31.3
Same store sales growth (%)	9.2	15.2

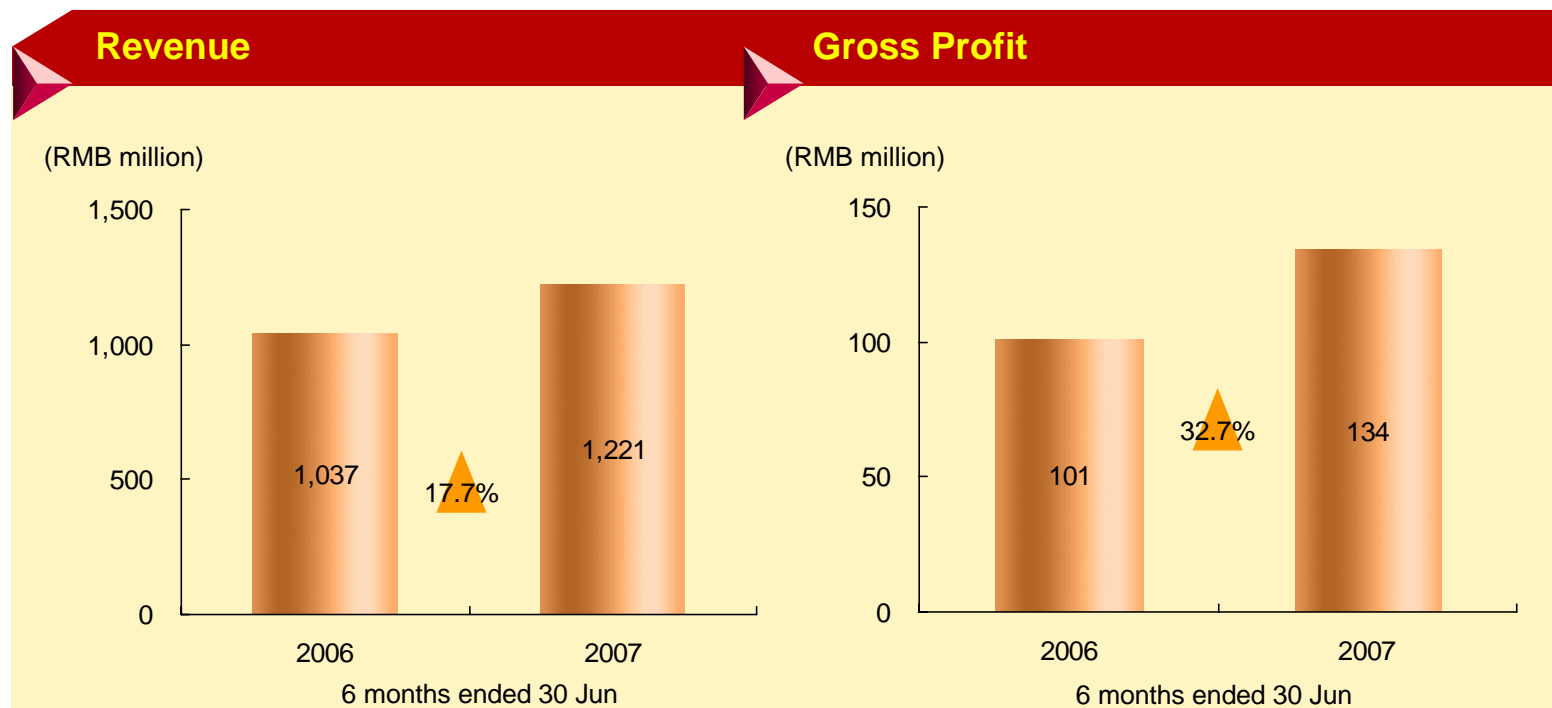
Convenience Stores	As at 30 Jun	
	2006	2007
Number of directly operated stores	35	39
Total operating area ('000 sq.m.)	8.1	8.8
Average area per store ('000 sq.m.)	0.23	0.23
Revenue/Operating area/day (RMB)	58.2	76.5
Average value per transaction (RMB)	8.7	12.4
Same store sales growth (%)	4.5	16.6



Wholesale Business - Revenue and Gross Profit



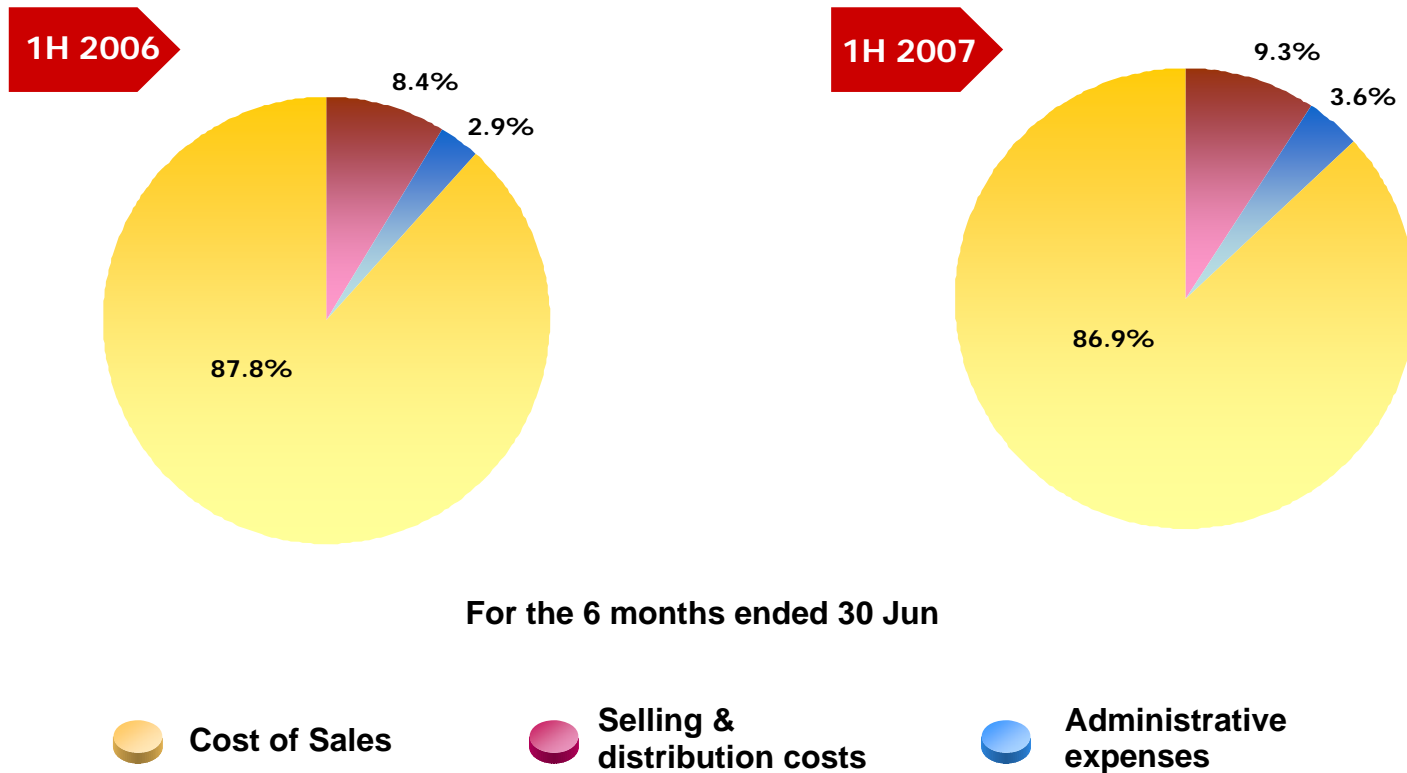
- Wholesale business:
 - Revenue increased by approximately 17.7%
 - Gross profit surged approximately 32.7%
 - Gross profit margin improved from approximately 9.8% to 11.0%



Operating Expenses



- Implemented various measures to stringent cost control



Key Financial Figures



Key Financial Ratios	As at 30 Jun	
	2006	2007
Gross profit margin	12.2%	13.1%
EBITDA margin	6.0%	6.1%
EBIT margin	4.7%	4.7%
Net profit margin	2.2%	2.2%
Effective tax rate	36.0%	30.4%
Return on equity	13.5%	5.8% ⁽¹⁾
Current ratio (times)	0.77	1.02
Net gearing ratio	122.9%	20.8%

(1) (1) Increase in equity from listing proceeds

Key Financial Figures (Cont'd)



Key Financial Ratios

	As at 30 Jun	
	2006	2007
Inventory turnover days	34	38
Debtor turnover days	32	31
Creditor turnover days	60	57
Fixed assets turnover	4.1x	4.3x
Operating lease / revenue	1.0%	1.5%
Staffing expenses / revenue	4.9%	5.5%
Finance costs / sales	0.4%	0.6%
Retail: revenue / employee (RMB)	319,000	335,000

Use of Proceeds



Application of Proceeds		
HK\$'000	IPO Proceeds	Actual Application*
Expansion of retail distribution network in the PRC	356,600	210,805
Increase operating efficiency	175,400	30,826
Brand building	52,600	51,875
Total	584,600	293,506

** Period from 25 September 2006 (Date of listing) to 30 Jun 2007*

Expansion of Retail Network



- Expansion of retail network in 2007:
 - 2 supermarkets
 - 11 convenience stores



Number of Retail Outlets directly operated by the Group as at the date indicated:

	As at 30 Jun	
	2006	2007
Hypermarket	4	5
Supermarket	29	40
Convenience Stores	35	39
	68	84

Number of franchised stores:

	As at 30 Jun	
	2006	2007
Supermarket	5	1
Convenience Stores	96	90
	101	91

Net operating area (sq. m.) in 1H2007:

	As at 30 Jun 2007		
	Hypermarkets	Supermarkets	Convenience Stores
Directly-operated	44,938	92,317	8,841
Franchise-operated	-	880	17,941
	44,938	93,197	26,782

Wholesale Business



- Established two new companies for wholesale of:

Beijing Chaopi Huilong

Food, wines, beverages, etc.

Beijing Chaopi Zhongde

Daily consumer sanitary products



- Wholesale business of Tianjin, Qingdao and Shijiazhuang are pursuing steadily
- Increased stake in Qingdao and Shijiazhuang subsidiaries and became the wholly-owned subsidiaries of Chaopi Trading

Improvement in Business Operations



➤ Perfection of logistics and distribution function

- Dry product logistics centre redesigned distribution system to prepare for implementation of semi-automatic logistics classifying and picking equipments
- Live and fresh produce logistics center implements planting orders, cost plan purchase and entire route quality control
- Purchase and planting bases established in 64 counties/ towns in PRC

➤ Enhancement of information management system

➤ Optimization of product mix

- eliminating unsold commodities and introducing brandname commodities

➤ Accelerating development of own branded products

- launched 71 new products adding up to a total of 287

Proposal of Main Board Migration



- Main Board Migration has been approved at EGM on 20 March 2007
- Received approval in-principle from listing committee of the Stock Exchange by way of introduction on 27 June 2007
- Trading on the Main Board is expected to commence on 3 October 2007
- Migration to Main Board will:
 - Further expand shareholder base
 - Enhance the liquidity of H shares
 - Beneficial to the Group in terms of future growth, financing flexibility and business development

Future Plans and Strategies



Our key business objectives going forward are:

- Further expand retail and wholesale network in Greater Beijing Region, Eastern and Northern China by appropriate M&As
- Upgrade logistics and information management system
- Maximize synergies through integration of Shoulian



**Become One of the Leading Integrated Retail
and Wholesale Distribution Operators
in the Greater Beijing Region**