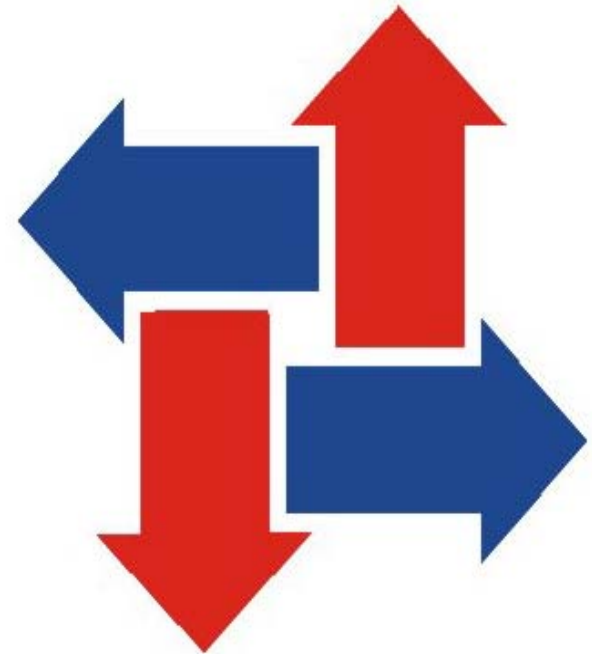


**北京京客隆**  
**商业集团股份有限公司**  
BEIJING JINGKELONG COMPANY LIMITED

Stock Code : 814HK

# Interim Results 2010 Corporate Presentation

**August 2010**



# Agenda

**I. Financial Review**

**II. Business Review**

**III. Strategies & Future Plans**

**IV. Open Forum**



# Financial Review



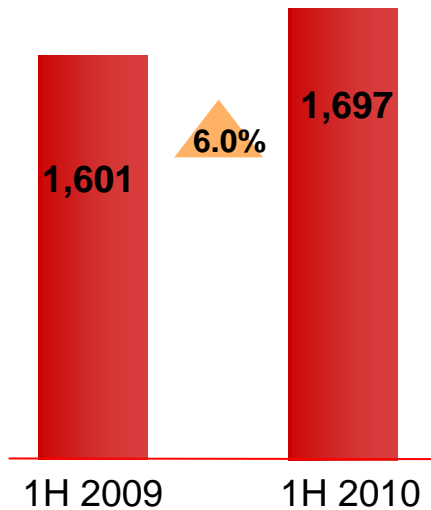
# Financial Summary

<i>(RMB '000)</i>	2010	2009	yoy growth
<i>For the 6 months ended 30 June</i>			
<b>Revenue</b>	<b>3,467,722</b>	3,249,298	6.7%
- <i>Retail</i>	<b>1,697,474</b>	1,601,119	6.0%
- <i>Wholesale</i>	<b>1,767,313</b>	1,644,876	7.4%
<b>Gross profit</b>	<b>485,183</b>	452,543	7.2%
<b>Profit attributable to shareholders</b>	<b>84,449</b>	70,340	20.1%
<b>Basic EPS (RMB)</b>	<b>20.5cents</b>	17.1cents	19.9%

# Retail Business

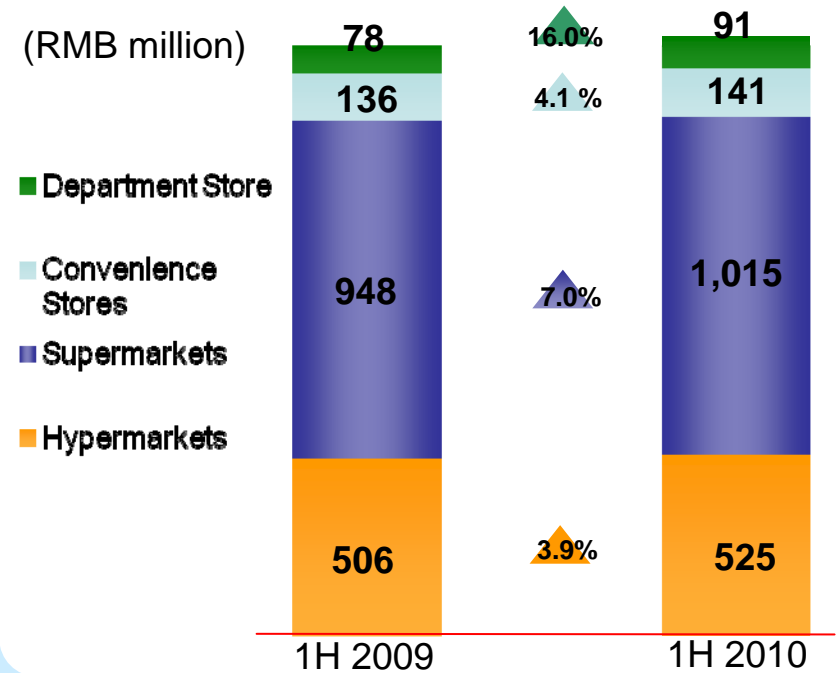
## Revenue

(RMB million)



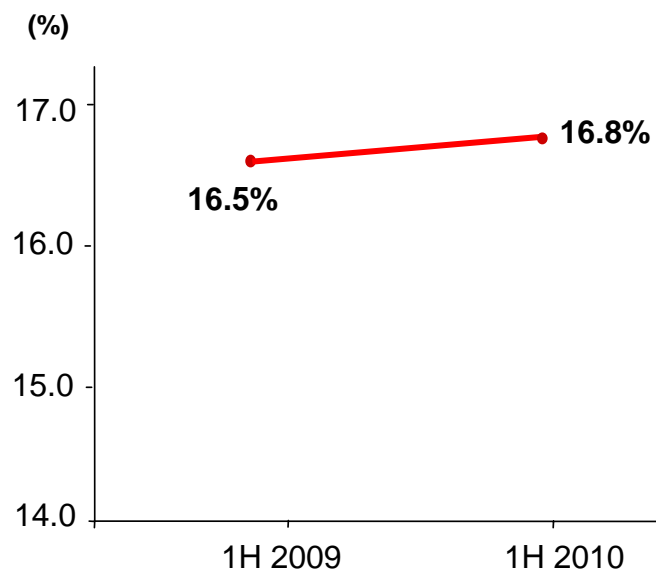
## Revenue by Segments

(RMB million)



# Retail Business

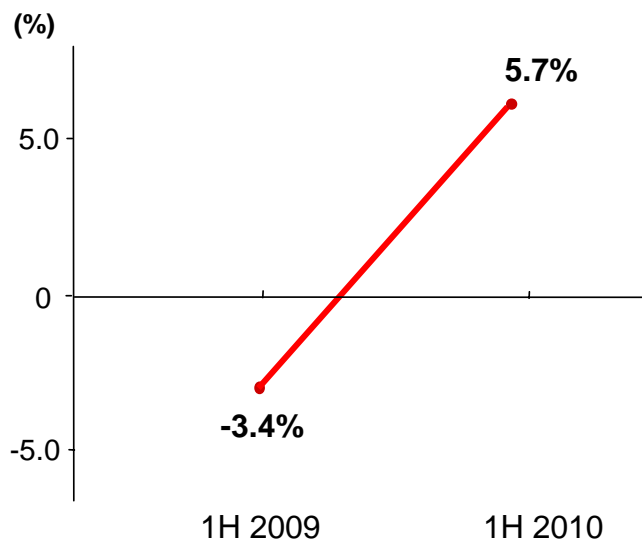
## Gross Profit Margin



<i>Gross Profit Margins</i>	1H2009	1H2010
Hypermarkets	16.6%	<b>16.8%</b>
Supermarkets	16.6%	<b>17.0%</b>
Convenience Stores	14.8%	<b>15.2%</b>
<b>Total</b>	16.5%	<b>16.8%</b>

# Retail Business

## Same Store Sales Growth Rate



Same Store Sales Growth Rate	1H2009	1H2010
Hypermarkets	(4.3)%	<b>4.0%</b>
Supermarkets	(2.8)%	<b>6.9%</b>
Convenience Stores	(4.3)%	<b>3.7%</b>
<b>Total</b>	(3.4)%	<b>5.7%</b>



# Retail Business – Financial Analysis

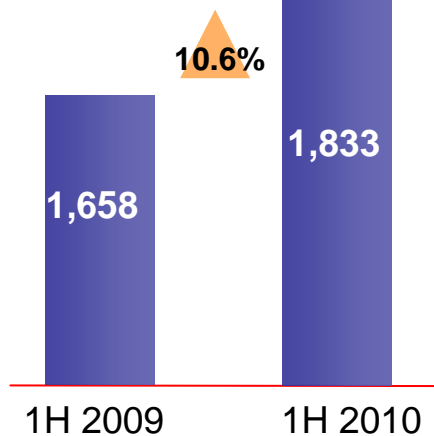
	Hypermarket		Supermarket		Convenience Store	
<i>As at June 30</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Number of directly operated stores	7	7	51	49	61	57
Total operating area ('000 sq.m.)	54	54	99.9	95.6	14.0	12.9
Average area per store ('000 sq.m.)	7.7	7.7	2.0	2.0	0.23	0.23
Revenue / Operating area / day (RMB)	54.1	53.4	56.4	55.1	55.9	55.4
Average value per transaction (RMB)	56.6	52.6	35.1	34.9	9.1	9.0

Notes: Results contributed by directly-operated hypermarkets, supermarkets and convenience stores (“Chain stores”)

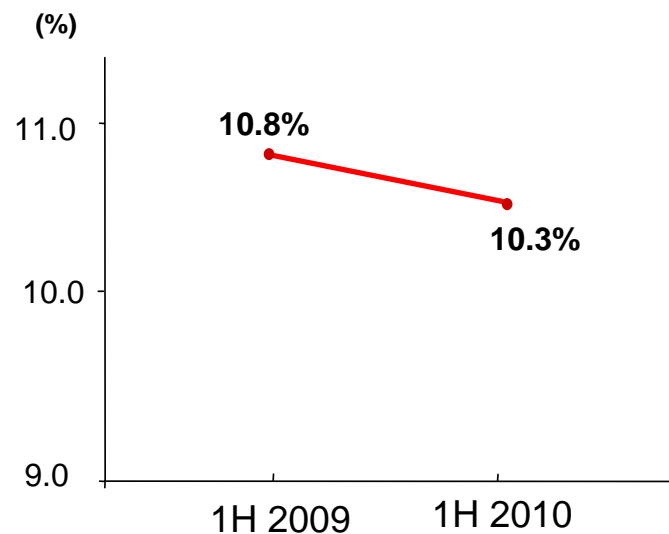
# Wholesale Business

## Revenue

(RMB million)



## Gross Profit Margin



Notes: Results contributed by Chaopi Trading Company Limited (“Chaopi Trading”) and its subsidiaries, excluding the sales to franchisees.

## Key Financial Figures

	1H 2010	1H 2009
<b>Gross profit margin</b>	<b>14.0%</b>	13.9%
- <i>Retail</i>	<b>16.8%</b>	<b>16.5%</b>
- <i>Wholesale</i>	<b>10.3%</b>	<b>10.8%</b>
<b>EBITDA margin</b>	<b>7.5%</b>	7.2%
<b>EBIT margin</b>	<b>5.4%</b>	5.0%
<b>Net profit margin</b>	<b>2.4%</b>	2.2%
- <i>Retail</i>	<b>2.7%</b>	<b>2.4%</b>
- <i>Wholesale</i>	<b>3.2%</b>	<b>3.0%</b>
<b>Effective tax rate</b>	<b>26.0%</b>	26.7%
<b>Return on equity</b>	<b>6.1%</b>	5.4%
<b>Current ratio</b>	<b>1.03x</b>	0.92 x
<b>Net gearing ratio</b>	<b>78.2%</b>	67.5%

## Key Financial Figures

	1H 2010	1H 2009
Inventory turnover days	46	42
- Retail	30	31
- Wholesale	51	49
Debtor turnover days	60	55
- Retail	2	2
- Wholesale	69	67
Creditor turnover days	55	48
- Retail	58	47
- Wholesale	45	43
Fixed asset turnover ratio	2.2 x	2.3 x

## Key Financial Figures

	1H 2010	1H 2009
Selling and distribution costs/ Revenue	11.7%	11.2%
- Retail	13.6%	13.7%
- Wholesale	9.8%	8.6%
Administrative costs/ Revenue	3.7%	4.1%
- Retail	6.0%	6.3%
- Wholesale	1.5%	1.9%
Operating lease/ Revenue	1.8%	1.7%
- Retail	2.3%	2.1%
Staff expense/ Revenue	5.7%	6.4%
Finance cost/ Revenue	1.4%	1.3%



# **Business Review**

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## **Steady Expansion of Retail Network**

- 8 retail outlets were newly opened including 5 directly-operated stores (2 supermarkets and 3 convenience stores) and 3 franchise-operated convenience stores
- Steady expansion in Langfang, Hebei province where the number of stores reached 10 (including 1 hypermarket, 3 supermarkets and 6 convenience stores)

### **Number of Retail Outlets as at 30 June 2010**

	<b>Directly Operated Stores</b>	<b>Franchised Stores</b>	<b>Shoulian delegated</b>	<b>Total</b>
<b>Department store</b>	1	-	1	<b>2</b>
<b>Hypermarket</b>	7	-	2	<b>9</b>
<b>Supermarket</b>	51	1	20	<b>72</b>
<b>Convenience Stores</b>	61	99	-	<b>160</b>
<b>Total</b>	<b>120</b>	<b>100</b>	<b>23</b>	<b>243</b>

# Improvement of Operation Management

- ❖ **Perfection of centralized procurement and distribution systems**
- ❖ **Standardization of operating management**
- ❖ **Unification of commodity marketing**
- ❖ **Enhancement of customers services**

# Improvement of Wholesale Business

## Development of new operating channels

- ❖ Prepared to develop in the Beijing peripheral general rural market

## Optimization of commodity structure

- ❖ Introduction of imported products
- ❖ Introduction of upscale and environment-friendly products

# Strategies & Future Plans

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# Strategies & Future Plans

## Retail Business

- Achieve expansion target set at the beginning of the year:  
Establish 2 hypermarkets, 8 supermarkets and 10 directly-operated convenience stores per year
- Improve the standard of logistic management by continuous upgrading of logistics and distribution systems
- Complete the acquisition of Shoulian and seek other M&A opportunities

## Wholesale Business

- Further consolidate the coverage of wholesale network in suburb area and other towns in order to expand market share
- Strength construction of distribution system
- Increase the number of sole distributorship brands

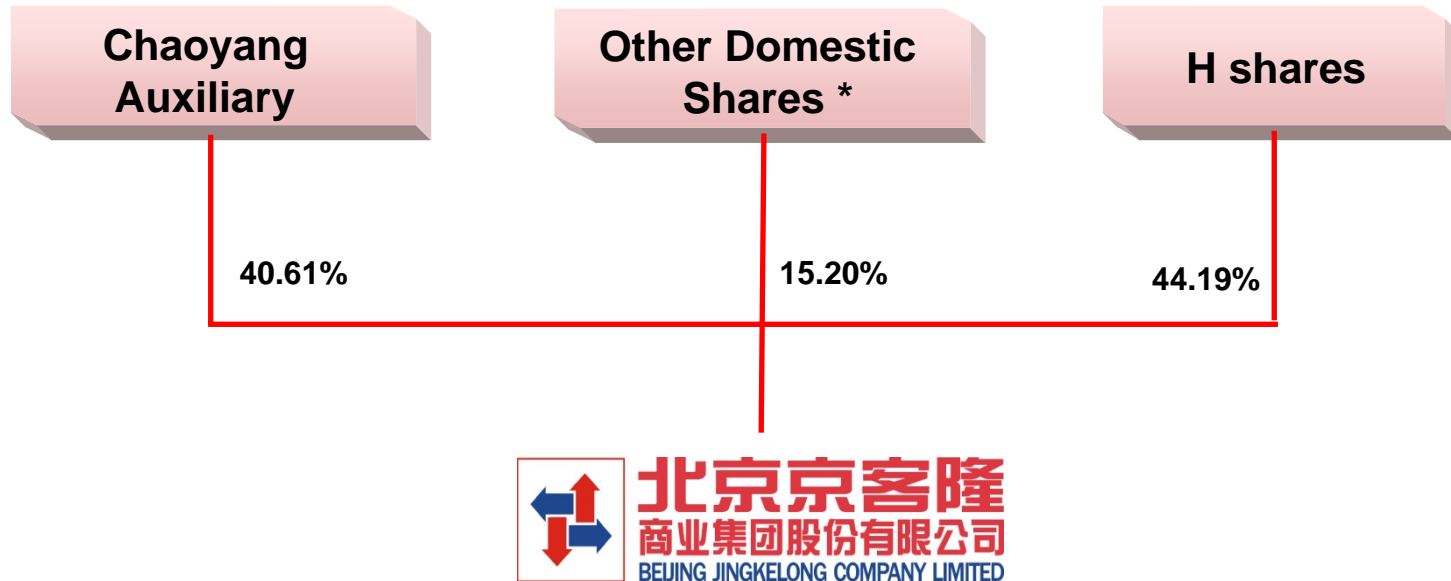


# Open Forum





# Appendix I: Shareholding Structure



*\* 9.9% Domestic shares are held by the senior management and employees.*



# Appendix II: Business Structure

