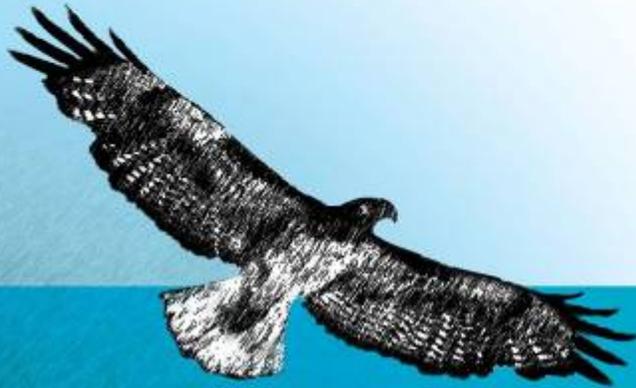




GOLDEN EAGLE RETAIL GROUP LIMITED
金鷹商贸集团有限公司

To Be The Best In Our Field



**CORPORATE
PRESENTATION**

November 2008

- ▶ **Golden Eagle's Competitive Strengths**
- ▶ **Financial Highlights**
- ▶ **Future Plans and Strategies**



Golden Eagle's Competitive Strength

- ▶ **PRC government's policies to boost domestic demand ensures prudent outlook for retail industry**
- ▶ **Concessionaire sales accounted for over 90% of the total sales -- Concessionaire-driven model ensures minimal inventory risks and enables flexibility in brand and merchandise mix**
- ▶ **Over 80% ownership of premises safeguards costs and ensures immunity from inflationary pressure**
- ▶ **Successful and growing loyalty program secured high spending and recurring clients**
- ▶ **Jiangsu Province – total GDP rank 3rd highest in the country**
- ▶ **Stores in prime locations in high growth cities**

Latest Development

- ▶ **Yancheng Store, the 12th store of the Group, will commence soft opening in December 2008**
- ▶ **The Group entered into agreement to acquire Shanghai Store (Shanghai Fude). The store is located at the hub of Shanghai City and carries luxury brands such as GUCCI, BOTTEGA VENETA, TRUSSAUDI and Y-3. The store is scheduled to reopen in April 2009**
- ▶ **The Group was appointed to manage Orient Department Store during Year 2009. The store sits at the Xinjiekou business circle of Nanjing and carries luxury brands including GUCCI, EMPORIO ARMANI, FENDI and CELINE. The Group will receive 50% of profit increment as management consultancy fee**

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	Kunming	Nanjing Zhujiang	Huai'an
											
Years into operation⁽¹⁾	12.5 years	8 years	7 years	6 years	5 years	3 years	2.5 years	2 years	1.5 year	1 year	Opened on Oct 21, 2008
1H08 sales (RMB mil)	1,326.6	134.6	466.8	112.6	474.9	41.0	157.3	152.8	62.9	72.8	NA
1H08 sales growth (%)	22.7%	8.0%	26.1%	18.9%	32.5%	-14.8%	97.8%	85.4%	NA	NA	NA
Operating Area (sq.m.)	25,034	5,711	28,609	12,089	37,183	6,923	20,455	24,988	24,158	19,145	30,859

(1) As at 30 June 2008

Self Owned Properties

- Self owned properties in prime locations account for more than 80% of our GFA

Store (in operation)	Owned/ leased	GFA (sq. m)
Nanjing Xinjiekou	Owned	33,447
Nantong	Owned	8,795
Yangzhou	Owned / leased	37,562 / 3,450
Xuzhou	Owned	51,266
Suzhou	Leased	14,960
Xi'an Guomao	Leased	10,029
Xi'an Gaoxin	Owned	25,476
Taizhou	Owned	47,327
Kunming	Owned	33,702
Nanjing Zhujiang	Leased	24,545
Huai'an	Owned	48,000



Owned-to-leased GFA ratio

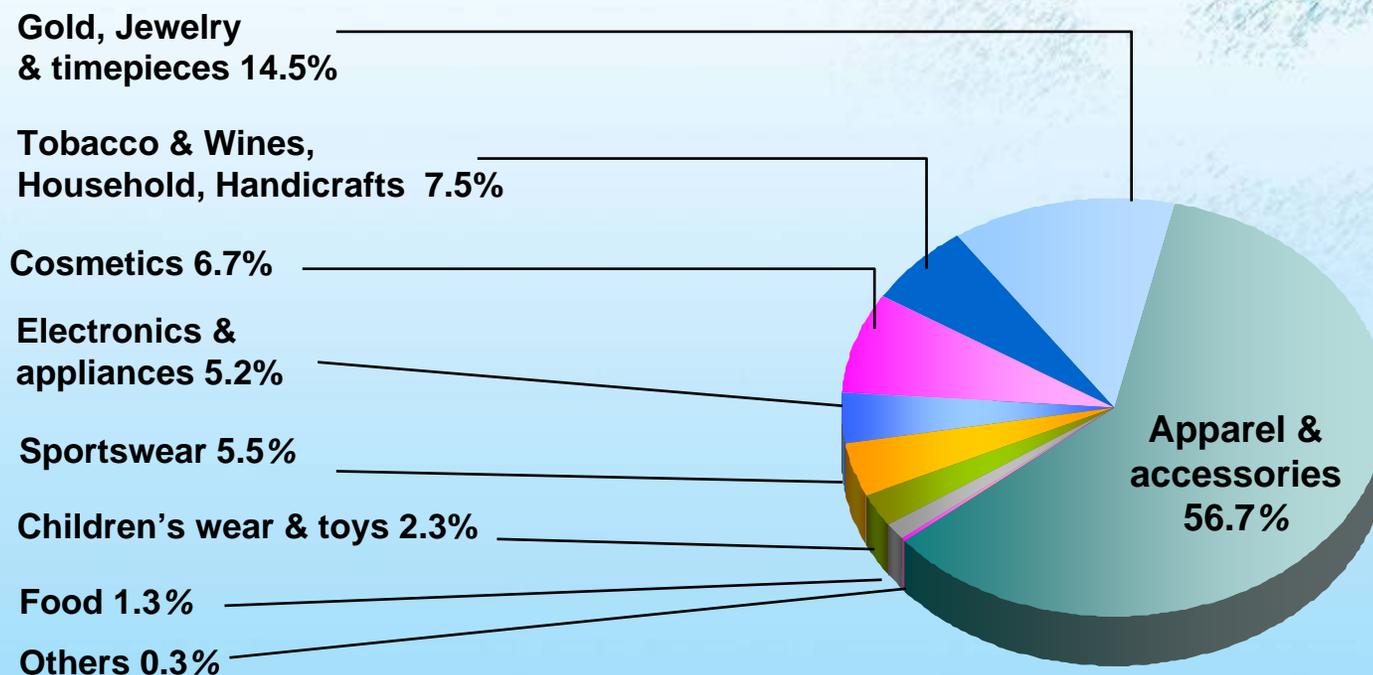
Upcoming store	Owned /leased	GFA (sq. m)
Yancheng (to be opened in Dec 08)	Owned	About 50,000
Shanghai (to be opened in Apr 2009)	Owned	About 40,000

* As a percentage of total GFA (sq m) as at 19 Nov 2008

Merchandise Offering

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

Merchandise Mix 1H2008



Premium Brand Portfolio

Diversified merchandise offering of > 1,100 renowned brands

Apparel & Accessories



Jewelry & Timepieces



Cosmetics



Electrical Appliances



Sportswear





Financial Highlights

1H 2008 Financial Highlights

<i>Six months ended 30 June</i> <i>(RMB million)</i>	2008	2007	(+/-)
Gross Sales Proceeds (GSP)	3,007.1	2,239.8	+34.3%
- Concessionaire Sales	2,776.4	2,049.9	+35.4%
- Direct Sales	220.5	181.5	+21.5%
- Rental Income	10.2	8.4	+21.4%
Revenue	684.0	512.8	+33.4%
Gross Profit	536.2	389.4	+37.7%
Profit before tax	473.9	268.8	+76.3%
Profit Attributable to Shareholders	353.9	181.5	+95.0%
EPS – Basic (RMB fen)	19.47	9.99	+94.9%

Financial Position

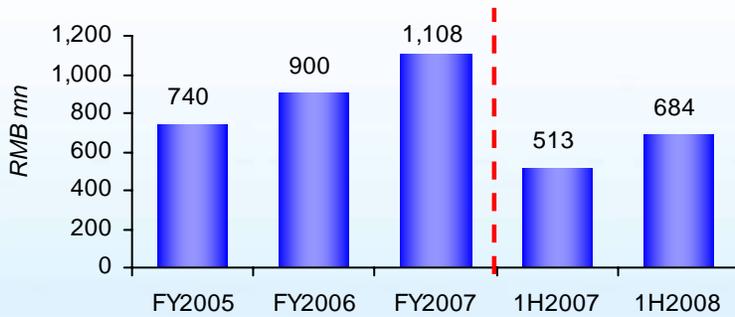
<i>RMB Million</i>	As at 30 June 2008	As at 31 Dec 2007
Net Current Assets	380.7	168.6
Total Assets	4,022.8	3,926.6
Convertible Bonds	808.8	820.0
Cash on Hand	860.9	1,747.9
Current Ratio (Times)	1.2	1.1
Gearing Ratio (note 1)	20.1%	20.9%

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

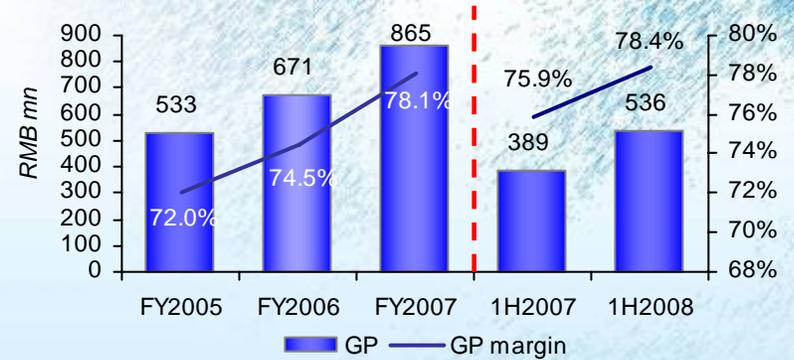
Strong Growth and Profitability



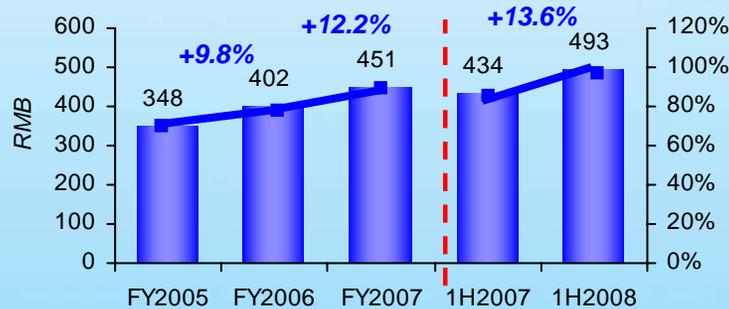
Turnover



Gross Profit



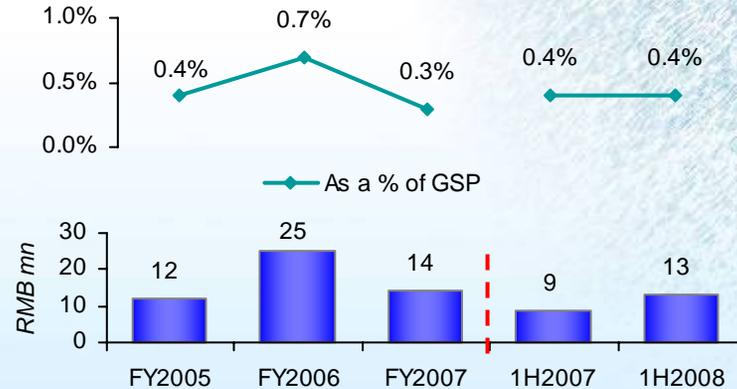
Sales Per Ticket



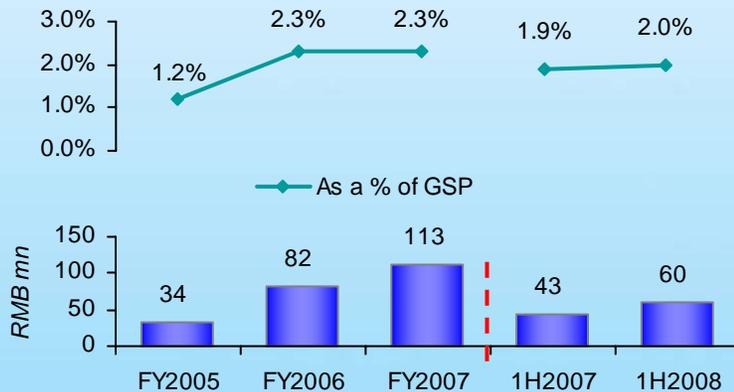
Stable Expense Ratios



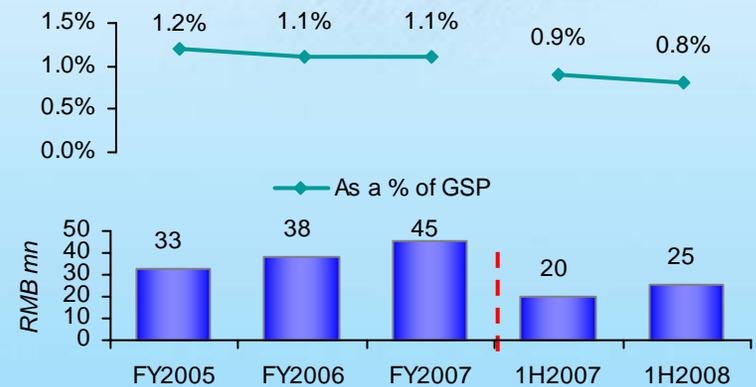
Rental Expense



Staff Expense



Water and Electricity Expense





Future Plans and Strategies

Operating and Growth Strategy



Operating Strategy

- ▶ Setting up stores in areas in Jiangsu where the Group's coverage yet to be extended
- ▶ Opening new stores in cities where we have already set up stores to establish branding presence
- ▶ Strategic cooperation relationships with international brands to upgrade 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 to immune the Group from rental fluctuations

Orient Department Store





Management Agreement on Orient Mall with Nanjing Xinbai



General Terms

- ▶ Duration: 1 January 2009 to 31 December 2009. Extendable on further negotiation
- ▶ Scope of management service of GE to Orient Mall:
 - designate not more than two senior management staff as well as other management team
 - provide day-to-day management and operational support for the store

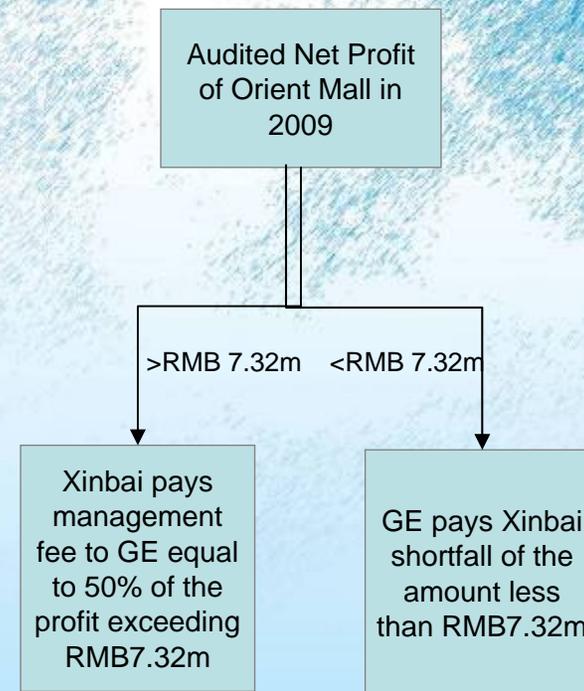
Earnings Accretion

- ▶ Maximum fee received for 2009 is estimated to be RMB 11.85 mm.
- ▶ EPS accretion for Golden Eagle is estimated to be RMB0.006, representing 1.6% enhancement without additional capital expenditure requirements

Basis for further consolidation

- ▶ Resolves conflict of interest within the Group
- ▶ GE will achieve better stance on the decision and execution for the potential acquisition of the whole business of 3 department stores from Nanjing Xinbai

Management fee determination



– RMB7.32 million equals to the Audited Net Profit of Nanjing Orient Department Store in 2007.

Our Mission



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



Open Forum



Disclaimer

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