



Annual Results 2010 March 2011

Achievements in 2010

- ▶ **Achieved encouraging results amid challenging market landscape in 2010**
 - ✓ Total GSP increased to RMB10.9 billion, 📈 33.7%
 - ✓ Concessionaire rate remains stable at 20.0%
 - ✓ Profit from operations increased to RMB1.2 billion, 📈 30.0%
- ▶ **Same store sales growth (“SSSG”) maintained at a high level of 25.1%**
- ▶ **Number of VIPs reached over 826,000, accounting for 62.8% of the Group’s total GSP**
- ▶ **Working actively on the store expansion plan**

2010 Financial Highlights

<i>Year ended 31 December (RMB million)</i>	2010	2009	(+/-)
Gross Sales Proceeds (GSP)	10,949.3	8,191.7	+33.7%
- Concessionaire Sales	10,109.4	7,564.6	+33.6%
- Direct Sales	791.1	588.9	+34.3%
- Rental Income and Management Service Fees	48.8	38.2	+27.8%
EBITDA	1,369.1	1,062.1	+28.9%
EBIT (Profit from operations)	1,245.8	958.2	+30.0%
Profit Attributable to Shareholders	959.2	250.9	+282.3%
EPS – Basic (RMB)	0.494	0.137	+260.7%

2010 Financial Highlights

<i>Year ended 31 December (RMB million)</i>	2010	2009	(+/-)
Profit Attributable to Shareholders			
As reported	959.2	250.9	+282.3%
Excluding the effects of Convertible Bonds related items:			
- Fair value changes on conversion and redemption options	-	461.7	
- Effective interest expense	-	55.4	
As adjusted	959.2	768.0	+24.9%
Adjusted basic earnings per share (RMB)	0.494	0.419	+17.8%

Financial Position

<i>RMB Million</i>	As at 31 Dec 2010	As at 31 Dec 2009
Total Assets	7,979.3	5,983.4
Total Liabilities	4,299.1	3,064.8
Net Assets	3,680.2	2,918.6
Short-term Bank Loans	458.4	269.0
Cash and Near Cash (note 1)	2,746.5	2,290.0
Gearing Ratio (note 2)	5.7%	4.5%
Adjusted Gearing Ratio (note 3)	-	-

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

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

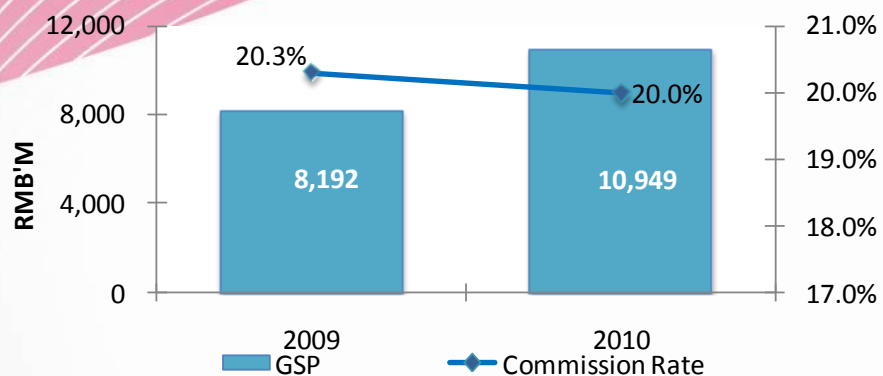
Note 3: *Adjusted gearing ratio excludes the effects of pledged and restricted bank deposits and short-term bank loans.*

Cash Flow Statement

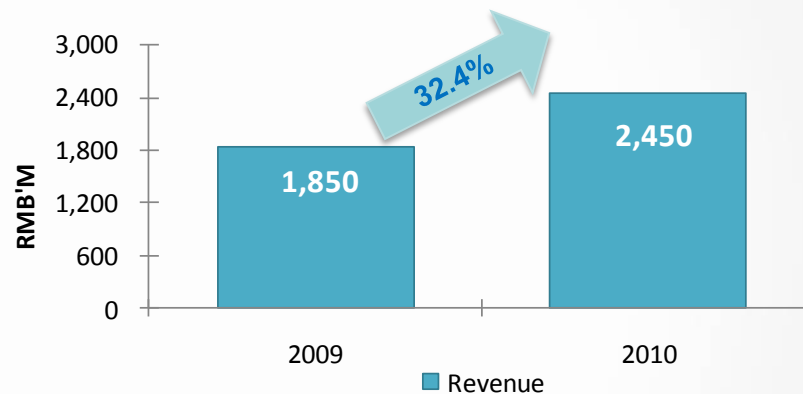
	2010	2009	(+/-)
Net cash from operating activities	1,914	1,418	+35.0%
Investing activities	(2,089)	(1,162)	+79.8%
Capex for the year	(1,404)	(1,029)	+36.4%
Net investments in short-term bank related deposits	(651)	(219)	+197.3%
Financing activities	(27)	(276)	-90.2%
Net decrease in cash and cash equivalents	(202)	(20)	+910.0%

Strong Growth and Profitability

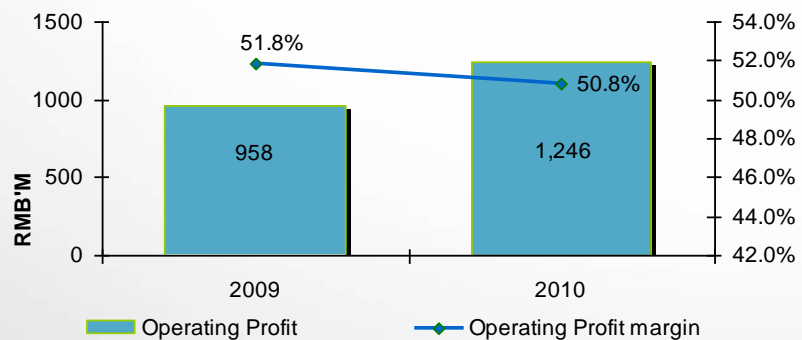
GSP & Commission Rate



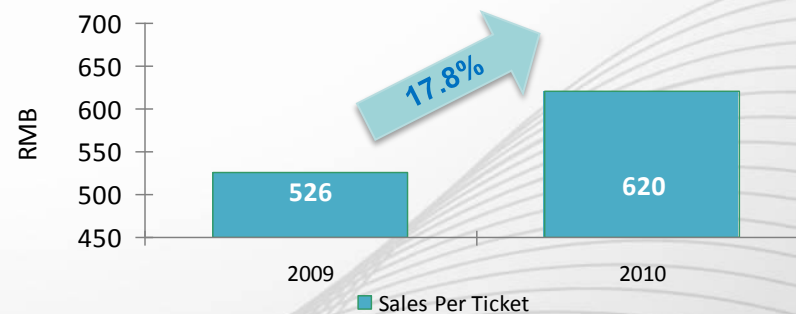
Revenue



Operating Profit

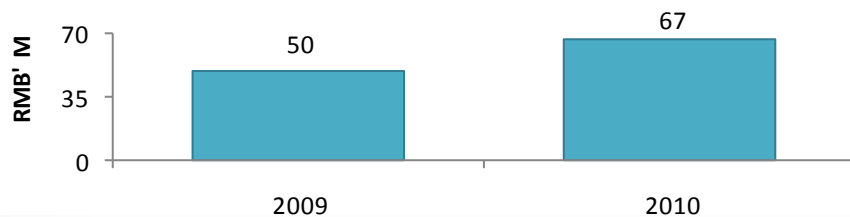
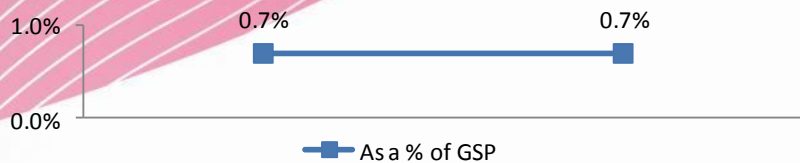


Sales Per Ticket (same store basis)

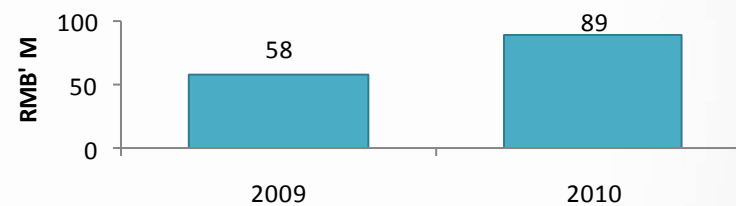
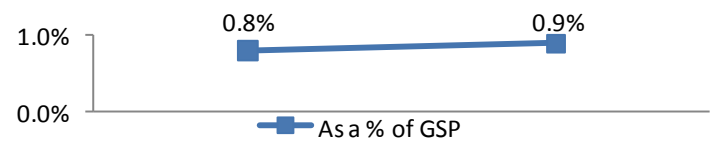


Stable Expense Ratios

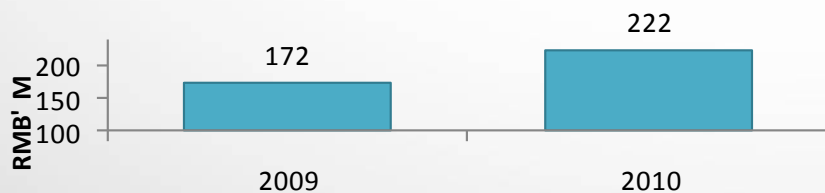
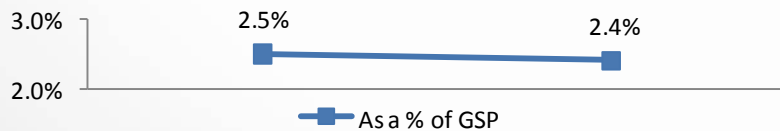
Advertising and Promotion Expense



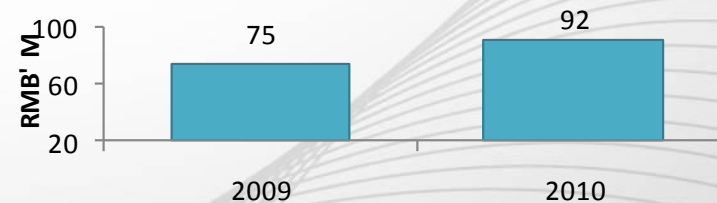
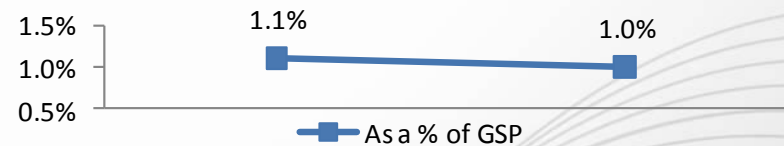
Rental Expense



Staff Expense

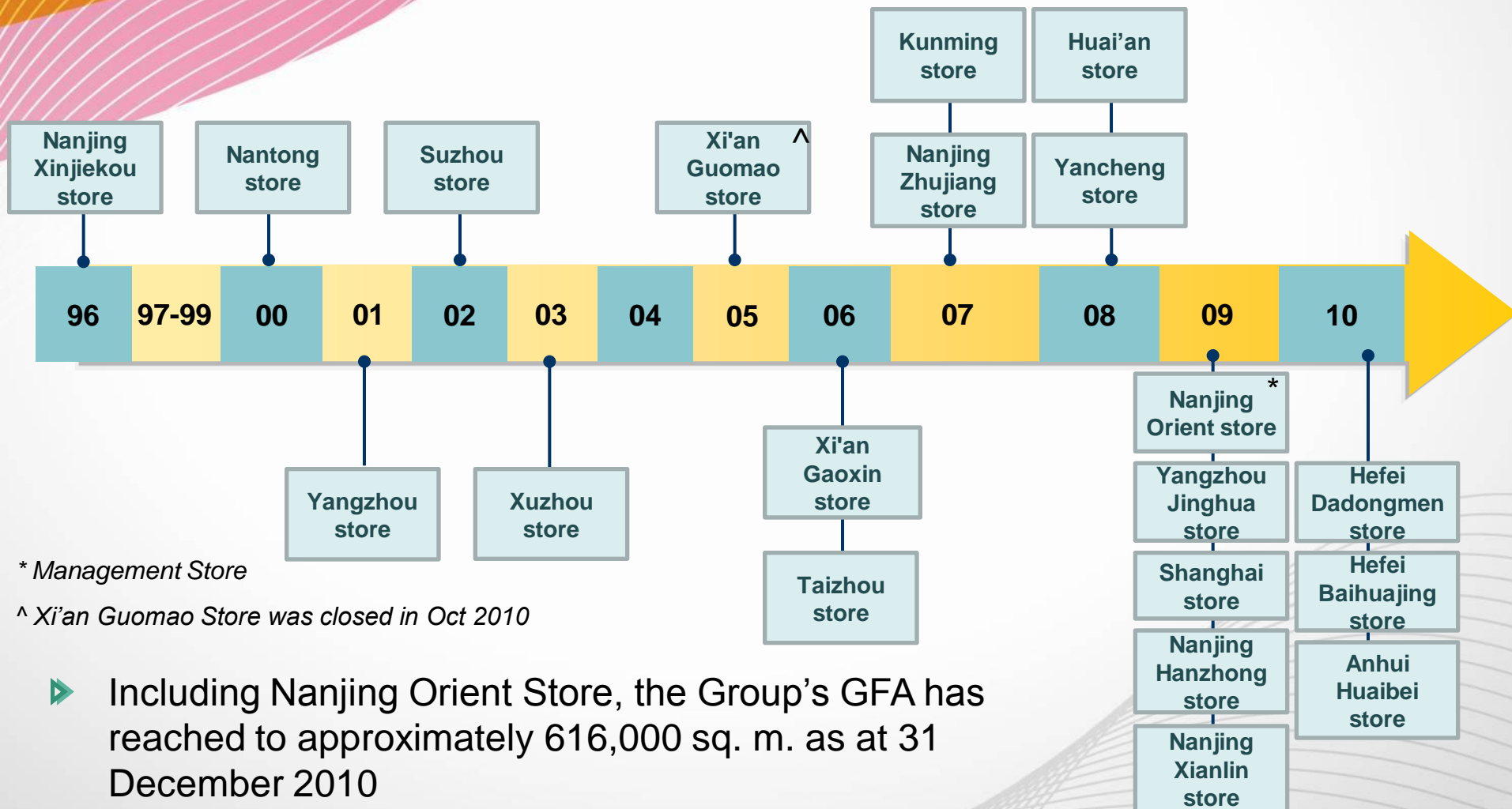


Water and Electricity Expense

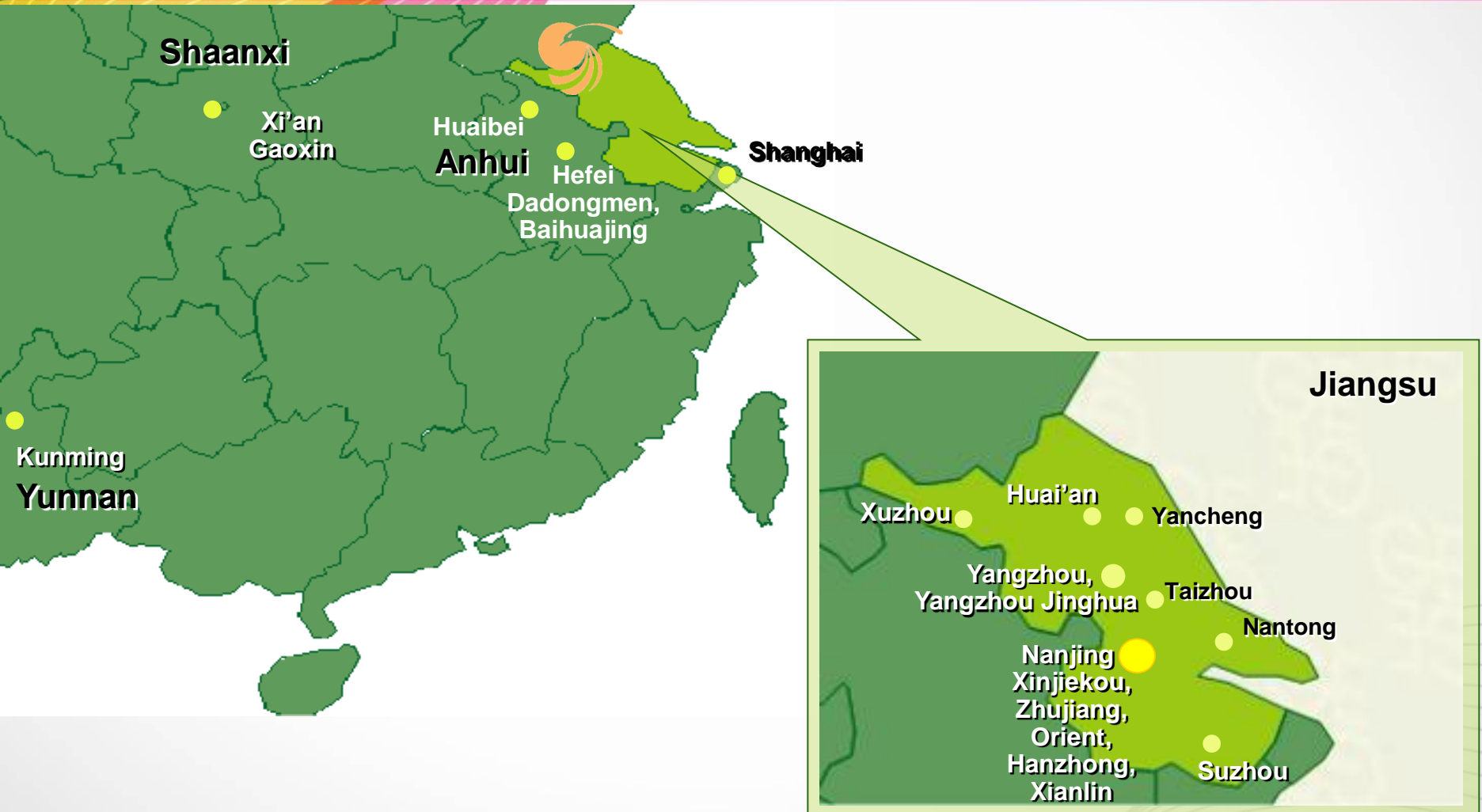


Business Review

Growing Presence in the PRC



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

Chain Store	Years into operation (1)	2010 sales (RMB' M)	2010 sales growth (%)	Operating Area * (sq.m.)	Sales Per Ticket (RMB)
Nanjing Xinjiekou	14.5 Years	3,251	14.7%	25,010	870
Nantong	10 Years	268	7.0%	5,743	654
Yangzhou	9 Years	1,288	18.7%	28,733	597
Suzhou	8 Years	308	11.4%	12,089	435
Xuzhou	7 Years	1,541	24.9%	42,641	571
Xi'an Gaoxin	4.5 Years	827	45.2%	20,499	638
Taizhou	4 Years	640	42.4%	36,579	499
Kunming	3.5 Years	298	24.8%	23,688	858
Nanjing Zhujiang	3 Years	344	41.9%	26,146	380

* Total operating area of 402,694 sq.m. as at 31 December 2010

(1) As at 31 December 2010

Rapidly Growing Store Sales (cont'd)

Chain Store	Years into operation (1)	2010 sales (RMB' M)	2010 sales growth (%)	Operating Area * (sq.m.)	Sales Per Ticket (RMB)
Huai'an	2 Years	350	62.0%	30,829	447
Yancheng	2 Years	545	81.6%	46,576	476
Yangzhou Jinghua	1.5 Years	201	NA	19,190	386
Shanghai	1.5 Years	428	NA	16,810	2,398
Nanjing Hanzhong	1.5 Years	184	NA	10,382	229
Nanjing Xianlin	1 Years	114	NA	16,888	267
Hefei Dadongmen	Since August 2010	154	NA	8,634	NA
Hefei Baihuajing	Since August 2010	108	NA	9,625	NA
Anhui Huaibei	Since Nov 2010	12	NA	22,632	NA

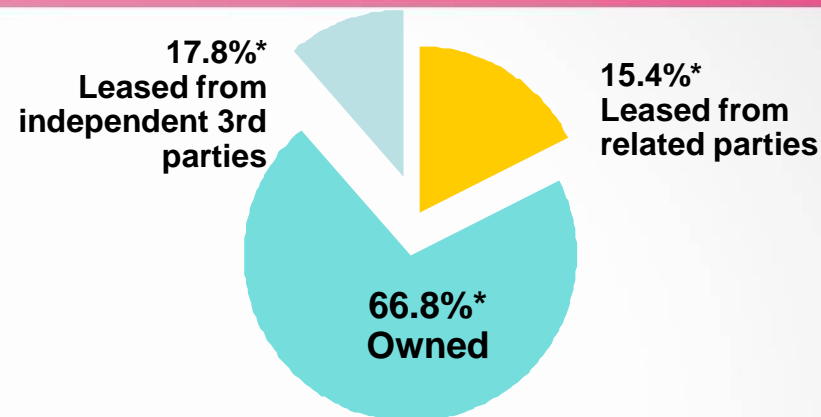
* Total operating area of 402,694 sq.m. as at 31 December 2010

(1) As at 31 December 2010



Self Owned Properties

- ▶ Self owned properties in prime locations account for 66.8% of our GFA



Owned-to-leased GFA ratio

* As a percentage of total GFA (sq. m.) as at 31 December 2010

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	15,916
Xuzhou	Owned	59,934
Xi'an Gaoxin	Owned	27,287
Taizhou	Owned	58,374
Kunming	Owned	33,446
Nanjing Zhujiang	Leased	33,578
Huai'an	Owned	49,689

Store (in operation)	Owned / leased	GFA (sq. m.)
Yancheng	Owned	84,898
Yangzhou Jinghua	Leased	27,185
Shanghai	Leased	21,306
Nanjing Hanzhong	Leased	12,462
Nanjing Xianlin	Leased	23,303
Hefei Dadongmen	Leased	10,356
Hefei Baihuajing	Leased	15,139
Anhui Huaibei	Leased	32,971

Total

589,098

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

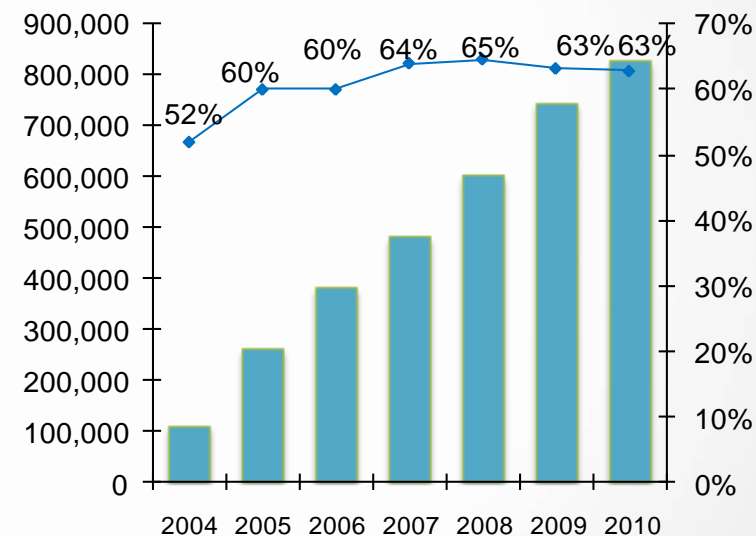
- ▶ 826,000 members*
- ▶ VIP consumption accounted for 62.8% of total GSP in 2010
- ▶ 3 classes: Platinum, Gold and Silver
- ▶ Application and renewal based on spending
- ▶ Bonus awards, exclusive benefits
- ▶ Introduced Co-branded credit cards with Bank of China, China Merchants Bank and Bank of Shanghai respectively

* As at 31 December 2010



Purchases by VIP members

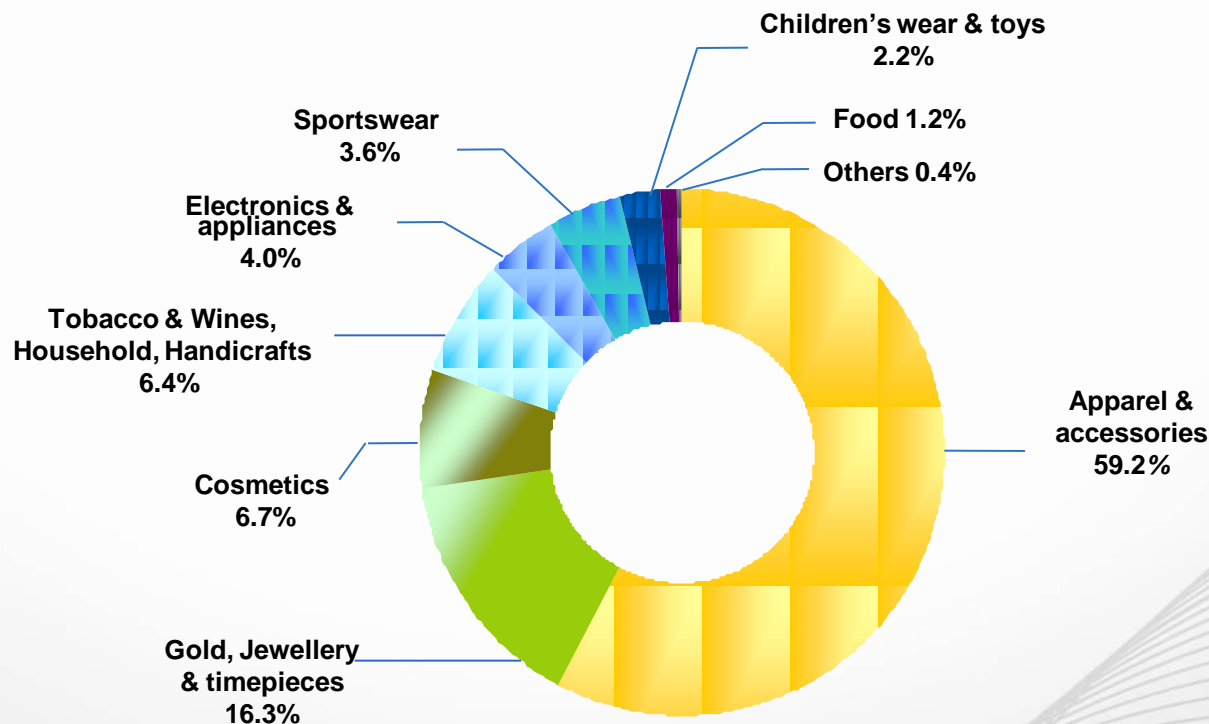
VIP members % of Total GSP



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 2010



Premium Brand Portfolio

- ▶ Diversified merchandise offering >2,300 renowned brands

2010 Sales growth
(same store basis)

Apparel &
Accessories



23.6%

Gold,
Jewellery &
Timepieces



41.7%

Cosmetics



22.7%



Future Strategies

Operating Strategy

- ▶ Continuous brand portfolio adjustment and launch innovative promotional campaigns
- ▶ Self-owned properties or long-term leases enable the Group to be immune from rental inflation and to enjoy the upside of self-owned properties' appreciation
- ▶ Implement effective cost control, optimize operation flow and enhance overall management efficiency

Growth Strategy

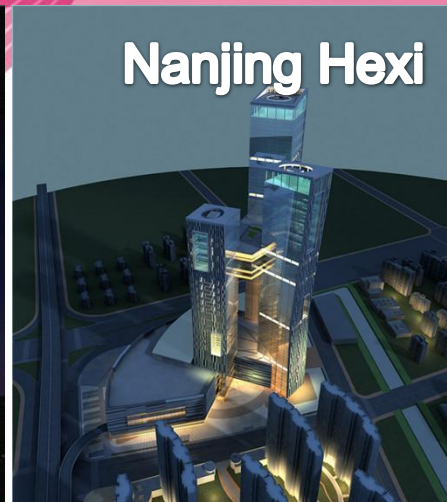
- ▶ Sustain our leading position in Jiangsu Province
- ▶ Expedite the progress of entering the Anhui market
- ▶ Expand further in Xi'an and Kunming
- ▶ Merger and acquisition of companies that is in line with our strategy

Upcoming New Stores

Upcoming store GFA (sq. m.)	Owned / Leased	2011	2012	2013-2014
Xianlin Additional, Nanjing	Leased	14,556		
Kunming 2, Yunnan	Owned	82,276		
Changzhou, Jiangsu	Leased	33,000		
Xi'an 2, Shaanxi *	Leased	19,000		
Kunming 3, Yunnan	Leased	39,000		
Suqian, Jiangsu	Owned	67,000		
Xuzhou 2, Jiangsu	Owned	35,800		
Liyang, Jiangsu	Owned	70,700		
Danyang, Jiangsu	Leased		50,000	
Xi'an 3, Shaanxi	Leased		62,500	
Kunshang, Jiangsu	Owned		118,500	
Ma'anshan, Anhui	Owned		90,000	
Xinjiekou 2, Nanjing	Owned			50,000
Nantong 2, Jiangsu	Owned			60,000
Jiangning, Nanjing	Owned			100,000
Changzhou 2, Jiangsu	Owned			80,000
Hexi, Nanjing	Owned			300,000
Total		361,332	321,000	590,000

* The new location for our previous Xi'an Guomao Store

Upcoming new stores (Cont'd)



Post balance sheet events

Soft opening of Hefei Flagship store

- ▶ GFA : approx. 61,000 sq.m.
- ▶ Soft Opening : on 15 January 2011

The Group's Jan and Feb 2011 financial highlights

- ▶ Achieved over 30% GSP growth
- ▶ Achieved over 26% 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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