

[For Immediate Release]



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

Golden Eagle Announces 2009 Annual Results
GSP and Profit from operations surged 31.1% and 35.0% respectively

	For the year ended 31 December		
	2009 RMB mn	2008 RMB mn	Change
Gross Sales Proceeds ("GSP")	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%
Revenue	1,850.1	1,426.4	+29.7%
Profit from operations	958.2	710.0	+35.0%
Profit attributable to shareholders of the Company	250.9	613.4	-59.1%
- As adjusted*	768.0	572.1	+34.2%
Basic earnings per share (RMB)	0.137	0.339	-59.6%
- As adjusted*	0.419	0.316	+32.8%
Final dividend per share (RMB)	0.108	0.308	

** Excluding the effects of convertible bonds related items such as fair value changes on conversion and redemption options, effective interest expense and exchange difference.*

(7 April 2010 – Hong Kong) Golden Eagle Retail Group Limited ("Golden Eagle" or the "Company", together with its subsidiaries, the "Group"; Stock code: 3308), a premium department store chain in the PRC, announced today its annual results for the year ended 31 December 2009.

In 2009, the PRC economy posted moderate growth with the implementation of a wide array of measures and policies by the government that aim at promoting domestic consumption and expediting economic growth. The Group actively adopted flexible measures in response to the complicated and ever-changing operating environment. The Group's operational results continued to maintain stable and rapid growth. For the year ended 31 December 2009, gross sales proceeds of the Group recorded RMB8,191.7 million, representing a year-on-year increase of 31.1%. Profit attributable to shareholders of the Company was RMB250.9 million, basic earnings per share amounted to RMB0.137. If excluding the impact of changes in fair value of derivative financial instruments, effective interest expense and exchange realignment of the Group's convertible bonds, which are for accounting purpose only, profit attributable to shareholders of the Company reached RMB768.0 million, representing a year-on-year growth of 34.2%. Basic earnings per share totaled RMB0.419. The Board recommended the payment of RMB0.108 per share as the final dividend for the year ended 31 December 2009.

During the year under review, the Group's same store sales growth remained at high level at 17.5% (2008: 21.5%). Per ticket sales grew by 8.5% to RMB540 for the year ended 31 December 2009 (2008: RMB498).

- Cont'd -

Mr. Roger Wang, Chairman of the Group, said, "In order to enhance sales performance, the Group constantly upgrades its merchandise mix based on target customers' demand and concessionaires' performance, while re-defining merchandise mix and brand mix and revamping concessionaire counters to enhance their sales performance. As such, each chain store continues to introduce famous and best-selling brands to meet its target customers' ever-changing needs. In addition, each chain store of the Group carried out various promotional campaigns base on each individual market and merchandise mix. These measures contributed to the satisfactory sales performance during the year."

At the level of individual store, the Group's flagship, Nanjing Xinjiekou Store recorded a GSP of approximately RMB34 million on its 18 April anniversary, representing a year-on-year increase of 35.9% and Yangzhou Store recorded a GSP of approximately RMB37 million on its 24 October anniversary, representing a year-on-year increase of 27.1%. Xuzhou Store, which reported a GSP of approximately RMB75 million on its 18 December anniversary, representing a year-on-year increase of 38.1% and posted a new record high for single day sales among the Group's various chain stores. Nanjing Xinjiekou Store, Yangzhou Store and Xuzhou Store accounted for 34.6%, 13.2% and 15.1% of the Group's total GSP, with strong same store sales growth of approximately 8.6%, 13.6% and 21.3% respectively.

For the year ended 31 December 2009, concessionaries sales contributed approximately 92.3% (2008: 92.6%) of the Group's GSP and that of direct sales was approximately 7.2% (2008: 7.0%). The commission rate for concessionaries remained stable at 20.3% (2008: 20.6%).

During the period under review, the Group continued to focus on the enhancement and development of its VIP customer programme. By providing various exclusive and value-added services, the Group further strengthened the satisfaction and loyalty of its VIP customers. The Group also collaborated with various banks to share quality customer resources, which led to an increase in the number of VIP customers. As at 31 December 2009, the Group had over 743,000 VIP customers, and sales from VIP customers contributed approximately 63.2% of the Group's total GSP.

On business expansion front, the Group successfully obtained the management service agreement of Nanjing Orient Store and opened Yangzhou Jinghua Store, Shanghai Store, Nanjing Hanzhong Store and Nanjing Xianlin Store in April, May, July and December 2009 respectively. The Group also expanded the gross floor area ("GFA") of Taizhou Store in October 2009, with an aim of facilitating the enrichment of its product categories and brand mix for strengthening market share. The total number of stores increased from 12 to 17, with total GFA increased to approximately 539,000 sq. m..

The Group continued to seek expansion opportunities which commensurate with its development strategies and capital return requirements. During the year under review, the Group entered into several sale and purchase or lease or framework agreements for opening new stores in Huaibei and Hefei in Anhui Province, Kunming in Yunnan Province, Nanjing, Suqian, Kunshang, Danyang, Lianyungang, Liyang and Changzhou in Jiangsu Province. It is expected that the gross floor area of the Group will increase by at least 500,000 sq. m in the coming three years.

Looking ahead, the PRC economy may be affected by the market volatility arise during the gradual recovery of the global economy. In 2010, it is expected that the PRC government will continue to launch a series of measures and policies to stimulate domestic consumption in order to fuel GDP growth. At the Central Economic Working Conference held at the end of 2009, the PRC government stated that consumption stimulation will be the core component of the economic structural adjustment and sustainable future development, and it will take efforts to drive domestic demand further, especially by way of "residents' consumption stimulation".

Mr. Wang concluded, "In 2010, the Group will continue to expand its store network steadily, and will secure properties by means of self-development, long-term lease or merger and acquisition. The Group will open new stores in the provinces adjacent to Jiangsu Province, and will further strengthen its network in Xi'an, Kunming and neighboring provinces and cities. The Group will continue to closely monitor the growth of its existing stores, enhancing the attractiveness of its chain stores to target customers through effective brand optimization and creative promotional campaigns. In addition, the Group will implement effective cost control, with an aim of enhancing profitability, strengthen financial position and creating shareholders' value."

- End -

Company Information

Golden Eagle Retail Group Limited is principally engaged in the development and operation of a stylish premium department store chain in the PRC. The Group's department stores are characterized by "shop-in-shop" and customer-orientated concepts which offer quality merchandise and services, convenient shopping, and a comfortable and pleasurable environment for shoppers. The Group's department stores are located in prime shopping districts in their respective cities. The Group has been focusing on cities with strong economic growth potential, and has less intense competition. The Group currently operates 17 department stores in Nanjing, Nantong, Yangzhou, Suzhou, Xuzhou, Taizhou, Xi'an, Kunming, Huai'an, Yancheng and Shanghai. While the Group is growing in size, its portfolio of 17 stores, including 1 managed store, spans across a total GFA of approximately 539,000 square meters.

For further information, please contact:

iPR Ogilvy Ltd.

Callis Lau/ Karen Tse/ Christina Chung/ Polly Leung

Tel: 2136 6952/ 2136 6950/ 2136 6179/ 2136 8059

Fax: 3170 6606

E-mail: callis.lau@iprogilvy.com/ karen.tse@iprogilvy.com/
christina.chung@iprogilvy.com/polly.leung@iprogilvy.com