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GOLDEN EAGLE RETAIL GROUP LIMITED

金鷹商貿集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 3308)

HK\$1,000,000,000 Zero Coupon Convertible Bonds due 2011

**convertible into ordinary shares of
Golden Eagle Retail Group Limited**

(Stock Code : 1505)

ANNOUNCEMENT

ADJUSTMENT OF CONVERSION PRICE OF HK\$1,000 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2011

In accordance with the CB Terms and Conditions, as a result of the declaration of the Dividend by the Company, the Conversion Price will be adjusted from HK\$6.42 per Share to HK\$5.99 per Share with effect from 15 June 2009 upon the payment of the Dividend.

Reference is made to the announcement (the “**CB Announcement**”) of Golden Eagle Retail Group Limited (the “**Company**”) dated 28 September 2006 in relation to the issue by the Company of the HK\$1,000 million zero coupon convertible bonds due 2011 (the “**Convertible Bonds**”) and the results announcement of the Company for the year ended 31 December 2008 published on 25 March 2009 (the “**Results Announcement**”). Capitalised terms used herein have the same meaning as those defined in the CB Announcement, unless otherwise defined herein.

Adjustment of the Conversion Price relating to the Convertible Bonds

The terms and conditions of the Convertible Bonds (the “**CB Terms and Conditions**”) provide, among other things, that if the Company pays or makes any Capital Distribution (as defined in the CB Terms and Conditions) to the shareholders of the Company (the “**Shareholders**”), the Conversion Price shall be adjusted by

multiplying the Conversion Price in force immediately before such Capital Distribution by the quotient of (a) the Current Market Price (as defined in the CB Terms and Conditions) of one Share on the last trading day preceding the date on which the Capital Distribution is publicly announced (the “**Relevant Market Price**”) less the Fair Market Value (as defined in the CB Terms and Conditions) on the date of such announcement of the portion of the Capital Distribution attributable to one Share divided by (b) the Relevant Market Price. Such adjustment shall become effective on the date when such Capital Distribution is made.

As announced in the Results Announcement, the board of directors (the “**Board**”) of the Company has recommended to declare a final dividend of RMB0.308 per Share for the year ended 31 December 2008 (the “**Dividend**”). Pursuant to the CB Terms and Conditions, a portion of the Dividend falls within the definition of Capital Distribution and accordingly, the Conversion Price per Share will be adjusted from HK\$6.42 to HK\$5.99 effective from 15 June 2009 (Hong Kong time), being the date of payment of the Dividend (the “**Adjustment**”). Apart from the Adjustment, there is no change in the terms of the Convertible Bonds.

As at the date of this announcement, the total number of issued Shares of the Company is 1,770,775,000 Shares, and none of the Convertible Bonds has been converted into Conversion Shares. Following the Adjustment, the number of Conversion Shares issuable by the Company upon full conversion of the Convertible Bonds will increase by 11,181,668 Shares and the maximum number of Conversion Shares to be issued by the Company upon full conversion of the Convertible Bonds will be 166,944,908 Conversion Shares which will be issued and allotted pursuant to the general mandate granted by the Shareholders to the Directors in the annual general meeting of the Company held on 19 June 2006.

The Bondholders who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

By Order of the Board
Golden Eagle Retail Group Limited
Wang Hung, Roger
Chairman

Hong Kong, 2 June 2009

As at the date of this announcement, the Board comprises Mr. Wang Hung, Roger and Ms. Zheng Shu Yun (executive Directors); Mr. Han Xiang Li (non-executive director) and Mr. Wong Chi Keung, Mr. Wang Yao and Mr. Lau Shek Yau, John (independent non-executive Directors).