



To : Business Editor
FOR IMMEDIATE RELEASE

Parkson Announces Its Interim Results 2007

Strong Growth In Same Store Sales Continues To Drive the Group's Profitability

Financial Highlights

For the six months ended 30 June

	2007 (RMB'000)	2006 (RMB'000)	% change
Total gross sales proceeds	4,313,570	2,671,766	+61.5%
Same store sales growth	19.6%	17.0%	+15.3%
Total operating revenues	1,481,202	942,537	+57.2%
Profit from operations	476,942	304,076	+56.8%
Net profit for the period	334,241	222,969	+49.9%
Net profit attributable to the Group	303,452	196,207	+54.7%
Basic earnings per share	RMB0.55	RMB0.36	+52.8%
Interim dividend per share	RMB0.22	RMB0.15	+46.7%

(24 August 2007 – HONG KONG) **Parkson Retail Group Limited** and its subsidiaries, jointly-controlled entities and an associate (“Parkson” or the “Group”, stock code: 3368) announced its unaudited consolidated interim results for the six months ended 30 June 2007.

For the first half of 2007, Parkson continued to achieve strong growth in total gross sales proceeds and profit. The Group generated a total gross sales proceeds received or receivable of RMB4,313.6 million (comprises of direct sales, sales proceeds from concessionaire sales, rental incomes, consultancy and management fees and other operating revenues). Total gross sales proceeds for the period rose 61.5% or RMB1,641.8 million, compared with RMB2,671.8 million in the same period of last year, mainly driven by (i) the strong same store sales (“SSS”) growth of approximately 19.6%; (ii) the inclusion of the full six months sales performance of the

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acquisition of the remaining 44% equity interest in Beijing Parkson and 100% equity interest in two Kunming stores completed in the second half of last year; and (iii) the inclusion of approximately two months of sales performance of K&M Department Store (Jiangxi Kaimei acquisition which was completed in the third week of the month of April 2007).

During the period under review, the total operating revenues grew by RMB538.7 million or 57.2% to RMB1,481.2 million, compared with RMB942.5 million in the same period last year. Profit from operations increased RMB172.9 million or 56.8% to RMB476.9 million and was generally in line with the growth of operating revenues. Profit from operations as a percentage to operating revenues remained flat at 32.2%.

Profit attributable to the Group was approximately RMB303.5 million, an increase of RMB107.2 million or 54.7% as compared with the same period in last year.

The board of directors recommended payment of an interim dividend, for the six months ended 30 June 2007, of RMB0.22 (2006: RMB0.15) in cash per share.

Mr. Alfred Cheng, Managing Director of Parkson said, "We are very pleased to see a continuous growth in the Group's results for the first half of 2007. The encouraging interim results were mainly driven by the buoyant retail market in the PRC, our proven business model and implementations of various marketing and promotional campaigns during the period under review."

Mr. Cheng continued, "To capture the market opportunities arisen from the rapid growth of the PRC's economy, we strive to generate more revenues for the Group through upgrading the brand mix and varying the merchandise mix in accordance to the needs of individual market. In addition, we are also dedicated to maintaining strong and healthy SSS and further reinforcing our already strong brand equity"

Presently, the Group operates and manages 39 stores across 26 cities in the PRC. During the period under discussion, the Group executed additional lease agreements that will add a total of approximately 40,000 square meter of retailing space to our existing portfolio.

"To further reinforce our position as the leading department stores owner and operator in the fast growing market in the PRC, we shall ride on our strong brand image to further expand our operation and network in existing markets and also in relatively affluent new markets or cities in the PRC. Meanwhile, the Group will also focus on three prongs acquisition strategies by continuously pursuing the acquisition of the minority interests of our existing subsidiaries, the controlling interest of the existing managed stores and also continue to explore and assess opportunities for third party acquisitions that meet our strategic initiatives and return on capital requirement." Mr. Cheng concluded.

* The full version of 1H07 announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and on the website of Parkson Retail Group Limited at www.parkson.com.cn.

Corporate Information

Parkson is one of the leading department store chains in China, focusing on four categories of merchandise: Fashion & Apparel; Cosmetics & Accessories; Household & Electrical; and Groceries & Perishables, targeting the middle to upper middle-income consumers. The Group is the China stem of the Lion Group's retail business which was established in Malaysia in 1987. Parkson was introduced to China retail market in 1994 thus making it one of the foreign pioneers in China department store industry.

*Issued by Occasions Corporate & Financial Communications Limited for and on behalf of **Parkson Retail Group Limited** For further information, please contact:*

Parkson Retail Group Limited

c/o Occasions Corporate & Financial Communications Limited

Tel: (852) 2801 5333 Fax: (852) 2801 5323

Ms Peony Sze / Ms Phyllis Cheung

Occasions Corporate & Financial Communications Limited

Tel: (852) 2185 7009 / 7010 Fax: (852) 2801 5323

E-mail: peony.sze@occasions.com.hk / phyllis.cheung@occasions.com.hk