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PARKSON RETAIL GROUP LIMITED

百盛商業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3368)

UNAUDITED QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2007

The board of Directors (the “Board”) of Parkson Retail Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries together with its jointly-controlled entities and an associate (hereinafter collectively referred to as the “Group”) for the quarter ended 30 September 2007.

The unaudited quarterly results of the Group are released in conjunction with the announcement of the quarterly results of Parkson Holdings Berhad, the holding company of the Company in Malaysia pursuant to the Bursa Malaysia Securities Berhad Main Board Listing Requirements. This announcement is made pursuant to paragraph 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

HIGHLIGHTS

Total operating revenue increased to RMB695.0 million, an improvement of 32.2% from the same quarter of last year.

Year to date total operating revenue increased to RMB2,176.2 million, an improvement of 48.2% from the correspondence period of last year.

Profit from operations increased to RMB227.1 million, an improvement of 44.9% from the same quarter of last year.

Year to date profit from operations increased to RMB704.1 million, an improvement of 52.8% from the correspondence period of last year.

Profit attributable to the Company increased to RMB151.1 million, an improvement of 45.4% from the same quarter of last year.

Year to date profit attributable to the Company increased to RMB454.6 million, an improvement of 51.4% from the correspondence period of last year.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	YEAR	CORRESPONDING	NINE MONTHS	CORRESPONDING
	QUARTER	QUARTER	YEAR TO DATE	NINE MONTHS
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenues	623,657	473,067	1,936,696	1,326,156
Other operating revenues	71,347	52,775	239,510	142,223
Total operating revenues	695,004	525,842	2,176,206	1,468,379
Operating expenses				
Purchase of goods and changes in inventories	206,755	160,598	633,686	445,309
Staff costs	53,832	49,039	195,269	135,936
Depreciation and amortisation	26,267	21,663	79,959	60,946
Rental expenses	78,878	57,522	232,060	155,901
Other operating expenses	102,124	80,211	331,142	209,402
Total operating expenses	467,856	369,033	1,472,116	1,007,494
Profit from operations	227,148	156,809	704,090	460,885
Finance income/(cost), net	-23,319	5,386	-61,349	27,171
Share of profit from an associate	18	165	72	424
Profit from operations before income tax	203,847	162,360	642,813	488,480
Income tax	41,964	49,369	146,689	152,519
Net profit for the period	161,883	112,991	496,124	335,961
Attributable to:				
Equity holders of the parent	151,117	103,959	454,569	300,166
Minority interests	10,766	9,032	41,555	35,795

UNAUDITED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30/09/2007 RMB'000	AS AT END OF 30/06/2007 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	790,781	765,172
Intangible assets	1,470,725	1,470,889
Lease prepayments	423,240	426,010
Investment properties	223,420	224,736
Investment in an associate	1,883	2,268
Held-to-maturity Investment	1,502,160	1,523,100
Other assets	226,578	230,186
Deferred tax assets	37,626	36,270
TOTAL NON-CURRENT ASSETS	4,676,413	4,678,631
CURRENT ASSETS		
Inventories	138,970	121,951
Trade receivables	19,703	21,842
Prepayments, deposits and other receivables	354,207	376,698
Cash and cash equivalents	3,381,496	2,928,864
TOTAL CURRENT ASSETS	3,894,376	3,449,355
CURRENT LIABILITIES		
Interest-bearing loans and borrowings	0	0
Trade payables	838,033	787,729
Customers deposits, other payables and accruals	760,437	559,177
Tax payable	77,811	86,604
TOTAL CURRENT LIABILITIES	1,676,281	1,433,510
NET CURRENT ASSETS	2,218,095	2,015,845
TOTAL ASSETS LESS CURRENT LIABILITIES	6,894,508	6,694,476
NON-CURRENT LIABILITIES		
Interest-bearing loans and borrowings	1,465,000	1,465,000
Long term payables	95,211	94,836
Senior guaranteed notes	2,391,635	2,422,467
Deferred tax liabilities	196,095	196,699
TOTAL NON-CURRENT LIABILITIES	4,147,941	4,179,002
NET ASSETS	2,746,567	2,515,474
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	57,830	57,500
Reserves	2,604,852	2,383,766
Minority interests	83,885	74,208
TOTAL OWNER'S EQUITY	2,746,567	2,515,474

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Share Capital	Share Premium	Contributed surplus	PRC reserve funds	Exchange reserve	Share option reserve	Asset revaluation reserve	Contribution from owner and retained earnings	Total	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2006	57,436	798,644	154,442	87,320	3,481		224,245	902,019	2,227,587	91,896	2,319,483
Changes in exchange reserve for the period	-	-	-	-	(3,912)		-	-	(3,912)	-	(3,912)
Effect on change in deferred tax rate							27,167		27,167		27,167
Equity-settled share option arrangements						12,693			12,693		12,693
Employee share options exercised	64	24,608				(1,353)			23,319		23,319
Net profit for the period	-	-	-	-	-			303,452	303,452	30,789	334,241
Transfer to the PRC reserve funds	-	-	-	2,965	-			(2,965)	-	-	-
Acquisition of minority interest										(7,257)	(7,257)
Dividends paid	-	-	-	-	-			(149,040)	(149,040)		(149,040)
Dividends of subsidiaries										(41,220)	(41,220)
At 30 June 2007	57,500	823,252	154,442	90,285	(431)	11,340	251,412	1,053,466	2,441,266	74,208	2,515,474
Changes in exchange reserve for the period	-	-	-	-	7,874		-	-	7,874	-	7,874
Effect on change in deferred tax rate									-		-
Equity-settled share option arrangements						6,747			6,747		6,747
Employee share options exercised	330	116,771							117,101		117,101
Net profit for the period	-	-	-	-	-			151,117	151,117	10,766	161,883
Transfer to the PRC reserve funds	-	-	-	-	-			-	-	-	-
Acquisition of minority interest									-		-
Dividends paid	-	-	-	-	-			(61,423)	(61,423)		(61,423)
Dividends of subsidiaries									-	(1,089)	(1,089)
At 30 September 2007	57,830	940,023	154,442	90,285	7,443	18,087	251,412	1,143,160	2,662,682	83,885	2,746,567

UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS

For the nine months
ended 30/09/2007
RMB'000

Operating activities	
Profit before taxation	642,813
Adjustment for non cash items	
Share of profit of an associate	-71
Interest income	-182,032
Interest expenses	243,381
Depreciation and amortisation	79,959
Exchange (gains)/losses	-1,055
Equity-settled share option expenses	19,439
Allowance for doubtful debts	638
Loss on disposal of items of property, plant and equipment	2,456
Operating profit before changes in working capital	805,528
Changes in working capital	
Net changes in current assets	-16,949
Net changes in trade payables	-102,169
Net changes in Customer's deposits, other payable and accruals	-8,890
Net changes in Long term payable	842
Tax paid	-203,467
Interest paid	-8,245
Net cash inflow from operating activities	466,649
Investing activities	
Proceeds from disposal of items of property, plant and equipment	600
Purchases of items of property, plant and equipment	-67,824
Business combination	-445,136
Deposit for acquisition of minority interest	-35,493
Acquisition of minority interest	-280,000
Increase in entrusted loans	-120,000
Dividends received	403
Interest received	125,293
Net cash outflow from investing activities	-822,157
Financing activities	
New bank loans	380,775
Repayment of bank loans	-606,688
Net proceeds from issue of senior notes	928,797
Interest paid	-137,287
Proceeds from issue of shares	140,420
Dividends paid	-210,463
Dividends of subsidiaries	-36,814
Net cash inflow from financing activities	458,740
Net changes in cash & cash equivalents	103,233
Effects of exchange rate changes	6,897
Cash & Cash equivalents at beginning of the period	3,271,366
Cash & Cash equivalents at end of the period	3,381,496

Acknowledgement

I would like to thank the Board, management and all our staffs for their hard work and dedication. I would also like to thank the shareholders and patrons for their strong support to the Group.

By Order of the Board
PARKSON RETAIL GROUP LIMITED
Cheng Yoong Choong
Managing Director

Hong Kong, 23 November 2007

As at the date of this announcement, the Executive Directors of the Company are Mr. Cheng Yoong Choong and Mr. Chew Fook Seng, the Non-executive Director is Tan Sri Cheng Heng Jem and the Independent Non-executive Directors are Mr. YAU Ming Kim, Robert, Mr. Studer Werner Josef and Mr. Ko Tak Fai, Desmond.