



To : Business Editor

FOR IMMEDIATE RELEASE

Parkson Announces Interim Results For The Six Months Ended June 2008

Continued to deliver and outlook still solid

Financial Highlights

For the half year ended 30 June,

| | 2008 (RMB'000) | 2007 (RMB'000) | % Change |
|--------------------------------------|-------------------|-------------------|-------------|
| Total gross sales proceeds | 5,217,711 | 4,313,570 | +21.0% |
| Total operating revenues | 1,756,703 | 1,481,202 | +18.6% |
| Profit from operations | 593,853 | 476,940 | +24.5% |
| Net profit for the period | 432,199 | 334,242 | +29.3% |
| Net profit attributable to the Group | 411,798 | 303,453 | +35.7% |
| Basic earnings per share | RMB0.148 | RMB0.110 | +34.5% |
| Interim dividend per share | RMB0.060 | RMB0.044 | +36.4% |

(23 August 2008 - HONG KONG) **Parkson Retail Group Limited** and its subsidiaries, jointly-controlled entities and an associate ("Parkson" or the "Group" , stock code: 33r 8) announced its interim results for the six months ended 30 June 2008.

Parkson produced yet another strong set of results with steady and solid sales and profit growth. Total gross sales proceeds rose 21.0% to RMB5,217.7 million. Total operating revenues increased by 18.1% to RMB1,756.7 million. Net profit attributable to the Group improved to RMB411.8 million, an increase of 35.7%. Basic earnings per share was RMB0.148, grew by 34.5% over the same period of last year.

The board of directors recommended an interim dividend for the six months ended 30 June 2008 of RMB0.060 (2007: RMB0.044) in cash per share.

~ to be continued ~

Business Review

Commenting on the interim results, Mr. Alfred Cheng Yoong Choong, Managing Director of Parkson said, “The group executed its business plans and strategies to capitalize on the growing retail market with satisfactory successes despite having to face challenges brought along by the macro economic headwinds and the unfortunate event of natural disasters. We continued our solid growth in the first half of the year 2008 with a steady same store sales growth of approximately 14.4%. Thanks to the solid top line growth and our efforts on controlling the operating cost, the net profit margin improved to 24.1% and the net profit attributable to our shareholders improved by 35.7% to RMB411.8 million. ”

“In line with the maturity of our stores profile, we continued to reinvent and remodel our stores to enhance its image and performance. We also made a solid progress in rationalising our Group structure and consolidating our leadership position through opening new store and M&A transactions at an earning accretive pricing to our shareholders.” Mr. Cheng said

The Group now operates and manages a total of 40 stores, 30 self-owned department stores, 10 managed department stores.

Prospects

“The PRC economy has been one of the most resilient and fastest growing economies in the world over the last two decades. Looking forward, we believe that the slowing demand from the main export markets and the persistently high inflation driven by the surge in food and commodity prices will continue to pose challenges to the healthy growth of the PRC economy. However, we remain cautiously optimistic about the long term prospect of the PRC economy and retail industry. We believe that strong foreign reserve, solid economic foundation and carefully designed macro-economic policies should enable the PRC to promote a sound and yet strong economic growth. We will continue to execute our expansion strategies to roll out more stores in the coming years. We will also actively explore the M&A opportunities and make acquisitions that meet our strategic initiatives and return on capital requirements.” Mr. Cheng said.

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. Parkson was established in Malaysia in 1987 and started the China operation in 1994 thus making it one of the foreign pioneers in China department store industry.

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