



To : Business Editor
FOR IMMEDIATE RELEASE

Parkson Announces Annual Results 2007

Another Solid Set of Results and Continuous Positive Outlook

Financial Highlights

For the year ended 31 December,

	2007 (RMB'000)	2006 (RMB'000)	% change
Total gross sales proceeds	9,003,406	6,168,718	+46.0%
Total operating revenues	3,059,686	2,184,034	+40.1%
Profit from operations	1,016,522	707,913	+43.6%
Net profit for the period	727,801	513,154	+41.8%
Net profit attributable to the Group	676,000	460,761	+46.7%
Basic earnings per share	RMB1.22	RMB0.83	47.0%
Final dividend per share	RMB0.38	RMB0.27	+40.7%
Full year dividend per share	RMB0.60	RMB0.42	+42.9%

(22 February 2008 – HONG KONG) **Parkson Retail Group Limited** and its subsidiaries, jointly-controlled entities and an associate (“Parkson” or the “Group”, stock code: 3368) announced its audited consolidated annual results for the year ended 31 December 2007.

Parkson continues to achieve impressive growth in both total gross sales proceeds and total operating revenues. Total gross sales proceeds rose 46.0% to top RMB9 billion. Total operating revenues increased by 40.1% to RMB3.1 billion. Net profit attributable to the Group improved to RMB676.0 million, an increase of 46.7%. Basic earnings per share was RMB1.22, grew by 47.0% over the same period of last year.

The board of directors recommended payment of a final dividend for the year ended 31

~ to be continued ~

December 2007 of RMB0.38 (2006: RMB0.27) in cash per share. Together with the interim dividend of RMB0.22 per share, the full year dividend amounts to RMB0.60 (2006:0.42) in cash per share, representing approximately 42.9% of the year's net profit attributable to the Group.

Business Review

Commenting on the full year results, Mr. Alfred Cheng Yoong Choong, Managing Director of Parkson said, "We continued our impressive growth in the year 2007 with same store sales growth coming in strongly at approximately 18.4%. We carried out effective promotional activities and introduced quality branded and innovative products with higher value to our loyal customers. Our efforts to re-align the usage of premium and high traffic floor spaces to high value and productive merchandises have paid off. The net profit attributable to the Group increased by 46.7% to RMB676.0 million. "

"We made a solid progress in consolidating our position as one of the leading department store operators in the PRC through opening new stores and M&A transactions at an earnings accretive pricing to our shareholders." Mr. Cheng said

The Group now operates and manages a total of 41 stores, 29 self-owned department stores, 10 managed department stores and 2 "Xtra" branded supercentres.

Prospects

"Despite the uncertainties and threats facing the world economy due to sub-prime mortgages, we remain bullish about the PRC economy and believe it will maintain its strong growth in the coming years as the PRC government will continue to rebalance the economic growth away from export and fixed asset investments, and towards domestic consumption, which is expected to be the main pillar of the economy going forward. We have 41 stores in our existing portfolio and will continue to roll out more stores in the coming years." Mr. Cheng said

Mr. Cheng concluded, "We will continue to pursue our M&A strategy of acquiring the minority interest of the existing stores and the controlling interests of the managed stores to enhance our shareholder's returns. We will also actively explore the opportunities to make other acquisitions that meet our strategic initiatives and return on capital requirements."

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 Financial Dynamics International for and on behalf of **Parkson Retail Group Limited**
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