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PARKSON 百盛

PARKSON RETAIL GROUP LIMITED

百盛商業集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code : 3368 & 5936)

PROFIT WARNING

This announcement is made by Parkson Retail Group Limited (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

Based on a preliminary assessment on the unaudited consolidated management accounts of the Company, its subsidiaries, a joint venture and associated companies (the "Group"), the board of directors (the "Board") of the Company announces that the Group is expected to record a loss attributable to equity holders of the Company for the year ended 31 December 2015 (the "Year") as compared to a profit attributable to equity holders recorded for the corresponding year in 2014. Such loss was mainly attributable to: (i) a one-off litigation loss recorded in respect of the arbitral award arising from the disputes on the Beijing Metro City Shopping Plaza's Tenancy Agreement as disclosed in the announcements of the Company dated 31 March 2015, 24 April 2015 and 27 December 2015 which amounted to RMB140.9 million; (ii) costs incurred by new business ventures and new stores during their ramp up period; and (iii) increasingly competitive landscape of the retail sector which has led to drops in both sales and gross profit.

The information in this announcement is based on a preliminary assessment by the Board with reference to the consolidated management accounts of the Group which are not audited or reviewed by the auditors of the Company. Detailed financial information will be disclosed in the announcement on financial information for the Year to be published before the end of February 2016.

Shareholders, holders of the debt securities of the Company listed on the Hong Kong Stock Exchange and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Parkson Retail Group Limited
Cheng Heng Jem
Executive Director & Chairman

29 January 2016

As at the date of this announcement, the Executive Directors of the Company are Tan Sri Cheng Heng Jem, Mr. Chong Sui Hiong and Ms. Juliana Cheng San San, the Non-executive Directors are Datuk Lee Kok Leong and Dato' Dr. Hou Kok Chung and the Independent Non-executive Directors are Mr. Ko Tak Fai, Desmond, Mr. Yau Ming Kim, Robert and Dato' Fu Ah Kiow.