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MILAN STATION HOLDINGS LIMITED
米 蘭 站 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

PROFIT WARNING

This announcement is made by Milan Station Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information (including the Group's unaudited management accounts for the five months ended 31 May 2016) currently available, the Group is expected to record a significant increase in loss for the six months ending 30 June 2016 as compared to loss recorded for the six months ended 30 June 2015. The increase in the loss was mainly attributable to (i) a decline in turnover due to weakened demand from customers from Mainland China and the worsening operating environment of the retail sector in Hong Kong; (ii) loss arising from closure of certain shops of the Group in the PRC; and (iii) the absence of one-off gain on disposal of investment property as recognized in the corresponding year of 2015.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Group for the five months ended 31 May 2016, which have not been audited or reviewed by the Company's auditor. The Company is still finalizing the interim results of the Group for the six months ended 30 June 2016 and the relevant unaudited interim results announcement is expected to be released in August 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Milan Station Holdings Limited
YIU Kwan Tat
Chairman

Hong Kong, 21 July 2016

As at the date of this announcement, the Board comprises Mr. YIU Kwan Tat, Mr. YIU Kwan Wai, Gary, Mr. CHOI Wai Kwok, Andy and Mr. HU Bo as Executive Directors; Mr. TAM B Ray, Billy and Mr. YUEN Lai Yan, Darius as Non-executive Directors; and Mr. SO, Stephen Hon Cheung, Mr. CHAN Chi Hung, Mr. TOU Kin Chuen and Mr. Chau Shing Yip Colin as Independent Non-executive Directors.