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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 FIRST QUARTER ENDED 31 MARCH 2013**

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 31 March 2013.

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 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 gross sales proceeds (“GSP”) for the quarter increased by 2.1% to RMB4,972.8 million.

Same store sales (“SSS”) <sup>(1)</sup> for the quarter declined by 2.8%.

Merchandise gross margin for the quarter decreased by 0.7% to 17.3%.

Profit attributable to shareholders for the quarter decreased by 27.4% to RMB226.8 million.

*(1) Year on year change in total gross sales proceeds for stores in operation throughout the entire comparative period after adjusting for the impacts from the change of contractual relationship with certain suppliers of jewelry products from concessionaire contract to lease agreements and excluding the performance of Shanghai Hongqiao store and Guizhou JinFengHuang store which were closed in July 2012*

## UNAUDITED CONSOLIDATED INCOME STATEMENT FOR

	Quarter Ended 31 March		Year to Date Ended 31 March	
	2013	2012	2013	2012
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
<b>Gross Sales Proceeds</b>	<b>4,972,821</b>	<b>4,872,794</b>	<b>4,972,821</b>	<b>4,872,794</b>
Revenues	1,288,164	1,274,950	1,288,164	1,274,950
Other operating revenues	161,803	168,727	161,803	168,727
<b>Total operating revenues</b>	<b>1,449,967</b>	<b>1,443,677</b>	<b>1,449,967</b>	<b>1,443,677</b>
<b>Operating expenses</b>				
Purchases of goods and changes in inventories	394,473	378,698	394,473	378,698
Staff costs	147,386	118,079	147,386	118,079
Depreciation and amortization	80,161	71,434	80,161	71,434
Rental expenses	271,172	207,161	271,172	207,161
Other operating expenses	258,484	262,540	258,484	262,540
<b>Total operating expenses</b>	<b>1,151,676</b>	<b>1,037,912</b>	<b>1,151,676</b>	<b>1,037,912</b>
<b>Profit from operations</b>	<b>298,291</b>	<b>405,765</b>	<b>298,291</b>	<b>405,765</b>
Finance income, net	19,752	25,178	19,752	25,178
Share of profit from an associate	39	71	39	71
<b>Profit from operations before income tax</b>	<b>318,082</b>	<b>431,014</b>	<b>318,082</b>	<b>431,014</b>
Income tax	82,155	108,310	82,155	108,310
<b>Net profit for the period</b>	<b>235,927</b>	<b>322,704</b>	<b>235,927</b>	<b>322,704</b>
<b>Attributable to:</b>				
<b>Equity holders of the parent</b>	<b>226,762</b>	<b>312,251</b>	<b>226,762</b>	<b>312,251</b>
<b>Minority interests</b>	<b>9,165</b>	<b>10,453</b>	<b>9,165</b>	<b>10,453</b>

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at <b>31 March</b> <b>2013</b> <i>Unaudited</i> <i>RMB'000</i>	As at <b>31 December</b> <b>2012</b> <i>Audited</i> <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,893,351	2,760,526
Investment properties	23,620	23,767
Lease prepayments	471,044	474,373
Intangible assets	2,246,517	2,174,497
Investment in an associate	2,104	2,042
Prepayment for purchase of land and buildings	-	620,048
Other assets	7,215	52,845
Available-for-sale investments	-	32,098
Deferred tax assets	159,187	139,457
<b>Total non-current assets</b>	<b>6,803,038</b>	<b>6,279,653</b>
<b>CURRENT ASSETS</b>		
Inventories	302,224	311,469
Trade receivables	4,556	17,270
Prepayment, deposits and other receivables	1,530,111	1,025,692
Investment in principal guaranteed deposits with licensed banks	3,482,730	3,392,033
Time deposits with licensed banks	377,414	225,365
Cash and cash equivalents	963,200	1,449,055
<b>Total current assets</b>	<b>6,660,235</b>	<b>6,420,884</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	(1,914,242)	(1,936,935)
Customer deposits, other payables and accruals	(2,069,803)	(1,960,907)
Tax payable	(102,771)	(98,787)
Interest-bearing bank loans	(313,277)	-
Term loan facilities	(2,491,415)	(2,491,161)
Derivative financial instruments designated as hedging instruments	(79,068)	(69,498)
<b>Total current liabilities</b>	<b>(6,970,576)</b>	<b>(6,557,288)</b>
<b>NET CURRENT LIABILITIES</b>	<b>(310,341)</b>	<b>(136,404)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>6,492,697</b>	<b>6,143,249</b>

	<b>As at 31 March 2013 <i>RMB'000</i></b>	<b>As at 31 December 2012 <i>RMB'000</i></b>
<b>NON-CURRENT LIABILITIES</b>		
Long term payables	(307,067)	(238,487)
Deferred tax liabilities	(286,741)	(243,402)
<b>Total non-current liabilities</b>	<b>(593,808)</b>	<b>(481,889)</b>
<b>NET ASSETS</b>	<b>5,898,889</b>	<b>5,661,360</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital	58,354	58,354
Reserves	5,745,339	5,525,677
	5,803,693	5,584,031
<b>Minority interests</b>	95,196	77,329
<b>TOTAL EQUITY</b>	<b>5,898,889</b>	<b>5,661,360</b>

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS

	<b>For the three months ended 31/03/2013 RMB'000</b>
Net cash inflow / (outflow) from operating activities	<u>279,859</u>
Net cash inflow / (outflow) from investing activities	<u>(1,066,831)</u>
Net cash inflow / (outflow) from financing activities	<u>301,117</u>
Net changes in cash & cash equivalents	<u>(485,855)</u>
Cash and cash equivalents at the beginning of the period	<u>1,449,055</u>
Cash and cash equivalents at the end of the period	<u>963,200</u>
Time deposits with licensed banks	<u>377,414</u>
Investment in principal guaranteed deposits with licensed banks	<u>3,482,730</u>
Cash and cash equivalents and deposits with licensed banks as at the end of the period	<u>4,823,344</u>

## **Operation and Financial Review**

GSP for the quarter increased by 2.1% to RMB4,972.8 million compared to the same period of last year. Concessionaire sales contributed approximately 90.3% of the merchandise sales with the balance of 9.7% came from the direct sales. The Fashion & Apparel category made up approximately 47.2% of the total merchandise sales, the Cosmetics & Accessories category contributed approximately 42.1%, the Household & Electrical category contributed approximately 4.4% and the balance of approximately 6.3% came from the Groceries and Perishables category. Operating revenues for the quarter increased by 0.4% to RMB1,450.0 million. The Group recorded a SSS decline of 2.8% for the quarter.

Due to weaker market conditions and increased competition, merchandise margin for the quarter dropped by 0.7% to 17.3% compared to the same period last year. Profit from operations for the quarter decreased by 26.5% to RMB298.3 million. As a percentage to GSP, the profit from operations ratio for the quarter declined from 8.3% in the same period last year to 6.0%.

Profit before tax for the quarter decreased by 26.2% to RMB318.1 million. The Group recorded net finance income of RMB19.8 million for the quarter.

Profit attributable to our shareholders for the quarter decreased by 27.4% to RMB226.8 million.

## **Acknowledgement**

I would like to take this opportunity to thank the Board, management and all our staff for their hard work and dedication. I would also like to thank the shareholders and our loyal customers for their strong support to the Group.

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

15 May 2013

*As at the date of this announcement, the Executive Directors of the Company are Datuk 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. Ko Tak Fai, Desmond, Mr. Werner Josef Studer and Mr. Yau Ming Kim, Robert.*