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PARKSON 百盛
PARKSON RETAIL GROUP LIMITED
百盛商業集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 03368 & 05936)

INSIDE INFORMATION
UPDATE ON RESULTS OF ARBITRATION AND PROFIT WARNING

This announcement is made by Parkson Retail Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). Unless the context otherwise requires, capitalised terms used in this announcement have the same meanings given to them in the announcement of the Company dated 31 March 2015 (the “**March Announcement**”). The Company issues this announcement for the purpose of providing an update on the Arbitral Award and the profit warning mentioned in the March Announcement to the shareholders of the Company, holders of the debt securities of the Company listed on the Hong Kong Stock Exchange and potential investors.

1. UPDATE ON THE ARBITRAL AWARD

The Company has sought advice from its PRC legal advisers and understands that:

- (a) the Tenant may apply to a PRC court for revocation of the Arbitral Award (the “**Revocation**”), within 6 months from the Tenant’s receipt of the Arbitral Award;
- (b) although the Arbitral Award has been made in favour of the Landlord, the Landlord still needs to apply for an order from a PRC court in order to enforce the award given under the Arbitral Award; and
- (c) if after the Landlord has made the application for enforcement of the Arbitral Award the Tenant applies for the Revocation, then the PRC court will suspend the enforcement of the Arbitral Award and, within two months of its acceptance of the Tenant’s Revocation application, deliver a judgment granting the Revocation or dismissing the Tenant’s application.

On 22 April 2015, the Tenant received an enforcement notice (the “**Enforcement Notice**”) from the Third Intermediate Court of Beijing stating that the Landlord had applied to such court for enforcement of the Arbitral Award on 16 April 2015. According to the Enforcement Notice, the Tenant was required to:

- (i) surrender the Premises to the Landlord;
- (ii) pay a penalty for the Tenant’s delay in performance of the Arbitral Award; and
- (iii) be responsible for the actual expenses incurred in the enforcement and other economic loss arising out of the enforcement.

The Enforcement Notice did not deal with the payment of the RMB140 million which, as reported in the March Announcement, was part of the Arbitral Award. The Landlord needs to separately apply for an order from a PRC court in order to enforce the payment of the RMB140 million. The Landlord had already taken possession of the Premises.

The Tenant submitted an application for Revocation to the Second Intermediate Court of Beijing on 22 April 2015 and received a notice of the acceptance of its application issued by the Second Intermediate Court of Beijing on the same date. According to PRC law, the PRC court shall suspend the enforcement of the Arbitral Award after the court has accepted the Tenant’s application for Revocation. The Company will issue further announcement(s) after the court has delivered a judgment granting the Revocation or dismissing the Tenant’s application.

2. UPDATE ON PROFIT WARNING

Based on preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2015 (“**First Quarter**”), the Board expects that the Group will record a loss for the First Quarter instead of a significant decline in profit as was stated in the March Announcement. The reason for the change in expectation is principally due to the additional information available to the Board after the March Announcement.

The information in respect of the financial performance of the Group contained in this announcement is based only on the management’s preliminary assessment after reviewing the Group’s unaudited consolidated managements accounts for the First Quarter. The Group’s results for the First Quarter are subject to further review by the management and have not been finalised as at the date of this announcement. It is expected that the unaudited results of the Group for the First Quarter will be announced on or about 21 May 2015.

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.

By Order of the Board
PARKSON RETAIL GROUP LIMITED
Tan Sri Cheng Heng Jem
Executive Director & Chairman

24 April 2015

As at the date of this announcement, the Executive Directors of the Company are Tan Sri Cheng Heng Jem and Mr. Chong Sui Hiong, 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.