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**If you have sold or transferred** all your shares in **PARKSON RETAIL GROUP LIMITED**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of **PARKSON RETAIL GROUP LIMITED**.

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**PARKSON RETAIL GROUP LIMITED**

**百盛商業集團有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3368)**

**NOTICE OF ANNUAL GENERAL MEETING  
GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES  
RE-ELECTION OF RETIRING DIRECTORS**

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A notice convening the Annual General Meeting of Parkson Retail Group Limited to be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 17 May 2007, Thursday at 10:30 a.m. is set out on pages 17 to 20 of this circular. In the event you are not able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 48 hours before the time scheduled for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting or at any adjourned meeting if they so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                             |   |
|-----------------------------|---|
| “Annual General Meeting”    | the annual general meeting of the Company to be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 17 May 2007, Thursday at 10:30 a.m.  |
| “Articles of Association”   | the articles of association of the Company  |
| “Board”                     | the board of Directors  |
| “Company”                   | Parkson Retail Group Limited (百盛商業集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange   |
| “Companies Law”             | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands   |
| “Director(s)”               | the director(s) of the Company  |
| “Group”                     | the Company and its subsidiaries, jointly controlled entities and associates  |
| “HK\$”                      | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Latest Practicable Date”   | 13 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular   |
| “Lion Group”                | a diversified group of companies comprising Lion Corporation Berhad, Lion Diversified Holdings Berhad, Lion Industries Corporation Berhad, Lion Forest Industries Berhad, Amsteel Corporation Berhad, Silverstone Corporation Berhad and Amalgamated Containers Berhad (all of which are listed on Bursa Malaysia Securities Berhad) and Lion Asiapac Limited and Lion Teck Chiang Limited (both of which are listed on the Singapore Exchange Securities Trading Limited) and their subsidiaries |
| “Listing Rules”             | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Memorandum of Association” | the memorandum of association of the Company  |

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## DEFINITIONS

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|------------------|---|
| “PRC”            | the People’s Republic of China  |
| “RM”             | Ringgit Malaysia, the lawful currency of Malaysia                           |
| “RMB”            | Renminbi, the lawful currency of the PRC                                    |
| “SFO”            | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)”       | the ordinary share(s) of the Company with a nominal value of HK\$0.10 each  |
| “Shareholder(s)” | the holder(s) of the Share(s)   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited                                     |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers                                 |



**PARKSON RETAIL GROUP LIMITED**

**百盛商業集團有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3368)**

*Executive Directors:*

Mr Cheng Yoong Choong

*Managing Director*

Mr Chew Fook Seng

*Chief Executive Officer*

*Non-executive Director:*

Tan Sri Cheng Heng Jem

*Chairman*

*Independent non-executive Directors:*

Mr Studer Werner Josef

Mr Ko Tak Fai, Desmond

Mr Yau Ming Kim, Robert

*Registered office:*

c/o M&C Corporate Services Limited

P.O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

*Principal place of business in Hong Kong:*

Suite 1316, Prince's Building

10 Chater Road

Central

Hong Kong

23 April 2007

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES  
RE-ELECTION OF RETIRING DIRECTORS**

**I. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting relating to (i) the grant of the general mandates to the Directors to exercise all the powers of the Company to repurchase fully-paid up Shares and to issue new Shares; and (ii) the proposed re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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### II. REPURCHASE AND ISSUANCE MANDATES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

Ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the grant of a general mandate to the Directors to repurchase Shares on the Stock Exchange during the relevant period representing up to a maximum number equivalent to 10% of the existing issued share capital of the Company as at the date of passing such resolution at the Annual General Meeting (the “Repurchase Mandate”);
- (b) the grant of a general mandate to the Directors to allot, issue or deal with Shares during the relevant period of an aggregate number not exceeding 20% of the existing issued share capital of the Company as at the date of passing such resolution at the Annual General Meeting (the “Issuance Mandate”); and
- (c) the extension of the Issuance Mandate by an amount representing the number of the Shares repurchased by the Company under the Repurchase Mandate (the “Extension of the Issuance Mandate”).

The Repurchase Mandate, the Issuance Mandate and the Extension of the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in ordinary resolution numbered 5 as set out in the notice of the Annual General Meeting.

Shareholders should refer to the Explanatory Statement contained in Appendix A of this circular which sets out further information in relation to the proposed Repurchase Mandate.

### III. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 114 of the Articles of Association, Mr Yau Ming Kim, Robert, who was appointed during the year will retire at the Annual General Meeting and, being eligible, will offer himself for re-election. Also, Mr Chew Fook Seng and Tan Sri Cheng Heng Jem will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election in accordance with Article 130 of the Articles of Association. The Company has received confirmation from Mr Yau Ming Kim, Robert as to his independence in compliance with the Listing Rules.

Separate resolutions will be put forward at the Annual General Meeting for the re-election of Mr Chew Fook Seng, Tan Sri Cheng Heng Jem and Mr Yau Ming Kim, Robert as Directors. Information on the retiring Directors as required to be disclosed under the Listing Rules is set out in Appendix B of this circular.

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## LETTER FROM THE BOARD

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### IV. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 17 to 20 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). In the event you are not able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 48 hours before the time scheduled for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meeting should you so wish.

Your attention is also drawn to the additional information contained in Appendix C of this circular which sets out the procedures by which Shareholders may demand a poll at general meeting pursuant to the Articles of Association.

### V. RECOMMENDATIONS

The Directors are of the opinion that (i) the grant of the proposed Repurchase Mandate, the proposed Issuance Mandate, and the proposed Extension of the Issuance Mandate; and (ii) the proposed re-election of retiring Directors are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

### VI. RESPONSIBILITY STATEMENT

This circular contains particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

By Order of the Board  
**Parkson Retail Group Limited**  
**Cheng Yoong Choong**  
*Managing Director*

*The following is the explanatory statement required to be sent to Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate to be proposed at the Annual General Meeting.*

**(a) Share Capital**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$55,240,560 comprising 552,405,600 shares of HK\$0.10 each. Subject to the passing of ordinary resolution numbered 5(A) as set out in the notice of the Annual General Meeting and on the basis that no further Shares are issued or repurchased by the Company since the Latest Practicable Date and up to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 55,240,560 fully paid up Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

**(b) Reasons for share repurchase**

The Directors believe that the proposed Repurchase Mandate is in the interests of the Company and Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share. The Directors seek the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors and in accordance with the Repurchase Mandate at the relevant time, having regard to the circumstances then pertaining.

**(c) Funding of Repurchases**

Repurchases must be financed out of funds which are legally available for the purpose in accordance with the Memorandum of Association and Articles of Association, the Listing Rules and the relevant Laws including but not limited to the laws of the jurisdiction in which the Company is incorporated. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Any repurchases may be made out of profits or the proceeds of fresh issue of shares made for the purpose, or if so authorised by the Articles of Association and subject to the Companies Law, out of capital. Any premium on a purchase may be made out of profits of the Company or the share premium account, if so authorised by the Articles of Association and subject to the Companies Law.

There might be an adverse impact on the working capital or gearing position of the Company in the event that share repurchases pursuant to the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period as compared with the position disclosed in the Company's most recent published audited accounts. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company unless the Directors consider such repurchases to be in the best interests of the Company.

**(d) Market Price**

The highest and lowest market prices for Shares recorded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

|   | <b>Share Price<br/>(per Share)</b> |                        |
|---|------------------------------------|------------------------|
|   | <b>Highest<br/>HK\$</b>            | <b>Lowest<br/>HK\$</b> |
| <b>2006</b>                                 |                                    |                        |
| April                                       | 27.10                              | 21.65                  |
| May   | 26.50                              | 22.05                  |
| June  | 23.30                              | 20.00                  |
| July  | 26.05                              | 20.75                  |
| August                                      | 27.80                              | 24.45                  |
| September                                   | 30.05                              | 25.55                  |
| October                                     | 33.00                              | 28.10                  |
| November                                    | 40.00                              | 30.40                  |
| December                                    | 42.55                              | 33.60                  |
| <b>2007</b>                                 |                                    |                        |
| January                                     | 46.00                              | 34.00                  |
| February                                    | 49.60                              | 41.05                  |
| March                                       | 53.30                              | 40.30                  |
| From 1 April to the Latest Practicable Date | 56.50                              | 50.40                  |

**(e) General**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor their associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is granted.

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, PRG Corporation Limited is a substantial shareholder of the Company which is directly interested in 306,360,000 Shares (representing 55.46% of the total issued share capital of the Company). PRG Corporation Limited is a wholly owned subsidiary of Lion Diversified Holdings Berhad ("LDHB"). Lion Development (Penang) Sdn. Bhd. ("LDPSB") through its direct interest in and through a series of companies controlled by itself; and Tan Sri Cheng Heng Jem, a non-executive Director and the Chairman of the Company, through his direct interest and a series of companies in which he has a substantial interest, together with the deemed interest held by his wife Puan Sri Chan Chau Ha (alias Chan Chow Har), are entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of LDHB, which in turn is entitled to exercise or control the exercise of 100% of the voting power at general meetings of PRG Corporation Limited.

On the basis that no further Shares are issued or repurchased since the Latest Practicable Date up to the Annual General Meeting and in the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the attributable interests of PRG Corporation Limited, LDHB, LDPSB, Tan Sri Cheng Heng Jem and his wife Puan Sri Chan Chau Ha (alias Chan Chow Har) would be increased to approximately 61.62% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchases to be made pursuant to the Repurchase Mandate. The Directors will not make any repurchase of Shares to such extent that the public shareholding in the Company would be reduced to less than 25% of the issued share capital of the Company.

**(f) Share repurchases made by the Company**

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

The details of the Directors who will retire and, being eligible, offer themselves for re-election at the Annual General Meeting in accordance with the Articles of Association are set out below:

- (1) **CHEW Fook Seng**, aged 55, is an executive Director and Chief Executive Officer of the Company. He has been chief executive officer of the companies comprising the Group (excluding those which were acquired as part of the corporate reorganisation exercise prior to the Company's initial public offering) since 2001. He obtained his Master of Business Administration from the Northland Open University and International Management Centre from Buckingham and received training on retail management in the United States and Japan. He has also travelled extensively to the United States, Japan, Europe, Australia, Hong Kong, Philippines and other parts of the world to explore and realise new business concepts and opportunities.

Mr Chew was with the Emporium Group of department stores before joining the Lion Group in 1987 as its senior manager. He was then transferred to the Group upon its establishment in the PRC and was promoted to the position of Executive Director of Retail Division (PRC) in 2001. Mr Chew has more than 10 years of experience in the PRC retail market.

Mr Chew does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr Chew has a personal interest of 550,000 Shares of the Company within the meaning of Part XV of the SFO.

Mr Chew entered into a service contract with the Company on 9 November 2005 under which he agreed to act as executive Director for a term of three years commencing from 9 November 2005. The appointment may be terminated before such expiry by not less than three months' written notice.

Under the service contract, Mr Chew will receive an initial annual salary of RMB1,273,440. Mr Chew will also receive an annual Director's fee of HK\$150,000. He will also be entitled to discretionary bonus as may be decided by the remuneration committee of the Company. In the year 2006, Mr Chew's total remuneration was approximately RMB2.77 million. The annual salary and director's fee may, subject to the discretion of the remuneration committee of the Company, be reviewed.

During the period when Mr Chew was a director or within 12 months after his ceasing to act as a director of the following company, such company was put into liquidation:

| <b>Name of Company</b>            | <b>Place of Incorporation</b> | <b>Nature of business</b>  | <b>Date of commencement of the proceeding</b> | <b>Particulars/ Amount involved</b>                  |
|-----------------------------------|-------------------------------|--|---|--|
| Shijiazhuang Parkson Plaza Co Ltd | Hubei Province, PRC           | Property management, sale of goods and merchandise within property, restaurant and entertainment business, and the lease of properties | 25 December 1997                              | Court winding-up (completed on 10 May 1999)/<br>None |

The Directors are of the opinion that Mr Chew has demonstrated commitment to his role as an executive Director of the Company and performed proficiently throughout the years, and therefore determine that the re-appointment/continuance of Mr Chew as executive Director is in the best interests of the Company and the Shareholders.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules.

- (2) **Tan Sri CHENG Heng Jem**, aged 64, is a non-executive Director and Chairman of the Company. Tan Sri Cheng has more than 35 years of experience in the business operations of the Lion Group encompassing steel, motor, tyre, computer, trading, plantation, property and community development and retail. He oversees the operation of the Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Lion Group.

Tan Sri Cheng is the president of The Associated Chinese Chambers of Commerce and Industry of Malaysia and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor.

Tan Sri Cheng's directorships in public companies are as follows:

- chairman and managing director of Lion Corporation Berhad and Amalgamated Containers Berhad, both public listed companies in Malaysia
- chairman of each of Lion Diversified Holdings Berhad, Silverstone Corporation Berhad and Lion Forest Industries Berhad, all public listed companies in Malaysia

- director of Amsteel Corporation Berhad, a public listed company in Malaysia
- director of Lion Teck Chiang Limited, a public listed company in Singapore

Tan Sri Cheng is the uncle of Mr Cheng Yoong Choong, an executive Director and the Managing Director of the Company. Save as disclosed above, Tan Sri Cheng does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Tan Sri Cheng has a corporate interest of 306,360,000 Shares of the Company within the meaning of Part XV of the SFO.

Tan Sri Cheng signed a letter of appointment dated 9 November 2005 with the Company under which he agreed to act as the non-executive Director for a period of three years commencing from 9 November 2005. The appointment may be terminated before such expiry by not less than three months' written notice. The initial annual Director's fee for his acting as the non-executive Director is HK\$150,000.

During the period when Tan Sri Cheng was a director or within 12 months after his ceasing to act as a director of the following company, such company was put into liquidation:

| <b>Name of Company</b>      | <b>Place of Incorporation</b> | <b>Nature of business</b>                         | <b>Date of commencement of the proceeding</b> | <b>Particulars/ Amount involved</b>     |
|-----------------------------|-------------------------------|---|---|---|
| Davids Distribution Sdn Bhd | Malaysia                      | Distribution of groceries and other food products | 15 October 1998                               | Court winding-up (ongoing)/ RM1,079,123 |

Moreover, several companies forming part of the Lion Group in which Tan Sri Cheng is a director had, during the period from 2000 to 2004, undertaken and implemented a groupwide debt and/or corporate restructuring exercise to enable, inter alia, the companies to continue their operations as going concerns and to ensure that they are able to meet their commitments to their creditors. The debt and/or corporate restructuring exercise was carried out as a result of the financial crisis in Malaysia which arose in the second half of 1997 and had an adverse impact on the financial performance of these companies within the Lion Group.

The companies are:

- (a) Amsteel Corporation Berhad, Lion Corporation Berhad and Silverstone Corporation Berhad which had undertaken a debt and corporate restructuring exercise for themselves and certain of their subsidiaries pursuant to schemes of arrangement with their respective lenders via Malaysian High Court orders applied and obtained by the respective companies (“GWRS”). The GWRS was implemented on 14 March 2003. The details of the aforesaid debts and companies are as follows:

| <b>Name of Company</b>   | <b>Place of Incorporation</b> | <b>Nature of business</b>   | <b>Amount involved</b>                                |
|--|-------------------------------|---|---|
| Amsteel Corporation Berhad and certain of its subsidiaries     | Malaysia                      | Investment holding<br><br>The majority of subsidiaries are engaged in the property development business   | RM3,326 million net present value as at 14 March 2003 |
| Lion Corporation Berhad and certain of its subsidiaries        | Malaysia                      | Investment holding<br><br>Its subsidiaries are mainly engaged in the business of steel construction and civil engineering works   | RM1,602 million net present value as at 14 March 2003 |
| Silverstone Corporation Berhad and certain of its subsidiaries | Malaysia                      | Investment holding<br><br>Its subsidiaries are mainly engaged in the business of manufacturing and selling of tyres, rubber compounds and other related rubber products | RM616 million net present value as at 14 March 2003   |

- (b) Megasteel Sdn Bhd and Amsteel Mills Sdn Bhd had also undertaken and implemented their own debt restructuring exercises with their respective lenders pursuant to schemes of arrangement via the respective Malaysian High Court orders applied and obtained by the respective companies. The details of Megasteel Sdn Bhd and Amsteel Mills Sdn Bhd are as follows:

| <b>Name of Company</b> | <b>Place of Incorporation</b> | <b>Nature of business</b>  | <b>Date of implementation</b> | <b>Amount involved</b> |
|------------------------|-------------------------------|--|-------------------------------|------------------------|
| Megasteel Sdn Bhd      | Malaysia                      | Manufacturing of hot rolled coils, cold rolled coils, bands, plates and sheets | 29 August 2002                | RM1,884 million        |
| Amsteel Mills Sdn Bhd  | Malaysia                      | Manufacture and marketing of steel bars and wire rods                          | 6 February 2003               | RM1,428 million        |

- (c) Details of companies which had undertaken and implemented their own debt restructuring exercises with their respective lenders are as follows:

| <b>Name of Company</b>           | <b>Place of Incorporation</b> | <b>Nature of business</b>   | <b>Date of implementation</b> | <b>Amount involved</b>                                   |
|----------------------------------|-------------------------------|---|-------------------------------|--|
| Lion Diversified Holdings Berhad | Malaysia                      | Investment holding  | 21 December 2000              | RM170 million net present value as at 21 December 2000   |
| Lion Forest Industries Berhad    | Malaysia                      | Investment holding, trading and distribution of building and trading of materials, steel products | 21 December 2000              | RM38.27 million net present value as at 21 December 2000 |
| Sabah Forest Industries Sdn Bhd  | Malaysia                      | Integrated wood-based activities and pulp & paper mill operations                                 | 21 December 2000              | RM52.9 million net present value as at 21 December 2000  |

| <b>Name of Company</b>      | <b>Place of Incorporation</b> | <b>Nature of business</b>   | <b>Date of implementation</b> | <b>Amount involved</b>                                   |
|-----------------------------|-------------------------------|---|-------------------------------|--|
| Parkson Corporation Sdn Bhd | Malaysia                      | Operations of departmental stores   | 22 December 2000              | RM52.89 million net present value as at 22 December 2000 |
| Silverstone Berhad          | Malaysia                      | Manufacture and sale of tyres, rubber compounds and other related rubber products | 22 December 2000              | RM148.1 million net present value as at 22 December 2000 |
| Tirta Enterprise Sdn Bhd    | Malaysia                      | Investment holding  | 31 December 2002              | RM64,066,290.41  |
| Lion Holdings Sdn Bhd       | Malaysia                      | Investment holding and property investment  | 31 December 2002              | RM44,245,065.21  |
| William Cheng Sdn Bhd       | Malaysia                      | Investment holding  | 31 December 2002              | RM1,974,861.21   |

The respective restructuring exercises have been implemented and the companies are complying with the terms of their respective restructuring exercise.

The Directors are of the opinion that Tan Sri Cheng has demonstrated commitment to his roles as the Chairman and non-executive Director of the Company and performed effectively throughout the years. The Directors are also of the view that the above debt and corporate restructuring exercises involving the companies within the Lion Group are unlikely to affect Tan Sri Cheng in discharging his duties or in any circumstances, could appear to do so. Accordingly, the Directors conclude that the re-appointment/continuance of Tan Sri Cheng as non-executive Director is in the best interests of the Company and the Shareholders.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules.

- (3) **YAU Ming Kim, Robert**, aged 68, was appointed as an independent non-executive Director on 1 January 2007, and is a member of the audit committee and a member of the remuneration committee of the Company. Mr Yau graduated from Wah Yan College and first served as a Trade Officer in the Hong Kong Government from 1964 to 1971. During that period, he was involved in the first textile negotiations between Hong Kong and the United States of America and with the United Kingdom. He was instrumental in setting up the comprehensive quota control system for the textile and clothing industry in Hong Kong. In 1970, he was seconded to the General Agreement on Tariffs and Trade (“GATT”) Secretariat (now known as “World Trade Organisation”) in Geneva, Switzerland and was awarded a GATT Fellowship.

Mr Yau has extensive experience in the textile and clothing industry. Mr Yau was the Chief Executive or Managing Director of many major international and local apparel companies since 1971. In addition, from 1998 to 2004, he was appointed as the Vice Chairman of Hong Kong Exporters’ Association, a member of the Executive Committee of The Hong Kong Shippers’ Council and the Garment Advisory Committee of the Hong Kong Trade Development Council.

Mr Yau is also an independent non-executive Director of Tungtex (Holdings) Company Limited (stock code: 0518), a public listed company on the Main Board of the Stock Exchange. Save as disclosed above, Mr Yau does not hold any directorship in any public listed companies in the last 3 years.

Mr Yau does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and, at the Latest Practicable Date, did not have any interests in Shares of the Company within the meaning of Part XV of the SFO.

Under a letter of appointment dated 27 December 2006 with the Company, Mr Yau agreed to act as independent non-executive Director for a period of one year and shall continue thereafter subject to a maximum period of three years unless terminated in accordance with the terms of the appointment letter. The initial annual Director’s fee for his acting as independent non-executive Director is HK\$150,000.

There is no information required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules.

The emoluments received by each of the Directors for the year ended 31 December 2006 have been disclosed in the Company’s Annual Report 2006.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders relating to the re-election of the above Directors.

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**APPENDIX C      PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL AT  
GENERAL MEETING PURSUANT TO THE ARTICLES OF ASSOCIATION**

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According to the Articles of Association, at any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and who are entitled to vote; or
- (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

 **PARKSON 百盛**  
**PARKSON RETAIL GROUP LIMITED**

**百盛商業集團有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3368)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Parkson Retail Group Limited (the “Company”) will be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 17 May 2007, Thursday at 10:30 a.m. for the following purposes:

- (1) To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2006.
- (2) To consider and approve a final dividend of RMB0.27 per share for the year ended 31 December 2006.
- (3) To re-elect Mr Chew Fook Seng, Tan Sri Cheng Heng Jem and Mr Yau Ming Kim, Robert as directors of the Company and to authorise the board of Directors to fix the Directors’ remuneration.
- (4) To re-appoint Messrs Ernst & Young as auditors and to authorise the board of Directors to fix their remuneration.
- (5) To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) **“THAT:**

- (a) Subject to paragraphs (b) and (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to repurchase the ordinary shares of the Company with a nominal value of HK\$0.10 each (the “Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Stock Exchange or any other stock exchange as may be amended from time to time, be and the same is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall, in addition to any other authorisation given to the Directors, authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its own Shares at a price to be determined by the Directors;
- (c) the maximum number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the existing issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or its articles of association to be held; and
- (iii) the revocation or variation of the authority granted under this resolution by an ordinary resolution of the shareholders of the Company in general meetings.”

**(B) “THAT:**

- (a) subject to paragraphs (b) and (c) below and without prejudice to the resolution numbered 5(C) set out below, the exercise by the Directors during the Relevant Period (as defined in resolution numbered 5(A)(d) set out in the notice of this Meeting) of all the powers of the Company to allot, issue and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements and options which might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall, in addition to any other authorisation given to the Directors, authorise the Directors during the Relevant Period to make or grant offers, agreements or options (including warrants or similar rights to subscribe for any Shares which might require the exercise of such power after the end of the Relevant Period);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval given in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of the rights of subscription or conversion under the terms of any securities or bonds which are convertible into any Shares; (iii) any options granted or issue of Shares under any share option scheme or similar arrangement for the time being adopted by the Company, or (iv) any scrip dividend schemes or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company, shall not exceed 20% of the existing issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution: “Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”
- (C) “**THAT** conditional upon the passing of the resolutions numbered 5(A) and 5(B) set out above, the number of Shares which are repurchased by the Company pursuant to and in accordance with the resolution numbered 5(A) shall be added to the aggregate number of the Shares that may be allotted, issued or dealt with or agreed conditionally or unconditionally by the Directors pursuant to and in accordance with resolution numbered 5(B)”.

By Order of the Board  
**Cheng Yoong Choong**  
*Managing Director*

Hong Kong, 23 April 2007

**Notes:**

- (a) The Register of Members of the Company will be closed from Monday, 23 April 2007 to Friday, 27 April 2007 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the proposed final dividend and to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 20 April 2007.
- (b) The proposed final dividends will be paid in Hong Kong dollars, such amount to be calculated by reference to the middle rate published by the People’s Bank of China for the conversion of Renminbi to Hong Kong dollars as at 23 April 2007.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy (who must be an individual) to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company.
- (d) In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be).
- (e) A form of proxy for use in connection with the Annual General Meeting is enclosed and such form is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

### CHANGE OF PROPOSED DATE OF FINAL DIVIDENDS PAYMENT

Further to the final results announcement of the Company dated 26 February 2007, the Board would like to draw the attention of the Shareholders of the Company that:-

- (i) the forthcoming annual general meeting will be held on Thursday, 17 May 2007; and
- (ii) upon the approval to be obtained from the forthcoming annual general meeting, the final dividends will be payable on or about 31 May 2007 to the shareholders whose name appears on the Register of Members of the Company at close of business on 27 April 2007.