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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**

AMENDMENT OF ARTICLES OF ASSOCIATION

RE-ELECTION OF RETIRING DIRECTORS

A notice convening an Annual General Meeting of Parkson Retail Group Limited to be held at Victoria I, Level 2, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on 28 April 2006, Friday at 10:00 a.m. is set out on pages 20 to 23 of this circular. Whether or not you are 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

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 Victoria I, Level 2, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on 28 April 2006, Friday at 10:00 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”	28 March 2006, 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 the 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
“PRC”	the People’s Republic of China

DEFINITIONS

“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 Fong Ching, Eddy

Mr Studer Werner Josef

Mr Ko Tak Fai, Desmond

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:

Level 28

Three Pacific Place

1 Queen's Road East

Hong Kong

3 April 2006

To the Shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AMENDMENT OF ARTICLES OF ASSOCIATION
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; (ii) the amendment of the Articles of Association of the Company; and (iii) the proposed re-election of the retiring Directors.

LETTER FROM THE BOARD

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 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 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 and 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. AMENDMENT OF ARTICLES OF ASSOCIATION

Appendix 3 to the Listing Rules sets out certain provisions with which a listed company’s articles of association should conform. In addition to Appendix 3, the articles of association of issuers incorporated in the Cayman Islands are required to conform with the provisions set out in Part B of Appendix 13 to the Listing Rules.

To reflect the recent amendments to Appendix 3 and Part B of Appendix 13 to the Listing Rules which came into effect on 1 March 2006, a special resolution will be proposed at the Annual General Meeting to amend Article 118 and Article 130.7 of the Articles of Association to provide that a director may be removed by an ordinary resolution in general meeting instead of a special resolution.

IV. RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, all of the Directors who were appointed during the year will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election. Information on the retiring Directors as required to be disclosed under the Listing Rules is set out in Appendix B of this circular.

LETTER FROM THE BOARD

V. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 20 to 23 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). Whether or not you are 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.

VI. 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; (ii) the proposed amendment of the Articles of Association; and (iii) 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.

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\$55,200,000 comprising 552,000,000 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 prior to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 55,200,000 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 the 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 are seeking 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 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, the Companies Law and other applicable laws of the Cayman Islands and any other applicable laws. 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 a 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's share premium account or, 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. 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 that such repurchases to be in the best interests of the Company.

(d) Market Price

The highest and lowest prices at which the Shares of the Company have been traded on the Stock Exchange during each of the previous four months from 30 November 2005 (being the date of listing of the Shares on the Stock Exchange) to the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
November	12.300	11.550
December	14.700	11.650
2006		
January	20.000	13.700
February	21.650	18.600
From 1 March to the Latest Practicable Date	23.600	19.050

(e) General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have 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 and the applicable laws of the Cayman Islands.

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 361,560,000 Shares (representing 65.50% of the total issued share capital of the Company). 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 Lion Diversified Holdings Berhad, 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 prior 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, Tan Sri Cheng Heng Jem and his wife Puan Sri Chan Chau Ha (alias Chan Chow Har) would be increased to approximately 72.78% 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 period from 30 November 2005 (being the date of listing of the Shares on the Stock Exchange) to 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) **CHENG Yoong Choong**, aged 42, is an executive Director and the Managing Director of the Company. Mr Cheng is also a member of the remuneration committee of the Company. He graduated from the University of San Francisco with a Bachelor of Science degree and a Master of Business Administration in 1984. He has been with the Lion Group since 1987 in various capacities in stores operations and merchandising and has been the Chief Operating Officer of the retail division of the Lion Group since 2000. Mr Cheng has been with the Group since its inception. Mr Cheng is actively involved in the Malaysian and PRC retail scenes and was chairman of the Malaysia Retailers Association in 1996. He was a member of the Executive Board of the Intercontinental Group of Department Stores in 1998 and 1999.

Mr Cheng is the nephew of Tan Sri Cheng Heng Jem, the non-executive Director and Chairman of the Company.

Save as disclosed above, Mr Cheng does not have any relationship with any other 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.

Mr Cheng 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 Cheng will receive an annual Director's fee of approximately HK\$150,000. The Director's fee shall be subject to review by the remuneration committee of the Company. He will also be entitled to discretionary bonus as may be decided by the remuneration committee.

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

Name of Company	Place of Incorporation	Nature of business	Date of commencement of the proceedings	Particulars/ Amount involved
Davids Distribution Sdn Bhd	Malaysia	Distribution of groceries and other food products	15 October 1998	Court winding-up (ongoing)/ RM1,079,123
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)/None

Moreover, one of the companies forming part of the Lion Group in which Mr Cheng is a director had, in 2000, undertaken and implemented a corporate restructuring exercise to enable, inter alia, that company to continue its operations as a going concern and to ensure that it was able to meet its commitments to its creditors. The 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 that company. Details of which are as follows:

Name of Company	Place of Incorporation	Nature of business	Date of commencement of arrangement	Amount involved
Parkson Corporation Sdn Bhd	Malaysia	Operation of departmental stores	22 December 2000	RM98 million net present value as at 22 December 2000

The corporate restructuring exercise has been implemented and Parkson Corporation Sdn Bhd is complying with the terms of the restructuring exercise.

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) **CHEW Fook Seng**, aged 54, 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 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 working 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 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.

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. 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:

Name of Company	Place of Incorporation	Nature of business	Date of commencement of the proceeding	Particulars/ Amount involved
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)/ None

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) **Tan Sri CHENG Heng Jem**, aged 63, is a non-executive Director and Chairman of the Company. Tan Sri Cheng has more than 30 years of experience in the business operations of the Lion Group encompassing steel, motor and tyres, computer, trading, pulp and paper, 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 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 of each of Lion Diversified Holdings Berhad, Silverstone Corporation Berhad and Lion Forest Industries Berhad, all public listed companies in Malaysia
- director of each of Amsteel Corporation Berhad and Amalgamated Containers Berhad, both public listed companies in Malaysia

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

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 361,560,000 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:

Name of Company	Place of Incorporation	Nature of business	Date of commencement of the proceeding	Particulars/ Amount involved
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 and implemented the debt and corporate restructuring exercise for themselves and certain of their subsidiaries on 14 March 2003 pursuant to schemes of arrangement with their respective lenders via Malaysian High Court orders applied and obtained by the respective companies. The details of the aforesaid debts and companies are as follows:

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

Name of Company	Place of Incorporation	Nature of business	Date of commencement of arrangement	Amount involved
Megasteel Sdn Bhd	Malaysia	Manufacturing of hot rolled coils, bands, plates and sheets	29 August 2002	RM500 million
Amsteel Mills Sdn Bhd	Malaysia	(1) Manufacturing and marketing of hot briquetted iron (2) Manufacturing of steel bars and wire rods	6 February 2003	RM148,589 million

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

Name of Company	Place of Incorporation	Nature of business	Date of commencement of arrangement	Amount involved
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 materials, steel products and consumer goods	21 December 2000	RM38.27 million net present value as at 21 December 2000

Name of Company	Place of Incorporation	Nature of business	Date of commencement of arrangement	Amount involved
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
Parkson Corporation Sdn Bhd	Malaysia	Operation of departmental stores	22 December 2000	RM98 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.

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.

- (4) **FONG Ching, Eddy**, aged 59, was appointed as an independent non-executive Director on 9 November 2005. He was also appointed as the chairman of the audit committee and a member of the remuneration committee. Mr Fong was formerly a partner of the international accounting firm PricewaterhouseCoopers. He is currently an independent non-executive director of each of China Resources Power Holdings Company Limited, SUNeVision Holdings Limited and Tradelink Electronic Commerce Limited and a non-executive director of Li Ning Company Limited, all listed on the Stock Exchange. Apart from pursuing a professional career, Mr Fong is active in public and community services in Hong Kong. He is currently a non-executive director of the Securities and Futures Commission, a director of Hong Kong Applied Science and Technology Research Institute Company Limited and a Council Member of the Open University of Hong Kong. Mr Fong was appointed as a Justice of the Peace in 1996 and awarded Silver Bauhinia star in 2000 by the Government of Hong Kong. Mr Fong graduated from University of Kent in the United Kingdom and was conferred Honorary Doctor of Civil Law in 1997.

Mr Fong 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 9 November 2005 with the Company, Mr Fong agreed to act as independent non-executive Director for a period of one year and shall continue thereafter subject to a maximum 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.

- (5) **STUDER Werner Josef**, aged 46, was appointed as an independent non-executive Director on 9 November 2005, and is a member of the audit committee of the Company. Mr Studer obtained his federal diploma in economics and business administration from SEBA (School for Economics and Business Administration) in Lucerne, Switzerland. Mr Studer is a business economist and holds a Bachelor of Business Administration degree. He serves currently as executive director to the Intercontinental Group Department Stores ("IGDS"). The IGDS is a non-profit association which offers a global business platform for leading department stores all over the world. The IGDS comprises more than 33 members now. Prior to joining IGDS, Mr Studer was in various management functions and positions at Hero Company (food manufacturing), Switzerland, Feldschloesschen Company (Brewery), Switzerland, and Migros Company (retailer) in Switzerland. Mr Studer has over 20 years of experience in the fast moving consumer goods (FMCG) and retail industries.

Mr Studer 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 9 November 2005 with the Company, Mr Studer agreed to act as independent non-executive Director for a period of one year and shall continue thereafter subject to a maximum 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.

- (6) **KO Tak Fai, Desmond**, aged 37, was appointed as an independent non-executive Director on 9 November 2005, and is a member of the audit committee and a member of the remuneration committee of the Company. Mr Ko became a member of the Institute of Chartered Accountants in England and Wales in 1994. Mr Ko is the Head of Finance for a private group with hotel and property interests in China. He is currently an independent non-executive director of Mobile Telecom Network (Holdings) Limited which shares are listed on the Growth Enterprise Market of the Stock Exchange and a non-executive director of Core Solutions Limited.

Mr Ko 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 9 November 2005 with the Company, Mr Ko agreed to act as independent non-executive Director for a period of one year and shall continue thereafter subject to a maximum 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 2005 have been disclosed in the Company's Annual Report 2005.

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.

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

According to the Articles of Association, at any general meeting a resolution put to the vote of 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 Victoria I, Level 2, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on 28 April 2006, Friday at 10:00 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 2005.
- (2) To consider and approve a final dividend of RMB0.26 per share for the year ended 31 December 2005.
- (3) To re-elect directors of the Company (the “Directors”) and to authorise the board of Directors to fix the Directors’ remuneration.
- (4) To re-appoint 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 below) 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 amended from time to time, be and the same is hereby generally and unconditionally approved;
- (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;

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(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);

(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

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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 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).”

(6) To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the articles of association of the Company be and are hereby amended by (i) deleting the words “special resolution” as appears in both the subject description note at the margin and the first line of Article 118 and replacing the same with the words “an ordinary resolution”; and (ii) deleting the words “a special resolution” as appears in Article 130.7, and replacing the same with the words “an ordinary resolution”.”.

By Order of the Board
Cheng Yoong Choong
Managing Director

Hong Kong, 3 April 2006

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) The Register of Members of the Company will be closed from Monday, 24 April 2006 to Friday, 28 April 2006 (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 4:00 p.m. on Friday, 21 April 2006.
- (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 24 April 2006.
- (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).
- (f) The special resolution set out in the above notice (Resolution 6) will be proposed to amend the Articles of Association of the Company to (i) reflect the recent amendments to Appendix 3 and Part B of Appendix 13 to the Listing Rules which came into effect on 1 March 2006 (such Appendices set out certain provisions with which a listed company's articles of association should conform); and (ii) provide that a director may be removed by an ordinary resolution in general meeting instead of a special resolution.