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PARKSON RETAIL GROUP LIMITED

百盛商業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3368)

PROPOSED ISSUE OF APPROXIMATELY US\$125.0 MILLION SENIOR GUARANTEED NOTES DUE 2012

Parkson Retail Group Limited (the "**Company**") wishes to announce certain information regarding its proposed offering (the "**Offering**") of approximately US\$125.0 million aggregate principal amount of Senior Notes due 2012 (the "**Notes**"). The coupon on the Notes is expected to be determined on or around 23 May 2007. The Offering is arranged by J.P. Morgan Securities Ltd. as Sole Bookrunner and Lead Manager.

The Company intends to use approximately US\$50 million to refinance the bridge loan from JP Morgan Chase Bank N.A, approximately US\$50 million to partly fund the acquisition of Anshan Parkson and Anshan Properties which was announced on the 24 April 2007 and the balance for general corporate and working capital purposes.

The directors believe that the Offering of the Notes is of sufficient materiality to disclose pursuant to Rule 13.09(1) of the Listing Rules.

INTRODUCTION

The Company wishes to announce certain information regarding the Offering of the Notes. The Notes will be guaranteed by certain of the Company's subsidiaries. The Offering is arranged by J.P. Morgan Securities Ltd. as Sole Bookrunner and Lead Manager.

PURPOSE OF ISSUE

The Company intends to use approximately US\$50 million to refinance the bridge loan from JP Morgan Chase Bank N.A, approximately US\$50 million to partly fund the acquisition of Anshan Parkson and Anshan Properties which was announced on the 24 April 2007 and the balance for general corporate and working capital purposes.

PRINCIPAL TERMS OF THE NOTES

The Company intends to issue approximately US\$125.0 million aggregate principal amount of Notes in the proposed offering. The Company will issue notes only in fully registered form without coupon attached, in denominations of US\$200,000 and integral multiples of US\$1,000.

The Notes will mature five years from the date of issuance.

The Notes and the subsidiary guarantees will be:

- (a) senior direct obligations of the Company and the subsidiary guarantors respectively;
- (b) effectively subordinated to all existing and future secured debt of the Company to the extent of the value of the assets securing that debt;
- (c) pari passu with all existing and future senior debt of the Company;
- (d) senior in right of payment to all existing and future debt of the Company expressly subordinated in right of payment to the Notes;
- (e) guaranteed on a senior basis by certain subsidiary guarantors of the Company incorporated outside of the PRC (the “**Subsidiary Guarantors**”);
- (f) redeemable up to 35% of the Notes from the proceeds of certain equity offerings at any time and from time to time prior to the third year from the date of issue;
- (g) redeemable up to 100% of the Notes at any time and from time to time after the third year from the date of issue at redemption prices set forth in the indentures governing the Notes;
- (h) subject to certain conditions, redeemable in whole, but not in part, at a redemption price equal to 100% of the principal amount of the Notes, plus the applicable “make whole” premium; and
- (i) subject to certain covenants in an indenture governing the Notes, including limitations on the incurrence of debt, limitations on certain restricted payments, limitations on asset sales, and limitations on transactions with affiliates of the Company.

LISTING OF THE NOTES

Application has been made for the listing of the Notes on the Official List of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Notes on the SGX-ST.

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

As at the date of this announcement, Mr CHENG Yoong Choong and Mr CHEW Fook Seng are executive directors of the Company, Tan Sri CHENG Heng Jem is a non-executive director of the Company and Mr STUDER Werner Josef, Mr YAU Ming Kim, Robert and Mr KO Tak Fai, Desmond are the independent non-executive directors of the Company.

Hong Kong, 21 May 2007

Please also refer to the published version of this announcement in South China Morning Post.