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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 SUBDIVISION OF EXISTING SHARES

The Board proposes that each of the issued and unissued Existing Share of HK\$0.10 each in the share capital of the Company be subdivided into five (5) Subdivided Shares of HK\$0.02 each.

The Share Subdivision is conditional upon the passing of an ordinary resolution by the Shareholders during the EGM and Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares or any new Subdivided Shares which may be issued pursuant to the Options granted or to be granted pursuant to the Share Option Scheme.

The Existing Shares currently trade in board lots of 500 Existing Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 500 Subdivided Shares.

A circular containing, amongst other things, details of the Share Subdivision, the arrangement on free exchange of certificates of Existing Shares for new certificates for Subdivided Shares, and the trading arrangements in respect of the Subdivided Shares, together with a notice to convene the EGM will be despatched to Shareholders as soon as practicable.

1. PROPOSED SUBDIVISION OF EXISTING SHARES

The Board proposes that each of the issued and unissued Existing Share of HK\$0.10 each in the share capital of the Company be subdivided into five (5) Subdivided Shares of HK\$0.02 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in paragraph headed “2. Conditions to the Share Subdivision” below.

As at the date hereof, the authorised share capital of the Company is HK\$150,000,000 divided into 1,500,000,000 Existing Shares, of which 557,460,500 Existing Shares are in issue and fully paid. Immediately upon the Share Subdivision becoming effective, the authorised share capital of

the Company will be HK\$150,000,000 divided into 7,500,000,000 Subdivided Shares, of which 2,787,302,500 Subdivided Shares will be in issue and fully paid, assuming that no further Existing Shares are issued or repurchased after the date hereof.

The Subdivided Shares will rank pari passu with each other in all respects and the rights attached to the Subdivided Shares will not be affected by the Share Subdivision.

2. CONDITIONS TO THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Subdivided Shares and the Subdivided Shares to be issued pursuant to the exercise of Options in accordance with the Share Option Scheme.

Save for the expenses, including the professional fees and printing charges, to be incurred in relation to the Share Subdivision, the implementation thereof will not alter the underlying assets, business operations, management and the financial position of the Company or the shareholdings, rights and interest of the Shareholders. The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

3. REASONS FOR THE SHARE SUBDIVISION

The proposed Share Subdivision will decrease the nominal value, and increase the total number of Existing Shares. The Share Subdivision will result in downward adjustment to the trading price of the Shares on the Stock Exchange, and with board lots at 500 Subdivided Shares, the value per board lot will be lower after the Share Subdivision becoming effective.

The Board believes that the effects of the Share Subdivision above will improve the liquidity in the trading of the Company's Shares and widening the Company's shareholder base. Accordingly, the Board considers the Share Subdivision to be in the interests of the Company and the Shareholders as a whole.

4. ADJUSTMENTS TO THE OPTIONS

As at the date hereof, there are 2,630,350 outstanding Options granted under the Share Option Scheme. The Board expects that the Share Subdivision will lead to adjustments to the exercise price and the number of Subdivided Shares which may fall to be issued upon exercise of the outstanding Options. The Company will ascertain the required adjustments to the Options, which will be reviewed and confirmed in writing by the auditors or independent financial adviser of the Company pursuant to the Share Option Scheme, Rule 17.03(13) of the Listing Rules and

the supplementary guidance issued by the Stock Exchange dated 5 September 2005 to give each grantee the same proportion of the equity capital as to which he/she was previously entitled.

5. BOARD LOT SIZE

The Existing Shares are currently traded in the board lots of 500 Existing Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 500 Subdivided Shares. The Share Subdivision will not result in any odd board lots other than those which already exist.

6. EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision is as follows:

Circular relating to the Share Subdivision to be despatched on or about	12 June 2008
EGM	4 July 2008
<i>The following events are conditional on the results of the EGM and the granting of the listing of, and the permission to deal in, the Subdivided Shares and the Subdivided Shares to be issued under the Share Option Scheme by the Listing Committee of the Stock Exchange:</i>	
Effective date of the Share Subdivision	7 July 2008
Dealings in the Subdivided Shares commence	9:30 a.m., 7 July 2008
Original counter for trading in Existing Shares in board lots of 500 Existing Shares temporarily closes	9:30 a.m., 7 July 2008
Temporary counter for trading in Subdivided Shares in board lots of 2,500 Subdivided Shares (in the form of certificates of existing shares certificates (“ Existing Share Certificates ”)) opens	9:30 a.m., 7 July 2008
First day of free exchange of Existing Share Certificates for new certificates for the Subdivided Shares (“ New Share Certificates ”)	7 July 2008
Original counter for trading in Subdivided Shares in board lots of 500 Subdivided Shares (in the form of New Share Certificates) reopens	9:30 a.m., 21 July 2008
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences	9:30 a.m., 21 July 2008

Parallel trading in Subdivided Shares (in the form of New Share Certificates and the Existing Share Certificates) ends	4.10 p.m., 11 August 2008
Temporary counter for trading in Subdivided Shares in board lots of 2,500 Subdivided Shares (in the form of Existing Share Certificates) closes	4.10 p.m., 11 August 2008
Last day for free exchange of Existing Share Certificates for New Share Certificates	4.00 p.m., 18 August 2008

For delivery and settlement purposes, the Existing Share Certificates will only be valid for the period up to 4:00 p.m. on Monday, 11 August 2008 and thereafter will not be accepted for delivery and settlement purposes. For trading purposes, the Existing Share Certificates will only be valid for the period up to 4:10 p.m. on Monday, 11 August 2008 and thereafter will not be accepted for trading purposes. However, those certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Existing Share for five (5) Subdivided Shares and may be exchanged free of charge for the New Share Certificates during the business hours of the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, between Monday, 7 July 2008 and Monday, 18 August 2008; and on payment of a prescribed fee at any time after 4:00 p.m. on Monday, 18 August 2008.

The New Share Certificates will be issued in different colour in order to distinguish them from Existing Share Certificates, details of which will be disclosed in the circular to be despatched to Shareholders.

7. GENERAL

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares and the Subdivided Shares to be issued pursuant to the exercise of Options in accordance with the Share Option Scheme.

A circular containing, amongst other things, details of the Share Subdivision, the arrangement on free exchange of Existing Share Certificates for New Share Certificates, and the trading arrangements in respect of the Subdivided Shares, together with a notice to convene the EGM, will be despatched to Shareholders as soon as practicable.

This announcement will be available on the Company's website at www.parkson.com.cn. Further announcement will be made by the Company as soon as the Share Subdivision becomes unconditional.

8. DEFINITIONS

“Board”	the board of Directors, including independent non-executive Directors of the Company
“Company”	Parkson Retail Group Limited, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for approving, inter alia, the Share Subdivision
“Existing Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Share Subdivision becoming effective
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the rights granted under the Share Option Scheme to subscribe for Shares in accordance with the terms and conditions of the Share Option Scheme
“Share(s)”	ordinary share(s) in the share capital of the Company, being Existing Shares or Subdivided Shares (as the case may be)
“Shareholder(s)”	holder(s) of Shares
“Share Option Scheme”	the Company’s share option scheme adopted on 9 November 2005
“Share Subdivision”	the subdivision of each issued and unissued Existing Share into 5 Subdivided Shares
“Subdivided Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company upon the Share Subdivision becoming effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 3 June 2008

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. KO Tak Fai, Desmond and Mr. YAU Ming Kim, Robert, are the independent non-executive directors of the Company.