*Not for distribution in or into the United States. The information contained herein does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States unless they are registered under applicable law or exempt from registration. No public offering of securities will be made in the United States.*

*Unless otherwise defined herein, terms defined in the prospectus dated 17th November, 2005 (the "Prospectus") issued by Parkson Retail Group Limited (the "Company") shall have the same meanings in this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*



PARKSON 百盛

**PARKSON RETAIL GROUP LIMITED**
**百盛商業集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 3368)**

# ANNOUNCEMENT
# EXERCISE OF THE OVER-ALLOTMENT OPTION

- The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by BNP Paribas Peregine on 2nd December, 2005.
- In respect of the Over-allotment Option, an aggregate of 24,840,000 Shares will be sold by the Selling Shareholder at the Offer Price of HK$9.80 per Share to cover over-allocations in the International Placing. The net proceeds as a result of exercising the Over-allotment Option is approximately HK$237 million. The Company will not receive any proceeds from the exercise of the Over-allotment Option.

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by BNP Paribas Peregine on 2nd December, 2005.

In respect of the Over-allotment Option, an aggregate of 24,840,000 Shares (the "Over-allotment Shares") (representing approximately 15% of the total number of Shares initially offered under the Offering) will be sold by the Selling Shareholder at the Offer Price of HK$9.80 per Share to cover over-allocations in the International Placing. The net proceeds as a result of exercising the Over-allotment Option is approximately HK$237 million. The Company will not receive any proceeds from the exercise of the Over-allotment Option. Immediately after the sale of the Over-allotment Shares by the Selling Shareholder, 34.5% of the issued share capital of the Company will be held in public hands.

The Listing Committee of the Hong Kong Stock Exchange has already granted the listing of and permission to deal in the Over-allotment Shares.

The shareholding structure of the Company immediately before and after the sale of the Over-allotment Shares by the Selling Shareholder is as follows:

| | **Immediately before the sale of the Over-allotment Shares** | | **Immediately after the sale of the Over-allotment Shares** | |
|---|---|---|---|---|
| **Beneficial shareholders** | **Number of shares** | **% of issued share capital** | **Number of shares** | **% of issued share capital** |
| PRG Corporation | 386,400,000 | 70.0% | 361,560,000 | 65.5% |
| Public investors | 165,600,000 | 30.0% | 190,440,000 | 34.5% |
| Total | 552,000,000 | 100.0% | 552,000,000 | 100.0% |

As at the date of this announcement, the directors of the Company are Tan Sri CHENG Heng Jem*, CHENG Yoong Choong, CHEW Fook Seng, FONG Ching, Eddy**, STUDER Werner Josef** and KO Tak Fai, Desmond**.

* *Non-executive director*

** *Independent non-executive directors*

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

2nd December, 2005

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