

INCORPORATION OF JOINT VENTURE COMPANY AND ITS SUBSIDIARY

The Board of Directors (the "**Board**") of Parkson Retail Asia Limited (the "**Company**") refers to the announcements dated 5 November 2012 and 6 November 2012 on the entry into a joint venture agreement (the "**Joint Venture Agreement**") by the Company's wholly-owned subsidiary, Parkson Myanmar Co. Pte. Ltd. ("**Parkson Myanmar**") with Yoma Strategic Holdings Ltd. ("**YSH**") and First Myanmar Investment Company Limited ("**FMI**") in relation to, among others, the establishment and operation of department stores in Myanmar and the announcement dated 13 December 2012 on the novation of the Joint Venture Agreement from YSH to Yoma Strategic Investments Ltd. ("**YSIL**"), a wholly-owned subsidiary of YSH (the announcements dated 5 November 2012, 6 November 2012 and 13 December 2012, collectively, the "**Announcements**").

Further to the Announcements, the Board wishes to announce that a joint venture company known as Parkson Myanmar Investment Company Pte. Ltd. ("**Parkson Myanmar Investment**") was incorporated in Singapore on 19 December 2012 and a wholly-owned subsidiary of Parkson Myanmar Investment known as Parkson Myanmar Asia Pte. Ltd. ("**Parkson Myanmar Asia**") was incorporated in Singapore on the same day.

The initial paid-up share capital of Parkson Myanmar Investment is US\$3, with one (1) share held by each of Parkson Myanmar, YSIL and FMI. Subject to the fulfilment of certain conditions precedent provided in the Joint Venture Agreement, the share capital of Parkson Myanmar Investment will be increased to US\$3 million. Following such increase in share capital and payment of subscription monies, the shareholding proportion of Parkson Myanmar, YSIL and FMI in Parkson Myanmar Investment will be 70%, 20% and 10% respectively.

The initial paid-up share capital of Parkson Myanmar Asia is S\$1, with one (1) share held by Parkson Myanmar Investment.

The principal activity of Parkson Myanmar Investment and Parkson Myanmar Asia is that of investment holding.

By Order of the Board

PARKSON RETAIL ASIA LIMITED

Datuk Cheng Yoong Choong

Group Managing Director

19 December 2012

The initial public offering of the Company's shares was sponsored by The Hongkong and Shanghai Banking Corporation Limited, Singapore ("**HSBC**"). The Joint Bookrunners and Joint Underwriters were HSBC and CIMB Securities (Singapore) Pte Ltd, and the Co-Lead Manager was CLSA Singapore Pte. Ltd. HSBC assumes no responsibility for the contents of this Announcement.