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)

(1) COMPLETION OF CONNECTED TRANSACTION: ACQUISITION OF 70% OF A COMPANY ENGAGED IN THE BUSINESS OF PROVIDING HIRE PURCHASE/CREDIT SALE SCHEME AND (2) ANTICIPATED FINANCIAL ASSISTANCE BY WAY OF GUARANTEE TO BE PROVIDED BY THE GROUP TO A CONNECTED PERSON AND (3) ANTICIPATED FINANCIAL ASSISTANCE BY WAY OF GUARANTEE TO BE RECEIVED BY THE GROUP FROM A CONNECTED PERSON AND (4) FULLY EXEMPT CONNECTED TRANSACTION: FINANCIAL ASSISTANCE BY WAY OF GUARANTEE RECEIVED BY THE GROUP FROM A CONNECTED PERSON AND (5) FULLY EXEMPT CONNECTED TRANSACTION: FINANCIAL ASSISTANCE BY WAY OF PLEDGING OF SHARES BY A CONTROLLING SHAREHOLDER RECEIVED BY THE GROUP

1. INTRODUCTION

Reference is made to the announcement of the Company dated 13 September 2018 ("**SPA Announcement**") wherein it was announced, among other things, that the Purchaser and the Vendor had entered into the SPA. Unless otherwise defined in this announcement or the context otherwise requires, capitalised terms defined in the SPA Announcement have the same meanings when used herein.

2. COMPLETION OF THE SPA

The Board is pleased to announce that the Conditions have been fulfilled and the Completion took place on 18 October 2018. Upon Completion, the Target Company became owned as to 70% by the Group and the remaining 30% by the Vendor. Accordingly, the Target Company has become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

As contemplated in section 1(g) of the SPA Announcement, the Purchaser and the Vendor have entered into a shareholders' agreement dated 18 October 2018 for regulating their respective rights and obligations as shareholders of the Target Company.

3. ANTICIPATED FINANCIAL ASSISTANCE BY WAY OF GUARANTEE TO BE PROVIDED BY THE GROUP TO A CONNECTED PERSON

As contemplated in section 1(e)(vii)(A) of the SPA Announcement, the Company will provide a guarantee in favour of Bank A in respect of 70% of Loan A which will constitute financial assistance provided by the Company to a connected person, namely the Target Company. The Company noted the requirements under Rule 14A.89 of the Listing Rules that must be satisfied in order for the connected transaction under Chapter 14A of the Listing Rules constituted by such financial assistance to be fully exempt as described in section 5.4 of the SPA Announcement and will ensure that those requirements are complied with before it provides financial assistance to the Target Company in its capacity as a connected subsidiary.

4. ANTICIPATED FINANCIAL ASSISTANCE BY WAY OF GUARANTEE TO BE RECEIVED BY THE GROUP FROM A CONNECTED PERSON

In relation to the Acquisition, the Group expects to receive financial assistance from a connected person as contemplated in section 1(e)(vii)(A) of the SPA Announcement, being a guarantee given by PHB for Loan A which will be reduced from 100% to 30%.

As the expected guarantee described above will be provided by PHB, a connected person of the Company, that guarantee will constitute financial assistance received by the Group from a connected person and therefore will constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Company noted the requirements under Rule 14A.90 of the Listing Rules that must be satisfied in order for such connected transaction to be fully exempt as described in section 5.3 of the SPA Announcement and will ensure that those requirements are complied with before the Target Company in its capacity as a subsidiary of the Company receives any financial assistance from PHB.

5. FULLY EXEMPT CONNECTED TRANSACTION: FINANCIAL ASSISTANCE BY WAY OF GUARANTEE RECEIVED BY THE GROUP FROM A CONNECTED PERSON

In relation to the Acquisition, the Group has received financial assistance by way of guarantee given by a connected person of the Company, namely PHB, in relation to a bank facility granted by Bank B to the Target Company for full settlement of Loan B as contemplated by section 1(e)(vi)(B) of the SPA Announcement. By virtue of PHB being a connected person of the Company, the guarantee given by PHB constituted financial assistance received by the Group from a connected person and therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the financial assistance by way of the said guarantee (i) is conducted on normal commercial terms or better; and (ii) is not be secured by the assets of the Group, it is fully exempt pursuant to Rule 14A.90 of the Listing Rules.

6. FULLY EXEMPT CONNECTED TRANSACTION: FINANCIAL ASSISTANCE BY WAY OF PLEDGING OF SHARES BY A CONTROLLING SHAREHOLDER RECEIVED BY THE GROUP FROM A CONNECTED PERSON

Pursuant to the terms of the banking facility referred to in section 1(e)(vi)(B) of the SPA Announcement, PRG Corporation Limited ("**PRG**") has entered into a share pledge ("**PRG Share Pledge**") under which PRG pledged 250,000,000 Shares owned by it to Bank B to secure an amount of RM100,000,000 (approximately HK$188,893,087) under the said banking facility.

PRG is a connected person of the Company by virtue of it being a controlling shareholder of the Company directly holding approximately 1,438,300,000 Shares, which represent approximately 54.59% of all the issued Shares as at the date of this announcement. PRG is also a connected person of the Company by virtue of it being a corporation controlled by another connected person of the Company which is the ultimate holding company of the Company, namely PHB. By virtue of PRG being a connected person of the Company, the PRG Share Pledge constituted financial assistance received by the Group from a connected person and therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the financial assistance by way of the PRG Share Pledge (i) is conducted on normal commercial terms or better; and (ii) is not be secured by the assets of the Group, it is fully exempt pursuant to Rule 14A.90 of the Listing Rules but is required to be disclosed under Rule 13.17 of the Listing Rules.

7. ANTICIPATED LETTER OF COMFORT

The Board also announces that based on the terms of the banking facility referred to in section 1(e)(vi)(B) of the SPA Announcement, it is anticipated that the Company will issue a letter of comfort to Bank B under which, among other things, the Company will confirm that it will continue to maintain its 70% ownership of the Target Company.

On behalf of the Board
PARKSON RETAIL GROUP LIMITED
Tan Sri Cheng Heng Jem
Executive Director & Chairman

18 October 2018

As at the date of this announcement, the Executive Directors of the Company are Tan Sri Cheng Heng Jem, Mr. Chong Sui Hiong and Ms. Juliana Cheng San San, the Non-executive Director is Dato' Sri Dr. Hou Kok Chung and the Independent Non-executive Directors are Dato' Fu Ah Kiow, Mr. Ko Desmond and Mr. Yau Ming Kim, Robert.

* *In this announcement, sums in RM are translated to HK$ at the rate of HK$1 = RM0.5294. This does not mean that RM could be converted into HK$ based on such exchange rate, or vice versa.*