PARKSON RETAIL ASIA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201107706H)

UPDATE ON THE PROPOSED DISPOSAL OF PROPERTY IN HAI PHONG CITY, VIETNAM

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1. INTRODUCTION

The Board of Directors ("**Board**") of Parkson Retail Asia Limited ("**Company**") refers to:

(a) the announcement dated 27 July 2020 in relation to the Proposed Disposal;

(b) the circular to Shareholders dated 15 October 2020 in relation to the Proposed Disposal as a major transaction ("**Circular**"); and

(c) the announcement dated 30 October 2020 in relation to the approval of Shareholders being obtained for the Proposed Disposal at the EGM of the Company held on 30 October 2020.

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Circular.

2. UPDATE ON THE PROPOSED DISPOSAL

The Board wishes to update Shareholders that on 8 February 2021, PHCL and the Purchaser entered into an amended and restated asset transfer agreement ("**Amended and Restated SPA**") to amend some of the terms of the Proposed Disposal.

2.1 Consideration

Pursuant to the Amended and Restated SPA:

(a) the Consideration will no longer be held in escrow by HD Bank as escrow agent. Instead, the Purchaser will obtain a payment guarantee letter in favour of PHCL ("**Payment Guarantee Letter**") from a commercial bank legally established and operating in Vietnam ("**Assigned Bank**") to secure the Purchaser's obligation to pay 80% of the Consideration, being Vietnamese Dong equivalent of US$8.0 million (equivalent to approximately S$10.6 million applying an exchange rate of US$1.00 : S$1.33 ("**Relevant Exchange Rate**"));

(b) the Purchaser has deposited Vietnamese Dong equivalent of US$550,000 (equivalent to approximately S$731,500 applying the Relevant Exchange Rate) ("**Earnest Deposit**") in PHCL's designated bank account. In addition to the Earnest Deposit, a further amount being Vietnamese Dong equivalent of US$500,000 (equivalent to approximately S$665,000 applying the Relevant Exchange Rate) ("**Additional Deposit**") will also be deposited by the Purchaser in PHCL's designated bank account; and

(c) the Consideration will be paid to PHCL in two tranches as follows:

(i) within 5 business days from the date that the Purchaser is issued with the Amended Certificates of Land Use Right, the Purchaser shall pay 20% of the Consideration, being Vietnamese Dong equivalent of US$2 million (equivalent to approximately S$2.7 million applying the Relevant Exchange Rate) to PHCL, after deducting the Earnest Deposit and Additional Deposit ("**First Payment**"); and

(ii) within 5 business days from the date of the full satisfaction of the terms of the

Payment Guarantee Letter (or such other time agreed by the parties, but in any event no later than 30 days from the issuance of the Amended Certificates of Land Use Right), the Purchaser shall pay 80% of the Consideration, being Vietnamese Dong equivalent of US$8 million (equivalent to approximately S$10.6 million applying the Relevant Exchange Rate) to PHCL through the Assigned Bank pursuant to the terms of the Payment Guarantee Letter ("**Second Payment**").

2.2 Additional Conditions Precedent to be fulfilled by the Purchaser

Pursuant to the Amended and Restated SPA, the Proposed Disposal is subject to the following additional Conditions Precedent, which shall be fulfilled by the Purchaser:

(a) the Purchaser making the First Payment;

(b) the Purchaser entering into a loan agreement with the Assigned Bank wherein the terms regarding the Second Payment to PHCL are acceptable to PHCL, and the Purchaser providing PHCL with a notarised copy of such loan agreement within 10 working days from the date the Amended and Restated SPA is signed; and

(c) the full handover of dossiers relating to the Property, the completion of procedures for mortgage, pledge and registration of the secured transactions to the Assigned Bank within 30 days from the issuance of the Amended Certificates of Land Use Right and fulfilment of the Second Payment by the Purchaser.

2.3 Extension of Time to Fulfil Conditions Precedent

Pursuant to the Amended and Restated SPA, the long-stop date for fulfilment or waiver of the Conditions Precedent has been extended to fall 120 days from the date the Amended and Restated SPA is signed (or such other date as may be agreed in writing between PHCL and the Purchaser).

3. FURTHER INFORMATION

The Company will make further announcement(s) to update Shareholders as and when appropriate.

Shareholders and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax, legal or other professional advisers.

4. DOCUMENTS FOR INSPECTION

A copy of the Amended and Restated SPA is available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898, for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Tan Sri William Cheng Heng Jem
Executive Chairman

8 February 2021