

PARKSON RETAIL ASIA LIMITED
Company Registration Number: 201107706H
Incorporated in the Republic of Singapore

ANNOUNCEMENT

MANDATORY OFFER OF ODEL PLC SHARES

The Board of Directors refers to the announcement by Parkson Retail Asia Limited ("**PRA**" or "**Company**") dated 17 September 2014 & 24 September 2014 in relation to the mandatory offer for shares in Odel PLC ("**Odel**"). Capitalised terms used herein shall, unless the context otherwise requires, bear the meanings ascribed to them in the said announcements.

1. INTRODUCTION

The Board of Directors wishes to announce that the Company had decided to take up the mandatory offer by Joint Offerors. The Company will sell its entire 129,150,864 shares in Odel representing 47.46% at LKR22 per share for a total cash consideration of LKR2,841,319,008 (approximately SGD27,639,290) (the "**Disposal**").

Odel was incorporated in Sri Lanka on 31 October 1990 and was converted to a public limited company on 24 February 2010. It has a paid-up capital of LKR2,795,513,620 or approximately SGD27,193,712. Odel's principal activity is fashion retailing.

The PRA Group had bought a 47.46% stake in Odel in 2012 via acquisition of shares and subscription of new shares via a rights issue, which was completed in December 2012.

(For the purposes of this announcement, the exchange rate of SGD 1.00: LKR 102.8 has been assumed).

2. REQUIREMENT OF THE LISTING MANUAL IN RELATION TO THE DISPOSAL

2.1 Discloseable transaction

For the purposes of Chapter 10 of the Listing Manual, the relative figure for the disposal of assets computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced consolidated accounts of the Group for financial year ended 30 June 2014 are as follows:-

	Bases of calculation	
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value	10.0%
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits	1.4%
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	4.7%
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

In view of the foregoing, the Disposal constitutes a discloseable transaction under Chapter 10 of the Listing Manual

2.2 Asset Value of Odel PLC

Based on the latest announced consolidated financial statements of PRA for financial year ended 30 June 2014, the book value of Odel shares was SGD27,079,000. The latest available open market value of Odel shares was LKR2,880,064,267(approximately SGD28,016,189), based on Odel's closing share price on 9 October 2014 of LKR22.3.

The excess of cash consideration over book value is approximately SGD560,290.

2.3 Gain/Loss of the Disposal

The estimated gain on the Disposal is approximately SGD601,000.

2.4 Net tangible assets per share

The effect of the Disposal on net tangible assets per shares of the PRA Group for FY 2014 is as below:-

	Before the disposal	After the disposal
Net tangible assets (SGD'000)	230,532	231,133
Net tangible assets per share (SGD)	0.34	0.34

The Disposal has no material effect on net tangible assets per share for FY 2014.

2.5 Earnings per share

The effect of Disposal on earnings per share of the PRA Group for FY 2014 is as below:-

	Before the disposal	After the disposal
Earning (SGD'000)	34,557	35,158
Earnings per share (SGD)	0.05	0.05

The Disposal has no material effect on earnings per share for FY 2014.

2.6 Completion date

The disposal is expected to be completed by the second quarter of financial year 2014/2015.

3. RATIONALE FOR THE DISPOSAL

As the returns from the investment in Odel have not met the Company's expectations, the Company has decided to monetise its investment in Sri Lanka and focus on its core markets. However, the Company's expansion strategy in the South Asian region remains unchanged and the Group will continue to look for other opportunities in the region.

The Disposal will result in a cash inflow of approximately SGD27.6 million to the PRA Group.

4. PROCEEDS FROM THE DISPOSAL

The net proceeds from the Disposal are intended to be used for the Company's general working capital purposes.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors and/or controlling shareholders of the Company has any interest in this Disposal.

6. DETAIL OF ANY SERVICE CONTRACTS OF THE DIRECTORS PROPOSED TO BE APPOINTED TO THE COMPANY IN CONNECTION WITH THE DISPOSAL

There are no directors appointed, and no service contract entered into, in connection with the Disposal.

7. RESPONSIBILITY STATEMENT

The directors of the Company have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Mandatory Offer Document, dated 22 September 2014 is available for inspection at the registered address of the Company at 80 Robinson Road #02-00 Singapore 068898 during normal office hours from Mondays to Fridays (except public holidays) for a period of three (3) months commencing from the date of announcement.

By Order of the Board
PARKSON RETAIL ASIA LIMITED
Toh Peng Koon
Executive Director

10 October 2014