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Parkson Credit raises RM150 million with HSBC to accelerate business expansion in Malaysia

HSBC's Receivables Purchase Facility will be a key enabler in spurring Parkson Credit's growth

Parkson Credit Sdn Bhd (Parkson Credit) has raised RM150 million through HSBC Malaysia's bespoke Receivables Purchase Facility. The proceeds from the facility will be used to finance Parkson Credit's expansion in Malaysia; a key initiative in tandem with the company's strategy to increase its local footprint.

Parkson Credit which is 70% owned by the Hong Kong listed Parkson Retail Group Ltd and 30% owned by the Bursa listed Parkson Holdings Berhad, is in the business of providing consumer loans to individuals for the purchase of motorcycles and other consumer goods.

HSBC Malaysia has been providing financial support to Parkson Credit since the company's inception in 2014. In addition to facilitating the company's expansion within the country, the Receivables Purchase Facility will play a crucial role in boosting Parkson Credit's financing business.

"Clients increasingly require scalable yet flexible financial solutions that will support their development and expansion. HSBC is excited to continue supporting Parkson Credit in Malaysia with financial services that will help propel their business and enable them to achieve their growth ambitions", said Omar Mahmoud, Head of Global Banking, HSBC Malaysia.

"I am impressed with HSBC Malaysia's structured Receivables Purchase Facility as it creatively supports Parkson Credit's business growth via the efficient application of collateral with enhanced flexibility and scalability. The bank's understanding of our business and their development of tailor-made financing solutions that accommodate our growth strategies continue to make HSBC our partner of choice and have been the fundamental basis of our continued working relationship", said Danny Poh, Senior General Manager of Parkson Credit.

"Achieving and maintaining an efficient and flexible cash flow is essential to the success of growing businesses. HSBC's receivables finance solutions help organisations free up working capital to keep their business running smoothly while allowing them to focus on other strategic initiatives", said Christina Cheah, Head of Large Local Corporates, Global Banking, HSBC Malaysia.

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About HSBC Malaysia

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Bank Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Bank Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Bank Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Bank Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,715bn at 31 December 2019, HSBC is one of the world's largest banking and financial services organisations.

About Parkson Credit Sdn Bhd

Established in late 2014, Parkson Credit Sdn Bhd, which is 70% owned by Parkson Retail Group Ltd and 30% owned by Parkson Holdings Berhad, is involved in consumer financing business which provides individuals the convenience of purchasing motorcycles and other consumer goods via easy instalment scheme.

The company leverages on its nationwide extensive dealer network and synergises with Parkson department stores chain. Its Shariah compliant financing packages allow customers the convenience of purchasing motorcycle via hire purchase scheme and consumer products via credit sale. Parkson Credit's fast processing and innovative products are amongst the key winning points that attract consumers.

Parkson Credit works on a dealership model and currently has more than 400 dealer outlets nationwide. It is on track to further increase its authorised dealer network by 2020 which encompasses motorcycle stores, electrical chain stores and furniture stores. The company offers the convenience of loan repayment via ATM/CDM machines, internet banking and Parkson stores nationwide

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