PARKSON RETAIL ASIA LIMITED
(Company registration number: 201107706H)
Incorporated in the Republic of Singapore

LEGAL PROCEEDINGS INVOLVING PARKSON UNLIMITED BEAUTY SDN BHD

The Board of Directors ("**Board**") of Parkson Retail Asia Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had been informed by its indirect wholly-owned subsidiary, Parkson Unlimited Beauty Sdn Bhd ("**PUB**"), that PUB had received a notice of demand dated 26 April 2021 from the landlord of PUB's existing leased premises in Berjaya Times Square, Kuala Lumpur, Malaysia ("**Landlord**"). Pursuant to the notice of demand, the Landlord has claimed from PUB an aggregate amount of approximately RM0.9 million (approximately S$0.3 million based on an illustrative exchange rate of RM3.13 : S$1) in alleged unpaid and outstanding rent and other charges as at 23 April 2021 (**"Claim Amount"**). PUB is currently engaged in ongoing negotiations with the Landlord, including the possibility of rent reduction in view of the deteriorating COVID-19 situation in Malaysia.

PUB is in the business of distribution and sales of fragrance and beauty care products. As PUB has been historically loss-making, the Group has planned to discontinue this line of business and has been taking steps to wind down its operations progressively.

Notwithstanding that the Claim Amount had been substantially accrued in the financial statements of PUB, in the event PUB is required to settle the Claim Amount in full, it will likely result in an adverse impact on the financial position of the Group for the current financial year ending 30 June 2021.

The Company will make further announcements as and when there are any material developments.

For and on behalf of the Board

Tan Sri William Cheng Heng Jem
Executive Chairman

28 May 2021