PARKSON RETAIL ASIA LIMITED

(the "Company")
(Company registration number: 201107706H)
Incorporated in the Republic of Singapore

UPDATE ON LITIGATION IN CAMBODIA

The Board of Directors (the "Board") refers to the Company's announcements dated 15 November 2018, 27 August 2019 and 29 October 2019 in relation to, among others, the issuance of Notice of Arbitration to Hassan (Cambodia) Development Co., Ltd ("Lessor") for arbitration under the Singapore International Arbitration Centre ("SIAC Arbitration"). All capitalised terms used herein shall have the same meanings ascribed to them in the announcement dated 15 November 2018, unless otherwise provided or unless the context otherwise requires.

As mentioned in the announcement dated 27 August 2019, even though the disputes between Parkson (Cambodia) Co., Ltd ("PCCO") (a wholly-owned subsidiary of the Company) and the Lessor in relation to the Lease Agreement are currently pending the SIAC Arbitration in Singapore, the Lessor had on 12 December 2018 filed a petition ("Case No. 2577") in the Phnom Penh Municipal Court of First Instance ("Phnom Penh Court").

On 22 April 2020, the Phnom Penh Court granted judgement against PCCO in Case No. 2577 ("Judgement") to, *inter alia*:

(1) forfeit the security deposit and all advanced rental payments paid by PCCO to the Lessor amounting to USD4,488,750; and
(2) order PCCO to pay damages of USD144,504,960 to the Lessor, being the rental fee for the whole period of the lease under the Lease Agreement.

Prior to the Judgement, PCCO had filed an appeal motion to the Cambodian Appellate Court to transfer the jurisdiction of the Phnom Penh Court to hear Case No. 2577 to SIAC Arbitration jurisdiction. The appeal motion is currently pending in the Cambodian Appellate Court.

PCCO is currently seeking advice from its Cambodian lawyers whether to petition to set aside the Judgement, to appeal to the Cambodian Appellate Court or if other forms of recourse are available.

The Board wishes to highlight that the Judgement is only applicable against PCCO and does not extend to the Company, the Company's other subsidiaries nor its holding companies. The Group's maximum potential exposure resulting from the Judgement will therefore be limited to its capital contribution in PCCO which has been fully provided for in the audited financial statements for the financial year ended 30 June 2017. As stated in the announcement dated 15 November 2018, the Group had in its audited financial statements for the financial years ended 30 June 2016, 2017 and 2018 recognised the impairment losses in connection with, *inter alia,* the full amounts of prepaid rental, rental deposit and property, plant and equipment in respect of the Cambodia Store. Accordingly, the Judgement, even if not successfully reversed or appealed

against by PCCO, is not expected to have a material impact on the earnings per share and the net tangible assets per share of the Group for the financial year ending 30 June 2020.

The Company will make further announcements as and when there are material developments on the above matter.

For and on behalf of the Board

Tan Sri William Cheng Heng Jem
Executive Chairman

27 April 2020