

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

LEGAL PROCEEDINGS INVOLVING PT TOZY SENTOSA

The Board of Directors of Parkson Retail Asia Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has been informed by its wholly-owned subsidiary, PT Tozy Sentosa ("**PT Tozy**"), on 22 January 2021 that PT Tozy had on even date received a legal notice dated 21 January 2021 ("**Legal Notice**") from the lawyers representing certain suppliers and/or consignors ("**Claimants**") in relation to the claims made by the Claimants pursuant to alleged unpaid and outstanding invoices in connection with various consignment partnership agreements entered into between PT Tozy and the respective Claimants. PT Tozy is 99.98% owned by the Company and 0.02% owned by the Company's direct wholly-owned subsidiary, Centro Retail Pte Ltd ("**Centro**"). PT Tozy currently operates all of the Group's 13 department stores in Indonesia.

Based on the Legal Notice, the Claimants have alleged that PT Tozy had received from the Claimants certain consignment merchandises for sale at PT Tozy's department stores payment for which remains outstanding from PT Tozy. The aggregate amount of the claims is approximately IDR15.0 billion (approximately S\$1.4 million based on an illustrative exchange rate of IDR10,561 : S\$1 ("**Illustrative Exchange Rate**") ("**Claim Amount**"). The Legal Notice has demanded for payment to be made by PT Tozy to the relevant Claimants no later than 28 January 2021. PT Tozy has appointed an Indonesian legal counsel to advise on the Legal Notice and is currently in negotiations with the Claimants on a payment schedule of the Claim Amount. PT Tozy has paid approximately IDR0.7 billion (approximately S\$0.07 million based on the Illustrative Exchange Rate) to the Claimants as the first instalment payment.

Notwithstanding that most of the Claim Amount had been recognised in the financial statements of PT Tozy, if the outcome of the negotiations is ultimately not in favour of PT Tozy and PT Tozy is required to pay the full Claim Amount immediately, this would be expected to result in an adverse impact on the financial position (in particular the cash flow position) of the Group for the current financial year ending 30 June 2021. Based on the preliminary advice from the Indonesian legal counsel, the potential maximum exposure resulting from an adverse litigation outcome would be limited to PT Tozy's issued and paid-up capital, which had been fully paid-up, and does not otherwise extend to the Company, Centro, the Company's other subsidiaries or its holding companies.

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

1 February 2021