

PARKSON RETAIL ASIA LIMITED

(Company registration number: 201107706H)

Incorporated in the Republic of Singapore

APPROVAL FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS OF RULE 1314 OF THE LISTING MANUAL OF THE SGX-ST (“LISTING MANUAL”) TO EXIT FROM THE SGX-ST WATCH-LIST (“WATCH-LIST”)

INTRODUCTION

The Board of Directors (the “**Board**”) of Parkson Retail Asia Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement made on 28 October 2022 in relation to the Company’s application to the SGX-ST for an extension of time to meet the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-List (the “**Announcement**”).

Unless otherwise defined, all capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

EXTENSION OF TIME GRANTED BY THE SGX-ST

The Board is pleased to announce that the SGX-ST had on 11 November 2022 advised that it has no objection to the Company’s application for an extension of the Cure Period for a period of 12 months to 2 December 2023 (the “**Waiver**”) for the Company to meet the Financial Exit Criteria, subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) submission of a written confirmation (“**Written Confirmation**”) from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company.

The Waiver will not be effective if any of the conditions have not been fulfilled.

The Company is also required to make an immediate disclosure via SGXNET if it is or will be in contravention of any laws and regulations governing the Company and the constitution of the Company, arising from the Waiver.

REASONS FOR SEEKING EXTENSION OF TIME

The Company had made the Application due to the following reasons:

- (A) as a result of the change of the financial year end of the Company from 30 June to 31 December to coincide the Company’s financial year end with that of its ultimate holding company, Parkson Holdings Berhad, the Company’s financial year which began on 1 July 2020 covered an 18-month period from 1 July 2020 to 31 December 2021 (“**FY2021**”), with the subsequent financial year covering the period from 1

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January 2022 to 31 December 2022 ("**FY2022**"). Accordingly, the Company would have only been able to complete two full financial periods within the Cure Period (i.e., the financial year ended 30 June 2020 ("**FY2020**") and FY2021), as the Company's current financial year, FY2022, would not have been completed by 2 December 2022, being the last date of the Cure Period. Accordingly, the extension of time will give the Company the opportunity to continue to work towards meeting the Financial Exit Criteria;

- (B) based on the latest audited consolidated financial statements of the Company for FY2021, the Company's consolidated profit before tax from continuing operations for FY2021 was approximately S\$4,473,000. While this figure included non-recurrent income items, it was highlighted that:
 - (i) as an operator of retail department stores, the Group's financial performance for FY2020 and FY2021 were heavily affected by the onset of the COVID-19 pandemic and the Group's operations in Malaysia and Vietnam had been subject to various wide-ranging lockdowns or restrictions of movement imposed by the local governments in a bid to arrest the escalation of the infectious COVID-19 cases arising from various variants of coronavirus. Since then, and in keeping with its strategy to close non-performing or underperforming stores, the Group had ceased all operations in Indonesia, and has one remaining store in Vietnam. Going forward, the Group is looking to focus its resources on its Malaysian operations where it is presently experiencing a marked improvement in sales as a result of Malaysia's recovery from the COVID-19 pandemic in this current endemic phase; and
 - (ii) based on the unaudited financial results of the Group for the six months ended 30 June 2022 ("**1H2022**" and such financial results, the "**1H2022 Results**"), the Group's profit before tax from continuing operations for 1H2022 was approximately S\$25,428,000, which signaled a marked improvement in the Group's profits as compared to FY2021. This increase in the Group's profit before tax for 1H2022 was mainly due to the improved performance of the Group's Malaysia operations;
- (C) while the Company has not achieved an average daily market capitalisation ("**ADMC**") of S\$40 million or more over the last six months, the Company's share price has shown improvement in the course of 2022, resulting in a corresponding increase in the ADCM; and
- (D) the Company has achieved healthy cash flow from its operating activities. The net cash generated from the Group's operating activities for FY2021 (excluding non-recurrent income and income generated by activities outside the ordinary course of business) was approximately S\$126,011,000. Based on the 1H2022 Results, the net cash generated from the Group's operating activities (excluding non-recurrent income and income generated by activities outside the ordinary course of business) for 1H2022 was approximately S\$68,796,000.

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SATISFACTION OF WAIVER CONDITIONS

In respect of the Waiver condition in paragraph (b) above, the Company will be submitting the Written Confirmation to the SGX-ST and will release an update announcement on completion of the submission.

For and on behalf of the Board

PARKSON RETAIL ASIA LIMITED

Tan Sri William Cheng Heng Jem

Executive Chairman

14 November 2022