

PARKSON RETAIL ASIA LIMITED

(Company registration number: 201107706H)

Incorporated in the Republic of Singapore

UPDATE ON LEGAL PROCEEDINGS INVOLVING PT TOZY SENTOSA

The Board of Directors ("**Board**") of Parkson Retail Asia Limited ("**Company**", together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 1 February 2021, 4 February 2021, 26 March 2021, and 31 March 2021 relating to the legal proceedings involving PT Tozy Sentosa ("**Previous Announcements**"). Unless otherwise defined, the capitalised terms used herein shall have the same meanings as ascribed to them in the Previous Announcements.

The Board wishes to update that the Company has been informed by PT Tozy that, at a creditors' meeting conducted on 10 May 2021 ("**Creditors' Meeting**"), the creditors of PT Tozy ("**Creditors**") did not approve the proposed composition plan for the settlement of outstanding debts owing to the Creditors. A further extension of time was also not approved by the Creditors. In view of this, PT Tozy has been advised by the Indonesia legal counsel to expect that, at PT Tozy's upcoming hearing with the Commercial Court (which is scheduled for 17 May 2021), the Commercial Court will make an order to revoke PT Tozy's temporary PKPU status and commence bankruptcy proceedings against PT Tozy.

The total claims submitted by the Creditors to the PKPU Administrators amounted to IDR822,063 million (equivalent to S\$76.9 million using an illustrative exchange rate of S\$1 : IDR10,692 ("**Illustrative Exchange Rate**")). The aggregate amount of claims, verified through the due verification process by PT Tozy, amounted to IDR456,988 million (equivalent to S\$42.7 million using the Illustrative Exchange Rate). As at 31 March 2021, debts owing to the Creditors recorded by PT Tozy were IDR457,014 million (equivalent to S\$42.7 million using the Illustrative Exchange Rate). Further, in consultation with the Company's external auditors and in connection with the Creditors' Meeting, PT Tozy has made an assessment on impairment of its assets to reflect the assets' respective estimated recoverable amounts and arrived at an impairment of assets of S\$37.0 million, and provided for winding down expenses of S\$3.6 million. Both of these figures have been reflected in the Company's consolidated financial results' announcement for the third quarter and nine months ended 31 March 2021.

Given the outcome of the Creditors' Meeting as stated above, PT Tozy plans to wind down its operations and to prepare the company for bankruptcy proceedings which shall be conducted by a receiver to be appointed by the Commercial Court. Resulting therefrom, PT Tozy expects to cease its entire operations in Indonesia.

Based on the available information as of the date of this announcement, the illustrative financial effects of the above development up to the outcome of the Creditors' Meeting (which includes impairment of assets and provision for winding down expenses by PT Tozy) on the net tangible liabilities per share and loss per share of the Group, based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2020 are set out below.

Net tangible liabilities

Assuming the outcome of the Creditors' Meeting had occurred on 30 June 2020, being the end of the most recently completed financial year of the Group, the financial effects on the net tangible liabilities per share would be as follows:

	Before	After
Net tangible liabilities (S\$'000)	(66,324)	(106,861)
Weighted average number of shares ('000)	673,800	673,800
Net tangible liabilities per share (S\$)	(0.0984)	(0.1586)

Loss per share

Assuming the outcome of the Creditors' Meeting had occurred on 1 July 2019, being the beginning of the most recently completed financial year of the Group, the loss attributable to the shareholders of the Company and the financial effects on the loss per share of the Group for the financial year ended 30 June 2020 would be as follows:

	Before	After
Loss attributable to shareholders of the Company (S\$'000)	(84,928)	(125,465)
Weighted average number of shares ('000)	673,800	673,800
Loss per share (S\$)	(0.1260)	(0.1862)

The above illustrative financial effects were prepared on the basis that PT Tozy has yet to be placed officially under the bankruptcy proceedings. Assuming the Commercial Court allows the bankruptcy proceedings and the appointment of receiver to take place on 17 May 2021, the Group would expect to deconsolidate PT Tozy.

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

11 May 2021