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

LEGAL PROCEEDINGS INVOLVING PARKSON CORPORATION SDN BHD

The Board of Directors of Parkson Retail Asia Limited (the "**Company**"), and together with its subsidiaries (the "**Group**") wishes to announce that on 23 December 2019, a wholly-owned subsidiary of the Company, Parkson Corporation Sdn Bhd ("**PCSB"**) was served with a Writ and Statement of Claim, both dated 13 December 2019 (the **"Suit"**). The Suit was initiated by PKNS-Andaman Development Sdn Bhd ("**PKNS"**) in relation to premises let to PCSB within a mall known as the EVO Shopping Mall (the **"Demised Premises"**). PKNS has alleged that PCSB has failed to observe its obligation to pay rental for Demised Premises pursuant to the Tenancy Agreement dated 2 October 2017 entered into between PKNS and PCSB (the "**Tenancy Agreement**") and accordingly, PKNS is claiming for, amongst others, the following reliefs:

1. Payment by PCSB of RM3,659,172 (approximately SGD1,207,527) to PKNS, being the accrued monthly rental from 2 April 2018 to 2 December 2019, and thereafter at the rate of RM182,958 (approximately SGD60,376) per month until the return of the Demised Premises to PKNS;

2. As an alternatively to (1) above, payment by PCSB of RM3,842,131 (approximately SGD1,267,903) being accrued monthly rental from 27 February 2018 to 27 November 2019, and thereafter at the rate of RM182,958 (approximately SGD50,376) per month until the return of the Demised Premises to PKNS;

3. Payment by PCSB of RM1,859,600 (approximately SGD613,668) to PKNS, being the renovation cost contributed by PKNS towards the Demised Premises;

4. Interest upon the judgement debt at the rate of 5% per annum from the date of the Writ and Statement of Claim until the date of judgement;

5. Interest upon the judgement debt at the rate of 5% per annum from the date of judgment until date of full settlement;

6. PCSB to duly return the vacant possession of the Demised Premises to PKNS in the original condition and/or PCSB to return vacant possession of the Demised Premises to PKNS within 14 days from the date of judgement; and

7. Costs of proceedings to be paid by PCSB to PKNS.

PCSB took the position that no rental is payable as PKNS has failed to satisfy the conditions precedent as set out in the Tenancy Agreement for rental commencement to be triggered and PKNS's act of issuing commencement notice pursuant to the Tenancy Agreement backdating

the commencement date of rental without satisfying the conditions precedent is unlawful. PCSB took the position that it has a good defence and has instructed its solicitors to vigorously defend against the Suit.

The Company will make the appropriate announcements in due course if there any material developments.

For and on behalf of the Board

Tan Sri William Cheng Heng Jem
Executive Chairman

26 December 2019