

**CIRCULAR DATED 14 APRIL 2022**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**This Circular is issued by Parkson Retail Asia Limited ("Company"). If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional advisers immediately.**

If you have sold or transferred all your shares in the capital of the Company, you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and accompanying Proxy Form) may be accessed at SGXNET.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

This Circular has been made available on SGXNET. A printed copy of this Circular will NOT be despatched to Shareholders.

**Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM; (c) having their questions addressed at a virtual information session ("**VIS**") to be held prior to the closing date and time for the lodgement of the Proxy Forms prior to the EGM; and/or (d) voting by appointing the Chairman as proxy at the EGM.

Please refer to Sections 9, 10 and 11 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.



**PARKSON RETAIL ASIA LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201107706H)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (I) THE PROPOSED LOANS FROM PARKSON HOLDINGS BERHAD AS AN INTERESTED PERSON TRANSACTION**
- (II) THE PROPOSED LICENSING OF TRADE MARKS FROM PARKSON SERVICES PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**

**INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS**



**KPMG CORPORATE FINANCE PTE LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 198500417D)

**IMPORTANT DATES AND TIMES**

Last date and time to pre-register online to attend the VIS	:	20 April 2022 at 11.00 a.m.
Last date and time to submit questions for the VIS	:	21 April 2022 at 11.00 a.m.
Date and time of VIS	:	22 April 2022 at 11.00 a.m.
Last date and time to submit questions for the EGM	:	24 April 2022 at 11.00 a.m.
Last date and time to pre-register online to attend the EGM	:	26 April 2022 at 11.00 a.m.
Last date and time for lodgement of Proxy Form	:	27 April 2022 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	29 April 2022 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means. Please refer to Sections 9, 10 and 11 of this Circular for further details.

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires:

<b>"Aggregate Licensing Transaction Value"</b>	:	the maximum value at risk to the Group in relation to the Licensing Agreements, RM390,000 (approximately S\$125,806 based on the Relevant Exchange Rate), being the aggregate Royalty payable by the Licensees for a 12-month period
<b>"Aggregate Loan Transaction Value"</b>	:	The maximum value at risk to the Group in relation to the Loans, being the total interest payable by the Company and PCSB to PHB pursuant to the Loans of RM21,700,000 (approximately S\$7,000,000 based on the Relevant Exchange Rate)
<b>"Amended Company Loan Agreement"</b>	:	The Company Loan Agreement (as amended and supplemented by the Company Loan Supplemental Agreement and the Company Loan Second Supplemental Agreement)
<b>"Amended PCSB Loan Agreement"</b>	:	The PCSB Loan Agreement (as amended and supplemented by the PCSB Loan Supplemental Agreement and the PCSB Loan Second Supplemental Agreement)
<b>"Audit Committee"</b>	:	The audit committee of the Company
<b>"Board"</b>	:	The board of directors of the Company
<b>"Business Day"</b>	:	A day (other than a Saturday, Sunday or a public holiday) on which commercial banks in Singapore are open for business
<b>"Circular"</b>	:	This circular to Shareholders dated 14 April 2022
<b>"Companies Act"</b>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<b>"Company"</b>	:	Parkson Retail Asia Limited
<b>"Company Loan"</b>	:	The loan granted by PHB to the Company on the terms and subject to the conditions of the Amended Company Loan Agreement
<b>"Company Loan Agreement"</b>	:	The loan agreement entered into between the Company and PHB dated 22 October 2018
<b>"Company Loan Second Supplemental Agreement"</b>	:	The proposed second supplemental agreement in relation to the Company Loan Agreement
<b>"Company Loan Supplemental Agreement"</b>	:	The supplemental agreement dated 15 May 2020 in relation to the Company Loan Agreement
<b>"Controlling Shareholder"</b>	:	A person who:-  (i) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or  (ii) in fact exercises control over the Company.

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## DEFINITIONS

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"COVID-19 Act"	:	The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time, which, <i>inter alia</i> , enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means
"COVID-19 Order"	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time, which sets out the alternative arrangements in respect of, <i>inter alia</i> , general meetings of companies
"Directors"	:	The directors of the Company as at the date of this Circular, and each a "Director"
"Effective Date"	:	The effective date of the Licence Agreements, being 1 August 2018
"EGM"	:	The extraordinary general meeting of the Company to be held on 29 April 2022 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place), notice of which is set out on pages N-1 to N-3 of this Circular
"FY"	:	Financial year ended or ending on 31 December
"Group"	:	The Company and its subsidiaries
"IFA" or "Independent Financial Advisor"	:	KPMG Corporate Finance Pte. Ltd.
"IFA Letters"	:	The IFA's letters dated 14 April 2022 to the Independent Directors in respect of the Proposed Loans and the Proposed Licensing
"Independent Directors"	:	The Directors who are considered independent for the purposes of making a recommendation to the independent Shareholders in respect of the Proposed Loans and the Proposed Licensing, namely Mr Michael Chai Woon Chew, Mr Sam Chong Keen and Mr Koong Lin Loong
"IPT Mandate"	:	The Group's general mandate for ongoing interested person transactions
"Latest Practicable Date"	:	The latest practicable date prior to the issue of this Circular, being 1 April 2022
"Licence Agreements"	:	The trade mark licence agreements dated 1 August 2018 between (i) PSPL and (ii) each of PCSB, PTTS, PVCL, PHCL, PVMSCl, PYCL and the Company, respectively (as amended pursuant to the Novation Agreements)
"Licensees"	:	PCSB, PTTS, PVCL, PHCL, PVMSCl, PYCL and the Company
"Listing Manual"	:	The Listing Manual of the SGX-ST as may be amended, modified or supplemented from time to time

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## DEFINITIONS

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<b>“Maximum Interest Rate”</b>	:	The maximum interest rate of 7% per annum under the Amended Company Loan Agreement
<b>"Notice of EGM"</b>	:	The notice of EGM which is set out on pages N-1 to N-3 of this Circular
<b>“Novation Agreements”</b>	:	The novation agreements dated 1 June 2020 entered into by (i) SSL (ii) PSPL and (iii) each of PCSB, PTTS, PVCL, PHCL, PVMSCS, PYCL and the Company, respectively, pursuant to which SSL novated its rights and obligations under the Licence Agreements to PSPL
<b>“NTA”</b>	:	Net tangible assets
<b>"Ordinary Resolution 1"</b>	:	The ordinary resolution in relation to the Proposed Loans
<b>"Ordinary Resolution 2"</b>	:	The ordinary resolution in relation to the Proposed Licensing
<b>“PCSB”</b>	:	Parkson Corporation Sdn Bhd, a company incorporated in Malaysia with registration number 198601007838
<b>“PCSB Group”</b>	:	PCSB and its subsidiaries
<b>“PCSB Loan”</b>	:	The loan granted by PHB to PCSB on the terms and subject to the conditions of the Amended PCSB Loan Agreement
<b>“PCSB Loan Agreement”</b>	:	The loan agreement entered into between PCSB, a wholly-owned subsidiary of the Company, and PHB dated 22 October 2018
<b>“PCSB Loan Second Supplemental Agreement”</b>	:	The proposed second supplemental agreement in relation to the PCSB Loan Agreement
<b>“PCSB Loan Supplemental Agreement”</b>	:	The supplemental agreement dated 15 May 2020 in relation to the PCSB Loan Agreement
<b>“PHB”</b>	:	Parkson Holdings Berhad, a company incorporated in Malaysia with registration number 198201009470
<b>“PHB Group”</b>	:	PHB and its subsidiaries
<b>“PHCL”</b>	:	Parkson Haiphong Co. Ltd., a company incorporated in Vietnam with investment certificate number 021043000012
<b>"Proposed Interested Person Transactions"</b>	:	The Proposed Loans and Proposed Licensing
<b>“Proposed Loans”</b>	:	The Company Loan and the PCSB Loan
<b>“Proposed Licensing”</b>	:	The grant of licence to each of the Licensees by the Licensor pursuant to the Licensing Agreements
<b>“PSPL” or “Licensor”</b>	:	Parkson Services Pte. Ltd., a company incorporated in Singapore with registration number 202010382N
<b>“PTTS”</b>	:	PT Tozy Sentosa, a company incorporated in Indonesia with registration number 30.08.1.46.01092

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## DEFINITIONS

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<b>“PVCL”</b>	:	Parkson Vietnam Company Limited, a company incorporated in Vietnam with investment certificate number 411043000360
<b>“PVMSCL”</b>	:	Parkson Vietnam Management Services Company Limited, a company incorporated in Vietnam with investment certificate number 021043000086
<b>“PYCL”</b>	:	Parkson Yangon Company Limited, a company incorporated in Myanmar with registration number 323FC of 2016-2017(YGN)
<b>"Register"</b>	:	The register of members of the Company
<b>“Relevant Exchange Rate”</b>	:	RM3.10 : S\$1, being the exchange rate extracted from <a href="http://www.oanda.com">www.oanda.com</a> on the Latest Practicable Date
<b>"Resolutions"</b>	:	Collectively, Ordinary Resolution 1 and Ordinary Resolution 2
<b>"RM"</b>	:	Malaysian Ringgit, being the lawful currency for the time being of Malaysia
<b>"Royalty"</b>	:	The royalty sum of RM10,000 for each store using the Licence under the Licence Agreements
<b>"SFA"</b>	:	The Securities and Futures Act 2001 of Singapore as amended, modified or supplemented from time to time
<b>"Shares"</b>	:	Ordinary shares in the capital of the Company
<b>"SGX-ST"</b>	:	Singapore Exchange Securities Trading Limited
<b>"Shareholders"</b>	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
<b>"SSL"</b>	:	Smart Spectrum Limited, a company incorporated in the British Virgin Islands with registration number 1647907
<b>"Substantial Shareholder"</b>	:	A person who, in accordance with the Companies Act, has an interest in not less than five per cent. of the issued voting Shares
<b>“Trade Mark Assignment Agreement”</b>	:	The Trade Mark Assignment Agreement dated 1 June 2020 entered into between SSL and PSPL
<b>"Trade Marks"</b>	:	Certain trade marks over which the Licensor grants a non-exclusive, revocable and non-transferable licence to the Licensee under the Licence
<b>"VIS"</b>	:	Virtual information session
<b>"VIS Questions Deadline"</b>	:	<b>11.00 a.m. on 21 April</b> , being the deadline by which questions must be submitted in accordance with the procedures set out herein for the purposes of the VIS
<b>"VIS RSVP Deadline"</b>	:	<b>11.00 a.m. 20 April 2022</b> , being the deadline by which pre-registration for the VIS must be completed in accordance with the procedures set out herein

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## DEFINITIONS

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"**S\$**" and "**cents**" : Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore

"**%**" or "**per cent.**" : Per centum or percentage

The terms "**associate**" and "**associated company**" shall have the meanings ascribed to them respectively in the Listing Manual.

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the SFA, the Listing Manual or that modification, as the case may be.

Any reference to a time of day or date in this Circular shall be a reference to a time of day or date, as the case may be, in Singapore unless otherwise specified.

In this Circular, unless otherwise stated, the total number of issued Shares in the capital of the Company is 673,800,000 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to (i) the Proposed Loans, and (ii) the Proposed Licensing, as interested person transactions under Chapter 9 of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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**PARKSON RETAIL ASIA LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201107706H)

**Board of Directors:**

Tan Sri Cheng Heng Jem	(Executive Director and Chairman)
Cheng Hui Yuen, Vivien	(Executive Director)
Michael Chai Woon Chew	(Non-Executive Independent Director)
Sam Chong Keen	(Non-Executive Independent Director)
Koong Lin Loong	(Non-Executive Independent Director)

**Registered Office:**

80 Robinson Road  
#02-00  
Singapore 068898

**14 April 2022**

To: The Shareholders of the Company

Dear Sir/Madam

**(I) THE PROPOSED LOANS FROM PARKSON HOLDINGS BERHAD AS AN INTERESTED PERSON TRANSACTION**

**(II) THE PROPOSED LICENSING OF TRADE MARKS FROM PARKSON SERVICES PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**

**1. INTRODUCTION**

**1.1 Proposed Loans**

As at the date of this Circular, the Company has received the Company Loan from PHB and PCSB, a wholly-owned subsidiary of the Company, has received the PCSB Loan from PHB. PHB is the ultimate parent company of the Company which owns an aggregate of 67.96% of the issued Shares of the Company.

Further details of the Proposed Loans are set out below in Section 2 of this Circular.

**1.2 Proposed Licensing**

As at the date of this Circular, the Company and each of the following subsidiaries of the Company, namely PCSB, PHCL, PVCL, PTTTS, PVMSCL and PYCL, has been granted a licence from Parkson Services Pte. Ltd. (the “**Licensor**”) to use certain trade marks. The Licensor is a wholly-owned subsidiary of East Crest International Limited, which in turn is a wholly-owned subsidiary of PHB.

Further details of the Proposed Licensing are set out below in Section 3 of this Circular.

**1.3 EGM**

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Loans and the Proposed Licensing, and to seek Shareholders' approval for the following proposals at the forthcoming EGM:

- (a) the Company Loan and PCSB Loan (the “**Proposed Loans**”) as an ordinary resolution (“**Ordinary Resolution 1**”); and
- (b) the grant of licence to each of the Licensees by the Licensor pursuant to the Licensing Agreements (the “**Proposed Licensing**”) as an ordinary resolution (“**Ordinary Resolution 2**”),



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## LETTER TO SHAREHOLDERS

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(collectively, the “**Resolutions**”).

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports contained in this Circular. If any Shareholder is in any doubt as to the action he should take, he should consult his bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

For the avoidance of doubt, the passing of Ordinary Resolution 1 is not conditional upon the passing of Ordinary Resolution 2, and *vice versa*.

## 2. THE PROPOSED LOANS

### 2.1 Company Loan

On 22 October 2018, the Company entered into a loan agreement with PHB (“**Company Loan Agreement**”), pursuant to which PHB agreed to lend the Company up to an aggregate amount of RM30,000,000 at an interest rate of 7% per annum. The Company and PHB subsequently entered into a supplemental agreement on 15 May 2020 (“**Company Loan Supplemental Agreement**”) to reduce the interest rate charged by PHB under the Company Loan Agreement to 3% per annum effective from 1 January 2020, although such interest may be increased to a maximum of 7% per annum (“**Maximum Interest Rate**”) subject to the mutual agreement of the Company and PHB. The interest rate would be agreed between the Company and PHB and set out in each drawdown notice.

The Company further proposes to enter into a second supplemental agreement with PHB (“**Company Loan Second Supplemental Agreement**”), pursuant to which the Company Loan Agreement will be further amended to increase the aggregate amount of the loan by RM30,000,000 (resulting in the total aggregate amount of the loan amounting to RM60,000,000), and the grant of the loan is subject to PHB’s availability of funds which will be determined at the sole and absolute discretion of PHB from time to time, and to amend the purpose of the loan and the repayment terms, further details of which are set out below.

As at the Latest Practicable Date, the amount drawn down under the Company Loan is RM27,521,889. As at the Latest Practicable Date, the outstanding accrued interest on the Company Loan is RM3,645,750. In view of the Company’s financial condition, the Company has not made any payments of interest and the first instalment of the principal which was due in January 2022 to PHB to date.

Subject to Shareholders’ approval being obtained at the EGM, the principal terms of the Company Loan under the Company Loan Agreement (as amended and supplemented by the Company Loan Supplemental Agreement and the Company Loan Second Supplemental Agreement) (“**Amended Company Loan Agreement**”) are as follows:

Principal Amount	:	RM60,000,000
Lender	:	PHB
Borrower	:	The Company
Drawdown Date	:	The Company may by notice in writing request to draw down a loan from time to time, in the form stipulated in the Amended Company Loan Agreement. The Company may deliver more than one drawdown notice, provided that the aggregate drawdown amount does not exceed the principal amount of the Company Loan.

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## LETTER TO SHAREHOLDERS

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For the avoidance of doubt, there is no fixed term for the Amended Company Loan Agreement. Accordingly, there is no deadline for the drawdown notice to be delivered.

Repayment : It was previously stated under the Company Loan Agreement that each of the loans shall be repaid by the Company with the first instalment repayment of the principal commencing three (3) years after the date of the drawdown notice, and the terms of repayment shall be mutually agreed between the parties prior to drawdown. It is now proposed under the Amended Company Loan Agreement that the Company shall repay any drawdown on a quarterly instalment basis in equal sum, which is due and payable fourteen (14) days after the end of each quarter, for a period of two (2) years. The first quarterly instalment repayment by the Company shall be made three (3) years from the date of the relevant drawdown notice.

Notwithstanding the foregoing, both the Company Loan Agreement and the Amended Company Loan Agreement provide that the Company may at any time repay the drawdown, either in part or in full. Subject to PHB's prior written consent having been obtained, the amount repaid may be re-borrowed by the Company upon notice to PHB.

Interest Rate : From the commencement of the Company Loan Agreement to 31 December 2019, interest is chargeable at 7% per annum.

For the period from 1 January 2020 onwards, interest is chargeable at 3% per annum, but may be increased to the Maximum Interest Rate of 7% per annum subject to the mutual agreement of the Parties.

The interest shall be calculated on a monthly rest basis on the outstanding amount of the Company Loan and is to be paid by the Company to PHB in the month of June on a yearly basis.

Security : The Company Loan is unsecured.

Use of Loan : While there was no specified use of the loan under the Company Loan Agreement, it is now proposed under the Amended Company Loan Agreement to expressly provide that the Company Loan shall be used for the Group's working capital and capital expenditure purposes.

In the event of any proposed increase in the interest rate to be charged by PHB, the Company will adopt the following safeguards when reviewing such increase to ensure that it would be on normal commercial terms and not prejudicial to the interests of the Group and the Company's minority shareholders:

- (a) the Chief Financial Officer of the Group will review the proposed increase in the interest rate, its rationale and financial impact, and compare the same with applicable market rate benchmarks;

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## LETTER TO SHAREHOLDERS

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- (b) upon satisfactory review, the Chief Financial Officer of the Group will present the proposed increase in the interest rate, together with relevant supporting materials, to the Audit Committee of the Company for review and approval; and
- (c) furthermore, the Chief Financial Officer of the Group will report to the Audit Committee on a quarterly basis in respect of the applicable interest rates and interest expenses being charged for the relevant periods, along with other interested person transactions, for the Audit Committee's review that the above review procedures have been complied with and remain appropriate and relevant for the purposes of such review.

The abovementioned terms were arrived at taking into account the financial difficulty of the Group to obtain external financing, the prevailing external lending rates, and the Company's financing needs for its immediate to medium term payment obligations.

### 2.2 PCSB Loan

On 22 October 2018, PCSB, a wholly-owned subsidiary of the Company, entered into a loan agreement with PHB ("**PCSB Loan Agreement**"), pursuant to which PHB agreed to lend PCSB up to an aggregate amount of RM20,000,000 at an interest rate of 7% per annum. PCSB and PHB subsequently entered into a supplemental agreement on 15 May 2020 ("**PCSB Loan Supplemental Agreement**") to reduce the interest rate charged by PHB under the PCSB Loan Agreement to 3% per annum effective from 1 January 2020, although such interest may be increased to the Maximum Interest Rate subject to the mutual agreement of PCSB and PHB. The interest rate would be agreed between PCSB and PHB and set out in each drawdown notice.

PCSB further proposes to enter into a second supplemental agreement with PHB ("**PCSB Loan Second Supplemental Agreement**"), pursuant to which the PCSB Loan Agreement will be further amended, and the grant of loan is subject to PHB's availability of funds which will be determined at the sole and absolute discretion of PHB from time to time, and to amend the purpose of the loan and the repayment terms, further details of which are set out below.

As at the Latest Practicable Date, PCSB has fully repaid the historical principal amounts drawn down, being RM14,000,000, under the PCSB Loan with PHB. As at the Latest Practicable Date, the outstanding accrued interest on the PCSB Loan is RM1,184,996. In view of PCSB's financial condition, PCSB has not made any payments of interest to PHB to date.

Subject to Shareholders' approval being obtained at the EGM, the principal terms of the PCSB Loan under the PCSB Loan Agreement (as amended and supplemented by the PCSB Loan Supplemental Agreement and the PCSB Loan Second Supplemental Agreement) ("**Amended PCSB Loan Agreement**") are as follows:

Principal Amount	:	RM20,000,000
Lender	:	PHB
Borrower	:	PCSB
Drawdown Date	:	PCSB may by notice in writing request to draw down a loan from time to time, in the form stipulated in the Amended PCSB Loan Agreement. PCSB may deliver more than one drawdown notice, provided that the aggregate drawdown amount does not exceed the principal amount of the PCSB Loan.

For the avoidance of doubt, there is no fixed term for the Amended PCSB Loan Agreement. Accordingly, there is no deadline for the drawdown notice to be delivered.

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## LETTER TO SHAREHOLDERS

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Repayment : It was previously stated under the PCSB Loan Agreement that each of the loans shall be repaid by PCSB with the first instalment repayment of the principal commencing three (3) years after the date of the drawdown notice, and the terms of repayment shall be mutually agreed between the parties prior to drawdown. It is now proposed under the Amended PCSB Loan Agreement that PCSB shall repay any drawdown on a quarterly instalment basis in equal sum, which is due and payable fourteen (14) days after the end of each quarter, for a period of two (2) years. The first quarterly instalment repayment by PCSB shall be made three (3) years from the date of the relevant drawdown notice.

Notwithstanding the foregoing, both the PCSB Loan Agreement and the Amended PCSB Loan Agreement provide that PCSB may at any time repay the drawdown, either in part or in full. Subject to PHB's prior written consent having been obtained, the amount repaid may be re-borrowed by the PCSB upon notice to PHB.

Interest Rate : From the commencement of the PCSB Loan Agreement to 31 December 2019, interest is chargeable at 7% per annum.

For the period from 1 January 2020 onwards, interest is chargeable at 3% per annum, but may be increased to the Maximum Interest Rate of 7% per annum subject to the mutual agreement of the Parties.

The interest shall be calculated on a monthly rest basis on the outstanding amount of the PCSB Loan and is to be paid by PCSB to PHB in the month of June on a yearly basis.

Security : The PCSB Loan is unsecured.

Use of Loan : While there was no specified use of the loan under the PCSB Loan Agreement, it is now proposed under the Amended PCSB Loan Agreement to expressly provide that the PCSB Loan shall be used for the PCSB Group's working capital and capital expenditure purposes.

In the event of any proposed increase in the interest rate to be charged by PHB, PCSB will adopt the following safeguards when reviewing such increase to ensure that it would be on normal commercial terms and not prejudicial to the interests of the Group and the Company's minority shareholders:

- (a) the Chief Financial Officer of the Group will review the proposed increase in the interest rate, its rationale and financial impact, and compare the same with applicable market rate benchmarks;
- (b) upon satisfactory review, the Chief Financial Officer of the Group will present the proposed increase in the interest rate, together with relevant supporting materials, to the Audit Committee of the Company for review and approval; and
- (c) furthermore, the Chief Financial Officer of the Group will report to the Audit Committee on a quarterly basis in respect of the applicable interest rates and interest expenses being charged for the relevant periods, along with other interested person transactions,

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## LETTER TO SHAREHOLDERS

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for the Audit Committee's review that the above review procedures have been complied with and remain appropriate and relevant for the purposes of such review.

The abovementioned terms were arrived at taking into account the financial difficulty of the Group to obtain external financing, the prevailing external lending rates, and PCSB's financing needs for its immediate to medium term payment obligations.

### 2.3 Waiver of Interest

- (a) PHB has agreed in writing on 15 May 2020 to waive interest of:
- (i) RM631,269.60 (approximately S\$203,635.35 based on the Relevant Exchange Rate), representing approximately 65% of the interest sum imposed on the Company pursuant to the Company Loan for the period commencing from 1 July 2019 until 31 December 2019; and
  - (ii) RM291,604.30 (approximately S\$94,065.90 based on the Relevant Exchange Rate), representing approximately 65% of the interest sum imposed on PCSB pursuant to the PCSB Loan for the period commencing from 1 July 2019 until 31 December 2019,

with effect from 1 January 2020.

- (b) PHB has further agreed in writing on 15 May 2020 to waive any additional interest that may accrue and be payable by the Company and PCSB pursuant to the Company Loan Agreement and PCSB Loan Agreement respectively which results in the aggregate interest payable by the Company and PCSB to PHB, when aggregated with the value of other interested person transactions (as defined in Chapter 9 of the Listing Manual) entered into by the Group with PHB or its associates which are not conducted under the Company's general mandate for interested persons transactions (for as long as such mandate is subsisting), to exceed 4.99% of the latest audited tangible assets of the Group or any other applicable benchmark that may be imposed by the SGX-ST to compute the threshold in respect of Rule 906(1) of the Listing Manual which would require shareholders' approval to be sought in respect of such interested person transactions. Such waiver is operative for each subsequent financial year thereafter, until Shareholders' approval is obtained for the Proposed Loans from PHB as an interested person transaction under Rule 906 at an extraordinary general meeting of the Company to be convened.

### 2.4 Rationale for the Proposed Loans

The Proposed Loans have been extended to the Company and PCSB respectively, to fund the Group's working capital and capital expenditure requirements as well as day-to-day operations.

PHB is the ultimate parent company of the Company and PCSB, and the Proposed Loans are extended to the Company and PCSB as a show of support towards their business and financial position.

The Company is seeking Shareholders' approval for the Proposed Loans in view that the Proposed Loans provide the Company and PCSB with an injection of funds for working capital purposes and to meet their respective immediate to medium-term payment obligations.

## 3. THE PROPOSED LICENSING

### 3.1 Licence Agreements

On 1 August 2018, each of PCSB, PTTs, PHCL, PVCL, PVMsCL, PYCL and the Company (each a "Licensee" and collectively, the "Licensees") entered into a trade mark licence agreement with SSL pursuant to which SSL granted each Licensee a license to use certain

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trade marks pursuant to the terms of the respective Licence Agreements. On 1 June 2020, as part of an internal restructuring exercise, SSL and PSPL entered into a trademark assignment agreement pursuant to which SSL assigned the ownership of certain trademarks to PSPL. Following on from the assignment of the trademarks by SSL to PSPL, on 1 June 2020, each of the Licensees, SSL and PSPL entered into a novation agreement, pursuant to which SSL novated its rights and obligations under the respective Licence Agreements to PSPL. Both SSL and PSPL are subsidiaries of PHB.

The principal terms of each of the Licence Agreements are similar and are as follows:

(a) Rights Granted and Territory

The Licensor grants the Licensee a non-exclusive, revocable and non-transferable licence to use certain trade marks ("**Trade Marks**") in the countries in Asia Pacific in relation to the products and services for which the Trade Marks have been applied for and/or registered for, and the right to adopt or use the Trade Marks as part of the name of the Licensee and as part of any internet domain name ("**Licence**").

(b) Term

The Licence Agreement commenced on 1 August 2018 ("**Effective Date**") and unless terminated in accordance with the terms of the Licence Agreement, will continue to be in force for a period of twenty (20) years, provided that the duration of the licence granted under the Licence Agreement for any single registered Trade Mark shall not exceed the effective duration of such Trade Mark as indicated on its trade mark registration certificate.

(c) Royalty

The Licensee shall during the continuation of the Licence Agreement pay to the Licensor a sum of RM10,000 for each store using the Licence ("**Royalty**"). The Licensee shall pay the Royalty to the Licensor within fourteen (14) days from the end of each twelve (12) month period ending on the anniversary of the Effective Date.

(d) Termination

Each of the Licensee or the Licensor may terminate the Licence Agreement by notice in writing to the other party if that other party: (i) commits a material breach of the Licence Agreement and such breach is not remedied within 30 days of receipt of written notice from the non-defaulting party requiring it to be remedied or (ii) is, amongst other things, unable to pay its debts or enters into compulsory or voluntary liquidation.

The Licensee may also terminate the Licence Agreement with written notice to the Licensor in the event that the shareholders' and/or other approvals is required under the listing rules of the relevant regulatory rules with respect to the terms, the duration or renewal of the Licence Agreement and such approval cannot be obtained.

### 3.2 Rationale for the Proposed Licensing

The Proposed Licensing enables each of the Licensees to establish and operate stores which use the "Parkson" brand name and trademarks, which is crucial to the business of each of the Licensees, especially in view that the "Parkson" brand name is well-established. The Group has had such licensing arrangements to use the "Parkson" brand name in place since the initial public offering of the Company on 3 November 2011, and the Company's prospectus dated 27 October 2011 had disclosed for this arrangement.

#### 4. THE PROPOSED LOANS AND THE PROPOSED LICENSING AS INTERESTED PERSON TRANSACTIONS

##### 4.1 Entity at Risk and Interested Persons

Under Chapter 9 of the Listing Manual, where an entity at risk proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than \$100,000, with the same interested person during the same financial year) is equal to or exceeds five per cent. (5%) of the group's latest audited net tangible assets, shareholders' approval is required in respect of the transaction.

For the purposes of Chapter 9 of the Listing Manual:

- (i) **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (ii) **"entity at risk"** means
  - (a) the listed company;
  - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
  - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (iii) **"interested person"** means:
  - (a) a director, chief executive officer, or controlling shareholder of the listed company; or
  - (b) an associate of any such director, chief executive officer, or controlling shareholder.
- (iv) **"interested person transaction"** means a transaction between an entity at risk and an interested person.

PHB is a Controlling Shareholder of the Company, and in turn, the Company's subsidiaries, PCSB, PTTS, PVCL, PHCL, PVMSCL and PYCL. As at the Latest Practicable Date, PHB is deemed to be interested in 457,933,300 Shares, representing approximately 67.96 per cent. of the total issued Shares through PHB's wholly-owned subsidiary, East Crest International Limited. In view of the foregoing, PHB is an interested person of the Company and its subsidiaries.

As at the Latest Practicable Date, SSL is a wholly-owned subsidiary of East Crest International Limited, with East Crest International Limited holding 1 ordinary share in the issued share capital of SSL, representing 100 per cent. of the total issued shares of SSL. In view of the foregoing, SSL is considered an associate of PHB and an interested person of the Company and its subsidiaries.

As at the Latest Practicable Date, PSPL is a wholly-owned subsidiary of East Crest International Limited, with East Crest International Limited holding 100 ordinary shares in the issued share capital of PSPL, representing 100 per cent. of the total issued shares of PSPL. In view of the foregoing, PSPL is considered an associate of PHB and an interested person of the Company and its subsidiaries.

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Accordingly, transactions entered into between the Group on the one hand and any of PHB, PSPL or SSL on the other hand, would constitute interested person transactions and are therefore subject to, *inter alia*, Rules 905, 906 and 907 of the Listing Manual.

### 4.2 Shareholders' Approval pursuant to Chapter 9 of the Listing Manual

As the Licensor is a subsidiary of PHB, pursuant to Rule 908 of the Listing Manual, PHB and the Licensor are deemed to be the same interested person for the purposes of aggregation in Rule 906 of the Listing Manual.

As the latest audited consolidated NTA of the Group for the financial year ended 31 December 2021 was negative and as announced by the Company on 28 June 2020, pursuant to consultation with the SGX-ST, the Company will be using the average of its daily market capitalisation for the last month of the immediately preceding financial year (being December 2021) as the reference point for computing relevant thresholds in Rules 905(1), 905(2) and 906(1) of the Listing Manual, until such time as the Group's audited NTA position turns positive. The average daily market capitalisation of the Company in December 2021 was approximately S\$7,558,130. 3% and 5% of average daily market capitalisation of the Company in December 2021 would therefore be approximately S\$226,744 and S\$377,907, respectively.

#### Loans

Assuming that each of the Company Loan and the PCSB Loan are fully drawn down respectively, and the drawdown is repaid on a quarterly instalment basis in equal sum after the end of each quarter, for a period of two (2) years, and the first quarterly instalment repayment is made three (3) years from the date of the relevant drawdown notice, the aggregate interest payable by the Company and PCSB upon full repayment of the respective drawdown amounts to PHB calculated at the Maximum Interest Rate of 7% per annum for both Loans would be RM16,275,000<sup>1</sup> (approximately S\$5,250,000 based on the Relevant Exchange Rate) and RM5,425,000<sup>2</sup> (approximately S\$1,750,000 based on the Relevant Exchange Rate) respectively.

Based on the above computation and pursuant to Rule 908 of the Listing Manual, the maximum value at risk to the Group, being the total interest payable by the Company and PCSB to PHB pursuant to the Loans would be approximately S\$7,000,000<sup>3</sup> ("**Aggregate Loan Transaction Value**"), which amounts to approximately 92.6% of the Company's average daily market capitalisation in December 2021. Accordingly, as the illustrative Aggregate Loan Transaction Value, without taking into account any waivers by PHB of interest sums imposed on the Company and/or PCSB under the Proposed Loans, represents more than five per cent. (5%) of the Company's average daily market capitalisation in December 2021, the Company is seeking the approval of independent Shareholders for the Proposed Loans at the EGM pursuant to Rule 906(1)(a) of the Listing Manual.

#### Licensing Agreements

Based on the terms of the Licensing Agreements, the maximum value at risk to the Group is RM390,000<sup>4</sup> (approximately S\$125,806 based on the Relevant Exchange Rate), being the aggregate Royalty payable by the Licensees for a 12-month period ("**Aggregate Licensing Transaction Value**"), which represents approximately 1.7% of the Company's average daily market capitalisation in December 2021. In view that the Licensor and PHB are deemed to be the same interested person for the purposes of aggregation in Rule 906 of the Listing Manual, the illustrative Aggregate Licensing Transaction Value when aggregated with the illustrative

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<sup>1</sup> This is calculated on the basis that the Company Loan is fully drawn down (being RM60,000,000) and the interest payable is the Maximum Interest Rate of 7% per annum, and assuming that each year has 365 days.

<sup>2</sup> This is calculated on the basis that the PCSB Loan is fully drawn down (being RM20,000,000) and the interest payable is the Maximum Interest Rate of 7% per annum, and assuming that each year has 365 days.

<sup>3</sup> This is calculated by adding together the interest payable by the Company (being S\$5,250,000) and PCSB (being S\$1,750,000) to PHB.

<sup>4</sup> This is calculated on the basis that there are 39 stores which use the Licence as at the Latest Practicable Date.



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Aggregate Loan Transaction Value is more than five per cent. (5%) of the Company's average daily market capitalisation in December 2021, therefore the Company is seeking the approval of independent Shareholders for the Proposed Licensing at the EGM pursuant to Rule 906(1)(b) of the Listing Manual.

### 4.3 Current and On-going Interested Person Transactions

#### Interested Person Transactions under the IPT Mandate

The Group has in place a general mandate for ongoing interested person transactions ("**IPT Mandate**") with the following interested persons which the Company last renewed at the Company's annual general meeting for the financial year ended 30 June 2020:

- (a) Lion Corporation Berhad, its wholly-owned subsidiaries and Megasteel Sdn Bhd, ACB Resources Berhad, Bonuskad and Secom (Malaysia) Sdn Bhd;
- (b) Lion Posim Berhad (formerly known as Lion Forest Industries Berhad), its wholly-owned subsidiaries, Posim EMS Sdn Bhd and Brands Pro;
- (c) Lion Industries Corporation Berhad, its wholly-owned subsidiaries and Amsteel Mills Marketing Sdn Bhd and Amsteel Mills Sdn Bhd;
- (d) members of the PHB Group and corporations in which PHB has (directly or indirectly) an interest of thirty per cent. (30%) or more;
- (e) Visionwell Sdn Bhd; and
- (f) WatchMart (M) Sdn Bhd,

and the categories of interested person transactions covered by the IPT Mandate comprise:

- (i) purchases of equipment (including security equipment), furniture, fittings (including light fittings) and building materials;
- (ii) purchases of products such as watches;
- (iii) sale of gift vouchers;
- (iv) sale of products such as clothing and accessories at the stores of the Group on a concessionaire basis;
- (v) procurement of services required for the day-to-day operations of the Group such as energy conservation services and security services;
- (vi) lease of premises for retail, office or warehouse use, to and from interested persons;
- (vii) payments of marketing fees and receipt of payments for redemption in connection with the BonusLink programme; and
- (viii) provision of services such as store management and catering.

Further details of the IPT Mandate can be found in the circular of the Company dated 15 October 2020.

#### Aggregated Interested Person Transactions

Save for the Proposed Loans and the Proposed Licensing, there were no other interested person transactions (excluding transactions which are less than S\$100,000 and transactions covered under the IPT Mandate) which were entered into with the PHB Group or any other

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interested persons by the Group during the current financial year commencing on 1 January 2022 up to the Latest Practicable Date.

### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 5.1 Interests of Directors

The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date, are set out below:

Name of Director	Direct Interest (No. of Shares <sup>(1)</sup> )	%	Deemed Interest (No. of Shares <sup>(1)</sup> )	%
Tan Sri Cheng Heng Jem <sup>(2)</sup>	500,000	0.074	457,933,300	67.963
Cheng Hui Yuen, Vivien	-	-	-	-
Michael Chai Woon Chew	-	-	-	-
Sam Chong Keen	-	-	-	-
Koong Lin Loong	-	-	-	-

**Notes:**

- (1) There are 673,800,000 Shares (excluding 3,500,000 treasury shares) as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
- (2) Tan Sri Cheng Heng Jem holds, directly and indirectly, approximately 54.57% of the voting shares in PHB, which is the sole shareholder of East Crest International Limited. As such, Tan Sri Cheng Heng Jem is deemed to be interested in the Shares held by East Crest International Limited by virtue of Section 4 of the Securities and Futures Act. Please see Section 5.2 of this Circular below for details on the Shares held by East Crest International Limited.

#### 5.2 Interests of Substantial Shareholders

The interests of the Substantial Shareholders in the Shares, based on notifications received by the Company, as at the Latest Practicable Date, are set out below:

Name of Substantial Shareholder	Direct Interest (No. of Shares <sup>(1)</sup> )	%	Deemed Interest (No. of Shares <sup>(1)</sup> )	%
East Crest International Limited	457,933,300	67.963	-	-
PHB <sup>(2)</sup>	-	-	457,933,300	67.963
Lion Industries Corporation Berhad <sup>(3)</sup>	-	-	457,933,300	67.963
Tan Sri Cheng Heng Jem <sup>(4)</sup>	500,000	0.074	457,933,300	67.963
Golden Eagle International Retail Group Limited <sup>(5)</sup>	33,068,700	4.908	913,300	0.135
GEICO Holdings Limited <sup>(6)</sup>	-	-	33,982,000	5.043
Wang Dorothy S L <sup>(7)</sup>	-	-	33,982,000	5.043
Wang Janice S Y <sup>(7)</sup>	-	-	33,982,000	5.043
Wang Vivine H <sup>(8)</sup>	-	-	33,982,000	5.043
Wang Hung Roger <sup>(8)</sup>	-	-	33,982,000	5.043

**Notes:**

- (1) There are 673,800,000 Shares (excluding 3,500,000 treasury shares) as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
- (2) PHB is the sole shareholder of East Crest International Limited, and is deemed to be interested in the Shares held by East Crest International Limited by virtue of Section 4 of the Securities and Futures Act.

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- (3) Lion Industries Corporation Berhad holds, directly and indirectly, approximately 26.49% of the voting shares in PHB, which is the sole shareholder of East Crest International Limited. As such, Lion Industries Corporation Berhad is deemed to be interested in the Shares held by East Crest International Limited by virtue of Section 4 of the Securities and Futures Act.
- (4) Tan Sri Cheng Heng Jem holds, directly and indirectly, approximately 54.57% of the voting shares in PHB, which is the sole shareholder of East Crest International Limited. As such, Tan Sri Cheng Heng Jem is deemed to be interested in the Shares held by East Crest International Limited by virtue of Section 4 of the Securities and Futures Act.
- (5) Golden Eagle International Retail Group Limited ("**GEIR**") by itself and through its indirect non-wholly owned subsidiary holds an aggregate of more than 5% of the Shares.
- (6) GEICO Holdings Limited ("**GEICO**"), is the sole shareholder of GEIR, and is deemed to be interested in the Shares held by GEIR by virtue of Section 7(4) of the Companies Act.
- (7) Wang Dorothy S L and Wang Janice S Y are the beneficiaries of The 2004 RVJD Family Trust, the family trust of Wang Hung Roger, which holds the entire shareholding in GEICO, and they are deemed to be interested in the Shares held by GEIR by virtue of Section 7(4) of the Companies Act.
- (8) Wang Vivine H and Wang Hung Roger are the settlors of The 2004 RVJD Family Trust, the family trust of Wang Hung Roger, which holds the entire shareholding in GEICO, and they are deemed to be interested in the Shares held by GEIR by virtue of Section 7(4) of the Companies Act.

### 5.3 Abstention of Voting

In accordance with Rule 919 of the Listing Manual, PHB, and each of Tan Sri Cheng Heng Jem and East Crest International Limited, being associates of PHB, will abstain from voting on Ordinary Resolution 1 in relation to the Proposed Loans at the EGM and Ordinary Resolution 2 in relation to the Proposed Licensing at the EGM.

Further, Tan Sri Cheng Heng Jem, who will preside as Chairman at the EGM, undertakes to decline to accept appointment as a proxy to vote at and attend the forthcoming EGM in respect of Ordinary Resolution 1 in relation to the Proposed Loans and Ordinary Resolution 2 in relation to the Proposed Licensing for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast at the EGM.

### 6. OPINION AND ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS

Pursuant to Rule 921(4)(a) of the Listing Manual, KPMG Corporate Finance Pte Ltd has been appointed as the independent financial adviser to advise the Independent Directors on whether the terms of the Proposed Loans and the Proposed Licensing are on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders.

A copy of the IFA's letters dated 14 April 2022 to the Independent Directors in respect of the Proposed Loans and the Proposed Licensing ("**IFA Letters**"), is set out in Appendices A and B to this Circular, respectively, and Shareholders are advised to read the IFA Letters carefully.

Based on the analysis undertaken and subject to the qualifications and assumptions made in the IFA Letters, the IFA is of the opinion that the Proposed Loans and the Proposed Licensing are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

### 7. AUDIT COMMITTEE'S STATEMENT ON PROPOSED INTERESTED PERSON TRANSACTIONS

Having considered, amongst others, the rationale for, and terms and benefit of, the Proposed Loans and the Proposed Licensing, as well as the opinion and advice of the IFA as set out in the IFA Letters, the Audit Committee concurs with the opinion of the IFA and is of the view that the Proposed Loans and the Proposed Licensing are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

## 8. DIRECTORS' RECOMMENDATION

### 8.1 Proposed Loans

Having considered the rationale for the Proposed Loans set out in Section 2.4 of this Circular, as well as the opinion and advice of the IFA, the Independent Directors are of the opinion that the Proposed Loans are in the best interests of the Company. Accordingly, the Independent Directors recommend that the Shareholders vote in favour of the Ordinary Resolution 1 as set out in the Notice of EGM.

### 8.2 Proposed Licensing

Having considered the rationale for the Proposed Licensing set out in Section 3.2 of this Circular, as well as the opinion and advice of the IFA, the Independent Directors are of the opinion that the Proposed Licensing is in the best interests of the Company. Accordingly, the Independent Directors recommend that the Shareholders vote in favour of the Ordinary Resolution 2 as set out in the Notice of EGM.

### 8.3 Directors have not had regard to specific investment objectives of individual Shareholders

**In giving the above recommendations in Sections 8.1 to 8.2 of this Circular, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers.**

## 9. EXTRAORDINARY GENERAL MEETING

### Date and time of EGM

The EGM is convened for the purpose of considering and, if thought fit, passing with or without any modification, the Resolutions as set out in the Notice of EGM.

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held by way of electronic means.

### No attendance at EGM

Due to the current COVID-19 restriction orders in Singapore (including under the COVID-19 Act), **Shareholders will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) watching the EGM proceedings via "live" audio-and-video webcast or listening to the EGM proceedings via "live" audio feed;
- (b) submitting questions in advance of the EGM;
- (c) having their questions addressed at a virtual information session ("**VIS**") to be held prior to the closing date and time for the lodgement of the Proxy Forms prior to the EGM; and/or
- (d) voting by appointing the Chairman as proxy at the EGM.

Please refer to Section 11 below for further details on the alternative arrangements.

**In addition, Shareholders should note that the Company may make further changes to**

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its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

### 10. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM

In line with the provisions under the COVID-19 Order, no printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Shareholders.

Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNET.

A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNET.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the Resolutions to be proposed at the EGM.

### 11. ACTION TO BE TAKEN BY SHAREHOLDERS

#### Alternative arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

#### (a) Registration to attend the EGM

The Company's Chairman, Tan Sri Cheng Heng Jem, will conduct the proceedings of the EGM by way of electronic means.

Shareholders will be able to watch these proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone.

In order to do so, Shareholders must follow these steps:

- (i) Members and CPF Investors and SRS Investors who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at <https://conveneagm.sg/parkson2021> no later than 11.00 a.m. on 26 April 2022 ("**Registration Cut-Off Time**"). Following verification, an email containing instructions on how to access the "live" webcast and audio feed of the proceedings of the EGM will be sent to authenticated members and CPF Investors and SRS investors by 28 April 2022.
- (ii) Members and CPF Investors and SRS Investors who do not receive any email by 12 noon on 28 April 2022, but have registered by the Registration Cut-Off Time, should contact the Company at [support@conveneagm.com](mailto:support@conveneagm.com).
- (iii) Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF Investors and SRS Investors) will not be able to pre-register at <https://conveneagm.sg/parkson2021> for the "live" broadcast of the EGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary

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as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, B.A.C.S Private Limited, via email to [main@zicoholdings.com](mailto:main@zicoholdings.com) no later than 11.00 a.m. on 26 April 2022.

**(b) Submission of questions in advance and asking questions "live" at a VIS**

Shareholders and Investors will not be able to ask questions "live" during the broadcast of the EGM, but will be able to via an online chat box function during the VIS to be held prior to the EGM. Shareholders and Investors may submit questions related to the resolutions to be tabled for approval for the EGM:

(i) All questions must be submitted:

- via the pre-registration website at the URL <https://conveneagm.sg/parkson2021>;
- by email to the Company at [main@zicoholdings.com](mailto:main@zicoholdings.com); or
- by post to the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898,

by **11.00 a.m. on 21 April 2022** for the purposes of the VIS (the "**VIS Questions Deadline**") or by **11.00 a.m. on 24 April 2022** for the purposes of the EGM (being 72 hours before the closing time for the lodgement of the proxy forms prior to the EGM).

The Company will endeavour to address all substantial and relevant questions:

- received by the VIS Questions Deadline during the VIS (see Section 11(b)(ii) below for further information), and will also publish the minutes, or provide a link for Shareholders and Investors to access a recording of the VIS, by **11.00 a.m. on 25 April 2022** (being 48 hours prior to the closing date and time for the lodgement of the proxy forms) (see Section 11(b)(iii) below for further information); and
- received after the VIS Questions Deadline, either before the EGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.parkson.com.sg> or during the EGM.

### VIS

(ii) A VIS will be held for Shareholders and Investors prior to the EGM, at **11.00 a.m. on 22 April 2022** (being five (5) calendar days prior to the closing date and time for the lodgement of the proxy forms) where the Company will endeavour to address all substantial and relevant questions received by the VIS Questions Deadline from Shareholders and Investors in relation to the Resolutions as set out in the Notice of EGM. Shareholders and Investors will also be able to ask questions "live" via the online chat box function during the VIS.

In order to participate in the VIS, Shareholders and Investors must follow these steps:

(A) Shareholders and Investors who wish to participate in the VIS through

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a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings of the VIS through a "live" audio-only stream via telephone must pre-register at <https://conveneagm.sg/parkson2021> no later than **11.00 a.m. on 20 April 2022** (the "**VIS RSVP Deadline**").

Pre-registration for the VIS is compulsory and any registration received after the VIS RSVP Deadline will not be accepted.

- (B) As the VIS is being held only for Shareholder and Investors, Shareholders, CPF Investors and SRS Investors are required to submit an electronic copy of the latest proof of their shareholdings in the Company for verification purposes when they pre-register, failing which, they will not be provided with the login details for the "live" audio-and-video webcast or the "live" audio-only stream of the VIS.

Investors (other than CPF Investors and SRS Investors) who hold Shares through relevant intermediaries will not be able to pre-register for the VIS and should instead approach his/her relevant intermediary as soon as possible for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, B.A.C.S Private Limited, via email to [main@zicoholdings.com](mailto:main@zicoholdings.com) no later than 11.00 a.m. on 20 April 2022, failing which they will not be provided with the login details for the "live" audio-and-video webcast or the "live" audio-only stream of the VIS.

- (C) Following verification, an email containing login details and instructions on how to access the "live" audio-and-video webcast for the VIS will be sent to authenticated Shareholders and Investors by **11.00 a.m. on 21 April 2022**.
- (D) Each set of login details will only allow one person to login during the "live" audio-and-video webcast or "live" audio-only stream for the VIS. Multiple logins using the same set of login details are not allowed.

Shareholders and Investors are not permitted to appoint a proxy to join the "live" audio-and-video webcast or the "live" audio-only stream for the VIS on their behalf.

- (iii) The Company will publish the minutes, or provide a link for Shareholders and Investors to access the recording of the VIS on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.parkson.com.sg> by **11.00 a.m. on 25 April 2022** (being 48 hours prior to the closing date and time for the lodgement of the proxy forms).

### Post-VIS arrangements

- (iv) The Company will endeavour to address any further substantial and relevant clarifications or follow-up questions relating to the resolutions to be tabled for approval at the EGM as received from Shareholders and Investors after the VIS Questions Deadline but by **11.00 a.m. on 24 April 2022** either before the EGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.parkson.com.sg> or during the EGM.

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## LETTER TO SHAREHOLDERS

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- (v) The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNET, and the minutes will include the responses to the questions referred to above.
- (vi) Please note that Shareholders will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders and Investors to submit their questions in advance of the EGM.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Shareholders are strongly encouraged to submit their questions via the pre-registration website or by email.**

**(c) Voting by proxy only**

Shareholders will not be able to vote online on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to **appoint the Chairman of the EGM** to vote on their behalf:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
- (ii) The proxy form must be submitted to the Company in the following manner:
  - if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896;
  - if submitted electronically, be submitted via email to [main@zicoholdings.com](mailto:main@zicoholdings.com); or
  - if submitted electronically, be submitted via the pre-registration website at <https://conveneagm.sg/parkson2021>,

in either case, by **11.00 a.m. on 27 April 2022** (being 48 hours before the time fixed for the EGM).

- (iii) Investors (other than CPF Investors/SRS Investors) who wish to vote should approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. CPF Investors and SRS Investors who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) to submit their voting instructions by **5.00 p.m. on 20 April 2022, being at least 7 working days before the date of the EGM** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by 11.00 a.m. on 27 April 2022.

Depositor not member

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least 72 hours before the EGM.



**12. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Loans and the Proposed Licensing, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

**13. CONSENT BY THE IFA**

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letters (as set out in Appendices A and B to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, the following documents are available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, for a period of three months commencing from the date of this Circular:

- (a) the Company Loan Agreement, the Company Loan Supplemental Agreement and the proposed Company Loan Second Supplemental Agreement;
- (b) the PCSB Loan Agreement, the PCSB Loan Supplemental Agreement and the proposed PCSB Loan Second Supplemental Agreement;
- (c) the Licence Agreements;
- (d) the Trade Mark Licence Agreement;
- (e) the Novation Agreements;
- (f) the IFA Letters;
- (g) the written consent of the IFA;
- (h) the constitution of the Company;
- (i) the annual report of the Company for the financial year ended 30 June 2020; and
- (j) the Company's financial results for the eighteen months ended 31 December 2021.

Yours faithfully

For and on behalf of the Board of Directors of  
**PARKSON RETAIL ASIA LIMITED**

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## LETTER TO SHAREHOLDERS

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Tan Sri Cheng Heng Jem  
Executive Chairman

Singapore  
14 April 2022

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APPENDIX A  
IFA LETTER IN RELATION TO THE PROPOSED LOANS

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The Independent Directors  
Parkson Retail Asia Limited  
80 Robinson Road, #02-00  
Singapore 068898

14 April 2022

Dear Sirs

**INDEPENDENT FINANCIAL ADVISER: ADVICE IN RESPECT OF PROPOSED LOANS FROM PARKSON HOLDINGS BERHAD**

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given to them in the circular to the shareholders of Parkson Retail Asia Limited (“Company”) in respect of, inter alia, the Company Loan and the PCSB Loan (the “Proposed Loans”) (the “Circular”)*

**1. INTRODUCTION**

*Company Loan*

On 22 October 2018, the Company entered into a loan agreement with Parkson Holdings Berhad (“PHB”) (“**Company Loan Agreement**”), pursuant to which PHB agreed to lend the Company up to an aggregate amount of RM30,000,000 at an interest rate of 7% per annum. The Company and PHB subsequently entered into a supplemental agreement on 15 May 2020 (“**Company Loan Supplemental Agreement**”) to reduce the interest rate charged by PHB under the Company Loan Agreement to 3% per annum effective from 1 January 2020, although such interest may be increased to a maximum of 7% per annum (“**Maximum Interest Rate**”) subject to the mutual agreement of the Company and PHB. The interest rate would be agreed between the Company and PHB and set out in each drawdown notice.

The Company further proposes to enter into a second supplemental agreement with PHB (“**Company Loan Second Supplemental Agreement**”), pursuant to which the Company Loan Agreement will be further amended to increase the aggregate amount of the loan by RM30,000,000 (resulting in the total aggregate amount of the loan amounting to RM60,000,000), and the grant of the loan is subject to PHB’s availability of funds which will be determined at the sole and absolute discretion of PHB from time to time, and amend the purpose of the loan and the repayment terms.

As at 1 April 2022 (the “**Latest Practicable Date**”), the amount drawn down under the Company Loan is RM27,521,889. As at the Latest Practicable Date, the outstanding accrued interest on the Company Loan is RM3,645,750. In view of the Company’s financial condition, the Company has not made any payments of interest and the first instalment of the principal which was due in January 2022 to PHB to date.

Subject to Shareholders’ approval being obtained at the EGM, the principal terms of the Company Loan under the Company Loan Agreement (as amended and supplemented by the Company Loan Supplemental Agreement and the Company Loan Second Supplemental Agreement) (“**Amended Company Loan Agreement**”) are as follows:

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IFA LETTER IN RELATION TO THE PROPOSED LOANS

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Principal Amount	RM60,000,000
Lender	PHB
Borrower	The Company
Drawdown Date	<p>The Company may by notice in writing request to draw down a loan from time to time, in the form stipulated in the Amended Company Loan Agreement. The Company may deliver more than one drawdown notice, provided that the aggregate drawdown amount does not exceed the principal amount of the Company Loan.</p> <p>For the avoidance of doubt, there is no fixed term for the Amended Company Loan Agreement. Accordingly, there is no deadline for the drawdown notice to be delivered.</p>
Repayment	<p>It was previously stated under the Company Loan Agreement that each of the loans shall be repaid by the Company with the first instalment repayment of the principal commencing three (3) years after the date of the drawdown notice, and the terms of repayment shall be mutually agreed between the parties prior to drawdown. It is now proposed under the Amended Company Loan Agreement that the Company shall repay any drawdown on a quarterly instalment basis in equal sum, which is due and payable fourteen (14) days after the end of each quarter, for a period of two (2) years. The first quarterly instalment repayment by the Company shall be made three (3) years from the date of the relevant drawdown notice.</p> <p>Notwithstanding the foregoing, both the Company Loan Agreement and the Amended Company Loan Agreement provide that the Company may at any time repay the drawdown, either in part or in full. Subject to PHB's prior written consent having been obtained, the amount repaid may be re-borrowed by the Company upon notice to PHB.</p>
Interest Rate	From the commencement of the Company Loan Agreement to 31 December 2019, interest is chargeable at 7% per annum.



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IFA LETTER IN RELATION TO THE PROPOSED LOANS

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PCSB further proposes to enter into a second supplemental agreement with PHB (“**PCSB Loan Second Supplemental Agreement**”), pursuant to which the PCSB Loan Agreement will be further amended, and the grant of loan is subject to PHB’s availability of funds which will be determined at the sole and absolute discretion of PHB from time to time, and to amend the purpose of the loan and the repayment terms.

As at the Latest Practicable Date, PCSB has fully repaid the historical principal amounts drawn down, being RM14,000,000, under the PCSB Loan with PHB. As at the Latest Practicable Date, the outstanding accrued interest on the PCSB Loan is RM1,184,996. In view of PCSB’s financial condition, PCSB has not made any payments of interest to PHB to date.

Subject to Shareholders’ approval being obtained at the EGM, the principal terms of the PCSB Loan under the PCSB Loan Agreement (as amended and supplemented by the PCSB Loan Supplemental Agreement and the PCSB Loan Second Supplemental Agreement) (“**Amended PCSB Loan Agreement**”) are as follows:

Principal Amount	:	RM20,000,000
Lender	:	PHB
Borrower	:	PCSB
Drawdown Date	:	PCSB may by notice in writing request to draw down a loan from time to time, in the form stipulated in the Amended PCSB Loan Agreement. PCSB may deliver more than one drawdown notice, provided that the aggregate drawdown amount does not exceed the principal amount of the PCSB Loan.  For the avoidance of doubt, there is no fixed term for the Amended PCSB Loan Agreement. Accordingly, there is no deadline for the drawdown notice to be delivered.
Repayment	:	It was previously stated under the PCSB Loan Agreement that each of the loans shall be repaid by PCSB with the first instalment repayment of the principal commencing three (3) years after the date of the drawdown notice, and the terms of repayment shall be mutually agreed between the parties prior to drawdown. It is now proposed under the Amended PCSB Loan Agreement that PCSB shall repay any drawdown on a quarterly instalment basis in equal sum, which is due and payable fourteen (14) days after the end of each quarter, for a period of two (2) years. The first quarterly instalment repayment by PCSB shall be

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IFA LETTER IN RELATION TO THE PROPOSED LOANS

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made three (3) years from the date of the relevant drawdown notice.

Notwithstanding the foregoing, both the PCSB Loan Agreement and the Amended PCSB Loan Agreement provide that PCSB may at any time repay the drawdown, either in part or in full. Subject to PHB's prior written consent having been obtained, the amount repaid may be re-borrowed by the PCSB upon notice to PHB.

Interest Rate : From the commencement of the PCSB Loan Agreement to 31 December 2019, interest is chargeable at 7% per annum.

For the period from 1 January 2020 onwards, interest is chargeable at 3% per annum, but may be increased to the Maximum Interest Rate of 7% per annum subject to the mutual agreement of the Parties.

The interest shall be calculated on a monthly rest basis on the outstanding amount of the PCSB Loan and is to be paid by PCSB to PHB in the month of June on a yearly basis.

Security : The PCSB Loan is unsecured.

Use of Loan : While there was no specified use of the loan under the PCSB Loan Agreement, it is now proposed under the Amended PCSB Loan Agreement to expressly provide that the PCSB Loan shall be used for the PCSB Group's working capital and capital expenditure purposes

In the event of any proposed increase in the interest rate to be charged by PHB, PCSB will adopt the following safeguards when reviewing such increase to ensure that it would be on normal commercial terms and not prejudicial to the interests of the Group and the Company's minority shareholders:

- (a) the Chief Financial Officer of the Group will review the proposed increase in the interest rate, its rationale and financial impact, and compare the same with applicable market rate benchmarks;
- (b) upon satisfactory review, the Chief Financial Officer of the Group will present the proposed increase in the interest rate, together with relevant supporting materials, to the Audit Committee of the Company for review and approval; and

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- (c) furthermore, the Chief Financial Officer of the Group will report to the Audit Committee on a quarterly basis in respect of the applicable interest rates and interest expenses being charged for the relevant periods, along with other interested person transactions, for the Audit Committee's review that the above review procedures have been complied with and remain appropriate and relevant for the purposes of such review.

PHB is the Controlling Shareholder of the Company and its subsidiaries, holding an indirect interest in 457,933,300 Shares, representing approximately 67.96 per cent. of the total issued Shares of the Company. Accordingly, PHB is an interested person of the Company and PCSB.

The Proposed Loans will constitute an 'interested person transaction' under Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"). As the latest audited consolidated net tangible assets ("**NTA**") of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2021 was negative and as announced by the Company on 28 June 2020, pursuant to consultation with the SGX-ST, the Company will be using the average of its daily market capitalisation for the last month of the immediately preceding financial year (being December 2021) as the reference point for computing relevant thresholds in Rule 905(1), 905(2) and 906(1) of the Listing Manual, until such time as the Group's audited NTA position turns positive. Assuming that each of the Company Loan and the PCSB Loan are fully drawn down respectively, and the drawdown is repaid on a quarterly instalment basis in equal sum after the end of each quarter, for a period of two (2) years, and the first quarterly instalment repayment is made three (3) years from the date of the relevant drawdown notice, the aggregate interest payable by the Company and PCSB upon full repayment of the respective drawdown amounts to PHB calculated at the Maximum Interest Rate of 7% per annum for both Loans would be RM16,275,000<sup>1</sup> (approximately S\$5,250,000 based on the Relevant Exchange Rate) and RM5,425,000<sup>2</sup> (approximately S\$1,750,000 based on the Relevant Exchange Rate) respectively. Based on the above computation and pursuant to Rule 908 of the Listing Rules, the maximum value at risk to the Group, being the total interest payable by the Company and PCSB to PHB pursuant to the Loans would be approximately S\$7,000,000<sup>3</sup> ("**Aggregate Loan Transaction Value**"), which amounts to approximately 92.6% of the Company's average daily market capitalisation in December 2021. Accordingly, as the illustrative Aggregate Loan Transaction Value, without taking into account any waivers by PHB of interest sums imposed on the Company and/or PCSB under the Proposed Loans, represents more than five per cent. (5%) of the Company's average daily market capitalisation in December 2021, the Company is seeking the approval of independent Shareholders for the Proposed Loans at the EGM pursuant to Rule 906(1)(a) of the Listing Manual.

In accordance with the above, KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**Independent Financial Adviser**") to advise the independent directors of Parkson Retail Asia Limited (the "**Independent Directors**") as to whether the Proposed Loans are: (a) on normal commercial terms; and (b) prejudicial to the interests of Parkson Retail Asia Limited and its minority shareholders (the "**Independent Shareholders**").

This letter to be included in the Circular to Shareholders sets out, *inter alia*, our evaluation of the Proposed Loans and our advice to the Independent Directors in relation to their recommendation to the minority shareholders on the resolution concerning the Proposed Loans.

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<sup>1</sup> This is calculated on the basis that the Company Loan is fully drawn down (being RM60,000,000) and the interest payable is the Maximum Interest Rate of 7% per annum, and assuming that each year has 365 days.

<sup>2</sup> This is calculated on the basis that the PCSB Loan is fully drawn down (being RM20,000,000) and the interest payable is the Maximum Interest Rate of 7% per annum, and assuming that each year has 365 days.

<sup>3</sup> This is calculated by adding together the interest payable by the Company (being S\$5,250,000) and PCSB (being S\$1,750,000) to PHB.



## 2. TERMS OF REFERENCE

Our responsibility is to provide an opinion in respect of the Proposed Loans.

Our opinion is prepared pursuant to Listing Rule 921(4)(a) as well as delivered for the use and benefit of the addressees of this letter (as appropriate) (the “**Addressees**”) for their deliberations on the Proposed Loans, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Proposed Loans, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees (as appropriate) to proceed with these. The decisions of and recommendations made by the Addressees (as appropriate) shall remain their responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of Parkson Retail Asia Limited. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Proposed Loans, or on the future prospects of Parkson Retail Asia Limited and as such, we do not express opinions thereon. Such evaluations or comments remain the responsibility of the Addressees (as appropriate).

It is also not within our terms of reference to compare the relative merits of the Proposed Loans to any alternative transactions previously considered by, or that may have been available to, Parkson Retail Asia Limited or any alternative transactions that may be available in the future. Such evaluations or comments remain the responsibility of the Addressees (as appropriate), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of Parkson Retail Asia Limited.

In formulating our opinion, we have held discussions with the directors of the Company (the “**Directors**”) and its management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Addressees’ professional advisers, which may include solicitors, auditors, tax advisers and valuers. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless (i) made reasonable enquiries and exercised our judgment on the reasonable use of such information; and (ii) have found no reason to doubt the accuracy or reliability of the information.

Further to the above, we have only been provided with draft versions of the Company Loan Second Supplemental Agreement and PCSB Loan Second Supplemental Agreement as at the Latest Practicable Date. We understand from the management and Directors that the draft versions of the Company Loan Second Supplemental Agreement and PCSB Loan Second Supplemental Agreement will, subject to shareholder approval being attained, be executed in the same form as those provided to us. We have undertaken our analysis and issued our opinion on this basis.

We have relied upon the representation of the Directors including those who may have delegated detailed supervision of the Circular and the Proposed Loans that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Addressees’ professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors

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IFA LETTER IN RELATION TO THE PROPOSED LOANS

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have jointly and severally accepted responsibility in the “Directors’ Responsibility Statement” of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the Latest Practicable Date. Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our opinion contained herein.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any shareholder. As different shareholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any shareholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter). Our opinion should be considered in the context of the entirety of this letter and the Circular.

### 3. EVALUATION OF THE PROPOSED LOANS

In the course of our evaluation of the Proposed Loans, we have given due consideration to, *inter alia*, the following factors:

#### 3.1 The rationale for, and benefits of, the Proposed Loans

The Directors note that the rationale for, and benefits of, the Proposed Loans is as follows:

*“The Proposed Loans have been extended to the Company and PCSB respectively, to fund the Group’s working capital and capital expenditure requirements as well as day-to-day operations.*

*PHB is the ultimate parent company of the Company and PCSB, and the Proposed Loans are extended to the Company and PCSB as a show of support towards their business and financial position.*

*The Company is seeking Shareholders’ approval for the Proposed Loans in view that the Proposed Loans provide the Company and PCSB with an injection of funds for working capital purposes and to meet their respective immediate to medium-term payment obligations.”*

#### 3.2 Negotiation of terms of Proposed Loans

The terms of both the Company Loan and the PCSB Loan were arrived at after taking into account the financial difficulty of the Group to obtain external financing, the prevailing external lending rates, and the Company’s financing needs for its immediate to medium term payment obligations.

#### 3.3 Comparable industry information

In assessing whether the interest chargeable by PHB under the Proposed Loans is reasonable, we have benchmarked the interest chargeable to the Company with publicly available information on similar rates charged to public companies operating department stores in Southeast Asia (the “**Broadly Comparable Companies**”).

For the purpose of comparison, we have assessed the reasonableness of the interest chargeable by PHB under the Proposed Loans by comparing it against similar rates charged to the Broadly Comparable Companies.

We wish to highlight that the Broadly Comparable Companies are not exhaustive and may differ from the Company in terms of, *inter alia*, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

The rates charged to the Broadly Comparable Companies set out below are extracted from Capital IQ as at the Latest Practicable Date.

A comparison of the interest charged by PHB under the Proposed Loans against similar rates charged to the Broadly Comparable Companies is set out below<sup>1</sup>:

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No.	Ticker	Company Name	Country	Market Capitalization	Average debt (Latest two FY's)	Interest expense (Latest FY)	Effective Interest Rate <sup>2</sup> (%)
1	KLSE:AEON	Aeon Co. (M) Bhd.	Malaysia	711.21	1,030.17	48.19	4.68%
2	SET:CRC	Central Retail Corporation Public Company Limited	Thailand	9,795.82	5,222.92	126.43	2.42%
3	SET:FN	FN Factory Outlet Public Company Limited	Thailand	119.38	9.18	0.32	3.54%
4	SGX:I15	Isetan (Singapore) Limited	Singapore	150.15	80.07	2.51	3.13%
5	SGX:M01	Metro Holdings Limited	Singapore	621.03	666.60	18.87	2.83%
6	IDX:LPPF	PT Matahari Department Store Tbk	Indonesia	1,503.52	316.48	2.96	0.94%
7	IDX:RALS	PT Ramayana Lestari Sentosa Tbk	Indonesia	454.01	53.54	2.76	5.15%
8	IDX:MAPI	PT. Mitra Adiperkasa Tbk	Indonesia	1,320.19	412.68	50.15	12.15%
9	SGX:5SR	Zhongmin Baihui Retail Group Ltd.	Singapore	126.55	66.34	3.22	4.85%
						<b>Min</b>	<b>0.94%</b>
						<b>Lower Quartile</b>	<b>2.83%</b>
						<b>Mean</b>	<b>4.41%</b>
						<b>Median</b>	<b>3.54%</b>
						<b>Upper Quartile</b>	<b>4.85%</b>
						<b>Max</b>	<b>12.15%</b>
						<b>Company Loan Supplemental Agreement Maximum Interest Rate</b>	<b>3.00% 7.00%</b>

Source: Capital IQ

Notes:

1. All figures are expressed in S\$ million unless otherwise indicated.
2. Effective interest rates are calculated based on the companies' latest annual interest expense as a percentage of the average total debt, and in the case of Parkson Retail Asia Limited is based on the terms of the Proposed Loans.

Based on the above, we observe that the interest rate of 3% and the Maximum Interest Rate chargeable by PHB under the Proposed Loans are within the range of the effective interest rates incurred by the Broadly Comparable Companies, albeit the Maximum Interest Rate is above the mean and median effective interest rates incurred by the Broadly Comparable Companies. Whereas the interest rate of 3% is below the mean and median effective interest rates incurred by the Broadly Comparable Companies.

### **3.4 Repayment of Proposed Loans**

Under each of the Proposed Loans, the first quarterly instalment repayment of the principal of any drawdown shall be made three (3) years from the date of the relevant drawdown notice.

We understand that the instalment repayments are to be repaid on quarterly instalment basis in equal sum, which is due and payable fourteen (14) days after the end of each quarter, for a period of two (2) years.

In addition to the above, we note that the Company may at any time repay the drawdown, either in part or in full. Subject to PHB's prior written consent having been obtained, the amount repaid may be re-borrowed by the Company upon notice to PHB.

### **3.5 Alternative sources of financing**

We understand from the management of Parkson Retail Asia Limited that they had sought alternative sources of financing from various financial institutions between 2016 and 2022. Further, we understand that because of the Group's financial difficulty, Parkson Retail Asia Limited has experienced difficulty in obtaining financing from external parties.

### **3.6 Potential Maximum Interest Rate**

The interest rate payable pursuant to the Company Loan and the PCSB Loan is 3% per annum, however, may be increased to the Maximum Interest Rate of 7% per annum subject to the mutual agreement of the parties to the loans.

The Independent Directors should note that the Company Loan and the PCSB Loan may attract interest rates of 7% per annum, which is significantly higher than the 3% per annum which is currently being charged.

### **3.7 Other relevant considerations in relation to the Proposed Loans**

We have also considered the following in our evaluation of the Proposed Loans:

#### *Company's historical effective interest rate*

For the purposes of our analysis, we have computed the effective interest cost for the Company for the period FY2019, FY2020 and YTD Q6 2021. We note that the total debt during the above periods consisted of bank overdraft and banker's acceptance, finance leases, loans from PHB and unsecured loans from owner of a managed store (Vietnam) and a third party. The effective interest rate<sup>4</sup> charged to the Company during FY2019, FY2020 and YTD Q6 2021 was 8.05%<sup>5</sup>, 15.45% and 10.09% respectively. We observe that the Maximum Interest Rate chargeable by PHB under the Proposed Loans is lower than the historical effective interest rate for the above periods.

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<sup>4</sup> Effective interest rate is computed as the total interest expenses divided by the average total debt of the Company

<sup>5</sup> Not adjusted for waiver of interest amounting to RM631,269.60 (approximately S\$203,635.35 based on the Relevant Exchange Rate) granted to the Company pursuant to the Company Loan for the period commencing from 1 July 2019 until 31 December 2019; and the waiver of interest amounting to RM291,604.30 (approximately S\$94,065.90 based on the Relevant Exchange Rate) granted to PCSB pursuant to the PCSB Loan for the period commencing from 1 July 2019 until 31 December 2019. For illustration purposes only, the effective interest cost for FY2019 after adjusting for the waiver of interest amounting to RM631,269.60 (approximately S\$203,635.35 based on the Relevant Exchange Rate) and RM291,604.30 (approximately S\$94,065.90 based on the Relevant Exchange Rate) is 5.05%.

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APPENDIX A  
IFA LETTER IN RELATION TO THE PROPOSED LOANS

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Revolving nature of loan

Pursuant to the Company Loan Agreement and the PCSB Loan Agreement, Parkson Retail Asia Limited and PCSB may, subject to the prior written consent of PHB, re-borrow the amounts that have already been repaid.

Waiver of Interest

PHB has agreed in writing on 15 May 2020 to waive interest of:

- RM631,269.60 (approximately S\$203,635.35 based on the Relevant Exchange Rate), representing approximately 65% of the interest sum imposed on the Company pursuant to the Company Loan for the period commencing from 1 July 2019 until 31 December 2019; and
- RM291,604.30 (approximately S\$94,065.90 based on the Relevant Exchange Rate), representing approximately 65% of the interest sum imposed on PCSB pursuant to the PCSB Loan for the period commencing from 1 July 2019 until 31 December 2019,

with effect from 1 January 2020.

Furthermore, PHB has further agreed in writing on 15 May 2020 to waive any additional interest that may accrue and be payable by the Company and PCSB pursuant to the Company Loan Agreement and PCSB Loan Agreement respectively which results in the aggregate interest payable by the Company and PCSB to PHB, when aggregated with the value of other interested person transactions (as defined in Chapter 9 of the Listing Manual) entered into by the Group with PHB or its associates which are not conducted under the Company's general mandate for interested persons transactions (for as long as such mandate is subsisting), to exceed 4.99% of the latest audited tangible assets of the Group or any other applicable benchmark that may be imposed by the SGX-ST to compute the threshold in respect of Rule 906(1) of the Listing Manual which would require shareholders' approval to be sought in respect of such interested person transactions. Such waiver is operative for each subsequent financial year thereafter, until Shareholders' approval is obtained for the Proposed Loans from PHB as an interested person transaction under Rule 906 at an extraordinary general meeting of the Company to be convened.

Safeguards to approve increase in interest rates

We note that the Company plans to adopt certain safeguards to ensure that any increase in the interest rate charged by PHB would be on normal commercial terms and not prejudicial to the interests of the Group and the Company's minority shareholders. Pursuant to the proposed safeguards, the Chief Financial Officer ("CFO") of the Group will review the proposed increase in the interest rate, its rationale and financial impact and also compare it against the prevailing market benchmarks. Upon satisfactory completion of the review, the CFO will present the proposed increase in the interest rate, together with relevant supporting materials, to the Audit Committee for its review and approval. Further, the CFO will continue to monitor and report the applicable interest rate charged for the relevant periods, to the Audit Committee on a quarterly basis.

Governing law and submission to jurisdiction

The parties to the Company Loan Agreement and the PCSB Loan Agreement have agreed that disputes shall be governed and construed in accordance with the laws of Malaysia and have agreed to submit to the non-exclusive jurisdiction of the Malaysia courts.

#### 4. OUR OPINION

Based on the considerations set out above in this letter and subject to the qualifications and assumptions herein, we are of the view that the Proposed Loans are: (a) on normal commercial terms; and (b) not prejudicial to the interests of the Parkson Retail Asia Limited and its minority shareholders.

This opinion is addressed to the Independent Directors, in connection with and for the purpose of their consideration of the terms of the Proposed Loans. Any statement or recommendation made by the Independent Directors in respect of the terms of the Proposed Loans shall remain their sole responsibility. Our opinion does not and cannot take into account future circumstances, including market, economic, industry, monetary and other conditions after the Latest Practicable Date as these are factors beyond the ambit of our review.

The letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**KPMG Corporate Finance Pte Ltd**

Vishal Sharma  
*Executive Director*

The Independent Directors  
Parkson Retail Asia Limited  
80 Robinson Road, #02-00  
Singapore 068898

14 April 2022

Dear Sirs

**INDEPENDENT FINANCIAL ADVISER: ADVICE IN RESPECT OF THE PROPOSED LICENSING OF TRADEMARKS FROM PARKSON SERVICES PTE. LTD.**

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given to them in the circular to the shareholders of Parkson Retail Asia Limited (“**Company**”) in respect of, inter alia, the Proposed Licensing (as defined below) (the “**Circular**”)*

**1. INTRODUCTION**

On 1 August 2018, each of Parkson Corporation Sdn Bhd (“**PCSB**”), PT Tozy Sentosa (“**PTTS**”), Parkson Haiphong Co. Ltd. (“**PHCL**”), Parkson Vietnam Company Limited (“**PVCL**”), Parkson Vietnam Management Services Company Limited (“**PVMSCL**”), Parkson Yangon Company Limited (“**PYCL**”) and the Company (each a “**Licensee**” and collectively, the “**Licensees**”) entered into a trademark licence agreement with Smart Spectrum Limited (“**SSL**”) pursuant to which SSL granted each Licensee a license to use certain trademarks pursuant to the terms of the respective Licence Agreements. On 1 June 2020, as part of an internal restructuring exercise, SSL and Parkson Services Pte. Ltd. (“**PSPL**”) entered into a trademark assignment agreement pursuant to which SSL assigned the ownership of certain trademarks to PSPL. Following on from the assignment of the trademarks by SSL to PSPL, on 1 June 2020, each of the Licensees, SSL and PSPL (the “**Licensor**”) entered into a novation agreement, pursuant to which SSL novated its rights and obligations under the respective Licence Agreements to PSPL. Both SSL and PSPL are subsidiaries of PHB.

The principal terms of each of the Licence Agreements are similar and are as follows:

(a) Rights Granted and Territory

The Licensor grants the Licensee a non-exclusive, revocable and non-transferable licence to use certain trademarks (“**Trademarks**”) in the countries in Asia Pacific (“**Territory**”) in relation to the products and services for which the Trademarks have been applied for and/or registered for, and the right to adopt or use the Trademarks as part of the name of the Licensee and as part of any internet domain name (“**Licence**”).

(b) Term

The Licence Agreement commenced on 1 August 2018 (“**Effective Date**”) and unless terminated in accordance with the terms of the Licence Agreement, will continue to be in force for a period of twenty (20) years, provided that the duration of the licence granted under the Licence Agreement for any single registered Trademark shall not exceed the effective duration of such Trademark as indicated on its trademark registration certificate.



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APPENDIX B  
IFA LETTER IN RELATION TO THE PROPOSED LICENSING

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(c) Royalty

The Licensee shall during the continuation of the Licence Agreement pay to the Licensor a sum of RM10,000 for each store using the Licence (“**Royalty**”). The Licensee shall pay the Royalty to the Licensor within fourteen (14) days from the end of each twelve (12) month period ending on the anniversary of the Effective Date.

(d) Termination

Each of the Licensee or the Licensor may terminate the Licence Agreement by notice in writing to the other party if that other party: (i) commits a material breach of the Licence Agreement and such breach is not remedied within 30 days of receipt of written notice by the non-defaulting party from the non-defaulting party requiring it to be remedied or (ii) is, amongst other things, unable to pay its debts or enters into compulsory or voluntary liquidation.

The Licensee may also terminate the Licence Agreement with written notice to the Licensor in the event that the shareholders’ and/or other approvals is required under the listing rules of the relevant regulatory rules with respect to the terms, the duration or renewal of the Licence Agreement and such approval cannot be obtained.

Both SSL and PSPL are subsidiaries of Parkson Holdings Berhad (“**PHB**”), which is the Controlling Shareholder of the Company. Accordingly, SSL and PSPL are considered associates of PHB and interested persons of the Company and its subsidiaries.

The Proposed Licensing will constitute an ‘interested person transaction’ under Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”). As the latest audited consolidated net tangible assets (“**NTA**”) of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2021 was negative and as announced by the Company on 28 June 2020, pursuant to consultation with the SGX-ST, the Company will be using the average of its daily market capitalisation for the last month of the immediately preceding financial year (being December 2021) as the reference point for computing relevant thresholds in Rule 905(1), 905(2) and 906(1) of the Listing Manual, until such time as the Group’s audited NTA position turns positive. Based on the terms of the Licensing Agreements, the maximum value at risk to the Group is RM390,000<sup>6</sup> (approximately S\$125,806 based on the Relevant Exchange Rate), being the aggregate Royalty payable by the Licensees for a 12-month period (“**Aggregate Licensing Transaction Value**”), which represents approximately 1.7% of the Company’s average daily market capitalisation in December 2021. In view that the Licensor and PHB are deemed to be the same interested person for the purposes of aggregation in Rule 906 of the Listing Rules, the illustrative Aggregate Licensing Transaction Value when aggregated with the illustrative Aggregate Loan Transaction Value is more than five per cent. (5%) of the Company’s average daily market capitalisation in December 2021, therefore the Company is seeking the approval of independent Shareholders for the Proposed Licensing at the EGM pursuant to Rule 906(1)(b) of the Listing Manual.

In accordance with the above, KPMG Corporate Finance Pte Ltd (“**KPMG Corporate Finance**”) has been appointed as the independent financial adviser (“**Independent Financial Adviser**”) to advise the independent directors of Parkson Retail Asia Limited (the “**Independent Directors**”) as to whether the Proposed Licensing is: (a) on normal commercial terms; and (b) prejudicial to the interests of Parkson Retail Asia Limited and its minority shareholders.

This letter to be included in the Circular to Shareholders sets out, *inter alia*, our evaluation of the Proposed Licensing and our advice to the Independent Directors in relation to their recommendation to the minority shareholders on the resolution concerning the Proposed Licensing.

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<sup>6</sup> This is calculated on the basis that there are currently 39 stores which use the Licence as at the Latest Practicable Date.

## 2. TERMS OF REFERENCE

Our responsibility is to provide an opinion in respect of the Proposed Licensing.

Our opinion is prepared pursuant to Listing Rule 921(4)(a) as well as delivered for the use and benefit of the addressees of this letter (as appropriate) (the “**Addressees**”) for their deliberations on the Proposed Licensing, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Proposed Licensing, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees (as appropriate) to proceed with these. The decisions of and recommendations made by the Addressees (as appropriate) shall remain their responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of Parkson Retail Asia Limited. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Proposed Licensing, or on the future prospects of Parkson Retail Asia Limited and as such, we do not express opinions thereon. Such evaluations or comments remain the responsibility of the Addressees (as appropriate).

It is also not within our terms of reference to compare the relative merits of the Proposed Licensing to any alternative transactions previously considered by, or that may have been available to, Parkson Retail Asia Limited or any alternative transactions that may be available in the future. Such evaluations or comments remain the responsibility of the Addressees (as appropriate), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of Parkson Retail Asia Limited.

In formulating our opinion, we have held discussions with the directors of the Company (the “**Directors**”) and its management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Addressees’ professional advisers, which may include solicitors, auditors, tax advisers and valuers. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless (i) made reasonable enquiries and exercised our judgment on the reasonable use of such information; and (ii) found no reason to doubt the accuracy or reliability of the information.

We have relied upon the representation of the Directors including those who may have delegated detailed supervision of the Circular and the Proposed Licensing that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Addressees’ professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted responsibility in the “Directors’ Responsibility Statement” of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on 1 April 2022 (the “**Latest Practicable Date**”). Such conditions and

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information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our opinion contained herein.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any shareholder. As different shareholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any shareholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our opinion should be considered in the context of the entirety of this letter and the Circular.

### 3. EVALUATION OF THE PROPOSED LICENSING

In the course of our evaluation of the Proposed Licensing, we have given due consideration to, *inter alia*, the following factors:

#### 3.1 The rationale for, and benefits of, the Proposed Licensing

The Directors note that the rationale for, and benefits of, the Proposed Licensing is as follows:

*“The Proposed Licensing enables each of the Licensees to establish and operate stores which use the “Parkson” brand name and trademarks, which is crucial to the business of each of the Licensees, especially in view that the “Parkson” brand name is well-established. The Group has had such licensing arrangements to use the “Parkson” brand name in place since the initial public offering of the Company on 3 November 2011, and the Company’s prospectus dated 27 October 2011 had disclosed for this arrangement.”*

#### 3.2 Industry information

In assessing whether the Royalty charged by PSPL under the Licence Agreements is reasonable, we have benchmarked the Royalty with publicly available information on similar rates charged by companies operating in the department store and fashion retail sector (the “**Broadly Comparable Companies**”)

For the purpose of comparison, we have assessed the reasonableness of the Royalty charged by PSPL under the Licence Agreements by comparing it against similar rates charged by the Broadly Comparable Companies.

We wish to highlight that the Broadly Comparable Companies are not exhaustive and may differ from the Company in terms of, *inter alia*, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

The rates charged by the Broadly Comparable Companies set out below are extracted from trademark database MARKABLES as at the Latest Practicable Date.

A comparison of the Royalty charged by PSPL under the Licence Agreements against similar fees charged by the Broadly Comparable Companies is set out below:

	Department stores	Fashion retail	All
<b>Data count</b>	10	32	42
<b>Reported / Implied average royalty rate<sup>1</sup> (%)</b>			
Max	4.72%	8.30%	8.30%
Median	1.26%	2.58%	1.94%
Mean	1.65%	2.71%	2.46%
Min	0.09%	0.18%	0.09%

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3rd Quartile	2.06%	3.96%	3.83%
1st Quartile	0.63%	0.96%	0.90%

<b>Royalty charged by PSPL under the Licence Agreement</b>	<b>0.06%<sup>2</sup></b>
	<b>0.08%<sup>3</sup></b>

Source: MARKABLES, Parkson Retail Asia Limited's FY2020 Annual Report and Q6 2021 Unaudited Financial Statements

Notes:

1. Expressed as a percentage of revenue
2. The implied royalty rate of 0.06% is calculated based on Parkson Retail Asia Limited's royalty expense of S\$158,000 as a percentage of the Company's revenue of S\$258,413,000 from (i) sale of goods – direct sales and (ii) commissions from concessionaire sales for FY2020
3. The implied royalty rate of 0.08% is calculated based on Parkson Retail Asia Limited's royalty expense of S\$191,000 as a percentage of the Company's revenue of S\$234,171,000 from (i) sale of goods - direct sales and (ii) commissions from concessionaire sales for YTD Q6 2021

Based on the above, we observe that the Royalty charged by PSPL under the Licence Agreements is below the range of similar fees charged by the Broadly Comparable Companies.

### 3.3 Historical Trademark Licence Agreement

Parkson Retail Asia Limited was party to a historical Trademark Licence Agreement with SSL and PHB dated 14 June 2011. We have extracted a summary of the historical Trademark Licence Agreement from the prospectus of Parkson Retail Asia Limited registered with the Monetary Authority of Singapore on 27 October 2011:

*“Trademark Licence Agreement dated 14 June 2011 between SSL, our Company and PHB, pursuant to which SSL granted our Company an exclusive, revocable, non-transferable licence to use certain “Parkson” trademarks in the Asia Pacific region (excluding Greater China) in relation to the goods and services for which those trademarks have been applied for or registered, and the right to adopt or use those trademarks as part of the name of our Company or for any internet domain name for a period of 20 years from the effective date of the agreement, and PHB agreed to procure the performance of the obligations of SSL. Our Company will pay to SSL a royalty of RM10,000 for each retail store operated by our Subsidiaries which is granted a sub-licence by our Company for each period of 12 months ending on the anniversary of the effective date”*

We have confirmed with the management of Parkson Retail Asia Limited that the terms of the historical Trademark Licence Agreement are identical to the Licensing Agreements which are the subject of the Proposed Licensing arrangements.

We note that in the Parkson Retail Asia Limited prospectus, the Directors stated that in their belief, the terms of the Trademark Licence Agreement dated 14 June 2011 were “at least as favourable to us as similar transactions with non-affiliates.”

### **3.4 Other relevant considerations in relation to the Proposed Licensing**

We have also considered the following in our evaluation of the Proposed Licensing:

#### *Termination of Proposed Licensing arrangements*

Each of the Licensee or the Licensor may terminate the respective Licence Agreements by notice in writing to the other party if that other party: (i) commits a material breach of the Licence Agreements and such breach is not remedied within 30 days of receipt of written notice by the non-defaulting party from the non-defaulting party requiring it to be remedied or (ii) is, amongst other things, unable to pay its debts or enters into compulsory or voluntary liquidation.

We note the termination arrangements in the Proposed Licensing arrangements are symmetrical in nature.

#### *Governing law and submission to jurisdiction*

The parties to the Licence Agreements have agreed that all disputes shall be governed and construed in accordance with the laws of Malaysia and have agreed to submit to the jurisdiction of the Asian International Arbitration Centre.

## **4. OUR OPINION**

Based on the considerations set out above in this letter and subject to the qualifications and assumptions herein, we are of the view that the Proposed Licensing is: (a) on normal commercial terms; and (b) not prejudicial to the interests of Parkson Retail Asia Limited and its minority shareholders.

This opinion is addressed to the Independent Directors, in connection with and for the purpose of their consideration of the terms of the Proposed Licensing. Any statement or recommendation made by the Independent Directors in respect of the terms of the Proposed Licensing shall remain their sole responsibility. Our opinion does not and cannot take into account future circumstances, including market, economic, industry, monetary and other conditions after the Latest Practicable Date as these are factors beyond the ambit of our review.

The letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**KPMG Corporate Finance Pte Ltd**

Vishal Sharma  
*Executive Director*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**PARKSON RETAIL ASIA LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201107706H)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("**EGM**") of the shareholders ("**Shareholders**") of Parkson Retail Asia Limited ("**Company**") will be convened and held by way of electronic means (see Notes 1 to 10) at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) on 29 April 2022 for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions:

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 14 April 2022 issued by the Company ("**Circular**").*

#### **ORDINARY RESOLUTION 1 – THE PROPOSED LOANS FROM PARKSON HOLDINGS BERHAD AS AN INTERESTED PERSON TRANSACTION**

**THAT:**

- (1) approval be and is hereby given, for the purposes of Chapter 9 of the SGX-ST Listing Manual, for:
  - (a) the Company to obtain the Company Loan from PHB at an interest rate of up to the Maximum Interest Rate of 7% per annum on the terms and subject to the conditions of the Amended Company Loan Agreement; and
  - (b) PCSB to obtain the PCSB Loan from PHB at an interest rate of up to the Maximum Interest Rate of 7% per annum on the terms and subject to the conditions of the Amended PCSB Loan Agreement; and
- (2) the Directors and each of them be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing and ratifying the Amended Company Loan Agreement and the Amended PCSB Loan Agreement and such other documents as the Directors may consider necessary, desirable or expedient) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the transactions contemplated by the Amended Company Loan Agreement and the Amended PCSB Loan Agreement.

#### **ORDINARY RESOLUTION 2 – THE PROPOSED LICENSING OF TRADE MARKS FROM PARKSON SERVICES PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**

**THAT:**

- (1) approval be and is hereby given, for the purposes of Chapter 9 of the SGX-ST Listing Manual, for each of PCSB, PTTS, PVCL, PHCL, PVMSCS, PYCL and the Company to obtain a licence from the Licensor to use certain trade marks on the terms and subject to the conditions of the Licensing Agreements; and
- (2) the Directors and each of them be and are hereby severally authorised to do all such acts and things (including, without limitation, executing and ratifying the Licensing Agreements and such other documents as the Directors may consider necessary, desirable or expedient) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the transactions contemplated by the Licensing Agreements.

By Order of the Board

Tan Sri Cheng Heng Jem  
Executive Chairman

Singapore  
14 April 2022

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

- (1) The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of EGM will not be sent to members. Instead, this Notice of EGM will be sent to members by electronic means via publication on the SGXNET.
- (2) The proceedings of the EGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Members and investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at <https://conveneagm.sg/parkson2021> no later than 11.00 a.m. on 26 April 2022 ("Registration Cut-Off Time"). Following verification, an email containing instructions on how to access the "live" webcast and audio feed of the proceedings of the EGM will be sent to authenticated members and Investors by 28 April 2022. Members and Investors who do not receive any email by 12 noon on 28 April 2022, but have registered by the Registration Cut-Off Time, should contact the Company at [support@conveneagm.com](mailto:support@conveneagm.com).
- (3) **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman of the EGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("proxy form") may be accessed on SGXNET. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
- (4) The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the EGM to submit his/her voting instructions. This is so as to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman to vote on their behalf by 11.00 a.m. on 27 April 2022.
- (5) **The proxy form must be submitted to the Company in the following manner:**
  - (a) if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to [main@zicoholdings.com](mailto:main@zicoholdings.com),in either case, **not less than 48 hours before the time appointed for holding the EGM.**

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**
- (6) In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
- (7) **Members and Investors will not be able to ask questions "live" during the broadcast of the EGM, but will be able to via an online chat box function during the VIS to be held prior to the EGM. All members and Investors may submit questions relating to the business of the EGM:**
  - (a) via the pre-registration website at <https://conveneagm.sg/parkson2021>;
  - (b) by email to the Company at [main@zicoholdings.com](mailto:main@zicoholdings.com); or
  - (c) by post to the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898,

by **11.00 a.m. on 21 April 2022** for the purposes of the VIS (the "VIS Questions Deadline") or by **11.00 a.m. on 24 April 2022** for the purposes of the EGM (being 72 hours before the closing time for the lodgement of the proxy forms prior to the EGM).



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email.**

- (8) A virtual information session ("**VIS**") will also be held for Shareholders and Investors prior to the EGM, at **11.00 a.m. on 22 April 2022** (being five (5) calendar days prior to the closing date and time for the lodgement of the proxy forms) where the Company will endeavour to address all substantial and relevant questions received by the VIS Questions Deadline from Shareholders in relation to the Resolutions as set out in the Notice of EGM. Shareholders will also be able to ask questions "live" via the online chat box function during the VIS. Further details on the VIS are set out in Section 11(b) of the Circular.
- (9) The Company will endeavour to answer all substantial and relevant questions received from Shareholders and/or Investors during the VIS (if received by the VIS Questions Deadline), or prior to or during the EGM (if received after the VIS Questions Deadline but by **11.00 a.m. on 24 April 2022**), having regard to the limited time available at the VIS and the EGM, respectively.
- (10) All documents (including the Circular, proxy form and this Notice of EGM) or information relating to the business of the EGM have been, or will be, published on SGXNET. **Printed copies of the documents will not be despatched to members.** Members and CPF/SRS investors are advised to check SGXNET regularly for updates.

**Personal data privacy:**

By submitting the proxy form appointing the Chairman to attend, speak and vote at the Extraordinary General Meeting and / or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the VIS and the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and / or guidelines.

## PROXY FORM

### PARKSON RETAIL ASIA LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201107706H)

#### IMPORTANT:

1. The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM and this Proxy Form will not be sent to members. Instead, the Notice of EGM and this Proxy Form will be sent to members by electronic means via publication on the SGXNET.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman in advance of the EGM, addressing of substantial and relevant questions either before the EGM (including at a virtual information session) or at the EGM and voting by appointing the Chairman as proxy at the EGM, are set out in the Notice of EGM.
3. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) who wishes to exercise his/her/its vote must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. In appointing the Chairman as proxy, a member must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.**
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the EGM to submit his/her vote.
5. **Personal Data Privacy:** By submitting this proxy form, a member of the Company accepts and agrees to the personal data terms set out in the Notice of EGM dated 14 April 2022.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a \*member/members of PARKSON RETAIL ASIA LIMITED ("Company") hereby appoint the **Chairman of the Extraordinary General Meeting ("Chairman")** as \*my/our proxy/proxies to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("Meeting") of the Company to be held by way of electronic means on 29 April 2022 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) and at any adjournment thereof in the following manner:

No.	Resolution	<sup>1</sup> No. of Votes For	<sup>1</sup> No. of Votes Against	<sup>1</sup> No. of Votes Abstaining
1.	To approve the Proposed Loans (Ordinary Resolution 1)			
2.	To approve the Proposed Licensing (Ordinary Resolution 2)			

<sup>1</sup> If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and "Against" the resolution and/or if you wish to abstain from voting in respect of the resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstaining" in the boxes provided for the resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s) or,  
Common Seal of Corporate Shareholder

\* Delete where inapplicable

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## PROXY FORM

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### Notes:

1. Please insert the total number of shares of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company. This proxy form may be accessed at the SGXNET.** Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the EGM to submit his/her vote.
4. The proxy form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, not less than 48 hours before the time appointed for holding the EGM.

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 14 April 2022.

### General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.