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

LEGAL PROCEEDINGS INVOLVING PARKSON VIETNAM CO., LTD.

The Board of Directors (the "**Board**") of Parkson Retail Asia Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that it has been informed by its indirect wholly-owned subsidiary, Parkson Vietnam Co., Ltd. ("**PVC**"), that PVC had received a letter dated 25 November 2020 from the Vietnam International Arbitration Centre ("**VIAC**") which provided, among others, that the landlord of PVC's existing leased premises in Da Nang, Vietnam ("**Premises**") ("**Landlord**") had submitted a request for arbitration ("**Arbitration Request**") in relation to the said lease to the VIAC. PVC is directly wholly-owned by Parkson Corporation Sdn Bhd which is in turn a direct wholly-owned subsidiary of the Company. PVC currently operates a department store on the Premises leased to PVC for a term of 10 years which commenced on 15 February 2015 ("**Lease**").

The Arbitration Request relates to the amount payable by PVC to the Landlord pursuant to the terms of the Lease Agreement in relation to the Lease entered into between PVC (as tenant) and the Landlord. PVC has been in ongoing negotiations with the Landlord on the payable amount and the possibility of early termination of the Lease. Based on the information available to PVC on the Arbitration Request, the Landlord has claimed from PVC an aggregate amount of approximately VND26.9 billion (approximately S$1.6 million based on an illustrative exchange rate of VND17,302 : S$1) in alleged unpaid and outstanding rental and late payment charges for the period from 15 April 2019 to 14 August 2020 ("**Claim Amount**"). PVC intends to dispute the quantum of the alleged Claim Amount, and will seek legal advice from its Vietnam counsel on the merits of the case as well as appropriate next steps which can be taken to protect the interests of PVC and the Company.

At this juncture, the Company is unable to determine the potential financial impact of the arbitration, and will provide an update after it has consulted with its external auditors and Vietnam counsel (including as to whether any further provision may be required). Notwithstanding that the Claim Amount had been substantially accrued in the financial statements of PVC, in the event the outcome of the arbitration is ultimately not determined in favour of PVC and PVC is required to settle the Claim Amount, this might likely result in an adverse impact on the financial position of the Group for the current financial year ending 30 June 2021.

The Company will make further announcements as and when there are material developments to these legal proceedings.

For and on behalf of the Board

Tan Sri William Cheng Heng Jem
Executive Chairman

11 December 2020