

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

---

**INTERESTED PERSON TRANSACTIONS**

---

Parkson Retail Asia Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to its announcement dated 28 June 2020 in relation to, among others, the confirmation from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the Company's use of the average of its daily market capitalisation for June 2020 ("**ADMC**") as the reference point for the calculations of the relevant thresholds in Rules 905 and 906 under the Listing Manual of the SGX-ST for the financial period ended 31 December 2021 ("**FY2021**") in view of the Group's negative audited consolidated net tangible assets for the financial year ended 30 June 2020, and its announcements dated 30 October 2020, 4 February 2021, 11 May 2021, 13 July 2021, 13 August 2021, 14 October 2021 and 12 November 2021 which had disclosed details of certain interested person transactions ("**IPTs**") undertaken by the Group from time to time with its ultimate holding company, Parkson Holdings Berhad ("**PHB**") and its group of companies in the ordinary course of business in FY2021 ("**Previous Announcements**"). Unless otherwise defined, the capitalised terms used herein shall have the same meaning ascribed to them in the Previous Announcements.

**Details of the Interested Person**

PHB is an investment holding company with subsidiaries principally involved in the operation of department stores across Malaysia, China and Vietnam as well as property management, credit business, operation of food and beverage business and investment holding. PHB is listed on the Main Market of Bursa Malaysia Securities Berhad since 28 October 1993.

Parkson Services Pte Ltd ("**PSPL**"), a private company limited by shares incorporated in Singapore, is an indirect wholly-owned subsidiary of PHB. The principal activity of PSPL is intellectual property holding.

PHB is a controlling shareholder of the Company. In accordance with Chapter 9 of the Listing Manual, PHB and PSPL (collectively, the "**PHB Group**") are therefore deemed to be interested persons of the Company and accordingly, transactions entered into between the Company and the PHB Group are regarded as IPTs and are subject to Chapter 9 of the Listing Manual.

**Details of the IPTs for 18 months ended 31 December 2021 (as defined below)**

Details of the IPTs between the Group and the PHB Group for the 18 months ended 31 December 2021 ("**18MFY2021**") (other than IPTs conducted under the Existing General Mandate and IPTs below S\$100,000 in value) are set out below:

| Interested Persons | Details of IPTs                                | Aggregate Value of IPTs (S\$) |
|--------------------|------------------------------------------------|-------------------------------|
| PHB                | Interest expense payable by the Group to PHB   | 412,707                       |
| PSPL               | Royalty expense payable by the Group to PSPL   | 191,157                       |
|                    | Aggregate Value of all IPTs with the PHB Group | 603,864                       |

The aggregate value of the abovementioned IPTs entered into between the Group and the PHB Group for the 18MFY2021 was approximately S\$603,864, representing approximately 4.67% of the ADMC of S\$12,919,695. As announced on 14 October 2021, the aggregate value of the IPTs with the PHB Group for the 15MFY2021 was approximately S\$503,382, representing approximately 3.90% of the ADMC of S\$12,919,695.

### **Rationale for the IPTs and benefits to the Company**

The interest expense payable by the Group to PHB is in respect of loans provided by PHB to the Group pursuant to PHB's arrangement to provide funding support to the Group in 2018 in view of the Group's financial condition and the Group's difficulty in seeking additional bank financing ("**PHB Loans**"). To date, the Group has made some payments of principal to PHB in respect of the PHB Loans. As announced by the Company on 15 May 2020, the terms of the PHB Loans were amended for the benefit of the Group, such that amongst others, the applicable interest rate for the PHB Loans was reduced.<sup>1</sup> This will result in an overall reduction in the Group's interest expense for the financial period ended 31 December 2021.

The royalty expense payable by the Group to PSPL is for the use of the "Parkson" brand name and trademarks, including for the purposes of the Group's stores. The Group has been incurring such royalty expense since the initial public offering of the Company on 3 November 2011.

The IPTs were entered into between the Group and the PHB Group on a willing buyer-willing seller basis on normal commercial terms and the terms of the IPTs offered by the Group were no more favorable than the terms extended to other existing customers or unrelated third parties.

### **Audit Committee Statement**

The Audit Committee of the Company, having reviewed and considered the terms and rationale of the IPTs, is of the view that the abovementioned IPTs with the PHB Group are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

### **Interest of Directors and Controlling Shareholders**

Tan Sri Cheng Heng Jem, the Chairman and Executive Director of the Company, is a major shareholder of PHB principally through his direct and deemed interest in PHB. PHB is the sole shareholder of East Crest International Limited ("**ECIL**") and ECIL in turn holds 67.96% of the voting shares in the Company. Ms Cheng Hui Yuen, Vivien, the Executive Director of the Company, is the daughter of Tan Sri Cheng Heng Jem.

---

<sup>1</sup> The said announcement stated that PHB had agreed to waive any additional interest that may accrue and be payable to PHB pursuant to the PHB Loans which, when aggregated with the value of other IPTs entered into by the Group with PHB or its associates (which are not conducted under the Company's general mandate for IPTs, for as long as such mandate is subsisting) exceeds 4.99% of the latest audited net 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 IPTs).

Save as disclosed in this announcement, none of the other Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforementioned IPTs, other than through their respective directorships and shareholdings in the Company.

BY ORDER OF THE BOARD

Tan Sri William Cheng Heng Jem  
Executive Chairman

20 January 2022