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

UPDATE ON BUSINESS OPERATIONS IN VIEW OF COVID-19

The Board of Directors of Parkson Retail Asia Limited (the "Company", and together with its subsidiaries, the "Group") wishes to update the shareholders of the Company on the operations of the Group, in view of the current COVID-19 pandemic.

As announced by the Malaysian government on 16 March 2020, a nationwide Restriction Movement Order (the "Order") has been implemented for the period from 18 March 2020 to 31 March 2020 which is enforced under the Control and Prevention of Infectious Diseases Act 1988 and the Police Act 1967 of Malaysia. The Order encompasses, among others, restriction of movement and assembly nationwide and the closure of all government and private premises (with very limited exceptions such as essential services including food retail, pharmacies, etc). The Malaysian government had further on 18 March 2020, cautioned that there is a possibility the Order may be extended, depending on the spread of COVID-19 over the next two weeks.

The Group currently operates 42 department stores (out of a total of 61 stores Group-wide) and lifestyle concept business stores and counters, as well as food and beverage operations in Malaysia, which makes Malaysia our single largest geographical market. Our Malaysia operations (including our Group's headquarters and offices) are and will continue to be affected by the mandatory closures and restrictions pursuant to the Order. Even prior to the issuance of the Order, COVID-19 has generally cast a pall on the already challenging retail sector around the world, and retail malls have observed a decline in footfall as a result of public health advisories generally advocating avoiding of crowded places and congregations, as well as the sharp reduction in tourist numbers attributable to travel restrictions. Our operations in Indonesia and Vietnam have likewise, been impacted from the effects of the COVID-19 pandemic and have generally experienced significant reductions in store traffic and store sales during this period, which may worsen if the COVID-19 situation in these countries escalates.

Playing its part in the battle against COVID-19, the Group has implemented various precautionary measures such as increased frequency of cleaning and disinfecting, temperature screening at the Group's stores and office locations, telecommuting arrangements for certain office staff and staff travel restrictions. In addition, both store and office staff are reminded to maintain a high levels of personal hygiene and are provided with hand sanitisers. The Group will continue to monitor closely the COVID-19 pandemic situation and the relevant governmental advisories, and will adopt such measures for the well-being of its employees and store visitors as may be practicable.

Given the evolving circumstances, the Group currently is unable to quantify nor determine the extent of the impact of the Order and COVID-19 on the earnings per share and net asset value per share of the Group for the financial year ending 30 June 2020. Prior to the impact from COVID-19, the Group had already been undertaking various cost-containment measures in response to the overall downturn in the retail industry and its protracted challenging operating environment, such as the review and closure of non-performing stores, streamlining of excess headcount and the initiation of rent negotiations with landlords where practicable. The Group will continue to undertake measures to manage the impact from the current COVID-19 situation. Having said that, it is expected that the mandatory store closures, restrictions on movement and travel, and the overall effect that COVID-19 has on the retail sector and the

market in general, amongst other things, will in aggregate have a significant adverse impact on our operations and earnings during this period. Further, given the rapid spread of COVID-19 globally, while our operations in Indonesia and Vietnam are presently able to continue, it is reasonably anticipated that these operations may also be affected in the near future.

The Board will continue to monitor the evolving situation and will make the appropriate announcements as and when there are material developments.

BY ORDER OF THE BOARD

Tan Sri William Cheng Heng Jem
Executive Chairman

20 March 2020