

PARKSON RETAIL ASIA LIMITED

(Co. Reg. No. 201107706H)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

INTERESTED PERSON TRANSACTIONS

1. Interested Person Transactions

- 1.1 The Board of Directors of Parkson Retail Asia Limited (the “Company” or “PRA”, and together with its subsidiaries, the “Group”) wishes to announce that the Company’s wholly-owned subsidiary, PT Tozy Sentosa (“TS”), had during the financial year ended 30 June 2012 (“FY2012”):
- i. made purchases of “The Body Shop” products from PT Monica Hijaulestari (“MHL”), which is an Indonesian company holding exclusive rights to “The Body Shop” franchise in Indonesia;
 - ii. leased office and warehouse space located at Bintaro Jaya CBD in Tangerang, Indonesia from PT Tozy Bintang Sentosa (“TBS”); and
 - iii. obtained IT and payroll services from PT Mitra Samaya (“MS”),
- (collectively, the “IPTs”).
- 1.2 MHL is 60% owned by Mdm. Susiawati Darmawan, the sister of Mr. Tan Siang Long. Mr Tan Siang Long is the Company’s Non-Executive Director. The other shareholders of MHL are Mr. Hutomo Mugi Santoso (38% shareholding), who is Mdm. Susiawati Darmanwan's husband and accordingly, a brother-in-law of Mr. Tan Siang Long, and TBS (2% shareholding).
- 1.3 TBS is a company which is 99% owned by MS and 1% owned by Mdm. Susiawati Darmawan. MS is a substantial shareholder of the Company with a 7.4% shareholding. MS is in turn 80% owned by Mr. Hutomo Mugi Santoso, 19% held by Mdm. Susiawati Darmawan and 1% held by Mr. Hutomo Mugi Santoso's brother-in-law, Mr. Suparto Tarino.
- 1.4 As each of MHL, TBS and MS is a company in which Mr. Tan Siang Long's immediate family (directly or indirectly) have an interest of 30% or more, each of MHL, TBS and MS is an associate of Mr. Tan Siang Long. Accordingly, the IPTs are “interested person transactions” under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”).

- 1.5 All of the IPTs have been previously disclosed in the prospectus of the Company dated 27 October 2011 under the section titled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions”. As the IPTs are recurrent in nature, the aggregate value of all the IPTs during FY2012 amounted to approximately SGD4,003,000 for FY2012, representing approximately 3.44% of the latest audited net tangible assets (“NTA”) of the Group of SGD116,514,000 as at 30 June 2011, which exceeded 3.0% of latest audited NTA of the Group as at 30 June 2011 by the end of FY2012. The Company is therefore making this announcement pursuant to Rule 905(2) of the Listing Manual.

2. Details and Rationale of the Transactions

- 2.1 The purchases of “The Body Shop” products are made for sales at the “Centro” department stores owned by the Group and are made pursuant to seven concessionaire agreements (one agreement for each Centro department store outlet) entered into between TS and MHL, the terms of which were agreed on an arm’s length basis. The purchases of “The Body Shop” products were made in the ordinary course of business.
- 2.2 The lease of the office and warehouse space of about 2,716 sq.m. from TBS is to accommodate the corporate office of, and warehouse for, the operations of the Centro department stores in Indonesia. The terms of the tenancy were agreed on an arm’s length basis and the tenancy was entered in the ordinary course of business.
- 2.3 The provision of IT and payroll services by MS arose due to an interim arrangement following the sale of TS by MS to the Company. Prior to the sale, TS and MS used to share the IT and payroll systems. MS provided the IT and payroll services to facilitate the transition of TS from a subsidiary of MS to a wholly-owned subsidiary of the Company. The charges for the services were agreed on an arm’s length basis.

3. Audit Committee’s Statement

The Audit Committee of the Company (the “AC”), after having considered (i) the terms of the concessionaire agreements for the purchase of “The Body Shop” products, (ii) the terms of the tenancy agreement for the lease of the office and warehouse space and (iii) the basis of MS for computing the charges for the provision of IT and payroll services, is of the view that the IPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Mr. Tan Siang Long, being a member of the AC having interest in the IPTs, has abstained from reviewing and voting on the IPTs.

4. Current Total of Interested Person Transactions

The following table sets out the current total of all IPTs for FY2012 with TS:

Interested Person Transactions	IDR'000
MHL	
- Purchase of "The Body Shop" products	24,366,398
TBS	
- Lease of office and warehouse space	2,989,980
MS	
- Provision of IT and payroll services	1,181,226
Total for the financial year	28,537,604
	Equivalent to approx. SGD4,003,000

The current total value of all interested person transactions entered into by the Group for FY2012 (including the IPTs) is approximately SGD6,906,000.

**BY ORDER OF THE BOARD
PARKSON RETAIL ASIA LIMITED**

Datuk Cheng Yoong Choong
Group Managing Director

Singapore, 31 July 2012

The initial public offering of the Company's shares was sponsored by the Hongkong and Shanghai Banking Corporation Limited, Singapore ("HSBC" or "the Issue Manager"). The Joint Bookrunners and Joint Underwriters were HSBC, CIMB Securities (Singapore) Pte Ltd, and the Co-Lead Manager was CLSA Singapore Pte. Ltd.