

PARKSON RETAIL ASIA LIMITED

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

Unaudited Financial Statements for the Financial Year ended 30 June 2014
HIGHLIGHTS

	Group								
	Reported Quarter ended			Reported Year ended			Like-for-Like Comparable* Year ended		
	30.06.2014	30.06.2013	+ / (-)	30.06.2014	30.06.2013	+ / (-)	30.06.2014	30.06.2013	+ / (-)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
		(restated)			(restated)				
Gross Sales Proceeds	246,049	251,552	(2.2)	1,077,892	1,109,387	(2.8)	1,034,673	1,079,415	(4.1)
Revenue	99,176	103,347	(4.0)	432,038	446,728	(3.3)	417,943	436,237	(4.2)
Profit Before Tax	3,089	3,644	(15.2)	46,813	52,980	(11.6)	53,341	52,902	0.8
Net Profit attributable to owners of the Company	3,170	4,945	(35.9)	34,557	39,503	(12.5)	39,450	39,438	0.0

* The like-for-like comparable figures are provided for comparison purpose only, and do not form part of the financial statements prepared under the accounting standards nor under the disclosure requirements of the Singapore Exchange. These like-for-like comparable figures are computed on same store basis (i.e. excluding the operating results of new stores and closed stores for the years FY2014 and FY2013).

The Group recorded the following Same Store Sales Growth ("SSSG"), by countries:

SSSG	Quarter ended		Year ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Malaysia	-0.8%	+0.6%	-0.1%	+4.5%
Vietnam	-5.4%	+1.1%	-4.2%	-0.7%
Indonesia	+4.3%	+8.5%	+6.0%	+5.6%

The Malaysia operations continued to encounter a challenging retail environment in the Q4 FY2014 quarter, recording a relatively flat SSSG of -0.8%. Consumer sentiment in Malaysia was subdued with the consumer sentiment index as reported by the Malaysian Institute of Economic Research remaining marginally above the 100-point threshold of confidence for the 2nd quarter calendar year 2014 at 100.1 points. Consumer sentiment for the financial year FY2014 was impacted by inflationary pressure arising from the government's implementation of subsidy rationalization programmes and the central bank's tightening measures to curb household debt. There was also some drag to the performance of the Malaysia operations in the final Q4 FY2014 due to the reduction in Chinese tourist arrivals into Malaysia arising from the MH370 incident and the kidnappings off the coast of Sabah.

The Vietnam operations recorded declining SSSG of -5.4% for Q4 FY2014. Discretionary retail spending remained weak in Vietnam despite signs of economic stability. Nielsen research reported that the country's consumer confidence index ("CCI") remained below the 100-point confidence threshold for the 2nd quarter calendar year 2014 at 98 points. The sales at the stores in Hanoi were especially affected by the significant increase in new retail space amid a weak retail environment. The Vietnam operations for the final Q4 FY2014 were also affected by negative consumer sentiment arising from the fallout of the China-Vietnam dispute and the resulting reduction in Chinese tourist arrivals into Vietnam.

The Indonesia operations recorded SSSG of +4.3% in Q4 FY2014. Consumer sentiment remained strong with Bank Indonesia reporting the country's CCI for the 2nd quarter calendar year 2014 remaining above the 100-point confidence threshold at 115.7 points.

Gross Sales Proceeds (“GSP”) for Q4 FY2014 declined by (2.2)% Year-over-Year (“YoY”) to S\$246.0 million while GSP for the year FY2014 declined by (2.8)% YoY to S\$1.08 billion. Group’s revenue for Q4 FY2014 declined by (4.0)% YoY to S\$99.2 million, while revenue for the year FY2014 declined by (3.3)% YoY to S\$432.0 million. The declines in GSP and revenue are attributable to a combination of factors i.e. (i) negative SSSG of the Vietnam operations at -5.4% for Q4 FY2014 and -4.2% for the year FY2014, (ii) local currency weakness especially of the Indonesian Rupiah which reduced the sales contribution from the foreign operations upon translation to the presentation currency in Singapore Dollar and (iii) impact of lost sales from 3 stores closed for renovation in Q1 FY2014 which have since re-opened during the financial year. There was also 1 store permanently closed in the previous Q4 FY2013 for which there was no corresponding sales figure for the current financial year. On same store basis and excluding currency impact, GSP and revenue for the year FY2014 remained flat YoY respectively.

Profit Before Tax (“PBT”) for Q4 FY2014 declined by (15.2)% YoY to S\$3.1 million, while PBT for the year FY2014 declined by (11.6)% YoY to S\$46.8 million. Among the factors contributing to the decline in PBT are (i) de-leveraging impact from the negative SSSG of the Vietnam operations for the current quarter and financial year (and compounded by costs pressure), (ii) the initial loss-making periods associated with new stores opened in the current quarter and financial year (including pre-opening expenses) before sales at these stores ramp-up and profitability commences (there were 7 new stores opened in the year FY2014 vs 2 new stores opened in the preceding financial year), (iii) the temporary closure of 3 stores for renovation in Malaysia resulting in the absence of gross profit contribution from these stores and (iv) local currency weakness especially of the Indonesian Rupiah which reduced the PBT contribution from the foreign operations upon translation to the presentation currency in Singapore Dollar. However, the decline in PBT YoY was mitigated by the improvement in gross profit margin for Q4 FY2014 and the year FY2014 by 90 bps and 70 bps respectively. On same store basis, PBT increased marginally by 0.8% YoY for the year FY2014 to S\$53.3 million. On same store basis and excluding currency impact, PBT for the year FY2014 increased by 5.4% YoY

A summary table detailing the segmental PBT is appended below.

	Group					
	Quarter ended			Year ended		
	30.06.2014	30.06.2013	+ / (-)	30.06.2014	30.06.2013	+ / (-)
PBT Summary	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Like-for-like, on same store basis						
Malaysia	7,374	4,533	62.7	48,229	45,438	6.1
Vietnam	(1,319)	(219)	>(100.0)	(509)	3,290	>(100.0)
Indonesia	1,188	80	>100.0	5,951	5,441	9.4
Share of profits of an associate (Sri Lanka)	(15)	35	>(100.0)	879	724	21.4
Investment holding / Others	(562)	(335)	(67.8)	(1,209)	(1,991)	39.3
PBT (same store basis)	6,666	4,094	62.8	53,341	52,902	0.8
PBT / (Losses) of new and closed stores						
Malaysia	(842)	(367)	>(100.0)	(1,054)	340	>(100.0)
Vietnam	(1,000)	-	>(100.0)	(1,265)	-	>(100.0)
Indonesia	(1,370)	(1)	>(100.0)	(3,250)	(98)	>(100.0)
Myanmar	(365)	(82)	>(100.0)	(959)	(164)	>(100.0)
Group PBT	3,089	3,644	(15.2)	46,813	52,980	(11.6)

On same store basis, PBT for the Malaysia operations for the year FY2014 increased by 6.1% YoY. The Malaysia operations recorded improvement in gross profit margin by 110 bps due mainly to reduced discounting and lesser stock shrinkages, and lower operating expenses. On same store and same currency basis, PBT for the Malaysia operations for the year FY2014 recorded an increase of 9.9%.

On same store basis, PBT for the Vietnam operations for the year FY2014 declined by >(100.0)% due to the de-leveraging impact from the negative SSSG of -4.2% and compounded by costs pressure.

On same store basis, PBT for the Indonesia operations for the year FY2014 increased by 9.4% due to positive leverage impact from the increase in SSSG of +6.0% and the absence of certain non-recurrent costs incurred in the preceding financial year. On same store and same currency basis, PBT for the Indonesia operations for the year FY2014 recorded an increase of 27.1%.

The store in Myanmar opened for business in May 2013 and the loss of S\$(0.959) million for the year FY2014 was due to pre-opening expenses incurred and operational gestation period.

The Group's share of profits of the associate, Odel PLC, increased by 21.4% to S\$0.88 million. The profits of Odel PLC increased due to the increase in interest income earned on the funds from the rights issue of shares completed in December 2012.

Investment holding / Others recorded a decline in loss position by 39.3% for the year FY2014 to S\$(1.2) million. This was largely due to net exchange gain on foreign currency deposits recognised in the current year as compared to net exchange loss in the preceding year and the absence of non-recurring costs e.g. acquisition-related cost of the associate which was recorded in the preceding year.

The Group's cashflow generation remains strong with net cash generated from operations of S\$55.6 million for the year FY2014. The Group balance sheet position continues to be healthy with total equity of S\$239.9 million as at 30 June 2013.

A summary table comparing the PBT variance YoY in percentage terms for the (i) reported numbers, (ii) same store numbers and (iii) same store, same currency numbers across the Group's 3 main markets is appended below.

	Reported	Same store	Same store, same currency
PBT variance (comparing the year FY2014 vs year FY2013)	+ / (-) %	+ / (-) %	+ / (-) %
Malaysia	3.1	6.1	9.9
Vietnam	>(100.0)	>(100.0)	>(100.0)
Indonesia	(49.4)	9.4	27.1
Group	(11.6)	0.8	5.4

Dividend

The Board of Directors recommends the payment of a final dividend of 2.5 cents per share (tax exempt, one-tier), subject to the approval of shareholders. Including the special interim dividend of 3.0 cents per share paid on 20 June 2014, the total dividend for the financial year FY2014 is 5.5 cents per share.

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Unaudited Financial Statements for the Financial Year ended 30 June 2014
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a)(i) Consolidated Income Statement

	Group					
	Quarter ended			Year ended		
	30.06.2014	30.06.2013	+ / (-)	30.06.2014	30.06.2013	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(restated)			(restated)	
Revenue	99,176	103,347	(4.0)	432,038	446,728	(3.3)
Other income	4,389	2,690	63.2	14,268	12,406	15.0
Items of expense						
- Changes in merchandise inventories and consumables	(38,749)	(43,656)	(11.2)	(167,449)	(181,731)	(7.9)
- Employee benefits expense	(12,450)	(12,988)	(4.1)	(49,524)	(47,587)	4.1
- Depreciation and amortisation expenses	(5,231)	(5,133)	1.9	(20,365)	(19,610)	3.9
- Rental expenses	(27,635)	(27,144)	1.8	(103,308)	(101,049)	2.2
- Finance costs	(329)	(188)	75.0	(675)	(362)	86.5
- Other expenses	(16,067)	(13,319)	20.6	(59,051)	(56,539)	4.4
Total expenses	(100,461)	(102,428)	(1.9)	(400,372)	(406,878)	(1.6)
Share of profits/(losses) of an associate	(15)	35	>(100.0)	879	724	21.4
Profit before tax	3,089	3,644	(15.2)	46,813	52,980	(11.6)
Taxation	(94)	614	>(100.0)	(13,696)	(15,034)	(8.9)
Net profit for the period	2,995	4,258	(29.7)	33,117	37,946	(12.7)
Net profit for the period attributable to:						
Owners of the Company	3,170	4,945	(35.9)	34,557	39,503	(12.5)
Non-controlling interests	(175)	(687)	(74.5)	(1,440)	(1,557)	(7.5)
	2,995	4,258	(29.7)	33,117	37,946	(12.7)

1(a)(ii) Consolidated Statement of Comprehensive Income

	Group					
	Quarter ended			Year ended		
	30.06.2014	30.06.2013	+/(-)	30.06.2014	30.06.2013	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(restated)		(restated)		
Net profit for the period	2,995	4,258	(29.7)	33,117	37,946	(12.7)
Other comprehensive gain/(loss):						
Foreign currency translation	(2,645)	742	>(100.0)	(12,457)	(1,792)	>(100.0)
Remeasurement of retirement benefit	54	821	(93.4)	54	821	(93.4)
Share of profits/(losses) of an associate	(33)	10	>(100.0)	(33)	10	>(100.0)
Total comprehensive income	371	5,831	(93.6)	20,681	36,985	(44.1)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	550	6,482	(91.5)	22,130	38,591	(42.7)
Non-controlling interests	(179)	(651)	(72.5)	(1,449)	(1,606)	(9.8)
	371	5,831	(93.6)	20,681	36,985	(44.1)

1(a)(iii) Additional information to the Consolidated Income Statement

	Group			
	Quarter ended		Year ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is arrived after (charging)/crediting:				
Finance income	2,538	1,477	6,973	5,814

1(b)(i) Statements of Financial Position

	Group			Company	
	30.06.2014	30.06.2013	01.07.2012	30.06.2014	30.06.2013
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)	(restated)		
ASSETS					
Non-current assets					
Property, plant and equipment	90,062	77,046	79,502	-	-
Land use right	7,913	8,173	8,494	-	-
Investments in subsidiaries	-	-	-	148,440	153,122
Investment in an associate	27,079	27,611	-	26,074	27,157
Other receivables	24,876	23,823	24,091	32,141	20,311
Prepayments	13,576	18,586	14,167	-	-
Intangible assets	5,736	7,205	7,513	-	-
Derivatives	20	21	21	-	-
Deferred tax assets	3,805	2,097	848	-	-
Investment securities	91	93	93	-	-
	173,158	164,655	134,729	206,655	200,590
Current assets					
Inventories	63,628	58,209	58,231	-	-
Trade and other receivables	23,514	29,130	29,311	27,476	25,320
Prepayments	6,142	4,785	3,035	-	-
Tax recoverable	2,515	4,033	1,226	-	-
Cash and short-term deposits	150,881	176,830	190,346	3,515	21,373
	246,680	272,987	282,149	30,991	46,693
Total assets	419,838	437,642	416,878	237,646	247,283
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	142,917	147,515	143,656	762	581
Other liabilities	27,397	23,256	23,234	-	-
Loans and borrowings	-	-	61	-	-
Tax payable	790	1,529	1,329	-	-
	171,104	172,300	168,280	762	581
Net current assets	75,576	100,687	113,869	30,229	46,112
Non-current liabilities					
Other payables	8,661	7,365	8,034	-	-
Deferred tax liabilities	176	155	548	-	-
	8,837	7,520	8,582	-	-
Total liabilities	179,941	179,820	176,862	762	581
Net assets	239,897	257,822	240,016	236,884	246,702
Equity attributable to owners of the Company					
Share capital	231,676	231,676	231,676	231,676	231,676
Other reserves	(150,338)	(137,890)	(136,147)	(11,742)	(4,250)
Retained earnings	157,522	161,550	141,535	16,950	19,276
	238,860	255,336	237,064	236,884	246,702
Non-controlling interests	1,037	2,486	2,952	-	-
Total equity	239,897	257,822	240,016	236,884	246,702
Total equity and liabilities	419,838	437,642	416,878	237,646	247,283

1b)(ii) Group's borrowings and debt securities

There are no Group loans and borrowings as at 30.06.2014 and 30.06.2013.

1(c) Consolidated Statement of Cash Flows

	Group			
	Quarter ended		Year ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	S\$'000	S\$'000 (restated)	S\$'000	S\$'000 (restated)
Operating activities				
Profit before tax	3,089	3,644	46,813	52,980
Adjustments for				
- Depreciation and amortisation expenses	5,231	5,133	20,365	19,610
- Finance costs	329	188	675	362
- Finance income	(2,538)	(1,477)	(6,973)	(5,814)
- Share of (profits)/losses of an associate	15	(35)	(879)	(724)
- Others	(2,498)	4,146	(1,803)	1,482
Operating cash flows before changes in working capital	3,628	11,599	58,198	67,896
Changes in working capital				
- Inventories	(2,219)	(6,075)	(7,755)	(2,084)
- Receivables and prepayments	293	3,917	2,906	(6,560)
- Payables and other liabilities	9,373	(5,943)	10,991	4,648
Cash flows from operations	11,075	3,498	64,340	63,900
Finance income received	2,488	966	6,668	4,966
Finance costs paid	(81)	(2)	(132)	(10)
Income tax paid	(816)	(5,934)	(15,305)	(19,012)
Net cash generated from / (used in) operating activities	12,666	(1,472)	55,571	49,844
Investing activities				
Purchase of property, plant and equipment (net)	(7,231)	(4,107)	(37,717)	(16,971)
Addition of intangible assets	-	(275)	(286)	(517)
Investment in an associate	-	-	-	(27,364)
Dividends received from an associate	147	128	295	280
Dividends from investment securities	-	84	-	84
Net cash used in investing activities	(7,084)	(4,170)	(37,708)	(44,488)
Financing activities				
Repayment of finance lease obligations	-	-	-	(5)
Dividends paid to shareholders	(20,319)	-	(38,606)	(20,319)
Contributions by non-controlling interests	-	-	-	1,140
Net cash used in financing activities	(20,319)	-	(38,606)	(19,184)
Net decrease in cash and cash equivalents	(14,737)	(5,642)	(20,743)	(13,828)
Cash and cash equivalents at beginning of financial period	164,433	182,601	176,830	190,290
Effects of currency translation on cash and cash equivalents	1,185	(129)	(5,206)	368
Cash and cash equivalents at end of financial period	150,881	176,830	150,881	176,830

For the purpose of the consolidated statement of cash flows, consolidated cash and cash equivalents comprise of the following:

	Group	
	30.06.2014	30.06.2013
	S\$'000	S\$'000
Cash at bank (less bank overdrafts)	18,078	36,961
Short-term bank deposits	132,803	139,869
	150,881	176,830

1(d)(i) Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								Non-controlling Interests	Total Equity
	Share capital	Foreign currency translation reserve	Capital redemption reserve	Capital contribution from ultimate holding company	Merger reserve	Bargain purchase of non-controlling interests	Retained earnings	Total		
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01.07.2013	231,676	(24,536)	1	9,959	(123,753)	439	161,550	255,336	2,486	257,822
Profit for the year	-	-	-	-	-	-	34,557	34,557	(1,440)	33,117
Other comprehensive income:										
- foreign currency translation	-	(12,448)	-	-	-	-	-	(12,448)	(9)	(12,457)
- remeasurement of retirement benefit	-	-	-	-	-	-	54	54	-	54
- share of associates' results	-	-	-	-	-	-	(33)	(33)	-	(33)
	-	(12,448)	-	-	-	-	21	(12,427)	(9)	(12,436)
Dividends paid	-	-	-	-	-	-	(38,606)	(38,606)	-	(38,606)
Balance at 30.06.2014	231,676	(36,984)	1	9,959	(123,753)	439	157,522	238,860	1,037	239,897
Balance at 01.07.2012										
- as previously stated	231,676	(22,793)	1	9,959	(123,753)	439	142,295	237,824	2,952	240,776
- effect of adoption of FRS 19	-	-	-	-	-	-	(760)	(760)	-	(760)
- as restated	231,676	(22,793)	1	9,959	(123,753)	439	141,535	237,064	2,952	240,016
Profit for the year	-	-	-	-	-	-	39,503	39,503	(1,557)	37,946
Other comprehensive income:										
- foreign currency translation	-	(1,743)	-	-	-	-	-	(1,743)	(49)	(1,792)
- remeasurement of retirement benefit	-	-	-	-	-	-	821	821	-	821
- share of associate's results	-	-	-	-	-	-	10	10	-	10
	-	(1,743)	-	-	-	-	831	(912)	(49)	(961)
Dividends paid	-	-	-	-	-	-	(20,319)	(20,319)	-	(20,319)
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	1,140	1,140
Balance at 30.06.2013	231,676	(24,536)	1	9,959	(123,753)	439	161,550	255,336	2,486	257,822

Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
Balance at 01.07.2013	231,676	(4,250)	19,276	246,702
Profit for the year	-	-	36,280	36,280
Foreign currency translation	-	(7,492)	-	(7,492)
Dividends paid	-	-	(38,606)	(38,606)
Balance at 30.06.2014	231,676	(11,742)	16,950	236,884
Balance at 01.07.2012	231,676	(2,526)	21,224	250,374
Profit for the year	-	-	18,371	18,371
Foreign currency translation	-	(1,724)	-	(1,724)
Dividends paid	-	-	(20,319)	(20,319)
Balance at 30.06.2013	231,676	(4,250)	19,276	246,702

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	30.06.2014	30.06.2013
	No. of Shares	No. of Shares
Issued Share Capital	677,300,000	677,300,000
Treasury Shares held	--	--
Shares to be issued pursuant to the exercise of all the outstanding share options	--	--

1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.06.2014	30.06.2013
Total number of issued shares excluding treasury shares	677,300,000	677,300,000

The Company did not hold any treasury shares as at 30 June 2014 and 30 June 2013.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial year as those applied for in the most recent audited financial statements for the financial year ended 30 June 2013, except as mentioned in Note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the applicable new and revised Financial Reporting Standards ("FRS") that became effective for the financial year beginning on or after 1 July 2013. The adoption of the revised FRS 19: Employee Benefits has resulted in a change in the Group's accounting policy, the effects which is accounted for retrospectively pursuant to the provisions of FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors. The restated comparative figures are summarized below.

	As previously stated	Effect of adoption of revised FRS 19	Restated
	S\$'000	S\$'000	S\$'000
<u>FY2013</u>			
Income statement			
- Employee benefits expense	(47,422)	(165)	(47,587)
- Share of associate's results	734	(10)	724
- Pre-tax profit	53,156	(176)	52,980
- Taxation	(15,075)	41	(15,034)
- Net profit for the year	38,081	(135)	37,946
- Attributable net profit for the year	<u>39,638</u>	<u>(135)</u>	<u>39,503</u>
Other comprehensive income			
- Exchange differences	(1,807)	15	(1,792)
- Remeasurement of defined benefit plan	-	821	821
- Share of associate's results	-	10	10
	<u>(1,807)</u>	<u>846</u>	<u>(961)</u>
<u>Balance sheet as at 30 June 2013</u>			
- Deferred tax assets	2,080	17	2,097
- Other payables	7,299	66	7,365
- Translation reserve	(24,551)	15	(24,536)
- Retained earnings	<u>161,614</u>	<u>(64)</u>	<u>161,550</u>
<u>Balance sheet as at 1 July 2012</u>			
- Deferred tax assets	594	254	848
- Other payables	7,020	1,014	8,034
- Retained earnings	<u>142,295</u>	<u>(760)</u>	<u>141,535</u>

6. Earnings per ordinary share

Earnings per ordinary share attributable to owners of the Company:-

	Group			
	Quarter ended		Year ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Basic and diluted (cents)	0.47	0.73	5.10	5.83
Based on weighted average number of shares ('000)	677,300	677,300	677,300	677,300

There are no potential dilution effects on the ordinary shares of the Company. Accordingly, the basic and diluted earnings per share for the reported periods are the same.

7. Net Asset Value per ordinary share

	Group		Company	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	0.35	0.38	0.35	0.36

8. Review of Group Performance

Review of Business Environment

The Group recorded the following SSSG, by countries:

SSSG	Quarter ended		Year ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Malaysia	-0.8%	+0.6%	-0.1%	+4.5%
Vietnam	-5.4%	+1.1%	-4.2%	-0.7%
Indonesia	+4.3%	+8.5%	+6.0%	+5.6%

The Malaysia operations continued to encounter a challenging retail environment in the Q4 FY2014 quarter, recording a relatively flat SSSG of -0.8%. Consumer sentiment in Malaysia was subdued with the consumer sentiment index as reported by the Malaysian Institute of Economic Research remaining marginally above the 100-point threshold of confidence for the 2nd quarter calendar year 2014 at 100.1 points. Consumer sentiment for the financial year FY2014 was impacted by inflationary pressure arising from the government's implementation of subsidy rationalization programmes and the central bank's tightening measures to curb household debt. There was also some drag to the performance of the Malaysia operations in the final Q4 FY2014 due to the reduction in Chinese tourist arrivals into Malaysia arising from the MH370 incident and the kidnappings off the coast of Sabah.

The Vietnam operations recorded declining SSSG of -5.4% for Q4 FY2014. Discretionary retail spending remained weak in Vietnam despite signs of economic stability. Nielsen research reported that the country's consumer confidence index ("CCI") remained below the 100-point confidence threshold for the 2nd quarter calendar year 2014 at 98 points. The sales at the stores in Hanoi were especially affected by the significant increase in new retail space amid a weak retail environment. The Vietnam operations for the final Q4 FY2014 were also affected by negative consumer sentiment arising from the fallout of the China-Vietnam dispute and the resulting reduction in Chinese tourist arrivals into Vietnam.

The Indonesia operations recorded SSSG of +4.3% in Q4 FY2014. Consumer sentiment remained strong with Bank Indonesia reporting the country's CCI for the 2nd quarter calendar year 2014 remaining above the 100-point confidence threshold at 115.7 points.

The Group's associate, Odel PLC, recorded SSSG of +5.8% for Q4 FY2014. There was normalization of sales growth in the 1st half of calendar year 2014 as compared to the weak consumer spending in the previous calendar year 2013 due to the introduction of Goods and Service Tax in Sri Lanka effective January 2013.

Review of Operational Results

The Group recorded GSP of S\$246.0 million for Q4 FY2014, representing a decline of (2.2)% YoY. GSP for the year FY2014 was S\$1.08 billion, representing a decline of (2.8)% YoY. The components of GSP for Q4 FY2014 and the year FY2014 are as follows:-

	Group					
	Quarter ended			Year ended		
	30.06.2014	30.06.2013*	+/(-)	30.06.2014	30.06.2013*	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Sales Proceeds						
Sale of goods - direct sales	48,366	53,081	(8.9)	210,298	223,358	(5.8)
Sale of goods - concessionaire sales	193,170	193,578	(0.2)	851,306	868,354	(2.0)
Total merchandise sales	241,536	246,659	(2.1)	1,061,604	1,091,712	(2.8)
Consultancy and management service fees	209	294	(28.9)	1,044	1,231	(15.2)
Rental income	4,304	4,599	(6.4)	15,244	16,444	(7.3)
Total gross sales proceeds	246,049	251,552	(2.2)	1,077,892	1,109,387	(2.8)

* certain comparative figures have been re-classified to conform to current period's presentation, mainly related to the presentation requirement under IFRIC 13 – Accounting for customer loyalty programmes.

GSP declined for Q4 FY2014 and the year FY2014 due to a combination of factors i.e. (i) decline in SSSG for the Vietnam operations at -5.4% for Q4 FY2014 and -4.2% for the year FY2014, (ii) local currency weakness especially of the Indonesian Rupiah which reduced the sales contribution from the foreign operations upon translation to the presentation currency in Singapore Dollar and (iii) impact of lost sales from 3 stores closed for renovation in Q1 FY2014 which have since re-opened during the financial period. There was also 1 store permanently closed in the previous Q4 FY2013 for which there was no corresponding sales figure for the current financial year. On same store basis and excluding currency impact, GSP for the year FY2014 remained flat YoY.

The Group generated total merchandise sales of S\$1.062 billion for the year FY2014, with concessionaire sales contributing 80.2% and direct sales contributing the balance of 19.8%. By product segment, the Fashion & Apparel category constitute 53.2% of the total merchandise sales, the Cosmetic & Accessories category constitute 28.3%, the Household, Electrical Goods & Others category constitute 15.0% while the remaining balance of 3.5% came from the Groceries & Perishables category.

The merchandise gross margin (a combination of the commission from concessionaires and direct sales margin) for Q4 FY2014 and the year FY2014 increased by 90 bps YoY to 23.1% and by 70 bps YoY to 23.4% respectively. Gross margin improved due mainly to reduced discounting and lesser stock shrinkages.

Review of Financial Results

Revenue and Other Income

The Group recorded revenue of S\$99.2 million for Q4 FY2014, representing a decline of (4.0)% YoY. Revenue for the year FY2014 was S\$432.0 million, representing a decline of (3.3)% YoY. The decline in revenues is in line with the decline in merchandise sales and gross sales proceeds as explained above. On same store basis and excluding currency impact, revenue for the year FY2014 remained relatively flat YoY. The components of revenues for Q4 FY2014 and the year FY2014 are as follows:-

	Group					
	Quarter ended			Year ended		
	30.06.2014	30.06.2013*	+ /(-)	30.06.2014	30.06.2013*	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Sale of goods - direct sales	48,366	53,081	(8.9)	210,298	223,358	(5.8)
Commission from concessionaire sales	46,297	45,373	2.0	205,452	205,695	(0.1)
Consultancy and management service fees	209	294	(28.9)	1,044	1,231	(15.2)
Rental income	4,304	4,599	(6.4)	15,244	16,444	(7.3)
Total revenue	99,176	103,347	(4.0)	432,038	446,728	(3.3)

* certain comparative figures have been re-classified to conform to current period's presentation, mainly related to the presentation requirement under IFRIC 13 – Accounting for customer loyalty programmes.

Other income for Q4 FY2014 and the year FY2014 increased YoY by 63.2% to S\$4.4 million and by 15.0% to S\$14.3 million respectively. The components of other income include finance income of S\$2.5 million for Q4 FY2014 and S\$7.0 million for the year FY2014. Other income increased for the year FY2014 due to increase in finance income of S\$1.2 million and increase in miscellaneous income (e.g. suppliers' discount and promotion income) of S\$1.1 million.

Expenses

Total expenses of the Group declined marginally by (1.9)% YoY to S\$100.5 million in Q4 FY2014 and by (1.6)% YoY to S\$400.4 million in the year FY2014. Analysis of the major operating expense items for Q4 FY2014 and the year FY2014 are as follows:

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables refer to the cost of direct sales. Cost of direct sales for Q4 FY2014 and the year FY2014 declined by (11.2)% to S\$38.7 million and by (7.9)% to S\$167.4 million respectively. These declines are in line with the decline in direct sales and also contributed by lesser stock shrinkages in the current periods.

Employee benefits expense

Staff cost declined by (4.1)% to S\$12.5 million for Q4 FY2014 but increased by 4.1% to S\$49.5 million for the year FY2014. Staff cost declined for the quarter, despite the increase in minimum wages from January 2014 in Vietnam and Indonesia, due to costs rationalisation. The increase for the year FY2014 is primarily due to the inclusion of staff costs for new stores operating in FY2014 period and yearly wage increase, however, mitigated by costs rationalisation.

As a percentage of revenue, the staff cost ratios remained flat YoY at 12.6% for Q4 FY2014 and increased by 80 bps YoY to 11.5% for the year FY2014. Staff cost ratios increased for the year FY2014 due to (i) staff costs for new stores where the sales are lower at the initial stages of operations, (ii) staff costs of the stores temporarily closed for renovation where these staffs are re-deployed to other stores but without corresponding sales contribution of these closed stores and (iii) decline in SSSG for the Vietnam operations resulting in lower staff productivity.

Depreciation and amortisation expenses

Depreciation and amortisation increased by 1.9% to S\$5.2 million for Q4 FY2014, and increased by 3.9% to S\$20.4 million for the year FY2014. These increases are primarily due to the inclusion of the depreciation costs for the new stores and renovated stores operating in FY2014 period.

As a percentage of revenue, depreciation and amortization expense ratios increased by 30 bps YoY to 5.3% for Q4 FY2014 and increased by 30 bps YoY to 4.7% for the year FY2014. The higher ratios for Q4 FY2014 and the year FY2014 are primarily due to depreciation incurred for new stores but where the sales are lower at the initial stages of operations.

Rental expenses

Rental expenses increased by 1.8% to S\$27.6 million for Q4 FY2014, and increased by 2.2% to S\$103.3 million for the year FY2014. These increases are significantly due to the inclusion of base rentals for the new stores, increase in rental for the renewal stores and higher service charges incurred for the Indonesian stores in FY2014 period, however, mitigated by absence of rental costs for the closed stores in the current period.

As a percentage of revenue, the rental expense ratios increased by 270 bps YoY to 27.9% for Q4 FY2014, and increased by 130 bps YoY to 23.9% for the year FY2014. Rental expense ratios increased due to (i) new stores that are paying base rentals but where the sales are lower at the initial stages of operations and (ii) the decline in SSSG for the Vietnam operations resulting in lower store productivity.

Other expenses

Other expenses mainly consist of (a) promotional and advertising expenses; (b) selling and distribution expenses and (c) general and administrative expenses which increased by 20.6% to S\$16.1 million for Q4 FY2014 and increased by 4.4% to S\$59.1 million for the year FY2014. Other expenses increased for the year FY2014 due primarily to costs attributable to the new stores opened in the current period (e.g. promotions, utilities), however, mitigated by the absence of non-recurring costs spent in the preceding year i.e. mainly pertaining to brand-building expenses, acquisition-related costs for the equity stake in an associate and net exchange loss on foreign currency deposits.

As a percentage of revenue, the other expenses ratios increased by 210 bps YoY to 16.1% for Q4 FY2014 and increased by 100 bps YoY to 13.6% for the year FY2014. The higher ratios are contributed by increase promotions and other expenses related to new stores operating in FY2014 period (e.g. packing and labeling, utilities) where sales are lower at the initial stages of operations.

Share of profits/(losses) of an associate

The Group recorded a share of losses of Odel PLC for Q4 FY2014 at S\$(15)K. For the year FY2014, the Group recorded a share of profits at S\$0.879 million. Share of profits increased for the year FY2014 due largely to increased interest income earned on the funds of approx. LKR2.5 billion (or S\$24.0 million) raised from the rights issue of shares completed in December 2012.

PBT

PBT declined by (15.2)% YoY to S\$3.1 million for Q4 FY2014. As a percentage of revenue, PBT ratio reduced by 40 bps YoY to 3.1% for Q4 FY2014. For the year FY2014, PBT declined by (11.6)% YoY to S\$46.8 million. As a percentage of revenue, PBT ratio for the year FY2014 declined by 110 bps YoY to 10.8%. Among the factors contributing to the decline in PBT are (i) the de-leveraging impact from the negative SSSG of the Vietnam operations for the current quarter and financial year (and compounded by costs pressure), (ii) the initial loss-making periods associated with new stores opened in the current quarter and financial year (including pre-opening expenses) before sales at these stores ramp-up and profitability commences (there were 7 new stores opened in the year FY2014 vs 2 new stores opened in the preceding financial year), (iii) the temporary closure of 3 stores for renovation in Malaysia resulting in the absence of gross profit contribution from these stores and (iv) local currency weakness especially of the Indonesian Rupiah which reduced the PBT contribution from the foreign operations upon translation to the presentation currency in Singapore Dollar. However, the decline in PBT YoY was mitigated by the improvement in gross profit margin for Q4 FY2014 and the year FY2014 by 90 bps and 70 bps respectively.

On same store basis, PBT increased marginally by 0.8% YoY for the year FY2014 to S\$53.3 million. On same store basis and excluding currency impact, PBT for the year FY2014 increased by 5.4% YoY.

Taxation

The Group effective tax rate for the year FY2014 increased to 29.3%. The effective tax rate is higher than the statutory tax rates of the countries where the Group operates due significantly to the losses incurred by the store located at Landmark 72, Hanoi, whereby the local tax regulation do not allow for set-off of tax losses between Group companies.

Net profit attributable to owners of the Company

Attributable net profit for Q4 FY2014 declined by (35.9)% YoY to S\$3.2 million, For the year FY2014, attributable net profit declined by (12.5)% YoY to S\$34.6 million. As a percentage of revenue, the attributable net profit ratios declined by 160 bps YoY to 3.2% for Q4 FY2014 and declined by 80 bps to 8.0% for the year FY2014.

On same store basis, attributable net profit for the year FY2014 remained flat YoY at S\$39.5 million. On same store basis and excluding currency impact, attributable net profit for the year FY2014 increased by 4.5% YoY.

Review of Group Balance Sheet

Property, plant and equipment increased to S\$90.1 million as at 30 June 2014 due to addition of assets related to new stores opened in the current financial year. The non-current portion of Prepayments declined to S\$13.6 million due to re-classification of advance rentals to the current portion and local currency weakness especially of the Indonesia Rupiah reducing the translated amount of the prepayments shown in Singapore dollars. Intangible assets declined to S\$5.7 million due to amortisation impact and local currency weakness of the Indonesian Rupiah.

The current portion of the Trade and other receivables declined to S\$23.5 million as at 30 June 2014 due to lower sales and improved timing of settlement from banks on the credit card sales. The current portion of Other liabilities increased to S\$27.4 million due to higher accrued liability for capital expenditure attributable to increase store openings.

The Group's financial position remains healthy, with a working capital of S\$75.6 million as at 30 June 2014. The Group balance sheet position remains strong with total equity of S\$239.9 million as at 30 June 2014.

The Group's net cash generated from operations for the year FY2014 was S\$55.6 million despite being faced with challenging environments. The Group cash balance as at 30 June 2014 remained strong at S\$150.9 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's prospect of its business as outlined in the preceding quarterly results announcement dated 08 May 2014 was on track.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The operating environments in Malaysia and Vietnam are expected to remain challenging going into the next reporting quarter Q1 FY2015. Consumer discretionary spending in Malaysia is expected to remain muted due to inflationary pressure from the cuts in government subsidies and regulatory measures to control household debt. The discretionary retail outlook for Vietnam remains difficult, despite signs of economic stability, with indication of weak consumer sentiment and increase in household savings rate.

The consumer spending in Indonesia is expected to remain largely optimistic as indicated by Bank Indonesia's consumer confidence index for the 2nd quarter calendar year 2014 remaining above the 100-point confidence threshold at 115.7 points.

11. Dividend

(a) Current Financial Period Reported On

Name of Dividend	Special Interim	Final (proposed)
Dividend Type Dividend per Ordinary Share	Cash 3.0 cents, (one-tier) tax exempt	Cash 2.5 cents, (one-tier) tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	First and Final
Dividend Type Dividend per Ordinary Share	Cash 2.7 cents, (one-tier) tax exempt

(c) Date payable

The proposed final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company and the payment date is to be announced later.

(d) Books closure date

Notice will be given at a later date on the closure of the Transfer Books and register of Members of the Company to determine members' entitlement to the final dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Segmental revenue and results for geographical segments.

Group	Malaysia	Vietnam	Indonesia	Myanmar	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 30.06.2014						
Gross Sales Proceeds	771,698	158,352	143,241	4,601	-	1,077,892
Revenue	333,741	42,762	53,748	1,787	-	432,038
Segment Results:						
Depreciation and amortisation	(12,243)	(4,292)	(3,560)	(270)	-	(20,365)
Rental expenses	(64,762)	(22,001)	(15,548)	(997)	-	(103,308)
Finance income	5,231	1,322	385	-	35	6,973
Finance costs	(132)	(543)	-	-	-	(675)
Taxation	(13,492)	(33)	(2)	-	(169)	(13,696)
Segment profit	33,683	(1,807)	2,699	(959)	(499)	33,117
Year ended 30.06.2013 (restated)						
Gross Sales Proceeds	814,163	156,977	137,537	710	-	1,109,387
Revenue	350,194	43,808	52,498	228	-	446,728
Segment Results:						
Depreciation and amortisation	(11,969)	(4,118)	(3,490)	(33)	-	(19,610)
Rental expenses	(66,755)	(20,522)	(13,651)	(121)	-	(101,049)
Finance income	3,942	1,484	186	-	202	5,814
Finance costs	(52)	(310)	-	-	-	(362)
Taxation	(11,879)	(1,752)	(1,320)	-	(83)	(15,034)
Segment profit	33,898	1,538	4,023	(164)	(1,349)	37,946

^ Unallocated figures recorded in Company level.

^^ Unallocated figures related to share of profits of an associate, head office corporate expenses and pre-operating expenses for Cambodia.

14. Factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8 of this announcement.

15. Breakdown of sales.

Group	Year ended		+ / (-)
	30.06.2014	30.06.2013	
	S\$'000	S\$'000	%
		(restated)	
(a) Revenue reported for 1st half year	226,144	234,864	(3.7)
(b) Operating profit after tax before deducting minority interests reported for 1st half year	22,879	24,224	(5.6)
(c) Revenue reported for 2nd half year	205,894	211,864	(2.8)
(d) Operating profit after tax before deducting minority interests reported for 2nd half year	10,238	13,722	(25.4)

16. Breakdown of total annual dividend.

	Year ended	
	30.06.2014	30.06.2013
Group	S\$'000	S\$'000
Ordinary	38,606	20,319
Preference	-	-
Total	38,606	20,319

17. If the Group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Lion Corporation Berhad Group ⁽¹⁾	-	180
Lion Forest Industries Berhad Group ⁽²⁾	163	1,368
Lion Industries Corporation Berhad Group ⁽³⁾	-	116
Parkson Holdings Berhad Group ⁽⁴⁾	138	1,917
Secom (M) Sdn Bhd ⁽⁵⁾	-	300
Bonuskad Loyalty Sdn Bhd ⁽⁶⁾	-	10,292
WatchMart (M) Sdn Bhd ⁽⁷⁾	-	181
PT Monica Hijaullestari ⁽⁸⁾	-	3,971
PT Tozy Bintang Sentosa ⁽⁹⁾	-	258

Notes:

- (1) Purchases of equipment, furniture and fittings from Lion Trading & Marketing Sdn Bhd and sale of gift vouchers to Megasteel Sdn Bhd.
- (2) (i) Purchases of merchandise from Brands Pro Management Sdn Bhd totaling S\$0.163 million;
(ii) Purchases of building materials from Posim Marketing Sdn Bhd and purchases of light fittings and procurement of energy conservation services from Posim EMS Sdn Bhd totaling S\$1.368 million.
- (3) Sale of gift vouchers to Amsteel Mills Marketing Sdn Bhd and Amsteel Mills Sdn Bhd;
- (4) (i) Royalty expenses payable to Smart Spectrum Limited totaling S\$0.138 million;
(ii) Rental of retail space from Festival City Sdn Bhd, sale of gift cards to Festival City Sdn Bhd and concessionaire agreements with Park Avenue Fashion Sdn Bhd totaling S\$1.917 million.
- (5) Purchase of security equipment and procurement of security services.
- (6) Marketing fees payable for the bonus points issued and amounts receivable for points redemption made by cardholders.
- (7) Purchases of merchandise.
- (8) Purchases of "The Body Shop" products.
- (9) Rental of office and warehouse.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ms. Cheng Hui Yen, Natalie	30	- Daughter of Tan Sri Cheng Heng Jem (Executive Chairman and Substantial Shareholder)	General Manager, Merchandising (since January 2010)	No change

19. Disclosure on the use of IPO proceeds

As at 30 June 2014, the Company has utilized:

- S\$23.7 million for the purpose of store openings in Malaysia, Indonesia and Vietnam;
- S\$2.9 million for the purpose of information technology investment;
- S\$12.4 million to subscribe for the rights issue of shares in an associate company, Odel PLC; and
- S\$2.6 million as capital contribution to a joint-venture company established to operate department stores in Myanmar.

These amounts were utilised in accordance with the stated use as disclosed in the Company's prospectus dated 27 October 2011 and the announcement on 3 December 2012 pertaining to the revision in utilisation of the IPO proceeds.

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

Toh Peng Koon
Executive Director and Chief Executive Officer

Singapore, 21 August 2014