



PARKSON RETAIL ASIA LIMITED

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

Unaudited Financial Statements for the First Quarter ended 30 September 2018

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		
	30.09.2018	30.09.2017	+/(−)
	S\$'000	S\$'000	%
Revenue	92,607	91,064	1.7
Other items of income			
- Finance income	171	268	(36.2)
- Other income	775	1,047	(26.0)
Items of expense			
- Changes in merchandise inventories and consumables	(43,400)	(40,840)	(6.3)
- Employee related expenses	(15,897)	(16,196)	1.8
- Depreciation and amortisation expenses	(5,837)	(6,700)	12.9
- Promotional and advertising expenses	(1,455)	(1,738)	16.3
- Rental expenses	(27,516)	(29,030)	5.2
- Finance costs	(100)	(39)	>100
- Other expenses	(10,434)	(11,022)	5.3
Total expenses	(104,639)	(105,565)	0.9
Loss before taxation	(11,086)	(13,186)	15.9
Taxation	(23)	(82)	72.0
Loss for the period	(11,109)	(13,268)	16.3
Loss for the period attributable to:			
Owners of the Company	(11,130)	(12,926)	13.9
Non-controlling interests	21	(342)	>100
	(11,109)	(13,268)	16.3

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

	Group		
	Quarter ended		
	30.09.2018	30.09.2017	+ / (-)
	S\$'000	S\$'000	%
Loss for the period	(11,109)	(13,268)	16.3
Other comprehensive income:			
Foreign currency translation	61	(1,266)	>100
Total comprehensive income	(11,048)	(14,534)	24.0
Total comprehensive income attributable to:			
Owners of the Company	(11,130)	(14,182)	21.5
Non-controlling interests	82	(352)	>100
	(11,048)	(14,534)	24.0

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

	Group	
	Quarter ended	
	30.09.2018	30.09.2017
	S\$'000	S\$'000
The following items have been included in arriving at loss before taxation:		
Allowance for doubtful debts		
- Amount due from managed stores (Vietnam)	-	72

1(b)(i) Statements of Financial Position

	Group		Company	
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	113,691	120,611	-	-
Land use right	7,373	7,497	-	-
Investments in subsidiaries	-	-	141,863	134,289
Investment in an associate	-	-	-	-
Deferred tax assets	2,561	2,605	-	-
Other receivables	21,834	22,092	-	-
Prepayments	1,380	1,340	-	-
Intangible assets	992	1,081	-	-
Investment securities	77	79	-	-
	147,908	155,305	141,863	134,289
Current assets				
Inventories	56,243	58,226	-	-
Trade and other receivables	25,955	25,529	4,712	15,674
Prepayments	4,263	3,085	14	12
Tax recoverable	3,989	2,779	-	-
Cash and short-term deposits	11,759	40,857	120	287
	102,209	130,476	4,846	15,973
Total assets	250,117	285,781	146,709	150,262
Current liabilities				
Trade and other payables	147,419	166,441	1,261	1,168
Other liabilities	24,327	29,251	-	-
Provisions	1,929	2,041	-	-
Loans and borrowings	6,286	3,635	-	-
	179,961	201,368	1,261	1,168
Net current (liabilities)/assets	(77,752)	(70,892)	3,585	14,805
Non-current liabilities				
Other payables	5,554	6,116	-	-
Other liabilities	20,812	21,288	-	-
Provisions	7,331	7,658	-	-
Loans and borrowings	120	242	-	-
Deferred tax liabilities	443	453	443	453
	34,260	35,757	443	453
Total liabilities	214,221	237,125	1,704	1,621
Net assets	35,896	48,656	145,005	148,641
Equity attributable to owners of the Company				
Share capital	231,676	231,676	231,676	231,676
Treasury shares	(549)	(549)	(549)	(549)
Other reserves	(170,441)	(165,902)	(46,601)	(43,284)
Accumulated losses	(24,777)	(13,647)	(39,521)	(39,202)
	35,909	51,578	145,005	148,641
Non-controlling interests	(13)	(2,922)	-	-
Total equity	35,896	48,656	145,005	148,641

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

	Group			
	30.09.2018		30.06.2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Bank overdraft	2,538	-	152	-
- Bankers' acceptance	2,001	-	1,718	-
- Finance leases	457	-	459	-
- Loan from owner of a managed store (Vietnam)	-	1,290	-	1,306
	4,996	1,290	2,329	1,306
Amount repayable after one year				
- Finance leases	120	-	242	-

Bank overdraft and bankers' acceptance are secured by short-term deposit of S\$1.5 million (RM4.5 million) and a corporate guarantee from a subsidiary.

Finance leases are secured by a charge over the leased assets and corporate guarantee from the Company.

1(c) Consolidated Statement of Cash Flows

	Group	
	Quarter ended	
	30.09.2018	30.09.2017
	S\$'000	S\$'000
Operating activities		
Loss before taxation	(11,086)	(13,186)
Adjustments for		
- Depreciation and amortisation	5,837	6,700
- Finance costs	100	39
- Finance income	(171)	(268)
- Allowance for doubtful debts	47	77
- Unrealised currency translation loss	2	3
- Property, plant and equipment ("PPE") written off	20	-
- Others	1,555	825
Operating cash flows before changes in working capital	(3,696)	(5,810)
Changes in working capital		
- Inventories	(382)	1,687
- Receivables and prepayments	(3,452)	(8,352)
- Payables and other liabilities	(16,586)	(27,251)
Cash flows used in operations	(24,116)	(39,726)
Interest received	171	46
Interest paid	(100)	-
Income tax (paid)/refunded	(1,297)	294
Net cash used in operating activities	(25,342)	(39,386)

1(c) Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Quarter ended	
	30.09.2018	30.09.2017
	S\$'000	S\$'000
Investing activities		
Purchase of property, plant and equipment	(5,675)	(10,051)
Addition of intangible assets	-	(193)
Net cash used in investing activities	(5,675)	(10,244)
Financing activities		
Proceeds from bank borrowings	1,774	-
Repayment of obligations under finance lease	(109)	-
Repayment of bank borrowings	(1,510)	-
Increase in pledge deposits	(826)	-
Net cash used in financing activities	(671)	-
Net decrease in cash and cash equivalents	(31,688)	(49,630)
Cash and cash equivalents at beginning of financial period	40,029	63,387
Effects of currency translation on cash and cash equivalents	(607)	(602)
Cash and cash equivalents at end of financial period	7,734	13,155
	30.09.2018	30.09.2017
	S\$'000	S\$'000
Cash and cash equivalents comprise the following:		
Cash at bank	9,963	11,659
Short-term bank deposits	1,796	1,496
Cash and short-term deposits	11,759	13,155
Less: pledged deposit	(1,487)	-
Less: bank overdraft	(2,538)	-
	7,734	13,155

1(d)(i) Statements of Changes in Equity

	Attributable to owners of the Company					Non-controlling Interests	Equity, total
	Share capital	Treasury shares	Other reserves (Note A)	Retained earnings/ (accumulated losses)	Equity attributable to owners of the Company, total		
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 01.07.2018	231,676	(549)	(165,902)	(13,647)	51,578	(2,922)	48,656
Loss for the period	-	-	-	(11,130)	(11,130)	21	(11,109)
Foreign currency translation	-	-	-	-	-	61	61
Total comprehensive income for the period	-	-	-	(11,130)	(11,130)	82	(11,048)
Acquisition of non-controlling interests	-	-	(4,539)	-	(4,539)	2,827	(1,712)
At 30.09.2018	231,676	(549)	(170,441)	(24,777)	35,909	(13)	35,896
At 01.07.2017	231,676	(549)	(166,169)	28,900	93,858	(3,558)	90,300
Loss for the period	-	-	-	(12,926)	(12,926)	(342)	(13,268)
Foreign currency translation	-	-	(1,256)	-	(1,256)	(10)	(1,266)
Total comprehensive income for the period	-	-	(1,256)	(12,926)	(14,182)	(352)	(14,534)
At 30.09.2017	231,676	(549)	(167,425)	15,974	79,676	(3,910)	75,766

1(d)(i) Statements of Changes in Equity (Cont'd)

	Share capital	Treasury shares	Other reserves (Note A)	Accumulated losses	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>					
At 01.07.2018	231,676	(549)	(43,284)	(39,202)	148,641
Loss for the period	-	-	-	(319)	(319)
Foreign currency translation	-	-	(3,317)	-	(3,317)
Total comprehensive income for the period	-	-	(3,317)	(319)	(3,636)
At 30.09.2018	231,676	(549)	(46,601)	(39,521)	145,005
At 01.07.2017	231,676	(549)	(51,046)	(31,748)	148,333
Loss for the period	-	-	-	(368)	(368)
Foreign currency translation	-	-	354	-	354
Total comprehensive income for the period	-	-	354	(368)	(14)
At 30.09.2017	231,676	(549)	(50,692)	(32,116)	148,319

Note A: Other reserves

	Group		Company	
	Quater ended		Quater ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	S\$000	S\$000	S\$000	S\$000
Foreign currency translation reserve	(53,886)	(53,632)	(46,601)	(50,692)
Capital redemption reserve	1	1	-	-
Acquisition reserve	(2,762)	-	-	-
Capital contribution from ultimate holding company	9,959	9,959	-	-
Merger reserve	(123,753)	(123,753)	-	-
	(170,441)	(167,425)	(46,601)	(50,692)

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

No. of shares	30.09.2018	30.09.2017
Issued Share Capital	677,300,000	677,300,000
Treasury Shares held	3,500,000	3,500,000
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.

	30.09.2018	30.06.2018
Total number of issued shares excluding treasury shares	673,800,000	673,800,000

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.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial period ended 30 September 2018.

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 Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group has adopted the new financial reporting framework as well as the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 July 2018.

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 adoption of the new financial reporting framework and new SFRS(I) on 1 July 2018 has no material impact to the Group's financial statements.

6. Earnings per ordinary share

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

	Group	
	Quarter ended	
	30.09.2018	30.09.2017
Basic and diluted (cents)	(1.65)	(1.92)
Based on weighted average number of shares ('000)	673,800	673,800

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	
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	0.05	0.07	0.22	0.22

8. Review of Group Performance

Business Environments

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

SSSG	Quarter ended	
	30.09.2018	30.09.2017
Malaysia	5.9%	-6.8%
Vietnam	-16.5%	-7.8%
Indonesia	0.3%	-13.8%

As previously commented in the Group’s financial results announcement on 23 Aug 2018, Malaysia operations benefited from the spending spree during the tax holiday (1 June 2018 – 31 August 2018) where the consumption tax was zero-rated. The country’s consumer sentiment index (“CSI”) as reported by the Malaysia Institute of Economic Research was above the 100-point optimism threshold at 107.5 points for Q1FY2019, a sign of buoyant consumer confidence during the tax break.

Vietnam operations recorded negative SSSG of -16.5% in Q1FY2019. Retail scenes in Vietnam have become increasingly saturated with the launch of Vincom Center Landmark 81 Mall in Ho Chi Minh City on 30 July 2018.

Indonesia operations recorded SSSG of +0.3% in Q1FY2019, mainly driven by efforts to stimulate topline growth which includes, inter alia, targeted promotions and increasing house brands’ contribution.

The Group continues to exercise caution in managing its businesses given the various uncertainties at macro level. 2 underperforming stores in Vietnam and Indonesia were closed during Q1FY2019.

As at 30 September 2018, the Group’s department store network comprises 64 stores spanning approximately 766,000 sqm of Gross Floor Area – 44 in Malaysia (538,000 sqm), 5 in Vietnam (88,000 sqm), 14 in Indonesia (136,000 sqm) and 1 in Myanmar (4,000 sqm).

Operational Results

The components of Gross Sales Proceeds ("GSP") for Q1FY2019 are as follows: -

	Group		
	Quarter ended		
	30.09.2018	30.09.2017	+/(-)
	S\$'000	S\$'000	%
GSP			
Sales of goods - direct sales	54,809	51,190	7.1
Sales of goods - concessionaire sales	136,370	146,863	(7.1)
Total merchandise sales	191,179	198,053	(3.5)
Consultancy / management service fees	179	80	>100.0
Rental income	3,522	3,709	(5.0)
Food and beverage	1,050	552	90.2
Theme park and education centre	-	32	(100.0)
Total GSP	195,930	202,426	(3.2)

GSP of the Group declined (3.2)% yoy to S\$195.9 million for Q1FY2019. Total merchandise sales generated for the quarter was S\$191.2 million. Merchandise sales mix remains largely concessionaire at 71.3% (Q1FY2018: 74.2%), though contribution from direct sales has increased yoy to 28.7% (Q1FY2018: 25.8%) following the Group's investment in house brands and agency lines.

Merchandise gross margins (a combination of the commission from concessionaires and direct sales margin) for Q1FY2019 was 23.5% (Q1FY2018: 23.3%).

The Group earned additional consultancy and management service fees from managing a department store in Malaysia with effect from FY2018. Food and beverage operations registered exponential income growth, mainly as a result of the expansion of its bakery business. On the other hand, the Group discontinued its theme park and education centre operations in FY2018 to curb further losses.

Financial Results

Revenue

The components of the Group's revenue are as follows: -

	Group		
	Quarter ended		
	30.09.2018	30.09.2017	+/(-)
	S\$'000	S\$'000	%
Revenue			
Sale of goods - direct sales	54,809	51,190	7.1
Commission from concessionaire sale	33,047	35,501	(6.9)
Consultancy / management service fees	179	80	>100.0
Rental income	3,522	3,709	(5.0)
Food and beverage	1,050	552	90.2
Theme park and education centre	-	32	(100.0)
Total revenue	92,607	91,064	1.7

Other items of Income

Other income declined yoy by (26.0)% for Q1FY2019 to S\$0.8 million, mainly as a result of lesser foreign exchange gain. On the other hand, finance income dipped yoy by (36.2)% for the reported quarter due to lesser fixed deposit placement with the bank.

Expenses

Total expenses of the Group declined yoy by (0.9)% at S\$105.0 million for Q1FY2019. Analysis of major expense items is as follows: -

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables increased yoy by 6.3% to S\$43.4 million for Q1FY2019. The increase is largely in line with the trajectory of the Group's investment in private label, agency lines, and food and beverage operations.

Employee related expenses (staff costs)

Staff costs declined yoy by (1.8)% to S\$15.9 million for Q1FY2019. The decline is in line with the lesser headcount following the net reduction in the Group's store count as well as the disposal of the Group's investment in a loss making subsidiary in FY2018.

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased yoy by (12.9)% to S\$5.8 million for Q1FY2019. The decline is mainly as a result of store closures, impairment charges, and disposal of the Group's investment in a loss making subsidiary in FY2018.

Promotional and advertising expenses

Promotional and advertising expenses decreased yoy by (16.3)% to S\$1.5 million for Q1FY2019. The decline is mainly driven by savings arising from store closures and disposal of the Group's investment in a loss making subsidiary in FY2018.

Rental expenses

Rental expenses decreased yoy by (5.2)% to S\$27.5 million for Q1FY2019. The decline is mainly attributable to savings arising from store closures and disposal of the Group's investment in a loss making subsidiary in FY2018.

Finance costs

Finance costs increased to S\$0.1 million for Q1FY2019. The increase is line with the Group's drawdown of bank borrowings.

Other expenses

Other expenses comprise mainly (a) selling and distribution expenses; and (b) general and administrative expenses. Other expenses declined yoy by (5.3)% to S\$10.4 million for Q1FY2019, largely in line with the store closures and disposal of the Group's investment in a loss making subsidiary in FY2018.

Pre-tax Losses

The Group recorded pre-tax loss of S\$(11.1) million (Q1FY2018: S\$(13.2) million). The reduction in pre-tax loss largely reflects the improvement in operational results of our Malaysia and Indonesia operations, in addition to the effect of store closures as well as disposal of the Group's investment in a loss making subsidiary in FY2018.

Taxation

The Group recorded minimal tax expenses in Q1FY2019. No deferred tax benefits were recognized on losses incurred during the reported quarter.

Net Loss Attributable to Owners of the Company

The Group recorded attributable net loss of S\$(11.1) million in Q1FY2019.

Group Balance Sheet

The Group is in a net current liabilities ("NCL") position of S\$(77.8) million as at 30 September 2018. NCL of the Group increased 9.7% from its 30 June 2018 position mainly as a result of operating loss recorded for Q1FY2019. As previously announced on 5 October 2018, the Group has received undertaking from Parkson Holdings Berhad to provide financial support for a period of twelve months from the date of the Board's approval of the FY2018 Audited Financial Statements.

Prepayments (current and non-current) increased to S\$5.6 million mainly on account of prepaid insurance and store rental.

Cash balance of the Group dipped (71.2)% to S\$11.7 million as at 30 September 2018. The lower balance is mainly due to net operating cash outflow and payment of capital expenditures for new stores. On the other hand, tax recoverable increased to S\$4.0 million.

Trade and other payables decreased (11.4)% to S\$147.4 million as at 30 September 2018, mainly due to settlement of festive sales generated in the previous reported quarter. Other liabilities decreased to S\$24.3 million, primarily on amortisation of accrued rent.

Non-controlling interests declined by (99.6)% from its 30 June 2018 position, following the Group's acquisition of the remaining 30% equity interest in Parkson Edutainment World Sdn Bhd on 30 August 2018.

On 28 September 2018, the Company subscribed for 32 million new shares issued by its wholly-owned subsidiary, Parkson Corporation Sdn Bhd ("PCSB") through capitalisation of amount due from PCSB of S\$10.6 million (RM32.0 million). This has thus resulted in the increase in the carrying amount of the Company's investment in subsidiaries, and the corresponding decrease in other receivables.

Group Cash Flow

The Group recorded net cash outflow in operating activities of S\$(25.3) million for Q1FY2019. Net cash used in investing activities reduced to S\$(5.7) million in Q1FY2019, mainly over lesser spending on capital expenditures for new stores. The Group recorded net cash used in financing activities, mainly on increase in pledged deposits following the drawing down of bank borrowings to finance its working capital and capital expenditure requirements.

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 commentary on its core business as outlined in Note 10 in the preceding quarterly results announcement dated 23 August 2018 is generally in line with the operating environment encountered in this reported quarter.

- 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.**

We remain cautious of the outlook of the Group in the coming quarters given the various macro level uncertainties such as the China-US trade war, Malaysia's policy direction and the upcoming Budget 2019, and Indonesia's Presidential and General Election. We will continue to prioritise on enhancing product offerings as well as on optimising both our operational efficiency and network of stores.

11. Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the financial period ended 30 September 2018.

PART II - ADDITIONAL DISCLOSURE

13. Group Performance by Geographical Segment

Group	Retailing						Total
	Malaysia	Vietnam	Indonesia	Myanmar	Cambodia	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
3 months ended 30.09.2018							
Gross Sales Proceeds	146,225	18,446	29,462	665	-	1,132	195,930
Revenue	75,588	5,277	10,286	324	-	1,132	92,607
Pre-tax Results							
Department stores	(3,092)	(1,902)	(1,954)	(300)	(7)	-	(7,255)
Other retail stores	(1,556)	-	-	-	-	-	(1,556)
Retailing	(4,648)	(1,902)	(1,954)	(300)	(7)	-	(8,811)
Other businesses							
- food and beverage	-	-	-	-	-	(903)	(903)
Corporate expenses	-	-	-	-	-	(1,372)	(1,372)
Reported pre-tax results	(4,648)	(1,902)	(1,954)	(300)	(7)	(2,275)	(11,086)

Group	Retailing						Total
	Malaysia	Vietnam	Indonesia	Myanmar	Cambodia	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
3 months ended 30.09.2017							
Gross Sales Proceeds	139,503	24,468	37,224	586	-	645	202,426
Revenue	69,313	6,697	14,103	306	-	645	91,064
Pre-tax Results							
Department stores	(4,886)	(879)	(2,653)	(376)	(87)	-	(8,881)
Other retail stores	(1,349)	-	-	-	-	-	(1,349)
Discontinued retail stores*	(881)	-	-	-	-	-	(881)
Retailing	(7,116)	(879)	(2,653)	(376)	(87)	-	(11,111)
Other businesses							
- food and beverage	-	-	-	-	-	(846)	(846)
- theme park and education centre (discontinued)	-	-	-	-	-	(259)	(259)
Corporate expenses	-	-	-	-	-	(970)	(970)
Reported pre-tax results	(7,116)	(879)	(2,653)	(376)	(87)	(2,075)	(13,186)

* refers to LOL-branded retail stores which was disposed on 22 June 2018

14. Interested person transactions for the financial period ended 30 September 2018

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 Forest Industries Berhad Group ⁽¹⁾	-	105
Parkson Holdings Berhad Group ⁽²⁾	208	1,267
Secom (M) Sdn Bhd ⁽³⁾	-	73
Visionwell Sdn Bhd ⁽⁴⁾	-	49
Bonuskad Loyalty Sdn Bhd ⁽⁵⁾	-	1,541
PT Monica Hijaulestari ⁽⁶⁾	-	512
WatchMart (M) Sdn Bhd ⁽⁶⁾	-	54

Notes:

- (1) Purchase of building materials and merchandise, and sale of gift vouchers.
- (2) (i) Royalty expenses, service charge income, rental income, store management fee and sale of fixed assets totaling S\$0.21 million;
(ii) Net purchase of merchandises and concessionaire sales, and sale of gift vouchers totaling S\$1.27 million.
- (3) Purchase of security equipment and procurement of security services.
- (4) Rental of office space.
- (5) Marketing fees payable for bonus points issued and amounts receivable for points redemption made by cardholders.
- (6) Purchase of merchandise.

15. Confirmation by Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results of Parkson Retail Asia Limited for the First Quarter ended 30 September 2018, to be false or misleading.

16. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

For and on behalf of the Board
PARKSON RETAIL ASIA LIMITED

Tan Sri William Cheng Heng Jem
Executive Chairman

Singapore
31 October 2018