

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

Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual

Parkson Retail Asia Limited (“Company”, and together with its subsidiaries, the “Group”) was placed on the Watch-List under financial entry criteria pursuant to Listing Rule 1311(1) of the Listing Manual of SGX-ST on 04 December 2019. The Company has 36 months from 04 December 2019 to meet the financial exit criteria of Listing Rule 1314 of the Listing Manual of SGX-ST, which is to record consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts) and has an average daily market capitalisation of S\$40 million or more over the last 6 months.

Pursuant to Listing Rule 1313(2), the Board of Directors (“Board”) wishes to provide an quarterly update on its efforts and the progress made in meeting the financial exit criteria.

Update on Efforts for Satisfying Financial Exit Criteria

The Group attained profit before tax at S\$14.1 million for the 18 months period ended 31 December 2021, as compared to loss before tax of S\$97.3 million of the 18 months corresponding period ended 31 December 2020, having accounted for, among others, the effect on deconsolidation of a subsidiary of S\$13.7 million, income from subleasing of right-of-use assets of S\$12.2 million, derecognition of lease liabilities of S\$32.5 million and write-down of liabilities of S\$53.9 million.

Overall, the Group’s financial performance had continuously been negatively impacted by the prolonged COVID-19 pandemic. The Group has, however, taken the necessary measures (as disclosed in the quarterly announcement for the period ended 31 December 2021) to mitigate the negative impact of the COVID-19 pandemic. Among others, the Group has implemented cost cutting exercises and based on various factors, there was a reduction in operating expenses by 27.7% to S\$358.3 million for the 18 months period ended 31 December 2021 from S\$495.4 million of the corresponding 18 months period ended 31 December 2020. Further to this, the Group had also taken the necessary actions to close non-profitable stores during the current financial period to improve productivity and reduce the losses of the Group.

Please refer to the Company’s unaudited financial results for the period ended 31 December 2021 for an update on the Group’s financial position.

For and on behalf of the Board

Tan Sri William Cheng Heng Jem
Executive Chairman

22 February 2022