

PARKSON RETAIL ASIA LIMITED

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

**Unaudited Financial Statements for the Third Quarter and Nine Months
ended 30 September 2022**

This quarterly reporting announcement is mandatory, made pursuant to the requirements of Singapore Exchange Securities Trading Limited ("SGX-ST"), as required under Rule 705(2C) of the SGX-ST's Listing Rules.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a)(i) Consolidated Income Statement

	Group			Group		
	Quarter ended			9 months ended		
	30.9.2022	30.9.2021	+/(-)	30.9.2022	30.9.2021	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations						
Revenue	49,281	13,092	>100	165,017	83,747	97.0
Other items of income						
- Finance income	1,153	256	>100	3,358	2,801	19.9
- Other income	941	137	>100	2,300	70,063	(96.7)
Items of expense						
- Changes in merchandise inventories and consumables	(15,943)	(6,268)	>(100)	(47,253)	(29,171)	(62.0)
- Employee related expense	(8,325)	(6,977)	(19.3)	(26,262)	(26,982)	2.7
- Depreciation of right-of-use assets ("ROUA")	(8,866)	(9,551)	7.2	(26,217)	(32,288)	18.8
- Depreciation and amortisation expense	(2,236)	(2,962)	24.5	(8,802)	(11,182)	21.3
- Promotional and advertising expense	(105)	(101)	(4.0)	(684)	(773)	11.5
- Operating lease expenses	(1,144)	3,572	>(100)	(2,713)	6,121	>(100)
- Interest expense on lease liabilities	(3,725)	(4,098)	9.1	(11,410)	(14,132)	19.3
- Finance costs	(114)	254	>(100)	(302)	(467)	35.3
- Impairment of property, plant and equipment	84	1,278	(93.4)	863	(3,957)	>100
- Impairment of ROUA	-	-	-	-	(36,215)	100
- Other expenses	(5,422)	(3,569)	(51.9)	(16,888)	(12,082)	(39.8)
Total expenses	(45,796)	(28,422)	(61.1)	(139,668)	(161,128)	13.3
Profit/(loss) before tax	5,579	(14,937)	>100	31,007	(4,517)	>100
Tax (expense)/credit	(1,635)	920	>(100)	(8,945)	2,844	>(100)
Profit/(loss) for the quarter/period	3,944	(14,017)	>100	22,062	(1,673)	>100
Discontinued operations						
Loss for the quarter/period	(113)	(1,836)	93.8	(343)	(3,582)	90.4
Profit/(loss) for the quarter/period	3,831	(15,853)	>100	21,719	(5,255)	>100
Net profit/(loss) attributable to:						
Owners of the Company						
Profit/(loss) from continuing operations, net of tax	3,944	(14,039)	>100	22,064	(1,688)	>100
Loss from discontinued operations, net of tax	(113)	(1,836)	93.8	(343)	(3,582)	90.4
Non-controlling interests						
Profit/(loss) from continuing operations, net of tax	-	22	100	(2)	15	>(100)
	3,831	(15,853)	>100	21,719	(5,255)	>100

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

	Group			Group		
	Quarter ended			9 months ended		
	30.9.2022	30.9.2021	+/(-)	30.9.2022	30.9.2021	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(loss) for the quarter	3,831	(15,853)	>100	21,719	(5,255)	>100
Other comprehensive income/(loss):						
Foreign currency translation	578	(137)	>100	2,366	965	>100
Total comprehensive income	4,409	(15,990)	>100	24,085	(4,290)	>100
Total comprehensive income/(loss) attributable to:						
Owners of the Company	4,402	(15,998)	>100	24,087	(4,306)	>100
Non-controlling interests	7	8	(12.5)	(2)	16	>(100)
	4,409	(15,990)	>100	24,085	(4,290)	>100

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

	Group		Group	
	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	S\$'000	S\$'000	S\$'000	S\$'000
The following items were included in arriving at profit/(loss) before tax:				
<u>Continuing operations</u>				
Write-back of allowance for trade and other receivables	(7)	(135)	(39)	(690)
Depreciation of property, plant and equipment ("PPE")	2,232	2,958	8,790	11,135
Depreciation of right-of-use assets ("ROUA")	8,866	9,551	26,217	32,288
Interest expense on lease liabilities	3,725	4,098	11,410	14,132
Operating lease expenses	1,144	(3,572)	2,713	(6,121)
(Reversal of impairment)/Impairment of PPE	(84)	(1,278)	(863)	3,957
Impairment of ROUA	-	-	-	36,215
PPE written off	196	195	265	1,848
Allowance for inventory shrinkages	359	74	499	422
Gain on deconsolidation of a subsidiary	-	-	-	(67,559)
<u>Discontinued operations</u>				
Allowance for trade and other receivables	48	419	48	396
Depreciation of PPE	-	22	-	65
Depreciation of ROUA	-	764	-	2,001
Interest expense on lease liabilities	-	652	-	1,982
Operating lease expenses	5	325	8	977

1(b)(i) Statements of Financial Position

	Group		Company	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	19,834	26,524	-	-
Right-of-use assets	137,998	171,898	-	-
Investment in subsidiaries	-	-	119,301	124,786
Deferred tax assets	4,867	4,821	-	-
Other receivables	6,825	6,499	-	-
Lease receivables	32,750	33,479	-	-
Prepayments	53	4	-	-
Intangible assets	79	94	-	-
Investment securities	265	278	-	-
	202,671	243,597	119,301	124,786
Current assets				
Inventories	20,585	19,465	-	-
Trade and other receivables	8,720	11,983	1,529	-
Lease receivables	1,978	3,151	-	-
Prepayments	745	1,118	-	-
Tax recoverable	55	1,333	-	-
Cash and short-term deposits	76,960	69,061	10	59
	109,043	106,111	1,539	59
Total assets	311,714	349,708	120,840	124,845
Current liabilities				
Trade and other payables	113,913	139,007	12,405	12,441
Other liabilities	10,838	14,644	1,080	909
Contract liabilities	6,375	6,896	-	-
Provisions	1,069	1,350	-	-
Loan and borrowings	4,462	4,879	-	-
Lease liabilities	34,444	41,893	-	-
Provision for tax	4,613	-	-	-
	175,714	208,669	13,485	13,350
Net current liabilities	(66,671)	(102,558)	(11,946)	(13,291)
Non-current liabilities				
Other payables	1,765	2,639	-	-
Provisions	4,877	5,089	-	-
Loan and borrowings	8,514	8,905	8,514	8,905
Lease liabilities	146,016	173,663	-	-
	161,172	190,296	8,514	8,905
Total liabilities	336,886	398,965	21,999	22,255
Net (liabilities)/assets	(25,172)	(49,257)	98,841	102,590
Equity attributable to the owners of the Company				
Share capital	231,676	231,676	231,676	231,676
Treasury shares	(549)	(549)	(549)	(549)
Other reserves	(163,047)	(165,412)	(53,531)	(49,002)
Accumulated losses	(93,152)	(114,874)	(78,755)	(79,535)
	(25,072)	(49,159)	98,841	102,590
Non-controlling interests	(100)	(98)	-	-
Total equity	(25,172)	(49,257)	98,841	102,590

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

	Group					
	30.9.2022			31.12.2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand						
- Bank overdraft	376	-	376	364	-	364
- Banker's acceptance	1,495	-	1,495	1,887	-	1,887
- Loan from third parties	-	2,591	2,591	-	2,628	2,628
	1,871	2,591	4,462	2,251	2,628	4,879
Amount repayable after one year						
- Loan from ultimate holding company	-	8,514	8,514	-	8,905	8,905
	-	8,514	8,514	-	8,905	8,905

Bank overdraft and trade facilities (including bank guarantee) are secured by short-term deposit of S\$5.8 million (30 June 2022 : S\$5.9 million) and a corporate guarantee from a subsidiary.

1(c) Consolidated Statement of Cash Flows

	Group		Group	
	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit/(loss) before taxation from continuing operations	5,579	(14,937)	31,007	(4,517)
Loss before taxation from discontinued operations	(113)	(1,836)	(343)	(3,582)
Profit before taxation	5,466	(16,773)	30,664	(8,099)
Adjustments for:				
- Depreciation of property, plant and equipment ("PPE")	2,232	2,980	8,790	11,200
- (Reversal of impairment)/Impairment of PPE	(84)	(1,278)	(863)	3,957
- PPE written off	196	195	265	1,848
- (Loss)/gain on disposal of PPE	(9)	(6)	(7)	100
- Amortisation of intangible assets	4	4	12	47
- (Reversal of impairment)/Impairment of intangible assets	-	-	-	182
- Intangible assets written off	-	-	-	80
- Depreciation of right-of-use assets ("ROUA")	8,866	10,315	26,217	34,289
- Impairment of ROUA	-	-	-	36,215
- Gain on deconsolidation of a subsidiary	-	-	-	(67,559)
- (Write-back of allowance)/allowance for trade and other receivables	(7)	284	(39)	(294)
- Write-back of allowance for inventory obsolescence	-	-	-	(595)
- Allowance for inventory shrinkages	359	74	499	422
- Inventory written off	-	283	-	902
- Net benefit expense from defined benefit plan	-	-	-	537
- Unrealised currency translation (gain)/loss	-	(2)	-	13
- Income from expired gift vouchers	-	2	-	(791)
- Interest expense on lease liabilities	3,725	4,750	11,410	16,114
- Finance costs	114	(254)	302	467
- Finance income	(1,153)	(257)	(3,358)	(2,803)
Operating cash flows before changes in working capital	19,709	317	73,892	26,232
Changes in working capital				
- Inventories	(2,510)	2,567	(2,519)	8,352
- Receivables and prepayments	787	224	8,841	(11,968)
- Payables and other liabilities	(30,875)	(10,542)	(25,020)	7,165
Cash flows (used in)/generated from operating activities	(12,889)	(7,434)	55,194	29,781
Interest received	412	49	1,127	1,195
Interest paid	(1)	-	(3)	(174)
Income tax paid	(3,209)	(757)	(3,209)	(648)
Net cash (used in)/generated from operating activities	(15,687)	(8,142)	53,109	30,154

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

	Group		Group	
	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Proceeds from disposal of PPE	14	22	14	449
Proceeds from disposal of asset classified as held for sale ("Proceeds from Disposal")	-	10,695	-	10,695
Purchase of PPE	(425)	(452)	(1,333)	(3,382)
Net cash outflow from deconsolidation of a subsidiary	-	-	-	(617)
Proceeds from Disposal held in an escrow account	-	(10,695)	-	(10,695)
Net cash used in investing activities	(411)	(430)	(1,319)	(3,550)
Financing activities				
Interest paid	(3,432)	(3,835)	(11,898)	(12,933)
Proceeds from bank borrowings	1,168	55	5,648	557
Repayment of bank borrowings	(1,237)	(55)	(5,957)	(1,515)
Loan from a subsidiary of the ultimate holding company	-	181	-	8,223
Payment of principal portion of lease liabilities	(9,766)	(8,948)	(28,499)	(30,177)
(Increase)/Decrease in pledged deposits	(12)	83	619	565
Net cash used in financing activities	(13,279)	(12,519)	(40,087)	(35,280)
Net (decrease)/increase in cash and cash equivalents	(29,377)	(21,091)	11,703	(8,676)
Cash and cash equivalents at beginning of quarter/period	101,528	25,780	62,021	15,019
Effects of currency translation on cash and cash equivalents	(1,330)	(218)	(2,903)	(1,872)
Cash and cash equivalents at end of quarter/period	70,821	4,471	70,821	4,471

	30.9.2022	30.9.2021
	S\$'000	S\$'000
Cash and cash equivalents comprise the following: -		
Cash at banks	4,070	14,626
Short-term bank deposits	72,890	5,942
Cash and short-term bank deposits	76,960	20,568
Less: Proceeds from Disposal held in an escrow account	-	(10,695)
Less: Pledged deposits	(5,763)	(4,969)
Less: Bank overdraft	(376)	(433)
	70,821	4,471

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)	Accumulated losses	Equity attributable to owners of the Company, total		
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1.1.2022	231,676	(549)	(165,412)	(114,874)	(49,159)	(98)	(49,257)
Profit/(loss) for the period	-	-	-	21,721	21,721	(2)	21,719
Foreign currency translation	-	-	2,365	1	2,366	-	2,366
Total comprehensive income/(loss) for the period	-	-	2,365	21,722	24,087	(2)	24,085
At 30.9.2022	231,676	(549)	(163,047)	(93,152)	(25,072)	(100)	(25,172)
At 1.1.2021	231,676	(549)	(166,803)	(140,668)	(76,344)	(115)	(76,459)
(Loss)/profit for the period	-	-	-	(5,270)	(5,270)	15	(5,255)
Foreign currency translation	-	-	964	-	964	1	965
Total comprehensive income/(loss) for the period	-	-	964	(5,270)	(4,306)	16	(4,290)
At 30.9.2021	231,676	(549)	(165,839)	(145,938)	(80,650)	(99)	(80,749)

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
Company					
At 1.1.2022	231,676	(549)	(49,002)	(79,535)	102,590
Profit for the period	-	-	-	780	780
Foreign currency translation	-	-	(4,529)	-	(4,529)
Total comprehensive (loss)/income for the period	-	-	(4,529)	780	(3,749)
At 30.9.2022	231,676	(549)	(53,531)	(78,755)	98,841
At 1.1.2021	231,676	(549)	(47,535)	(74,768)	108,824
Loss for the period	-	-	-	(2,135)	(2,135)
Foreign currency translation	-	-	(1,092)	-	(1,092)
Total comprehensive loss for the period	-	-	(1,092)	(2,135)	(3,227)
At 30.9.2021	231,676	(549)	(48,627)	(76,903)	105,597

Note A: Other reserves

	Group		Company	
	9 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Foreign currency translation reserve	(46,690)	(49,386)	(53,531)	(48,627)
Fair value of financial assets at fair value through other comprehensive income	198	102	-	-
Capital redemption reserve	1	1	-	-
Acquisition reserve	(2,762)	(2,762)	-	-
Capital contribution from ultimate holding company	9,959	9,959	-	-
Merger reserve	(123,753)	(123,753)	-	-
	(163,047)	(165,839)	(53,531)	(48,627)

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	30.9.2022	30.9.2021
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 year and as at the end of the immediately preceding year.

	30.9.2022	31.12.2021
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 was no sale, transfer, disposal, cancellation and/or use of treasury shares during the current quarter.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The external auditor had issued a qualified opinion in the latest financial statements for FY2021 relating to opening balance of an Indonesian subsidiary in liquidation. As the matters are in the hands of the receivers for statutory compliance and reporting, the Group deems that the impact and effect of the subsidiary's financial reporting is virtually limited and no further disclosure is expected to be made. The cost of investment in the subsidiary and outstanding receivables owing by the subsidiary had been fully impaired by the Company in the previous financial year(s).

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 applied the same accounting policies and methods of computation to the financial statements for the current quarter as in the most recent audited financial statements for the financial period ended 31 December 2021.

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 has considered the following standards that have been issued and effective for annual periods beginning on or after 1 January 2022, where applicable.

Amendments to SFRS(I) 3 *Reference to the Conceptual Framework*

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*

Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*

Annual Improvements to SFRS(I)s 2018-2020:

Amendments to SFRS(I) 1-1 *Subsidiary as a First-Time Adopter*

Amendments to SFRS(I) 9 *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

Amendments to SFRS(I) 16 *Lease Incentives*

Amendments to SFRS(I) 1-41 *Taxation in Fair Value Measurements*

The adoption of the standards above will have no material impact on the financial statements for the current financial year.

6. Profit/(Loss) per ordinary share

Profit/(Loss) per ordinary share attributable to owners of the Company:-

	Group		Group	
	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Basic and diluted (cent)				
- Continuing operations	0.59	(2.08)	3.27	(0.25)
- Discontinued operations	(0.02)	(0.27)	(0.05)	(0.53)
- Continuing and discontinued operations	0.57	(2.35)	3.22	(0.78)
Based on weighted average number of shares ('000)	673,800	673,800	673,800	673,800

There was no potential dilution effects on the ordinary shares of the Company. Accordingly, the basic and diluted profit/(loss) per ordinary share for the current quarter/period were the same.

7. Net (liabilities)/assets value per ordinary share

	Group		Company	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
Net (liabilities)/assets value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	(0.04)	(0.07)	0.15	0.15

8. Review of Group performance

Update on disclosure in relation to COVID-19 pandemic

All the stores were operating during the current period.

The Group has at all times remains vigilant during the COVID-19 pandemic and continues to put in place the following measures, consistent with the previous quarters:-

- (i) sanitary masks are provided to stores' staff;
- (ii) hand sanitizers are provided at stores/head offices;
- (iii) employees who develop any respiratory disease symptoms are required to seek treatment, abstain from attending their workplace and inform their supervisors;
- (iv) employees are reminded of the importance of maintaining good personal health and hygiene;
- (v) social distancing is continued to be encouraged at our stores and back offices; and
- (vi) offices and stores are sanitized and self-test kits are provided to staff, where necessary.

The Group continues to work closely with the management of the shopping malls and complexes where the Parkson retail stores are located and implement the measures recommended by the mall management with regards to ensuring the safety of the staff and customers who shop at the stores.

To weather the COVID-19 impact, the Group has continued to implement the following action plans under its Business Continuity Plan (BCP):-

- negotiating with the landlords to either waive the rent or reduce the rent substantially, where applicable;
- negotiating with its creditors/suppliers and financial institutions to restructure payment plan, where appropriate;
- prioritising on essential services to contain costs;
- maintaining online sales platform to maintain the Group's revenue stream as much as possible; and
- implementing stringent SOP to ensure the highest level of hygiene standard for the safety of staff and customers who shop at the stores.

As far as supply chain management is concerned, the Group is cordially discussing and negotiating with its suppliers to continue trading with Parkson stores to avoid any disruptions.

In light of the degree of uncertainty of the COVID-19 pandemic, the Group is cautiously reviewing its capital expenditure plan ahead to remain prudent.

Group Store Count

As at 30 September 2022, the Group's department store network comprised 39 (30 September 2021 : 39) stores spanning approximately 443,000 sqm of Gross Floor Area; 38 (30 September 2021 : 37) in Malaysia (425,000 sqm) and 1 (30 September 2021 : 2) in Vietnam (18,000 sqm).

Continuing operations

Operating Results

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

	Group			Group		
	Quarter ended			9 months ended		
	30.9.2022	30.9.2021	+/(-)	30.9.2022	30.9.2021	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
GSP						
Sales of goods - direct sales	22,204	7,146	>100	67,735	37,932	78.6
Sales of goods - concessionaire sales	97,674	22,817	>100	360,955	168,809	>100
Total merchandise sales	119,878	29,963	>100	428,690	206,741	>100
Consultancy / management service fees	89	7	>100	315	114	>100
Rental income	579	(273)	>100	2,031	1,822	11.5
Food and beverage	599	304	97.0	1,532	954	60.6
GSP from continuing operations	121,145	30,001	>100	432,568	209,631	>100

The yoy increase in total merchandise sales by >100%, largely due to higher sales attained by the Malaysia operation as a result of the recovery from the COVID-19 pandemic against some form of COVID-19 restrictions of the corresponding period. Merchandise sales mix remained largely concessionaire at 84.2% (FY2021: 81.7%) while contribution from direct sales was 15.8% (FY2021: 18.3%).

Consultancy and management service fees from managing a department store in Malaysia increased yoy by >100% due to higher sales attained by the department store. Rental income increased yoy by 11.5% mainly due to rent rebate granted to tenants in the corresponding period. Food and beverage operations registered a yoy increase in sales by 60.6%, mainly due to the recovery from the COVID-19 pandemic against some form of COVID-19 restrictions of the corresponding period.

Merchandise gross profit margin stood at 26.8% (FY2021: 25.3%).

Financial Results

Revenue

The components of revenue are as follows:-

	Group			Group		
	Quarter ended			9 months ended		
	30.9.2022	30.9.2021	+/(-)	30.9.2022	30.9.2021	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Sales of goods - direct sales	22,204	7,146	>100	67,735	37,932	78.6
Commission from concessionaire sales	25,810	5,908	>100	93,404	42,925	>100
Consultancy / management service fees	89	7	>100	315	114	>100
Rental income	579	(273)	>100	2,031	1,822	11.5
Food and beverage	599	304	97.0	1,532	954	60.6
Revenue from continuing operations	49,281	13,092	>100	165,017	83,747	97.0

Other items of Income

Finance income increased yoy by 19.9% mainly due to higher interest income from placement of deposits.

Other income decreased yoy by 96.7% mainly due to the gain on deconsolidation of a subsidiary in Indonesia of S\$67.6 million included in the corresponding period.

Expenses

Total expenses of the Group declined yoy by 13.3% and analysis of major expenses is as follows: -

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables increased yoy by 62.0%, in line with higher revenue achieved.

Depreciation of right-of-use assets ("ROUA")

Depreciation of ROUA declined yoy by 18.8% mainly due to lower ROUA as a result of impairment in the previous years.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased yoy by 21.3% mainly due to lower property, plant and equipment as a result of impairment and write-off in the previous years.

Operating lease expenses

Operating lease expenses increased yoy by >100% mainly due to rent rebates received in the corresponding period.

Interest expense on lease liabilities

Interest expense on lease liabilities declined yoy by 19.3% due to the reduction in lease liabilities as a result of repayment.

Impairment of property, plant and equipment (“PPE”) and right-of-use assets (“ROUA”)

The impairment of PPE and ROUA in the corresponding period relates to a subsidiary in Indonesia which went into bankruptcy and subsequently was deconsolidated with effect from 17 May 2021.

Other expenses

Other expenses for the current period comprised mainly (a) selling and distribution expenses amounted to S\$4.3 million, (b) general and administrative expenses amounted to S\$6.2 million and (c) other operating expenses amounted to S\$6.4 million. The yoy increase in other expenses was mainly due to the increase in selling and distribution expenses which was fairly in line with higher revenue attained.

Profit before tax

The Group recorded profit before tax for the current period of S\$31.0 million compared with loss before tax of S\$4.5 million of the corresponding period, generally due to the improved performance of the Malaysia operation.

Tax expense

For the current period, the Group recorded a tax expense of S\$8.9 million as a subsidiary in Malaysia was in a taxable position.

Group Statement of Financial Position

The Group was in a net current liabilities (“NCL”) position of S\$66.7 million as at 30 September 2022. NCL of the Group decreased by 35.0% from S\$102.6 million as at 31 December 2021 to S\$66.7 million as at 30 September 2022 was mainly due to lower trade and other payables and lease liabilities as well as higher cash and bank balances. The negative equity of the Group decreased to S\$25.2 million as at 30 September 2022 from S\$49.3 million as at 31 December 2021 mainly due to profit attained by the Group.

Accordingly, the financial statements of the Group has been prepared on a going concern basis. The ability of the Group to continue as a going concern is dependent on the Group generating sufficient cash flows from its operations to meet its working capital needs and the continued support from its suppliers and creditors.

Property, plant and equipment declined to S\$19.8 million mainly due to depreciation.

Right-of-use assets declined to S\$138.0 million mainly due to depreciation.

Trade and other receivables declined to S\$8.7 million mainly due to reduction in credit card outstanding receivable and repayment from receivables.

Tax recoverable (current) declined to S\$0.1 million mainly due to offsetting with income tax expense as a subsidiary in Malaysia is in a taxable position.

Cash and short-term deposits increased to S\$77.0 million mainly due to higher cash collections during the period, in line with the increase in revenue.

Trade and other payables (current) decreased to S\$113.9 million mainly due to repayment.

Other liabilities decreased to S\$10.8 million mainly due to repayment.

Lease liabilities (current) decreased to S\$34.4 million mainly due to repayment.

Provision for tax (current) stood at S\$4.6 million due to the taxable position of a subsidiary in Malaysia.

Lease liabilities (non-current) decreased to S\$146.0 million mainly due to repayment.

Accumulated losses reduced to S\$93.2 million due to profit after tax attained by the Group.

Company Statement of Financial Position

Trade and other receivables (current) increased to S\$1.5 million mainly due to interest accrued on loan to a subsidiary in Vietnam.

Group Cash Flow

For the current period, the Group recorded net cash inflow in operating activities of S\$53.1 million while net cash used in investing activities was S\$1.3 million and the Group recorded net cash used in financing activities of S\$40.1 million, resulting in a net increase in cash and cash equivalents of S\$11.7 million (FY2021 : net decrease in cash and cash equivalents of S\$8.7 million). The net increase in cash and cash equivalents was generally contributed by the improved performance attained by the Group.

9. Material litigations

(the abbreviations used in this section shall have the same meaning ascribed to them in the previous announcements)

Parkson (Cambodia) Co Ltd

There has been no further update since the previous quarterly announcement made on 12 August 2022.

Parkson Corporation Sdn Bhd

1. Millenium Mall Sdn Bhd

Further to the previous quarterly announcement made on 12 August 2022, the Court of Appeal had on 8 September 2022, fixed the next case management on 8 November 2022 for MMSB to provide confirmation to the Court of Appeal on whether to proceed with MMSB's appeal against the Court's decision to allow PCSB's application to strike out the Suit ("MMSB's Appeal Against Striking Out"). On 8 November 2022, MMSB informed the Court of Appeal that MMSB will proceed with MMSB's Appeal Against Striking Out. PCSB informed the Court of Appeal that PCSB intended to file an application for security for costs ("Security for Costs Application") against MMSB and the Court of Appeal directed PCSB to file the Security for Costs Application on or before 23 November 2022.

2. PKNS-Andaman Development Sdn Bhd

Further to the previous quarterly announcement made on 12 August 2022, the Court of Appeal had on 14 September 2022, fixed a new hearing date on 21 March 2023.

Parkson Vietnam Co Ltd

There has been no further update since the previous quarterly announcement made on 12 August 2022.

The Group will make further announcements as and when there are material developments to the above matters.

10. 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 12 August 2022 was generally in line with the operating environment encountered in the current quarter.

11. 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

Among others, the inflationary pressure, higher cost of living (which in turn would affect consumers' sentiment) and COVID-19 will continue to remain a concern to the Group's operating environment and financial performance for the financial year ending 31 December 2022.

The Group will continue to focus on rationalising its operations, improving store productivity and managing costs to improve its financial performance.

12. 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.

13. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared by the Company for the current quarter as the Group and Company are still in accumulated losses position.

PART II - ADDITIONAL DISCLOSURE

14. Group Performance by Geographical Segment

Group	Continuing Operations										Discontinued Operations		Total		
	Retail Stores						Others		Total		Retail Stores				
	Malaysia		Vietnam		Indonesia*						Vietnam**				
	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	
S\$'000		S\$'000		S\$'000		S\$'000		S\$'000		S\$'000		S\$'000		S\$'000	
9 months ended															
Gross Sales Proceeds	425,144	202,006	5,879	3,171	-	3,471	1,545	983	432,568	209,631	-	12,741	432,568	222,372	
Revenue	161,435	79,238	2,037	1,344	-	2,182	1,545	983	165,017	83,747	-	3,192	165,017	86,939	
Pre-tax Results															
Department stores	34,547	(13,608)	(831)	(2,278)	-	(47,147)	-	-	33,716	(63,033)	(343)	(3,582)	33,373	(66,615)	
Lifestyle retail stores	1,853	(5,429)	-	-	-	-	-	-	1,853	(5,429)	-	-	1,853	(5,429)	
	36,400	(19,037)	(831)	(2,278)	-	(47,147)	-	-	35,569	(68,462)	(343)	(3,582)	35,226	(72,044)	
Other business															
- food and beverage	-	-	-	-	-	-	(568)	(588)	(568)	(588)	-	-	(568)	(588)	
Corporate expenses	-	-	-	-	-	-	(3,994)	(3,026)	(3,994)	(3,026)	-	-	(3,994)	(3,026)	
Gain on deconsolidation***	-	-	-	-	-	-	-	67,559***	-	67,559	-	-	-	67,559	
Reported pre-tax results	36,400	(19,037)	(831)	(2,278)	-	(47,147)	(4,562)	63,945	31,007	(4,517)	(343)	(3,582)	30,664	(8,099)	

* deconsolidated with effect from 17 May 2021.

** following the termination of the tenancy agreement, a subsidiary in Vietnam ceased to own its remaining store with effect from 1 January 2022.

*** relates to a subsidiary in Indonesia which went into bankruptcy on 17 May 2021 and subsequently a loss of control by the Group on even date which resulted in a gain on deconsolidation of the said subsidiary.

15. Interested person transactions for the financial period ended 30 September 2022

Name of interested person	Nature of Relationship	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) S\$'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 S\$'000
Lion Corporation Berhad ⁽¹⁾	Associate of Tan Sri William Cheng Heng Jem, a director and controlling shareholder of the Company ("Tan Sri William Cheng")	-	3,026
Parkson Holdings Berhad Group ⁽²⁾	Associate of Tan Sri William Cheng	260 ^{(i)*}	3,054 ⁽ⁱⁱ⁾
Lion Posim Berhad ⁽³⁾	Associate of Tan Sri William Cheng	-	169
Visionwell Sdn Bhd ⁽⁴⁾	Associate of Tan Sri William Cheng	-	207

Notes:

- (1) (a) Marketing fee payable for bonus points issued and amount received/receivable for point redemption made by cardholders totaling S\$2.847 million; and
(b) Purchase of goods and security equipment, and procurement of security service totaling S\$0.179 million.
- (2) (i) (a) Interest expense of S\$0.065 million in relation to loan obtained from the ultimate holding company;
(b) Royalty expense totaling S\$0.030 million; and
(c) Sale of goods totaling S\$0.165 million.
(ii) (a) Rental income totaling S\$0.335 million;
(b) Net purchase of merchandise and concessionaire sales totaling S\$2.526 million;
(c) Interest expense of S\$0.131 million in relation to loan obtained from the ultimate holding company; and
(d) Royalty expense totaling S\$0.062 million;
- (3) Purchase of building materials and merchandise, sale of gift vouchers and rental income.
- (4) Rental of office space.

* Royalty expense and interest expense payable to Parkson Holdings Berhad Group had at the extraordinary general meeting held on 29 April 2022 been approved by shareholders as specific interested person transactions ("IPTs"). Accordingly, such IPTs would be regarded as mandated specific IPTs with effect from April 2022.

16. 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 financial results of Parkson Retail Asia Limited for the third quarter ended 30 September 2022 to be false or misleading.

17. 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 of SGX-ST.

For and on behalf of the Board
PARKSON RETAIL ASIA LIMITED

Tan Sri William Cheng Heng Jem
Executive Chairman

Singapore
14 November 2022