

**PARKSON RETAIL ASIA LIMITED**

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

**Unaudited Financial Statements for the First Quarter and Three Months  
ended 31 March 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**

	<b>Group</b>		
	<b>3 months ended</b>		
	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>+ / (-)</b>
	S\$'000	S\$'000	%
<b>Continuing operations</b>			
<b>Revenue</b>	51,216	41,929	22.1
<b>Other items of income</b>			
- Finance income	1,079	579	86.4
- Other income	672	599	12.2
<b>Items of expense</b>			
- Changes in merchandise inventories and consumables	(15,052)	(16,775)	10.3
- Employee related expense	(8,201)	(9,548)	14.1
- Depreciation of right-of-use assets ("ROUA")	(8,382)	(14,606)	42.6
- Depreciation and amortisation expense	(3,817)	(4,358)	12.4
- Promotional and advertising expense	(286)	(441)	35.1
- Operating lease expenses	(587)	(1,213)	51.6
- Interest expense on lease liabilities	(3,891)	(5,189)	25.0
- Finance costs	(91)	(139)	34.5
- Impairment of property, plant and equipment	-	(7,243)	100
- Impairment of ROUA	-	(30,701)	100
- Other expenses	(5,982)	(4,819)	(24.1)
Total expenses	(46,289)	(95,032)	51.3
<b>Profit/(Loss) before tax</b>	6,678	(51,925)	>100
Tax (expense)/credit	(2,447)	1,188	>(100)
<b>Profit/(Loss) for the quarter</b>	4,231	(50,737)	>100
<b>Discontinued operations</b>			
Loss for the quarter	(219)	(297)	26.3
<b>Profit/(Loss) for the quarter</b>	4,012	(51,034)	>100
<b>Net profit/(loss) attributable to:</b>			
<b>Owners of the Company</b>			
Profit/(loss) from continuing operations, net of tax	4,231	(50,734)	>100
Loss from discontinued operations, net of tax	(219)	(297)	26.3
<b>Non-controlling interests</b>			
Profit/(loss) from continuing operations, net of tax	-	(3)	100
	4,012	(51,034)	>100

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

	Group		
	3 months ended		
	31.3.2022	31.3.2021	+ / (-)
	S\$'000	S\$'000	%
Profit/(Loss) for the quarter	4,012	(51,034)	>100
Other comprehensive income/(loss):			
Foreign currency translation	749	1,492	(49.8)
<b>Total comprehensive income/(loss)</b>	<b>4,761</b>	<b>(49,542)</b>	<b>&gt;100</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company	4,769	(49,544)	>100
Non-controlling interests	(8)	2	>(100)
	<b>4,761</b>	<b>(49,542)</b>	<b>&gt;100</b>

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

	Group	
	3 months ended	
	31.3.2022	31.3.2021
	S\$'000	S\$'000
The following items were included in arriving at profit/(loss) before tax:		
<b><u>Continuing operations</u></b>		
(Write-back of allowance)/Allowance for trade and other receivables	(32)	873
Depreciation of property, plant and equipment ("PPE")	3,813	4,333
Depreciation of right-of-use assets ("ROUA")	8,382	14,606
Interest expense on lease liabilities	3,891	5,189
Operating lease expenses	587	1,213
Impairment of PPE	-	7,243
Impairment of ROUA	-	30,701
PPE written off	102	970
Allowance for inventory shrinkages	-	553
<b><u>Discontinued operations</u></b>		
Allowance for trade and other receivables	-	5
Depreciation of property, plant and equipment	-	10
Depreciation of right-of-use assets	-	489
Interest expense on lease liabilities	-	674
Operating lease expenses	-	327

**1(b)(i) Statements of Financial Position**

	Group		Company	
	31.3.2022	31.12.2021	31.3.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	25,268	26,524	-	-
Right-of-use assets	161,844	171,898	-	-
Investment in subsidiaries	-	-	124,195	124,786
Deferred tax assets	4,659	4,821	-	-
Other receivables	5,825	6,499	-	-
Lease receivables	32,303	33,479	-	-
Prepayments	53	4	-	-
Intangible assets	90	94	-	-
Investment securities	276	278	-	-
	230,318	243,597	124,195	124,786
<b>Current assets</b>				
Inventories	19,299	19,465	-	-
Trade and other receivables	11,249	11,983	217	-
Lease receivables	2,848	3,151	-	-
Prepayments	1,079	1,118	-	-
Tax recoverable	55	1,333	-	-
Cash and short-term deposits	62,265	69,061	14	59
	96,795	106,111	231	59
<b>Total assets</b>	<b>327,113</b>	<b>349,708</b>	<b>124,426</b>	<b>124,845</b>
<b>Current liabilities</b>				
Trade and other payables	126,352	139,007	12,469	12,441
Other liabilities	13,516	14,644	977	909
Contract liabilities	6,239	6,896	-	-
Provisions	1,330	1,350	-	-
Loan and borrowings	5,252	4,879	-	-
Lease liabilities	28,606	41,893	-	-
Provision for tax	1,028	-	-	-
	182,323	208,669	13,446	13,350
<b>Net current liabilities</b>	<b>(85,528)</b>	<b>(102,558)</b>	<b>(13,215)</b>	<b>(13,291)</b>
<b>Non-current liabilities</b>				
Other payables	2,576	2,639	-	-
Provisions	5,029	5,089	-	-
Loan and borrowings	8,863	8,905	8,863	8,905
Lease liabilities	172,818	173,663	-	-
	189,286	190,296	8,863	8,905
<b>Total liabilities</b>	<b>371,609</b>	<b>398,965</b>	<b>22,309</b>	<b>22,255</b>
<b>Net (liabilities)/assets</b>	<b>(44,496)</b>	<b>(49,257)</b>	<b>102,117</b>	<b>102,590</b>
<b>Equity attributable to the owners of the Company</b>				
Share capital	231,676	231,676	231,676	231,676
Treasury shares	(549)	(549)	(549)	(549)
Other reserves	(164,656)	(165,412)	(49,489)	(49,004)
Accumulated losses	(110,861)	(114,874)	(79,521)	(79,533)
	(44,390)	(49,159)	102,117	102,590
Non-controlling interests	(106)	(98)	-	-
<b>Total equity</b>	<b>(44,496)</b>	<b>(49,257)</b>	<b>102,117</b>	<b>102,590</b>

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

	Group					
	31.3.2022			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	438	-	438	364	-	364
- Banker's acceptance	2,089	-	2,089	1,887	-	1,887
- Loan from a third party	-	2,725	2,725	-	2,628	2,628
	2,527	2,725	5,252	2,251	2,628	4,879
Amount repayable after one year						
- Loan from ultimate holding company	-	8,863	8,863	-	8,905	8,905
	-	8,863	8,863	-	8,905	8,905

Bank overdraft and trade facilities are secured by short-term deposit of S\$6.0 million (31 December 2021 : S\$6.7 million) and a corporate guarantee from a subsidiary.

**1(c) Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit/(loss) before taxation from continuing operations	6,678	(51,925)
Loss before taxation from discontinued operations	(219)	(297)
Profit/(loss) before taxation	6,459	(52,222)
Adjustments for:		
- Depreciation of property, plant and equipment ("PPE")	3,813	4,343
- Impairment of PPE	-	7,243
- PPE written off	102	970
- Gain on disposal of PPE	-	(2)
- Amortisation of intangible assets	4	25
- Impairment of intangible assets	-	273
- Depreciation of right-of-use assets ("ROUA")	8,382	15,095
- Impairment of ROUA	-	30,701
- (Write-back of allowance)/Allowance for trade and other receivables	(32)	878
- Allowance for inventory obsolescence	-	24
- Allowance for inventory shrinkages	-	553
- Inventory written off	-	619
- Provision for winding down expenses	-	3,582
- Net benefit expense from defined benefit plan	-	27
- Unrealised currency translation loss	-	15
- Interest expense on lease liabilities	3,891	5,863
- Finance costs	91	139
- Finance income	(1,079)	(579)
<b>Operating cash flows before changes in working capital</b>	21,631	17,547
Changes in working capital		
- Inventories	75	5,059
- Receivables and prepayments	4,032	3,220
- Payables and other liabilities	(14,560)	(14,656)
<b>Cash flows generated from operating activities</b>	11,178	11,170
Interest received	1,040	79
Interest paid	(1)	(1)
Income tax paid	-	145
<b>Net cash generated from operating activities</b>	12,217	11,393

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

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
	S\$'000	S\$'000
<b>Investing activities</b>		
Purchase of PPE	(860)	(921)
<b>Net cash used in investing activities</b>	<b>(860)</b>	<b>(921)</b>
<b>Financing activities</b>		
Interest paid	(5,043)	(5,244)
Proceeds from bank borrowings	-	502
Repayment of bank borrowings	-	(1,279)
Loan from a subsidiary of the ultimate holding company	-	8,027
Payment of principal portion of lease liabilities	(13,269)	(12,234)
Decrease in pledged deposits	644	483
<b>Net cash used in financing activities</b>	<b>(17,668)</b>	<b>(9,745)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,311)</b>	<b>727</b>
Cash and cash equivalents at beginning of financial quarter	62,021	15,019
Effects of currency translation on cash and cash equivalents	117	(2,412)
<b>Cash and cash equivalents at end of financial quarter</b>	<b>55,827</b>	<b>13,334</b>

	<b>31.3.2022</b>	<b>31.3.2021</b>
	S\$'000	S\$'000
<b>Cash and cash equivalents comprise the following: -</b>		
Cash at banks	6,029	5,335
Short-term bank deposits	56,236	13,864
Cash and short-term bank deposits	62,265	19,199
Less: pledged deposits	(6,000)	(5,432)
Less: bank overdraft	(438)	(433)
	<b>55,827</b>	<b>13,334</b>

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		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
<b>At 1.1.2022</b>	<b>231,676</b>	<b>(549)</b>	<b>(165,412)</b>	<b>(114,874)</b>	<b>(49,159)</b>	<b>(98)</b>	<b>(49,257)</b>
Profit for the quarter	-	-	-	4,012	4,012	-	4,012
Foreign currency translation	-	-	756	1	757	(8)	749
Total comprehensive income/(loss) for the quarter	-	-	756	4,013	4,769	(8)	4,761
<b>At 31.3.2022</b>	<b>231,676</b>	<b>(549)</b>	<b>(164,656)</b>	<b>(110,861)</b>	<b>(44,390)</b>	<b>(106)</b>	<b>(44,496)</b>
<b>At 1.1.2021</b>	<b>231,676</b>	<b>(549)</b>	<b>(166,803)</b>	<b>(140,668)</b>	<b>(76,344)</b>	<b>(115)</b>	<b>(76,459)</b>
Loss for the quarter	-	-	-	(51,031)	(51,031)	(3)	(51,034)
Foreign currency translation	-	-	1,487	-	1,487	5	1,492
Total comprehensive income/(loss) for the quarter	-	-	1,487	(51,031)	(49,544)	2	(49,542)
<b>At 31.3.2021</b>	<b>231,676</b>	<b>(549)</b>	<b>(165,316)</b>	<b>(191,699)</b>	<b>(125,888)</b>	<b>(113)</b>	<b>(126,001)</b>

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
<b>Company</b>					
<b>At 1.1.2022</b>	<b>231,676</b>	<b>(549)</b>	<b>(49,004)</b>	<b>(79,533)</b>	<b>102,590</b>
Profit for the quarter	-	-	-	12	12
Foreign currency translation	-	-	(485)	-	(485)
Total comprehensive income/(loss) for the quarter	-	-	(485)	12	(473)
<b>At 31.3.2022</b>	<b>231,676</b>	<b>(549)</b>	<b>(49,489)</b>	<b>(79,521)</b>	<b>102,117</b>
<b>At 1.1.2021</b>	<b>231,676</b>	<b>(549)</b>	<b>(47,535)</b>	<b>(74,768)</b>	<b>108,824</b>
Profit for the quarter	-	-	-	244	244
Foreign currency translation	-	-	(1,248)	-	(1,248)
Total comprehensive income/(loss) for the quarter	-	-	(1,248)	244	(1,004)
<b>At 31.3.2021</b>	<b>231,676</b>	<b>(549)</b>	<b>(48,783)</b>	<b>(74,524)</b>	<b>107,820</b>

**Note A: Other reserves**

	Group		Company	
	3 months ended		3 months ended	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Foreign currency translation reserve	(48,299)	(48,863)	(49,489)	(48,783)
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)	-	-
	(164,656)	(165,316)	(49,489)	(48,783)

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	31.3.2022	31.3.2021
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.**

	<b>31.3.2022</b>	<b>31.12.2021</b>
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:-

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
Basic and diluted (cent)		
- Continuing operations	0.63	(7.53)
- Discontinued operations	(0.03)	(0.04)
- Continuing and discontinued operations	0.60	(7.57)
Based on weighted average number of shares ('000)	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**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.2022</b>	<b>31.12.2021</b>	<b>31.3.2022</b>	<b>31.12.2021</b>
Net (liabilities)/assets value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	(0.07)	(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 quarter.

The Group has at all times stay 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 and temperature screening at stores/head offices;
- (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; and
- (v) social distancing is being implemented at our stores and back offices;
- (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.

The COVID-19 pandemic continues to impact negatively (in a different degree in the regions where the Group operates) on the Group's financial performance / cash flows for the quarter ended 31 March 2022. Nevertheless, the Group has taken proactive steps, amongst others, to reduce costs including salary reduction and negotiation with landlords for rent waiver/reduction. 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;
- negotiating with its creditors/suppliers and financial institutions to restructure payment plan, where appropriate;
- implementing salary reduction and prioritising on essential services to contain costs;
- launching 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 with its suppliers to continue trading with Parkson stores amid this difficult time, and is, as usual negotiating on payment plan/arrangement.

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 31 March 2022, the Group's department store network comprised 39 (31 March 2021 : 43\*) stores spanning approximately 453,000 sqm of Gross Floor Area; 38 (31 March 2021 : 40) in Malaysia (435,000 sqm) and 1 (31 March 2021 : 3) in Vietnam (18,000 sqm).

\* Indonesia stores are excluded for comparative purpose.

### **Continuing operations**

#### Operating Results

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

	<b>Group</b>		
	<b>3 months ended</b>		
	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>+/(-)</b>
	S\$'000	S\$'000	%
<b>GSP</b>			
Sales of goods - direct sales	21,008	20,511	2.4
Sales of goods - concessionaire sales	114,220	78,962	44.7
Total merchandise sales	135,228	99,473	35.9
Consultancy / management service fees	94	55	70.9
Rental income	745	1,324	(43.7)
Food and beverage	417	345	20.9
GSP from continuing operations	136,484	101,197	34.9

The yoy increase in total merchandise sales by 35.9%, largely due to higher sales attained by the Malaysia operation as a result of the gradual recovery from the COVID-19 pandemic against some form of COVID-19 restrictions of the corresponding quarter. Merchandise sales mix remained largely concessionaire at 84.5% (FY2021: 79.4%) while contribution from direct sales was 15.5% (FY2021: 20.6%).

Consultancy and management service fees from managing a department store in Malaysia increased yoy by 70.9% due to higher sales attained by the department store. Rental income decreased yoy by 43.7% due mainly to rent rebate granted to tenant, exit of tenant from department store and the reduction in the Group's store count. Food and beverage operations registered a yoy increase in sales by 20.9%, due mainly to the gradual recovery from the COVID-19 pandemic against some form of COVID-19 restrictions of the corresponding quarter.

Merchandise gross profit margin stood at 25.9% (FY2021: 23.7%).

## Financial Results

### Revenue

The components of revenue are as follows:-

	<b>Group</b>		
	<b>3 months ended</b>		
	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>+/(-) %</b>
<b>Revenue</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Sales of goods - direct sales	21,008	20,511	2.4
Commission from concessionaire sales	28,952	19,694	47.0
Consultancy / management service fees	94	55	70.9
Rental income	745	1,324	(43.7)
Food and beverage	417	345	20.9
Revenue from continuing operations	51,216	41,929	22.1

### Other items of Income

Finance income increased yoy by 86.4%, due mainly to increase in interest income from fixed deposits.

### Expenses

Total expenses of the Group declined yoy by 51.3% and analysis of major expenses is as follows: -

#### *Changes in merchandise inventories and consumables*

Changes in merchandise inventories and consumables decreased yoy by 10.3%, largely due to higher gross profit margin attained.

#### *Employee related expense (staff costs)*

Staff costs declined yoy by 14.1%, largely in line with fewer headcount following the reduction in the Group's store count and was part of the Group's cost cutting exercise.

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

Depreciation of ROUA declined yoy by 42.6% due mainly to lower ROUA as a result of impairment in the previous years.

#### *Depreciation and amortisation expense*

Depreciation and amortisation expense decreased yoy by 12.4%, due mainly to lower property, plant and equipment as a result of impairment and write-off in the previous years.

#### *Promotional and advertising expense*

Promotional and advertising expenses declined yoy by 35.1% was part of the Group's cost cutting exercise.

#### *Operating lease expenses*

Operating lease expenses declined yoy by 51.6% was largely due to the Group's fewer store count.

### *Interest expense on lease liabilities*

Interest expense on lease liabilities declined yoy by 25.0% 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 quarter relates to a subsidiary in Indonesia placed under “Suspension of Debt Payment Obligation” status on 31 March 2021.

### *Other expenses*

Other expenses for the current quarter comprised mainly (a) selling and distribution expenses amounted to S\$1.4 million, (b) general and administrative expenses amounted to S\$3.3 million and (c) other operating expenses amounted to S\$1.3 million. The increase in other expenses was due mainly to the increase in selling and distribution expenses (fairly in line with higher revenue attained) as well as general and administrative expenses.

### Profit/(Loss) before tax

The Group recorded profit before tax for the current quarter of S\$6.7 million compared with loss before tax of S\$51.9 million of the corresponding quarter, generally due to the improved results of the Malaysia operation and huge impairment of property, plant and equipment and right-of-use assets in the corresponding quarter relating to a subsidiary in Indonesia placed under “Suspension of Debt Payment Obligation” status on 31 March 2021.

### Tax expense

For the current quarter, the Group recorded a tax expense of S\$2.4 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\$85.5 million as at 31 March 2022. NCL of the Group decreased by 16.6% from S\$102.6 million as at 31 December 2021 to S\$85.5 million as at 31 March 2022 due mainly to lower trade and other payables as well as lease liabilities. The negative equity of the Group decreased to S\$44.5 million as at 31 March 2022 from S\$49.3 million as at 31 December 2021 due to mainly to profit attained by the Group for the current quarter.

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.

Right-of-use assets declined to S\$161.8 million due mainly to depreciation and impairment.

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

Cash and short-term deposits decreased to S\$62.3 million due mainly to repayment to creditors.

Trade and other payables (current) decreased to S\$126.4 million due mainly to repayment to creditors.

Lease liabilities (current) decreased to S\$28.6 million due mainly to the deconsolidation of a subsidiary in Indonesia and derecognition of lease liabilities following the termination of tenancy agreements in Vietnam.

Provision for tax (current) increased to S\$1.0 million due to the taxable position of a subsidiary in Malaysia.

Accumulated losses reduced to S\$110.9 million due to profit after tax attained by the Group.

#### Group Cash Flow

For the current quarter, the Group recorded net cash inflow in operating activities of S\$12.2 million while net cash used in investing activities was S\$0.9 million and the Group recorded net cash used in financing activities of S\$17.6 million, resulting in a net decrease in cash and cash equivalents of S\$6.3 million (FY2021 : net increase in cash and cash equivalents of S\$0.7 million). The net decrease in cash and cash equivalents was generally due to repayment to creditors and payment of lease liabilities.

#### **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 22 February 2022.

##### Parkson Corporation Sdn Bhd

###### 1. Millenium Mall Sdn Bhd

Further to the previous quarterly announcement made on 22 February 2022, hearing of the MMSB's appeal against the Court's decision to allow PCSB's application to strike out the Suit was fixed on 26 August 2022.

###### 2. PKNS-Andaman Development Sdn Bhd

Further to the previous quarterly announcement made on 22 February 2022, the hearing date fixed on 4 April 2022 has been postponed to 28 September 2022.

##### Parkson Unlimited Beauty Sdn Bhd

There has been no further update since the previous quarterly announcement made on 22 February 2022.

##### Parkson Vietnam Co Ltd

Further to the previous quarterly announcement made on 22 February 2022, the Arbitral Award was accepted by the Department of Civil Judgement Enforcement of Ho Chi Minh City on 14 March 2022. On even date, PVC made a proposed payment plan to the Landlord, under which PVC will pay VND3 billion (approximately S\$0.2 million) monthly starting April 2022 till November 2022 and the balance of VND44.9 billion (approximately S\$2.7 million) shall be paid in December 2022. The Landlord has yet to reply to PVC if it agrees to the proposed payment plan arranged by PVC.

PVC is currently working with the Landlord on the handover of the premises to the Landlord and it is expected to be completed by May 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 22 February 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 containment of COVID-19 and the inflationary pressure (which in turn would affect consumers' sentiment) will continue to remain a concern to the Group's operating environment and performance for the financial year ending 31 December 2022.

The Group will continue to focus on rationalising its operations, improving store productivity and trimming 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 for the current quarter as the Company is still in an accumulated loss 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**			
3 months ended	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Gross Sales Proceeds</b>	134,076	95,813	1,981	2,341	-	2,689	427	354	136,484	101,197	-	7,231	136,484	108,428
<b>Revenue</b>	50,003	39,018	786	1,186	-	1,371	427	354	51,216	41,929	-	1,707	51,216	43,636
<b>Pre-tax Results</b>														
Department stores	8,230	(1,964)	(333)	(118)	-	(46,872)	-	-	7,897	(48,954)	(219)	(297)	7,678	(49,251)
Lifestyle retail stores	37	(1,809)	-	-	-	-	-	-	37	(1,809)	-	-	37	(1,809)
Other business	8,267	(3,773)	(333)	(118)	-	(46,872)	-	-	7,934	(50,763)	(219)	(297)	7,715	(51,060)
- food and beverage	-	-	-	-	-	-	(270)	(185)	(270)	(185)	-	-	(270)	(185)
Corporate expenses	-	-	-	-	-	-	(986)	(977)	(986)	(977)	-	-	(986)	(977)
<b>Reported pre-tax results</b>	<b>8,267</b>	<b>(3,773)</b>	<b>(333)</b>	<b>(118)</b>	<b>-</b>	<b>(46,872)</b>	<b>(1,256)</b>	<b>(1,162)</b>	<b>6,678</b>	<b>(51,925)</b>	<b>(219)</b>	<b>(297)</b>	<b>6,459</b>	<b>(52,222)</b>

\* 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.

## 15. Interested person transactions for the financial period ended 31 March 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 <sup>(1)</sup>	Associate of Tan Sri William Cheng Heng Jem, a director and controlling shareholder of the Company ("Tan Sri William Cheng")	-	1,198
Parkson Holdings Berhad Group <sup>(2)</sup>	Associate of Tan Sri William Cheng	264 <sup>(i)*</sup>	1,143 <sup>(ii)</sup>
Lion Posim Berhad <sup>(3)</sup>	Associate of Tan Sri William Cheng	-	62
Visionwell Sdn Bhd <sup>(4)</sup>	Associate of Tan Sri William Cheng	-	74

Notes:

- (1) (a) Marketing fee payable for bonus points issued and amount received/receivable for point redemption made by cardholders totaling S\$1.130 million; and  
(b) Purchase of goods and security equipment, and procurement of security service totaling S\$0.068 million;
- (2) (i) (a) Interest expense of S\$0.066 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\$0.168 million.  
(ii) (a) Rental income totaling S\$0.106 million; and  
(b) Net purchase of merchandise and concessionaire sales totaling S\$1.037 million.
- (3) Purchase of building materials and merchandise, sale of gift vouchers and rental income.
- (4) Rental of office space.

## 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 first quarter ended 31 March 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  
13 May 2022