



PARKSON RETAIL ASIA LIMITED

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

Unaudited Financial Statements for the Second Quarter and Six Months ended 31 December 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			6 Months ended		
	31.12.2018	31.12.2017	+/(-)	31.12.2018	31.12.2017	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	110,678	112,148	(1.3)	203,285	203,212	0.0
Other items of income						
- Finance income	110	142	(22.5)	281	410	(31.5)
- Other income	886	968	(8.5)	1,661	2,015	(17.6)
Items of expense						
- Changes in merchandise inventories and consumables	(46,966)	(47,818)	1.8	(90,366)	(88,658)	(1.9)
- Employee related expenses	(15,459)	(16,157)	4.3	(31,356)	(32,353)	3.1
- Depreciation and amortisation expenses	(5,904)	(6,692)	11.8	(11,741)	(13,392)	12.3
- Promotional and advertising expenses	(2,766)	(2,521)	(9.7)	(4,221)	(4,259)	0.9
- Rental expenses	(27,064)	(29,125)	7.1	(54,580)	(58,155)	6.1
- Finance costs	(184)	(62)	>-100	(284)	(101)	>-100
- Other expenses	(11,020)	(12,437)	11.4	(21,454)	(23,459)	8.5
Total expenses	(109,363)	(114,812)	4.7	(214,002)	(220,377)	2.9
Profit/ (Loss) before taxation	2,311	(1,554)	>100	(8,775)	(14,740)	40.5
Taxation	(2,606)	(1,864)	(39.8)	(2,629)	(1,946)	(35.1)
Loss for the period	(295)	(3,418)	91.4	(11,404)	(16,686)	31.7
Loss for the period attributable to:						
Owners of the Company	(264)	(3,071)	91.4	(11,394)	(15,997)	28.8
Non-controlling interests	(31)	(347)	91.1	(10)	(689)	98.5
	(295)	(3,418)	91.4	(11,404)	(16,686)	31.7

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

	Group					
	Quarter ended			6 Months ended		
	31.12.2018	31.12.2017	+/(-)	31.12.2018	31.12.2017	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss for the period	(295)	(3,418)	91.4	(11,404)	(16,686)	31.7
Other comprehensive income/ (loss):						
Foreign currency translation	781	911	14.3	(870)	(355)	>-100
Total comprehensive income/ (loss)	486	(2,507)	>100	(12,274)	(17,041)	28.0
Total comprehensive income/ (loss) attributable to:						
Owners of the Company	513	(2,064)	>100	(12,329)	(16,246)	24.1
Non-controlling interests	(27)	(443)	93.9	55	(795)	>100
	486	(2,507)	>100	(12,274)	(17,041)	28.0

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

	Group			
	Quarter ended		6 Months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
The following items have been included in arriving at profit/ (loss) before taxation:				
Allowance for doubtful debts				
- Amount due from managed stores (Vietnam)	-	145	-	217

1(b)(i) Statements of Financial Position

	Group		Company	
	31.12.2018	30.06.2018	31.12.2018	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	119,054	120,611	-	-
Land use right	7,356	7,497	-	-
Investments in subsidiaries	-	-	141,522	134,289
Investment in an associate	-	-	-	-
Deferred tax assets	2,561	2,605	-	-
Other receivables	21,049	22,092	-	-
Prepayments	1,330	1,340	-	-
Intangible assets	917	1,081	-	-
Investment securities	77	79	-	-
	152,344	155,305	141,522	134,289
Current assets				
Inventories	59,244	58,226	-	-
Trade and other receivables	22,861	25,529	7,596	15,674
Prepayments	3,415	3,085	15	12
Tax recoverable	2,675	2,779	-	-
Cash and short-term deposits	52,990	40,857	53	287
	141,185	130,476	7,664	15,973
Total assets	293,529	285,781	149,186	150,262
Current liabilities				
Trade and other payables	173,196	166,441	1,184	1,168
Other liabilities	36,982	29,251	-	-
Provisions	2,364	2,041	-	-
Loans and borrowings	4,582	3,635	-	-
	217,124	201,368	1,184	1,168
Net current (liabilities)/assets	(75,939)	(70,892)	6,480	14,805
Non-current liabilities				
Other payables	5,466	6,116	-	-
Other liabilities	20,914	21,288	-	-
Provisions	7,348	7,658	-	-
Loans and borrowings	5,853	242	3,132	-
Deferred tax liabilities	442	453	442	453
	40,023	35,757	3,574	453
Total liabilities	257,147	237,125	4,758	1,621
Net assets	36,382	48,656	144,428	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	(169,664)	(165,902)	(46,949)	(43,284)
Accumulated losses	(25,041)	(13,647)	(39,750)	(39,202)
	36,422	51,578	144,428	148,641
Non-controlling interests	(40)	(2,922)	-	-
Total equity	36,382	48,656	144,428	148,641

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

	Group			
	31.12.2018		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	-	-	152	-
- Bankers' acceptance	2,808	-	1,718	-
- Finance leases	481	-	459	-
- Loan from owner of a managed store (Vietnam)	-	1,293	-	1,306
	3,289	1,293	2,329	1,306
Amount repayable after one year				
- Finance leases	84	-	242	-
- Loan from ultimate holding company	-	5,769	-	-
	84	5,769	242	-

Bank overdraft and bankers' acceptance are secured by short-term deposit of S\$2.0 million (RM6.0 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		6 Months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit/ (Loss) before taxation	2,311	(1,554)	(8,775)	(14,740)
Adjustments for				
- Depreciation and amortisation	5,904	6,692	11,741	13,392
- Finance costs	184	62	284	101
- Finance income	(110)	(142)	(281)	(410)
- Allowance for doubtful debts	187	146	234	223
- Unrealised currency translation loss	-	4	2	7
- Property, plant and equipment ("PPE") written off	29	576	49	576
- Others	(560)	(57)	995	768
Operating cash flows before changes in working capital	7,945	5,727	4,249	(83)
Changes in working capital				
- Inventories	(2,715)	1,117	(3,097)	2,804
- Receivables and prepayments	5,208	(3,556)	1,756	(11,908)
- Payables and other liabilities	41,094	31,543	24,508	4,292
Cash flows used in operations	51,532	34,831	27,416	(4,895)
Interest received	81	291	252	337
Interest paid	(184)	(24)	(284)	(24)
Income tax (paid)/refunded	(1,233)	(1,429)	(2,530)	(1,135)
Net cash generated from/ (used in) operating activities	50,196	33,669	24,854	(5,717)

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

	Group			
	Quarter ended		6 Months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Purchase of property, plant and equipment	(12,647)	(6,160)	(18,322)	(16,211)
Addition of intangible assets	-	(13)	-	(206)
Dividend income from investment securities	35	41	35	41
Net cash used in investing activities	(12,612)	(6,132)	(18,287)	(16,376)
Financing activities				
Loan from ultimate holding company	5,769	-	5,769	-
Proceeds from bank borrowings	2,249	3,028	4,023	3,028
Repayment of obligations under finance lease	(126)	-	(235)	-
Repayment of bank borrowings	(1,530)	-	(3,040)	-
Increase in pledge deposits	(493)	-	(1,319)	-
Net cash generated from financing activities	5,869	3,028	5,198	3,028
Net increase/ (decrease) in cash and cash equivalents	43,453	30,565	11,765	(19,065)
Cash and cash equivalents at beginning of financial period	7,734	13,155	40,029	63,387
Effects of currency translation on cash and cash equivalents	(175)	631	(782)	29
Cash and cash equivalents at end of financial period	51,012	44,351	51,012	44,351
			31.12.2018	31.12.2017
			S\$'000	S\$'000
Cash and cash equivalents comprise the following:				
Cash at bank			29,522	23,150
Short-term bank deposits			23,468	21,530
Cash and short-term deposits			52,990	44,680
Less: pledged deposit			(1,978)	-
Less: bank overdraft			-	(329)
			51,012	44,351

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	-	-	-	(11,394)	(11,394)	(10)	(11,404)
Foreign currency translation	-	-	(935)	-	(935)	65	(870)
Total comprehensive income/ (loss) for the period	-	-	(935)	(11,394)	(12,329)	55	(12,274)
Acquisition of non-controlling interests	-	-	(2,827)	-	(2,827)	2,827	-
At 31.12.2018	231,676	(549)	(169,664)	(25,041)	36,422	(40)	36,382
At 01.07.2017	231,676	(549)	(166,169)	28,900	93,858	(3,558)	90,300
Loss for the period	-	-	-	(15,997)	(15,997)	(689)	(16,686)
Foreign currency translation	-	-	(249)	-	(249)	(106)	(355)
Total comprehensive loss for the period	-	-	(249)	(15,997)	(16,246)	(795)	(17,041)
At 31.12.2017	231,676	(549)	(166,418)	12,903	77,612	(4,353)	73,259

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 01.07.2018	231,676	(549)	(43,284)	(39,202)	148,641
Loss for the period	-	-	-	(548)	(548)
Foreign currency translation	-	-	(3,665)	-	(3,665)
Total comprehensive loss for the period	-	-	(3,665)	(548)	(4,213)
At 31.12.2018	231,676	(549)	(46,949)	(39,750)	144,428
At 01.07.2017	231,676	(549)	(51,046)	(31,748)	148,333
Loss for the period	-	-	-	(866)	(866)
Foreign currency translation	-	-	3,748	-	3,748
Total comprehensive income/ (loss) for the period	-	-	3,748	(866)	2,882
At 31.12.2017	231,676	(549)	(47,298)	(32,614)	151,215

Note A: Other reserves

	Group		Company	
	6 Months ended		6 Months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$000	S\$000	S\$000	S\$000
Foreign currency translation reserve	(53,109)	(52,625)	(46,949)	(47,298)
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)	-	-
	(169,664)	(166,418)	(46,949)	(47,298)

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	31.12.2018	31.12.2017
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.

	31.12.2018	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 31 December 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		6 Months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Basic and diluted (cents)	(0.04)	(0.46)	(1.69)	(2.37)
Based on weighted average number of shares ('000)	673,800	673,800	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	
	31.12.2018	30.06.2018	31.12.2018	30.06.2018
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	0.05	0.07	0.21	0.22

8. Review of Group Performance

Business Environments

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

SSSG	Quarter ended		6 Months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Malaysia	4.6%	-1.7%	5.2%	-4.0%
Vietnam	-19.6%	-2.3%	-18.2%	-4.9%
Indonesia	-0.7%	-2.1%	-0.2%	-8.0%

Malaysia operations recorded SSSG of +4.6% in Q2FY2019, mainly due to the efforts to optimise the operational efficiency of the existing stores following the closure of underperforming stores in FY2018. This was also due to the improved consumer sentiment index (“CSI”) which was above the 100-point optimism threshold as reported by the Malaysia Institute of Economic Research.

Vietnam operations recorded negative SSSG of -19.6% in Q2FY2019 as the retail scene in the country has become increasingly competitive.

Indonesia operations recorded SSSG of -0.7% in Q2FY2019. The improvement as compared to Q2FY2018 was 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 the macro level. Three underperforming stores in Vietnam, Indonesia and Myanmar were closed during Q2FY2019.

As at 31 December 2018, the Group’s department store network comprises 66 stores spanning approximately 786,000 sqm of Gross Floor Area – 45 in Malaysia (548,000 sqm), 5 in Vietnam (88,000 sqm), and 16 in Indonesia (150,000 sqm).

Operational Results

Gross Sales Proceeds ("GSP") of the Group recorded a yoy decline (2.5)% for Q2FY2019, and (2.8)% for 6MFY2019. The components of GSP are as follows: -

	Group					
	Quarter ended			6 Months ended		
	31.12.2018	31.12.2017	+/(-)	31.12.2018	31.12.2017	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
GSP						
Sales of goods - direct sales	63,092	62,107	1.6	117,901	113,297	4.1
Sales of goods - concessionaire sales	182,903	190,011	(3.7)	319,273	336,874	(5.2)
Total merchandise sales	245,995	252,118	(2.4)	437,174	450,171	(2.9)
Consultancy / management service fees	223	153	45.8	402	233	72.5
Rental income	3,509	4,445	(21.1)	7,031	8,154	(13.8)
Food and beverage	1,069	629	70.0	2,119	1,181	79.4
Theme park and education centre	-	9	(100.0)	-	41	(100.0)
Total GSP	250,796	257,354	(2.5)	446,726	459,780	(2.8)

The Group generated total merchandise sales of S\$246.0 million for Q2FY2019, and S\$437.2 million for 6MFY2019. Merchandise sales mix remains largely concessionaire at 73.0% (6MFY2018: 74.8%), though contribution from direct sales has increased yoy to 27.0% (6MFY2018: 25.2%) 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 6MFY2019 has increased to 23.9% (6MFY2018: 23.5%).

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 strong 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			6 Months ended		
	31.12.2018	31.12.2017	+/(-)	31.12.2018	31.12.2017	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Sale of goods - direct sales	63,092	62,107	1.6	117,901	113,297	4.1
Commission from concessionaire sales	42,785	44,805	(4.5)	75,832	80,306	(5.6)
Consultancy / management service fees	223	153	45.8	402	233	72.5
Rental income	3,509	4,445	(21.1)	7,031	8,154	(13.8)
Food and beverage	1,069	629	70.0	2,119	1,181	79.4
Theme park and education centre	-	9	(100.0)	-	41	(100.0)
Total revenue	110,678	112,148	(1.3)	203,285	203,212	0.0

Other items of Income

Other income declined yoy by (17.6)% for 6MFY2019 to S\$1.7 million, mainly as a result of lesser foreign exchange gain. Finance income declined yoy by (31.5)% for 6MFY2019 due to lesser fixed deposit placement with the bank.

Expenses

Total expenses of the Group declined yoy by (2.9)% at S\$214.0 million for 6MFY2019. Analysis of major expense items is as follows: -

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables increased yoy by 1.9% to S\$90.4 million for 6MFY2019. 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 (3.1)% to S\$31.4 million for 6MFY2019. 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 (12.3)% to S\$11.7 million for 6MFY2019. 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 increased yoy by 9.7% to S\$2.8 million for Q2FY2019 and increased slightly by 0.9% for 6MFY2019. The increase is mainly driven by intensified festive promotional activities in Q2FY2019.

Rental expenses

Rental expenses decreased yoy by (6.1)% to S\$54.6 million for 6MFY2019. 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\$0.3 million for 6MFY2019. The increase is line with the Group's drawdown of bank borrowings and loan from ultimate holding company.

Other expenses

Other expenses comprise mainly (a) selling and distribution expenses; and (b) general and administrative expenses. Other expenses declined yoy by (8.5)% to S\$21.5 million for 6MFY2019, largely in line with the store closures and disposal of the Group's investment in a loss making subsidiary in FY2018.

Pre-tax Profit/ (Loss)

The Group recorded pre-tax profit of S\$2.3 million for Q2FY2019 (Q2FY2018: S\$(1.6) million) and pre-tax loss of S\$(8.8) million for 6MFY2019 (6MFY2018: S\$(14.7) million). The significant improvement largely contributed by the operations in Malaysia, 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

Despite recording pre-tax loss, the Group recorded tax expenses of S\$2.6 million in 6MFY2019 as some of its subsidiaries are in taxable position. No deferred tax benefits were recognised on losses incurred during the current financial period.

Net Loss Attributable to Owners of the Company

The Group recorded attributable net loss of S\$(0.3) million for Q2FY2019, and S\$(11.4) million for 6MFY2019.

Group Balance Sheet

The Group is in a net current liabilities ("NCL") position of S\$(75.9) million as at 31 December 2018. NCL of the Group increased 7.1% from its 30 June 2018 position mainly as a result of operating loss recorded for 6MFY2019. 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) increased to S\$3.4 million mainly on account of prepaid insurance and store rental.

Cash balance of the Group increased 29.7% to S\$53.0 million as at 31 December 2018. The higher balance is mainly contributed by the operation in Malaysia.

Other liabilities (current) increased to S\$37.0 million, primarily on capital expenditure incurred for new stores opened in Q2FY2019.

Non-controlling interests declined by (98.6)% 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 inflow in operating activities of S\$24.9 million for 6MFY2019. Net cash used in investing activities increased to S\$(18.3) million in 6MFY2019, mainly due to the capital expenditures for new stores which opened in Q2FY2019. The Group recorded net cash generated from financing activities of S\$5.2 million, mainly on the drawing down of loan from ultimate holding company 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 31 October 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.

The Group's operating environment for the second half of FY2019 is expected to remain challenging, but expected to benefit from the festive retail buying arising from the Chinese New Year and Lebaran celebrations. 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 31 December 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
6 months ended 31.12.2018							
Gross Sales Proceeds	337,314	39,626	66,053	1,458	-	2,275	446,726
Revenue	166,533	10,938	22,827	712	-	2,275	203,285
Pre-tax Results							
Department stores	4,852	(2,322)	(2,328)	(1,594)	(89)	-	(1,481)
Other retail stores	(2,884)	-	-	-	-	-	(2,884)
Retailing	1,968	(2,322)	(2,328)	(1,594)	(89)	-	(4,365)
Other businesses	-	-	-	-	-	(1,553)	(1,553)
- food and beverage	-	-	-	-	-	(2,857)	(2,857)
Corporate expenses	-	-	-	-	-	(2,857)	(2,857)
Reported pre-tax results	1,968	(2,322)	(2,328)	(1,594)	(89)	(4,410)	(8,775)

Group	Retailing						Total
	Malaysia	Vietnam	Indonesia	Myanmar	Cambodia	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
6 months ended 31.12.2017							
Gross Sales Proceeds	325,639	53,420	78,015	1,357	-	1,349	459,780
Revenue	159,546	14,010	27,627	680	-	1,349	203,212
Pre-tax Results							
Department stores	1,072	(1,469)	(4,334)	(862)	(169)	-	(5,762)
Other retail stores	(2,721)	-	-	-	-	-	(2,721)
Discontinued retail stores*	(1,760)	-	-	-	-	-	(1,760)
Retailing	(3,409)	(1,469)	(4,334)	(862)	(169)	-	(10,243)
Other businesses	-	-	-	-	-	(1,592)	(1,592)
- food and beverage	-	-	-	-	-	(582)	(582)
- theme park and education centre (discontinued)	-	-	-	-	-	(582)	(582)
Corporate expenses	-	-	-	-	-	(2,323)	(2,323)
Reported pre-tax results	(3,409)	(1,469)	(4,334)	(862)	(169)	(4,497)	(14,740)

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

14. Interested person transactions for the financial period ended 31 December 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⁾	-	159
Parkson Holdings Berhad Group ⁽²⁾	395 ⁽ⁱ⁾	2,829 ⁽ⁱⁱ⁾
Secom (M) Sdn Bhd ⁽³⁾	-	169
Visionwell Sdn Bhd ⁽⁴⁾	-	100
Bonuskad Loyalty Sdn Bhd ⁽⁵⁾	-	3,465
PT Monica Hijaulestari ⁽⁶⁾	-	639
WatchMart (M) Sdn Bhd ⁽⁶⁾	-	88

Notes:

- (1) Purchase of building materials and merchandise, and sale of gift vouchers.
- (2) (i) (a) Royalty expenses, service charge income, rental expenses, rental income, and store management fee totaling S\$0.32 million from 1 Jul 2018 to 31 Oct 2018;
(b) Interest expenses of S\$0.08 million in relation to the loan from ultimate holding company.
- (ii) (a) Royalty expenses, service charge income, rental expenses, rental income, and store management fee totaling S\$0.20 million from 1 Nov 2018 to 31 Dec 2018;
(b) Net purchase of merchandises and concessionaire sales, and sale of gift vouchers totaling S\$2.62 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 Second Quarter ended and Six Months ended 31 December 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
29 January 2019