



PARKSON RETAIL ASIA LIMITED

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

**Unaudited Condensed Interim Financial Statements for the
Third Quarter and Nine Months ended 30 September 2024**

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.

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For the third quarter and nine months ended 30 September 2024

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group					
		Quarter ended			Period ended		
		30.09.2024	30.09.2023	+ / (-)	30.09.2024	30.09.2023	+ / (-)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Continuing operations</u>							
Revenue	5	45,729	47,135	(3.0)	156,358	163,947	(4.6)
Other items of income							
- Finance income		830	568	46.1	2,836	2,150	31.9
- Other income		564	734	(23.2)	1,942	2,201	(11.8)
Items of expense							
- Changes in merchandise inventories and consumables		(16,156)	(17,145)	(5.8)	(49,406)	(52,126)	(5.2)
- Employee related expense		(8,823)	(8,363)	5.5	(27,455)	(26,440)	3.8
- Depreciation of right-of-use assets		(9,151)	(7,766)	17.8	(26,657)	(24,315)	9.6
- Depreciation of property, plant and equipment		(1,535)	(1,344)	14.2	(4,539)	(4,633)	(2.0)
- Promotional and advertising expense		(245)	(158)	55.1	(874)	(630)	38.7
- Operating lease expenses		(809)	(1,786)	(54.7)	(3,105)	(5,863)	(47.0)
- Interest expense on lease liabilities		(2,961)	(2,950)	0.4	(8,756)	(9,126)	(4.1)
- Finance costs		(65)	(32)	>100	(174)	(104)	67.3
- Other expenses		(4,727)	(4,501)	5.0	(14,249)	(15,374)	(7.3)
Total expenses		(44,472)	(44,045)	1.0	(135,215)	(138,611)	(2.5)
Profit from continuing operations, before tax	7	2,651	4,392	(39.6)	25,921	29,687	(12.7)
Income tax expense	8	(1,126)	(1,314)	(14.3)	(7,578)	(7,953)	(4.7)
Profit from continuing operations, net of tax		1,525	3,078	(50.5)	18,343	21,734	(15.6)
<u>Discontinued operations</u>							
Loss from discontinued operations, net of tax		(2)	(416)	(99.5)	(5)	(1,046)	(99.5)
Profit for the period, net of tax		1,523	2,662	(42.8)	18,338	20,688	(11.4)
Other comprehensive income							
- Foreign currency translation		5,451	612	>100	2,784	(994)	>100
Total comprehensive income		6,974	3,274	>100	21,122	19,694	7.3
<u>Profit/(loss) attributable to:</u>							
<u>Owners of the Company</u>							
Profit from continuing operations, net of tax		1,526	3,082	(50.5)	18,346	21,738	(15.6)
Loss from discontinued operations, net of tax		(2)	(416)	(99.5)	(5)	(1,046)	(99.5)
<u>Non-controlling interests</u>							
Loss from continuing operations, net of tax		(1)	(4)	(75.0)	(3)	(4)	(25.0)
		1,523	2,662	(42.8)	18,338	20,688	(11.4)
<u>Total comprehensive income attributable to:</u>							
Owners of the Company		6,983	3,279	>100	21,129	19,699	7.3
Non-controlling interests		(9)	(5)	80.0	(7)	(5)	40.0
		6,974	3,274	>100	21,122	19,694	7.3
<u>Earnings/(loss) per share for profit/(loss) attributable to owners of the Company</u>							
Basic and diluted (cent):							
- Continuing operations		0.23	0.46	(50.0)	2.72	3.23	(15.8)
- Discontinued operations		-	(0.06)	(100)	-	(0.16)	(100)
- Continuing and discontinued operations		0.23	0.40	(42.5)	2.72	3.07	(11.4)

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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30.09.2024	31.12.2023	30.09.2024	31.12.2023
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	10	17,646	17,448	-	-
Right-of-use assets	11	133,493	130,435	-	-
Investment in subsidiaries		-	-	120,057	110,759
Deferred tax assets		5,987	5,523	-	-
Other receivables	12	4,543	4,210	-	-
Prepayments		16	23	-	-
Intangible assets		59	54	-	-
Investment security	13	267	246	-	-
		162,011	157,939	120,057	110,759
Current assets					
Inventories		26,261	23,123	-	-
Trade and other receivables		6,330	10,551	8,174	-
Prepayments		985	1,374	-	-
Tax recoverable		42	46	-	-
Cash and short-term deposits	14	100,647	102,075	2	1,200
		134,265	137,169	8,176	1,200
Total assets		296,276	295,108	128,233	111,959
Current liabilities					
Trade and other payables		82,039	106,172	32,973	23,065
Other liabilities		8,281	11,265	252	743
Contract liabilities		6,225	6,201	-	-
Provisions		2,704	1,170	-	-
Tax payables		1,512	1,968	-	-
Loans and borrowings	15	1,755	1,895	-	-
Lease liabilities		39,942	34,795	-	-
		142,458	163,466	33,225	23,808
Net current liabilities		(8,193)	(26,297)	(25,049)	(22,608)
Non-current liabilities					
Other payables		345	164	-	-
Provisions		5,161	5,411	-	-
Lease liabilities		116,545	115,422	-	-
		122,051	120,997	-	-
Total liabilities		264,509	284,463	33,225	23,808
Net assets		31,767	10,645	95,008	88,151
Equity attributable to owners of the Company					
Share capital	16	231,676	231,676	231,676	231,676
Treasury shares	16	(549)	(549)	(549)	(549)
Other reserves		(158,088)	(160,595)	(53,036)	(60,396)
Accumulated losses		(41,174)	(59,796)	(83,083)	(82,580)
		31,865	10,736	95,008	88,151
Non-controlling interests		(98)	(91)	-	-
Total equity		31,767	10,645	95,008	88,151

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C. Condensed Interim Statements of Changes in Equity

	Attributable to owners of the Company					Non-controlling interests	Equity, total
	Share capital (Note 16)	Treasury shares (Note 16)	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
Group							
At 01.01.2024	231,676	(549)	(160,595)	(59,796)	10,736	(91)	10,645
Profit/(loss) for the period	-	-	-	18,341	18,341	(3)	18,338
Foreign currency translation	-	-	2,507	281	2,788	(4)	2,784
Total comprehensive income/(loss) for the period	-	-	2,507	18,622	21,129	(7)	21,122
At 30.09.2024	231,676	(549)	(158,088)	(41,174)	31,865	(98)	31,767
At 01.01.2023	231,676	(549)	(161,908)	(86,119)	(16,900)	(101)	(17,001)
Profit/(loss) for the period	-	-	-	20,692	20,692	(4)	20,688
Foreign currency translation	-	-	(993)	-	(993)	(1)	(994)
Total comprehensive (loss)/income for the period	-	-	(993)	20,692	19,699	(5)	19,694
At 30.09.2023	231,676	(549)	(162,901)	(65,427)	2,799	(106)	2,693

	Share capital (Note 16)	Treasury shares (Note 16)	Other reserves (Note A)	Accumulated losses	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company					
At 01.01.2024	231,676	(549)	(60,396)	(82,580)	88,151
Loss for the period	-	-	-	(503)	(503)
Foreign currency translation	-	-	7,360	-	7,360
Total comprehensive income/(loss) for the period	-	-	7,360	(503)	6,857
At 30.09.2024	231,676	(549)	(53,036)	(83,083)	95,008
At 01.01.2023	231,676	(549)	(55,183)	(80,631)	95,313
Loss for the period	-	-	-	(324)	(324)
Foreign currency translation	-	-	(4,101)	-	(4,101)
Total comprehensive loss for the period	-	-	(4,101)	(324)	(4,425)
At 30.09.2023	231,676	(549)	(59,284)	(80,955)	90,888

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C. Condensed Interim Statements of Changes in Equity (Cont'd)

Note A: Other reserves

	Group		Company	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Foreign currency translation reserve	(40,539)	(46,544)	(53,036)	(59,284)
Fair value of financial assets at fair value through other comprehensive income	198	198	-	-
Capital redemption reserve	-	1	-	-
Acquisition reserve	(2,827)	(2,762)	-	-
Capital contribution from ultimate holding company	8,833	9,959	-	-
Merger reserve	(123,753)	(123,753)	-	-
	(158,088)	(162,901)	(53,036)	(59,284)

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D. Condensed Interim Consolidated Statement of Cash Flows

	Group			
	Quarter ended		Period ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Operating activities</u>				
Profit before tax from continuing operations	2,651	4,392	25,921	29,687
Loss before tax from discontinued operations	(2)	(416)	(5)	(1,046)
Profit before tax	2,649	3,976	25,916	28,641
Adjustments for:				
- Depreciation of property, plant and equipment ("PPE")	1,535	1,344	4,539	4,633
- PPE written off	12	171	21	190
- Gain on disposal of PPE	-	-	(14)	(7)
- Depreciation of right-of-use assets	9,151	7,766	26,657	24,315
- (Write-back of)/Allowance for trade and other receivables	(3)	(1)	(3)	7
- Allowance for inventory shrinkages	300	321	373	417
- Unrealised currency exchange gain	(3)	-	(3)	-
- Interest expense on lease liabilities	2,961	3,195	8,756	10,432
- Finance costs	65	32	174	104
- Finance income	(830)	(799)	(2,837)	(3,547)
Operating cash flows before changes in working capital	15,837	16,005	63,579	65,185
Changes in working capital:				
- Inventories	(955)	(2,074)	(1,483)	(4,226)
- Receivables and prepayments	439	(687)	3,970	880
- Payables and other liabilities	(6,400)	(20,317)	(31,463)	(43,084)
Cash generated from/(used in) operations	8,921	(7,073)	34,603	18,755
Interest received	790	567	2,720	2,150
Interest paid	(17)	(31)	(36)	(331)
Income tax paid	(3,152)	(4,656)	(8,140)	(9,264)
Net cash generated from/(used in) operating activities	6,542	(11,193)	29,147	11,310
<u>Investing activities</u>				
Proceeds from disposal of PPE	2	-	26	10
Purchase of PPE	(1,974)	(914)	(4,197)	(2,612)
Proceeds from net investments in sublease	21	591	128	2,979
Net cash (used in)/generated from investing activities	(1,951)	(323)	(4,043)	377
<u>Financing activities</u>				
Interest paid	(2,962)	(3,170)	(8,757)	(10,132)
Proceeds from bank borrowings	1,483	760	2,271	2,276
Repayment of bank borrowings	(704)	(2,456)	(2,570)	(4,361)
Repayment of loan to ultimate holding company	-	-	-	(2,059)
Payment of principal portion of lease liabilities	(8,720)	(7,397)	(25,216)	(23,642)
Decrease in pledged deposits	(156)	(11)	(156)	(3,397)
Net cash used in financing activities	(11,059)	(12,274)	(34,428)	(41,315)
Net decrease in cash and cash equivalents	(6,468)	(23,790)	(9,324)	(29,628)
Cash and cash equivalents at beginning of the quarter/period	89,678	89,421	92,585	97,294
Effects of currency translation on cash and cash equivalents	7,341	752	7,290	(1,283)
Cash and cash equivalents at end of the quarter/period (Note 14)	90,551	66,383	90,551	66,383

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E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Parkson Retail Asia Limited (the “**Company**”) is a public listed company incorporated in Singapore and is listed on the SGX-ST.

These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2024 comprise the financial statements of the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are:

- a. Operation of department stores;
- b. Trading of apparels and consumer products; and
- c. Investment holding and others.

2. Going concern basis

The management continues to review the appropriateness of the going concern and the Directors of the Company are of the view that it is appropriate to prepare the Group’s financial statements on a going concern on the following bases:

- i. the Group is able to generate sufficient cash flows from its operations to pay its liabilities as and when they fall due;
- ii. the management manages cashflow of the subsidiaries on overall Group basis, where necessary;
- iii. there are no changes in the credit terms granted by suppliers and the Group intends to adhere to the average trade payable turnover days consistent with prior years; and
- iv. the Group has cash and short-term deposits of S\$100,647,000 as at 30 September 2024.

3. Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1.

The financial statements are presented in Singapore Dollar (“S\$”), rounded to the nearest thousand (“S\$’000”), unless otherwise stated.

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3. Basis of preparation (cont'd)

3.1. New and amended standards adopted by the Group

The Group has considered the following standards that have been issued and effective for annual periods beginning on or after 1 January 2024, where applicable:

Amendments to SFRS(I):

SFRS(I) 1-1 *Classification of Liabilities as Current or Non-Current*

SFRS(I) 1-1 *Non-current liabilities with Covenants*

SFRS(I) 16 *Lease Liability in a Sale and Leaseback*

SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*

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

3.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4. Seasonal operations

The Group's retail operations generally performed better with higher sales generated during festive and holiday seasons.

5. Segment and revenue information

The Group has two operating segments, the operation and management of (i) retail stores; and (ii) investment holding and others.

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5. Segment and revenue information (cont'd)

5.1. Reportable segments

Quarter ended 30 September 2024	Continuing operations			Discontinued operations	Consolidated Total S\$'000
	Retail stores Malaysia S\$'000	Investment holding and others S\$'000	Total S\$'000	Retail store Vietnam S\$'000	
Revenue:					
Sales to external customers	44,996	733	45,729	-	45,729
Segment results:					
Depreciation and amortisation expenses:					
- Right-of-use assets	(9,104)	(47)	(9,151)	-	(9,151)
- Property, plant and equipment	(1,532)	(3)	(1,535)	-	(1,535)
Operating lease expenses	(803)	(6)	(809)	(1)	(810)
Finance income	830	-	830	-	830
Interest and finance costs	(3,021)	(5)	(3,026)	-	(3,026)
Income tax expense	(1,126)	-	(1,126)	-	(1,126)
Segment profit/(loss)	2,455	(930)	1,525	(2)	1,523
Other segment information:					
Additions to non-current assets	1,539	8	1,547	-	1,547
Segment assets	285,826	3,121	288,947	525	289,472
Segment liabilities	254,298	8,093	262,391	516	262,907

Quarter ended 30 September 2023	Continuing operations			Discontinued operations	Consolidated Total S\$'000
	Retail stores Malaysia S\$'000	Investment holding and others S\$'000	Total S\$'000	Retail store Vietnam S\$'000	
Revenue:					
Sales to external customers	46,527	608	47,135	255	47,390
Segment results:					
Depreciation and amortisation expenses:					
- Right-of-use assets	(7,729)	(37)	(7,766)	-	(7,766)
- Property, plant and equipment	(1,342)	(2)	(1,344)	-	(1,344)
Operating lease expenses	(1,772)	(14)	(1,786)	(229)	(2,015)
Finance income	567	1	568	231	799
Interest and finance costs	(2,979)	(3)	(2,982)	(245)	(3,227)
Income tax expense	(1,314)	-	(1,314)	-	(1,314)
Segment profit/(loss)	3,966	(888)	3,078	(416)	2,662
Other segment information:					
Additions to non-current assets	2,385	1	2,386	-	2,386
Segment assets	250,879	4,107	254,986	32,228	287,214
Segment liabilities	241,993	12,707	254,700	35,905	290,605

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5. Segment and revenue information (cont'd)

5.1. Reportable segments (cont'd)

Period ended 30 September 2024	Continuing operations			Discontinued operations	Consolidated Total S\$'000
	Retail stores Malaysia S\$'000	Investment holding and others S\$'000	Total S\$'000	Retail store Vietnam S\$'000	
Revenue:					
Sales to external customers	154,396	1,962	156,358	-	156,358
Segment results:					
Depreciation and amortisation expenses:					
- Right-of-use assets	(26,519)	(138)	(26,657)	-	(26,657)
- Property, plant and equipment	(4,534)	(5)	(4,539)	-	(4,539)
Operating lease expenses	(3,094)	(11)	(3,105)	(3)	(3,108)
Finance income	2,836	-	2,836	1	2,837
Interest and finance costs	(8,895)	(35)	(8,930)	-	(8,930)
Income tax expense	(7,578)	-	(7,578)	-	(7,578)
Segment profit/(loss)	22,824	(4,481)	18,343	(5)	18,338
Other segment information:					
Additions to non-current assets	4,739	42	4,781	-	4,781
Segment assets	285,826	3,121	288,947	525	289,472
Segment liabilities	254,298	8,093	262,391	516	262,907

Period ended 30 September 2023	Continuing operations			Discontinued operations	Consolidated Total S\$'000
	Retail stores Malaysia S\$'000	Investment holding and others S\$'000	Total S\$'000	Retail store Vietnam S\$'000	
Revenue:					
Sales to external customers	162,305	1,642	163,947	1,406	165,353
Segment results:					
Depreciation and amortisation expenses:					
- Right-of-use assets	(24,203)	(112)	(24,315)	-	(24,315)
- Property, plant and equipment	(4,631)	(2)	(4,633)	-	(4,633)
Operating lease expenses	(5,830)	(33)	(5,863)	(1,067)	(6,930)
Finance income	2,149	1	2,150	1,397	3,547
Interest and finance costs	(9,189)	(41)	(9,230)	(1,306)	(10,536)
Income tax expense	(7,953)	-	(7,953)	-	(7,953)
Segment profit/(loss)	25,890	(4,156)	21,734	(1,046)	20,688
Other segment information:					
Additions to non-current assets	11,167	140	11,307	24	11,331
Segment assets	250,879	4,107	254,986	32,228	287,214
Segment liabilities	241,993	12,707	254,700	35,905	290,605

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5. Segment and revenue information (cont'd)

5.2. Disaggregation of revenue

	Continuing operations Malaysia		Discontinued operations Vietnam		Total		
	Quarter ended	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods - direct sales		21,611	24,052	-	-	21,611	24,052
Commissions from concessionaire sales		22,932	22,006	-	247	22,932	22,253
Food and beverage		733	608	-	-	733	608
Others		93	89	-	-	93	89
Revenue from contracts with customers		45,369	46,755	-	247	45,369	47,002
Rental income		360	380	-	8	360	388
Total revenue		45,729	47,135	-	255	45,729	47,390
Timing of transfer of goods or services							
Total revenue from contracts with customers - at point in time		45,369	46,755	-	247	45,369	47,002

	Continuing operations Malaysia		Discontinued operations Vietnam		Total		
	Period ended	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods - direct sales		68,408	75,349	-	-	68,408	75,349
Commissions from concessionaire sales		84,567	85,404	-	1,197	84,567	86,601
Food and beverage		1,962	1,642	-	-	1,962	1,642
Others		340	316	-	-	340	316
Revenue from contracts with customers		155,277	162,711	-	1,197	155,277	163,908
Rental income		1,081	1,236	-	209	1,081	1,445
Total revenue		156,358	163,947	-	1,406	156,358	165,353
Timing of transfer of goods or services							
Total revenue from contracts with customers - at point in time		155,277	162,711	-	1,197	155,277	163,908

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2024 and 31 December 2023:

	Group		Company	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade and other receivables	9,991	13,884	8,174	-
Cash and short-term deposits	100,647	102,075	2	1,200
Total financial assets carried at amortised cost	110,638	115,959	8,176	1,200

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6. Financial assets and financial liabilities (cont'd)

	Group		Company	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial liabilities				
Trade and other payables	82,284	106,223	32,973	23,065
Other liabilities	8,281	11,265	252	743
Provisions	7,865	6,581	-	-
Loans and borrowings	1,755	1,895	-	-
Lease liabilities	156,487	150,217	-	-
Total financial liabilities carried at amortised cost	256,672	276,181	33,225	23,808

7. Profit before tax

7.1. Significant items

	Group			
	Quarter ended		Period ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Continuing operations</u>				
Income				
Finance income	830	568	2,836	2,150
Expenses				
Depreciation and amortisation expenses:				
- right-of-use assets	9,151	7,766	26,657	24,315
- property, plant and equipment	1,535	1,344	4,539	4,633
Operating lease expenses	809	1,786	3,105	5,863
Finance costs (including interest expense on lease liabilities)	3,026	2,982	8,930	9,230
Allowance for inventory shrinkages	300	321	373	417
<u>Discontinued operations</u>				
Income				
Finance income	-	231	1	1,397
Expenses				
Operating lease expenses	1	229	3	1,067
Finance costs (including interest expense on lease liabilities)	-	245	-	1,306

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7.2. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial periods:

	Group			
	Quarter ended		Period ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of vouchers	16	6	41	47
Sale of goods and services	17	106	104	265
Purchase of goods and services	627	638	2,371	3,087
Income from bonus points redemption by cardholders	200	401	1,224	1,525
Marketing fee expense for bonus points issued	318	340	1,139	1,243
Rental of office and commercial space	50	50	146	159
Royalty expense	27	23	78	78
Management fee income	93	89	340	316
Interest expense in relation to loan from ultimate holding company	-	-	-	14

8. Income tax expense

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	Quarter ended		Period ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current and deferred income tax	1,126	1,314	7,578	7,953

9. Net assets value

	Group		Company	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Net assets value per ordinary share (S\$)	0.047	0.016	0.141	0.131

10. Property, plant and equipment

During the nine months ended 30 September 2024, the Group acquired assets amounting to S\$3,661,000 (30 September 2023: S\$2,841,000).

11. Right-of-use assets

The Group has lease contracts for retail and office premises, furniture and equipment, and motor vehicles.

During the nine months ended 30 September 2024, the Group recognised addition of right-of-use assets amounting to S\$1,120,000 (30 September 2023: S\$8,490,000).

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12. Other receivables (non-current)

	Group	
	30.09.2024	31.12.2023
	S\$'000	S\$'000
Rental deposits	3,998	3,694
Other deposits	64	17
Deferred lease expenses	26	22
Net investments in sublease	455	477
Total other receivables (non-current)	4,543	4,210

Rental deposits, other deposits and deferred lease expenses are of long term in nature and are not bound by any credit terms.

The Group recognises net investments in sublease as a result of sublease contracts classified as finance lease.

13. Investment security

	Group	
	30.09.2024	31.12.2023
	S\$'000	S\$'000
Financial asset at fair value through other comprehensive income ("FVOCI")		
Equity security (unquoted)		
- Lion Insurance Company Limited	267	246

The Group has elected to measure this equity security at FVOCI due to the Group's intention to hold this equity instrument for long-term appreciation.

Fair value measurement

Financial assets measured at fair value in the interim statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3 – unobservable inputs for the assets or liabilities.

The following table presented the asset measured at fair value:

	Group			
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 30 September 2024				
Financial asset - FVOCI	-	-	267	267
At 31 December 2023				
Financial asset - FVOCI	-	-	246	246

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14. Cash and short-term deposits

	Group		Company	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks	7,938	8,648	2	1,200
Short-term bank deposits	92,709	93,427	-	-
Total cash and short-term deposits	100,647	102,075	2	1,200

	Group	
	30.09.2024	31.12.2023
	S\$'000	S\$'000
Cash and short-term deposits as above	100,647	102,075
Less:		
- pledged deposits	(9,903)	(9,280)
- bank overdraft	(193)	(210)
Cash and cash equivalents	90,551	92,585

15. Loans and borrowings

	Group	
	30.09.2024	31.12.2023
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured:		
- Bank overdraft	193	210
- Banker's acceptance	1,562	1,685
	1,755	1,895

Bank overdraft and trade facilities (including bank guarantee) are secured by short-term deposit of S\$9.9 million (31 December 2023: S\$9.3 million) and a corporate guarantee from a subsidiary.

16. Share capital and treasury shares

	Group and Company	
	No. of shares	S\$'000
	'000	S\$'000
Balances as at 30.09.2023, 31.12.2023 and 30.09.2024		
Issued and fully paid with no par value	677,300	231,676
Treasury shares	3,500	549
Total excluding treasury shares	673,800	231,127

There was no movement in the issued, paid-up capital and treasury shares of the Group and the Company since the end of the previous year.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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F. Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed interim statements of financial position of Parkson Retail Asia Limited and its subsidiaries as at 30 September 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Group Store Count

As at 30 September 2024, the Group's department store network comprised 37 (30 September 2023 : 36) stores spanning approximately 409,000 sqm of Gross Floor Area.

Continuing operations

Operating Results

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

	Group					
	Quarter ended			Period ended		
	30.09.2024	30.09.2023	+ / (-)	30.09.2024	30.09.2023	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
GSP						
Sale of goods - direct sales	21,611	24,052	(10.1)	68,408	75,349	(9.2)
Sale of goods - concessionaire sales	83,769	82,837	1.1	308,253	321,240	(4.0)
Total merchandise sales	105,380	106,889	(1.4)	376,661	396,589	(5.0)
Consultancy/management service fees	93	89	4.5	340	316	7.6
Rental income	360	380	(5.3)	1,081	1,236	(12.5)
Food and beverage	733	608	20.6	1,962	1,642	19.5
GSP from continuing operations	106,566	107,966	(1.3)	380,044	399,783	(4.9)

The y-o-y decrease in total merchandise sales by 5.0% was mainly due to the closure of two stores in the corresponding period. Merchandise sales mix remained largely concessionaire at 81.8% (2023: 81.0%) while contribution from direct sales was 18.2% (2023: 19.0%).

Rental income decreased y-o-y by 12.5% mainly due to lesser number of tenants. Food and beverage operations registered a y-o-y increase in sales by 19.5%, mainly as a result of positive consumer sentiment towards spending on food.

Merchandise gross profit margin stood at 27.9% (2023: 27.7%).

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2. Review of performance of the Group (cont'd)

Financial Results

Revenue

The components of revenue are as follows:

	Group					
	Quarter ended			Period ended		
	30.09.2024	30.09.2023	+ / (-)	30.09.2024	30.09.2023	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Sale of goods - direct sales	21,611	24,052	(10.1)	68,408	75,349	(9.2)
Commissions from concessionaire sales	22,932	22,006	4.2	84,567	85,404	(1.0)
Consultancy/management service fees	93	89	4.5	340	316	7.6
Rental income	360	380	(5.3)	1,081	1,236	(12.5)
Food and beverage	733	608	20.6	1,962	1,642	19.5
Revenue from continuing operations	45,729	47,135	(3.0)	156,358	163,947	(4.6)

Other Items of Income

Finance income increased y-o-y by 31.9% mainly due to increase in interest income from bank deposits.

Expenses

Total expenses of the Group decreased y-o-y by 2.5% and analysis of major expenses are as follows:

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased y-o-y by 9.6% mainly due to the conversion of some short term leases to right-of-use assets.

Operating lease expenses

Operating lease expenses decreased y-o-y by 47.0% mainly due to the conversion of some short term leases to right-of-use assets.

Other expenses

Other expenses for the current year comprised mainly (a) selling and distribution expenses amounted to S\$3.3 million; (b) general and administrative expenses amounted to S\$4.2 million; and (c) other operating expenses amounted to S\$6.7 million. The y-o-y decrease in other expenses was mainly due to the closure of two stores in the corresponding period.

Profit before tax

The Group recorded a lower profit before tax for the current year of S\$25.9 million compared with S\$29.7 million of the corresponding period, mainly due to lower sales during the period.

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2. Review of performance of the Group (cont'd)

Loss from discontinued operations

Loss from discontinued operations decreased by 99.5% due to the deconsolidation of certain Vietnamese subsidiaries.

Group Statement of Financial Position

The Group was in a net current liabilities ("NCL") position of S\$8.2 million as at 30 September 2024. NCL of the Group decreased by 68.8% from S\$26.3 million as at 31 December 2023 was mainly due to the performance attained by the Group. As a result, total equity of the Group increased to S\$31.8 million as at 30 September 2024 from S\$10.6 million as at 31 December 2023.

Right-of-use assets increased to S\$133.5 million mainly due to fluctuation in the foreign exchange.

Inventories increased to S\$26.3 million mainly due to lower sales during the period.

Trade and other receivables (current) decreased to S\$6.3 million mainly due repayment from receivables.

Trade and other payables (current) decreased to S\$82.0 million mainly due to repayment.

Other liabilities (current) decreased to S\$8.3 million mainly due to payment made during the period.

Provisions (current) increased to S\$2.7 million mainly due to increase in provision for restoration costs.

Lease liabilities (current and non-current) increased to S\$39.9 million and S\$116.5 million respectively mainly due to fluctuation in the foreign exchange.

Accumulated losses reduced to S\$41.2 million due to profit attained by the Group.

Company Statement of Financial Position

Investment in subsidiaries increased to S\$120.0 million due to fluctuation in the foreign exchange.

Trade and other receivables (current) increased to S\$8.2 million due to advances to subsidiaries.

Cash and short-term deposits decreased to S\$0.002 million due to repayment of liabilities.

Trade and other payables (current) increase to S\$33.0 million due to advances from a subsidiary.

Other liabilities (current) decreased to S\$0.3 million due to repayment during the period.

Group Cash Flows

For the current period, the Group recorded net cash inflow from operating activities of S\$29.1 million, net cash used in investing activities of S\$4.0 million and net cash used in financing activities of S\$34.4 million, resulting in a net decrease in cash and cash equivalents of S\$9.3 million (2023 : net decrease of S\$29.6 million). The net decrease in cash and cash equivalents was generally due to repayment to creditors.

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3. 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 14 August 2024.

Parkson Corporation Sdn Bhd

PKNS-Andaman Development Sdn Bhd

Further to the previous quarterly announcement made on 14 August 2024, the Court has fixed further trial dates on 14 to 16 January 2025.

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

4. 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 F5 in the preceding quarterly results announcement dated 14 August 2024 was generally in line with the operating environment encountered in the current quarter.

5. 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 inflationary pressure and the continued rise in cost of living, both in turn affect consumers' sentiment and spending power, as well as the constant shift in consumer spending habits continue to remain concerns to the Group for the financial year ending 31 December 2024.

The Group will continue to rationalise its operations, improve store productivity, optimise operational efficiency, carry out tactical promotional activities as well as manage costs to improve and sustain its overall performance. The Group will continue to explore opportunities for new stores.

6. 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.

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7. 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 in net current liabilities and accumulated losses position.

8. Interested person transactions for the financial period ended 30 September 2024

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)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920
		S\$'000	S\$'000
Lion Corporation Berhad ⁽¹⁾	Associate of Tan Sri Cheng Heng Jem, a director and controlling shareholder of the Company ("Tan Sri Cheng")	-	2,517
Parkson Holdings Berhad Group ⁽²⁾	Associate of Tan Sri Cheng	78 ^{(i)*}	2,565 ⁽ⁱⁱ⁾
Lion Posim Berhad ⁽³⁾	Associate of Tan Sri Cheng	-	137
Visionwell Sdn Bhd ⁽⁴⁾	Associate of Tan Sri Cheng	-	146

Notes:

- (1) (a) Marketing fee payable for bonus points issued and amount received/receivable for point redemption made by cardholders totalling S\$2.363 million; and
(b) Purchase of goods and security equipment, and procurement of security service totalling S\$0.154 million.
- (2) (i) Royalty expense totalling S\$0.078 million.
(ii) (a) Management fee income totalling S\$0.340 million; and
(b) Net purchase of merchandise, concessionaire sales and sale of gift vouchers totalling S\$2.225 million.
- (3) Purchase of building materials and merchandise and sale of gift vouchers.
- (4) Rental of office space.

* Royalty 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").

9. 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 and nine months ended 30 September 2024 to be false or misleading in any material aspects.

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10. 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 Cheng Heng Jem
Executive Chairman

Singapore
14 November 2024