



PARKSON RETAIL ASIA LIMITED

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

Unaudited Financial Statements for the Third Quarter and Nine Months ended 31 March 2019

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			9 Months ended		
	31.03.2019	31.03.2018	+/(−)	31.03.2019	31.03.2018	+/(−)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	101,143	104,473	(3.2)	304,428	307,685	(1.1)
Other items of income						
- Finance income	508	320	58.8	789	730	8.1
- Other income	821	1,026	(20.0)	2,482	3,041	(18.4)
Items of expense						
- Changes in merchandise inventories and consumables	(43,836)	(45,267)	3.2	(134,202)	(133,925)	(0.2)
- Employee related expenses	(16,138)	(17,468)	7.6	(47,494)	(49,821)	4.7
- Depreciation and amortisation expenses	(6,637)	(7,064)	6.0	(18,378)	(20,456)	10.2
- Promotional and advertising expenses	(1,867)	(2,165)	13.8	(6,088)	(6,424)	5.2
- Rental expenses	(26,588)	(29,472)	9.8	(81,168)	(87,627)	7.4
- Finance costs	(374)	(93)	>-100	(658)	(194)	>-100
- Other expenses	(11,349)	(12,069)	6.0	(32,803)	(35,528)	7.7
Total expenses	(106,789)	(113,598)	6.0	(320,791)	(333,975)	3.9
Loss before taxation	(4,317)	(7,779)	44.5	(13,092)	(22,519)	41.9
Taxation	(1,073)	(259)	>-100	(3,702)	(2,205)	(67.9)
Loss for the period	(5,390)	(8,038)	32.9	(16,794)	(24,724)	32.1
Loss for the period attributable to:						
Owners of the Company	(5,390)	(7,817)	31.0	(16,784)	(23,814)	29.5
Non-controlling interests	-	(221)	100.0	(10)	(910)	98.9
	(5,390)	(8,038)	32.9	(16,794)	(24,724)	32.1

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

	Group					
	Quarter ended			9 Months ended		
	31.03.2019	31.03.2018	+/(−)	31.03.2019	31.03.2018	+/(−)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss for the period	(5,390)	(8,038)	32.9	(16,794)	(24,724)	32.1
Other comprehensive income / (loss):						
Foreign currency translation	136	(827)	>100	(734)	(1,182)	37.9
Total comprehensive loss	(5,254)	(8,865)	40.7	(17,528)	(25,906)	32.3
Total comprehensive (loss) / income attributable to:						
Owners of the Company	(5,257)	(8,495)	38.1	(17,586)	(24,741)	28.9
Non-controlling interests	3	(370)	>100	58	(1,165)	>100
	(5,254)	(8,865)	40.7	(17,528)	(25,906)	32.3

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

	Group			
	Quarter ended		9 Months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	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)	-	227	-	444
- Property, plant and equipment written off / impaired	1,056	-	1,105	576

1(b)(i) Statements of Financial Position

	Group		Company	
	31.03.2019	30.06.2018	31.03.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	113,577	120,611	-	-
Land use right	7,282	7,497	-	-
Investments in subsidiaries	-	-	142,565	134,289
Deferred tax assets	2,562	2,605	-	-
Other receivables	18,228	22,092	-	-
Prepayments	1,297	1,340	-	-
Intangible assets	911	1,081	-	-
Investment securities	77	79	-	-
	143,934	155,305	142,565	134,289
Current assets				
Inventories	55,691	58,226	-	-
Trade and other receivables	27,823	25,529	10,079	15,674
Prepayments	3,065	3,085	31	12
Tax recoverable	2,945	2,779	-	-
Cash and short-term deposits	32,444	40,857	131	287
	121,968	130,476	10,241	15,973
Total assets	265,902	285,781	152,806	150,262
Current liabilities				
Trade and other payables	149,436	166,441	1,296	1,168
Other liabilities	34,398	29,251	-	-
Provisions	2,322	2,041	-	-
Loans and borrowings	4,145	3,635	-	-
	190,301	201,368	1,296	1,168
Net current (liabilities)/assets	(68,333)	(70,892)	8,945	14,805
Non-current liabilities				
Other payables	5,430	6,116	-	-
Other liabilities	20,970	21,288	-	-
Provisions	7,420	7,658	-	-
Loans and borrowings	10,208	242	5,811	-
Deferred tax liabilities	445	453	445	453
	44,473	35,757	6,256	453
Total liabilities	234,774	237,125	7,552	1,621
Net assets	31,128	48,656	145,254	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	(169,531)	(165,902)	(45,886)	(43,284)
Accumulated losses	(30,431)	(13,647)	(39,987)	(39,202)
	31,165	51,578	145,254	148,641
Non-controlling interests	(37)	(2,922)	-	-
Total equity	31,128	48,656	145,254	148,641

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

	Group			
	31.03.2019		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	2,489	-	1,718	-
- Finance leases	371	-	459	-
- Loan from owner of a managed store (Vietnam)	-	1,285	-	1,306
	2,860	1,285	2,329	1,306
Amount repayable after one year				
- Finance leases	80	-	242	-
- Loan from ultimate holding company	-	10,128	-	-
	80	10,128	242	-

Bank overdraft and bankers' acceptance are secured by short-term deposit of S\$2.2 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		9 Months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before taxation	(4,317)	(7,779)	(13,092)	(22,519)
Adjustments for				
- Depreciation and amortisation	6,637	7,064	18,378	20,456
- Finance costs	374	93	658	194
- Finance income	(508)	(320)	(789)	(730)
- Allowance for doubtful debts	-	245	234	468
- Unrealised currency translation loss	1	5	3	12
- Property, plant and equipment written off / impaired	1,056	-	1,105	576
- Others	1,043	882	2,039	1,650
Operating cash flows before changes in working capital	4,286	190	8,536	107
Changes in working capital				
- Inventories	2,909	(833)	(188)	1,971
- Receivables and prepayments	(1,218)	3,608	537	(8,300)
- Payables and other liabilities	(28,245)	(9,121)	(3,737)	(4,829)
Cash flows (used in) / generated from operating activities	(22,268)	(6,156)	5,148	(11,051)
Interest received	400	358	652	695
Interest paid	(7)	(56)	(291)	(80)
Income tax paid	(1,293)	(1,200)	(3,823)	(2,335)
Net cash (used in) / generated from operating activities	(23,168)	(7,054)	1,686	(12,771)

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

	Group			
	Quarter ended		9 Months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Purchase of property, plant and equipment	(1,482)	(5,741)	(19,804)	(21,952)
Addition of intangible assets	(36)	(13)	(36)	(219)
Dividend income from investment securities	-	-	35	41
Net cash used in investing activities	(1,518)	(5,754)	(19,805)	(22,130)
Financing activities				
Loan from ultimate holding company	4,359	-	10,128	-
Proceeds from bank borrowings	1,095	1,176	5,118	3,309
(Repayment of) / proceeds from finance leases	(114)	-	(349)	895
Repayment of bank borrowings	(1,428)	(78)	(4,468)	(78)
Increase in pledge deposits	(258)	-	(1,577)	-
Net cash generated from financing activities	3,654	1,098	8,852	4,126
Net decrease in cash and cash equivalents	(21,032)	(11,710)	(9,267)	(30,775)
Cash and cash equivalents at beginning of financial period	51,012	44,351	40,029	63,387
Effects of currency translation on cash and cash equivalents	222	707	(560)	736
Cash and cash equivalents at end of financial period	30,202	33,348	30,202	33,348
			31.03.2019	31.03.2018
			S\$'000	S\$'000
Cash and cash equivalents comprise the following:				
Cash at bank			13,156	12,400
Short-term bank deposits			19,288	21,288
Cash and short-term deposits			32,444	33,688
Less: pledged deposits			(2,242)	-
Less: bank overdraft			-	(340)
			30,202	33,348

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	-	-	-	(16,784)	(16,784)	(10)	(16,794)
Foreign currency translation	-	-	(802)	-	(802)	68	(734)
Total comprehensive (loss) / income for the period	-	-	(802)	(16,784)	(17,586)	58	(17,528)
Acquisition of non-controlling interests	-	-	(2,827)	-	(2,827)	2,827	-
At 31.03.2019	231,676	(549)	(169,531)	(30,431)	31,165	(37)	31,128
At 01.07.2017	231,676	(549)	(166,169)	28,900	93,858	(3,558)	90,300
Loss for the period	-	-	-	(23,814)	(23,814)	(910)	(24,724)
Foreign currency translation	-	-	(927)	-	(927)	(255)	(1,182)
Total comprehensive loss for the period	-	-	(927)	(23,814)	(24,741)	(1,165)	(25,906)
At 31.03.2018	231,676	(549)	(167,096)	5,086	69,117	(4,723)	64,394

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	-	-	-	(785)	(785)
Foreign currency translation	-	-	(2,602)	-	(2,602)
Total comprehensive loss for the period	-	-	(2,602)	(785)	(3,387)
At 31.03.2019	231,676	(549)	(45,886)	(39,987)	145,254
At 01.07.2017	231,676	(549)	(51,046)	(31,748)	148,333
Loss for the period	-	-	-	(6,317)	(6,317)
Foreign currency translation	-	-	8,826	-	8,826
Total comprehensive income / (loss) for the period	-	-	8,826	(6,317)	2,509
At 31.03.2018	231,676	(549)	(42,220)	(38,065)	150,842

Note A: Other reserves

	Group		Company	
	9 Months ended		9 Months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	S\$000	S\$000	S\$000	S\$000
Foreign currency translation reserve	(52,976)	(53,303)	(45,886)	(42,220)
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)	-	-
	(169,531)	(167,096)	(45,886)	(42,220)

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	31.03.2019	31.03.2018
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.

	31.03.2019	31.03.2018
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 sale, transfer, disposal, cancellation and/or use of treasury shares during the financial period ended 31 March 2019.

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

Saved as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial period as in the most recent audited financial statements for the financial year ended 30 June 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 Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards ("SFRS") (International) (SFRS(I)), SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers on 1 July 2018. The adoption of the new standards is not expected to result in any material impact on the Group's financial statements.

6. Loss per ordinary share

Loss per ordinary share attributable to owners of the Company: -

	Group			
	Quarter ended		9 Months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Basic and diluted (cent)	(0.80)	(1.16)	(2.49)	(3.53)
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 loss per share for the reported periods are the same.

7. Net asset value per ordinary share

	Group		Company	
	31.03.2019	30.06.2018	31.03.2019	30.06.2018
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	0.05	0.07	0.22	0.22

8. Review of Group performance

Business Environment

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

SSSG	Quarter ended		9 Months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Malaysia	4.8%	4.5%	5.1%	-1.2%
Vietnam	-20.5%	-9.8%	-18.9%	-6.5%
Indonesia	-4.1%	-0.6%	-1.4%	-5.9%

Malaysia operations recorded SSSG of +4.8% in Q3FY2019, mainly due to optimisation of operational efficiency following the closure of underperforming stores.

Vietnam operations recorded negative SSSG of -20.5% in Q3FY2019 as the retail scene in the country has become increasingly competitive.

Indonesia operations recorded negative SSSG of -4.1% in Q3FY2019 mainly due to numerous earthquake occurrences in Lombok and Bali resulting in loss of tourist confidence to travel to Indonesia. However, the improvement as compared to 9MFY2018 was mainly driven by efforts to stimulate topline growth which includes, inter alia, targeted promotions and increasing house brand products’ contribution.

The Group continues to exercise caution in managing its overall businesses given various uncertainties at the macro level. While the Group added 3 new stores to its department store network, there were also exit of 5 underperforming stores.

As at 31 March 2019, the Group’s department store network comprises 64 stores spanning approximately 767,000 sqm of Gross Floor Area – 44 in Malaysia (537,000 sqm), 5 in Vietnam (88,000 sqm) and 15 in Indonesia (142,000 sqm).

Operational Results

Gross Sales Proceeds ("GSP") of the Group recorded a yoy decline (4.6)% for Q3FY2019 and (3.5)% for 9MFY2019. The components of GSP are as follows: -

	Group					
	Quarter ended			9 Months ended		
	31.03.2019	31.03.2018	+I/(-)	31.03.2019	31.03.2018	+I/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
GSP						
Sales of goods - direct sales	56,695	57,902	(2.1)	174,596	171,199	2.0
Sales of goods - concessionaire sales	169,107	178,624	(5.3)	488,380	515,498	(5.3)
Total merchandise sales	225,802	236,526	(4.5)	662,976	686,697	(3.5)
Consultancy / management service fees	223	210	6.2	625	443	41.1
Rental income	3,062	3,717	(17.6)	10,093	11,871	(15.0)
Food and beverage	886	713	24.3	3,005	1,894	58.7
Theme park and education centre	-	4	(100.0)	-	45	(100.0)
Total GSP	229,973	241,170	(4.6)	676,699	700,950	(3.5)

The Group generated total merchandise sales of S\$225.8 million for Q3FY2019 and S\$663.0 million for 9MFY2019. Merchandise sales mix remains largely concessionaire at 73.7% (9MFY2018: 75.1%) though contribution from direct sales has increased yoy to 26.3% (9MFY2018: 24.9%) following the Group's investment in house brands and agency lines.

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 outlets. 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			9 Months ended		
	31.03.2019	31.03.2018	+I/(-)	31.03.2019	31.03.2018	+I/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Sale of goods - direct sales	56,695	57,902	(2.1)	174,596	171,199	2.0
Commission from concessionaire sales	40,277	41,927	(3.9)	116,109	122,233	(5.0)
Consultancy / management service fees	223	210	6.2	625	443	41.1
Rental income	3,062	3,717	(17.6)	10,093	11,871	(15.0)
Food and beverage	886	713	24.3	3,005	1,894	58.7
Theme park and education centre	-	4	(100.0)	-	45	(100.0)
Total revenue	101,143	104,473	(3.2)	304,428	307,685	(1.1)

Merchandise gross margin (a combination of commission from concessionaire sales and direct sales margin) for 9MFY2019 has increased to 23.8% (9MFY2018: 23.4%).

Other items of Income

Other income declined yoy by (18.4)% for 9MFY2019 to S\$2.5 million, mainly as a result of lesser foreign exchange gain. However, finance income increased yoy by 8.1% to S\$0.8 million for 9MFY2019 due to higher fixed deposit placement with the bank.

Expenses

Total expenses of the Group declined yoy by (4.2)% to S\$319.8 million for 9MFY2019. Analysis of major expense items is as follows: -

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables increased yoy by 0.2% to S\$134.2 million for 9MFY2019. The increase was largely in line with the trajectory of the Group's investment in private label, agency lines, as well as food and beverage operations.

Employee related expenses (staff costs)

Staff costs declined yoy by (4.7)% to S\$47.5 million for 9MFY2019. The decline was in line with 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 (10.2)% to S\$18.4 million for 9MFY2019. The decline was 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 declined yoy by (5.2)% to S\$6.1 million for 9MFY2019. The decline was mainly attributable to savings arising from store closures and disposal of the Group's investment in a loss making subsidiary in FY2018.

Rental expenses

Rental expenses declined yoy by (7.4)% to S\$81.2 million for 9MFY2019. The decline was 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\$0.7 million for 9MFY2019. The increase was 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 (7.7)% to S\$32.8 million for 9MFY2019, largely in line with the store closures and disposal of the Group's investment in a loss making subsidiary in FY2018.

Pre-tax Loss

The Group recorded pre-tax loss of S\$(4.3) million for Q3FY2019 (Q3FY2018: S\$(7.8) million) and S\$(13.1) million for 9MFY2019 (9MFY2018: S\$(22.5) million). The significant improvement was largely contributed by the operations in Malaysia, an effect of closure of loss making stores 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 expense of S\$3.7 million in 9MFY2019 as some of its subsidiaries were 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 to owners of the Company of S\$(5.4) million for Q3FY2019 and S\$(16.8) million for 9MFY2019.

Group Balance Sheet

The Group was in a net current liabilities ("NCL") position of S\$(68.3) million as at 31 March 2019. NCL of the Group declined by (3.6)% from its 30 June 2018 position mainly as a result of payment of trade and other payables, as well as other liabilities with loan obtained from the ultimate holding company (classified as long term borrowing). 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.

Other receivables (non-current) declined to S\$18.2 million mainly due to conversion of cash rental deposits to bank guarantee.

During the reported quarter, the Group has also repaid its creditors for Christmas and Chinese New Year's merchandise. Consequently, cash and short term deposits and trade and other payables (current) declined to S\$32.4 million and S\$149.4 million respectively as at 31 March 2019.

Other liabilities (current) increased to S\$34.4 million, primarily on capital expenditure incurred for new stores. Provisions (current) increased to S\$2.3 million mainly due to provision of restoration cost for closed stores.

Non-controlling interests declined by (98.7)% to S\$0.04 million 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.

Company Balance Sheet

On 28 September 2018, the Company subscribed for 32.0 million new shares issued in its wholly-owned subsidiary, Parkson Corporation Sdn Bhd ("PCSB") through capitalisation of amount due from PCSB of S\$10.6 million. This has thus resulted in 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 of S\$1.7 million in operating activities for 9MFY2019. Net cash used in investing activities reduced to S\$(19.8) million in 9MFY2019, mainly due to lesser spending on capital expenditures for new stores. The Group recorded net cash generated from financing activities of S\$8.9 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 29 January 2019 was 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 final quarter of FY2019 is expected to remain challenging amid severe competition. Nevertheless, it is expected to benefit from the festive retail buying arising from the Hari Raya / Lebaran celebrations. The Group will continue to prioritise on enhancing product offerings as well as optimizing operational efficiency.

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 March 2019.

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
9 months ended 31.03.2019							
Gross Sales Proceeds	518,486	57,440	96,120	1,455	-	3,198	676,699
Revenue	251,249	16,088	33,183	710	-	3,198	304,428
Pre-tax Results							
Department stores	7,602	(3,526)	(4,723)	(1,445)	(268)	-	(2,360)
Other retail stores	(4,695)	-	-	-	-	-	(4,695)
Retailing	2,907	(3,526)	(4,723)	(1,445)	(268)	-	(7,055)
Other businesses							
- food and beverage	-	-	-	-	-	(2,350)	(2,350)
Corporate expenses	-	-	-	-	-	(3,687)	(3,687)
Reported pre-tax results	2,907	(3,526)	(4,723)	(1,445)	(268)	(6,037)	(13,092)

Group	Malaysia	Vietnam	Indonesia	Myanmar	Cambodia	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9 months ended 31.03.2018							
Gross Sales Proceeds	508,590	77,844	110,363	2,020	-	2,133	700,950
Revenue	245,694	20,379	38,465	1,014	-	2,133	307,685
Pre-tax Results							
Department stores	2,550	(2,852)	(6,491)	(1,092)	(238)	-	(8,123)
Other retail stores	(4,736)	-	-	-	-	-	(4,736)
Discontinued retail stores*	(2,734)	-	-	-	-	-	(2,734)
Retailing	(4,920)	(2,852)	(6,491)	(1,092)	(238)	-	(15,593)
Other businesses							
- food and beverage	-	-	-	-	-	(2,629)	(2,629)
- theme park and education centre (discontinued)	-	-	-	-	-	(400)	(400)
Corporate expenses	-	-	-	-	-	(3,897)	(3,897)
Reported pre-tax results	(4,920)	(2,852)	(6,491)	(1,092)	(238)	(6,926)	(22,519)

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

14. Interested person transactions for the financial period ended 31 March 2019

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⁾	-	557
Parkson Holdings Berhad Group ⁽²⁾	563 ⁽ⁱ⁾	5,240 ⁽ⁱⁱ⁾
Secom (M) Sdn Bhd ⁽³⁾	-	293
Visionwell Sdn Bhd ⁽⁴⁾	-	150
Bonuskad Loyalty Sdn Bhd ⁽⁵⁾	-	5,325
PT Monica Hijaulestari ⁽⁶⁾	-	645
WatchMart (M) Sdn Bhd ⁽⁶⁾	-	146

Notes:

- (1) Purchase of building materials and merchandise, and sale of gift voucher.
- (2) (i) (a) Royalty expense, service charge income, rental expense, rental income, and store management fee totaling S\$0.31 million from 1 Jul 2018 to 31 Oct 2018;
(b) Interest expense of S\$0.25 million in relation to loan from ultimate holding company.
- (ii) (a) Royalty expense, service charge income, rental expense, rental income, and store management fee totaling S\$0.45 million from 1 Nov 2018 to 31 Mar 2019;
(b) Net purchase of merchandise and concessionaire sales, and sale of gift voucher totaling S\$4.79 million.
- (3) Purchase of security equipment and procurement of security service.
- (4) Rental of office space.
- (5) Marketing fee payable for bonus points issued and amount receivable for point 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 Third Quarter ended and Nine Months ended 31 March 2019 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
15 May 2019