



PARKSON RETAIL ASIA LIMITED

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

Unaudited Financial Statements for the Third Quarter ended 31 March 2017

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		
	31.03.2017	31.03.2016	+/(-) %	31.03.2017	31.03.2016	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	98,649	98,415	0.2	303,125	294,557	2.9
Other income	1,957	755	>100.0	5,783	52,809	(89.0)
Items of expense						
- Changes in merchandise inventories and consumables	(40,225)	(37,896)	6.1	(122,940)	(111,156)	10.6
- Employee related expenses	(16,561)	(14,924)	11.0	(47,566)	(41,393)	14.9
- Depreciation and amortisation expenses	(7,065)	(6,068)	16.4	(20,117)	(16,818)	19.6
- Rental expenses	(28,510)	(27,194)	4.8	(85,447)	(79,217)	7.9
- Finance costs	(41)	(132)	(68.9)	(123)	(234)	(47.4)
- Other expenses	(17,093)	(20,426)	(16.3)	(48,504)	(50,198)	(3.4)
Total expenses	(109,495)	(106,640)	2.7	(324,697)	(299,016)	8.6
Profit / (Loss) before tax	(8,889)	(7,470)	19.0	(15,789)	48,350	>(100.0)
Taxation	(511)	(93)	>100.0	(1,849)	(4,036)	(54.2)
Net profit / (loss) for the period	(9,400)	(7,563)	24.3	(17,638)	44,314	>(100.0)
Net profit / (loss) for the period attributable to:						
Owners of the Company	(9,092)	(7,306)	24.4	(16,509)	45,054	>(100.0)
Non-controlling interests	(308)	(257)	19.8	(1,129)	(740)	52.6
	(9,400)	(7,563)	24.3	(17,638)	44,314	>(100.0)

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

	Group					
	Quarter ended			9 months ended		
	31.03.2017	31.03.2016	+ / (-)	31.03.2017	31.03.2016	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit/(loss) for the period	(9,400)	(7,563)	24.3	(17,638)	44,314	>(100.0)
Other comprehensive income/(loss): Foreign currency translation	(3,172)	2,084	>(100.0)	(2,555)	(4,643)	(45.0)
Total comprehensive income/(loss)	(12,572)	(5,479)	>100.0	(20,193)	39,671	>(100.0)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(12,297)	(5,230)	>100.0	(19,140)	41,058	>(100.0)
Non-controlling interests	(275)	(249)	10.4	(1,053)	(1,387)	(24.1)
	(12,572)	(5,479)	>100.0	(20,193)	39,671	>(100.0)

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

	Group			
	Quarter ended		9 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) before tax is arrived at after (charging)/crediting:				
Finance income	389	761	1,148	2,924
Gain on partial disposal of a former subsidiary (Note 1)	-	-	-	45,960

Note 1: On 16 June 2015, the Company announced that Parkson Vietnam Co Ltd, a wholly-owned subsidiary of the Company, entered into a capital assignment agreement with an external party to dispose of a 27.8% interest in the charter capital of Parkson Hanoi Co Ltd ("PHCL") for a cash consideration of US\$5,000. This capital assignment transaction of PHCL was completed on 17 August 2015 and a gain on partial disposal of PHCL of S\$45.96 million was recognised on completion. PHCL is now an associate of the Group following this disposal.

1(b)(i) Statements of Financial Position

	Group		Company	
	31.03.2017	30.06.2016	31.03.2017	30.06.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	162,366	145,643	-	-
Land use right	7,904	7,891	-	-
Investments in subsidiaries	-	-	127,917	135,019
Investment in an associate	-	-	-	-
Deferred tax assets	10,085	9,096	-	-
Other receivables	26,436	23,939	32,080	31,094
Prepayments	2,834	5,613	-	-
Intangible assets	5,667	5,551	-	-
Derivatives	16	18	-	-
Investment securities	74	78	-	-
	215,382	197,829	159,997	166,113
Current assets				
Inventories	71,561	76,946	-	-
Trade and other receivables	20,221	20,687	20,263	23,155
Prepayments	5,824	5,030	42	13
Tax recoverable	7,251	4,076	-	-
Cash and short-term deposits	23,159	69,509	2,864	1,679
	128,016	176,248	23,169	24,847
Total assets	343,398	374,077	183,166	190,960
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	146,644	160,512	573	453
Other liabilities	32,357	26,452	-	-
Tax payable	170	647	-	-
	179,171	187,611	573	453
Net current assets / (liabilities)	(51,155)	(11,363)	22,596	24,394
Non-current liabilities				
Other payables	6,660	6,259	-	-
Other liabilities	23,378	22,487	-	-
Deferred tax liabilities	425	394	425	394
	30,463	29,140	425	394
Total liabilities	209,634	216,751	998	847
Net assets	133,764	157,326	182,168	190,113
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	(166,148)	(163,517)	(54,417)	(42,472)
Retained earnings	70,435	90,313	5,458	1,458
	135,414	157,923	182,168	190,113
Non-controlling interests	(1,650)	(597)	-	-
Total equity	133,764	157,326	182,168	190,113
Total equity and liabilities	343,398	374,077	183,166	190,960

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

There are no loans and borrowings as at 31.03.2017 and 30.06.2016.

1(c) Consolidated Statement of Cash Flows

	Group			
	Quarter ended		9 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit / (Loss) before tax	(8,889)	(7,470)	(15,789)	48,350
Adjustments for				
- Depreciation and amortisation	7,065	6,068	20,117	16,818
- Finance costs	41	132	123	234
- Finance income	(389)	(761)	(1,148)	(2,924)
- Allowance for doubtful debts	1,685	4,773	3,387	5,292
- Unrealised currency translation (gain)/ loss	1	413	(37)	354
- Gain on partial disposal of a former subsidiary	-	-	-	(45,960)
- Others	2,382	446	2,834	609
Operating cash flows before changes in working capital	1,896	3,601	9,487	22,773
Changes in working capital				
- Inventories	2,391	(3,758)	1,277	(14,394)
- Receivables and prepayments	(1,292)	10,398	(7,996)	(23,458)
- Payables and other liabilities	(27,001)	(24,772)	(1,597)	41,482
Cash flows from operations	(24,006)	(14,531)	1,171	26,403
Finance income received	309	790	912	2,510
Income tax paid	(804)	(2,784)	(5,901)	(8,602)
Net cash generated from/(used in) operating activities	(24,501)	(16,525)	(3,818)	20,311
Investing activities				
Purchase of property, plant and equipment	(12,591)	(22,230)	(37,526)	(54,744)
Net cash outflow from partial disposal of a former subsidiary	-	-	-	(513)
Addition of intangible assets	(19)	(8)	(324)	(156)
Investment in deposits of money market instruments	-	(126)	-	(1,969)
Dividend income from investment securities	-	-	34	56
Net cash used in investing activities	(12,610)	(22,364)	(37,816)	(57,326)
Financing activities				
Purchase of treasury shares	-	(549)	-	(549)
Capital contribution from non-controlling interests	-	-	-	99
Dividends paid	-	-	(3,369)	(13,546)
Net cash used in financing activities	-	(549)	(3,369)	(13,996)
Net decrease in cash and cash equivalents	(37,111)	(39,438)	(45,003)	(51,011)
Cash and cash equivalents at beginning of financial period	60,654	107,280	69,509	125,976
Effects of currency translation on cash and cash equivalents	(384)	1,801	(1,347)	(5,322)
Cash and cash equivalents at end of financial period	23,159	69,643	23,159	69,643

For the purpose of the consolidated statement of cash flows, consolidated cash and cash equivalents comprise the following:

	Group	
	31.03.2017	31.03.2016
	S\$'000	S\$'000
Cash at bank	21,160	21,572
Short-term bank deposits	1,999	48,071
	23,159	69,643

1(d)(i) Statements of Changes in Equity

	Attributable to owners of the Company									Non-controlling Interests	Equity, total
	Share capital	Treasury shares	Foreign currency translation reserve	Capital redemption reserve	Capital contribution from ultimate holding company	Merger reserve	Reserve classified as held for sale	Retained earnings	Equity attributable to owners of the Company, total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
Group											
Balance at 01.07.2016	231,676	(549)	(49,724)	1	9,959	(123,753)	-	90,313	157,923	(597)	157,326
Profit / (loss) for the period	-	-	-	-	-	-	-	(16,509)	(16,509)	(1,129)	(17,638)
Foreign currency translation	-	-	(2,631)	-	-	-	-	-	(2,631)	76	(2,555)
Total comprehensive income/(loss) for the period	-	-	(2,631)	-	-	-	-	(16,509)	(19,140)	(1,053)	(20,193)
Dividends	-	-	-	-	-	-	-	(3,369)	(3,369)	-	(3,369)
Balance at 31.03.2017	231,676	(549)	(52,355)	1	9,959	(123,753)	-	70,435	135,414	(1,650)	133,764
Balance at 01.07.2015	231,676	-	(43,243)	1	9,959	(123,753)	(386)	73,751	148,005	(17,959)	130,046
Profit / (loss) for the period	-	-	-	-	-	-	-	45,054	45,054	(740)	44,314
Foreign currency translation	-	-	(3,996)	-	-	-	-	-	(3,996)	(647)	(4,643)
Total comprehensive income/(loss) for the period	-	-	(3,996)	-	-	-	-	45,054	41,058	(1,387)	39,671
Loss of control over a subsidiary	-	-	-	-	-	-	386	-	386	19,471	19,857
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	99	99
Dividends	-	-	-	-	-	-	-	(13,546)	(13,546)	-	(13,546)
Purchase of treasury shares	-	(549)	-	-	-	-	-	-	(549)	-	(549)
Balance at 31.03.2016	231,676	(549)	(47,239)	1	9,959	(123,753)	-	105,259	175,354	224	175,578

1(d)(i) Statements of Changes in Equity (Cont'd)

	Share capital S\$'000	Treasury shares S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Equity, total S\$'000
Company					
Balance at 01.07.2016	231,676	(549)	(42,472)	1,458	190,113
Profit for the period	-	-	-	7,369	7,369
Foreign currency translation	-	-	(11,945)	-	(11,945)
Total comprehensive income/(loss) for the period	-	-	(11,945)	7,369	(4,576)
Dividends	-	-	-	(3,369)	(3,369)
Balance at 31.03.2017	231,676	(549)	(54,417)	5,458	182,168
Balance at 01.07.2015	231,676	-	(30,278)	6,627	208,025
Profit for the period	-	-	-	10,932	10,932
Foreign currency translation	-	-	(7,566)	-	(7,566)
Total comprehensive income/(loss) for the period	-	-	(7,566)	10,932	3,366
Dividends	-	-	-	(13,546)	(13,546)
Purchase of treasury shares	-	(549)	-	-	(549)
Balance at 31.03.2016	231,676	(549)	(37,844)	4,013	197,296

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	31.03.2017	31.03.2016
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.

	31.03.2017	30.06.2016
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 March 2017.

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 Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for in the most recent audited financial statements for the financial year ended 30 June 2016, except as mentioned in Note 5 below.

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 adopted the applicable new and revised Financial Reporting Standards ("FRSs") that became effective for the financial year beginning on or after 1 July 2016. The adoption of these new and revised FRSs has no material impact to the Group.

6. Earnings per ordinary share

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

	Group			
	Quarter ended		9 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Basic and diluted (cents)	(1.35)	(1.08)	(2.45)	6.65
Based on weighted average number of shares ('000)	673,800	676,690	673,800	677,098

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	
	31.03.2017	30.06.2016	31.03.2017	30.06.2016
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	0.20	0.23	0.27	0.28

8. Review of Group Performance

Business Environments

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

SSSG	Quarter ended		9 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Malaysia	-1.4%	-17.4%	-1.0%	-13.5%
Vietnam	-18.2%	-8.2%	-13.4%	-2.6%
Indonesia	-1.4%	0.1%	-5.8%	3.8%
Myanmar	-11.2%	-7.6%	-26.4%	-2.6%

Malaysia operations recorded a lower negative SSSG of -1.4% in Q3FY2017 largely due to the dissipation of the aftereffects of Goods & Services Tax (“GST”) implementation in the current financial period. Consumer sentiment in Malaysia remains soft for the reported quarter, with the Malaysian Institute of Economic Research reported that the country’s consumer sentiment index continues to register below the 100-point confidence threshold, for the 11th consecutive quarter, at 76.6.

Vietnam operations recorded a higher negative SSSG of -18.2% in Q3FY2017. The discretionary retail environment in Vietnam remains difficult for the reported quarter amidst an increasingly crowded retail scene.

Indonesia operations recorded a decline in SSSG of -1.4% in Q3FY2017. Sales for the Indonesia operations especially Jakarta stores were impacted by uncertainties over the gubernatorial election of the capital city during the quarter.

Myanmar operations recorded a decline in SSSG of -11.2% in Q3FY2017. Our store at FMI Centre, Yangon was closed during the quarter. However, the new store at Junction Square, Yangon had commenced operation on 17 March 2017.

Operational Results

The components of Gross Sales Proceeds (“GSP”) for Q3FY2017 and for the 9-month period ended 31 March 2017 (“9MFY2017”) are as follows: -

	Group					
	Quarter ended			9 months ended		
	31.03.2017	31.03.2016	+/(−)	31.03.2017	31.03.2016	+/(−)
GSP	S\$’000	S\$’000	%	S\$’000	42,460	%
Sale of goods - direct sales	53,572	47,528	12.7	160,486	140,889	13.9
Sale of goods - concessionaire sales	177,627	193,864	(8.4)	546,621	582,910	(6.2)
Total merchandise sales	231,199	241,392	(4.2)	707,107	723,799	(2.3)
Consultancy and management service fees	96	166	(42.2)	299	509	(41.3)
Rental income	3,854	3,765	2.4	11,562	11,291	2.4
Others	239	-	>100.0	528	-	>100.0
Total GSP	235,388	245,323	(4.0)	719,496	735,599	(2.2)

The Group’s GSP declined year-on-year (“YoY”) by (4.0)% to S\$235.4 million for Q3FY2017, and by (2.2)% to S\$719.5 million for 9MFY2017. The decline in GSP largely reflects headwinds encountered in each operating country despite contributions from new stores and new ventures.

The Group generated total merchandise sales of S\$707.1 million for 9MFY2017, with concessionaire sales contributing 77.3% (9MFY2016: 80.5%) and direct sales contributing the remaining 22.7% (9MFY2016: 19.5%). The higher proportion of direct sales in the current financial period was mainly as the result of the Group’s ventures into various apparel brands since FY2016.

Merchandise gross margins (a combination of the commission from concessionaires and direct sales margin) for Q3FY2017 and 9MFY2017 were 23.5% (Q3FY2016: 23.4%) and 23.7% (9MFY2016: 23.7%) respectively.

Financial Results

Revenue

The components of revenue for Q3FY2017 and for 9MFY2017 are as follows: -

	Group					
	Quarter ended			9 months ended		
	31.03.2017	31.03.2016	+/(-)	31.03.2017	31.03.2016	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Sale of goods - direct sales	53,572	47,528	12.7	160,486	140,889	13.9
Commission from concessionaire sales	40,888	46,956	(12.9)	130,250	141,868	(8.2)
Consultancy and management service fees	96	166	(42.2)	299	509	(41.3)
Rental income	3,854	3,765	2.4	11,562	11,291	2.4
Others	239	-	>100.0	528	-	>100.0
Total revenue	98,649	98,415	0.2	303,125	294,557	2.9

The Group's revenue remained flat YoY at S\$98.6 million for Q3FY2017. Revenue increased YoY by 2.9% to S\$303.1 million for 9MFY2017 thanks largely to higher direct sales arising from the Group's ventures into various apparel brands.

Other Income

Other income for 9MFY2017 declined YoY by (89.0)% to S\$5.8 million. Other income for the comparative 9MFY2016 benefited from gain on partial disposal of equity interest in a former subsidiary, Parkson Hanoi Co Ltd, of S\$46.0 million.

Expenses

Total expenses of the Group increased YoY by 2.7% to S\$109.5 million for Q3FY2017, and by 8.6% to S\$324.7 million for 9MFY2017. Analysis of the major operating expense items is as follows: -

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables refer to the cost of direct sales. In line with the increase in direct sales, cost of direct sales increased YoY by 6.1% to S\$40.2 million for Q3FY2017, and by 10.6% to S\$122.9 million for 9MFY2017.

Employee related expense

Employee related expense ("staff cost") increased YoY by 11.0% to S\$16.6 million for Q3FY2017 and by 14.9% to S\$47.6 million for 9MFY2017. These increases are primarily due to the inclusion of staff costs for new stores and new ventures, and annual salary adjustments.

As a percentage of revenue, staff cost increased YoY by 160 bps to 16.8% for Q3FY2017 and by 160 bps to 15.7% for 9MFY2017. The higher staff cost ratio are significantly due to (i) weak SSSG recorded by the Group operations, and (ii) staff costs for new stores and new ventures where sales are lower at the initial stages of operations.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased YoY by 16.4% to S\$7.1 million for Q3FY2017 and by 19.6% to S\$20.1 million for 9MFY2017. These increases are mainly attributable to additional depreciation costs arising from new stores and new ventures, new office building in Indonesia, and major renovation of our Pavilion flagship store.

As a percentage of revenue, depreciation and amortisation expenses increased YoY by 100 bps to 7.2% for Q3FY2017 and by 90 bps to 6.6% for 9MFY2017. The higher ratios are primarily due to (i) weak SSSG recorded by the Group operations, and (ii) depreciation incurred for new stores and new ventures where sales are lower at the initial stages of operations.

Rental expenses

Rental expenses increased YoY by 4.8% to S\$28.5 million for Q3FY2017 and by 7.9% to S\$85.4 million for 9MFY2017. These increases are mainly attributable to additional rental costs arising from new stores and new ventures, and annual rate adjustments.

As a percentage of revenue, rental expense increased YoY by 120 bps to 28.9% for Q3FY2017 and by 130 bps to 28.2% for 9MFY2017. The higher ratios are significantly due to (i) new stores that are paying base rentals where the sales are lower at the initial stages of operations, and (ii) weak SSSG for the Group operations.

Other expenses

Other expenses comprise mainly (a) promotional and advertising expenses, (b) selling and distribution expenses, and (c) general and administrative expenses.

Other expenses declined YoY by (16.3)% to S\$17.1 million for Q3FY2017 and by (3.4)% to S\$48.5 million for 9MFY2017. The significant quarterly decline was mainly due to lesser impairment made on advances to managed stores in Vietnam of S\$1.0 million (Q3FY2016: S\$4.8 million). For 9MFY2017, total impairment made on advances to managed stores in Vietnam was S\$2.7 million (9MFY2016: S\$5.3 million).

As a percentage of revenue, other expenses declined YoY by (340) bps to 17.3% for Q3FY2017 and by (110) bps YoY to 16.0% for 9MFY2017. The lower ratios are mainly as a result of the lesser impairment on advances to managed stores in Vietnam as aforementioned.

Pre-tax losses

The Group recorded pre-tax losses in Q3FY2017 and 9MFY2017 of S\$(8.9) million and S\$(15.8) million respectively. Factors contributing to the pre-tax losses in the current financial period include (i) de-leveraging impact from the overall negative SSSG recorded by the Group operations, and (ii) gestation period of new stores and new ventures.

Taxation

Despite recording pre-tax losses, the Group incurred tax expenses of S\$1.8 million in the current financial period mainly because tax regulations in the countries where the Group operates generally do not permit set-off of tax losses against taxable profits between Group companies.

Net losses attributable to owners of the Company

The Group recorded attributable net losses of S\$(9.1) million and S\$(16.5) million for Q3FY2017 and 9MFY2017 respectively. These losses are significantly due to de-leveraging impact from the weak SSSG recorded by the Group operations, and gestation period of new stores and new ventures.

Review of Group Balance Sheet

The Group was in a net current liabilities ("NCL") position of S\$(51.2) million as at 31 March 2017. The NCL position was as a result of the Group's investments in new stores and new ventures, whilst contribution from these investments have yet to achieve optimal level due to gestation period.

As at 31 March 2017, property, plant and equipment increased to S\$162.4 million, in line with the Group's investments in new stores and new ventures. However, prepayments (current and non-current) declined to S\$8.6 million mainly due to amortisation of prepaid rentals for stores.

For current assets, tax recoverable increased to S\$7.3 million as at 31 March 2017 chiefly as a result of overpayment of current year's tax estimates in Malaysia following the challenging operating environment in the country. On the other hand, cash and short-term deposits dwindled to S\$23.2 million over lesser sales collection amid higher operating costs and capital investments arising from new stores and ventures.

For liabilities, trade and other payables (current) declined to S\$146.6 million as at 31 March 2017 following payment to suppliers. Other liabilities (current) increased to S\$32.4 million due to accruals on capital expenditure for new stores.

Non-controlling interests increased to S\$1.6 million as at 31 March 2017 due to the sharing of additional losses by the minority shareholders.

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 of its core business as outlined in paragraph 10 in the preceding quarterly results announcement dated 14 February 2017 was generally in line with the operating environment encountered in the 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.

Performance of the Group in the final quarter especially for Malaysia and Indonesia operations is expected to benefit from the shift in festive calendar, where Muslims will be celebrating Hari Raya Puasa by end June 2017.

Nevertheless, in view of the headwinds encountered in each operating country since the beginning of the financial year, the Group is expected to conclude FY2017 with losses. A comprehensive review is now underway to assess the viability of underperforming stores and ventures. There may be further write-downs to the carrying amount of the Group's assets, and this would potentially impact FY2017 results negatively. The Group will monitor the situation closely and adjust its strategy as appropriate with the view to restoring stability to its operations in the next financial year.

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/recommended, a statement to that effect

No interim dividend has been declared for the period ended 31 March 2017.

PART II - ADDITIONAL DISCLOSURE

13. Group Performance by Geographical Segment

Group	Retailing					Total
	Malaysia	Vietnam	Indonesia	Myanmar	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9 months ended 31.03.2017						
Gross Sales Proceeds	500,865	85,792	130,033	2,260	546	719,496
Revenue	230,760	23,252	47,615	952	546	303,125
Pre-tax results						
Retailing	921	(3,019)	(9,282)	(417)	-	(11,797)
Other businesses*	-	-	-	-	(3,415)	(3,415)
Investment holding	-	-	-	-	(577)	(577)
Reported pre-tax results	921	(3,019)	(9,282)	(417)	(3,992)	(15,789)
9 months ended 31.03.2016						
Gross Sales Proceeds	502,022	102,106	127,844	3,627	-	735,599
Revenue	221,348	26,112	45,723	1,374	-	294,557
Pre-tax results						
Retailing	14,256	(5,222)	(3,893)	(914)	-	4,227
Other businesses*	-	-	-	-	(940)	(940)
Investment holding	-	-	-	-	(897)	(897)
<i>Non-operational item:</i>						
- Gain on partial disposal of a former subsidiary	-	45,960	-	-	-	45,960
Reported pre-tax results	14,256	40,738	(3,893)	(914)	(1,837)	48,350

* Other businesses consist of edutainment, nursery, food and beverages

14. Interested person transactions for the 9 months period ended 31 March 2017

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 Corporation Berhad Group ⁽¹⁾	-	266
Lion Forest Industries Berhad Group ⁽²⁾	-	723
Parkson Holdings Berhad Group ⁽³⁾	464	4,270
Secom (M) Sdn Bhd ⁽⁴⁾	-	340
Bonuskad Loyalty Sdn Bhd ⁽⁵⁾	-	5,437
PT Monica Hijaulestari ⁽⁶⁾	-	2,414

Notes:

- (1) Purchase of equipment, furniture and fittings.
- (2) Purchase of building materials, light fittings and merchandises, procurement of energy conservation services, purchase of merchandise and sale of gift vouchers.
- (3) (i) Royalty expenses, service charge income and rental income totaling S\$0.464 million;
(ii) Sale of gift vouchers, purchase of merchandises and net concessionaire sales totaling S\$4.286 million.
- (4) Purchase of security equipment and procurement of security services.
- (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 third quarter and 9 months period ended 31 March 2017, 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
9 May 2017