

PARKSON RETAIL ASIA LIMITED
Company Registration Number: 201107706H
(Incorporated in the Republic of Singapore)

**MATERIAL DIFFERENCES BETWEEN
UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

The Board of Directors (the "**Board**") of Parkson Retail Asia Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the unaudited financial statements of the Group for the financial year ended 30 June 2016 ("**FY2016**") which was announced on 18 August 2016 (the "**Preliminary Results**"). Subsequent to the release of the Preliminary Results, the Board has made certain adjustments and reclassifications to certain items for the purposes of the audited financial statements of the Group for FY2016 (the "**Audited Results**"). The Company's Annual Report 2016, containing the Audited Results as well as the independent auditors' report thereon, will be released in due course.

Pursuant to Rule 704(6) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board wishes to announce and clarify the following material differences between the Audited Results and the Preliminary Results.

Group	Preliminary Results (S\$'000)	Adjustments (S\$'000)	Reclassifications (S\$'000)	Audited Results (S\$'000)
<u>Consolidated Income Statement</u>		Note 1	Note 2	
Net profit for the year	31,493	(2,898)	-	28,595
<u>Balance Sheet</u>				
Non-current assets				
Property, plant and equipment	146,923	-	(1,280)	145,643
Other receivables	20,951	-	2,988	23,939
Deferred tax assets	11,893	(2,797)	-	9,096
Current assets				
Trade and other receivables	39,551	-	(18,864)	20,687
Current liabilities				
Trade and other payables	184,793	-	(24,281)	160,512
Other liabilities	34,632	-	(8,180)	26,452
Non-current liabilities				
Other payables	13,451	-	(7,192)	6,259
Other liabilities	-	-	22,487	22,487

Explanatory notes to the table above:

1. Adjustments

Group	Preliminary Results (S\$'000)	Adjustments			Audited Results (S\$'000)
		Derecognition of deferred tax assets (S\$'000)	Others (S\$'000)	Total (S\$'000)	
<u>Consolidated Income Statement</u>		Note a			
Net profit for the year	31,493	(2,797)	(101)	(2,898)	28,595
<u>Balance Sheet</u>					
Non-current assets					
Deferred tax assets	11,893	(2,797)	-	(2,797)	9,096

Note to the table above:

- a. The adjustment of S\$2.898 million to net profit for the year is principally attributable to the de-recognition of deferred tax assets which arises from unutilised tax losses for the Group's subsidiaries in Vietnam. Under Vietnam tax regulations, unutilised tax losses can only be carried forward and set-off against future taxable profits for a limited number of years. The challenging retail environment in Vietnam has cast doubt on the ability of these tax losses to be utilised by the Vietnam subsidiaries before expiry. The Group has accordingly de-recognised the deferred tax assets related to these tax losses which the Vietnam subsidiaries would not likely be able to utilise, in FY2016.

2. Reclassifications

Group	Preliminary Results (S\$'000)	Reclassifications								Audited Results (S\$'000)
		Accrued rent (S\$'000)	Offsetting of GST receivables and payables (S\$'000)	Provision for restoration costs (S\$'000)	Amount due to a corporate shareholder (S\$'000)	Rental deposits (S\$'000)	Advance payment related to renovation of a store (S\$'000)	Others (S\$'000)	Total (S\$'000)	
		Note a	Note b	Note c	Note d	Note e	Note f			
Balance Sheet										
Non-current assets										
Property, plant and equipment	146,923	-	-	-	-	-	(1,280)	-	(1,280)	145,643
Other receivables	20,951	-	-	-	-	3,015	-	(27)	2,988	23,939
Current assets										
Trade and other receivables	39,551	-	(17,150)	-	-	(3,015)	1,280	21	(18,864)	20,687
Current liabilities										
Trade and other payables	184,793	(8,145)	(17,150)	-	1,014	-	-	-	(24,281)	160,512
Other liabilities	34,632	(8,180)	-	-	-	-	-	-	(8,180)	26,452
Non-current liabilities										
Other payables	13,451	(3,141)	-	(3,021)	(1,014)	-	-	(16)	(7,192)	6,259
Other liabilities	-	19,466	-	3,021	-	-	-	-	22,487	22,487

Notes to the table above:

- Accrued rent arises from the straight-lining of rental expense, where the difference between contractual and straight-lined rent is recorded as accrual on the balance sheet and is gradually reversed over the lease term. These reclassifications to "Other liabilities" account (non-current) are to better reflect their nature and pattern of reversal.
- The offsetting arises from a subsidiary in Malaysia, where eligible Goods & Services Tax ("**GST**") recoverable (input tax) previously presented on a gross basis in the Preliminary Results is now offset against GST payable (output tax) in the Audited Results. The Malaysian customs regulations permit offsetting of GST payable against GST recoverable upon custom department's clearance.
- Provision for restoration costs is reclassified from "Other payables" account (non-current) to "Other liabilities" account (non-current) to better reflect its nature.
- The reclassification is to better reflect the expected timing of settlement of the liability.
- The reclassification is to better reflect the expected timing of realisation of the asset.
- The reclassification is to better reflect the nature of the asset.

On behalf of the Board
PARKSON RETAIL ASIA LIMITED
 Tan Sri William Cheng Heng Jem
 Executive Chairman

7 October 2016