

PARKSON RETAIL ASIA LIMITED

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

Unaudited Financial Statements for the Fourth Quarter and Twelve Months ended 31 December 2022

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.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a)(i) Consolidated Income Statement

	Group			Group		
	Quarter ended			12 months ended		
	31.12.2022	31.12.2021	+/(-) %	31.12.2022	31.12.2021	+/(-) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Continuing operations						
Revenue	68,192	55,442	23.0	233,209	139,189	67.5
Other items of income						
- Finance income	1,231	2,170	(43.3)	4,589	4,971	(7.7)
- Other income	3,152	15,371	(79.5)	5,452	85,434	(93.6)
Items of expense						
- Changes in merchandise inventories and consumables	(23,510)	(17,793)	(32.1)	(70,763)	(46,964)	(50.7)
- Employee related expense	(10,241)	(8,137)	(25.9)	(36,503)	(35,119)	(3.9)
- Depreciation of right-of-use assets ("ROUA")	(9,538)	(9,408)	(1.4)	(35,755)	(41,696)	14.2
- Depreciation and amortisation expense	(1,303)	(2,949)	55.8	(10,105)	(14,131)	28.5
- Promotional and advertising expense	(380)	(243)	(56.4)	(1,064)	(1,016)	(4.7)
- Operating lease expenses	(1,362)	2,122	>(100)	(4,075)	8,243	>(100)
- Interest expense on lease liabilities	(4,456)	(4,100)	(8.7)	(15,866)	(18,232)	13.0
- Finance costs	(300)	(105)	>(100)	(602)	(572)	(5.2)
- Impairment of property, plant and equipment	(648)	(2,042)	68.3	215	(5,999)	>100
- Impairment of ROUA	872	1,067	(18.3)	872	(35,148)	>100
- Other expenses	(8,921)	(10,098)	11.7	(25,809)	(22,181)	(16.4)
Total expenses	(59,787)	(51,686)	(15.7)	(199,455)	(212,815)	6.3
Profit before tax	12,788	21,297	(40.0)	43,795	16,779	>100
Tax expense	(6,076)	(4,301)	(41.3)	(15,021)	(1,457)	>(100)
Profit for the quarter/year	6,712	16,996	(60.5)	28,774	15,322	87.8
Discontinued operations						
(Loss)/profit for the quarter/year	(20)	14,071	>(100)	(363)	10,489	>(100)
Profit for the quarter/year	6,692	31,067	(78.5)	28,411	25,811	10.1
Net profit attributable to:						
Owners of the Company						
Profit from continuing operations, net of tax	6,719	16,994	(60.5)	28,783	15,305	88.1
(Loss)/profit from discontinued operations, net of tax	(20)	14,071	>(100)	(363)	10,489	>(100)
Non-controlling interests						
(Loss)/profit from continuing operations, net of tax	(7)	2	>(100)	(9)	17	>(100)
	6,692	31,067	(78.5)	28,411	25,811	10.1

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

	Group			Group		
	Quarter ended			12 months ended		
	31.12.2022	31.12.2021	+/(-)	31.12.2022	31.12.2021	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the quarter/year	6,692	31,067	(78.5)	28,411	25,811	10.1
Other comprehensive income:						
Foreign currency translation	1,130	330	>100	3,496	1,295	>100
Net fair value loss on equity instruments at fair value through other comprehensive income	-	96	>(100)	-	96	>(100)
Total comprehensive income	7,822	31,493	(75.2)	31,907	27,202	17.3
Total comprehensive income attributable to:						
Owners of the Company	7,823	31,492	(75.2)	31,910	27,185	17.4
Non-controlling interests	(1)	1	>(100)	(3)	17	>(100)
	7,822	31,493	(75.2)	31,907	27,202	17.3

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

	Group		Group	
	Quarter ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
The following items were included in arriving at profit before tax:				
<u>Continuing operations</u>				
Write-back of allowance for trade and other receivables	(8)	(83)	(95)	(773)
Depreciation of property, plant and equipment ("PPE")	1,300	2,945	10,090	14,080
Depreciation of right-of-use assets ("ROUA")	9,538	9,408	35,755	41,696
Interest expense on lease liabilities	4,456	4,100	15,866	18,232
Operating lease expenses	1,362	(2,122)	4,075	(8,243)
Impairment/(reversal of impairment) of PPE	648	2,042	(215)	5,999
(Reversal of impairment)/Impairment of ROUA	(872)	(1,067)	(872)	35,148
PPE written off	(5)	637	260	2,485
(Write-back of allowance)/allowance for inventory shrinkages	(499)	(181)	-	241
(Write-back of allowance)/allowance for inventory obsolescence	(683)	231	(683)	(364)
Gain on deconsolidation of a subsidiary	-	53,893	-	(13,666)
Write-down of liabilities	-	(53,893)	-	(53,893)
Income from subleasing right-of-use assets	(148)	(12,179)	(148)	(12,179)
<u>Discontinued operations</u>				
(Write-back of allowance/allowance for trade and other receivables)	(48)	(254)	-	142
Depreciation of PPE	-	18	-	83
Depreciation of ROUA	-	13	-	2,014
Interest expense on lease liabilities	-	11	-	1,993
Operating lease expenses	(8)	(522)	-	455
Lease derecognition	-	(29,891)	-	(29,891)

1(b)(i) Statements of Financial Position

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	20,409	26,524	-	-
Right-of-use assets	149,987	171,898	-	-
Investment in subsidiaries	-	-	117,230	124,786
Deferred tax assets	5,052	4,821	-	-
Other receivables	5,649	6,499	-	-
Lease receivables	28,813	33,479	-	-
Prepayments	2	4	-	-
Intangible assets	74	94	-	-
Investment securities	261	278	-	-
	210,247	243,597	117,230	124,786
Current assets				
Inventories	20,097	19,465	-	-
Trade and other receivables	13,355	11,983	-	-
Lease receivables	3,229	3,151	-	-
Prepayments	762	1,118	-	-
Tax recoverable	526	1,333	-	-
Cash and short-term deposits	106,574	69,061	113	59
	144,543	106,111	113	59
Total assets	354,790	349,708	117,343	124,845
Current liabilities				
Trade and other payables	141,563	139,007	18,852	12,441
Other liabilities	13,183	14,644	1,100	909
Contract liabilities	6,547	6,896	-	-
Provisions	1,851	1,350	-	-
Loan and borrowings	4,854	4,879	-	-
Lease liabilities	31,660	41,893	-	-
Provision for tax	4,113	-	-	-
	203,771	208,669	19,952	13,350
Net current liabilities	(59,228)	(102,558)	(19,839)	(13,291)
Non-current liabilities				
Other payables	1,491	2,639	-	-
Provisions	4,762	5,089	-	-
Loan and borrowings	2,078	8,905	2,078	8,905
Lease liabilities	160,038	173,663	-	-
	168,369	190,296	2,078	8,905
Total liabilities	372,140	398,965	22,030	22,255
Net (liabilities)/assets	(17,350)	(49,257)	95,313	102,590
Equity attributable to the owners of the Company				
Share capital	231,676	231,676	231,676	231,676
Treasury shares	(549)	(549)	(549)	(549)
Other reserves	(162,205)	(165,412)	(55,183)	(49,002)
Accumulated losses	(86,171)	(114,874)	(80,631)	(79,535)
	(17,249)	(49,159)	95,313	102,590
Non-controlling interests	(101)	(98)	-	-
Total equity	(17,350)	(49,257)	95,313	102,590

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

	Group					
	31.12.2022			31.12.2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Amount repayable in one year or less, or on demand						
- Bank overdraft	440	-	440	364	-	364
- Banker's acceptance	1,918	-	1,918	1,887	-	1,887
- Loan from third parties	-	2,496	2,496	-	2,628	2,628
	2,358	2,496	4,854	2,251	2,628	4,879
Amount repayable after one year						
- Loan from ultimate holding company	-	2,078	2,078	-	8,905	8,905
	-	2,078	2,078	-	8,905	8,905

Bank overdraft and trade facilities (including bank guarantee) are secured by short-term deposit of S\$8.7 million (31 December 2021 : S\$6.7 million) and a corporate guarantee from a subsidiary.

1(c) Consolidated Statement of Cash Flows

	Group		Group	
	Quarter ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation from continuing operations	12,788	21,297	43,795	16,779
(Loss)/profit before taxation from discontinued operations	(20)	14,071	(363)	10,489
Profit before taxation	12,768	35,368	43,432	27,268
Adjustments for:				
- Depreciation of property, plant and equipment ("PPE")	1,300	2,963	10,090	14,163
- Impairment/(reversal of impairment) of PPE	648	2,042	(215)	5,999
- (Reversal of)/PPE written off	(5)	637	260	2,485
- Gain on disposal of PPE	(5)	(894)	(12)	(794)
- Loss on disposal of asset classified as held for sale	-	191	-	191
- Amortisation of intangible assets	3	4	15	51
- Impairment of intangible assets	-	-	-	182
- Reversal of intangible assets written off	-	(80)	-	-
- Depreciation of right-of-use assets ("ROUA")	9,538	9,421	35,755	43,710
- (Reversal of impairment)/impairment of ROUA	(872)	(1,067)	(872)	35,148
- Gain on deconsolidation of a subsidiary	-	53,893	-	(13,666)
- Write-down of liabilities	-	(53,893)	-	(53,893)
- Write-back of allowance for trade and other receivables	(56)	(337)	(95)	(631)
- (Write-back of allowance)/allowance for inventory obsolescence	(683)	231	(683)	(364)
- (Write-back of allowance)/allowance for inventory shrinkages	(499)	(181)	-	241
- Inventory written off	106	(1)	106	901
- Net benefit expense from defined benefit plan	-	-	-	537
- Unrealised currency translation loss	(2)	-	(2)	13
- Income from expired gift vouchers	-	30	-	(761)
- Dividend income from investment securities	-	(27)	-	(27)
- Income from subleasing ROUA	(148)	(12,179)	(148)	(12,179)
- Income from rent concession on lease liabilities	(169)	(18,872)	(169)	(18,872)
- Interest expense on lease liabilities	4,456	4,111	15,866	20,225
- Lease derecognition	(5,765)	(30,248)	(5,765)	(30,248)
- Lease modification	624	1,046	624	1,046
- Finance costs	300	105	602	572
- Finance income	(1,231)	(2,172)	(4,589)	(4,975)
Operating cash flows before changes in working capital	20,308	(9,909)	94,200	16,322
Changes in working capital				
- Inventories	1,234	1,129	(1,285)	9,481
- Receivables and prepayments	(10,002)	19,288	(1,161)	7,321
- Payables and other liabilities	26,236	33,243	1,216	40,408
Cash flows generated from operating activities	37,776	43,751	92,970	73,532
Interest received	678	519	1,805	1,714
Interest paid	(130)	71	(133)	(103)
Income tax refunded/(paid)	7,741	(144)	4,532	(792)
Net cash generated from operating activities	46,065	44,197	99,174	74,351

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

	Group		Group	
	Quarter ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Proceeds from disposal of PPE	(1)	(17)	13	432
Proceeds from disposal of asset classified as held for sale ("Proceeds from Disposal")	-	10,736	-	10,736
Purchase of PPE	(1,180)	(5,389)	(2,513)	(8,771)
Proceeds from net investment in sublease	7,281	5,260	7,281	5,260
Net cash outflow from deconsolidation of a subsidiary	-	-	-	(617)
Dividend income from investment securities	-	27	-	27
Net cash generated from investing activities	6,100	10,617	4,781	7,067
Financing activities				
Interest paid	(5,500)	513	(17,398)	(12,420)
Proceeds from bank borrowings	234	18,618	5,882	19,175
Repayment of bank borrowings	(76)	(18,754)	(6,033)	(20,269)
Repayment of loan to ultimate holding company	(6,288)	(1,265)	(6,288)	(1,265)
Loan from a subsidiary of the ultimate holding company	-	(8,223)	-	-
Advances from related companies	-	10,141	-	10,141
Payment of principal portion of lease liabilities	(8,746)	3,954	(37,245)	(26,223)
Increase in pledged deposits	(3,051)	(5,223)	(2,432)	(4,658)
Net cash used in financing activities	(23,427)	(239)	(63,514)	(35,519)
Net increase in cash and cash equivalents	28,738	54,575	40,441	45,899
Cash and cash equivalents at beginning of quarter/period	70,821	4,471	62,021	15,019
Effects of currency translation on cash and cash equivalents	(2,128)	2,976	(5,031)	1,104
Cash and cash equivalents at end of quarter/period	97,431	62,022	97,431	62,022

	31.12.2022	31.12.2021
	S\$'000	S\$'000
Cash and cash equivalents comprise the following: -		
Cash at banks	7,283	7,703
Short-term bank deposits	99,291	61,358
Cash and short-term bank deposits	106,574	69,061
Less: pledged deposits	(8,703)	(6,675)
Less: bank overdraft	(440)	(364)
	97,431	62,022

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)	Accumulated losses	Equity attributable to owners of the Company, total		
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1.1.2022	231,676	(549)	(165,412)	(114,874)	(49,159)	(98)	(49,257)
Profit for the year	-	-	-	28,420	28,420	(9)	28,411
Foreign currency translation	-	-	3,207	283	3,490	6	3,496
Total comprehensive income/(loss) for the period	-	-	3,207	28,703	31,910	(3)	31,907
At 31.12.2022	231,676	(549)	(162,205)	(86,171)	(17,249)	(101)	(17,350)
At 1.1.2021	231,676	(549)	(166,803)	(140,668)	(76,344)	(115)	(76,459)
Profit for the year	-	-	-	25,794	25,794	17	25,811
Net fair value loss on equity instruments at fair value through other comprehensive income	-	-	96	-	96	-	96
Foreign currency translation	-	-	1,295	-	1,295	-	1,295
Total comprehensive income for the period	-	-	1,391	25,794	27,185	17	27,202
At 31.12.2021	231,676	(549)	(165,412)	(114,874)	(49,159)	(98)	(49,257)

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 1.1.2022	231,676	(549)	(49,002)	(79,535)	102,590
Loss for the year	-	-	-	(1,096)	(1,096)
Foreign currency translation	-	-	(6,181)	-	(6,181)
Total comprehensive loss for the period	-	-	(6,181)	(1,096)	(7,277)
At 31.12.2022	231,676	(549)	(55,183)	(80,631)	95,313
At 1.1.2021	231,676	(549)	(47,535)	(74,768)	108,824
Loss for the year	-	-	-	(4,767)	(4,767)
Foreign currency translation	-	-	(1,467)	-	(1,467)
Total comprehensive loss for the period	-	-	(1,467)	(4,767)	(6,234)
At 31.12.2021	231,676	(549)	(49,002)	(79,535)	102,590

Note A: Other reserves

	Group		Company	
	12 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Foreign currency translation reserve	(45,783)	(49,055)	(55,183)	(49,002)
Fair value of financial assets at fair value through other comprehensive income	198	198	-	-
Capital redemption reserve	1	1	-	-
Acquisition reserve	(2,827)	(2,762)	-	-
Capital contribution from ultimate holding company	9,959	9,959	-	-
Merger reserve	(123,753)	(123,753)	-	-
	(162,205)	(165,412)	(55,183)	(49,002)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

No. of shares	31.12.2022	31.12.2021
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 year and as at the end of the immediately preceding year.

	31.12.2022	31.12.2021
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 was no sale, transfer, disposal, cancellation and/or use of treasury shares during the current quarter.

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The external auditor had issued a qualified opinion in the latest financial statements for FY2021 relating to opening balance of an Indonesian subsidiary in liquidation. As the matters are in the hands of the receivers for statutory compliance and reporting, the Group deems that the impact and effect of the subsidiary's financial reporting is virtually limited and no further disclosure is expected to be made. The cost of investment in the subsidiary and outstanding receivables owing by the subsidiary had been fully impaired by the Company in the previous financial year(s).

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 applied the same accounting policies and methods of computation to the financial statements for the current financial year as in the most recent audited financial statements for the financial period ended 31 December 2021.

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 considered the following standards that have been issued and effective for annual periods beginning on or after 1 January 2022, where applicable.

Amendments to SFRS(I) 3 *Reference to the Conceptual Framework*

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*

Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*

Annual Improvements to SFRS(I)s 2018-2020:

Amendments to SFRS(I) 1-1 *Subsidiary as a First-Time Adopter*

Amendments to SFRS(I) 9 *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

Amendments to SFRS(I) 1-41 *Taxation in Fair Value Measurements*

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

6. Profit/(Loss) per ordinary share

Profit/(Loss) per ordinary share attributable to owners of the Company:-

	Group		Group	
	Quarter ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Basic and diluted (cent)				
- Continuing operations	1.00	2.52	4.27	2.27
- Discontinued operations	-	2.09	(0.05)	1.56
- Continuing and discontinued operations	1.00	4.61	4.22	3.83
Based on weighted average number of shares ('000)	673,800	673,800	673,800	673,800

There was no potential dilution effects on the ordinary shares of the Company. Accordingly, the basic and diluted profit/(loss) per ordinary share for the current quarter/year were the same.

7. Net (liabilities)/assets value per ordinary share

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net (liabilities)/assets value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	(0.03)	(0.07)	0.14	0.15

8. Review of Group performance

Update on disclosure in relation to COVID-19 pandemic

All the stores were operating during the current period.

The Group has at all times remains vigilant during the COVID-19 pandemic and continues to put in place the following measures, consistent with the previous quarters:-

- (i) sanitary masks are provided to stores' staff;
- (ii) hand sanitizers are provided at stores/head offices;
- (iii) employees who develop any respiratory disease symptoms are required to seek treatment, abstain from attending their workplace and inform their supervisors;
- (iv) employees are reminded of the importance of maintaining good personal health and hygiene;
- (v) social distancing is continued to be encouraged at our stores and back offices; and
- (vi) offices and stores are sanitized and self-test kits are provided to staff, where necessary.

The Group continues to work closely with the management of the shopping malls and complexes where the Parkson retail stores are located and implement the measures recommended by the mall management with regards to ensuring the safety of the staff and customers who shop at the stores.

The Group has continued to implement the following action plans under its Business Continuity Plan (BCP):-

- negotiating with the landlords to either waive the rent or reduce the rent substantially, where applicable;
- negotiating with its creditors/suppliers and financial institutions to restructure payment plan, where appropriate;
- maintaining online sales platform to maintain the Group's revenue stream as much as possible; and
- implementing stringent SOP to ensure the highest level of hygiene standard for the safety of staff and customers who shop at the stores.

As far as supply chain management is concerned, the Group is cordially discussing and negotiating with its suppliers to continue trading with Parkson stores to avoid any disruptions.

In light of the degree of uncertainty of the COVID-19 pandemic, the Group is cautiously reviewing its capital expenditure plan ahead to remain prudent.

Group Store Count

As at 31 December 2022, the Group's department store network comprised 39 (31 December 2021 : 40) stores spanning approximately 443,000 sqm of Gross Floor Area; 38 (31 December 2021 : 38) in Malaysia (425,000 sqm) and 1 (31 December 2021 : 2) in Vietnam (18,000 sqm).

Continuing operations

Operating Results

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

	Group			Group		
	Quarter ended			12 months ended		
	31.12.2022	31.12.2021	+/(-)	31.12.2022	31.12.2021	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
GSP						
Sales of goods - direct sales	33,356	25,244	32.1	101,091	63,176	60.0
Sales of goods - concessionaire sales	130,608	125,241	4.3	491,563	294,050	67.2
Total merchandise sales	163,964	150,485	9.0	592,654	357,226	65.9
Consultancy / management service fees	134	101	32.7	449	215	>100
Rental income	162	(815)	>100	2,193	1,007	>100
Food and beverage	574	434	32.3	2,106	1,388	51.7
GSP from continuing operations	164,834	150,205	9.7	597,402	359,836	66.0

The yoy increase in total merchandise sales by 65.9%, largely due to higher sales attained by the Malaysia operation as a result of the recovery from the COVID-19 pandemic against some form of COVID-19 restrictions of the corresponding period. Merchandise sales mix remained largely concessionaire at 82.9% (FY2021: 82.3%) while contribution from direct sales was 17.1% (FY2021: 17.7%).

Consultancy and management service fees from managing a department store in Malaysia increased yoy by >100% due to higher sales attained by the department store. Rental income increased yoy by >100% mainly due to rent rebate granted to tenants in the corresponding period. Food and beverage operations registered a yoy increase in sales by 51.7%, mainly due to the recovery from the COVID-19 pandemic against some form of COVID-19 restrictions of the corresponding period.

Merchandise gross profit margin stood at 26.9% (FY2021: 25.4%).

Financial Results

Revenue

The components of revenue are as follows:-

	Group			Group		
	Quarter ended			12 months ended		
	31.12.2022	31.12.2021	+/(-)	31.12.2022	31.12.2021	+/(-)
Revenue	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales of goods - direct sales	33,356	25,244	32.1	101,091	63,176	60.0
Commission from concessionaire sales	33,966	30,478	11.4	127,370	73,403	73.5
Consultancy / management service fees	134	101	32.7	449	215	>100
Rental income	162	(815)	>100	2,193	1,007	>100
Food and beverage	574	434	32.3	2,106	1,388	51.7
Revenue from continuing operations	68,192	55,442	23.0	233,209	139,189	67.5

Other items of Income

Other income decreased yoy by 93.6% mainly due to the gain on deconsolidation of a subsidiary in Indonesia, recognition of income from subleasing right-of-use assets, derecognition of lease liabilities following the termination of a tenancy agreement in Vietnam as well as write-down of liabilities in relation to a subsidiary in Indonesia following the reassessment of liabilities by the receivers in the corresponding period.

Expenses

Total expenses of the Group declined yoy by 6.3% and analysis of major expenses is as follows: -

Changes in merchandise inventories and consumables

Changes in merchandise inventories and consumables increased yoy by 50.7%, in line with higher revenue achieved.

Depreciation of right-of-use assets ("ROUA")

Depreciation of ROUA declined yoy by 14.2% mainly due to lower ROUA as a result of impairment in the previous year.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased yoy by 28.5% mainly due to lower property, plant and equipment as a result of impairment and write-off in the previous year.

Operating lease expenses

Operating lease expenses increased yoy by >100% mainly due to rent rebates received in the corresponding period.

Interest expense on lease liabilities

Interest expense on lease liabilities declined yoy by 13.0% due to the reduction in lease liabilities as a result of repayment.

Impairment of property, plant and equipment (“PPE”) and right-of-use assets (“ROUA”)

The reversal of impairment of PPE and ROUA in the current period is due to reassessment as a result of the recovery from the COVID-19 pandemic. In the corresponding period, the amount mainly relates to a subsidiary in Indonesia which went into bankruptcy and subsequently was deconsolidated with effect from 17 May 2021.

Other expenses

Other expenses for the current period comprised mainly (a) selling and distribution expenses amounted to S\$6.1 million, (b) general and administrative expenses amounted to S\$9.9 million and (c) other operating expenses amounted to S\$9.8 million. The yoy increase in other expenses was mainly due to the increase in selling and distribution expenses which was fairly in line with higher revenue attained.

Profit before tax

The Group recorded profit before tax for the current period of S\$43.4 million compared with S\$27.3 million of the corresponding period, generally due to the improved performance of the Malaysia operation.

Tax expense

For the current period, the Group recorded a tax expense of S\$15.0 million as certain subsidiaries in Malaysia were in a taxable position.

Group Statement of Financial Position

The Group was in a net current liabilities (“NCL”) position of S\$59.2 million as at 31 December 2022. NCL of the Group decreased by 42.2% from S\$102.6 million as at 31 December 2021 to S\$59.2 million as at 31 December 2022 was mainly due to the improved performance attained by the Group. The negative equity of the Group decreased to S\$17.4 million as at 31 December 2022 from S\$49.3 million as at 31 December 2021 mainly due to profit attained by the Group.

Accordingly, the financial statements of the Group has been prepared on a going concern basis. The ability of the Group to continue as a going concern is dependent on the Group generating sufficient cash flows from its operations to meet its working capital needs and the continued support from its suppliers and creditors.

Property, plant and equipment declined to S\$20.4 million mainly due to depreciation.

Right-of-use assets declined to S\$150.0 million mainly due to depreciation.

Lease receivables (non-current) declined to S\$28.8 million mainly due to collections from tenants.

Cash and short-term deposits increased to S\$106.6 million mainly due to higher cash collections relating to the December 2022 festive season.

Trade and other payables (current) increased to S\$141.6 million was fairly in line with the December 2022 festive season.

Lease liabilities (current) decreased to S\$31.7 million mainly due to repayment.

Provision for tax (current) stood at S\$4.1 million due to the taxable position of certain subsidiaries in Malaysia.

Loans and borrowings (non-current) decreased to S\$2.1 million due to repayment of loan.

Lease liabilities (non-current) decreased to S\$160.0 million mainly due to repayment.

Accumulated losses reduced to S\$86.2 million due to profit attained by the Group.

Company Statement of Financial Position

Investment in subsidiaries decreased to S\$117.2 million due to fluctuation in foreign exchange.

Trade and other payables (current) increased to S\$18.9 million due to advances received from a subsidiary.

Loans and borrowings (non-current) decreased to S\$2.1 million due to repayment of loan.

Group Cash Flow

For the current period, the Group recorded net cash inflow from operating activities of S\$99.2 million, net cash generated from investing activities of S\$4.7 million and net cash used in financing activities of S\$63.5 million, resulting in a net increase in cash and cash equivalents of S\$40.4 million (FY2021 : S\$45.9 million). The net increase in cash and cash equivalents was generally contributed by the improved performance attained by the Group.

9. 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 12 November 2022.

Parkson Corporation Sdn Bhd

1. Millenium Mall Sdn Bhd

Further to the previous quarterly announcement made on 12 November 2022, PCSB had, on 20 February 2023, entered into a settlement agreement with MMSB for the full and final settlement of all disputes and claims between PCSB and MMSB relating to and/or arising from and/or in connection with the sub-lease arrangements between PCSB and MMSB ("Settlement Agreement"). The salient terms of the Settlement Agreement are, amongst others, as follows:

- (a) PCSB shall pay a lump sum of RM10.4 million to MMSB, without admission as to liability, within 14 days from the date of the Settlement Agreement; and
- (b) PCSB and MMSB shall relinquish, waive, release and/or discharge each other from all claims, debts and liabilities whatsoever in connection with or arising from the existing legal and arbitration proceedings involving PCSB and MMSB in relation to the sub-lease arrangements between PCSB and MMSB, and MMSB shall not in the future institute any proceedings or action against PCSB relating to and/or arising from and/or in connection with the sub-lease arrangements between PCSB and MMSB.

2. PKNS-Andaman Development Sdn Bhd

There has been no further update since the previous quarterly announcement made on 12 November 2022. The next hearing date is on 21 March 2023.

Parkson Vietnam Co Ltd

There has been no further update since the previous quarterly announcement made on 12 November 2022.

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

10. 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 12 November 2022 was generally in line with the operating environment encountered in the current quarter.

11. 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

Among others, the inflationary pressure, higher cost of living (which in turn would affect consumers' sentiment), shift in consumer spending habits and COVID-19 will continue to remain a concern to the Group's operating environment and financial performance for the financial year ending 31 December 2023.

The Group will continue to focus its priorities on rationalising its operations, improving store productivity and operational efficiency, carrying out tactical promotional activities as well as managing costs to improve its financial performance.

12. 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.

13. 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 still in accumulated losses position.

PART II - ADDITIONAL DISCLOSURE

14. Group Performance by Geographical Segment

Group	Continuing Operations										Discontinued Operations		Total	
	Retail Stores						Others		Total		Retail Stores			
	Malaysia		Vietnam		Indonesia*						Vietnam**			
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross Sales Proceeds	586,951	350,683	8,332	4,255	-	3,471	2,119	1,427	597,402	359,836	-	17,626	597,402	377,462
Revenue	228,716	135,739	2,374	(159)	-	2,182	2,119	1,427	233,209	139,189	-	4,363	233,209	143,552
Pre-tax Results														
Department stores	48,468	205	(1,976)	6,273	-	(47,147)	-	-	46,492	(40,669)	(363)	10,489	46,129	(30,180)
Lifestyle retail stores	3,399	(5,309)	-	-	-	-	-	-	3,399	(5,309)	-	-	3,399	(5,309)
Other business	51,867	(5,104)	(1,976)	6,273	-	(47,147)	-	-	49,891	(45,978)	(363)	10,489	49,528	(35,489)
- food and beverage	-	-	-	-	-	-	(736)	(841)	(736)	(841)	-	-	(736)	(841)
Corporate expenses	-	-	-	-	-	-	(5,360)	(3,961)	(5,360)	(3,961)	-	-	(5,360)	(3,961)
Gain on deconsolidation***	-	-	-	-	-	-	-	67,559**	-	67,559	-	-	-	67,559
Reported pre-tax results	51,867	(5,104)	(1,976)	6,273	-	(47,147)	(6,096)	62,757	43,795	16,779	(363)	10,489	43,432	27,268

* deconsolidated with effect from 17 May 2021.

** following the termination of the tenancy agreement, a subsidiary in Vietnam ceased to own its remaining store with effect from 1 January 2022.

*** relates to a subsidiary in Indonesia which went into bankruptcy on 17 May 2021 and subsequently a loss of control by the Group on even date which resulted in a gain on deconsolidation of the said subsidiary.

15. Interested person transactions for the financial period ended 31 December 2022

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) S\$'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 S\$'000
Lion Corporation Berhad ⁽¹⁾	Associate of Tan Sri William Cheng Heng Jem, a director and controlling shareholder of the Company ("Tan Sri William Cheng")	-	4,336
Parkson Holdings Berhad Group ⁽²⁾	Associate of Tan Sri William Cheng	538 ^{(i)*}	4,427 ⁽ⁱⁱ⁾
Lion Posim Berhad ⁽³⁾	Associate of Tan Sri William Cheng	-	271
Visionwell Sdn Bhd ⁽⁴⁾	Associate of Tan Sri William Cheng	-	270

Notes:

- (1) (a) Marketing fee payable for bonus points issued and amount received/receivable for point redemption made by cardholders totaling S\$4.098 million; and
(b) Purchase of goods and security equipment, and procurement of security service totaling S\$0.238 million.
- (2) (i) (a) Interest expense of S\$0.254 million in relation to loan obtained from the ultimate holding company;
(b) Royalty expense totaling S\$0.121 million; and
(c) Sale of goods totaling S\$0.163 million.
(ii) (a) Rental income totaling S\$0.470 million;
(b) Net purchase of merchandise and concessionaire sales totaling S\$3.957 million;
- (3) Purchase of building materials and merchandise, sale of gift vouchers and rental income.
- (4) Rental of office space.

* Royalty expense and interest 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").

16. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ms. Cheng Hui Yen, Natalie	39	- Daughter of Tan Sri Cheng Heng Jem (Executive Chairman and Substantial Shareholder) - Sister of Ms Cheng Hui Yuen, Vivien (Executive Director)	Director of Merchandising (since June 2015)	-

17. 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 fourth quarter/financial year ended 31 December 2022 to be false or misleading.

18. 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 William Cheng Heng Jem
Executive Chairman

Singapore
21 February 2023