

**PARKSON RETAIL ASIA LIMITED**

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

**Unaudited Financial Statements for the Third Quarter ended 31 March 2015**
**HIGHLIGHTS**

	Group								
	Reported Quarter ended			Reported 9 months ended			Like-for-Like Comparable* 9 months ended		
	31.03.2015	31.03.2014	+/(-)	31.03.2015	31.03.2014	+/(-)	31.03.2015	31.03.2014	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Sales Proceeds	295,924	269,664	9.7	866,180	831,843	4.1	814,113	824,356	(1.2)
Revenue	116,578	106,718	9.2	344,088	332,862	3.4	326,692	330,224	(1.1)
Profit Before Tax	12,146	11,209	8.4	37,062	43,724	(15.2)	47,977	44,750	7.2
Net Profit attributable to owners of the Company	7,984	7,567	5.5	25,078	31,387	(20.1)	33,177	32,143	3.2

\* The like-for-like comparable figures are provided for comparison purpose only, and do not form part of the financial statements prepared under the accounting standards nor under the disclosure requirements of the Singapore Exchange. These like-for-like comparable figures are computed on same store basis (also excluding the non-operational items for FY2015 period comprising of gain on disposal of an associate and store closure costs).

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

SSSG	Quarter ended		9 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Malaysia	+8.0%	+0.1%	-1.2%	+0.1%
Vietnam	-2.1%	-7.2%	-4.5%	-3.8%
Indonesia	+6.9%	+8.9%	+7.1%	+6.7%
Myanmar	+12.7%	n.a.	+24.2%	n.a.

n.a. – not applicable

The Malaysia operations recorded SSSG of +8.0% in Q3 FY2015 contributed by the increase in consumer buying prior to the introduction of the Goods & Services Tax (“GST”) on 1 April 2015. The growth in SSSG was achieved despite a weak reading in the country’s consumer sentiment index (“CSI”) as reported by the Malaysian Institute of Economic Research, with the CSI reading for the 1<sup>st</sup> quarter calendar year 2015 remaining below the 100-point confidence threshold at 72.6 points. Contributory factors affecting consumer sentiment on the downside included the macro headwind impacting the Malaysian economy arising from the fall in commodity prices and the depreciating currency.

The Vietnam operations recorded decline in SSSG of -2.1% in Q3 FY2015. Recovery remains patchy with the southern stores (in Ho Chi Minh City) registering positive SSSG for the quarter, however, off-set by the negative SSSG recorded by the northern stores (in Hanoi and Hai Phong).

The Indonesia operations recorded SSSG of +6.9% in Q3 FY2015. Consumer sentiment remained strong with Bank Indonesia reporting the country’s consumer confidence index for the 1<sup>st</sup> quarter calendar year 2015 remaining above the 100-point confidence threshold at 119.1 points.

The Myanmar operations recorded SSSG of +12.7% in Q3 FY2015. The store in FMI Centre, Yangon recorded strong ramp-up in sales after the 1<sup>st</sup> year of operations.

Gross Sales Proceeds (“GSP”) for Q3 FY2015 increased by 9.7% Year-over-Year (“YoY”) to S\$295.9 million, while GSP for the Year-To-Date (“YTD”) 9 months financial year 2015 (“YTD 9 months FY2015”) increased by 4.1% YoY to S\$866.2 million. Group’s revenue for Q3 FY2015 increased by 9.2% YoY to S\$116.6 million, while revenue for YTD 9 months FY2015 increased by 3.4% YoY to S\$344.1 million. The increases in GSP and revenue are due to sales contribution from the 11 new stores and 3 renovated stores operating in the FY2015 period. On same store basis, GSP and revenue for YTD 9 months FY2015 declined by (1.2)% and (1.1)% respectively due significantly to (i) negative SSSG recorded by the Malaysia and Vietnam operations at -1.2% and -4.5% respectively and (ii) local currency weakness of the Indonesia Rupiah. On same store basis and same currency basis, GSP and revenue for YTD 9 months FY2015 remained flat YoY.

Profit Before Tax (“PBT”) for Q3 FY2015 increased by 8.4% YoY to S\$12.1 million due mainly to the positive leverage impact from the SSSG of +8.0% recorded by the Malaysia operations during the quarter arising from the pre-GST buying by consumers. However, PBT for the YTD 9 months FY2015 declined by (15.2)% YoY to S\$37.1 million due to a combination of factors i.e. (i) de-leveraging impact from the negative SSSG of the Vietnam operations, (ii) the initial loss-making periods of the new stores in their 1<sup>st</sup> year of operations and (iii) closure costs of S\$2.6 million for a store in Hanoi, Vietnam. On same store basis (also excluding non-operational items), PBT for the YTD 9 months FY2015 increased by 7.2% YoY to S\$48.0 million. On same store basis and same currency basis, PBT for the YTD 9 months FY2015 increased by 11.8% YoY.

A summary table detailing the segmental PBT for the YTD 9 months FY2015 is appended below.

PBT Summary	Group		
	9 months ended		
	31.03.2015	31.03.2014	+/(–)
	S\$'000	S\$'000	%
<b>Like-for-like, on same store basis</b>			
Malaysia	41,961	40,741	3.0
Vietnam	799	1,472	(45.7)
Indonesia	4,274	2,883	48.2
Myanmar	(416)	(588)	29.3
Share of profits of an associate (Sri Lanka)	37	894	(95.9)
Investment holding / Others	1,322	(653)	>100.0
<b>PBT (same store basis)</b>	<b>47,977</b>	<b>44,749</b>	<b>7.2</b>
<b>PBT / (Losses) of new and closed stores</b>			
Malaysia	(2,032)	(98)	>(100.0)
Vietnam	(1,006)	(927)	(8.5)
Indonesia	(6,638)	-	>(100.0)
<b>Non-operational items</b>			
Gain on disposal of an associate	1,379	-	>100.0
Store closure costs*	(2,618)	-	>(100.0)
<b>Group PBT</b>	<b>37,062</b>	<b>43,724</b>	<b>(15.2)</b>

\* store closure costs comprise mainly of fixed assets write-down and staff retrenchment costs.

On same store basis, PBT for the Malaysia operations for YTD 9 months FY2015 increased by 3.0% due significantly to absence of impairment loss on tenancy deposit recorded in the comparative FY2014 period and higher write-back of expired gift vouchers. On same store basis and same currency basis, PBT for the Malaysia operations recorded an increase of 4.3%.

On same store basis, PBT for the Vietnam operations declined by (45.7)% due to the de-leveraging impact from the negative SSSG of -4.5% for the YTD 9 months FY2015.

On same store basis, PBT for the Indonesia operations increased by 48.2% due largely to the positive leverage impact from the SSSG of +7.1% and write-back of expired customer loyalty points. On same store basis and same currency basis, PBT for the Indonesia operations recorded an increase of 56.0%.

The store in Myanmar commenced operations in May 2013 and is in a loss position as it has yet to achieve the breakeven sales volume despite recording SSSG of +24.2%.

The Company has completed the disposal of its entire equity interest of 47.46% in the associate, Odel PLC, on 4 November 2014. The Group's share of profits of Odel PLC declined by (95.9)% due to a combination of factors i.e. (i) increase in operating costs, (ii) decline in interest income earned on funds from the rights issue of shares which has been partly spent for business expansion purpose and (iii) equity accounting of profits up to disposal date for the current FY2015 period as compared to 9 months share of results in the comparative FY2014 period.

Investment holding / Others recorded a profit of S\$1.322 million for YTD 9 months FY2015 as compared to a loss of S\$(0.653) million in the comparative FY2014 period. This is largely due to recognition of currency translation gain on deposits for the reported FY2015 period.

The Group's cashflow generation remains healthy with net cash generated from operations of S\$70.2 million for the YTD 9 months FY2015 despite faced with challenging environments. The Group balance sheet position continues to be strong with total equity of S\$217.4 million as at 31 March 2015.

A summary table comparing the PBT variance YoY in percentage terms for the (i) reported numbers, (ii) same store numbers and (iii) same store, same currency numbers across the Group's 4 markets is appended below.

<b>PBT variance (comparing YTD 9 months FY2015 vs YTD 9 months FY2014)</b>	Reported	Same store**	Same store, same currency**
	+ / (-) %	+ / (-) %	+ / (-) %
Malaysia	(1.8)	3.0	4.3
Vietnam	>(100.0)	(45.7)	(46.8)
Indonesia	>(100.0)	48.2	56.0
Myanmar	29.3	29.3	29.2
Group	(15.2)	7.2	11.8

\*\* same store variance is also excluding non-operational items for FY2015 period comprising gain on disposal of an associate (S\$1.379 million) and store closure costs (S\$2.618 million)

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**Unaudited Financial Statements for the Third Quarter ended 31 March 2015**
**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		
	31.03.2015	31.03.2014	+/(-) %	31.03.2015	31.03.2014	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	116,578	106,718	9.2	344,088	332,862	3.4
Other income	4,002	3,573	12.0	13,632	9,879	38.0
<b>Items of expense</b>						
- Changes in merchandise inventories and consumables	(45,693)	(40,361)	13.2	(130,384)	(128,700)	1.3
- Employee benefits expense	(13,227)	(12,991)	1.8	(39,244)	(37,074)	5.9
- Depreciation and amortisation expenses	(4,874)	(5,261)	(7.4)	(15,221)	(15,134)	0.6
- Rental expenses	(28,569)	(26,091)	9.5	(87,007)	(75,673)	15.0
- Finance costs	(92)	(116)	(20.7)	(364)	(346)	5.2
- Other expenses	(15,979)	(14,476)	10.4	(48,475)	(42,984)	12.8
Total expenses	(108,434)	(99,296)	9.2	(320,695)	(299,911)	6.9
Share of profits of an associate	-	214	(100.0)	37	894	(95.9)
<b>Profit before tax</b>	12,146	11,209	8.4	37,062	43,724	(15.2)
Taxation	(4,400)	(3,966)	10.9	(14,039)	(13,602)	3.2
<b>Net profit for the period</b>	7,746	7,243	6.9	23,023	30,122	(23.6)
<b>Net profit for the period attributable to:</b>						
Owners of the Company	7,984	7,567	5.5	25,078	31,387	(20.1)
Non-controlling interests	(238)	(324)	(26.5)	(2,055)	(1,265)	62.5
	7,746	7,243	6.9	23,023	30,122	(23.6)

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

	Group					
	Quarter ended			9 months ended		
	31.03.2015	31.03.2014	+ / (-)	31.03.2015	31.03.2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit for the period	7,746	7,243	6.9	23,023	30,122	(23.6)
Other comprehensive income/(loss):						
Remeasurement of defined benefit plan	-	-	-	34	-	>100.0
Foreign currency translation	(1,119)	2,515	>(100.0)	(454)	(9,812)	(95.4)
<b>Total comprehensive income</b>	<b>6,627</b>	<b>9,758</b>	<b>(32.1)</b>	<b>22,603</b>	<b>20,310</b>	<b>11.3</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	6,873	10,059	(31.7)	24,756	21,580	14.7
Non-controlling interests	(246)	(301)	(18.3)	(2,153)	(1,270)	69.5
	<b>6,627</b>	<b>9,758</b>	<b>(32.1)</b>	<b>22,603</b>	<b>20,310</b>	<b>11.3</b>

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

	Group			
	Quarter ended		9 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax is arrived after (charging)/crediting:				
Finance income	1,443	1,736	4,473	4,435
Gain on disposal of an associate	-	-	1,379	-
Store closure costs*	(307)	-	(2,618)	-

\* store closure costs comprise mainly of fixed assets write-down and staff retrenchment costs.

**1(b)(i) Statements of Financial Position**

	Group		Company	
	31.03.2015	30.06.2014	31.03.2015	30.06.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	101,731	89,522	-	-
Land use right	8,517	7,913	-	-
Investments in subsidiaries	-	-	150,890	148,440
Investment in an associate	-	26,539	-	26,074
Other receivables	28,459	24,876	22,921	32,135
Prepayments	12,886	13,576	-	-
Intangible assets	5,750	5,737	-	-
Derivatives	19	20	-	-
Deferred tax assets	3,719	3,805	-	-
Investment securities	86	91	-	-
	161,167	172,079	173,811	206,649
<b>Current assets</b>				
Inventories	55,429	63,628	-	-
Trade and other receivables	24,157	23,514	33,066	27,493
Prepayments	2,999	6,126	44	22
Tax recoverable	1,641	2,515	-	-
Cash and short-term deposits	171,540	150,881	9,060	3,514
	255,766	246,664	42,170	31,029
<b>Total assets</b>	<b>416,933</b>	<b>418,743</b>	<b>215,981</b>	<b>237,678</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	152,606	141,869	918	762
Other liabilities	34,236	26,995	-	-
Tax payable	677	790	-	-
	187,519	169,654	918	762
<b>Net current assets</b>	<b>68,247</b>	<b>77,010</b>	<b>41,252</b>	<b>30,267</b>
<b>Non-current liabilities</b>				
Other payables	11,826	10,094	-	-
Deferred tax liabilities	190	176	-	-
	12,016	10,270	-	-
<b>Total liabilities</b>	<b>199,535</b>	<b>179,924</b>	<b>918</b>	<b>762</b>
<b>Net assets</b>	<b>217,398</b>	<b>238,819</b>	<b>215,063</b>	<b>236,916</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	231,676	231,676	231,676	231,676
Other reserves	(150,693)	(150,337)	(23,158)	(11,710)
Retained earnings	138,414	157,326	6,545	16,950
	<b>219,397</b>	<b>238,665</b>	<b>215,063</b>	<b>236,916</b>
<b>Non-controlling interests</b>	<b>(1,999)</b>	<b>154</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>217,398</b>	<b>238,819</b>	<b>215,063</b>	<b>236,916</b>
<b>Total equity and liabilities</b>	<b>416,933</b>	<b>418,743</b>	<b>215,981</b>	<b>237,678</b>

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

There are no Group loans and borrowings as at 31.03.2015 and 30.06.2014.

**1(c) Consolidated Statement of Cash Flows**

	<b>Group</b>			
	<b>Quarter ended</b>		<b>9 months ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before tax	12,146	11,209	37,062	43,724
Adjustments for				
- Depreciation and amortisation	4,874	5,261	15,221	15,134
- Finance costs	92	116	364	346
- Finance income	(1,443)	(1,736)	(4,473)	(4,435)
- Share of profits of an associate	-	(214)	(37)	(894)
- Gain on disposal of an associate	-	-	(1,379)	-
- Store closure costs (accrual portion)	(355)	-	1,956	-
- Unrealised currency translation (gain)/ loss	561	40	(168)	(263)
- Others	(477)	(812)	(231)	979
<b>Operating cash flows before changes in working capital</b>	<b>15,398</b>	<b>13,864</b>	<b>48,315</b>	<b>54,591</b>
Changes in working capital				
- Inventories	8,144	3,134	5,834	(5,536)
- Receivables and prepayments	1,914	1,110	726	2,613
- Payables and other liabilities	(10,676)	(38,241)	23,147	1,618
<b>Cash flows generated from / (used in) operations</b>	<b>14,780</b>	<b>(20,133)</b>	<b>78,022</b>	<b>53,286</b>
Finance income received	1,548	1,657	4,129	4,180
Finance costs paid	-	(36)	(3)	(51)
Income tax paid	(3,823)	(5,319)	(11,906)	(14,489)
<b>Net cash generated from / (used in) operating activities</b>	<b>12,505</b>	<b>(23,831)</b>	<b>70,242</b>	<b>42,926</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(12,801)	(12,688)	(27,756)	(30,486)
Proceed from disposal of an associate	-	-	27,919	-
Addition of intangible assets	(248)	(215)	(301)	(307)
Dividend income from investment securities	-	-	86	-
Dividends received from an associate	-	-	-	148
<b>Net cash used in investing activities</b>	<b>(13,049)</b>	<b>(12,903)</b>	<b>(52)</b>	<b>(30,645)</b>
<b>Financing activities</b>				
Dividends paid	(27,092)	-	(44,024)	(18,287)
<b>Net cash used in financing activities</b>	<b>(27,092)</b>	<b>-</b>	<b>(44,024)</b>	<b>(18,287)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(27,636)</b>	<b>(36,734)</b>	<b>26,166</b>	<b>(6,006)</b>
Cash and cash equivalents at beginning of financial period	201,808	199,846	150,881	176,830
Effects of currency translation on cash and cash equivalents	(2,632)	1,321	(5,507)	(6,391)
<b>Cash and cash equivalents at end of financial period</b>	<b>171,540</b>	<b>164,433</b>	<b>171,540</b>	<b>164,433</b>

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

	<b>Group</b>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
	S\$'000	S\$'000
Cash at bank	15,884	16,105
Short-term bank deposits	155,656	148,328
	<b>171,540</b>	<b>164,433</b>

1(d)(i) **Consolidated Statement of Changes in Equity**

	Attributable to owners of the Company								Non-controlling Interests	Total Equity
	Share capital	Foreign currency translation reserve	Capital redemption reserve	Capital contribution from ultimate holding company	Merger reserve	Bargain purchase of non-controlling interests	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>										
<b>Balance at 01.07.2014</b>	<b>231,676</b>	<b>(36,983)</b>	<b>1</b>	<b>9,959</b>	<b>(123,753)</b>	<b>439</b>	<b>157,326</b>	<b>238,665</b>	<b>154</b>	<b>238,819</b>
Profit for the period	-	-	-	-	-	-	25,078	25,078	(2,055)	23,023
Foreign currency translation	-	(356)	-	-	-	-	-	(356)	(98)	(454)
Remeasurement of defined benefit plan	-	-	-	-	-	-	34	34	-	34
Dividends	-	-	-	-	-	-	(44,024)	(44,024)	-	(44,024)
<b>Balance at 31.03.2015</b>	<b>231,676</b>	<b>(37,339)</b>	<b>1</b>	<b>9,959</b>	<b>(123,753)</b>	<b>439</b>	<b>138,414</b>	<b>219,397</b>	<b>(1,999)</b>	<b>217,398</b>
<b>Balance at 01.07.2013 (restated)</b>	<b>231,676</b>	<b>(24,536)</b>	<b>1</b>	<b>9,959</b>	<b>(123,753)</b>	<b>439</b>	<b>161,010</b>	<b>254,796</b>	<b>2,486</b>	<b>257,282</b>
Profit for the period	-	-	-	-	-	-	31,387	31,387	(1,265)	30,122
Foreign currency translation	-	(9,807)	-	-	-	-	-	(9,807)	(5)	(9,812)
Dividends	-	-	-	-	-	-	(18,287)	(18,287)	-	(18,287)
<b>Balance at 31.03.2014</b>	<b>231,676</b>	<b>(34,343)</b>	<b>1</b>	<b>9,959</b>	<b>(123,753)</b>	<b>439</b>	<b>174,110</b>	<b>258,089</b>	<b>1,216</b>	<b>259,305</b>

**Statement of Changes in Equity**

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>				
<b>Balance at 01.07.2014</b>	<b>231,676</b>	<b>(11,710)</b>	<b>16,950</b>	<b>236,916</b>
Profit for the period	-	-	33,619	33,619
Foreign currency translation	-	(11,448)	-	(11,448)
Dividends	-	-	(44,024)	(44,024)
<b>Balance at 31.03.2015</b>	<b>231,676</b>	<b>(23,158)</b>	<b>6,545</b>	<b>215,063</b>
<b>Balance at 01.07.2013</b>	<b>231,676</b>	<b>(4,250)</b>	<b>19,276</b>	<b>246,702</b>
Loss for the period	-	-	(415)	(415)
Foreign currency translation	-	(9,343)	-	(9,343)
Dividends	-	-	(18,287)	(18,287)
<b>Balance at 31.03.2014</b>	<b>231,676</b>	<b>(13,593)</b>	<b>574</b>	<b>218,657</b>

**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**

	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Issued Share Capital	677,300,000	677,300,000
Treasury Shares held	--	--
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.**

	<b>31.03.2015</b>	<b>30.06.2014</b>
Total number of issued shares excluding treasury shares	677,300,000	677,300,000

The Company did not hold any treasury shares as at 31 March 2015 and 30 June 2014.

**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.**

Not applicable.

**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 2014, 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 ("FRS") that became effective for the financial year beginning on or after 1 July 2014. 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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Basic and diluted (cents)	1.18	1.12	3.70	4.63
Based on weighted average number of shares ('000)	677,300	677,300	677,300	677,300

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	
	31.03.2015	30.06.2014	31.03.2015	30.06.2014
Net asset value per ordinary share based on total number of issued shares excluding treasury shares (S\$)	0.32	0.35	0.32	0.35

## 8. Review of Group Performance

### Review of Business Environments

The Group recorded the following SSSG, by countries:

SSSG	Quarter ended		9 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Malaysia	+8.0%	+0.1%	-1.2%	+0.1%
Vietnam	-2.1%	-7.2%	-4.5%	-3.8%
Indonesia	+6.9%	+8.9%	+7.1%	+6.7%
Myanmar	+12.7%	n.a.	+24.2%	n.a.

n.a. – not applicable

The Malaysia operations recorded SSSG of +8.0% in Q3 FY2015 contributed by the increase in consumer buying prior to the introduction of the Goods & Services Tax (“GST”) on 1 April 2015. The growth in SSSG was achieved despite a weak reading in the country’s consumer sentiment index (“CSI”) as reported by the Malaysian Institute of Economic Research, with the CSI reading for the 1<sup>st</sup> quarter calendar year 2015 remaining below the 100-point confidence threshold at 72.6 points. Contributory factors affecting consumer sentiment on the downside included the macro headwind impacting the Malaysian economy arising from the fall in commodity prices and the depreciating currency.

The Vietnam operations recorded decline in SSSG of -2.1% in Q3 FY2015. Recovery remains patchy with the southern stores (in Ho Chi Minh City) registering positive SSSG for the quarter, however, offset by the negative SSSG recorded by the northern stores (in Hanoi and Hai Phong).

The Indonesia operations recorded SSSG of +6.9% in Q3 FY2015. Consumer sentiment remained strong with Bank Indonesia reporting the country’s consumer confidence index for the 1<sup>st</sup> quarter calendar year 2015 remaining above the 100-point confidence threshold at 119.1 points.

The Myanmar operations recorded SSSG of +12.7% in Q3 FY2015. The store in FMI Centre, Yangon recorded strong ramp-up in sales after the 1<sup>st</sup> year of operations.

## Review of Operational Results

The components of GSP for Q3 FY2015 and YTD 9 months FY2015 are as follows:-

	Group					
	Quarter ended			9 months ended		
	31.03.2015	31.03.2014	+/(-)	31.03.2015	31.03.2014	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross Sales Proceeds</b>						
Sale of goods - direct sales	55,772	51,082	9.2	163,248	161,932	0.8
Sale of goods - concessionaire sales	235,532	214,897	9.6	690,271	658,136	4.9
Total merchandise sales	291,304	265,979	9.5	853,519	820,068	4.1
Consultancy and management service fees	262	277	(5.4)	742	835	(11.1)
Rental income	4,358	3,408	27.9	11,919	10,940	8.9
Total gross sales proceeds	295,924	269,664	9.7	866,180	831,843	4.1

The Group's GSP increased by 9.7% YoY to S\$295.9 million for Q3 FY2015 and increased by 4.1% YoY to S\$866.2 million for YTD 9 months FY2015. GSP for the quarter and YTD periods increased due to sales contribution from the 11 new stores and 3 renovated stores operating in the FY2015 period. GSP growth for the quarter was also assisted by the positive SSSG recorded in the Malaysia operations from the increase in pre-GST buying by consumers. On same store basis, the Group's GSP for YTD 9 months FY2015 declined by (1.2)% to S\$814.1 million due significantly to (i) negative SSSG recorded by the Malaysia and Vietnam operations at -1.2% and -4.5% respectively and (ii) local currency weakness of the Indonesia Rupiah. On same store basis and same currency basis, GSP for YTD 9 months FY2015 remained flat YoY.

The Group generated total merchandise sales of S\$853.5 million for the YTD 9 months FY2015, with concessionaire sales contributing 80.9% and direct sales contributing the balance of 19.1%. By product segment, the Fashion & Apparel category constitute 57.9% of the total merchandise sales, the Cosmetic & Accessories category constitute 23.6%, the Household, Electrical Goods & Others category constitute 13.9% while the remaining balance of 4.6% came from the Groceries & Perishables category.

The merchandise gross margin (a combination of the commission from concessionaires and direct sales margin) for Q3 FY2015 declined by 90 bps YoY to 22.7% but increased by 10 bps YoY to 23.6% for YTD 9 months FY2015. Gross margin for the quarter declined due to increased promotional and marketing activities.

## Review of Financial Results

### Revenue and Other Income

The Group's revenue increased by 9.2% YoY to S\$116.6 million for Q3 FY2015 and increased by 3.4% YoY to S\$344.1 million for YTD 9 months FY2015. The increase in revenues is in line with the increase in GSP as explained above. The components of revenue for Q3 FY2015 and YTD 9 months FY2015 are as follows:-

	Group					
	Quarter ended			9 months ended		
	31.03.2015	31.03.2014	+/(-)	31.03.2015	31.03.2014	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>						
Sale of goods - direct sales	55,772	51,082	9.2	163,248	161,932	0.8
Commission from concessionaire sales	56,186	51,951	8.2	168,179	159,155	5.7
Consultancy and management service fees	262	277	(5.4)	742	835	(11.1)
Rental income	4,358	3,408	27.9	11,919	10,940	8.9
Total revenue	116,578	106,718	9.2	344,088	332,862	3.4

Other income for Q3 FY2015 and YTD 9 months FY2015 increased YoY by 12.0% to S\$4.0 million and by 38.0% to S\$13.6 million respectively. Other income increased for the YTD 9 months FY2015 due significantly to currency translation gain on deposits and gain on disposal of shares in an associate, Odel PLC.

### Expenses

For Q3 FY2015 and YTD 9 months FY2015, total expenses of the Group increased by 9.2% YoY to S\$108.4 million and by 6.9% YoY to S\$320.7 million respectively. Analysis of the major operating expense items for Q3 FY2015 and YTD 9 months FY2015 is as follows:

#### *Changes in merchandise inventories and consumables*

Changes in merchandise inventories and consumables refer to the cost of direct sales. Cost of direct sales for Q3 FY2015 and YTD 9 months FY2015 increased by 13.2% to S\$45.7 million and by 1.3% to S\$130.4 million respectively. These increases are in line with the increase in direct sales.

#### *Employee benefits expense*

Staff cost increased by 1.8% to S\$13.2 million for Q3 FY2015 and increased by 5.9% to S\$39.2 million for YTD 9 months FY2015. These increases are primarily due to the inclusion of staff costs for new stores operating in FY2015 period and yearly wage increase.

As a percentage of revenue, the staff cost ratios declined by 90 bps YoY to 11.3% for Q3 FY2015 but increased by 30 bps YoY to 11.4% for YTD 9 months FY2015. Staff cost ratio declined for the quarter due significantly to higher staff productivity for the Malaysia operations from the improved SSSG of +8.0% for Q3 FY2015 achieved on the increase in pre-GST buying by consumers. Staff cost ratio for YTD 9 months FY2015 increased due to (i) staff costs for new stores where the sales are lower at the initial stages of operations and (ii) negative SSSG recorded by the Malaysia and Vietnam operations resulting in lower staff productivity.

#### *Depreciation and amortisation expenses*

Depreciation and amortisation declined by (7.4)% to S\$4.9 million for Q3 FY2015 but increased marginally by 0.6% to S\$15.2 million for YTD 9 months FY2014. The decline for the quarter is primarily due to lower depreciation on older stores in Malaysia and Vietnam where the assets have been fully depreciated, and the absence of depreciation for a closed store in Hanoi, Vietnam. The marginal increase for YTD 9 months FY2015 is primarily due to inclusion of depreciation costs for the new stores operating in FY2015 period, however, mitigated by lower depreciation on older stores and absence of depreciation for a store in Hanoi closed in January 2015.

As a percentage of revenue, depreciation and amortization expense ratios declined by 70 bps YoY to 4.2% for Q3 FY2015 and declined by 10 bps YoY to 4.4% for YTD 9 months FY2015. The decline in ratios for Q3 FY2015 and YTD 9 months FY2015 is significantly due to higher capex productivity on the older stores in Malaysia and Vietnam where the assets have been fully depreciated. The improved ratio for Q3 FY2015 was also due to higher capex productivity for the Malaysia operations arising from improved SSSG of +8.0% for the quarter achieved on the increase in pre-GST buying by consumers.

#### *Rental expenses*

Rental expenses increased by 9.5% to S\$28.6 million for Q3 FY2015, and increased by 15.0% to S\$87.0 million for YTD 9 months FY2015. These increases are significantly due to the inclusion of rental costs for the 11 new stores operating in the FY2015 period.

As a percentage of revenue, the rental expense ratios increased by 10 bps YoY to 24.5% for Q3 FY2015, and increased by 260 bps YoY to 25.3% for YTD 9 months FY2015. The higher ratios are significantly due to new stores that are paying base rentals but where the sales are lower at the initial stages of operations. The ratio for Q3 FY2015 increased only marginally by 10 bps, despite the existence of new stores, due to higher Malaysia store productivity arising from the improved SSSG of +8.0% for the quarter and also the closure of a low productivity store in Hanoi in January 2015.

#### *Other expenses*

Other expenses consist mainly of (a) promotional and advertising expenses; (b) selling and distribution expenses and (c) general and administrative expenses which increased by 10.4% to S\$16.0 million for Q3 FY2015, and increased by 12.8% to S\$48.5 million for YTD 9 months FY2015. The increases are significantly due to costs attributable to the new stores operating in FY2015 period (e.g. utilities, packaging costs). The increase for YTD 9 months FY2015 is also due to recognition of closure costs of S\$2.6 million for a store in Hanoi closed in January 2015 and increase in electricity tariffs in Malaysia and Myanmar.

As a percentage of revenue, the other expenses ratios increased by 10 bps YoY to 13.7% for Q3 FY2015 and increased by 120 bps YoY to 14.1% for YTD 9 months FY2015. The higher ratios are contributed by increase in other operating expenses for the new stores operating in FY2015 period where sales are lower at the initial stages of operations and recognition of closure costs for a store in Hanoi, Vietnam.

#### Share of profits of an associate

The Company has completed the disposal of its entire equity interest of 47.46% in an associate, Odel PLC, on 4 November 2014. The Group's share of profits of Odel PLC declined by (95.9)% to S\$0.037 million for YTD 9 months FY2015 due to a combination of factors i.e. (i) increase in operating costs, (ii) decline in interest income earned on funds from the rights issue of shares which has been partly spent for business expansion purpose and (iii) equity accounting of profits up to disposal date for the current FY2015 period as compared to 9 months share of results in the comparative FY2014 period.

#### PBT

PBT for Q3 FY2015 increased by 8.4% YoY to S\$12.1 million. As a percentage of revenue, PBT ratio reduced marginally by 10 bps YoY to 10.4% for Q3 FY2015. PBT for Q3 FY2015 increased due to the positive leverage impact from the SSSG of 8.0% recorded by the Malaysia operations for the quarter arising from the increase in pre-GST buying by consumers and also from the currency translation gain on deposits. For the YTD 9 months FY2015, PBT declined by (15.2)% YoY to S\$37.1 million. As a percentage of revenue, PBT ratio for YTD 9 months FY2015 declined by 230 bps YoY to 10.8%. Among the factors contributing to the decline in PBT for YTD 9 months FY2015 are (i) the deleveraging impact from the negative SSSG of the Malaysia and Vietnam operations, (ii) the initial loss-making periods of the new stores in their 1<sup>st</sup> year of operations and (iii) closure costs of S\$2.6 million for a store in Hanoi, Vietnam.

On same store basis (also excluding non-operational items), PBT for YTD 9 months FY2015 increased by 7.2% YoY to S\$48.0 million. On same store basis and same currency basis, PBT for the YTD 9 months FY2015 increased by 11.8% YoY.

#### Taxation

The Group effective tax rate for YTD 9 months FY2015 was 37.9%. The effective tax rate is higher than the statutory tax rates of the countries where the Group operates due significantly to loss-making companies in Vietnam, whereby local tax regulation do not allow for set-off of tax losses between Group companies.

### Net profit attributable to owners of the Company

Attributable net profit for Q3 FY2015 increased by 5.5% YoY to S\$8.0 million. For YTD 9 months FY2015, attributable net profit declined by (20.1)% YoY to S\$25.1 million. As a percentage of revenue, the attributable net profit ratios declined by 30bps YoY to 6.8% for Q3 FY2015 and declined by 210 bps to 7.3% for the YTD 9 months FY2015.

On same store basis (also excluding non-operational items), attributable net profit for the YTD 9 months FY2015 increased by 3.2% YoY to S\$33.2 million. On same store basis and same currency basis, attributable net profit for the YTD 9 months FY2015 increased by 9.0% YoY.

### Review of Group Balance Sheet

The equity accounting for the investment in an associate has ceased as at the reported balance sheet date as the Company has divested its entire equity interest of 47.46% in Odel PLC on 4 November 2014.

Property, plant and equipment increased to S\$101.7 million as at 31 March 2015 due to addition of assets related to new stores opened in the current YTD period. The non-current portion of other receivables increased to S\$28.5 million due to tenancy deposits placed with landlords for the increase number of stores.

Inventories declined to RM55.4 million as at 31 March 2015 due to the increase in pre-GST buying by consumers in Malaysia. The current portion of prepayments declined to RM3.0 million due to progressive utilization of prepaid rentals to rental costs in the income statement. The current portion of other liabilities increased to S\$34.2 million due to higher accrued liability for capital expenditure attributable to increase store openings.

The non-current portion of other payables increased to S\$11.8 million due to higher deferred rental sum arising from the straight-line treatment of rental for the newer stores.

The non-controlling interests declined to negative S\$2.0 million due to sharing of the negative equity position of a 70%-owned subsidiary in Vietnam.

The Group's financial position remains healthy, with a working capital of S\$68.2 million and total equity of S\$217.4 million as at 31 March 2015.

The Group' generated healthy net cash from operations for YTD 9 months FY2015 of S\$70.2 million despite faced with challenging environments. The Group cash balance as at 31 March 2015 remained strong at S\$171.5 million.

### **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 business as outlined in paragraph 10 in the preceding quarterly results announcement dated 9 February 2015 was largely 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.**

The Group is expected to encounter challenges in the next reporting quarter. The Malaysia operations will encounter decline in consumer buying following the introduction of GST, however, this decline will be buffered by the start of the pre-Hari Raya festive buying towards the tail-end of Q4 FY2015. The Vietnam operations will continue to encounter a tough retail environment due to changes in the competitive landscape. However, the Indonesia and Myanmar operations for the next Q4 FY2015 are expected to be encouraging backed by the respective countries' robust domestic demand and strong increase in the middle class population.

**11. Dividend**

**(a) Current Financial Period Reported On**

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	Special interim
Dividend Type	Cash
Dividend per Ordinary Share	3.0 cents, (one-tier) tax exempt

**(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 quarter ended 31 March 2015.

## PART II - ADDITIONAL DISCLOSURE

### 13. Group Performance by Geographical Segment

	Malaysia	Vietnam	Indonesia	Myanmar	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9 months ended 31.03.2015</b>						
<b>Gross Sales Proceeds</b>	<b>616,436</b>	<b>121,574</b>	<b>123,843</b>	<b>4,327</b>	<b>-</b>	<b>866,180</b>
<b>Revenue</b>	<b>263,662</b>	<b>33,942</b>	<b>45,055</b>	<b>1,429</b>	<b>-</b>	<b>344,088</b>
Profit/(Loss) before tax	39,929	(207)	(2,364)	(416)	-	36,942
Investment holding / Others	-	-	-	-	1,322	1,322
Share of profits of an associate	-	-	-	-	37	37
<i>Non-operational items:</i>						
- Gain on disposal of an associate	-	-	-	-	1,379	1,379
- Store closure costs*	-	(2,618)	-	-	-	(2,618)
<b>Total profit/(loss) before tax</b>	<b>39,929</b>	<b>(2,825)</b>	<b>(2,364)</b>	<b>(416)</b>	<b>2,738</b>	<b>37,062</b>
<b>9 months ended 31.03.2014</b>						
<b>Gross Sales Proceeds</b>	<b>600,509</b>	<b>120,571</b>	<b>107,287</b>	<b>3,476</b>	<b>-</b>	<b>831,843</b>
<b>Revenue</b>	<b>258,331</b>	<b>32,684</b>	<b>40,500</b>	<b>1,347</b>	<b>-</b>	<b>332,862</b>
Profit/(Loss) before tax	40,643	545	2,883	(594)	-	43,477
Investment holding / Others	-	-	-	-	(647)	(647)
Share of profits of an associate	-	-	-	-	894	894
<b>Total profit/(loss) before tax</b>	<b>40,643</b>	<b>545</b>	<b>2,883</b>	<b>(594)</b>	<b>247</b>	<b>43,724</b>

\* store closure costs comprise mainly of fixed assets write-down and staff retrenchment costs.

### 14. Interested person transactions for the 9 months period ended 31 March 2015

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 <sup>(1)</sup>	-	216
Lion Forest Industries Berhad Group <sup>(2)</sup>	-	1,545
Parkson Holdings Berhad Group <sup>(3)</sup>	155	3,068
Secom (M) Sdn Bhd <sup>(4)</sup>	-	179
Bonuskad Loyalty Sdn Bhd <sup>(5)</sup>	-	7,829
WatchMart (M) Sdn Bhd <sup>(6)</sup>	-	112
PT Monica Hijaulestari <sup>(7)</sup>	-	3,745
PT Tozy Bintang Sentosa <sup>(8)</sup>	-	185
	-	

Notes:

- (1) Purchase of equipment, furniture and fittings and sale of gift vouchers.
- (2) Purchase of building materials, light fittings, merchandises, procurement of energy conservation services and sale of gift vouchers.
- (3) (i) Royalty expenses totaling S\$0.155 million;  
(ii) Rental of retail space, sale of gift vouchers, purchase of merchandises and net concessionaire sales totaling S\$3.068 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) Purchases of merchandise.
- (7) Purchases of merchandise.
- (8) Rental of office and warehouse.

## 15. Disclosure on the use of IPO proceeds

As at 31 March 2015, the Company has utilized:

- S\$35.8 million for the purpose of store openings in Malaysia, Indonesia and Vietnam;
- S\$3.9 million for the purpose of information technology investment;
- S\$12.4 million to subscribe for the rights issue of shares in Odel PLC; a former associate company; and
- S\$2.6 million as capital contribution to a joint-venture company established to operate department stores in Myanmar.

These amounts were utilised in accordance with the stated use as disclosed in the Company's prospectus dated 27 October 2011 and the announcement on 3 December 2012 pertaining to the revision in utilisation of the IPO proceeds.

## 16. 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 nine months ended 31 March 2015, to be false or misleading.

**BY ORDER OF THE BOARD  
PARKSON RETAIL ASIA LIMITED**

Toh Peng Koon  
Executive Director and Chief Executive Officer

Singapore, 13 May 2015