



**Interim Financial Report
for the Third Quarter Ended
31 March 2017**

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PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Gross sales proceeds		3,139,328	3,201,271	8,855,653	9,401,114
Revenue	7	1,062,331	1,027,950	2,986,881	2,999,607
Other operating income		78,540	68,824	244,248	236,639
Operating expenses		(1,150,905)	(1,098,072)	(3,364,030)	(3,281,012)
Operating loss		(10,034)	(1,298)	(132,901)	(44,766)
Finance income		22,879	20,031	47,862	63,086
Finance costs		(30,645)	(29,121)	(87,004)	(89,390)
Share of results of associates		(1,112)	(547)	(2,731)	(8,628)
Share of results of joint ventures		2,339	2,741	6,070	6,793
Exceptional items	23(k)	(7,488)	(14,453)	481,630	120,635
(Loss)/profit before tax	23	(24,061)	(22,647)	312,926	47,730
Income tax expense	16	(19,308)	(13,642)	(274,778)	(55,015)
(Loss)/profit for the period		(43,369)	(36,289)	38,148	(7,285)
(Loss)/profit for the period attributable to :					
- Owners of the parent		(33,242)	(25,529)	(23,145)	6,318
- Non-controlling interests		(10,127)	(10,760)	61,293	(13,603)
		(43,369)	(36,289)	38,148	(7,285)
(Loss)/earnings per share attributable to owners of the parent (sen) :					
- Basic	21	(3.11)	(2.38)	(2.17)	0.58
- Diluted	21	(3.11)	(2.38)	(2.17)	0.58

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
(Loss)/profit for the period	(43,369)	(36,289)	38,148	(7,285)
<u>Other comprehensive (loss)/income</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	(6,712)	(288,911)	109,554	(59,735)
Total comprehensive (loss)/income for the period	(50,081)	(325,200)	147,702	(67,020)
Total comprehensive (loss)/income for the period attributable to :				
- Owners of the parent	(38,997)	(169,629)	40,212	13,380
- Non-controlling interests	(11,084)	(155,571)	107,490	(80,400)
	(50,081)	(325,200)	147,702	(67,020)

(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.3.2017 RM'000	AS AT 30.6.2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,010,535	3,546,223
Investment properties		207,244	205,910
Intangible assets		1,374,767	1,606,731
Land use rights		293,127	282,507
Investments in associates		30,375	31,270
Investments in joint ventures		28,459	33,485
Deferred tax assets		176,916	207,641
Receivables and other assets		537,404	488,496
Investment securities		18,946	18,945
		5,677,773	6,421,208
Current assets			
Inventories		456,711	494,942
Receivables		524,773	613,509
Investment securities		-	28,586
Deposits, cash and bank balances		3,231,227	1,904,651
		4,212,711	3,041,688
TOTAL ASSETS		9,890,484	9,462,896
EQUITY AND LIABILITIES			
Share capital		4,151,005	1,093,902
Other reserves		(1,479,469)	1,542,553
Accumulated losses		(169,997)	(153,986)
Equity attributable to owners of the parent		2,501,539	2,482,469
Non-controlling interests		1,516,023	1,443,535
Total equity		4,017,562	3,926,004
Non-current liabilities			
Deferred tax liabilities		208,844	162,188
Loans and borrowings	18	2,302,560	2,055,086
Long term payables		658,219	638,489
		3,169,623	2,855,763
Current liabilities			
Payables and other liabilities		2,264,158	2,132,673
Loans and borrowings	18	406,470	524,511
Tax payables		32,671	23,945
		2,703,299	2,681,129
Total liabilities		5,872,922	5,536,892
TOTAL EQUITY AND LIABILITIES		9,890,484	9,462,896
Net assets per share attributable to owners of the parent (RM)		2.34	2.38

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000	
	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other reserves RM'000				Accumulated losses RM'000
31 March 2017									
At 1 July 2016		1,093,902	3,105,643	(48,301)	(1,514,789)	(153,986)	2,482,469	1,443,535	3,926,004
Total comprehensive income/ (loss) for the period		-	-	-	63,357	(23,145)	40,212	107,490	147,702
Employee share options lapsed		-	-	-	(7,134)	7,134	-	-	-
Purchase of treasury shares	5	-	-	(21,142)	-	-	(21,142)	(6,818)	(27,960)
Dividend paid - share dividend	6	-	(48,540)	48,540	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-	-	(28,184)	(28,184)
Transfer to share capital pursuant to Section 618(2) of the Companies Act 2016 *		3,057,103	(3,057,103)	-	-	-	-	-	-
At 31 March 2017		4,151,005	-	(20,903)	(1,458,566)	(169,997)	2,501,539	1,516,023	4,017,562
31 March 2016									
At 1 July 2015		1,093,902	3,105,643	(141,885)	(1,508,023)	(37,181)	2,512,456	1,639,752	4,152,208
Total comprehensive income/ (loss) for the period		-	-	-	7,062	6,318	13,380	(80,400)	(67,020)
Transfer to capital reserves		-	-	-	884	(884)	-	-	-
Employee share options lapsed		-	-	-	(6,146)	6,146	-	-	-
Purchase of treasury shares		-	-	(29,799)	-	-	(29,799)	-	(29,799)
Purchase and cancellation of treasury shares by a subsidiary		-	-	-	7,327	(23,967)	(16,640)	(32,757)	(49,397)
Dilution of interest in a subsidiary		-	-	-	1,081	-	1,081	60,619	61,700
Dividend paid - share dividend		-	-	138,959	-	-	138,959	-	138,959
Dividends to non-controlling interests		-	-	-	-	-	-	(51,823)	(51,823)
At 31 March 2016		1,093,902	3,105,643	(32,725)	(1,497,815)	(49,568)	2,619,437	1,535,391	4,154,828

* Pursuant to the Companies Act 2016 ("Act"), which came into effect on 31 January 2017, all shares issued before or upon the commencement of this Act shall have no par or nominal value. Consequently, the amount standing to the credit of the share premium account becomes part of the Company's share capital. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result thereof.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2017 RM'000	31.3.2016 RM'000
OPERATING ACTIVITIES		
Profit before tax	312,926	47,730
Adjustments for :		
Non-cash items	(158,779)	120,958
Non-operating items	35,802	28,140
Operating profit before working capital changes	189,949	196,828
Changes in working capital :		
Net changes in assets	141,798	(178,805)
Net changes in liabilities	(2,036)	16,516
Others (mainly interest and tax paid)	(235,585)	(103,086)
	94,126	(68,547)
INVESTING ACTIVITIES		
Proceeds from disposal of a subsidiary	1,490,740	-
Acquisition of investments	-	(60,451)
Prepayment for acquisition of land and building	-	(149,251)
Changes in deposits with banks and money market instruments	(1,476,721)	501,362
Others (mainly purchase of property, plant and equipment)	(223,114)	(332,633)
	(209,095)	(40,973)
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(28,184)	(51,823)
Purchase of treasury shares	(27,960)	(62,556)
Loans and borrowings	(119,042)	17,855
	(175,186)	(96,524)
Net changes in cash and cash equivalents	(290,155)	(206,044)
Effects of changes in exchange rates	45,680	18,112
Cash and cash equivalents at beginning of period	714,237	972,267
Cash and cash equivalents at end of period	469,762	784,335
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	3,231,227	2,110,702
Less : Bank overdrafts	(49,854)	(48,899)
Less : Deposits with banks with original maturity of more than three months when acquired	(2,711,611)	(1,277,468)
	469,762	784,335

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2017

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2016.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2016 except for the adoption of the following standards effective for the financial period beginning 1 July 2016 :

Annual Improvements to MFRSs 2012-2014 Cycle
Amendments to MFRS 116, 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116, 141: Agriculture: Bearer Plants
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127: Equity Method in Separate Financial Statements
Amendments to MFRS 101: Disclosure Initiative
Amendments to MFRS 10, 12, 128: Investment Entities: Applying the Consolidation Exception
MFRS 14: Regulatory Deferral Accounts

The adoption of the above mentioned standards did not have any significant effect on the financial performance, position or presentation of financials of the Group.

2. Comments about seasonal or cyclical factors

The Group's retail operations generally performed better with higher sales generated during the festive and holiday seasons.

3. Unusual items due to their nature, size or incidence

Other than as disclosed in Note 23, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date.

4. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter and financial year-to-date results.

5. Debt and equity securities

During the financial year-to-date :

- i) The Group repurchased an aggregate principal amount of US\$2 million (equivalent to approximately RM9 million) of its 4.5% bonds due in 2018 ("Bonds") and the balance of the Bonds as at 31 March 2017 was US\$482.5 million (equivalent to approximately RM2.1 billion); and
- ii) The Company repurchased a total of 28,277,900 ordinary shares of its total number of issued shares from the open market at an average price of RM0.75 per share. The total consideration paid for the repurchase including transaction costs amounting to RM21.14 million was financed by internally generated funds. The shares repurchased were being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

A total of 51,858,500 treasury shares were distributed as share dividend on 29 August 2016 on the basis of one (1) treasury share for every twenty (20) ordinary shares held in the Company, fractions of treasury shares being disregarded.

As at 31 March 2017, the number of treasury shares held after deducting the share dividend distributed were 26,721,880 shares.

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

6. Dividend paid

On 29 August 2016, a total of 51,858,500 treasury shares were distributed as share dividend in respect of the financial year ended 30 June 2016, as mentioned in Note 5.

7. Revenue and segmental information

The Group's revenue for the financial year-to-date was as follows :

	RM'000	RM'000
Concessionaire sales (gross)	7,166,189	
Less : Cost of concessionaire sales	<u>(5,868,772)</u>	
Commissions from concessionaire sales		1,297,417
Sales of goods - Direct sales		1,427,339
Others (including rental income and management service fees)		262,125
		<u><u>2,986,881</u></u>

7. Revenue and segmental information (Cont'd.)

The Group's segmental information for the financial year-to-date was as follows :

	← Retailing →					Total
	Malaysia	People's Republic of China	Vietnam and Myanmar	Indonesia	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	728,740	2,004,852	74,457	146,473	32,359	2,986,881
<u>Results</u>						
Segment loss	(2,332)	(64,664)	(3,270)	(28,852)	(33,783)	(132,901)
Finance income						47,862
Finance costs						(87,004)
Share of results of associates						(2,731)
Share of results of joint ventures						6,070
Exceptional items						481,630
Profit before tax						312,926
Total assets	678,012	8,210,585	151,727	234,006	616,154	9,890,484

8. Subsequent events

There were no material events subsequent to the end of the current quarter.

9. Changes in composition of the Group

There were no material changes in the composition of the Group during the financial year-to-date other than the following :

- i) Incorporation of Parkson Yangon Company Limited in Myanmar by Parkson Retail Asia Limited which is in turn a 68% owned subsidiary of the Company.
- ii) Incorporation of Shanghai Shihong Supermarket Co Ltd in the People's Republic of China ("PRC") by Shanghai Lion Parkson Management Consultant Co Ltd, a wholly-owned subsidiary of Parkson Retail Group Limited ("PRGL") which is in turn a 54.7% owned subsidiary of the Company.
- iii) Incorporation of Shanghai Delight Food & Beverage Management Co Ltd in the PRC by Shanghai Hongqiao Parkson Development Co Ltd, a wholly-owned subsidiary of PRGL.
- iv) Disposal of the entire equity interests in Beijing Huadesheng Property Management Co Ltd by Parkson Retail Development Co Ltd, a wholly-owned subsidiary of PRGL.
- v) Dissolution of Tianjin Parkson Retail Development Co Ltd, a wholly-owned subsidiary of PRGL which was incorporated in the PRC.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2016.

11. Performance review

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
<u>Revenue</u>				
Retailing :				
- Malaysia	244,164	225,554	728,740	673,609
- China	733,424	713,297	2,004,852	2,044,171
- Vietnam and Myanmar	24,730	27,704	74,457	81,996
- Indonesia	48,624	42,080	146,473	136,401
	1,050,942	1,008,635	2,954,522	2,936,177
Others	11,389	19,315	32,359	63,430
	1,062,331	1,027,950	2,986,881	2,999,607
<u>Segment (loss)/profit</u>				
Retailing :				
- Malaysia	(4,221)	2,226	(2,332)	31,911
- China	20,576	10,805	(64,664)	(48,865)
- Vietnam and Myanmar	(535)	(74)	(3,270)	(3,348)
- Indonesia	(16,607)	(9,245)	(28,852)	(12,479)
	(787)	3,712	(99,118)	(32,781)
Others	(9,247)	(5,010)	(33,783)	(11,985)
	(10,034)	(1,298)	(132,901)	(44,766)

For the 9 months ended 31 March 2017, the Group's **Retailing** Division recorded a marginally higher revenue of RM2,955 million with an operating loss of RM99 million. Our Parkson operations continued to face weak consumer sentiment amidst the following factors :

- Malaysia

For the 9 months ended 31 March 2017, consumer sentiment in Malaysia remained soft resulting in the operations to record a marginal negative same store sales ("SSS") growth of 1%. Contribution of new stores has however enabled Parkson Malaysia to achieve an 8% revenue growth to RM729 million. Losses incurred in the current quarter and the financial year-to-date were mainly due to the pre-operating expenses and losses incurred by the new stores.

- China

SSS growth for Parkson China declined by 3% for the current year-to-date as the retailing market in China remained challenging and competitive with retailers offering promotions to maintain market shares. Lower revenue coupled with costs incurred by new business ventures have resulted in Parkson China recording an operating loss of RM65 million for the 9 months ended 31 March 2017. Nevertheless, the operations saw a positive progress in executing its transformation strategies by achieving a higher operating profit of RM21 million in the current quarter.

- Vietnam and Myanmar

Parkson Vietnam reported a negative SSS growth of 13% for the 9 months ended 31 March 2017 due to the difficult discretionary retail environment amidst an increasingly crowded retail scene; whilst contribution of the Myanmar operations remained negligible to the Group.

- Indonesia

Our Indonesia operations were affected by the less festive buying days resulting from the shift in the Muslim's festive celebration and the disturbances caused by demonstrations in Jakarta. These had led to negative SSS growth of 6% for the current financial year-to-date. Together with the new stores' losses and the assets impairment of RM7 million following the closure and downsizing of non-performing stores, higher losses were posted for the current quarter and financial year-to-date.

Results of the **Others** Division were mainly derived from the operation of food and beverage business, consumer financing business, edutainment and investment holding. Loss before tax for the 9 months ended 31 March 2017 was mainly due to foreign exchange loss and lower performance from the new businesses.

12. Comment on material change in profit

	<u>Revenue</u>	<u>Operating Loss</u>	<u>(Loss)/Profit Before Tax</u>
	RM'000	RM'000	RM'000
Current quarter (31 March 2017)	1,062,331	(10,034)	(24,061)
Immediate preceding quarter (31 December 2016)	1,046,312	(45,895)	431,466

The Group reported a revenue growth of 2% to RM1,062.3 million in the current quarter following the higher consumer spending during the Chinese New Year festivities. Higher revenue coupled with improved operational efficiency had enabled the Group to record a lower operating loss of RM10 million.

Included in the profit before tax in the immediate preceding quarter were gain on disposal of a subsidiary (together with a property) in China of RM802.3 million as reported in Note 9(iv), and impairment losses on intangible assets and other receivables of RM313.2 million.

13. a) Prospects

For the coming quarter, the Group's retailing operations in Malaysia and Indonesia are anticipated to benefit from the shift in Muslim's festive season which falls at the end of June 2017, while other regions will experience lower traffic flow in their retail stores in the absence of major festivities.

Moving forward, despite the market headwinds encountered in each operating country, the Group will continue with its transformation strategies in close alignment with the evolving markets, which include, amongst others, (i) enriching its retail format and expanding its product and services offerings; (ii) optimising store effectiveness and efficiency; and (iii) enhancing cross platform experience for its customers.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Income tax expense

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Income tax expense comprises :				
Current year income tax :				
- Arising in Malaysia	3,216	2,390	4,014	15,216
- Arising outside Malaysia	16,092	11,252	270,764	39,799
	19,308	13,642	274,778	55,015

Excluding the share of results of associates and joint ventures, the effective tax rate of the Group for the current quarter and financial year-to-date were higher than the Malaysian statutory tax rate mainly due to certain expenses which were not deductible for tax purposes and deferred tax not recognised in respect of the losses.

17. Corporate proposals**a) Status of corporate proposals**

There were no corporate proposals pending completion as at the end of the reporting period.

b) Status of utilisation of proceeds

The disclosure requirements are not applicable.

18. Borrowings and debt securities

The Group's borrowings as at the end of the reporting period were as follows :

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	326,616	2,236,775	2,563,391
Unsecured	79,854	65,785	145,639
	406,470	2,302,560	2,709,030

The Group's borrowings were denominated in the following currencies :

	Foreign Currency '000	RM'000
- Ringgit Malaysia	-	81,765
- US Dollar	542,151	2,399,139
- Hong Kong Dollar	400,420	228,126
		2,709,030

19. Changes in material litigation

There were no material changes in the material litigations since 30 June 2016 other than the following :

Hefei Parkson Xiaoyao Plaza Company Limited ("Hefei Parkson"), an indirect wholly-owned subsidiary of Parkson Retail Group Limited ("PRGL") established in the People's Republic of China ("PRC") which is in turn a 54.7% owned subsidiary of the Company, was involved as one of the defendants in a litigation. The plaintiff, Dalian Tianhe Building Company Limited ("Plaintiff") which is an independent third party, alleged that (i) Shenzhen Xinhui Industrial Company Limited ("Xinhui"), an independent third party, held the 51% equity interests of Anshan Tianxing Parkson Shopping Centre Company Limited ("Anshan Majority Interests"), a wholly-owned subsidiary of PRGL, as the nominee of Dalian Tianhe Parkson Shopping Mall Company Limited ("Dalian Tianhe Parkson") (a company which is 60% owned by Serbadagang Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, and 40% owned by the Plaintiff); and (ii) the disposal of the Anshan Majority Interests through the equity interests transfer agreement entered into between Xinhui and Hefei Parkson on 12 April 2004 whereby the transfer by Xinhui of the Anshan Majority Interests to Hefei Parkson ("Relevant SPA") was made without the agreement of the board of directors of Dalian Tianhe Parkson.

According to the judgement dated 28 February 2017 given by the Dalian Intermediate Court in respect of the Plaintiff's Allegations ("Judgement"), the Dalian Intermediate Court ruled that (i) the Relevant SPA is void; (ii) Hefei Parkson shall return the Anshan Majority Interests to Xinhui within 10 days after the Judgement has come into effect; and (iii) Dalian Tianhe Parkson shall return the consideration for the transfer of the Anshan Majority Interests in the amount of Rmb5,100,000 to Hefei Parkson within 10 days after the Judgement has come into effect.

PRGL's legal adviser had advised that (i) the Judgement will not come into effect if Hefei Parkson appeals within the period prescribed by the PRC laws and, if Hefei Parkson appeals, the Plaintiff's claims will be determined by the court of appeal; and (ii) even if the Relevant SPA is void from the beginning, the Plaintiff must initiate separate legal proceedings should it wish to make any claims in respect of the fact that the Relevant SPA was void from the beginning.

PRGL was of the view that the Plaintiff's claim was of no merit and in this regard, Hefei Parkson had submitted an appeal against the Judgement to the Dalian Intermediate Court on 18 March 2017, which was within the period prescribed by the PRC laws.

20. Dividend proposed

The Board of Directors does not recommend any dividend for the current quarter and financial year-to-date.

21. (Loss)/earnings per share**Basic**

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to owners of the parent by the weighted average number of ordinary shares of the Company in issue during the financial period.

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
(Loss)/profit attributable to owners of the parent (RM'000)	(33,242)	(25,529)	(23,145)	6,318
Weighted average number of ordinary shares in issue ('000)	1,067,285	1,073,662	1,065,623	1,085,622
Basic (loss)/earnings per share (sen)	(3.11)	(2.38)	(2.17)	0.58

Diluted

The basic (loss)/earnings per share and the diluted (loss)/earnings per share are the same for the period as the Company has no dilutive potential ordinary shares as at the end of the reporting period.

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2016 was not qualified.

23. (Loss)/profit before tax

(Loss)/profit before tax is arrived at after crediting/(charging) the following income/(expenses) :

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
a) Interest income	22,879	20,031	47,862	63,086
b) Other income including investment income	78,540	68,125	244,248	235,908
c) Interest expense	(30,645)	(29,121)	(87,004)	(89,390)
d) Depreciation and amortisation	(76,759)	(72,924)	(309,068)	(240,015)
e) Provision for and write off of receivables	(2,909)	(1,168)	(7,532)	(1,578)
f) Provision for and write off of inventories	-	-	-	-
g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	(7,444)	-	(13,532)	-
i) Foreign exchange gain/(loss)	2,009	699	(5,644)	731
j) Gain/(Loss) on derivatives	-	-	-	-
k) Exceptional items :	(7,488)	(14,453)	481,630	120,635
- Gain on disposal of a subsidiary	-	-	802,301	-
- Gain on dilution of interest in a subsidiary	-	-	-	136,331
- Impairment loss on intangible assets	-	-	(308,951)	-
- Impairment loss on other receivables	(7,488)	(14,453)	(11,720)	(15,696)

24. Disclosure of realised and unrealised profits/losses

	AS AT 31.3.2017 RM'000	AS AT 30.6.2016 RM'000
Total (accumulated losses)/retained profits of Parkson Holdings Berhad and its subsidiaries :		
- Realised	(173,471)	(203,008)
- Unrealised	16,041	55,990
Total share of (accumulated losses)/retained profits from associates :		
- Realised	(8,310)	(6,742)
- Unrealised	1,250	1,173
Total share of (accumulated losses)/retained profits from joint ventures :		
- Realised	(5,765)	(1,622)
- Unrealised	258	223
Total Group accumulated losses	(169,997)	(153,986)