



**Interim Financial Report  
for the Second Quarter Ended  
31 December 2018**

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# PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2018

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
<b>Gross sales proceeds</b>		<b>2,839,068</b>	<b>3,098,701</b>	(8)	<b>5,139,380</b>	<b>5,586,552</b>	(8)
<b>Revenue</b>	7	<b>1,054,154</b>	<b>1,064,509</b>	(1)	<b>1,978,274</b>	<b>1,981,319</b>	(0.2)
Other operating income		<b>76,438</b>	71,070		<b>150,131</b>	153,885	
Operating expenses		<b>(1,110,074)</b>	(1,108,670)		<b>(2,136,800)</b>	(2,153,860)	
Operating profit/(loss)		<b>20,518</b>	26,909	(24)	<b>(8,395)</b>	(18,656)	55
Finance income		<b>19,633</b>	32,871		<b>40,729</b>	54,374	
Finance costs		<b>(37,812)</b>	(30,564)		<b>(73,865)</b>	(61,052)	
Share of results of associates		<b>2,637</b>	203		<b>2,907</b>	66	
Share of results of joint ventures		<b>2,229</b>	2,960		<b>4,247</b>	4,761	
Exceptional items	23(k)	<b>(10,710)</b>	(35,660)		<b>(10,710)</b>	(35,660)	
<b>Loss before tax</b>	23	<b>(3,505)</b>	<b>(3,281)</b>	(7)	<b>(45,087)</b>	<b>(56,167)</b>	20
Income tax expense	16	<b>(50,622)</b>	(18,960)		<b>(69,536)</b>	(29,994)	
<b>Loss for the period</b>		<b>(54,127)</b>	<b>(22,241)</b>	(>100)	<b>(114,623)</b>	<b>(86,161)</b>	(33)
Loss for the period attributable to :							
- <b>Owners of the parent</b>		<b>(37,566)</b>	<b>(13,870)</b>	(>100)	<b>(80,576)</b>	<b>(57,399)</b>	(40)
- Non-controlling interests		<b>(16,561)</b>	(8,371)		<b>(34,047)</b>	(28,762)	
		<b>(54,127)</b>	<b>(22,241)</b>		<b>(114,623)</b>	<b>(86,161)</b>	
Loss per share attributable to owners of the parent (sen) :							
- Basic	21	<b>(3.52)</b>	(1.30)		<b>(7.55)</b>	(5.38)	
- Diluted	21	<b>(3.52)</b>	(1.30)		<b>(7.55)</b>	(5.38)	

*(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 2018 and the accompanying explanatory notes attached to the interim financial statements)*

**PARKSON HOLDINGS BERHAD** (89194-P)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2018

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
<b>Loss for the period</b>	<b>(54,127)</b>	<b>(22,241)</b>	<b>(114,623)</b>	<b>(86,161)</b>
<u>Other comprehensive income/(loss)</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	<b>7,609</b>	(25,958)	<b>(118,591)</b>	11,573
<b>Total comprehensive loss for the period</b>	<b>(46,518)</b>	<b>(48,199)</b>	<b>(233,214)</b>	<b>(74,588)</b>
Total comprehensive loss for the period attributable to :				
- <b>Owners of the parent</b>	<b>(33,155)</b>	<b>(29,792)</b>	<b>(143,059)</b>	<b>(54,543)</b>
- Non-controlling interests	<b>(13,363)</b>	(18,407)	<b>(90,155)</b>	(20,045)
	<b>(46,518)</b>	<b>(48,199)</b>	<b>(233,214)</b>	<b>(74,588)</b>

*(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 2018 and the accompanying explanatory notes attached to the interim financial statements)*

**PARKSON HOLDINGS BERHAD (89194-P)**

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2018

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 31.12.2018 RM'000</b>	<b>AS AT 30.6.2018 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,662,018	2,718,906
Investment properties		200,817	211,291
Intangible assets		1,258,639	1,273,895
Land use rights		259,674	266,853
Investments in associates		20,934	18,443
Investments in joint ventures		18,111	24,966
Deferred tax assets		120,204	125,647
Receivables		321,427	384,803
Investment securities		18,945	18,945
Time deposits		862,322	811,910
		<b>5,743,091</b>	<b>5,855,659</b>
<b>Current assets</b>			
Inventories		398,775	377,910
Receivables		560,553	556,963
Investment securities		327,682	375,371
Deposits, cash and bank balances		1,933,420	1,781,600
		<b>3,220,430</b>	<b>3,091,844</b>
<b>TOTAL ASSETS</b>		<b>8,963,521</b>	<b>8,947,503</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		4,151,005	4,151,005
Other reserves		(1,600,411)	(1,538,690)
Accumulated losses		(465,702)	(378,538)
Equity attributable to owners of the parent		<b>2,084,892</b>	<b>2,233,777</b>
Non-controlling interests		1,261,438	1,373,780
Total equity		<b>3,346,330</b>	<b>3,607,557</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		143,674	155,177
Loans and borrowings	18	2,239,325	1,967,453
Long term payables and provisions		597,893	598,457
		<b>2,980,892</b>	<b>2,721,087</b>
<b>Current liabilities</b>			
Payables, other liabilities and provisions		2,332,978	2,060,417
Loans and borrowings	18	267,224	531,886
Tax payables		36,097	26,556
		<b>2,636,299</b>	<b>2,618,859</b>
<b>Total liabilities</b>		<b>5,617,191</b>	<b>5,339,946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,963,521</b>	<b>8,947,503</b>
Net assets per share attributable to owners of the parent (RM)		<b>1.95</b>	<b>2.09</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements)*

**PARKSON HOLDINGS BERHAD (89194-P)**

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2018

(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
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000			
<b>31 December 2018</b>							
<b>At 1 July 2018</b>	<b>4,151,005</b>	<b>(20,903)</b>	<b>(1,517,787)</b>	<b>(378,538)</b>	<b>2,233,777</b>	<b>1,373,780</b>	<b>3,607,557</b>
Total comprehensive loss for the period	-	-	(62,483)	(80,576)	<b>(143,059)</b>	(90,155)	(233,214)
Transfer to capital reserves	-	-	762	(762)	-	-	-
Acquisition of non-controlling interest in a subsidiary	-	-	-	(5,826)	<b>(5,826)</b>	5,826	-
Dividends to non-controlling interests	-	-	-	-	-	(28,013)	(28,013)
<b>At 31 December 2018</b>	<b>4,151,005</b>	<b>(20,903)</b>	<b>(1,579,508)</b>	<b>(465,702)</b>	<b>2,084,892</b>	<b>1,261,438</b>	<b>3,346,330</b>
<b>31 December 2017</b>							
<b>At 1 July 2017</b>	<b>4,151,005</b>	<b>(20,903)</b>	<b>(1,470,493)</b>	<b>(268,295)</b>	<b>2,391,314</b>	<b>1,457,413</b>	<b>3,848,727</b>
Total comprehensive income/ (loss) for the period	-	-	2,856	(57,399)	<b>(54,543)</b>	(20,045)	(74,588)
Transfer to capital reserves	-	-	655	(655)	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	(1,920)	(1,920)
<b>At 31 December 2017</b>	<b>4,151,005</b>	<b>(20,903)</b>	<b>(1,466,982)</b>	<b>(326,349)</b>	<b>2,336,771</b>	<b>1,435,448</b>	<b>3,772,219</b>

*(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 2018 and the accompanying explanatory notes attached to the interim financial statements)*

**PARKSON HOLDINGS BERHAD (89194-P)**

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2018

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	YEAR-TO-DATE ENDED	
	31.12.2018 RM'000	31.12.2017 RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(45,087)	(56,167)
Adjustments for :		
Non-cash items	128,147	187,440
Non-operating items	25,982	1,851
Operating profit before working capital changes	109,042	133,124
Changes in working capital :		
Net changes in assets	38,754	(31,245)
Net changes in liabilities	286,243	193,149
Others (mainly interest and tax paid)	(96,362)	(42,509)
	<b>337,677</b>	<b>252,519</b>
<b>INVESTING ACTIVITIES</b>		
Changes in deposits with banks and investment securities	45,846	(274,688)
Others (mainly purchase of property, plant and equipment)	(78,089)	(88,647)
	<b>(32,243)</b>	<b>(363,335)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interests	(28,013)	(1,920)
Loans and borrowings	(32,665)	103,036
	<b>(60,678)</b>	<b>101,116</b>
Net changes in cash and cash equivalents	244,756	(9,700)
Effects of changes in exchange rates	(6,951)	(12,718)
Cash and cash equivalents at beginning of period	853,766	581,890
Cash and cash equivalents at end of period	<b>1,091,571</b>	<b>559,472</b>
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	2,795,742	2,587,500
Less : Bank overdrafts	(24,373)	(42,823)
Less : Deposits with banks with original maturity of more than three months when acquired	(1,679,798)	(1,985,205)
	<b>1,091,571</b>	<b>559,472</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements)*

# PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2018

(The figures have not been audited)

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Accounting policies and methods of computation

The condensed consolidated 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 condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018. 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 2018.

The significant accounting policies adopted in the condensed consolidated financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2018 except for the adoption of the following standards effective for the financial period beginning 1 July 2018 :

MFRS 9: Financial Instruments  
MFRS 15: Revenue from Contracts with Customers  
Amendments to MFRS 140: Transfers of Investment Property  
Annual Improvements to MFRSs 2014 - 2016 Cycle  
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

The adoption of the above-mentioned standards did not have a material impact on the financial statements 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

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

**6. Dividend paid**

There were no dividends paid during the current quarter and financial year-to-date.

**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)	3,863,927	
Less : Cost of concessionaire sales	<u>(3,161,106)</u>	
Commissions from concessionaire sales		702,821
Sales of goods - Direct sales		1,097,337
Others (including rental income and management service fees)		178,116
		<u><u>1,978,274</u></u>

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	
Revenue	<u>521,674</u>	<u>1,323,940</u>	<u>35,161</u>	<u>68,894</u>	<u>28,605</u>	<b>1,978,274</b>
<b>Results</b>						
Segment profit/(loss)	(1,032)	28,977	(11,680)	(7,117)	(17,543)	<b>(8,395)</b>
Finance income						<b>40,729</b>
Finance costs						<b>(73,865)</b>
Share of results of associates						<b>2,907</b>
Share of results of joint ventures						<b>4,247</b>
Exceptional items						<b>(10,710)</b>
Loss before tax						<u><b>(45,087)</b></u>
Total assets	<u>667,070</u>	<u>7,496,151</u>	<u>111,846</u>	<u>143,999</u>	<u>544,455</u>	<b>8,963,521</b>

**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 dissolution of Parkson HaiPhong Holdings Co Ltd and Parkson HCMC Holdings Co Ltd, both wholly-owned subsidiaries of Parkson Vietnam Investment Holdings Co Ltd which is in turn a wholly-owned subsidiary of the Company, by way of voluntary liquidation.



**10. Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets since 30 June 2018.

**11. Performance review**

	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
<b>Revenue</b>						
Retailing :						
- Malaysia	<b>286,483</b>	284,924	1	<b>521,674</b>	505,393	3
- China	<b>696,930</b>	701,464	(1)	<b>1,323,940</b>	1,319,216	0.4
- Vietnam and Myanmar	<b>18,344</b>	23,534	(22)	<b>35,161</b>	45,494	(23)
- Indonesia	<b>38,010</b>	41,297	(8)	<b>68,894</b>	85,521	(19)
	<b>1,039,767</b>	1,051,219	(1)	<b>1,949,669</b>	1,955,624	(0.3)
Others	<b>14,387</b>	13,290	8	<b>28,605</b>	25,695	11
	<b>1,054,154</b>	<b>1,064,509</b>	(1)	<b>1,978,274</b>	<b>1,981,319</b>	(0.2)
<b>Segment profit/(loss)</b>						
Retailing :						
- Malaysia	<b>17,392</b>	10,486	66	<b>(1,032)</b>	(14,540)	93
- China	<b>19,248</b>	31,365	(39)	<b>28,977</b>	32,303	(10)
- Vietnam and Myanmar	<b>(5,119)</b>	(3,553)	(44)	<b>(11,680)</b>	(7,777)	(50)
- Indonesia	<b>(1,148)</b>	(5,049)	77	<b>(7,117)</b>	(13,400)	47
	<b>30,373</b>	33,249	(9)	<b>9,148</b>	(3,414)	>100
Others	<b>(9,855)</b>	(6,340)	(55)	<b>(17,543)</b>	(15,242)	(15)
	<b>20,518</b>	<b>26,909</b>	(24)	<b>(8,395)</b>	<b>(18,656)</b>	55

For the 6 months ended 31 December 2018, the Group's **Retailing** Division recorded a marginally lower revenue of RM1,950 million but turned profitable to RM9 million. Performance of our retailing operations in each location were as follows :

- **Malaysia**

For the 6 months ended 31 December 2018, Parkson Malaysia benefited from the buoyant consumer confidence resulting in a positive same store sales ("SSS") growth of 5%. The operations, however, reported a growth of 3% in revenue to RM522 million compared with a year ago following the closure of underperforming stores. Savings arising from rationalisation of stores and improved operating efficiencies have resulted in operating loss narrowing considerably to RM1 million compared with RM15 million a year ago.

Parkson Malaysia has 45 stores as at 31 December 2018 with the opening of a new store in Sarawak in this quarter.

- **China**

The retail market in China has seen slowdown amid macroeconomic headwinds resulting in Parkson China reporting a negative SSS growth of 3% during the period under review. However, a marginally higher revenue of RM1,324 million was reported for the 6 months ended 31 December 2018 mainly due to contribution from the beauty specialty stores that were launched a year ago. The lower operating profit of RM29 million against RM32 million a year ago was mainly attributable to the negative SSS growth.

Following the closure of an underperforming store in the Xi'an city, the Group has a network coverage of 46 stores in over 30 cities across China as at 31 December 2018.

## 11. Performance review (Cont'd.)

### - Vietnam and Myanmar

The Group's Vietnam operations recorded a negative SSS growth of 18% for the 6 months ended 31 December 2018 as a result of the increasing competitive retail scene; whilst the only store in Myanmar was closed down in this quarter after due consideration, resulting in the division recording a lower revenue of RM35 million with a higher operating loss of RM12 million for the current financial year-to-date.

Following the closure of non-performing stores (one each in Vietnam and Myanmar) during the current financial year-to-date, the Group has 5 stores in Vietnam as at 31 December 2018.

### - Indonesia

Our Indonesia operations recorded a marginal negative SSS growth of 0.2% for the 6 months ended 31 December 2018. The lower revenue of RM69 million was mainly due to the closure and downsizing of underperforming stores over the years to optimise store effectiveness. This had accordingly enabled the operations to report a lower operating loss of RM7 million for the first half of the current financial year compared with RM13 million a year ago.

Our Indonesia operations opened 2 new *Centro* stores whilst an underperforming store was closed down during the current financial year-to-date. The Group owned and operated 16 stores as at 31 December 2018.

Results of the **Others** Division were mainly derived from the consumer financing business, operation of food and beverage ("F&B") business and investment holding. For the 6 months ended 31 December 2018, the Group's *Parkson Credit* operations continued to post increasing revenue and profitability; whilst the F&B business registered revenue growth with improving operating efficiencies from its bakery operations. The division however, reported a higher operating loss of RM18 million due to foreign exchange loss.

## 12. Comment on material change in profit

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Changes</b>
	<b>31.12.2018</b>	<b>30.9.2018</b>	<b>%</b>
	RM'000	RM'000	%
Revenue	1,054,154	924,120	14
Operating profit/(loss)	20,518	(28,913)	>100
Loss before tax	(3,505)	(41,582)	92

The Group's revenue increased by 14% to RM1,054.2 million for the current quarter under review mainly due to higher consumer spending during the year-end festivities and holiday seasons across all our retailing regions. The higher revenue coupled with improved operating efficiencies and stores' productivity had enabled the Group to turn profitable with an operating profit of RM20.5 million.

**13. a) Prospects**

The Group's Retailing Division will benefit from the higher consumer spending during the Chinese New Year festivities in the coming quarter.

While the Group's operating environment is expected to be challenging amid the macroeconomic environment and market uncertainties, the Group believes that its transformation strategy focusing on diversified retail formats, enhanced brands and product offerings will pave way for the Group to grow steadily.

**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	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Income tax expense comprises :				
Current year income tax :				
- Arising in Malaysia	1,286	6,633	2,069	6,672
- Arising outside Malaysia	49,336	12,327	67,467	23,322
	<b>50,622</b>	<b>18,960</b>	<b>69,536</b>	<b>29,994</b>

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 loans and borrowings as at the end of the reporting period were as follows :

	AS AT 31.12.2018		AS AT 31.12.2017	
	Foreign Currency		Foreign Currency	
	'000	RM'000	'000	RM'000
<b>Non-current</b>				
<u>Secured</u>				
- Hire purchase liabilities	-	255	-	1,405
- Term loans and bank loans :				
RM denominated	-	70,736	-	-
US\$ denominated	(@) 487,284	2,010,130	7,000	28,495
HK\$ denominated	300,000	158,204	59,608	31,043
		<u>2,239,325</u>		<u>60,943</u>
<u>Unsecured</u>				
- Term loans : US\$ denominated	-	-	15,000	63,817
Total non-current loans and borrowings		<u>2,239,325</u>		<u>124,760</u>
<b>Current</b>				
<u>Secured</u>				
- Hire purchase liabilities	-	1,458	-	1,308
- Bankers' acceptance	-	8,514	-	6,473
- Term loans and bank loans :				
RM denominated	-	15,924	-	-
US\$ denominated	16,500	68,250	37,151	151,055
HK\$ denominated	253,608	135,815	656,103	341,675
- Notes : US\$ denominated (#)	-	-	484,500	1,970,252
		<u>229,961</u>		<u>2,470,763</u>
<u>Unsecured</u>				
- Revolving financing	-	12,890	-	30,000
- Bank overdrafts	-	24,373	-	42,823
		<u>37,263</u>		<u>72,823</u>
Total current loans and borrowings		<u>267,224</u>		<u>2,543,586</u>
Total loans and borrowings		<u>2,506,549</u>		<u>2,668,346</u>

Exchange rates used :

As at 31.12.2018 - US\$1.00: RM4.14 ; HK\$1.00: RM0.53

As at 31.12.2017 - US\$1.00: RM4.07 ; HK\$1.00: RM0.52

(#) During the financial year ended 30 June 2018, Parkson Retail Group Limited ("PRGL"), a 54.97% owned subsidiary of the Company, had fully settled the 4.5% Notes ("Notes"). The maturity date of the Notes was 3 May 2018.

(@) A loan amounting to US\$487.3 million was drawn down from Bank of Beijing by the PRGL Group for the purpose of settlement of the Notes.

**19. Changes in material litigation**

There were no material changes in the material litigations since 30 June 2018.

**20. Dividend proposed**

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

**21. Loss per share****Basic**

Basic loss per share is calculated by dividing the loss 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Loss attributable to owners of the parent (RM'000)	<b>(37,566)</b>	(13,870)	<b>(80,576)</b>	(57,399)
Weighted average number of ordinary shares in issue ('000)	<b>1,067,180</b>	1,067,180	<b>1,067,180</b>	1,067,180
Basic loss per share (sen)	<b>(3.52)</b>	(1.30)	<b>(7.55)</b>	(5.38)

**Diluted**

The basic loss per share and the diluted loss 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 2018 was not qualified.

**23. Loss before tax**

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
a) Interest income	<b>19,633</b>	32,871	<b>40,729</b>	54,374
b) Other income including investment income	<b>76,207</b>	67,772	<b>149,095</b>	148,886
c) Interest expense	<b>(37,812)</b>	(30,564)	<b>(73,865)</b>	(61,052)
d) Depreciation and amortisation	<b>(63,244)</b>	(71,957)	<b>(121,660)</b>	(145,997)
e) Provision for and write off of receivables	<b>(2,031)</b>	(2,599)	<b>(3,746)</b>	(4,757)
f) Provision for and write off of inventories	-	-	-	-
g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	<b>(2,207)</b>	3,298	<b>(5,395)</b>	4,999
j) Gain/(Loss) on derivatives	<b>231</b>	-	<b>1,036</b>	-
k) Exceptional items :	<b>(10,710)</b>	(35,660)	<b>(10,710)</b>	(35,660)
- Impairment loss on :				
Property, plant and equipment	<b>(10,710)</b>	-	<b>(10,710)</b>	-
Intangible assets	-	(24,531)	-	(24,531)
Investment in an associate	-	(11,129)	-	(11,129)