



PARKSON HOLDINGS BERHAD

A Member of Lion Group

198201009470 (89194-P)

**Interim Financial Report
for the Second Quarter Ended
31 December 2019**

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PARKSON HOLDINGS BERHAD

Registration No. 198201009470 (89194-P)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		31.12.2019	31.12.2018	Changes	31.12.2019	31.12.2018	Changes
		RM'000 (Note *)	RM'000	%	RM'000 (Note *)	RM'000	%
Gross sales proceeds		2,544,330	2,839,068	-10	4,671,996	5,139,380	-9
Revenue	7	987,406	1,054,154	-6	1,874,852	1,978,274	-5
Other operating income		72,619	76,438		141,791	150,131	
Operating expenses		(1,020,063)	(1,110,074)		(1,933,445)	(2,136,800)	
Operating profit/(loss)		39,962	20,518	95	83,198	(8,395)	>100
Finance income		(19,415)	19,633		1,697	40,729	
Finance costs :							
- Lease interest (Note *)		(88,138)	-		(173,293)	-	
- Other interest expenses		(43,451)	(37,812)		(79,066)	(73,865)	
		(131,589)	(37,812)		(252,359)	(73,865)	
Share of results of associates		1,579	2,637		2,348	2,907	
Share of results of joint ventures		2,036	2,229		3,339	4,247	
Exceptional items	23(k)	12,851	(10,710)		12,851	(10,710)	
Loss before tax	23	(94,576)	(3,505)	- >100	(148,926)	(45,087)	- >100
Income tax expense	16	(39,863)	(50,622)		(51,089)	(69,536)	
Loss for the period		(134,439)	(54,127)	- >100	(200,015)	(114,623)	-74
Loss for the period attributable to :							
- Owners of the parent		(81,078)	(37,566)	- >100	(125,698)	(80,576)	-56
- Non-controlling interests		(53,361)	(16,561)		(74,317)	(34,047)	
		(134,439)	(54,127)		(200,015)	(114,623)	
Loss per share attributable to owners of the parent (sen) :							
- Basic	21	(7.60)	(3.52)		(11.78)	(7.55)	
- Diluted	21	(7.60)	(3.52)		(11.78)	(7.55)	

Note *: The Group adopted MFRS 16: Leases on 1 July 2019. The impact arising from the adoption of MFRS 16 is disclosed in Note 1 to the interim financial statements.

(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 2019 and the accompanying explanatory notes attached to the interim financial statements)

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Registration No. 198201009470 (89194-P)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Loss for the period	(134,439)	(54,127)	(200,015)	(114,623)
<u>Other comprehensive income/(loss)</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	7,334	7,609	(117,149)	(118,591)
Total comprehensive loss for the period	(127,105)	(46,518)	(317,164)	(233,214)
Total comprehensive loss for the period attributable to :				
- Owners of the parent	(78,697)	(33,155)	(189,729)	(143,059)
- Non-controlling interests	(48,408)	(13,363)	(127,435)	(90,155)
	(127,105)	(46,518)	(317,164)	(233,214)

(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 2019 and the accompanying explanatory notes attached to the interim financial statements)

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Interim financial report for the second quarter ended 31 December 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.12.2019 RM'000	AS AT 30.6.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,247,867	2,544,239
Investment properties		360,500	200,485
Right-of-use assets	1	3,178,813	-
Intangible assets		1,231,082	1,259,852
Land use rights		245,317	255,750
Investments in associates		24,502	25,587
Investments in joint ventures		16,106	22,445
Deferred tax assets		151,481	117,531
Receivables		456,798	318,402
Investment securities		20,411	23,414
Time deposits		462,182	863,620
		8,395,059	5,631,325
Current assets			
Inventories		393,782	366,589
Receivables		450,562	585,945
Investment securities		147,096	314,278
Deposits, cash and bank balances		2,243,400	1,637,779
		3,234,840	2,904,591
TOTAL ASSETS		11,629,899	8,535,916
EQUITY AND LIABILITIES			
Share capital		4,151,005	4,151,005
Other reserves		(1,657,784)	(1,594,703)
Accumulated losses		(636,062)	(509,414)
Equity attributable to owners of the parent		1,857,159	2,046,888
Non-controlling interests		1,128,539	1,264,360
Total equity		2,985,698	3,311,248
Non-current liabilities			
Deferred tax liabilities		159,619	141,373
Loans and borrowings	18	1,843,906	2,307,400
Long term payables and provisions		79,513	572,214
Lease liabilities	1	3,512,827	-
		5,595,865	3,020,987
Current liabilities			
Payables, other liabilities and provisions		1,575,510	1,531,301
Contract liabilities		440,434	448,261
Loans and borrowings	18	633,147	189,268
Lease liabilities	1	360,766	-
Tax payables		38,479	34,851
		3,048,336	2,203,681
Total liabilities		8,644,201	5,224,668
TOTAL EQUITY AND LIABILITIES		11,629,899	8,535,916
Net assets per share attributable to owners of the parent (RM)		1.74	1.92

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

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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			
31 December 2019							
At 1 July 2019	4,151,005	(20,903)	(1,573,800)	(509,414)	2,046,888	1,264,360	3,311,248
Total comprehensive loss for the period	-	-	(64,031)	(125,698)	(189,729)	(127,435)	(317,164)
Transfer to capital reserves	-	-	950	(950)	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	(8,386)	(8,386)
At 31 December 2019	4,151,005	(20,903)	(1,636,881)	(636,062)	1,857,159	1,128,539	2,985,698
31 December 2018							
At 1 July 2018	4,151,005	(20,903)	(1,513,785)	(381,264)	2,235,053	1,374,771	3,609,824
Total comprehensive loss for the period	-	-	(62,483)	(80,576)	(143,059)	(90,155)	(233,214)
Transfer to capital reserves	-	-	762	(762)	-	-	-
Acquisition of non-controlling interests in subsidiaries	-	-	-	(5,826)	(5,826)	5,826	-
Dividends to non-controlling interests	-	-	-	-	-	(28,013)	(28,013)
At 31 December 2018	4,151,005	(20,903)	(1,575,506)	(468,428)	2,086,168	1,262,429	3,348,597

(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 2019 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.12.2019 RM'000	31.12.2018 RM'000
OPERATING ACTIVITIES		
Loss before tax	(148,926)	(45,087)
Adjustments for :		
Non-cash items	325,513	128,147
Non-operating items	244,975	25,982
Operating profit before working capital changes	421,562	109,042
Changes in working capital :		
Net changes in assets	(59,297)	38,754
Net changes in liabilities	100,872	286,243
Others (mainly interest and tax paid)	(134,652)	(96,362)
	328,485	337,677
INVESTING ACTIVITIES		
Changes in deposits with banks and investment securities	450,548	45,846
Proceeds from disposal of a property	45,171	-
Others (mainly purchase of property, plant and equipment)	(39,449)	(78,089)
	456,270	(32,243)
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(8,386)	(28,013)
Loans and borrowings	51,099	(32,665)
Payment of lease liabilities	(304,901)	-
	(262,188)	(60,678)
Net changes in cash and cash equivalents	522,567	244,756
Effects of changes in exchange rates	(23,872)	(6,951)
Cash and cash equivalents at beginning of period	1,040,420	853,766
Cash and cash equivalents at end of period	1,539,115	1,091,571
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	2,705,582	2,795,742
Less : Bank overdrafts	-	(24,373)
Less : Deposits with banks with original maturity of more than three months when acquired	(1,166,467)	(1,679,798)
	1,539,115	1,091,571

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

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Interim financial report for the second quarter ended 31 December 2019
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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 2019. 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 2019.

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 2019 except for the adoption of the following standards effective for the financial period beginning 1 July 2019 :

Amendments to MFRS 9: Prepayment Features with Negative Compensation
MFRS 16: Leases
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRSs 2015 - 2017 Cycle
IC Interpretation 23: Uncertainty over Income Tax Treatments

The adoption of the above-mentioned standards did not have a material impact on the financial statements of the Group, except for the following :

MFRS 16: Leases

MFRS 16 replaces the lease guidance including MFRS 117: Leases and its related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to pay rental (i.e. the lease liability) with a corresponding assets representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). MFRS 16 requires lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019 and the comparative information for 2019 was not restated. The Group, on a lease-by-lease basis, measured the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 July 2019.

The Group has elected the following practical expedients :

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply MFRS 16 to all contracts that were previously identified as leases;
- to apply the exemptions for commitments expiring within 12 months and low value assets; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

1. **Accounting policies and methods of computation** (Cont'd.)**MFRS 16: Leases** (Cont'd.)

The impact arising from the adoption of MFRS 16 as at 1 July 2019 is as follows :

	Increase/ (decrease)
	RM'000
Assets	
Right-of-use assets	3,563,800
Receivables and other assets	121,719
Deferred tax assets	(2,007)
Total assets	<u>3,683,512</u>
Liabilities	
Lease liabilities :	
- Non-current	3,780,127
- Current	387,482
Payables, other liabilities and provisions	(484,097)
Total liabilities	<u>3,683,512</u>

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the financial year-to-date are as follows :

	Right-of-use assets	Lease liabilities
	RM'000	RM'000
At 1 July 2019	3,563,800	4,167,609
Decrease	(75,962)	(70,792)
Depreciation charge	(231,646)	-
Interest expense	-	173,293
Payments	-	(304,901)
Exchange differences	(77,379)	(91,616)
At 31 December 2019	<u>3,178,813</u>	<u>3,873,593</u>

1. **Accounting policies and methods of computation** (Cont'd.)

MFRS 16: Leases (Cont'd.)

The following table shows the impact of MFRS 16 on the statement of profit or loss :

	YEAR-TO-DATE ENDED 31.12.2019		
	Results without MFRS 16	Impact of MFRS 16	Results as reported
	RM'000	RM'000	RM'000
Revenue	1,893,039	(18,187)	1,874,852
Other operating income	143,459	(1,668)	141,791
Operating expenses	(2,046,731)	113,286	(1,933,445)
Operating (loss)/profit	(10,233)	93,431	83,198
Finance income	(6,632)	8,329	1,697
Finance costs	(79,066)	(173,293)	(252,359)
Share of results of associates	4,328	(1,980)	2,348
Share of results of joint ventures	3,628	(289)	3,339
Exceptional items	12,851	-	12,851
Loss before tax	(75,124)	(73,802)	(148,926)
Income tax expense	(71,367)	20,278	(51,089)
Loss for the period	(146,491)	(53,524)	(200,015)
Loss for the period attributable to :			
- Owners of the parent	(94,282)	(31,416)	(125,698)
- Non-controlling interests	(52,209)	(22,108)	(74,317)
	(146,491)	(53,524)	(200,015)

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)	3,414,686	
Less : Cost of concessionaire sales	<u>(2,797,144)</u>	
Commissions from concessionaire sales		617,542
Sales of goods - Direct sales		1,106,865
Others (including rental income and management service fees)		150,445
		<u><u>1,874,852</u></u>

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

	← Retailing →					Total RM'000
	Malaysia	People's Republic of China	Vietnam	Indonesia	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue	<u>457,893</u>	<u>1,302,806</u>	<u>21,775</u>	<u>66,740</u>	<u>25,638</u>	<u>1,874,852</u>
Results						
Segment profit/(loss)	28,071	90,711	(8,551)	(4,806)	(22,227)	83,198
Finance income						1,697
Finance costs						(252,359)
Share of results of associates						2,348
Share of results of joint ventures						3,339
Exceptional items						12,851
Loss before tax						<u>(148,926)</u>
Total assets	<u>1,504,983</u>	<u>9,037,356</u>	<u>263,509</u>	<u>312,789</u>	<u>511,262</u>	<u>11,629,899</u>

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.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2019.

11. Performance review

	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
<u>Revenue</u>						
Retailing :						
- Malaysia	253,334	286,483	-12	457,893	521,674	-12
- China	671,970	696,930	-4	1,302,806	1,323,940	-2
- Vietnam and Myanmar	12,591	18,344	-31	21,775	35,161	-38
- Indonesia	36,951	38,010	-3	66,740	68,894	-3
	974,846	1,039,767	-6	1,849,214	1,949,669	-5
Others	12,560	14,387	-13	25,638	28,605	-10
	987,406	1,054,154	-6	1,874,852	1,978,274	-5
<u>Segment profit/(loss)</u>						
Retailing :						
- Malaysia	27,811	17,392	60	28,071	(1,032)	>100
- China	34,962	19,248	82	90,711	28,977	>100
- Vietnam and Myanmar	(2,115)	(5,119)	59	(8,551)	(11,680)	27
- Indonesia	(504)	(1,148)	56	(4,806)	(7,117)	32
	60,154	30,373	98	105,425	9,148	>100
Others	(20,192)	(9,855)	- >100	(22,227)	(17,543)	-27
	39,962	20,518	95	83,198	(8,395)	>100

For the 6 months ended 31 December 2019, the Group's **Retailing** Division recorded a lower revenue of RM1,849 million but with operating profit increasing to RM105 million from RM9 million a year ago. Performance of our retailing operations in each location were as follows :

- Malaysia

For the 6 months ended 31 December 2019, Parkson Malaysia posted a positive same store sales ("SSS") growth of 1% amid the generally softer retail market sentiment. This was achieved through optimisation of operational efficiency across the stores and tactical promotional activities to drive visitor traffic. The operations, however, reported a lower revenue of RM458 million as compared with RM522 million a year ago due mainly to the closure of underperforming stores.

Continuous efforts in optimising stores' effectiveness and savings arising from stores' rationalisation have enabled the operations to report improvement in operating profit to RM28 million. Without the impact of MFRS 16, an operating profit of RM11 million would have been recorded for the current financial year-to-date.

Parkson Malaysia has 43 stores as at 31 December 2019.

- China

Parkson China recorded a decline in revenue by 2% to RM1,303 million compared with RM1,324 million a year ago, which was mainly due to the negative SSS growth amid the challenging retail environment. A higher operating profit of RM91 million was reported for the 6 months ended 31 December 2019. Without the impact of MFRS 16, an operating profit of RM24 million would have been recorded for the current financial year-to-date.

As at 31 December 2019, the Group has a network coverage of 41 stores in 27 cities across China.

11. Performance review (Cont'd.)

- Vietnam and Myanmar

For the 6 months ended 31 December 2019, the Group's Vietnam operations recorded a negative SSS growth of 11% as the retail scene in the country remains very competitive. A lower revenue of RM22 million was reported for the current financial year-to-date with an operating loss of RM9 million.

As at 31 December 2019, the Group has 4 stores in Vietnam. The Group had closed down its only store in Myanmar in December 2018.

- Indonesia

Our Indonesia operations recorded a negative SSS growth of 8% mainly due to the severe competition faced in the market and generally a lower consumer spending sentiment. For the 6 months ended 31 December 2019, our Indonesia operations reported a lower revenue of RM67 million with an operating loss of RM5 million.

The Group owned and operated 15 stores in Indonesia as at 31 December 2019.

Results of the **Others** Division were mainly derived from the consumer financing business, operation of food and beverage ("F&B") business and investment holding. A lower revenue was recorded for the 6 months ended 31 December 2019 attributable to the closure of certain loss-making F&B outlets and food courts. The Division reported higher loss before tax for the current quarter and financial year-to-date as a result of the foreign exchange loss of RM14 million recognised upon full settlement of the US Dollar denominated loan as disclosed in Note 18.

12. Comment on material change in profit

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>	<u>Changes</u>
	31.12.2019	30.9.2019	%
	RM'000	RM'000	%
Revenue	987,406	887,446	11
Operating profit	39,962	43,236	-8
Loss before tax	(94,576)	(54,350)	-74

For the current quarter under review, the Group's revenue increased by 11% to RM987 million due to higher consumer spending during the year-end festivities and holiday seasons. After accounting for foreign exchange loss of RM14 million as disclosed in Note 11 above, the Group reported a lower operating profit of RM40 million as compared with RM43 million in the immediate preceding quarter.

13. a) Prospects

While the recent Covid-19 outbreak is affecting the footfall of our retailing stores, the Group will continue to carry out its strategies focusing on diversified retail formats, enhanced brands and product offerings, as well as operational optimisation. The Group is committed to continuously improving its performance and will constantly review and align its business strategies in the face of challenging market conditions amid severe competition in the retailing regions of the Group.

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	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Income tax expense comprises :				
Current and deferred income tax :				
- Arising in Malaysia	7,050	1,286	2,601	2,069
- Arising outside Malaysia	32,813	49,336	48,488	67,467
	39,863	50,622	51,089	69,536

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 31.12.2019		AS AT 31.12.2018	
	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
Non-current				
<u>Secured</u>				
- Hire purchase liabilities	-	2,112	-	255
- Term loans and bank loans :				
RM denominated	-	52,789	-	70,736
US\$ denominated	17,000	69,675	(@) 487,284	2,010,130
HK\$ denominated	(#) 3,264,000	1,715,154	300,000	158,204
		<u>1,839,730</u>		<u>2,239,325</u>
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,176	-	-
Total non-current loans and borrowings		<u>1,843,906</u>		<u>2,239,325</u>
Current				
<u>Secured</u>				
- Hire purchase liabilities	-	1,246	-	1,458
- Bankers' acceptance	-	9,831	-	8,514
- Revolving financing	-	15,000	-	-
- Term loans and bank loans :				
RM denominated	-	18,240	-	15,924
US\$ denominated	7,000	28,672	16,500	68,250
HK\$ denominated	(#) 1,066,000	560,158	253,608	135,815
		<u>633,147</u>		<u>229,961</u>
<u>Unsecured</u>				
- Revolving financing	-	-	-	12,890
- Bank overdrafts	-	-	-	24,373
		<u>-</u>		<u>37,263</u>
Total current loans and borrowings		<u>633,147</u>		<u>267,224</u>
Total loans and borrowings		<u>2,477,053</u>		<u>2,506,549</u>

Exchange rates used :

As at 31.12.2019 - US\$1.00: RM4.10 ; HK\$1.00: RM0.53

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

(#) In October 2019, Parkson Retail Group Limited ("PRGL"), a 54.97% owned subsidiary of the Company, entered into a facility agreement with a syndicate of banks, as lenders, for a syndication term loan facility in the sum of HK\$3,900 million ("Loan Facility") for a term of 36 months commencing from the first drawdown date or up to 28 October 2022 (whichever is earlier). The Loan Facility is for refinancing the existing loans and for general corporate and working capital needs of the PRGL Group.

Total outstanding amount of the term loans as at 31 December 2019 was HK\$3,840 million.

(@) The loan amounting to US\$487.3 million had been fully settled in November 2019 through the refinancing by the Loan Facility as disclosed in (#) above.

19. Changes in material litigation

There were no material changes in the material litigations since 30 June 2019.

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 ("EPS")**Basic**

Basic EPS 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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Loss attributable to owners of the parent (RM'000)	(81,078)	(37,566)	(125,698)	(80,576)
Weighted average number of ordinary shares in issue ('000)	1,067,180	1,067,180	1,067,180	1,067,180
Basic EPS (sen)	(7.60)	(3.52)	(11.78)	(7.55)

Diluted

The basic EPS and the diluted EPS 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 2019 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	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
a) Interest income	(19,415)	19,633	1,697	40,729
b) Other income including investment income	72,619	76,207	141,791	149,095
c) Interest expenses :				
- Lease interest (Note 1)	(88,138)	-	(173,293)	-
- Other interest expenses	(43,451)	(37,812)	(79,066)	(73,865)
	(131,589)	(37,812)	(252,359)	(73,865)
d) Depreciation and amortisation :				
- Right-of-use assets (Note 1)	(112,807)	-	(231,646)	-
- Others	(55,043)	(63,244)	(102,401)	(121,660)
	(167,850)	(63,244)	(334,047)	(121,660)
e) Provision for and write off of receivables	(7,532)	(2,031)	(11,266)	(3,746)
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)	(13,824)	(2,207)	(14,265)	(5,395)
j) Gain/(loss) on derivatives	-	231	-	1,036
k) Exceptional items :	12,851	(10,710)	12,851	(10,710)
- Gain on disposal of a property	25,868	-	25,868	-
- Impairment loss on property, plant and equipment	(13,017)	(10,710)	(13,017)	(10,710)