



PARKSON HOLDINGS BERHAD

A Member of Lion Group

198201009470 (89194-P)

**Interim Financial Report
for the Fourth Quarter Ended
30 June 2020**

Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Financial Statements	6 - 15

PARKSON HOLDINGS BERHAD

Registration No. 198201009470 (89194-P)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		30.6.2020	30.6.2019	Changes	30.6.2020	30.6.2019	Changes
		RM'000 (Note *)	RM'000	%	RM'000 (Note *)	RM'000	%
Gross sales proceeds		1,608,409	2,452,125	-34	7,944,659	10,453,601	-24
Revenue	7	677,986	954,314	-29	3,251,773	4,032,665	-19
Other operating income		87,080	77,308		263,177	301,562	
Operating expenses		(720,583)	(987,972)		(3,445,185)	(4,245,299)	
Operating profit		44,483	43,650	2	69,765	88,928	-22
Finance income		23,492	18,513		47,037	74,042	
Finance costs :							
- Lease interest (Note *)		(88,950)	-		(350,791)	-	
- Other interest expenses		(28,202)	(40,069)		(140,373)	(150,134)	
		(117,152)	(40,069)		(491,164)	(150,134)	
Share of results of associates		513	2,322		933	7,560	
Share of results of joint ventures		1,106	1,487		4,502	8,599	
Exceptional items	23(k)	(187,014)	(42,420)		(174,163)	(53,130)	
Loss before tax	23	(234,572)	(16,517)	->100	(543,090)	(24,135)	->100
Income tax expense	16	(36,037)	(29,375)		(72,295)	(128,133)	
Loss for the period/year		(270,609)	(45,892)	->100	(615,385)	(152,268)	->100
Loss for the period/year attributable to :							
- Owners of the parent		(209,250)	(42,128)	->100	(427,280)	(129,184)	->100
- Non-controlling interests		(61,359)	(3,764)		(188,105)	(23,084)	
		(270,609)	(45,892)		(615,385)	(152,268)	
Loss per share attributable to owners of the parent (sen) :							
- Basic	21	(19.61)	(3.95)		(40.04)	(12.11)	
- Diluted	21	(19.61)	(3.95)		(40.04)	(12.11)	

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)

PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 30 June 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2020 RM'000	30.6.2019 RM'000	30.6.2020 RM'000	30.6.2019 RM'000
Loss for the period/year	(270,609)	(45,892)	(615,385)	(152,268)
<u>Other comprehensive income/(loss)</u>				
Items that will not be reclassified to profit or loss :				
- Remeasurement of defined benefit plan, net of tax	-	230	-	230
- Changes in fair value of financial assets	(3,721)	(523)	(3,721)	(523)
	(3,721)	(293)	(3,721)	(293)
Item that may be reclassified subsequently to profit or loss :				
- Foreign currency translation	(14,787)	(56,707)	(69,429)	(115,417)
Total comprehensive loss for the period/year	(289,117)	(102,892)	(688,535)	(267,978)
Total comprehensive loss for the period/year attributable to :				
- Owners of the parent	(223,040)	(70,970)	(465,997)	(189,737)
- Non-controlling interests	(66,077)	(31,922)	(222,538)	(78,241)
	(289,117)	(102,892)	(688,535)	(267,978)

(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)

PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 30 June 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30.6.2020 RM'000	AS AT 30.6.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,181,337	2,544,239
Investment properties		375,490	200,485
Right-of-use assets	1	2,959,305	-
Intangible assets		1,263,604	1,259,852
Land use rights		244,854	255,750
Investments in associates		26,599	25,587
Investments in joint ventures		17,929	22,445
Deferred tax assets		160,415	117,531
Receivables		478,978	318,402
Investment securities		16,697	23,414
Time deposits		377,652	863,620
		8,102,860	5,631,325
Current assets			
Inventories		359,907	366,589
Receivables		464,619	585,945
Investment securities		142,977	314,278
Deposits, cash and bank balances		1,376,451	1,637,779
		2,343,954	2,904,591
TOTAL ASSETS		10,446,814	8,535,916
EQUITY AND LIABILITIES			
Share capital			
Share capital		4,151,005	4,151,005
Other reserves			
Other reserves		(1,632,460)	(1,594,703)
Accumulated losses			
Accumulated losses		(932,742)	(509,414)
Equity attributable to owners of the parent			
Equity attributable to owners of the parent		1,585,803	2,046,888
Non-controlling interests			
Non-controlling interests		1,034,866	1,264,360
Total equity			
Total equity		2,620,669	3,311,248
Non-current liabilities			
Deferred tax liabilities		150,182	141,373
Loans and borrowings	18	1,491,917	2,307,400
Long term payables and provisions		37,144	572,214
Lease liabilities	1	3,402,026	-
		5,081,269	3,020,987
Current liabilities			
Payables, other liabilities and provisions		1,261,001	1,531,301
Contract liabilities		406,767	448,261
Loans and borrowings	18	541,911	189,268
Lease liabilities	1	507,867	-
Tax payables		27,330	34,851
		2,744,876	2,203,681
Total liabilities		7,826,145	5,224,668
TOTAL EQUITY AND LIABILITIES		10,446,814	8,535,916
Net assets per share attributable to owners of the parent (RM)			
Net assets per share attributable to owners of the parent (RM)		1.49	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)

PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 30 June 2020

(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			
30 June 2020							
At 30 June 2019	4,151,005	(20,903)	(1,573,800)	(509,414)	2,046,888	1,264,360	3,311,248
Effect of adoption of MFRS 16 (Note 1)	-	-	-	4,912	4,912	4,365	9,277
At 1 July 2019 (restated)	4,151,005	(20,903)	(1,573,800)	(504,502)	2,051,800	1,268,725	3,320,525
Total comprehensive loss for the year	-	-	(38,717)	(427,280)	(465,997)	(222,538)	(688,535)
Transfer to capital reserves	-	-	960	(960)	-	-	-
Disposal of equity interest in a subsidiary	-	-	-	-	-	(1,098)	(1,098)
Dividends to non-controlling interests	-	-	-	-	-	(10,223)	(10,223)
At 30 June 2020	4,151,005	(20,903)	(1,611,557)	(932,742)	1,585,803	1,034,866	2,620,669
30 June 2019							
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 year	-	-	(60,783)	(128,954)	(189,737)	(78,241)	(267,978)
Transfer to capital reserves	-	-	768	(768)	-	-	-
Acquisition of non-controlling interests in a subsidiary	-	-	-	(5,877)	(5,877)	5,877	-
Dilution of equity interests in a subsidiary	-	-	-	7,449	7,449	(7,449)	-
Dividends to non-controlling interests	-	-	-	-	-	(30,598)	(30,598)
At 30 June 2019	4,151,005	(20,903)	(1,573,800)	(509,414)	2,046,888	1,264,360	3,311,248

(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)

PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 30 June 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.6.2020 RM'000	30.6.2019 RM'000
OPERATING ACTIVITIES		
Loss before tax	(543,090)	(24,135)
Adjustments for :		
Non-cash items	915,601	314,167
Non-operating items	436,984	59,933
Operating profit before working capital changes	809,495	349,965
Changes in working capital :		
Net changes in assets	166,286	39,994
Net changes in liabilities	(523,724)	(154,038)
Others (mainly interest and tax paid)	(208,961)	(149,447)
	243,096	86,474
INVESTING ACTIVITIES		
Changes in deposits with banks and investment securities	788,891	291,416
Proceeds from disposal of a property	45,171	-
Others (mainly purchase of property, plant and equipment)	(81,713)	(108,541)
	752,349	182,875
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(10,223)	(30,598)
Loans and borrowings	(478,679)	(47,342)
Payment of lease liabilities	(638,785)	-
	(1,127,687)	(77,940)
Net changes in cash and cash equivalents	(132,242)	191,409
Effects of changes in exchange rates	4,970	(4,755)
Cash and cash equivalents at beginning of year	1,040,420	853,766
Cash and cash equivalents at end of year	913,148	1,040,420
Cash and cash equivalents at end of year comprise the following :		
Deposits, cash and bank balances	1,754,103	2,501,399
Less : Bank overdrafts	(7,679)	(10,275)
Less : Deposits with banks with original maturity of more than three months when acquired	(833,276)	(1,450,704)
	913,148	1,040,420

(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)

PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 30 June 2020
(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 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	3,302,784
Receivables and other assets	209,701
Deferred tax assets	6,673
Total assets	<u>3,519,158</u>
Liabilities	
Lease liabilities :	
- Non-current	3,556,530
- Current	387,194
Payables, other liabilities and provisions	(433,843)
Total liabilities	<u>3,509,881</u>
Equity	
Accumulated losses	4,912
Non-controlling interests	4,365
Total equity	<u>9,277</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	3,302,784	3,943,724
Increase	251,237	228,831
Depreciation charge	(458,011)	-
Impairment loss	(145,504)	-
Interest expense	-	350,791
Payments	-	(638,785)
Exchange differences	8,799	25,332
At 30 June 2020	<u>2,959,305</u>	<u>3,909,893</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 30.6.2020		
	Results without MFRS 16	Impact of MFRS 16	Results as reported
	RM'000	RM'000	RM'000
Revenue	3,287,433	(35,660)	3,251,773
Other operating income	261,882	1,295	263,177
Operating expenses	(3,681,730)	236,545	(3,445,185)
Operating (loss)/profit	(132,415)	202,180	69,765
Finance income	30,579	16,458	47,037
Finance costs	(140,373)	(350,791)	(491,164)
Share of results of associates	5,250	(4,317)	933
Share of results of joint ventures	5,025	(523)	4,502
Exceptional items	(28,659)	(145,504)	(174,163)
Loss before tax	(260,593)	(282,497)	(543,090)
Income tax expense	(111,927)	39,632	(72,295)
Loss for the year	(372,520)	(242,865)	(615,385)
Loss for the year attributable to :			
- Owners of the parent	(266,511)	(160,769)	(427,280)
- Non-controlling interests	(106,009)	(82,096)	(188,105)
	(372,520)	(242,865)	(615,385)

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**

Other than as disclosed in Note 18, 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)	5,714,136	
Less : Cost of concessionaire sales	<u>(4,692,886)</u>	
Commissions from concessionaire sales		1,021,250
Sales of goods - Direct sales		1,965,149
Others (including rental income and management service fees)		265,374
		<u>3,251,773</u>

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

	← Retailing →					Total
	Malaysia	People's Republic of China	Vietnam	Indonesia	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	<u>706,095</u>	<u>2,369,170</u>	<u>33,541</u>	<u>95,924</u>	<u>47,043</u>	<u>3,251,773</u>
Results						
Segment profit/(loss)	17,020	148,061	(28,536)	(26,364)	(40,416)	69,765
Finance income						47,037
Finance costs						(491,164)
Share of results of associates						933
Share of results of joint ventures						4,502
Exceptional items						(174,163)
Loss before tax						<u>(543,090)</u>
Total assets	<u>912,701</u>	<u>8,612,520</u>	<u>227,794</u>	<u>223,845</u>	<u>469,954</u>	<u>10,446,814</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		
	30.6.2020 RM'000	30.6.2019 RM'000	Changes %	30.6.2020 RM'000	30.6.2019 RM'000	Changes %
<u>Revenue</u>						
Retailing :						
- Malaysia	72,128	235,687	-69	706,095	1,023,739	-31
- China	588,347	648,489	-9	2,369,170	2,745,499	-14
- Vietnam and Myanmar	1,638	11,409	-86	33,541	62,107	-46
- Indonesia	5,797	44,270	-87	95,924	144,420	-34
	667,910	939,855	-29	3,204,730	3,975,765	-19
Others	10,076	14,459	-30	47,043	56,900	-17
	677,986	954,314	-29	3,251,773	4,032,665	-19
<u>Segment profit/(loss)</u>						
Retailing :						
- Malaysia	(8,054)	4,416	- >100	17,020	5,390	>100
- China	89,485	61,822	45	148,061	155,295	-5
- Vietnam and Myanmar	(17,242)	(9,555)	-80	(28,536)	(24,319)	-17
- Indonesia	(12,963)	(7,938)	-63	(26,364)	(22,111)	-19
	51,226	48,745	5	110,181	114,255	-4
Others	(6,743)	(5,095)	-32	(40,416)	(25,327)	-60
	44,483	43,650	2	69,765	88,928	-22

For the financial year ended 30 June 2020 ("FYE 2020"), the Group's **Retailing** division recorded a 19% lower revenue of RM3,205 million with a lower operating profit of RM110 million. Performance of our retailing operations in each location were as follows:

- Malaysia

For the current quarter under review and for the FYE 2020, our Malaysia retailing operations were experiencing sales decline as a result of the Covid-19 pandemic which first emerged in end of December 2019. All our retailing stores were closed following the nationwide Movement Control Order imposed on 18 March 2020. While retailing operations have been allowed to operate from 4 May 2020, productivity of stores located at tourist zones continued to be affected due to the drastic drop of foreign tourists. Accordingly, the operations recorded an operating loss of RM8 million for the current quarter under review.

An operating profit of RM17 million was reported for the FYE 2020. Without the impact of MFRS 16, an operating loss of RM32 million would have been recorded for the current financial year-to-date.

Parkson Malaysia has 42 stores as at 30 June 2020.

- China

Parkson China recorded a decline in revenue by 14% to RM2,369 million compared with RM2,745 million a year ago. Amid the continuous market changes and fierce competition, the rapid spread of Covid-19 has further affected the performance of our retailing stores especially in the March 2020 quarter. The implementation of strict measures on public areas to prevent the spread of the pandemic such as restriction on customer traffic and shortening of operating hours, have inevitably dented the footfall of our stores. For the FYE 2020, a lower operating profit of RM148 million was reported. Without the impact of MFRS 16, an operating profit of RM18 million would have been recorded for the current financial year-to-date.

The Group has a network coverage of 41 stores in 27 cities across China as at 30 June 2020.

11. Performance review (Cont'd.)

- Vietnam and Myanmar

The competitive retail scene and the adverse impact of the Covid-19 outbreak have resulted in the Group's Vietnam operations recording a lower revenue of RM34 million with a higher operating loss of RM29 million for the current financial year-to-date.

As at 30 June 2020, the Group has 4 stores in Vietnam. The Group had closed down its only store in Myanmar in December 2018.

- Indonesia

For the FYE 2020, the severe competition and generally lower consumer spending sentiment, coupled with the business disruption caused by the Covid-19 pandemic, have resulted in a lower revenue of RM96 million with a higher operating loss of RM26 million. Without the impact of MFRS 16, an operating loss of RM38 million would have been recorded for the current financial year-to-date.

The Group owned and operated 15 stores in Indonesia as at 30 June 2020.

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 FYE 2020 attributable to the closure of certain loss-making F&B outlets and food courts. The Division reported higher loss before tax for the current financial year-to-date as a result of foreign exchange loss arising from the weakening of the Ringgit Malaysia against the United States Dollar and the Hong Kong Dollar.

12. Comment on material change in profit

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>	Changes
	30.6.2020	31.3.2020	
	RM'000	RM'000	%
Revenue	677,986	698,935	-3
Operating profit/(loss)	44,483	(57,916)	>100
Loss before tax	(234,572)	(159,592)	-47

For the current quarter under review, while the Group's retailing stores in the Southeast Asian region were adversely affected by the Covid-19 pandemic, its China operations, on the other hand, have seen encouraging revenue growth and profitability compared with the immediate preceding quarter. The Group reported a revenue of RM678 million and turned profitable with an operating profit of RM44 million.

The higher loss before tax of RM235 million as compared with the immediate preceding quarter of RM160 million was attributed to the impairment losses on assets reported during the current quarter under review.

13. a) Prospects

The Group maintains a positive outlook on the retail industry in **China** despite the many challenges faced during the FYE 2020 including the slowing economy and the impact of the Covid-19. With the effective control of the pandemic and the implementation of various measures to stimulate consumer spending, China's retail market has recovered gradually with consumer consumption picking up steadily. The Group will continue to adopt an active and cautious strategy and to diversify its business development by exploring various operation models to broaden its income sources, so as to drive the Group's long term and sustainable development.

The Group's operating environment in the **Southeast Asian** region is expected to remain challenging amid the competition and the Covid-19 pandemic. The Group has, nevertheless, taken various measures to weather the impact of the Covid-19 as well as the challenges ahead. Much emphasis will be placed on cost containment, improving stores' productivity and optimising operational efficiency to improve the results.

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	
	30.6.2020 RM'000	30.6.2019 RM'000	30.6.2020 RM'000	30.6.2019 RM'000
Income tax expense comprises :				
Current and deferred income tax :				
- Arising in Malaysia	4,389	2,899	1,671	8,984
- Arising outside Malaysia	31,648	26,476	70,624	119,149
	36,037	29,375	72,295	128,133

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 lower 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 30.6.2020		AS AT 30.6.2019	
	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
Non-current				
<u>Secured</u>				
- Hire purchase liabilities	-	814	-	330
- Term loans and bank loans :				
RM denominated	-	-	-	62,153
US\$ denominated	-	-	(@) 504,284	2,089,065
HK\$ denominated	(#) 2,688,000	1,486,881	294,000	155,852
		<u>1,487,695</u>		<u>2,307,400</u>
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,222	-	-
Total non-current loans and borrowings		<u>1,491,917</u>		<u>2,307,400</u>
Current				
<u>Secured</u>				
- Hire purchase liabilities	-	1,710	-	792
- Bankers' acceptance	-	6,660	-	7,516
- Revolving financing	-	83,094	-	18,000
- Term loans and bank loans :				
RM denominated	-	-	-	18,736
US\$ denominated	29,000	124,152	7,000	28,987
HK\$ denominated	(#) 576,000	318,616	198,000	104,962
		<u>534,232</u>		<u>178,993</u>
<u>Unsecured</u>				
- Bank overdrafts	-	7,679	-	10,275
Total current loans and borrowings		<u>541,911</u>		<u>189,268</u>
Total loans and borrowings		<u>2,033,828</u>		<u>2,496,668</u>

Exchange rates used :

As at 30.6.2020 - US\$1.00: RM4.28 ; HK\$1.00: RM0.55

As at 30.6.2019 - 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 the refinancing of the existing loans and for general corporate and working capital needs of the PRGL Group.

Total outstanding amount of the term loans as at 30 June 2020 was HK\$3,264 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	
	30.6.2020	30.6.2019	30.6.2020	30.6.2019
Loss attributable to owners of the parent (RM'000)	(209,250)	(42,128)	(427,280)	(129,184)
Weighted average number of ordinary shares in issue ('000)	1,067,180	1,067,180	1,067,180	1,067,180
Basic EPS (sen)	(19.61)	(3.95)	(40.04)	(12.11)

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	
	30.6.2020 RM'000	30.6.2019 RM'000	30.6.2020 RM'000	30.6.2019 RM'000
a) Interest income	23,492	18,513	47,037	74,042
b) Other income including investment income	87,080	77,308	263,177	300,526
c) Interest expenses :				
- Lease interest (Note 1)	(88,950)	-	(350,791)	-
- Other interest expenses	(28,202)	(40,069)	(140,373)	(150,134)
	(117,152)	(40,069)	(491,164)	(150,134)
d) Depreciation and amortisation :				
- Right-of-use assets (Note 1)	(104,782)	-	(458,011)	-
- Others	(49,862)	(55,753)	(204,384)	(234,748)
	(154,644)	(55,753)	(662,395)	(234,748)
e) Provision for and write off of receivables	(7,334)	(5,266)	(20,324)	(10,595)
f) Provision for and write off of inventories	(3,633)	(2,966)	(3,633)	(2,966)
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	(7,199)	(2,703)	(28,600)	(6,022)
j) Gain/(loss) on derivatives	-	-	-	1,036
k) Exceptional items :	(187,014)	(42,420)	(174,163)	(53,130)
- Gain on disposal of a property	-	-	26,143	-
- Net investments in subleases	45,560	-	45,560	-
- Impairment loss on :				
Property, plant and equipment and others	(57,820)	(30,770)	(71,112)	(41,480)
Investment properties	(18,500)	-	(18,500)	-
Right-of-use assets	(145,504)	-	(145,504)	-
Other receivables	(10,750)	(5,300)	(10,750)	(5,300)
- Provision of land tax	-	(6,350)	-	(6,350)