



PARKSON HOLDINGS BERHAD

A Member of Lion Group

198201009470 (89194-P)

**Interim Financial Report
for the Third Quarter Ended
31 March 2021**

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 - 14

PARKSON HOLDINGS BERHAD

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

Interim financial report for the third quarter ended 31 March 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		31.3.2021 RM'000	31.3.2020 RM'000	Changes %	31.3.2021 RM'000	31.3.2020 RM'000	Changes %
Gross sales proceeds		2,148,825	1,664,254	29	6,253,684	6,336,250	-1
Revenue	7	885,061	698,935	27	2,574,930	2,573,787	0.04
Other operating income		72,201	34,306		236,885	176,097	
Operating expenses		(909,686)	(791,157)		(2,590,398)	(2,724,602)	
Operating profit/(loss)		47,576	(57,916)	>100	221,417	25,282	>100
Finance income		15,042	21,848		45,891	23,545	
Finance costs	23(c)	(105,329)	(121,653)		(316,929)	(374,012)	
Share of results of associates		1,465	(1,928)		3,737	420	
Share of results of joint ventures		1,675	57		1,450	3,396	
Exceptional items	23(k)	(127,594)	-		(147,722)	12,851	
Loss before tax	23	(167,165)	(159,592)	-5	(192,156)	(308,518)	38
Income tax expense	16	(2,777)	14,831		(48,130)	(36,258)	
Loss for the period		(169,942)	(144,761)	-17	(240,286)	(344,776)	30
Loss for the period attributable to :							
- Owners of the parent		(117,999)	(92,332)	-28	(167,996)	(218,030)	23
- Non-controlling interests		(51,943)	(52,429)		(72,290)	(126,746)	
		(169,942)	(144,761)		(240,286)	(344,776)	
Loss per share attributable to owners of the parent (sen) :							
- Basic	21	(11.06)	(8.65)		(15.74)	(20.43)	
- Diluted	21	(11.06)	(8.65)		(15.74)	(20.43)	

(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 2020 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 third quarter ended 31 March 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Loss for the period	(169,942)	(144,761)	(240,286)	(344,776)
<u>Other comprehensive income/(loss)</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	78,433	62,507	239,573	(54,642)
Total comprehensive income/(loss) for the period	(91,509)	(82,254)	(713)	(399,418)
Total comprehensive income/(loss) for the period attributable to :				
- Owners of the parent	(73,582)	(53,228)	(39,271)	(242,957)
- Non-controlling interests	(17,927)	(29,026)	38,558	(156,461)
	(91,509)	(82,254)	(713)	(399,418)

(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 2020 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 third quarter ended 31 March 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.3.2021 RM'000	AS AT 30.6.2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,133,437	2,147,635
Investment properties		427,419	375,490
Right-of-use assets		2,702,677	2,982,042
Land use rights		230,357	226,815
Intangible assets		1,307,503	1,263,604
Investments in associates		31,491	26,599
Investments in joint ventures		14,368	17,929
Deferred tax assets		190,410	157,606
Receivables		725,599	526,038
Investment securities		16,695	16,697
Time deposits		461,211	377,652
		8,241,167	8,118,107
Current assets			
Inventories		368,604	360,533
Receivables		587,025	416,534
Investment securities		118,778	142,977
Deposits, cash and bank balances		1,064,350	1,376,751
		2,138,757	2,296,795
Non-current assets classified as held for sale		39,602	40,644
		2,178,359	2,337,439
TOTAL ASSETS		10,419,526	10,455,546
EQUITY AND LIABILITIES			
Share capital		4,151,005	4,151,005
Other reserves		(1,501,867)	(1,631,589)
Accumulated losses		(1,095,084)	(932,472)
Equity attributable to owners of the parent		1,554,054	1,586,944
Non-controlling interests		1,058,720	1,036,942
Total equity		2,612,774	2,623,886
Non-current liabilities			
Deferred tax liabilities		158,254	150,182
Loans and borrowings	18	1,154,323	1,491,164
Long term payables and provisions		85,670	85,227
Lease liabilities		3,156,251	3,434,947
		4,554,498	5,161,520
Current liabilities			
Payables, other liabilities and provisions		1,266,523	1,181,840
Contract liabilities		418,028	406,767
Loans and borrowings	18	866,629	540,202
Lease liabilities		668,856	514,001
Tax payables		32,218	27,330
		3,252,254	2,670,140
Total liabilities		7,806,752	7,831,660
TOTAL EQUITY AND LIABILITIES		10,419,526	10,455,546
Net assets per share attributable to owners of the parent (RM)		1.46	1.49

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 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 third quarter ended 31 March 2021

(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			
31 March 2021							
At 1 July 2020	4,151,005	(20,903)	(1,610,686)	(932,472)	1,586,944	1,036,942	2,623,886
Total comprehensive income/ (loss) for the period	-	-	128,725	(167,996)	(39,271)	38,558	(713)
Transfer to capital reserves	-	-	997	(997)	-	-	-
Dilution of equity interest in a subsidiary	-	-	-	6,381	6,381	(6,381)	-
Dividends to non-controlling interests	-	-	-	-	-	(10,399)	(10,399)
At 31 March 2021	4,151,005	(20,903)	(1,480,964)	(1,095,084)	1,554,054	1,058,720	2,612,774
31 March 2020							
At 1 July 2019	4,151,005	(20,903)	(1,573,800)	(495,158)	2,061,144	1,273,131	3,334,275
Total comprehensive loss for the period	-	-	(24,927)	(218,030)	(242,957)	(156,461)	(399,418)
Transfer to capital reserves	-	-	954	(954)	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	(8,423)	(8,423)
At 31 March 2020	4,151,005	(20,903)	(1,597,773)	(714,142)	1,818,187	1,108,247	2,926,434

(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 2020 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 third quarter ended 31 March 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2021 RM'000	31.3.2020 RM'000
OPERATING ACTIVITIES		
Loss before tax	(192,156)	(308,518)
Adjustments for :		
Non-cash items	577,774	499,805
Non-operating items	265,850	346,650
Operating profit before working capital changes	651,468	537,937
Changes in working capital :		
Net changes in assets	(352,491)	(63,653)
Net changes in liabilities	74,620	(319,005)
Others (mainly interest and tax paid)	(87,552)	(181,480)
	286,045	(26,201)
INVESTING ACTIVITIES		
Changes in deposits with banks and investment securities	287,145	771,856
Proceeds from disposal of a property	-	45,171
Others (mainly purchase of property, plant and equipment)	(119,433)	(77,573)
	167,712	739,454
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(10,399)	(8,423)
Loans and borrowings	58,793	(80,925)
Payment of lease liabilities	(542,379)	(441,372)
	(493,985)	(530,720)
Net changes in cash and cash equivalents	(40,228)	182,533
Effects of changes in exchange rates	40,920	6,625
Cash and cash equivalents at beginning of period	973,314	1,040,420
Cash and cash equivalents at end of period	974,006	1,229,578
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	1,525,561	2,123,398
Less : Bank overdrafts	(2,314)	-
Less : Deposits with banks with original maturity of more than three months when acquired	(549,241)	(893,820)
	974,006	1,229,578

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 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 third quarter ended 31 March 2021
(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 2020. 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 2020.

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 2020 except for the adoption of the following standards effective for the financial period beginning 1 July 2020 :

- Amendments to MFRS 2: Share-based Payment
- Amendments to MFRS 3: Business Combinations
- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 6: Exploration for and Evaluation of Mineral Resources
- Amendments to MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 101: Presentation of Financial Statements
- Amendments to MFRS 9, 139 and 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and 108: Definition of Material
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 134: Interim Financial Reporting
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets
- Amendments to MFRS 138: Intangible Assets
- Amendments to IC Interpretation 12: Service Concession Arrangements
- Amendments to IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132: Intangible Assets - Web Site Costs

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)	4,419,828	
Less : Cost of concessionaire sales	<u>(3,678,754)</u>	
Commissions from concessionaire sales		741,074
Sales of goods - Direct sales		1,610,682
Others (including rental income, credit services and management service fees)		<u>223,174</u>
		<u>2,574,930</u>

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

	← Retailing →					Total
	People's Republic of					
	Malaysia	China	Vietnam	Indonesia	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	<u>411,725</u>	<u>2,080,989</u>	<u>26,831</u>	<u>21,274</u>	<u>34,111</u>	<u>2,574,930</u>
Results						
Segment profit/(loss)	7,679	238,275	(2,932)	(24,332)	2,727	221,417
Finance income						45,891
Finance costs						(316,929)
Share of results of associates						3,737
Share of results of joint ventures						1,450
Exceptional items						(147,722)
Loss before tax						<u>(192,156)</u>
Total assets	<u>825,725</u>	<u>8,844,625</u>	<u>219,882</u>	<u>50,906</u>	<u>478,388</u>	<u>10,419,526</u>

8. Subsequent event

Following the development of the legal proceedings of PT Tozy Sentosa ("PT Tozy") as disclosed in Note 19(a), the Group had ceased to have control over PT Tozy. The Group shall cease to consolidate PT Tozy.

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 2020.

11. Performance review

	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
	31.3.2021 RM'000	31.3.2020 RM'000	Changes %	31.3.2021 RM'000	31.3.2020 RM'000	Changes %
<u>Revenue</u>						
Retailing :						
- Malaysia	122,327	176,074	-31	411,725	633,967	-35
- China	737,845	478,017	54	2,080,989	1,780,823	17
- Vietnam	8,843	10,128	-13	26,831	31,903	-16
- Indonesia	4,202	23,387	-82	21,274	90,127	-76
	873,217	687,606	27	2,540,819	2,536,820	0.2
Others	11,844	11,329	5	34,111	36,967	-8
	885,061	698,935	27	2,574,930	2,573,787	0.04
<u>Segment profit/(loss)</u>						
Retailing :						
- Malaysia	(3,235)	(2,997)	-8	7,679	25,074	-69
- China	65,237	(32,135)	>100	238,275	58,576	>100
- Vietnam	1,025	(2,743)	>100	(2,932)	(11,294)	74
- Indonesia	(12,018)	(8,595)	-40	(24,332)	(13,401)	-82
	51,009	(46,470)	>100	218,690	58,955	>100
Others	(3,433)	(11,446)	70	2,727	(33,673)	>100
	47,576	(57,916)	>100	221,417	25,282	>100

For the 9 months ended 31 March 2021, the Group's **Retailing** division recorded a marginally higher revenue of RM2,541 million with operating profit increasing to RM219 million from RM59 million a year ago. Performance of our retailing operations in each location were as follows :

- Malaysia

For the 9 months ended 31 March 2021, the weakening of the local consumer sentiments amid the COVID-19 pandemic had resulted in Parkson Malaysia recording a decline in revenue by 35% to RM412 million compared with RM634 million a year ago. The operations remained profitable at RM8 million with continuous efforts in optimising store productivity and implementing cost rationalisation.

Parkson Malaysia has 40 stores as at 31 March 2021.

- China

For the 9 months ended 31 March 2021, Parkson China has shown significant improvement by registering a revenue growth of 17% to RM2,081 million in tandem with reduced impact from COVID-19, tactical promotional activities and continuous efforts in expanding its income sources. The higher revenue coupled with improved operating efficiencies and cost control measures have resulted in operating profit increasing to RM238 million.

As at 31 March 2021, the Group has a network coverage of 43 stores in 28 cities across China after the opening of a new store in Datong City in this quarter.

11. Performance review (Cont'd.)

- Vietnam

The Group's retailing stores in Vietnam continued to experience weaker footfall due to the impact of the COVID-19 pandemic, resulting in a lower revenue of RM27 million for the 9 months ended 31 March 2021. The operations, however, registered a lower operating loss of RM3 million on the back of continuous efforts in optimising operational efficiency and implementing cost rationalisation.

Following the closure of an unprofitable store during the current quarter under review, the Group has 3 stores in Vietnam as at 31 March 2021.

- Indonesia

Operations in Indonesia were largely affected by the prolonged COVID-19 pandemic. With certain of the Group's retailing stores continued operating under restricted operating hours, revenue contracted significantly to RM21 million for the 9 months ended 31 March 2021 as compared with RM90 million a year ago. A much higher operating loss of RM24 million was recorded for the current financial year-to-date which included impairment losses on receivables and inventories of RM5 million.

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 9 months ended 31 March 2021, the Group's consumer financing business continued to increase its revenue and operating profit; whilst the F&B operations reported a lower revenue following the closure of certain loss-making outlets. Operating loss in the preceding financial year-to-date included a foreign exchange loss of RM21 million arising from the weakening of the Ringgit Malaysia against the United States Dollar.

12. Comment on material change in profit

	Current Quarter	Immediate Preceding Quarter	Changes
	31.3.2021	31.12.2020	
	RM'000	RM'000	%
Revenue	885,061	877,767	1
Operating profit	47,576	107,881	-56
Loss before tax	(167,165)	(47)	- >100

For the current quarter under review, while retailing stores in the Southeast Asian region faced challenges brought on by the prolonged pandemic, Parkson China, the major contributor of the Group's retailing operations, benefited from the higher consumer spending during the Chinese New Year festivities. Accordingly, the Group reported a marginally higher revenue of RM885 million.

The Group reported a lower operating profit of RM48 million for the current quarter under review due to lower margin resulted from promotional activities to attract shopper traffic; whereas profits in the immediate preceding quarter included higher COVID-19-related rebates and income from subleasing.

The Group incurred a loss before tax of RM167 million in the current quarter which included impairment losses on assets of RM117 million pertaining to the Group's operations in Indonesia.

13. a) Prospects

For the final quarter of the financial year, while Parkson China will experience seasonal lower performance in the absence of major festivities, other retailing regions are expected to remain challenging amid the prolonged COVID-19 pandemic and weak consumer sentiments.

The Group has at all times stay vigilant during the pandemic and continues to focus its priorities on enhancing product offerings, optimising operational efficiency and productivity as well as cost rationalisation. In its efforts to grasp the opportunities brought by the market recovery in China, the Group will further initiate a variety of operation modes to diversify the income sources, establish online and offline sales channels, and promote the long term and sustainable development 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	
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Income tax expense/(credit) comprises :				
Current and deferred income tax :				
- Arising in Malaysia	(2,411)	(5,319)	(5,544)	(2,718)
- Arising outside Malaysia	5,188	(9,512)	53,674	38,976
	<u>2,777</u>	<u>(14,831)</u>	<u>48,130</u>	<u>36,258</u>

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 31.3.2021		AS AT 31.3.2020	
	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
Non-current				
<u>Secured</u>				
- Term loans and bank loans :				
HK\$ denominated	2,112,000	1,128,161	3,264,000	1,813,249
Rmb denominated	34,847	22,020	-	-
		<u>1,150,181</u>		<u>1,813,249</u>
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,142	1,000	4,332
Total non-current loans and borrowings		<u>1,154,323</u>		<u>1,817,581</u>
Current				
<u>Secured</u>				
- Bankers' acceptance	-	6,650	-	5,806
- Revolving financing	-	117,865	-	96,081
- Term loans and bank loans :				
US\$ denominated	29,000	120,115	29,000	125,449
HK\$ denominated	1,152,000	615,262	771,000	428,313
Rmb denominated	7,000	4,423	-	-
		<u>864,315</u>		<u>655,649</u>
<u>Unsecured</u>				
- Bank overdrafts	-	2,314	-	-
Total current loans and borrowings		<u>866,629</u>		<u>655,649</u>
Total loans and borrowings		<u>2,020,952</u>		<u>2,473,230</u>

Exchange rates used :

As at 31.3.2021 - US\$1.00: RM4.14 ; HK\$1.00: RM0.53 ; Rmb1.00: RM0.63

As at 31.3.2020 - US\$1.00: RM4.33 ; HK\$1.00: RM0.56

19. Changes in material litigation

There was no material litigation since 30 June 2020 other than the following :

- a) On 22 January 2021, PT Tozy Sentosa ("PT Tozy"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company, received a legal notice dated 21 January 2021 ("Legal Notice") from the lawyers representing certain suppliers and/or consignors ("Claimants") in relation to the claims made by the Claimants pursuant to alleged unpaid and outstanding invoices in connection with various consignment partnership agreements entered into between PT Tozy and the respective Claimants. The Legal Notice has demanded for payment for the aggregate amount of the claims of approximately IDR15.0 billion (approximately RM4.2 million) to be made by PT Tozy to the relevant Claimants no later than 28 January 2021.

On 3 March 2021, certain Claimants had filed a "Suspension of Debt Payment Obligation" ("PKPU") application against PT Tozy ("PKPU Application") with the Commercial Court at Central Jakarta District Court, Jakarta, Indonesia ("Commercial Court") for the total claims of approximately IDR4,882.9 million (approximately RM1.41 million). The judgement hearing for the PKPU Application was heard on 31 March 2021 and the Commercial Court had granted PT Tozy, temporary PKPU status until 17 May 2021 (inclusive). The Commercial Court had also appointed 2 administrators ("PKPU Administrators") to oversee the debt restructuring arrangements between PT Tozy and all of its creditors, and PT Tozy's proposed composition plan for the settlement of outstanding debts owing to these creditors. While PT Tozy is under PKPU status, the PKPU Administrators have oversight and supervisory control over matters relating to the payment by PT Tozy of its debts owing to its creditors, as well as any actions which relate to a transfer in the form of sale and purchase of PT Tozy's assets. During this period, PT Tozy's management continued to manage PT Tozy and its existing store operations.

19. Changes in material litigation (Cont'd.)

a) (Cont'd.)

At the creditors' meeting conducted on 10 May 2021, the creditors of PT Tozy ("Creditors") did not approve the proposed composition plan and a further extension of time for the settlement of outstanding debts owing to the Creditors.

At PT Tozy's hearing before the Commercial Court on 17 May 2021, the Commercial Court had made an order revoking PT Tozy's temporary PKPU status and commencing bankruptcy proceedings against PT Tozy ("Bankruptcy Proceedings"). The PKPU Administrators for PT Tozy had been appointed by the Commercial Court as the joint receivers in connection with the Bankruptcy Proceedings, and are responsible in managing PT Tozy's assets and the liquidation of PT Tozy's bankruptcy estate.

b) On 2 April 2021, Parkson Corporation Sdn Bhd ("PCSB"), a wholly-owned subsidiary of PRA, was served with a Writ of Summons and Statement of Claim filed by Millennium Mall Sdn Bhd ("MMSB"), the lessor of "M Square Mall", in the Kuala Lumpur High Court ("Court") in relation to an alleged breach of a settlement agreement which MMSB alleged was purportedly entered into between PCSB and MMSB on 21 July 2020 ("Suit"). MMSB is claiming for, amongst others, the following reliefs :

- i) PCSB to pay RM57,648,870 as costs for the restoration of the demised premises to MMSB;
- ii) monthly rental of RM333,333 from November 2020 up to and including one month after the date of judgement by the Court;
- iii) interest at 5% per annum to be calculated on a day-to-day basis on the abovementioned restoration costs and rental from the date of judgement by the Court until the date of full and final settlement;
- iv) costs of the proceedings to be paid by PCSB to MMSB; and
- v) any other reliefs which the Court deems fit.

PCSB is of the view that there was no settlement reached between the parties to begin with, and therefore, there could not have been a breach of any settlement agreement.

On 26 April 2021, PCSB had filed a Notice of Application to strike out the Suit.

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	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Loss attributable to owners of the parent (RM'000)	(117,999)	(92,332)	(167,996)	(218,030)
Weighted average number of ordinary shares in issue ('000)	1,067,180	1,067,180	1,067,180	1,067,180
Basic EPS (sen)	(11.06)	(8.65)	(15.74)	(20.43)

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 has issued an unqualified audit opinion and the Auditors' report on the financial statements for the financial year ended 30 June 2020 included a paragraph on material uncertainty related to going concern of the Group. The Auditors highlighted that the Group reported a net loss for the financial year ended 30 June 2020, and as at that date, the Group's current liabilities exceeded its current assets; and that the Group's financial performance and operations were impacted by strict quarantine measures and movement control restrictions, caused by the COVID-19 pandemic, that have resulted in temporary closures of certain retailing stores in its key markets during the financial year ended 30 June 2020.

23. Loss before tax

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
a) Interest income	15,042	21,848	45,891	23,545
b) Other income including investment income	72,201	34,306	236,885	176,097
c) Interest expenses :				
- Lease interest	(86,317)	(88,548)	(258,231)	(261,841)
- Other interest expenses	(19,012)	(33,105)	(58,698)	(112,171)
	(105,329)	(121,653)	(316,929)	(374,012)
d) Depreciation and amortisation :				
- Right-of-use assets	(122,965)	(121,583)	(342,444)	(353,229)
- Others	(54,344)	(52,121)	(142,877)	(154,522)
	(177,309)	(173,704)	(485,321)	(507,751)
e) Provision for and write off of receivables	(2,914)	(1,724)	(14,459)	(12,990)
f) Provision for and write off of inventories	(1,950)	-	(2,394)	-
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	(2,672)	(7,136)	10,397	(21,401)
j) Gain/(loss) on derivatives	-	-	-	-
k) Exceptional items :	(127,594)	-	(147,722)	12,851
- Gain on disposal of a property	-	-	-	25,868
- Impairment loss on : (#)				
Property, plant and equipment	(22,247)	-	(41,363)	(13,017)
Right-of-use assets	(93,586)	-	(93,586)	-
Intangible assets	(842)	-	(1,854)	-
- Provision of expenses (#)	(10,919)	-	(10,919)	-

(#) Impairment losses and provision of expenses are mainly in relation to the development of the legal proceedings involving the Group's subsidiary in Indonesia as disclosed in Note 19(a).

24. Material event

The Company had on 15 October 2020 ("Announcement Date"), announced that it has triggered one of the prescribed criteria pursuant to Paragraph 8.04 and Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main LR").

Nevertheless, the Company is not designated as a PN17 company and is not required to comply with the obligations of PN17 classification pursuant to the requirements of the Main LR for a period of 18 months from the Announcement Date, under the PN17 relief measures available to affected listed issuers granted by Bursa Securities pursuant to the letters dated 16 April 2020 and 17 February 2021 from Bursa Malaysia Berhad.

The Company will have 18 months from the Announcement Date, to re-assess its condition and announce whether it continues to trigger any of the prescribed criteria in PN17 of the Main LR.