



PARKSON HOLDINGS BERHAD

A Member of Lion Group

198201009470 (89194-P)

Interim Financial Report
for the Fourth Quarter Ended
30 June 2021

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PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 30 June 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		30.6.2021 RM'000	30.6.2020 RM'000	Changes %	30.6.2021 RM'000	30.6.2020 RM'000	Changes %
Gross sales proceeds		1,860,831	1,587,249	17	8,114,515	7,923,499	2
Revenue	7	781,418	677,365	15	3,356,348	3,251,152	3
Other operating income		85,973	117,424		322,858	293,521	
Operating expenses		(789,120)	(725,809)		(3,379,518)	(3,450,411)	
Operating profit		78,271	68,980	13	299,688	94,262	>100
Finance income		18,618	25,758		64,509	49,303	
Finance costs	23(c)	(103,651)	(111,517)		(420,580)	(485,529)	
Share of results of associates		1,339	513		5,076	933	
Share of results of joint ventures		885	1,106		2,335	4,502	
Exceptional items	23(k)	208,190	(228,444)		60,468	(215,593)	
Profit/(loss) before tax	23	203,652	(243,604)	>100	11,496	(552,122)	>100
Income tax expense	16	(9,746)	(38,868)		(57,876)	(75,126)	
Profit/(loss) for the period		193,906	(282,472)	>100	(46,380)	(627,248)	93
Profit/(loss) for the period attributable to :							
- Owners of the parent		130,628	(218,324)	>100	(37,368)	(436,354)	91
- Non-controlling interests		63,278	(64,148)		(9,012)	(190,894)	
		193,906	(282,472)		(46,380)	(627,248)	
Earnings/(loss) per share attributable to owners of the parent (sen) :							
- Basic	21	12.14	(20.46)		(3.49)	(40.89)	
- Diluted	21	12.14	(20.46)		(3.49)	(40.89)	

(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)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Profit/(loss) for the period	193,906	(282,472)	(46,380)	(627,248)
<u>Other comprehensive income/(loss)</u>				
- Changes in fair value of financial assets, representing item that may not be reclassified to profit or loss	-	(3,736)	-	(3,736)
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	64,954	(13,442)	304,527	(68,084)
	64,954	(17,178)	304,527	(71,820)
Total comprehensive income/(loss) for the period	258,860	(299,650)	258,147	(699,068)
Total comprehensive income/(loss) for the period attributable to :				
- Owners of the parent	165,826	(231,243)	126,555	(474,200)
- Non-controlling interests	93,034	(68,407)	131,592	(224,868)
	258,860	(299,650)	258,147	(699,068)

(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)

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Registration No. 198201009470 (89194-P)
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Interim financial report for the fourth quarter ended 30 June 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 30.6.2021	AS AT 30.6.2020
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,097,445	2,147,635
Investment properties		446,948	375,490
Right-of-use assets		2,469,392	2,982,042
Land use rights		232,192	226,815
Intangible assets		1,326,619	1,263,604
Investments in associates		33,375	26,599
Investments in joint ventures		15,512	17,929
Deferred tax assets		200,170	157,606
Receivables		610,009	526,038
Investment securities		16,697	16,697
Time deposits		470,195	377,652
		7,918,554	8,118,107
Current assets			
Inventories		351,976	360,533
Receivables		677,731	416,534
Investment securities		131,309	142,977
Deposits, cash and bank balances		761,731	1,376,751
		1,922,747	2,296,795
Non-current assets classified as held for sale		39,759	40,644
		1,962,506	2,337,439
TOTAL ASSETS		9,881,060	10,455,546
EQUITY AND LIABILITIES			
Share capital		4,151,005	4,151,005
Other reserves		(1,453,520)	(1,631,589)
Accumulated losses		(973,720)	(932,472)
Equity attributable to owners of the parent		1,723,765	1,586,944
Non-controlling interests		1,151,704	1,036,942
Total equity		2,875,469	2,623,886
Non-current liabilities			
Deferred tax liabilities		148,319	150,182
Loans and borrowings	18	1,156,378	1,491,164
Long term payables and provisions		81,896	85,227
Lease liabilities		2,958,470	3,434,947
		4,345,063	5,161,520
Current liabilities			
Payables, other liabilities and provisions		1,162,726	1,181,840
Contract liabilities		401,693	406,767
Loans and borrowings	18	566,392	540,202
Lease liabilities		502,215	514,001
Tax payables		27,502	27,330
		2,660,528	2,670,140
Total liabilities		7,005,591	7,831,660
TOTAL EQUITY AND LIABILITIES		9,881,060	10,455,546
Net assets per share attributable to owners of the parent (RM)		1.59	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)

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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			
30 June 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	-	-	163,923	(37,368)	126,555	131,592	258,147
Transfer to capital reserves	-	-	1,004	(1,004)	-	-	-
Resale of treasury shares (Note 5)	-	13,142	-	(9,206)	3,936	-	3,936
Dilution of equity interest in a subsidiary	-	-	-	6,330	6,330	(6,330)	-
Dividends to non-controlling interests	-	-	-	-	-	(10,500)	(10,500)
At 30 June 2021	4,151,005	(7,761)	(1,445,759)	(973,720)	1,723,765	1,151,704	2,875,469
30 June 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	-	-	(37,846)	(436,354)	(474,200)	(224,868)	(699,068)
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)	(1,610,686)	(932,472)	1,586,944	1,036,942	2,623,886

(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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.6.2021 RM'000	30.6.2020 RM'000
OPERATING ACTIVITIES		
Profit/(loss) before tax	11,496	(552,122)
Adjustments for :		
Non-cash items	520,800	868,592
Non-operating items	348,658	430,791
Operating profit before working capital changes	880,954	747,261
Changes in working capital :		
Net changes in assets	(218,124)	(182,484)
Net changes in liabilities	(58,715)	(285,934)
Others (mainly interest and tax paid)	(125,530)	(148,729)
	478,585	130,114
INVESTING ACTIVITIES		
Changes in deposits with banks and investment securities	283,522	858,050
Proceeds from disposal of a property	-	45,171
Net cash outflow on deconsolidation of a subsidiary	(1,903)	-
Others (mainly purchase of property, plant and equipment)	(154,247)	(42,453)
	127,372	860,768
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(10,500)	(10,223)
Loans and borrowings	(243,987)	(477,478)
Payment of lease liabilities	(713,740)	(575,257)
Proceeds from resale of treasury shares (Note 5)	3,936	-
	(964,291)	(1,062,958)
Net changes in cash and cash equivalents	(358,334)	(72,076)
Effects of changes in exchange rates	57,920	4,970
Cash and cash equivalents at beginning of period	973,314	1,040,420
Cash and cash equivalents at end of period	672,900	973,314
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	1,231,926	1,754,403
Less : Bank overdrafts	(2,328)	(8,373)
Less : Deposits with banks with original maturity of more than three months when acquired	(556,698)	(772,716)
	672,900	973,314

(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)

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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 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.

Change in financial year end

The Company had on 4 June 2021, announced that it had changed its financial year end from 30 June to 31 December. Consequently, the next set of audited financial statements shall be made up from 1 July 2020 to 31 December 2021 covering a period of 18 months and subsequently, the financial year end of the Company shall end on 31 December.

2. Comments about seasonal or cyclical factors

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

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

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

4. Changes in estimates

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

5. Debt and equity securities

During the financial year-to-date, the Company had resold a total of 16,800,000 treasury shares for a total consideration of RM3.94 million (after deducting transaction costs) in the open market at an average price of RM0.23 per share.

As at 30 June 2021, the number of treasury shares held after the resale of treasury shares were 9,921,880 ordinary shares.

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

6. Dividend paid

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)	5,712,326	
Less : Cost of concessionaire sales	<u>(4,758,167)</u>	
Commissions from concessionaire sales		954,159
Sales of goods - Direct sales		2,081,119
Others (including rental income, credit services and management service fees)		<u>321,070</u>
		<u><u>3,356,348</u></u>

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

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

	← Retailing →					Total
	Malaysia	People's Republic of China	Vietnam	Indonesia	Others	
	RM'000	RM'000	RM'000	RM'000 (#)	RM'000	RM'000
Revenue	498,452	2,755,726	32,371	23,841	45,958	3,356,348
<u>Results</u>						
Segment profit/(loss)	24,590	312,585	(7,348)	(34,663)	4,524	299,688
Finance income						64,509
Finance costs						(420,580)
Share of results of associates						5,076
Share of results of joint ventures						2,335
Exceptional items						60,468
Profit before tax						11,496
Total assets	869,256	8,320,166	212,485	-	479,153	9,881,060

(#) : The retailing operations in Indonesia were carried out by PT Tozy Sentosa (In Bankruptcy) ("PT Tozy"). The Group had ceased to have control over PT Tozy as disclosed in Note 19(a) and Note 23.

8. Subsequent event

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 2020.

11. Performance review

	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
	30.6.2021 RM'000	30.6.2020 RM'000	Changes %	30.6.2021 RM'000	30.6.2020 RM'000	Changes %
<u>Revenue</u>						
Retailing :						
- Malaysia	86,727	70,936	22	498,452	704,903	-29
- China	674,737	588,154	15	2,755,726	2,368,977	16
- Vietnam	5,540	2,209	>100	32,371	34,112	-5
- Indonesia	2,567	5,797	-56	23,841	95,924	-75
	769,571	667,096	15	3,310,390	3,203,916	3
Others	11,847	10,269	15	45,958	47,236	-3
	781,418	677,365	15	3,356,348	3,251,152	3
<u>Segment profit/(loss)</u>						
Retailing :						
- Malaysia	16,911	(20,225)	>100	24,590	4,849	>100
- China	74,310	87,482	-15	312,585	122,894	>100
- Vietnam (@)	(4,416)	18,574	- >100	(7,348)	7,280	- >100
- Indonesia	(10,331)	(6,952)	-49	(34,663)	(20,353)	-70
	76,474	78,879	-3	295,164	114,670	>100
Others	1,797	(9,899)	>100	4,524	(20,408)	>100
	78,271	68,980	13	299,688	94,262	>100

(@) : Operating profit in the preceding year quarter and year-to-date included income of RM32 million from subleasing.

For the 12 months ended 30 June 2021, the Group's **Retailing** division recorded a 3% higher revenue of RM3,310 million with operating profit increasing to RM295 million from RM115 million a year ago. Performance of our retailing operations in each location were as follows :

- Malaysia

For the 12 months ended 30 June 2021, our local operations continued to be affected by the weakening of the consumer sentiments amid the COVID-19 pandemic. While Parkson Malaysia began to see recovery of shopper traffic in the beginning of the quarter, the operations were disrupted following the total nationwide lockdown imposed from 1 June 2021 to curb the rapidly rising of the daily COVID-19 new cases.

Parkson Malaysia recorded a decline in revenue by 29% to RM498 million for the 12 months ended 30 June 2021 compared with RM705 million a year ago. The operations remained profitable at RM25 million with continuous efforts in optimising store productivity and implementing cost rationalisation.

Parkson Malaysia has 38 stores as at 30 June 2021 following the closure of 2 stores in this quarter.

- China

For the 12 months ended 30 June 2021, Parkson China has shown significant improvement by registering a revenue growth of 16% to RM2,756 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 RM313 million.

As at 30 June 2021, the Group has a network coverage of 43 stores in 28 cities across China.

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 RM32 million with an operating loss of RM7 million for the 12 months ended 30 June 2021.

The Group has 3 stores in Vietnam as at 30 June 2021.

- Indonesia

The retailing operations in Indonesia were carried out by PT Tozy. The Group had ceased to have control over PT Tozy as disclosed in Note 19(a) and Note 23.

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 12 months ended 30 June 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 RM7 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
	30.6.2021	31.3.2021	
	RM'000	RM'000	%
Revenue	781,418	885,061	-12
Operating profit	78,271	47,576	65
Profit/(loss) before tax	203,652	(167,165)	>100

For the current quarter under review, while Parkson China experienced seasonal weaker footfall in the absence of major festivities, retailing stores in the Southeast Asian region faced challenges amid the spiralling of COVID-19 cases. Accordingly, the Group reported a decline in revenue by 12% to RM781 million as compared with RM885 million in the immediate preceding quarter.

The Group, however, registered a higher operating profit of RM78 million for the current quarter under review attributable to improved operational efficiencies and higher pandemic related rebates; whereas lower operating profit of RM48 million in the immediate preceding quarter was due to the lower margin resulted from aggressive promotional activities.

For the current quarter under review, the profit before tax recorded was due to the deconsolidation of a subsidiary as disclosed in Note 23. Loss before tax in the immediate preceding quarter included impairment losses on assets and provisions totalling RM128 million pertaining to the Group's operations in Indonesia.

13. a) Prospects

For the fifth quarter ending 30 September 2021, the Group's Retailing division is expected to experience lower traffic flow in the absence of major festivities, besides facing many challenges brought on by the prolonged COVID-19 pandemic.

In light of the challenging market environment amid the pandemic and weak consumer sentiments, the Group has at all times continue to focus its priorities on enhancing product offerings, optimising operational efficiency and productivity as well as cost rationalisation. At the same time, Parkson China will continue to broaden its product range, initiate variety of operation modes to diversify the income source, and enhance multi-channel services, to fully seize the opportunities brought by market recovery.

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	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Income tax expense/(credit) comprises :				
Current and deferred income tax :				
- Arising in Malaysia	(1,294)	7,631	(6,838)	4,913
- Arising outside Malaysia	11,040	31,237	64,714	70,213
	<u>9,746</u>	<u>38,868</u>	<u>57,876</u>	<u>75,126</u>

Excluding the share of results of associates and joint ventures, the effective tax rate of the Group for the current quarter was lower than the Malaysian statutory tax rate mainly due to certain profit not taxable for tax purposes. The effective tax rate of the Group for the financial year-to-date was 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, other than the following :

On 11 March 2021, the Company announced that it proposed to undertake a private placement of up to 106,718,000 new ordinary shares in the Company ("Parkson Shares" or "Shares"), representing 10% of the total number of issued Shares of 1,067,180,170 (excluding 26,721,880 treasury shares held by the Company as at 11 March 2021), to independent third party investor(s) to be identified at an issue price to be determined later ("Proposed Private Placement"). The Company plans to utilise the proceeds to be raised from the Proposed Private Placement for working capital and estimated expenses for the Proposed Private Placement.

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 18 March 2021, approved the listing of and quotation for up to 106,718,000 new Parkson Shares to be issued pursuant to the Proposed Private Placement, on the Main Market of Bursa Securities which shall be valid until 17 September 2021.

As at 30 June 2021, no new Parkson Shares have been issued by the Company pursuant to the Proposed Private Placement.

17. Corporate proposals (Cont'd.)**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 30.6.2021		AS AT 30.6.2020	
	Foreign Currency		Foreign Currency	
	'000	RM'000	'000	RM'000
Non-current				
<u>Secured</u>				
- Term loans and bank loans :				
HK\$ denominated	2,112,000	1,129,807	2,688,000	1,486,881
Rmb denominated	34,847	22,420	-	-
		<u>1,152,227</u>		<u>1,486,881</u>
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,151	1,000	4,283
Total non-current loans and borrowings		<u>1,156,378</u>		<u>1,491,164</u>
Current				
<u>Secured</u>				
- Bankers' acceptance	-	6,471	-	5,967
- Revolving financing	-	126,524	-	83,094
- Term loans and bank loans :				
US\$ denominated	29,000	120,382	29,000	124,152
HK\$ denominated	576,000	308,088	576,000	318,616
Rmb denominated	4,043	2,599	-	-
		<u>564,064</u>		<u>531,829</u>
<u>Unsecured</u>				
- Bank overdrafts	-	2,328	-	8,373
Total current loans and borrowings		<u>566,392</u>		<u>540,202</u>
Total loans and borrowings		<u>1,722,770</u>		<u>2,031,366</u>

Exchange rates used :

As at 30.6.2021 - US\$1.00: RM4.15 ; HK\$1.00: RM0.53 ; Rmb1.00: RM0.64

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

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.

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

a) (Cont'd.)

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.

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 to revoke PT Tozy's temporary PKPU status and to commence 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 ("Receivers"), and are responsible in managing PT Tozy's assets and the liquidation of PT Tozy's bankruptcy estate.

The Bankruptcy Proceedings are ongoing.

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. Earnings/(loss) per share ("EPS")**Basic**

Basic EPS is calculated by dividing the profit/(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	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
Profit/(loss) attributable to owners of the parent (RM'000)	130,628	(218,324)	(37,368)	(436,354)
Weighted average number of ordinary shares in issue ('000)	1,076,289	1,067,180	1,069,451	1,067,180
Basic EPS (sen)	12.14	(20.46)	(3.49)	(40.89)

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. Profit/(loss) before tax

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
a) Interest income	18,618	25,758	64,509	49,303
b) Other income including investment income	85,973	117,424	322,858	293,521
c) Interest expenses :				
- Lease interest	(83,546)	(81,185)	(341,777)	(343,026)
- Other interest expenses	(20,105)	(30,332)	(78,803)	(142,503)
	(103,651)	(111,517)	(420,580)	(485,529)
d) Depreciation and amortisation :				
- Right-of-use assets	(97,548)	(111,017)	(439,992)	(464,246)
- Others	(46,206)	(52,082)	(189,083)	(206,604)
	(143,754)	(163,099)	(629,075)	(670,850)
e) Provision for and write off of receivables	(697)	(11,909)	(15,156)	(24,899)
f) Provision for and write off of inventories	-	(4,547)	(2,394)	(4,547)
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	(102)	(8,801)	10,295	(30,202)
j) Gain/(loss) on derivatives	-	-	-	-
k) Exceptional items :	208,190	(228,444)	60,468	(215,593)
- Effect on deconsolidation of a subsidiary (*)	208,386	-	208,386	-
- Gain on disposal of a property	-	-	-	26,143
- Reversal of impairment loss/ (impairment loss) on :				
Property, plant and equipment and others	16,789	(63,817)	(35,493)	(77,109)
Investment properties	-	(18,500)	-	(18,500)
Right-of-use assets	(17,250)	(145,352)	(110,836)	(145,352)
Intangible assets	265	(775)	(1,589)	(775)

(*) : As PT Tozy had been placed under the Bankruptcy Proceedings and the Receivers had been appointed as disclosed in Note 19(a), the Group had ceased to have control over PT Tozy, and accordingly, had ceased to consolidate PT Tozy in its consolidated financial statements.

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.