



PARKSON HOLDINGS BERHAD

A Member of Lion Group

198201009470 (89194-P)

Interim Financial Report
for the Quarter Ended
30 September 2021

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PARKSON HOLDINGS BERHAD

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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
		30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Gross sales proceeds		1,526,461	-	9,640,976	-
Revenue	7	647,272	-	4,003,620	-
Other operating income		78,225	-	401,083	-
Operating expenses		(722,392)	-	(4,101,910)	-
Operating profit		3,105	-	302,793	-
Finance income		12,479	-	76,988	-
Finance costs	23(c)	(95,651)	-	(516,231)	-
Share of results of associates		1,167	-	6,243	-
Share of results of joint ventures		734	-	3,069	-
Exceptional items	23(k)	1,502	-	61,970	-
Loss before tax	23	(76,664)	-	(65,168)	-
Income tax expense	16	(5,548)	-	(63,424)	-
Loss for the period		(82,212)	-	(128,592)	-
Loss for the period attributable to :					
- Owners of the parent		(52,368)	-	(89,736)	-
- Non-controlling interests		(29,844)	-	(38,856)	-
		(82,212)	-	(128,592)	-
Loss per share attributable to owners of the parent (sen) :					
- Basic	21	(4.81)	-	(8.36)	-
- Diluted	21	(4.81)	-	(8.36)	-

The Company had changed its financial year end from 30 June to 31 December as disclosed in Note 1. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual 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 quarter ended 30 September 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Loss for the period	(82,212)	-	(128,592)	-
<u>Other comprehensive income</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	17,305	-	321,832	-
Total comprehensive (loss)/income for the period	(64,907)	-	193,240	-
Total comprehensive (loss)/income for the period attributable to :				
- Owners of the parent	(42,733)	-	83,822	-
- Non-controlling interests	(22,174)	-	109,418	-
	(64,907)	-	193,240	-

The Company had changed its financial year end from 30 June to 31 December as disclosed in Note 1. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual 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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Interim financial report for the quarter ended 30 September 2021

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30.9.2021 RM'000	AS AT 30.6.2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,099,121	2,147,635
Investment properties		477,929	375,490
Right-of-use assets		2,441,659	2,982,042
Land use rights		231,663	226,815
Intangible assets		1,334,493	1,263,604
Investments in associates		34,636	26,599
Investments in joint ventures		15,005	17,929
Deferred tax assets		206,412	157,606
Receivables		599,455	526,038
Investment securities		16,696	16,697
Time deposits		473,487	377,652
		7,930,556	8,118,107
Current assets			
Inventories		375,522	360,533
Receivables		665,728	416,534
Investment securities		112,890	142,977
Deposits, cash and bank balances		713,538	1,376,751
		1,867,678	2,296,795
Non-current assets classified as held for sale		40,535	40,644
		1,908,213	2,337,439
TOTAL ASSETS		9,838,769	10,455,546
EQUITY AND LIABILITIES			
Share capital		4,151,005	4,151,005
Other reserves		(1,436,113)	(1,631,589)
Accumulated losses		(1,031,836)	(932,472)
Equity attributable to owners of the parent		1,683,056	1,586,944
Non-controlling interests		1,128,339	1,036,942
Total equity		2,811,395	2,623,886
Non-current liabilities			
Deferred tax liabilities		147,975	150,182
Loans and borrowings	18	1,162,993	1,491,164
Long term payables and provisions		78,022	85,227
Lease liabilities		2,937,298	3,434,947
		4,326,288	5,161,520
Current liabilities			
Payables, other liabilities and provisions		1,182,424	1,181,840
Contract liabilities		426,344	406,767
Loans and borrowings	18	552,860	540,202
Lease liabilities		513,904	514,001
Tax payables		25,554	27,330
		2,701,086	2,670,140
Total liabilities		7,027,374	7,831,660
TOTAL EQUITY AND LIABILITIES		9,838,769	10,455,546
Net assets per share attributable to owners of the parent (RM)		1.54	1.49

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual 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			
<u>30 September 2021</u>							
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	-	-	173,558	(89,736)	83,822	109,418	193,240
Transfer to capital reserves	-	-	1,015	(1,015)	-	-	-
Resale of treasury shares (Note 5)	-	20,903	-	(14,919)	5,984	-	5,984
Dilution of equity interest in a subsidiary	-	-	-	6,306	6,306	(6,306)	-
Dividends to non-controlling interests	-	-	-	-	-	(11,715)	(11,715)
At 30 September 2021	4,151,005	-	(1,436,113)	(1,031,836)	1,683,056	1,128,339	2,811,395

The Company had changed its financial year end from 30 June to 31 December as disclosed in Note 1. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual 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

	CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021 RM'000	30.9.2020 RM'000
OPERATING ACTIVITIES		
Loss before tax	(65,168)	-
Adjustments for :		
Non-cash items	640,664	-
Non-operating items	429,931	-
Operating profit before working capital changes	1,005,427	-
Changes in working capital :		
Net changes in assets	(269,073)	-
Net changes in liabilities	65,529	-
Others (mainly interest and tax paid)	(148,363)	-
	653,520	-
INVESTING ACTIVITIES		
Changes in deposits with banks and investment securities	340,917	-
Net cash outflow on deconsolidation of a subsidiary	(1,903)	-
Others (mainly purchase of property, plant and equipment)	(211,544)	-
	127,470	-
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(11,715)	-
Loans and borrowings	(266,234)	-
Payment of lease liabilities	(886,899)	-
Proceeds from resale of treasury shares (Note 5)	5,984	-
	(1,158,864)	-
Net changes in cash and cash equivalents	(377,874)	-
Effects of changes in exchange rates	64,891	-
Cash and cash equivalents at beginning of period	973,314	-
Cash and cash equivalents at end of period	660,331	-
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	1,187,025	-
Less : Bank overdrafts	(2,243)	-
Less : Deposits with banks with original maturity of more than three months when acquired	(524,451)	-
	660,331	-

The Company had changed its financial year end from 30 June to 31 December as disclosed in Note 1. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual 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 current reporting periods.

4. Changes in estimates

There were no changes in estimates that have had a material effect in the results for the current reporting periods.

5. Debt and equity securities

During the 15-month financial period ended 30 September 2021, the Company had resold its entire 26,721,880 treasury shares for a total consideration of RM5.98 million (after deducting transaction costs) in the open market at an average price of RM0.22 per share. As at 30 September 2021, the Company does not hold any treasury shares.

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current reporting periods.

6. Dividend paid

There were no dividends paid during the current reporting periods.

7. Revenue and segmental information

The Group's revenue for the 15-month financial period ended 30 September 2021 was as follows :

	RM'000	RM'000
Concessionaire sales (gross)	6,750,362	
Less : Cost of concessionaire sales	<u>(5,637,356)</u>	
Commissions from concessionaire sales		1,113,006
Sales of goods - Direct sales		2,491,990
Others (including rental income, credit services and management service fees)		<u>398,624</u>
		<u><u>4,003,620</u></u>

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

The Group's segmental information for the 15-month financial period ended 30 September 2021 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	540,861	3,349,533	32,042	23,841	57,343	4,003,620
Results						
Segment (loss)/profit	(3,691)	349,905	(15,421)	(34,663)	6,663	302,793
Finance income						76,988
Finance costs						(516,231)
Share of results of associates						6,243
Share of results of joint ventures						3,069
Exceptional items						61,970
Loss before tax						(65,168)
Total assets	766,771	8,360,458	248,374	-	463,166	9,838,769

(#) : 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 23.

8. Subsequent event

Other than as disclosed in Note 17, 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 15-month financial period ended 30 September 2021.

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30.9.2021 RM'000	CUMULATIVE PERIOD 15 MONTHS ENDED 30.9.2021 RM'000
<u>Revenue</u>		
Retailing :		
- Malaysia	42,409	540,861
- China	593,807	3,349,533
- Vietnam	(329)	32,042
- Indonesia	-	23,841
	<u>635,887</u>	<u>3,946,277</u>
Others	11,385	57,343
	<u>647,272</u>	<u>4,003,620</u>
<u>Segment profit/(loss)</u>		
Retailing :		
- Malaysia	(28,281)	(3,691)
- China	37,320	349,905
- Vietnam	(8,073)	(15,421)
- Indonesia	-	(34,663)
	<u>966</u>	<u>296,130</u>
Others	2,139	6,663
	<u>3,105</u>	<u>302,793</u>

Note: The Company had changed its financial year end from 30 June to 31 December as disclosed in Note 1. As such, there are no comparative figures for the preceding year corresponding periods.

For the current quarter under review, the Group's **Retailing** division recorded a revenue of RM636 million with an operating profit of RM1 million. The division registered a revenue of RM3,946 million with operating profit of RM296 million for the 15-month financial period ended 30 September 2021. Performance of our retailing operations in each location were as follows:

- Malaysia

For the September 2021 quarter, our local retailing operations reported a revenue of RM42 million due to the temporary business closures following the spike of daily COVID-19 new cases. While retailing stores were allowed to operate from 16 August 2021, worries over the pandemic continued to affect consumer sentiments. The operations reported an operating loss of RM28 million for the current quarter.

For the 15-month financial period ended 30 September 2021, our Malaysia retailing operations reported a revenue of RM541 million with an operating loss of RM3.7 million as the operations grappled with the pandemic.

Parkson Malaysia has 37 stores as at 30 September 2021.

- China

While the COVID-19 pandemic situation in China has improved, the business environment remained unstable for the September 2021 quarter. The operations reported a revenue of RM594 million with an operating profit of RM37 million for the current quarter under review.

Parkson China registered a revenue of RM3,350 million for the 15-month financial period ended 30 September 2021. Overall, the retailing stores have shown improvement in tandem with reduced impact from COVID-19, tactical promotional activities and continuous efforts in expanding its income sources. The operations reported an operating profit of RM350 million on the back of continuous efforts in optimising operating efficiencies and cost control measures.

As at 30 September 2021, the Group has a network coverage of 44 stores in 29 cities across China.

11. Performance review (Cont'd.)**- Vietnam**

For the current quarter under review, following the resurgence of COVID-19 cases in Vietnam, stricter social distancing measures were imposed with closure of various activities including department stores' operations. While only minimal essential services such as groceries and perishables were operating during the quarter, a reversal of income from subleasing was recorded upon the granting of rent rebates by Parkson Vietnam to its tenants. An operating loss of RM8 million was reported for the current quarter.

For the 15-month financial period ended 30 September 2021, amid the weak footfall due to the impact of the COVID-19 pandemic, the Group's retailing stores in Vietnam reported a revenue of RM32 million with an operating loss of RM15 million.

The Group has 2 stores in Vietnam as at 30 September 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 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 current quarter and 15-month financial period ended 30 September 2021, the Group's consumer financing business continued to post encouraging revenue and operating profit; whilst the F&B operations had closed certain loss-making outlets.

12. Comment on material change in profit

	Current Quarter	Immediate Preceding Quarter	
	30.9.2021	30.6.2021	Changes
	RM'000	RM'000	%
Revenue	647,272	781,418	-17
Operating profit	3,105	78,271	-96
(Loss)/profit before tax	(76,664)	203,652	->100

For the current quarter under review, Parkson China experienced weaker footfall in the absence of major festivities. Furthermore, the surge in COVID-19 infection rates in Malaysia and Vietnam had further brought disruptions to our retailing stores as disclosed in Note 11. Accordingly, the Group reported a decline in revenue by 17% to RM647 million as compared with RM781 million in the immediate preceding quarter. An operating profit of RM3 million was reported for the current quarter under review.

Profit before tax recorded in the immediate preceding quarter was due to the deconsolidation of a subsidiary as disclosed in Note 23.

13. a) Prospects

The Group's performance for the final quarter ending 31 December 2021 is expected to benefit from the year-end festivities and holiday seasons. Consumer sentiments are expected to recover gradually with shoppers returning to stores in view of the improving COVID-19 pandemic situation across the Group's retailing regions.

The Group has at all times continue to focus its priorities on enhancing product offerings and diversifying the income source to fully seize the opportunities brought about by market recovery, besides optimising operational efficiency and productivity as well as cost rationalisation.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current reporting periods.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current reporting periods.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Income tax expense

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Income tax expense/(credit) comprises :				
Current and deferred income tax :				
- Arising in Malaysia	(1,980)	-	(8,818)	-
- Arising outside Malaysia	7,528	-	72,242	-
	<u>5,548</u>	<u>-</u>	<u>63,424</u>	<u>-</u>

Excluding the effect on deconsolidation of a subsidiary and share of results of associates and joint ventures, the effective tax rate of the Group for the current quarter and 15-month financial period ended 30 September 2021 were lower than the Malaysian statutory tax rate mainly due to 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 current reporting period, other than the following :

- i) 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 then 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 ("Private Placement"). The Company plans to utilise the proceeds to be raised from the Private Placement for working capital and estimated expenses for the 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 Private Placement, on the Main Market of Bursa Securities which was valid until 17 September 2021.

The Company had on 27 August 2021, submitted an application to Bursa Securities to seek approval for an extension of time of 6 months from 18 September 2021 to 17 March 2022 for the Company to complete the implementation of the Private Placement ("Application"). Bursa Securities had vide its letter dated 2 September 2021 approved the Application, subject to the condition that in the event the Private Placement is not completed before the next annual general meeting of the Company ("AGM"), the Company is required to obtain its Shareholders' approval for a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") at the forthcoming AGM.

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

- ii) On 8 November 2021, the Company announced that it proposed to undertake a reduction of RM2.0 billion of the issued share capital of the Company by the cancellation of the issued share capital which is lost or unrepresented by available assets pursuant to Section 116 of the Act ("Proposed Share Capital Reduction").

The Proposed Share Capital Reduction is subject to the following being obtained :

- the approval by the Shareholders of the Company at an extraordinary general meeting to be convened;
- the sanction of the High Court of Malaya for the Proposed Share Capital Reduction; and
- the approval of any other relevant authorities, if required.

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 30.9.2021		AS AT 30.9.2020	
	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	1,138,846	2,688,000	1,442,136
Rmb denominated	30,847	19,967	38,850	23,718
		1,158,813		1,465,854
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,180	1,000	4,149
Total non-current loans and borrowings		1,162,993		1,470,003
Current				
<u>Secured</u>				
- Bankers' acceptance	-	6,741	-	11,595
- Revolving financing	-	106,819	-	92,528
- Term loans and bank loans :				
US\$ denominated	29,000	121,234	29,000	120,370
HK\$ denominated	576,000	310,617	576,000	308,992
Rmb denominated	8,043	5,206	3,000	1,832
		550,617		535,317
<u>Unsecured</u>				
- Bank overdrafts	-	2,243	-	555
Total current loans and borrowings		552,860		535,872
Total loans and borrowings		1,715,853		2,005,875

Exchange rates used :

As at 30.9.2021 - US\$1.00: RM4.18 ; HK\$1.00: RM0.54 ; Rmb1.00: RM0.65

As at 30.9.2020 - US\$1.00: RM4.15 ; HK\$1.00: RM0.54 ; Rmb1.00: RM0.61

19. Changes in material litigation

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

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 any other reliefs which the Court deems fit.

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

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 ("Striking Out Application") and the hearing for the Striking Out Application is fixed on 6 January 2022.

20. Dividend proposed

The Board of Directors does not recommend any dividend for the current reporting periods.

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 reporting periods.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED		15 MONTHS ENDED	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
Loss attributable to owners of the parent (RM'000)	(52,368)	-	(89,736)	-
Weighted average number of ordinary shares in issue ('000)	1,088,447	-	1,073,275	-
Basic EPS (sen)	(4.81)	-	(8.36)	-

Diluted

The basic EPS and the diluted EPS are the same for the periods 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) :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED		15 MONTHS ENDED	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
a) Interest income	12,479	-	76,988	-
b) Other income including investment income	78,225	-	401,083	-
c) Interest expenses :				
- Lease interest	(77,361)	-	(419,138)	-
- Other interest expenses	(18,290)	-	(97,093)	-
	(95,651)	-	(516,231)	-
d) Depreciation and amortisation :				
- Right-of-use assets	(102,536)	-	(542,528)	-
- Others	(42,211)	-	(231,294)	-
	(144,747)	-	(773,822)	-
e) Provision for and write off of receivables	(2,071)	-	(15,337)	-
f) Provision for and write off of inventories	-	-	(2,394)	-
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	(792)	-	9,503	-
j) Gain/(loss) on derivatives	-	-	-	-
k) Exceptional items :	1,502	-	61,970	-
- Effect on deconsolidation of a subsidiary (*)	-	-	208,386	-
- Reversal of impairment loss/ (impairment loss) on :				
Property, plant and equipment and others	1,502	-	(33,991)	-
Right-of-use assets	-	-	(110,836)	-
Intangible assets	-	-	(1,589)	-

(*) As PT Tozy had been placed under bankruptcy proceedings and receivers had been appointed on 17 May 2021, 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.