



**PARKSON HOLDINGS BERHAD**

A Member of Lion Group

198201009470 (89194-P)

**Interim Financial Report  
for the Quarter Ended  
31 December 2021**

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# PARKSON HOLDINGS BERHAD

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

Interim financial report for the quarter ended 31 December 2021

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 18 MONTHS ENDED	
		31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
<b>Continuing operations</b>					
Gross sales proceeds		2,156,923	-	11,706,558	-
Revenue	7	838,133	-	4,819,914	-
Other operating income		181,934	-	582,336	-
Operating expenses		(843,538)	-	(4,917,946)	-
Operating profit		176,529	-	484,304	-
Finance income		15,378	-	92,357	-
Finance costs	23(c)	(92,854)	-	(598,643)	-
Share of results of associates		980	-	7,223	-
Share of results of joint ventures		(5,234)	-	(2,165)	-
Exceptional items	23(k)	(121,820)	-	(59,850)	-
Loss before tax	23	(27,021)	-	(76,774)	-
Income tax expense	16	(37,073)	-	(100,497)	-
Loss for the period from continuing operations		(64,094)	-	(177,271)	-
<b>Discontinued operations</b>					
Profit for the period from discontinued operations	24	43,156	-	27,741	-
<b>Loss for the period from continuing and discontinued operations</b>		<b>(20,938)</b>	<b>-</b>	<b>(149,530)</b>	<b>-</b>
Loss for the period attributable to :					
- Owners of the parent		(15,104)	-	(104,840)	-
- Non-controlling interests		(5,834)	-	(44,690)	-
		(20,938)	-	(149,530)	-
Loss per share attributable to owners of the parent (sen) :					
- Basic	21	(1.38)	-	(9.73)	-
- Diluted	21	(1.38)	-	(9.73)	-

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 31 December 2021

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 18 MONTHS ENDED	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
<b>Loss for the period</b>	<b>(20,938)</b>	-	<b>(149,530)</b>	-
<u>Other comprehensive income</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	<b>47,842</b>	-	<b>369,674</b>	-
<b>Total comprehensive income for the period</b>	<b>26,904</b>	-	<b>220,144</b>	-
Total comprehensive income for the period attributable to :				
- <b>Owners of the parent</b>	<b>11,099</b>	-	<b>94,921</b>	-
- Non-controlling interests	<b>15,805</b>	-	<b>125,223</b>	-
	<b>26,904</b>	-	<b>220,144</b>	-

*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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Registration No. 198201009470 (89194-P)  
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Interim financial report for the quarter ended 31 December 2021

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31.12.2021 RM'000	AS AT 30.6.2020 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,129,029	2,147,635
Investment properties		506,399	375,490
Right-of-use assets		2,353,098	2,982,042
Land use rights		232,132	226,815
Intangible assets		1,278,419	1,263,604
Investments in associates		36,001	26,599
Investments in joint ventures		9,747	17,929
Deferred tax assets		199,514	157,606
Receivables		601,200	526,038
Investment securities		17,331	16,697
Time deposits		20,404	377,652
		<b>7,383,274</b>	<b>8,118,107</b>
<b>Current assets</b>			
Inventories		383,872	360,533
Receivables		452,537	416,534
Investment securities		59,345	142,977
Deposits, cash and bank balances		1,291,058	1,376,751
		<b>2,186,812</b>	<b>2,296,795</b>
Non-current assets classified as held for sale		-	40,644
		<b>2,186,812</b>	<b>2,337,439</b>
<b>TOTAL ASSETS</b>		<b>9,570,086</b>	<b>10,455,546</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	5(ii)	2,155,630	4,151,005
Other reserves		(1,407,990)	(1,631,589)
Retained profits/(accumulated losses)		951,104	(932,472)
Equity attributable to owners of the parent		<b>1,698,744</b>	<b>1,586,944</b>
Non-controlling interests		1,139,961	1,036,942
Total equity		<b>2,838,705</b>	<b>2,623,886</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		137,865	150,182
Loans and borrowings	18	21,080	1,491,164
Long term payables and provisions		79,499	85,227
Lease liabilities		2,788,631	3,434,947
		<b>3,027,075</b>	<b>5,161,520</b>
<b>Current liabilities</b>			
Payables, other liabilities and provisions		1,387,829	1,181,840
Contract liabilities		419,757	406,767
Loans and borrowings	18	1,369,030	540,202
Lease liabilities		500,239	514,001
Tax payables		27,451	27,330
		<b>3,704,306</b>	<b>2,670,140</b>
<b>Total liabilities</b>		<b>6,731,381</b>	<b>7,831,660</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,570,086</b>	<b>10,455,546</b>
Net assets per share attributable to owners of the parent (RM)		<b>1.52</b>	<b>1.49</b>

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	Retained profits/ (accumulated losses) RM'000			
<b>31 December 2021</b>							
<b>At 1 July 2020</b>	<b>4,151,005</b>	<b>(20,903)</b>	<b>(1,610,686)</b>	<b>(932,472)</b>	<b>1,586,944</b>	<b>1,036,942</b>	<b>2,623,886</b>
Total comprehensive income/ (loss) for the period	-	-	199,761	(104,840)	<b>94,921</b>	125,223	220,144
Transfer to capital reserves	-	-	2,935	(2,935)	-	-	-
Resale of treasury shares (Note 5(i))	-	20,903	-	(14,919)	<b>5,984</b>	-	5,984
Issue of share capital (Note 5(ii))	4,625	-	-	-	<b>4,625</b>	-	4,625
Share capital reduction (Note 5(ii))	(2,000,000)	-	-	2,000,000	-	-	-
Dilution of equity interest in a subsidiary	-	-	-	6,270	<b>6,270</b>	(6,270)	-
Dividends to non-controlling interests	-	-	-	-	-	(15,934)	(15,934)
<b>At 31 December 2021</b>	<b>2,155,630</b>	<b>-</b>	<b>(1,407,990)</b>	<b>951,104</b>	<b>1,698,744</b>	<b>1,139,961</b>	<b>2,838,705</b>

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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## Interim financial report for the quarter ended 31 December 2021

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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD 18 MONTHS ENDED	
	31.12.2021 RM'000	31.12.2020 RM'000
<b>OPERATING ACTIVITIES</b>		
(Loss)/profit before tax :		
Continuing operations	(76,774)	-
Discontinued operations	27,741	-
Adjustments for :		
Non-cash items	817,621	-
Non-operating items	501,228	-
Operating profit before working capital changes	1,269,816	-
Changes in working capital :		
Net changes in assets	(134,942)	-
Net changes in liabilities	227,587	-
Others (mainly interest and tax paid)	(169,155)	-
	<b>1,193,306</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>		
Changes in deposits with banks and investment securities	429,499	-
Proceeds from disposal of non-current assets classified as held for sale	39,290	-
Net cash outflow on deconsolidation of a subsidiary	(1,903)	-
Others (mainly purchase of property, plant and equipment)	(281,427)	-
	<b>185,459</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interests	(15,934)	-
Loans and borrowings	(589,155)	-
Payment of lease liabilities	(1,024,742)	-
Proceeds from resale of treasury shares (Note 5(i))	5,984	-
Issue of share capital (Note 5(ii))	4,625	-
	<b>(1,619,222)</b>	<b>-</b>
Net changes in cash and cash equivalents	(240,457)	-
Effects of changes in exchange rates	76,441	-
Cash and cash equivalents at beginning of period	973,314	-
Cash and cash equivalents at end of period	<b>809,298</b>	<b>-</b>
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	1,311,462	-
Less : Bank overdrafts	(1,631)	-
Less : Deposits with banks with original maturity of more than three months when acquired	(500,533)	-
	<b>809,298</b>	<b>-</b>

*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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Interim financial report for the quarter ended 31 December 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.

### 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**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the 18-month financial period ended 31 December 2021, other than the following :

- i) 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 31 December 2021, the Company does not hold any treasury shares.
- ii) The issued share capital of the Company decreased from RM4,151,004,753 to RM2,155,629,753 following the :
  - issuance and allotment of 25,000,000 new ordinary shares at RM0.185 per share for cash on 16 December 2021, which had increased the issued share capital of the Company by RM4,625,000 pursuant to the first tranche of placement of the private placement ("First Tranche Placement") as disclosed in Note 17(a); and
  - reduction of RM2.0 billion of the issued share capital of the Company by the cancellation of the issued share capital which was lost or unrepresented by available assets pursuant to Section 116 of the Companies Act 2016 effective 27 December 2021.

As at 31 December 2021, the total number of issued shares of the Company after the First Tranche Placement were 1,118,902,050 ordinary shares.

**6. Dividend paid**

There were no dividends paid during the current reporting periods.

**7. Revenue and segmental information - Continuing operations**

The Group's revenue for the 18-month financial period ended 31 December 2021 was as follows :

	RM'000	RM'000
Concessionaire sales (gross)	8,244,079	
Less : Cost of concessionaire sales	<u>(6,886,644)</u>	
Commissions from concessionaire sales		1,357,435
Sales of goods - Direct sales		2,986,532
Others (including rental income, credit services and management service fees)		475,947
		<u><u>4,819,914</u></u>



**7. Revenue and segmental information - Continuing operations** (Cont'd.)

The Group's segmental information for the 18-month financial period ended 31 December 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	720,277	4,000,155	5,672	23,841	69,969	<b>4,819,914</b>
<b>Results</b>						
Segment profit/(loss)	52,429	440,807	19,371	(34,663)	6,360	<b>484,304</b>
Finance income						<b>92,357</b>
Finance costs						<b>(598,643)</b>
Share of results of associates						<b>7,223</b>
Share of results of joint ventures						<b>(2,165)</b>
Exceptional items						<b>(59,850)</b>
Loss before tax						<b>(76,774)</b>
Total assets	989,137	7,971,765	151,098	-	458,086	<b>9,570,086</b>

(#) : 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 18-month financial period ended 31 December 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

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 31.12.2021 RM'000</b>	<b>CUMULATIVE PERIOD 18 MONTHS ENDED 31.12.2021 RM'000</b>
<u>Revenue</u>		
Retailing :		
- Malaysia	179,416	720,277
- China	650,622	4,000,155
- Vietnam	(4,531) (*)	5,672
- Indonesia	-	23,841
	<hr/> 825,507	<hr/> 4,749,945
Others	12,626	69,969
	<hr/> <b>838,133</b> <hr/>	<hr/> <b>4,819,914</b> <hr/>
<u>Segment profit/(loss)</u>		
Retailing :		
- Malaysia	56,120	52,429
- China	90,902	440,807
- Vietnam	29,810	19,371
- Indonesia	-	(34,663)
	<hr/> 176,832	<hr/> 477,944
Others	(303)	6,360
	<hr/> <b>176,529</b> <hr/>	<hr/> <b>484,304</b> <hr/>

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.

(\*) : Included reclassification of subleasing income from revenue to other operating income.

For the December 2021 quarter, the Group's **Retailing** division recorded a revenue of RM826 million with an operating profit of RM177 million. The division registered a revenue of RM4,750 million with operating profit of RM478 million for the 18-month financial period ended 31 December 2021. Performance of our retailing operations in each location were as follows :

- Malaysia

For the December 2021 quarter, our local retailing operations experienced a return of strong sales following the reopening of operations from 16 August 2021 coupled with the higher consumer spending during the year-end festivities and holidays. The operations registered a revenue of RM179 million with an operating profit of RM56 million for the current quarter.

For the 18-month financial period ended 31 December 2021, notwithstanding the setbacks brought on by the COVID-19 pandemic, our Malaysia retailing operations reported a revenue of RM720 million and remained profitable at RM52 million attributable to continuous efforts in optimising store productivity and implementing cost rationalisation.

Parkson Malaysia has 38 stores as at 31 December 2021.

## 11. Performance review (Cont'd.)

### - China

For the current quarter under review, despite having achieved effective control over the COVID-19 pandemic, the occurrence of new variants of the virus had brought uncertainties to the economic environment in China. Nevertheless, with the higher consumer spending during the year-end festivities, the operations reported an encouraging revenue of RM651 million with an operating profit of RM91 million.

Parkson China registered a revenue of RM4,000 million for the 18-month financial period ended 31 December 2021. Overall, the retailing stores have shown improvement with the reduced impact of the COVID-19 pandemic, tactical promotional activities and continuous efforts in expanding its income sources. The operations reported an operating profit of RM441 million on the back of continuous efforts in optimising operating efficiencies and cost control measures.

As at 31 December 2021, the Group has a network coverage of 45 stores in 30 cities across China.

### - Vietnam

For the current quarter under review, retailing operations in Vietnam continued to experience weaker footfall due to the impact of the COVID-19 pandemic. Included in the operating profit for the current quarter was income from subleasing of RM37 million.

For the 18-month financial period ended 31 December 2021, the Group's retailing stores in Vietnam reported a revenue of RM6 million with an operating profit of RM19 million.

### - 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 18-month financial period ended 31 December 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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Changes</b>
	<b>31.12.2021</b>	<b>30.9.2021</b>	<b>%</b>
	RM'000	RM'000	%
Revenue	838,133	646,254	30
Operating profit	176,529	6,743	>100
Loss before tax	(27,021)	(71,009)	62

For the current quarter under review, while the Group began to see recovery of shopper traffic to the retailing stores, the year-end festivities and holiday seasons have further boosted the sales performance, resulting in a revenue growth of 30% to RM838 million.

The higher revenue coupled with improved operating efficiencies and cost control measures have resulted in operating profit increasing to RM177 million. Loss before tax was lower at RM27 million.

**13. a) Prospects**

The Group remains positive of the prospects of the retailing operations in **China** despite the repeated COVID-19 outbreaks, as the consumer market adapts to the new normal. The Group will continue to strive to improve customer experience in order to fully capture potential opportunities provided by the Chinese retail market besides continuing to diversify the income sources, establish online and offline sales channels, and promote long-term sustainable development of its businesses.

On the **Southeast Asian** front, the containment of COVID-19 and the inflationary pressure remain a concern. Notwithstanding, the Group will continue to focus its priorities on enhancing product offerings, optimising operational efficiency and productivity, carrying out tactical promotional activities as well as cost control management.

**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 18 MONTHS ENDED	
Income tax expense comprises :	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current and deferred income tax :				
- Arising in Malaysia	12,819	-	4,001	-
- Arising outside Malaysia	24,254	-	96,496	-
	<b>37,073</b>	-	<b>100,497</b>	-

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 18-month financial period ended 31 December 2021 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 current 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 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.

Pursuant to the first tranche of placement of 25,000,000 Parkson Shares, the Company had on 16 December 2021 issued and allotted 25,000,000 new Parkson Shares at RM0.185 per share for cash which had increased the issued share capital of the Company by RM4,625,000.

### b) Status of utilisation of proceeds

The details and status of the utilisation of total proceeds raised from the private placement of 25,000,000 new Parkson Shares of RM4.63 million are as follows :

	<u>Proposed Utilisation</u>	<u>Amount Utilised</u>	<u>Amount Unutilised</u>
	RM'Million	RM'Million	RM'Million
Purpose :			
- Working capital requirements	4.48	2.65	1.83
- Estimated expenses for private placement	0.15	0.11	0.04
	<u>4.63</u>	<u>2.76</u>	<u>1.87</u>

**18. Borrowings and debt securities**

The Group's loans and borrowings as at the end of the reporting period were as follows :

	AS AT 31.12.2021		AS AT 31.12.2020	
	Foreign Currency		Foreign Currency	
	'000	RM'000	'000	RM'000
<b>Non-current</b>				
<u>Secured</u>				
- Term loans and bank loans :				
HK\$ denominated	-	-	2,112,000	1,092,206
Rmb denominated	25,948	16,911	38,850	23,865
		16,911		1,116,071
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,169	1,000	3,999
Total non-current loans and borrowings		21,080		1,120,070
<b>Current</b>				
<u>Secured</u>				
- Bankers' acceptance	-	5,664	-	8,987
- Revolving financing	-	104,444	-	100,000
- Term loans and bank loans :				
US\$ denominated	29,000	120,882	29,000	115,994
HK\$ denominated	2,112,000	1,130,517	1,152,000	594,929
Rmb denominated	9,000	5,892	3,000	1,843
		1,367,399		821,753
<u>Unsecured</u>				
- Bank overdrafts	-	1,631	-	1,391
Total current loans and borrowings		1,369,030		823,144
Total loans and borrowings		1,390,110		1,943,214

Exchange rates used :

As at 31.12.2021 - US\$1.00: RM4.17 ; HK\$1.00: RM0.53 ; Rmb1.00: RM0.65

As at 31.12.2020 - US\$1.00: RM3.99 ; HK\$1.00: RM0.52 ; Rmb1.00: RM0.61

**19. Changes in material litigation**

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

On 2 April 2021, Parkson Corporation Sdn Bhd ("PCSB"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company, 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"). The Court had on 6 January 2022 allowed the Striking Out Application with costs of RM10,000 being awarded to PCSB ("Court's Decision").

MMSB had on 17 January 2022 filed an appeal to the Court of Appeal against the Court's Decision ("Appeal"). PCSB intends to vigorously defend against the Appeal.

**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)/profit 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		18 MONTHS ENDED	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
(Loss)/profit attributable to owners of the parent (RM'000)				
- Continuing operations	(44,433)	-	(123,693)	-
- Discontinued operations	29,329	-	18,853	-
	<b>(15,104)</b>	-	<b>(104,840)</b>	-
Weighted average number of ordinary shares in issue ('000)	<b>1,098,250</b>	-	<b>1,077,460</b>	-
Basic EPS (sen)	<b>(1.38)</b>	-	<b>(9.73)</b>	-

**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		18 MONTHS ENDED	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
a) Interest income	15,378	-	92,357	-
b) Other income including investment income	181,934	-	582,336	-
c) Interest expenses :				
- Lease interest	(75,973)	-	(484,669)	-
- Other interest expenses	(16,881)	-	(113,974)	-
	(92,854)	-	(598,643)	-
d) Depreciation and amortisation :				
- Right-of-use assets	(91,645)	-	(634,173)	-
- Others	(42,082)	-	(273,376)	-
	(133,727)	-	(907,549)	-
e) Provision for and write off of receivables	(1,977)	-	(17,314)	-
f) Provision for and write off of inventories	(390)	-	(2,784)	-
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	3,235	-	12,738	-
j) Gain/(loss) on derivatives	-	-	-	-
k) Exceptional items :	(121,820)	-	(59,850)	-
- Effect on deconsolidation of a subsidiary (*)	-	-	208,386	-
- Impairment loss on :				
Property, plant and equipment and others	(18,493)	-	(52,484)	-
Investment properties	(10,300)	-	(10,300)	-
Right-of-use assets	(20,857)	-	(131,693)	-
Intangible assets	(67,170)	-	(68,759)	-
Other receivables	(5,000)	-	(5,000)	-

(\*) : 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. Discontinued operations**

During the current reporting periods, Parkson Haiphong Co Ltd ("PHCL"), a wholly-owned subsidiary of PRA, ceased the operation for an existing store and on 31 December 2021, PHCL intended to cease the operation of its remaining store. Consequently, the results of PHCL were separately disclosed under discontinued operations.

The revenue and results of PHCL were as follows :

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 31.12.2021 RM'000</b>	<b>CUMULATIVE PERIOD 18 MONTHS ENDED 31.12.2021 RM'000</b>
Revenue	3,609	25,448
Operating profit/(loss)	4,934	(40)
Finance income	6	15
Finance costs	(34)	(10,484)
Gain on derecognition of lease liabilities	91,768	91,768
Impairment of right-of-use assets	(53,518)	(53,518)
Profit before tax	43,156	27,741
Income tax expense	-	-
Profit for the period	43,156	27,741

**25. 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.