



**PARKSON HOLDINGS BERHAD**

A Member of Lion Group

198201009470 (89194-P)

**Interim Financial Report  
for the Fourth Quarter Ended  
31 December 2022**

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Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Financial Statements	6 - 13

# PARKSON HOLDINGS BERHAD

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

Interim financial report for the fourth quarter ended 31 December 2022  
(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<b>Continuing operations</b>					
Gross sales proceeds		1,590,092	-	7,046,957	-
Revenue	7	682,552	-	2,922,697	-
Other operating income		84,195	-	324,188	-
Operating expenses		(724,256)	-	(3,034,984)	-
Operating profit		42,491	-	211,901	-
Finance income		12,869	-	53,889	-
Finance costs	23(c)	(101,036)	-	(369,482)	-
Share of results of associates		1,612	-	(1,001)	-
Share of results of joint ventures		(171)	-	(1,124)	-
Exceptional items	23(k)	(32,081)	-	(64,957)	-
Loss before tax	23	(76,316)	-	(170,774)	-
Income tax expense	16	(16,607)	-	(49,242)	-
Loss for the period from continuing operations		(92,923)	-	(220,016)	-
<b>Discontinued operations (#)</b>					
Loss for the period from discontinued operations		(75)	-	(1,160)	-
<b>Loss for the period from continuing and discontinued operations</b>		<b>(92,998)</b>	<b>-</b>	<b>(221,176)</b>	<b>-</b>
Loss for the period attributable to :					
- Owners of the parent		(52,291)	-	(126,178)	-
- Non-controlling interests		(40,707)	-	(94,998)	-
		<b>(92,998)</b>	<b>-</b>	<b>(221,176)</b>	<b>-</b>
Loss per share attributable to owners of the parent (sen) :					
- Basic	21	(4.55)	-	(11.03)	-
- Diluted	21	(4.55)	-	(11.03)	-

(#) Relating to results of a subsidiary in Vietnam which had ceased operation.

*The Company had in 2021, changed its financial year end from 30 June to 31 December. 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 period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.*

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### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<b>Loss for the period</b>	<b>(92,998)</b>	-	<b>(221,176)</b>	-
<u>Other comprehensive income/(loss)</u>				
- Change in fair value of financial assets, representing item that will not be reclassified to profit or loss	175	-	175	-
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	(47,571)	-	(186,607)	-
	<b>(47,396)</b>	-	<b>(186,432)</b>	-
<b>Total comprehensive loss for the period</b>	<b>(140,394)</b>	-	<b>(407,608)</b>	-
Total comprehensive loss for the period attributable to :				
- <b>Owners of the parent</b>	<b>(78,709)</b>	-	<b>(223,064)</b>	-
- Non-controlling interests	<b>(61,685)</b>	-	<b>(184,544)</b>	-
	<b>(140,394)</b>	-	<b>(407,608)</b>	-

*The Company had in 2021, changed its financial year end from 30 June to 31 December. 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 period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.*

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Interim financial report for the fourth quarter ended 31 December 2022

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<b>AS AT</b> <b>31.12.2022</b> RM'000	<b>AS AT</b> <b>31.12.2021</b> RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,904,470	2,113,320
Investment properties		452,447	506,399
Right-of-use assets		2,092,005	2,547,555
Intangible assets		1,175,467	1,313,474
Investments in associates		27,300	33,441
Investments in joint ventures		8,197	9,617
Deferred tax assets		220,741	200,170
Receivables		558,544	551,173
Investment securities		17,504	17,331
Time deposits		15,869	20,404
		<b>6,472,544</b>	<b>7,312,884</b>
<b>Current assets</b>			
Inventories		384,561	383,872
Receivables		480,739	499,325
Investment securities		68,477	59,345
Deposits, cash and bank balances		1,290,187	1,288,875
		<b>2,223,964</b>	<b>2,231,417</b>
Non-current assets classified as held for sale (@)		192,932	-
		<b>2,416,896</b>	<b>2,231,417</b>
<b>TOTAL ASSETS</b>		<b>8,889,440</b>	<b>9,544,301</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	5	2,160,580	2,155,630
Other reserves		(1,507,637)	(1,409,122)
Retained profits		829,594	954,143
Equity attributable to owners of the parent		<b>1,482,537</b>	<b>1,700,651</b>
Non-controlling interests		967,170	1,153,071
Total equity		<b>2,449,707</b>	<b>2,853,722</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		126,305	136,524
Loans and borrowings	18	1,421,800	67,005
Long term payables and provisions		23,670	25,881
Lease liabilities		2,330,573	2,741,903
		<b>3,902,348</b>	<b>2,971,313</b>
<b>Current liabilities</b>			
Payables, other liabilities and provisions		1,269,164	1,440,618
Contract liabilities		414,331	419,757
Loans and borrowings	18	316,752	1,323,230
Lease liabilities		514,022	508,000
Tax payables		23,116	27,661
		<b>2,537,385</b>	<b>3,719,266</b>
<b>Total liabilities</b>		<b>6,439,733</b>	<b>6,690,579</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,889,440</b>	<b>9,544,301</b>
Net assets per share attributable to owners of the parent (RM)		<b>1.29</b>	<b>1.52</b>

(@) Relating to net book values of (i) properties in Qingdao City, Shandong Province, the People's Republic of China as disclosed in Note 17(a); and (ii) part of land located in Melaka, Malaysia.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 31 December 2021 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	Other reserves RM'000	Retained profits RM'000			
<b><u>31 December 2022</u></b>						
<b>At 1 January 2022</b>	<b>2,155,630</b>	<b>(1,409,122)</b>	<b>954,143</b>	<b>1,700,651</b>	<b>1,153,071</b>	<b>2,853,722</b>
Total comprehensive loss for the year	-	(96,886)	(126,178)	<b>(223,064)</b>	(184,544)	(407,608)
Transfer from capital reserves	-	(1,629)	1,629	-	-	-
Issue of share capital (Note 5)	4,950	-	-	<b>4,950</b>	-	4,950
Dividends to non-controlling interests	-	-	-	-	(1,357)	(1,357)
<b>At 31 December 2022</b>	<b>2,160,580</b>	<b>(1,507,637)</b>	<b>829,594</b>	<b>1,482,537</b>	<b>967,170</b>	<b>2,449,707</b>

The Company had in 2021, changed its financial year end from 30 June to 31 December. 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 period ended 31 December 2021 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	
	31.12.2022 RM'000	31.12.2021 RM'000
<b><u>OPERATING ACTIVITIES</u></b>		
Loss before tax :		
Continuing operations	(170,774)	-
Discontinued operations	(1,160)	-
Adjustments for :		
Non-cash items	576,053	-
Non-operating items	317,718	-
Operating profit before working capital changes	721,837	-
Changes in working capital :		
Net changes in assets	(37,654)	-
Net changes in liabilities	(100,263)	-
Others (mainly interest and tax paid)	(124,626)	-
	<b>459,294</b>	<b>-</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Changes in deposits with banks and investment securities	423,577	-
Others (mainly purchase of property, plant and equipment)	(87,860)	-
	<b>335,717</b>	<b>-</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Dividends paid to non-controlling interests	(1,357)	-
Loans and borrowings	246,014	-
Payment of lease liabilities	(588,405)	-
Issue of share capital (Note 5)	4,950	-
	<b>(338,798)</b>	<b>-</b>
Net changes in cash and cash equivalents	456,213	-
Effects of changes in exchange rates	(9,141)	-
Cash and cash equivalents at beginning of year	807,145	-
Cash and cash equivalents at end of year	<b>1,254,217</b>	<b>-</b>
Cash and cash equivalents at end of year comprise the following :		
Deposits, cash and bank balances	1,306,056	-
Less : Bank overdrafts	(1,432)	-
Less : Deposits with banks with original maturity of more than three months when acquired	(50,407)	-
	<b>1,254,217</b>	<b>-</b>

*The Company had in 2021, changed its financial year end from 30 June to 31 December. 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 period ended 31 December 2021 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 period ended 31 December 2021. 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 period ended 31 December 2021.

The significant accounting policies adopted in the condensed consolidated financial statements are consistent with those of the audited financial statements for the financial period ended 31 December 2021 except for the adoption of the following standards effective for the financial period beginning 1 January 2022 :

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
  - Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRSs 2018 - 2020

The adoption of the above-mentioned standards did not have a material impact on the financial statements of the Group.

#### Comparative figures

There are no comparative figures stated in the Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related notes for the preceding year corresponding periods as the Company had in 2021, changed its financial year end from 30 June to 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**

The Company had on 2 March 2022, pursuant to the second tranche of the private placement, issued and allotted 30,000,000 new ordinary shares at RM0.165 per share for cash resulting in an increase in the issued share capital of the Company by RM4,950,000 from RM2,155,629,753 to RM2,160,579,753.

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 reporting periods.

**7. Revenue and segmental information**

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

	RM'000	RM'000
Concessionaire sales (gross)	4,996,845	
Less : Cost of concessionaire sales	<u>(4,124,260)</u>	
Commissions from concessionaire sales		872,585
Sales of goods - Direct sales		1,739,130
Others (including rental income, credit services and management service fees)		<u>310,982</u>
		<b><u>2,922,697</u></b>

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

	← Retailing People's Republic of →				Total continuing operations	Discontinued operations	Total
	Malaysia	China	Vietnam	Others			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	<u>754,646</u>	<u>2,106,937</u>	<u>7,585</u>	<u>53,529</u>	<b><u>2,922,697</u></b>	<u>-</u>	<b><u>2,922,697</u></b>
<b>Results</b>							
Segment profit/(loss)	203,188	27,059	(7,393)	(10,953)	<b>211,901</b>	<b>(1,160)</b>	<b>210,741</b>
Finance income					<b>53,889</b>	-	<b>53,889</b>
Finance costs					<b>(369,482)</b>	-	<b>(369,482)</b>
Share of results of associates					<b>(1,001)</b>	-	<b>(1,001)</b>
Share of results of joint ventures					<b>(1,124)</b>	-	<b>(1,124)</b>
Exceptional items					<b>(64,957)</b>	-	<b>(64,957)</b>
Loss before tax					<u><b>(170,774)</b></u>	<u><b>(1,160)</b></u>	<u><b>(171,934)</b></u>
Total assets	<u>1,053,506</u>	<u>7,193,718</u>	<u>120,369</u>	<u>518,754</u>	<b><u>8,886,347</u></b>	<b><u>3,093</u></b>	<b><u>8,889,440</u></b>

**8. Subsequent event**

Other than as disclosed in Note 17(a), 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 31 December 2021.

**11. Performance review**

	<b>INDIVIDUAL QUARTER</b>	<b>YEAR-TO-DATE ENDED</b>
	<b>31.12.2022</b>	<b>31.12.2022</b>
	RM'000	RM'000
<u>Revenue</u>		
Retailing :		
- Malaysia	227,311	754,646
- China	438,647	2,106,937
- Vietnam	1,141	7,585
	<u>667,099</u>	<u>2,869,168</u>
Others	15,453	53,529
	<u><b>682,552</b></u>	<u><b>2,922,697</b></u>
<u>Segment profit/(loss)</u>		
Retailing :		
- Malaysia	58,353	203,188
- China	(16,754)	27,059
- Vietnam	(3,417)	(7,393)
	<u>38,182</u>	<u>222,854</u>
Others	4,309	(10,953)
	<u><b>42,491</b></u>	<u><b>211,901</b></u>

For the December 2022 quarter, the Group's **Retailing** division recorded a revenue of RM667 million with an operating profit of RM38 million. The division registered a revenue of RM2,869 million with an operating profit of RM223 million for the financial year ended 31 December 2022 ("FYE 2022"). Performance of our retailing operations in each location were as follows :

- Malaysia

The Group's Malaysia retailing operations continued to post another strong quarter for the period ended 31 December 2022. Recovery in its stores' footfall following the full lifting of movement restrictions coupled with pent-up demand during the year-end festivities and holiday seasons had enabled the operations to register a revenue of RM227 million with an operating profit of RM58 million for the current quarter under review.

For the FYE 2022, the operations posted a revenue of RM755 million with an operating profit of RM203 million. The impressive performance was attributed to the reduced impact of the COVID-19 pandemic and the easing of restrictions, along with the Group's continuous efforts in optimising operating efficiencies and productivity.

Parkson Malaysia has 38 stores as at 31 December 2022.

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

The surge of the COVID-19 cases in the months of November and December 2022 in most provinces in China has severely dampened the shopping activities and retailing operations, resulting in Parkson China recording a revenue of RM439 million with an operating loss of RM17 million for the current quarter under review.

During the FYE 2022, Parkson China's business has been adversely affected by the surge of new variants of coronavirus in various cities in China since early 2022, along with the implementation of related prevention and control quarantine measures. Coupled with the uncertainties of the development of the pandemic and the weak consumer sentiments, Parkson China's overall performance was weaker than a year ago. The operations posted a revenue of RM2,107 million, but remained profitable at RM27 million contributed by the continuous efforts in optimising operating efficiencies and cost control measures.

As at 31 December 2022, the Group has a network coverage of 42 stores in 28 cities across China.

- Vietnam

Amid the gradual recovery from the COVID-19 pandemic and the competitive retail scenes, the Group continued to focus on improving the performance of its only store in Vietnam, *Parkson Saigon Tourist Plaza*. The operations recorded a revenue of RM1 million with an operating loss of RM3 million for the current quarter under review. For the FYE 2022, revenue of RM8 million with an operating loss of RM7 million were recorded.

Results of the **Others** division were mainly derived from the consumer financing business, operation of food and beverage business and investment holding. For the FYE 2022, the Group's consumer financing business continued to increase its revenue and operating profit whilst the bakery operations have seen increasing foot traffic due to the reduced impact of the COVID-19 pandemic.

**12. Comment on material change in profit**

	<u>Current Quarter</u> <b>31.12.2022</b> RM'000	<u>Immediate Preceding Quarter</u> <b>30.9.2022</b> RM'000	<b>Changes</b> %
Revenue	682,552	697,599	-2
Operating profit	42,491	38,754	10
Loss before tax	<u>(76,316)</u>	<u>(40,246)</u>	-90

For the current quarter under review, while the Group's retailing operations in Malaysia enjoyed impressive sales growth benefitting from the year-end festivities and holiday seasons, our Parkson China's operations had witnessed new waves of COVID-19 resurgence. Accordingly, the Group reported a 2% decline in revenue to RM683 million compared with RM698 million in the immediate preceding quarter.

Notwithstanding the lower revenue, the Group registered a higher operating profit of RM42 million for the current quarter attributed to the improved operating efficiencies.

Loss before tax in the current quarter included impairment losses on assets of RM32 million relating to the Group's retailing operations in China.

**13. a) Prospects**

Looking ahead, the Group remains optimistic about the overall market prospects in **China**, with the increasing urbanisation rate and improvements in the living standard. The Group believes that with the lifting of COVID-19 related prevention and control measures, and the Group's effective business strategies and extensive experience in the retail market over the past two decades, it can achieve stable and sustainable performance despite the challenging environment.

On the **Southeast Asian** front, while the Group is hopeful that the upbeat momentum of consumer demand in Malaysia is sustainable along with the arrival of foreign tourists which is expected to boost sales performance, the Group takes cognizance of inflationary pressure and higher cost of living which in turn would affect consumer sentiments. At the same time, the Group continues to strive in improving the performance of its only store in Vietnam.

**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**

Income tax expense/(credit) comprises :	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Current and deferred income tax :				
- Arising in Malaysia	19,384	-	52,386	-
- Arising outside Malaysia	(2,777)	-	(3,144)	-
	<u>16,607</u>	-	<u>49,242</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 deferred tax not recognised in respect of the losses and 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.

**17. Corporate proposals****a) Status of corporate proposals**

Date of Announcements	Subject	Status
9.9.2022 11.10.2022 13.10.2022 28.10.2022 15.2.2023	Proposed disposal by Qingdao No. 1 Parkson Co., Ltd., an indirect 95.91% owned subsidiary of Parkson Retail Group Limited ("PRGL") which is in turn a 54.97% owned subsidiary of the Company, of the properties in Qingdao City, Shandong Province, the People's Republic of China with an aggregate construction area of approximately 76,013 square metres, at the consideration of Rmb280 million (equivalent to approximately RM182 million) ("Disposal").	The shareholders' approval of PRGL on the Disposal had been obtained on 28 October 2022.  The completion of the Disposal is conditional upon the fulfilment of all other conditions precedent.

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 31.12.2022		AS AT 31.12.2021	
	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
<b>Non-current</b>				
<u>Secured</u>				
- Term loans and bank loans :				
HK\$ denominated	(#) 2,517,600	1,421,800	-	-
US\$ denominated	-	-	12,000	50,017
Rmb denominated	-	-	25,948	16,988
Total non-current loans and borrowings		<u>1,421,800</u>		<u>67,005</u>
<b>Current</b>				
<u>Secured</u>				
- Bankers' acceptance	-	5,963	-	5,819
- Revolving financing	-	121,148	-	104,500
- Term loans and bank loans :				
HK\$ denominated	(#) 100,000	56,474	2,112,000	1,130,461
US\$ denominated	29,000	127,364	17,000	70,865
Rmb denominated	-	-	9,000	5,892
		<u>310,949</u>		<u>1,317,537</u>
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,371	1,000	4,092
- Bank overdrafts	-	1,432	-	1,601
		<u>5,803</u>		<u>5,693</u>
Total current loans and borrowings		<u>316,752</u>		<u>1,323,230</u>
Total loans and borrowings		<u>1,738,552</u>		<u>1,390,235</u>

Exchange rates used :

As at 31.12.2022 - HK\$1.00: RM0.57 ; US\$1.00: RM4.40

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

(#) In December 2021, PRGL entered into a facility agreement with a syndicate of banks, as lenders, in relation to a syndicated term loan facility in an aggregate amount of up to HK\$2,700 million ("Loan Facility") for a term of 36 months commencing from the first drawdown date. The Loan Facility is to refinance the existing loans and for general corporate and working capital needs of the PRGL Group.

PRGL had drawn down HK\$2,667.6 million in January 2022 to fully settle the existing syndicated loans and to supplement its operating cash flows.

**19. Changes in material litigation**

There was no pending material litigation since 31 December 2021 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").

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.

On 20 February 2023, PCSB and MMSB had entered into a settlement agreement for the full and final settlement of all disputes and claims between PCSB and MMSB in relation to the sub-lease arrangements between PCSB and MMSB ("Sub-lease Arrangements") ("Settlement Agreement"). Pursuant to the terms of the Settlement Agreement, it has been agreed, amongst others, that :

- a) PCSB shall pay a lump sum of RM10.4 million to MMSB, without admission as to liability, within 14 days from the date of the Settlement Agreement; and
- b) PCSB and MMSB shall relinquish, waive, release and/or discharge each other from all claims, debts and liabilities whatsoever in connection with and/or arising from the existing legal and arbitration proceedings involving PCSB and MMSB in relation to the Sub-lease Arrangements, and MMSB shall not in the future institute any proceedings and/or action against PCSB in relation to the Sub-lease Arrangements.

**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		YEAR-TO-DATE ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loss attributable to owners of the parent (RM'000)	(52,291)	-	(126,178)	-
Weighted average number of ordinary shares in issue ('000)	1,148,902	-	1,143,971	-
Basic EPS (sen)	(4.55)	-	(11.03)	-

**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 had, in respect of the Company's Audited Financial Statements for the 18-month financial period ended 31 December 2021: (i) expressed their qualified audit opinion in respect of the opening balances and certain items in the financial statements of a subsidiary in bankruptcy in Indonesia as the Auditors had no access to the working papers of the preceding auditors and no alternative procedures could be performed in view that all the books and records were in the hands of the receivers; and (ii) included a paragraph on material uncertainty related to going concern on the Group as the Group reported a net loss for the financial period ended 31 December 2021, and as of that date, the Group's current liabilities exceeded its current assets.

**23. Loss before tax**

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

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
a) Interest income	12,869	-	53,889	-
b) Other income including investment income	84,195	-	324,188	-
c) Interest expenses :				
- Lease interest	(67,283)	-	(275,504)	-
- Other interest expenses	(33,753)	-	(93,978)	-
	(101,036)	-	(369,482)	-
d) Depreciation and amortisation :				
- Right-of-use assets	(97,407)	-	(396,524)	-
- Others	(36,334)	-	(158,991)	-
	(133,741)	-	(555,515)	-
e) Provision for and write off of receivables	(2,650)	-	(5,833)	-
f) Provision for and write off of inventories	-	-	(1,616)	-
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	6,957	-	(11,247)	-
j) Gain/(loss) on derivatives	-	-	-	-
k) Exceptional items :	(32,081)	-	(64,957)	-
- Impairment loss on :				
Property, plant and equipment and others	-	-	(2,503)	-
Right-of-use assets	-	-	(25,365)	-
Intangible assets	(32,081)	-	(37,089)	-