



**PARKSON HOLDINGS BERHAD**

A Member of Lion Group

198201009470 (89194-P)

**Interim Financial Report  
for the First Quarter Ended  
31 March 2023**

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## PARKSON HOLDINGS BERHAD

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

Interim financial report for the first quarter ended 31 March 2023

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			YEAR-TO-DATE ENDED		
		31.3.2023 RM'000	31.3.2022 RM'000	Changes %	31.3.2023 RM'000	31.3.2022 RM'000	Changes %
<b>Continuing operations</b>							
Gross sales proceeds		<b>2,084,042</b>	<b>2,070,766</b>	1	<b>2,084,042</b>	<b>2,070,766</b>	1
Revenue	7	<b>837,794</b>	<b>828,044</b>	1	<b>837,794</b>	<b>828,044</b>	1
Other operating income		<b>79,002</b>	79,753		<b>79,002</b>	79,753	
Operating expenses		<b>(803,426)</b>	(833,742)		<b>(803,426)</b>	(833,742)	
Operating profit		<b>113,370</b>	74,055	53	<b>113,370</b>	74,055	53
Finance income		<b>13,464</b>	13,711		<b>13,464</b>	13,711	
Finance costs	23(c)	<b>(99,909)</b>	(85,904)		<b>(99,909)</b>	(85,904)	
Share of results of associates		<b>3,020</b>	1,671		<b>3,020</b>	1,671	
Share of results of joint ventures		<b>(100)</b>	(889)		<b>(100)</b>	(889)	
Exceptional item	23(k)	<b>23,756</b>	-		<b>23,756</b>	-	
Profit before tax	23	<b>53,601</b>	<b>2,644</b>	>100	<b>53,601</b>	<b>2,644</b>	>100
Income tax expense	16	<b>(15,396)</b>	(15,270)		<b>(15,396)</b>	(15,270)	
Profit/(loss) for the period from continuing operations		<b>38,205</b>	(12,626)	>100	<b>38,205</b>	(12,626)	>100
<b>Discontinued operations (#)</b>							
Loss for the period from discontinued operations		<b>(13)</b>	(680)		<b>(13)</b>	(680)	
<b>Profit/(loss) for the period from continuing and discontinued operations</b>		<b>38,192</b>	(13,306)		<b>38,192</b>	(13,306)	
Profit/(loss) for the period attributable to :							
- Owners of the parent		<b>20,681</b>	<b>(8,633)</b>	>100	<b>20,681</b>	<b>(8,633)</b>	>100
- Non-controlling interests		<b>17,511</b>	(4,673)		<b>17,511</b>	(4,673)	
		<b>38,192</b>	(13,306)		<b>38,192</b>	(13,306)	
Earnings/(loss) per share attributable to owners of the parent (sen) :							
- Basic	21	<b>1.80</b>	(0.76)		<b>1.80</b>	(0.76)	
- Diluted	21	<b>1.80</b>	(0.76)		<b>1.80</b>	(0.76)	

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

*The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

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## Interim financial report for the first quarter ended 31 March 2023

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2023 RM'000	31.3.2022 RM'000	31.3.2023 RM'000	31.3.2022 RM'000
<b>Profit/(loss) for the period</b>	<b>38,192</b>	<b>(13,306)</b>	<b>38,192</b>	<b>(13,306)</b>
<u>Other comprehensive income</u>				
- Foreign currency translation, representing item that may be reclassified subsequently to profit or loss	<b>59,723</b>	28,568	<b>59,723</b>	28,568
<b>Total comprehensive income for the period</b>	<b>97,915</b>	15,262	<b>97,915</b>	15,262
Total comprehensive income for the period attributable to :				
- <b>Owners of the parent</b>	<b>52,653</b>	<b>7,323</b>	<b>52,653</b>	<b>7,323</b>
- Non-controlling interests	<b>45,262</b>	7,939	<b>45,262</b>	7,939
	<b>97,915</b>	15,262	<b>97,915</b>	15,262

*The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

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Interim financial report for the first quarter ended 31 March 2023

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31.3.2023 RM'000	AS AT 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,912,064	1,906,538
Investment properties		456,964	452,447
Right-of-use assets		2,027,814	2,093,645
Intangible assets		1,197,672	1,180,468
Investments in associates		30,785	27,300
Investments in joint ventures		8,233	8,197
Deferred tax assets		228,020	220,514
Receivables		540,572	551,586
Investment securities		17,505	17,504
Time deposits		16,133	15,869
		<b>6,435,762</b>	<b>6,474,068</b>
<b>Current assets</b>			
Inventories		350,125	386,831
Receivables		544,565	480,248
Investment securities		59,510	68,477
Deposits, cash and bank balances		1,433,300	1,290,200
		<b>2,387,500</b>	<b>2,225,756</b>
Non-current assets classified as held for sale (@)		48,356	192,933
		<b>2,435,856</b>	<b>2,418,689</b>
<b>TOTAL ASSETS</b>		<b>8,871,618</b>	<b>8,892,757</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		2,160,580	2,160,580
Other reserves		(1,480,342)	(1,512,314)
Retained profits		856,508	835,827
Equity attributable to owners of the parent		<b>1,536,746</b>	<b>1,484,093</b>
Non-controlling interests		1,014,234	968,972
Total equity		<b>2,550,980</b>	<b>2,453,065</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		115,811	126,149
Loans and borrowings	18	1,388,320	1,421,800
Long term payables and provisions		22,922	22,634
Lease liabilities		2,240,017	2,329,785
		<b>3,767,070</b>	<b>3,900,368</b>
<b>Current liabilities</b>			
Payables, other liabilities and provisions		1,245,214	1,266,211
Contract liabilities		408,276	414,305
Loans and borrowings	18	314,576	317,050
Lease liabilities		543,421	516,887
Tax payables		42,081	24,871
		<b>2,553,568</b>	<b>2,539,324</b>
<b>Total liabilities</b>		<b>6,320,638</b>	<b>6,439,692</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,871,618</b>	<b>8,892,757</b>
Net assets per share attributable to owners of the parent (RM)		<b>1.34</b>	<b>1.29</b>

(@) Relating to carrying amount of part of a leasehold land located in Melaka, Malaysia ("Melaka Land") (2022: Melaka Land and properties in Qingdao City, Shandong Province, the People's Republic of China).

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Interim financial report for the first quarter ended 31 March 2023

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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>31 March 2023</b>						
At 1 January 2023	2,160,580	(1,512,314)	835,827	1,484,093	968,972	2,453,065
Total comprehensive income for the period	-	31,972	20,681	52,653	45,262	97,915
<b>At 31 March 2023</b>	<b>2,160,580</b>	<b>(1,480,342)</b>	<b>856,508</b>	<b>1,536,746</b>	<b>1,014,234</b>	<b>2,550,980</b>
<b>31 March 2022</b>						
At 1 January 2022	2,155,630	(1,409,122)	954,143	1,700,651	1,153,071	2,853,722
Total comprehensive income/ (loss) for the period	-	15,956	(8,633)	7,323	7,939	15,262
Issue of share capital	4,950	-	-	4,950	-	4,950
<b>At 31 March 2022</b>	<b>2,160,580</b>	<b>(1,393,166)</b>	<b>945,510</b>	<b>1,712,924</b>	<b>1,161,010</b>	<b>2,873,934</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

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## Interim financial report for the first quarter ended 31 March 2023

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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2023 RM'000	31.3.2022 RM'000
<u>OPERATING ACTIVITIES</u>		
Profit/(loss) before tax :		
Continuing operations	53,601	2,644
Discontinued operations	(13)	(680)
Adjustments for :		
Non-cash items	97,355	141,380
Non-operating items	83,525	71,412
Operating profit before working capital changes	234,468	214,756
Changes in working capital :		
Net changes in assets	23,780	27,239
Net changes in liabilities	44,591	(268,829)
Others (mainly interest and tax paid)	(39,217)	(15,158)
	263,622	(41,992)
<u>INVESTING ACTIVITIES</u>		
Proceeds received from non-current assets classified as held for sale	53,987	-
Changes in deposits with banks and investment securities	7,715	373,105
Others (mainly purchase of property, plant and equipment)	(11,911)	(46,072)
	49,791	327,033
<u>FINANCING ACTIVITIES</u>		
Loans and borrowings	(28,815)	273,852
Payment of lease liabilities	(163,675)	(189,954)
Issue of share capital	-	4,950
	(192,490)	88,848
Net changes in cash and cash equivalents	120,923	373,889
Effects of changes in exchange rates	19,682	9,203
Cash and cash equivalents at beginning of period	1,251,268	807,145
Cash and cash equivalents at end of period	1,391,873	1,190,237
Cash and cash equivalents at end of period comprise the following :		
Deposits, cash and bank balances	1,449,433	1,303,574
Less : Bank overdrafts	(1,089)	(1,836)
Less : Deposits with banks with original maturity of more than three months when acquired	(56,471)	(111,501)
	1,391,873	1,190,237

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Interim financial report for the first quarter ended 31 March 2023  
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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 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 Annual Audited Financial Statements of the Group for the financial year ended 31 December 2022. 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 31 December 2022.

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 31 December 2022 except for the adoption of the following standards effective for the financial period beginning 1 January 2023 :

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
  - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

### 2. Comments about seasonal or cyclical factors

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

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

Other than as disclosed in Note 23, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the 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 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)	1,497,766	
Less : Cost of concessionaire sales	<u>(1,246,248)</u>	
Commissions from concessionaire sales		251,518
Sales of goods - Direct sales		502,567
Others (including rental income, credit services and management service fees)		<u>83,709</u>
		<b><u>837,794</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>201,199</u>	<u>618,561</u>	<u>2,140</u>	<u>15,894</u>	<b><u>837,794</u></b>	<u>-</u>	<b><u>837,794</u></b>
<b>Results</b>							
Segment profit/(loss)	56,436	57,583	(784)	135	<b>113,370</b>	<b>(13)</b>	<b>113,357</b>
Finance income					<b>13,464</b>	-	<b>13,464</b>
Finance costs					<b>(99,909)</b>	-	<b>(99,909)</b>
Share of results of associates					<b>3,020</b>	-	<b>3,020</b>
Share of results of joint ventures					<b>(100)</b>	-	<b>(100)</b>
Exceptional item					<b>23,756</b>	-	<b>23,756</b>
Profit/(loss) before tax					<b><u>53,601</u></b>	<b><u>(13)</u></b>	<b><u>53,588</u></b>
Total assets	<u>1,013,936</u>	<u>7,182,427</u>	<u>116,781</u>	<u>556,551</u>	<b><u>8,869,695</u></b>	<b><u>1,923</u></b>	<b><u>8,871,618</u></b>

**8. Subsequent events**

Other than as disclosed in Notes 11 and 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 2022.

## 11. Performance review

	INDIVIDUAL QUARTER			YEAR-TO-DATE ENDED		
	31.3.2023 RM'000	31.3.2022 RM'000	Changes %	31.3.2023 RM'000	31.3.2022 RM'000	Changes %
<u>Revenue</u>						
Retailing :						
- Malaysia	201,199	160,383	25	201,199	160,383	25
- China	618,561	653,536	(5)	618,561	653,536	(5)
- Vietnam	2,140	2,439	(12)	2,140	2,439	(12)
	821,900	816,358	1	821,900	816,358	1
Others	15,894	11,686	36	15,894	11,686	36
	837,794	828,044	1	837,794	828,044	1
<u>Segment profit/(loss)</u>						
Retailing :						
- Malaysia	56,436	35,321	60	56,436	35,321	60
- China	57,583	42,142	37	57,583	42,142	37
- Vietnam	(784)	(1,446)	46	(784)	(1,446)	46
	113,235	76,017	49	113,235	76,017	49
Others	135	(1,962)	>100	135	(1,962)	>100
	113,370	74,055	53	113,370	74,055	53

For the 3 months and year-to-date ended 31 March 2023, the Group's **Retailing** division recorded a marginally higher revenue of RM822 million with operating profit increasing 49% to RM113 million. Performance of our retailing operations in each location were as follows :

### - Malaysia

For the first quarter ended 31 March 2023, the Group's Malaysia retailing operations continued to witness a strong recovery in its stores' footfall in tandem with the full lifting of movement restrictions, along with the pent-up demand from eager shoppers. These had enabled the operations to post another strong quarter, registering a revenue of RM201 million.

The encouraging revenue, together with the continuous efforts in optimising operating efficiencies, had enabled the operations to achieve an operating profit of RM56 million for the current quarter under review, an improvement of 60% from the RM35 million reported a year ago.

Parkson Malaysia has 38 stores as at 31 March 2023.

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

### - China

For the 3 months ended 31 March 2023, although Parkson China began to see recovery of shopper traffic to the retailing stores following the full lifting of COVID-19 related prevention and control measures in December 2022, the sales performance of RM619 million was slightly weaker than the preceding year reporting period.

Nevertheless, the operations reported a higher operating profit of RM58 million for the current quarter under review, contributed by the continuous efforts in optimising operating efficiencies and cost control measures.

As at 31 March 2023, the Group has a network coverage of 43 stores in 29 cities across China.

### - Vietnam

The Group's only store in Vietnam, *Parkson Saigon Tourist Plaza*, recorded a revenue of RM2 million with operating loss of RM1 million for the 3 months ended 31 March 2023.

The subsidiary in Vietnam had decided to take steps to cease operations in its last remaining store in Vietnam and had on 28 April 2023, filed an application for the commencement of voluntary bankruptcy proceedings.

Results of the **Others** division were mainly derived from the consumer financing business, operation of food and beverage business and investment holding. For the 3 months ended 31 March 2023, the division reported a higher revenue of RM16 million with an operating profit of RM0.1 million as the Group's consumer financing business and bakery operations continued to deliver positive growth in performance.

## 12. Comment on material change in profit

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>	<u>Changes</u>
	31.3.2023	31.12.2022	%
	RM'000	RM'000	%
Revenue	837,794	682,552	23
Operating profit	113,370	42,491	>100
Profit/(loss) before tax	53,601	(76,316)	>100

For the current quarter under review, the Group registered a revenue growth of 23% to RM838 million. The promising sales performance was attributed to the higher consumer spending during the Chinese New Year festivities and the improved shopper traffic following the lifting of COVID-19 related prevention and control measures in China.

The higher revenue coupled with the continuous efforts to maximise operational efficiencies had enabled the Group to achieve significant improvement in operating profit and profit before tax to RM113 million and RM54 million respectively.

**13. a) Prospects**

For the second quarter ending 30 June 2023, while the Group's retailing operations in Malaysia will benefit from the Muslim's festive buying, the resumption of cross province and cross border travel in China is expected to gradually drive the growth of Parkson China.

The Group strives to enhance its operating efficiencies and cost improvements strategies, besides continuing to diversify the income sources to fully seize the opportunities, and promote long-term sustainable development of its businesses.

**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		YEAR-TO-DATE ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Income tax expense comprises :	RM'000	RM'000	RM'000	RM'000
Current and deferred income tax :				
- Arising in Malaysia	11,259	8,404	11,259	8,404
- Arising outside Malaysia	4,137	6,866	4,137	6,866
	<b>15,396</b>	15,270	<b>15,396</b>	15,270

Excluding the share of results of associates and joint ventures, the effective tax rate of the Group for the current quarter and financial year-to-date were higher than the Malaysian statutory tax rate mainly due to certain expenses which were not deductible for tax purposes.

**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 ("PRC") with an aggregate construction area of approximately 76,013 square metres, at the consideration of Rmb280 million (equivalent to approximately RM180 million) ("Disposal").	The shareholders' approval for PRGL on the Disposal had been obtained on 28 October 2022.  The Disposal is pending the fulfilment of 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 31.3.2023		AS AT 31.3.2022	
	Foreign Currency '000	RM'000	Foreign Currency '000	RM'000
<b>Non-current</b>				
<u>Secured</u>				
- Term loans and bank loans :				
HK\$ denominated	2,467,600	1,388,320	2,567,600	1,380,580
Rmb denominated	-	-	25,948	17,204
Total non-current loans and borrowings		<u>1,388,320</u>		<u>1,397,784</u>
<b>Current</b>				
<u>Secured</u>				
- Bankers' acceptance	-	4,876	-	6,383
- Revolving financing	-	120,000	-	90,120
- Term loans and bank loans :				
HK\$ denominated	100,000	56,275	100,000	53,769
US\$ denominated	29,000	127,925	29,000	121,789
Rmb denominated	-	-	9,000	5,967
- Bank overdrafts	-	1,086	-	1,832
		<u>310,162</u>		<u>279,860</u>
<u>Unsecured</u>				
- Term loan : US\$ denominated	1,000	4,411	1,000	4,200
- Bank overdrafts	-	3	-	4
		<u>4,414</u>		<u>4,204</u>
Total current loans and borrowings		<u>314,576</u>		<u>284,064</u>
Total loans and borrowings		<u>1,702,896</u>		<u>1,681,848</u>

Exchange rates used :

As at 31.3.2023 - HK\$1.00: RM0.56 ; US\$1.00: RM4.41

As at 31.3.2022 - HK\$1.00: RM0.54 ; US\$1.00: RM4.20 ; Rmb1.00: RM0.66

**19. Changes in material litigation**

There was no pending material litigation since 31 December 2022 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 had 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.

PCSB had on 2 March 2023 fully paid the amount of RM10.4 million to MMSB and the parties had discontinued the entire Suit on 7 March 2023.

**20. Dividend proposed**

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

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

Basic EPS/LPS is calculated by dividing the profit/(loss) for the period attributable to owners of the parent by the weighted average number of ordinary shares of the Company in issue during the reporting periods.

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Profit/(loss) attributable to owners of the parent (RM'000)	20,681	(8,633)	20,681	(8,633)
Weighted average number of ordinary shares in issue ('000)	1,148,902	1,128,902	1,148,902	1,128,902
Basic EPS/LPS (sen)	1.80	(0.76)	1.80	(0.76)

**21. EPS / LPS** (Cont'd.)**Diluted**

The basic EPS/LPS and the diluted EPS/LPS 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' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

**23. Profit before tax**

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

	INDIVIDUAL QUARTER		YEAR-TO-DATE ENDED	
	31.3.2023 RM'000	31.3.2022 RM'000	31.3.2023 RM'000	31.3.2022 RM'000
a) Interest income	13,464	13,711	13,464	13,711
b) Other income including investment income	79,002	79,753	79,002	79,753
c) Interest expenses :				
- Lease interest	(62,509)	(71,762)	(62,509)	(71,762)
- Other interest expenses	(37,400)	(14,142)	(37,400)	(14,142)
	(99,909)	(85,904)	(99,909)	(85,904)
d) Depreciation and amortisation :				
- Right-of-use assets	(91,058)	(99,399)	(91,058)	(99,399)
- Others	(34,861)	(43,549)	(34,861)	(43,549)
	(125,919)	(142,948)	(125,919)	(142,948)
e) Provision for and write off of receivables	(2,280)	(1,684)	(2,280)	(1,684)
f) Provision for and write off of inventories	(1,446)	-	(1,446)	-
g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	848	(808)	848	(808)
j) Gain/(loss) on derivatives	-	-	-	-
k) Exceptional item :				
- Gain on disposal of properties (*)	23,756	-	23,756	-

(\*) : Relating to disposal of properties in Qingdao City, Shandong Province, the PRC as disclosed in Note 17(a), following registration of title transfer of the properties from the Group to the purchaser.