



PARKSON HOLDINGS BERHAD

(Incorporated in Malaysia)

(89194-P)

Interim Report for the Second Quarter Ended 31 December 2010

Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of 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 (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009 RM'000	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000
Gross sales proceeds		2,482,007	2,248,519	4,554,691	4,221,126
Revenue	7	756,380	709,319	1,412,865	1,351,183
Operating expenses		(622,272)	(567,691)	(1,170,627)	(1,100,926)
Other operating income		95,947	66,006	168,585	126,814
Operating profit		230,055	207,634	410,823	377,071
Finance income		29,916	31,153	56,290	56,466
Finance costs		(55,024)	(46,597)	(93,820)	(87,601)
Share of results of an associate		50	44	64	69
Profit before taxation		204,997	192,234	373,357	346,005
Taxation	16	(47,315)	(46,387)	(85,325)	(81,754)
Profit for the period		157,682	145,847	288,032	264,251
Attributable to :					
- Owners of the parent		93,800	80,311	169,990	145,017
- Minority interests		63,882	65,536	118,042	119,234
Profit for the period		157,682	145,847	288,032	264,251
Earnings per share attributable to owners of the parent (sen) :					
- Basic	24	8.67	7.90	15.97	14.28
- Diluted	24	8.67	7.73	15.87	14.02

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009 RM'000	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000
Profit for the period	157,682	145,847	288,032	264,251
<u>Other comprehensive income/(loss)</u>				
- Translation differences	35,687	(35,705)	(69,315)	(75,564)
- Net (loss)/gain on cash flow hedges	(8,019)	485	(8,019)	962
Other comprehensive income/(loss) for the period, net of tax	27,668	(35,220)	(77,334)	(74,602)
Total comprehensive income for the period	185,350	110,627	210,698	189,649
Attributable to :				
- Owners of the parent	104,393	57,331	120,642	93,629
- Minority interests	80,957	53,296	90,056	96,020
	185,350	110,627	210,698	189,649

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT END OF CURRENT QUARTER 31/12/2010	AS AT PRECEDING FINANCIAL YEAR END 30/6/2010
		RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,525,798	1,531,013
Investment properties		30,609	31,671
Prepaid land lease payments		348,712	360,655
Investment in an associate		987	1,152
Available-for-sale investments		513	-
Other investments		-	651,121
Other assets		35,826	37,075
Intangible assets		1,223,747	1,244,461
Deferred tax assets		35,363	35,824
		3,201,555	3,892,972
Current Assets			
Inventories		238,768	213,012
Held-to-maturity investments		619,090	-
Receivables		402,519	358,714
Deposits, cash and bank balances		2,969,323	2,273,802
		4,229,700	2,845,528
TOTAL ASSETS		7,431,255	6,738,500
EQUITY AND LIABILITIES			
Share capital		1,093,640	1,036,410
Other reserves		731,713	608,813
Retained profits		236,425	237,457
Equity attributable to owners of the parent		2,061,778	1,882,680
Minority interests		1,038,032	990,957
Total equity		3,099,810	2,873,637
Non-Current Liabilities			
Long term borrowings and notes	20	775,335	1,695,796
Long term payables		74,448	71,726
Deferred tax liabilities		116,131	123,716
		965,914	1,891,238
Current Liabilities			
Trade and other payables		2,066,833	1,600,962
Short term borrowings	20	1,236,955	328,217
Tax payable		61,743	44,446
		3,365,531	1,973,625
Total Liabilities		4,331,445	3,864,863
TOTAL EQUITY AND LIABILITIES		7,431,255	6,738,500
Net assets per share attributable to owners of the parent (RM) (Excluding equity component)		1.89	1.83

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the parent					Total RM'000	Minority Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000			
31 December 2010									
At 1 July 2010		1,036,410	3,593,554	(60,929)	(2,923,812)	237,457	1,882,680	990,957	2,873,637
Total comprehensive income for the period		-	-	-	(49,348)	169,990	120,642	90,056	210,698
Appropriation of profit to capital reserves		-	-	-	2,191	(2,191)	-	-	-
Dilution of interest in a subsidiary		-	-	-	-	3,977	3,977	3,748	7,725
Conversion of RCCLS	5	57,200	184,713	-	(13,589)	-	228,324	-	228,324
Purchase of treasury shares	5	-	-	(1,194)	-	-	(1,194)	-	(1,194)
Executive Share Option Scheme	5	30	185	-	(58)	-	157	-	157
Dividends to minority interests		-	-	-	-	-	-	(46,729)	(46,729)
Dividends paid :	6								
- Cash dividend		-	-	-	-	(172,808)	(172,808)	-	(172,808)
- Share dividend		-	(48,684)	48,684	-	-	-	-	-
At 31 December 2010		1,093,640	3,729,768	(13,439)	(2,984,616)	236,425	2,061,778	1,038,032	3,099,810
31 December 2009									
At 1 July 2009		1,036,410	3,637,912	(93,849)	(3,328,318)	497,426	1,749,581	934,787	2,684,368
Total comprehensive income for the period		-	-	-	(51,388)	145,017	93,629	96,020	189,649
Appropriation of profit to capital reserves		-	-	-	2,314	(2,314)	-	-	-
Issuance of shares by subsidiaries to minority interests		-	-	-	-	-	-	9,674	9,674
Purchase of treasury shares		-	-	(2,131)	-	-	(2,131)	-	(2,131)
Dividends to minority interests		-	-	-	-	-	-	(38,771)	(38,771)
Dividends paid for the financial year ended 30 June 2009 :									
- Cash dividend		-	-	-	-	(50,727)	(50,727)	-	(50,727)
- Share dividend		-	(44,358)	44,358	-	-	-	-	-
At 31 December 2009		1,036,410	3,593,554	(51,622)	(3,377,392)	589,402	1,790,352	1,001,710	2,792,062

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000
<u>OPERATING ACTIVITIES</u>		
Profit before taxation	373,357	346,005
Adjustments for :		
Non-cash items	46,495	60,414
Non-operating items	37,466	31,067
Operating profit before working capital changes	457,318	437,486
Changes in working capital :		
Net changes in assets	(68,464)	(76,191)
Net changes in liabilities	499,101	455,080
Others (mainly interest and tax paid)	(114,212)	(100,935)
	773,743	715,440
<u>INVESTING ACTIVITIES</u>		
Proceeds from disposal of a jointly controlled entity	27,721	-
Purchase of subsidiaries (net of cash acquired)	-	26,469
Others (mainly purchase of property, plant and equipment)	(103,760)	(205,076)
	(76,039)	(178,607)
<u>FINANCING ACTIVITIES</u>		
Dividends paid to :		
- shareholders of the Company	(172,808)	(50,727)
- minority shareholders	(46,729)	(38,771)
Issue of shares	7,793	11,384
Purchase of treasury shares	(1,194)	(2,131)
Bank borrowings	265,918	(172)
	52,980	(80,417)
Net changes in cash and cash equivalents	750,684	456,416
Effects of changes in exchange rates	(55,163)	(56,027)
Cash and cash equivalents at beginning of period	2,273,802	2,093,511
Cash and cash equivalents at end of period	2,969,323	2,493,900

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

The interim financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2010. 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 year ended 30 June 2010.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2010 except for the adoption of the following new/revised FRSs, Amendments to FRSs and IC Interpretations effective for the financial period beginning 1 July 2010 :

FRS 3: Business Combinations (Revised 2010)
FRS 7: Financial Instruments: Disclosures
FRS 101: Presentation of Financial Statements (Revised 2009)
FRS 123: Borrowing Costs
FRS 127: Consolidated and Separate Financial Statements (Revised 2010)
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and
FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment
in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 132: Classification of Rights Issues
Amendments to FRS 138: Intangible Assets
Amendments to FRS 139: Financial Instruments: Recognition and Measurement,
FRS 7: Financial Instruments: Disclosures, and IC Interpretation 9: Reassessment
of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding
Requirements and their Interaction
IC Interpretation 17: Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Other than for the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

1. Accounting policies and methods of computation (Cont'd)

a) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

b) FRS 139: Financial Instruments - Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the reporting date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when the Group becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of the FRS 139 in the current financial period. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows :

- Financial instruments at fair value through profit or loss : At fair value through profit or loss
- Held-to-maturity investments : At amortised cost effective interest method
- Loans and receivables : At amortised cost effective interest method
- Available-for-sale investments : At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
- Loans and other financial liabilities : At amortised cost effective interest method

In accordance with FRS 139, the recognition, derecognition and measurement are applied prospectively from 1 July 2010. The effects of the remeasurement on 1 July 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits.

The adoption of FRS 139 has the following effects :

	As at 30/6/2010	Effects	As at 1/7/2010
	RM'000	RM'000	RM'000
Non-Current Assets			
Other investments	651,121	(651,121)	-
Available-for-sale investments	-	281	281
Held-to-maturity investments	-	650,840	650,840
		<u>-</u>	

2. Comments about seasonal or cyclical factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-

4. Changes in estimates

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

5. Debt and equity securities

During the financial year-to-date, the issued and paid-up share capital of the Company was increased from RM1,036,410,250 to RM1,093,639,750 by :

- i) the conversion of the remaining RM228,800,000 nominal value of 3.5% redeemable convertible secured loan stocks 2007/2010 ("RCSLS") into 57,200,000 new ordinary shares of RM1.00 each in the Company ("Share") at a conversion price of RM4.00 nominal amount of the RCSLS for every one new Share; and
- ii) the issuance of 29,500 new Shares at an issue price of RM5.31 per share for cash pursuant to the Executive Share Option Scheme of the Company.

During the financial year-to-date, the Company repurchased a total of 213,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM5.61 per share. The total consideration paid for the repurchase including transaction costs amounting to RM1.19 million was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 10,797,855 treasury shares were distributed as share dividend on 15 December 2010 on the basis of one (1) treasury share for every one hundred (100) ordinary shares of RM1.00 each held in the Company, fractions of treasury shares being disregarded.

As at 31 December 2010, the number of treasury shares held after deducting share dividend distributed were 2,967,631 shares.

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

6. Dividends paid

The following first and final dividend in respect of the previous financial year ended 30 June 2010 was paid/credited by the Company on 15 December 2010 :

- i) 6 sen per ordinary share, tax exempt amounting to RM65 million; and
- ii) share dividend consisting of 10,797,855 treasury shares as mentioned in Note 5.

An interim dividend of 10 sen per ordinary share, tax exempt amounting to RM108 million in respect of the financial year ending 30 June 2011 was paid by the Company on 16 December 2010.

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)	3,934,291	
Less : Cost of concessionaire sales	<u>(3,141,826)</u>	
Commissions from concessionaire sales		792,465
Sales of goods - Direct sales		557,950
Others (including rental income and management service fees)		<u>62,450</u>
		<u><u>1,412,865</u></u>

7. Revenue and segmental information (Cont'd)

The Group has a single operating segment - the operation and management of department stores. The Group's segmental information for the financial year-to-date was as follows :

	← Retailing →			Investment holding	Total
	Malaysia	People's Republic of China	Vietnam		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	389,647	972,612	50,606	-	1,412,865
Results :					
Segment profit/(loss)	54,644	346,690	11,429	(1,618)	411,145
Employee share-based payments					(322)
Operating profit					410,823
Finance income					56,290
Finance costs					(93,820)
Share of results of an associate					64
Profit before taxation					373,357
Total assets	807,279	6,322,246	176,725	125,005	7,431,255

8. Subsequent events

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 other than the following :

- i) Acquisition by Parkson Properties Holdings Co Ltd, a wholly-owned subsidiary of the Company, of 100% equity interest in Parkson Properties Hanoi Co Ltd.
- ii) Winding-up of Changchun Parkson Retail Development Co Ltd, a wholly-owned subsidiary of the Company incorporated in the People's Republic of China.
- iii) Acquisition by East Crest International Limited ("East Crest"), a wholly-owned subsidiary of the Company, of 100% equity interest in Parkson Cambodia Holdings Co Ltd ("Parkson Cambodia Holdings").
- iv) Disposal by Parkson Retail Group Limited ("Parkson Retail"), a 51.5% owned subsidiary of the Company, of the entire 55% equity interest in Yangzhou Parkson Plaza Co Ltd ("Yangzhou Parkson"). Consequent thereupon, Yangzhou Parkson ceased to be a subsidiary of the Company.
- v) Disposal by East Crest to Grand Parkson Retail Group Limited, a wholly-owned subsidiary of Parkson Retail, of 100% equity interest in Bond Glory Limited ("Bond Glory"), the sole legal and beneficial owner of 100% equity interest in Choice Link Limited ("Choice Link"), which in turn is the sole legal and beneficial owner of 100% equity interest in Great Dignity Development Limited ("Great Dignity") and Great Dignity is the sole legal and beneficial owner of 100% equity interest in Shantou Parkson Commercial Co Ltd ("Shantou Parkson") ("Disposal"). Following the Disposal, Bond Glory, Choice Link, Great Dignity and Shantou Parkson remain as subsidiaries of the Company.
- vi) Establishment of Parkson (Cambodia) Co Ltd in the Kingdom of Cambodia by Parkson Cambodia Holdings.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

11. Performance review

Continuous efforts to improve productivity of our Parkson stores through merchandise upgrading and realignment of the floor space utilisation have enabled the Group to deliver healthy same store sales growth for the 6 months ended 31 December 2010 across all three markets in Malaysia, China and Vietnam (10%, 11% and 23% respectively). However, due to the weakening of the Chinese Renminbi and Vietnamese Dong against the Ringgit Malaysia, lower results were consolidated into the Group. Revenue for the 6 months under review was only 5% higher at RM1,413 million compared to RM1,351 million a year ago with profit before taxation reported at RM373 million.

Excluding the impact of the currency translation, on a comparable basis, the Group's revenue increased by 11% to RM1,505 million as compared to the preceding year corresponding period. Accordingly, profit before taxation increased by 16% to RM402 million.

12. Comment on material change in profit before taxation

	<u>Revenue</u>	<u>Profit</u>
	RM'000	Before Taxation
	RM'000	RM'000
Current quarter (31 December 2010)	756,380	204,997
Immediate preceding quarter (30 September 2010)	656,485	168,360

As anticipated, the Group registered better performance in the current quarter on the back of year end festivities and the holiday season. The improved consumer sentiment has enabled our Parkson operations to achieve a 15% higher revenue of RM756 million as compared to RM656 million reported in the immediate preceding quarter. In line with higher revenue coupled with better operating efficiencies, profit before taxation improved by 22% to RM205 million for the quarter under review.

13. a) Prospects

The Group's retail operations are expected to continue to record satisfactory results in the next quarter in view of the expected higher spending during the Chinese New Year festivities.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

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

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009 RM'000	CURRENT YEAR TO DATE 31/12/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009 RM'000
Taxation comprises :				
Current year income tax :				
- Arising in Malaysia	7,243	4,388	15,333	9,388
- Arising outside Malaysia	40,072	41,999	69,992	72,366
	47,315	46,387	85,325	81,754

The effective tax rate of the Group for the current quarter and financial year-to-date were lower than the Malaysian statutory tax rate mainly due to lower tax rate for retail operations in China and certain profit not taxable for tax purposes.

17. Sale of unquoted investments and properties

There were no material sales of unquoted investments or properties for the current quarter and financial year-to-date.

18. Quoted securities

There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

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

There were no corporate proposals pending completion for the current quarter and financial year-to-date.

b) Status of utilisation of proceeds

Please refer to Appendix attached.

20. Borrowings and debt securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	1,236,955	775,335	2,012,290

The Group's borrowings were denominated in the following currencies :

	Foreign Currency '000	RM'000
- Ringgit Malaysia	-	69
- US Dollar	450,000	1,391,520
- Chinese Renminbi	1,302,000	620,661
- Others	-	40
		2,012,290

21. Financial instrumentsa) Disclosure of Derivative

During the current quarter and financial year-to-date, Parkson Retail Group Limited ("Parkson Retail"), a 51.5% owned subsidiary of the Company borrows a loan of US\$250 million to fund its growth strategy and redeem the US\$125 million senior guaranteed notes. The loan bears interest at a floating rate and matures on 11 November 2013.

In order to hedge its exposure against the interest rate and currency fluctuation, Parkson Retail entered into interest rate swap and cross currency swap. The purpose of the swaps arrangement is to provide the Group with a Rmb equivalent fixed rate debt of Rmb1,665 million and a fixed interest rate of 1.67% per annum.

The details of the other derivative financial instruments of the Group are substantially described in the audited financial statements of the Group for the financial year ended 30 June 2010.

b) Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

There were no material gains/losses arising from fair value changes of financial liabilities for the current quarter and financial year-to-date.

22. Changes in material litigation

There were no material litigation since the last annual balance sheet date.

23. Dividend proposed

The Board does not recommend any interim dividend for the financial quarter ended 31 December 2010.

24. Earnings per share ("EPS")**Basic**

Basic EPS is calculated by dividing the net 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 financial period.

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 31/12/2010</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009</u>	<u>CURRENT YEAR TO DATE 31/12/2010</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009</u>
Net profit attributable to owners of the parent (RM'000)	<u>93,800</u>	<u>80,311</u>	<u>169,990</u>	<u>145,017</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,082,010</u>	<u>1,016,387</u>	<u>1,064,558</u>	<u>1,015,622</u>
Basic EPS (sen)	<u>8.67</u>	<u>7.90</u>	<u>15.97</u>	<u>14.28</u>

24. Earnings per share ("EPS") (Cont'd)**Diluted**

For the purpose of calculating diluted EPS, the net profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. redeemable convertible secured loan stocks ("RCSLS") and shares granted under the Executive Share Option Scheme.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2010	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2009	CURRENT YEAR TO DATE 31/12/2010	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2009
Net profit attributable to owners of the parent (RM'000)	93,800	80,311	169,990	145,017
After-tax effect of interest on RCSLS (RM'000)	-	2,716	1,574	5,432
	<u>93,800</u>	<u>83,027</u>	<u>171,564</u>	<u>150,449</u>
Weighted average number of ordinary shares in issue ('000)	1,082,010	1,016,387	1,064,558	1,015,622
Effect of dilution ('000)	267	57,200	16,747	57,200
	<u>1,082,277</u>	<u>1,073,587</u>	<u>1,081,305</u>	<u>1,072,822</u>
Diluted EPS (sen)	<u>8.67</u>	<u>7.73</u>	<u>15.87</u>	<u>14.02</u>

25. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2010 was not qualified.

26. Disclosure of realised and unrealised profits/losses

	CURRENT FINANCIAL PERIOD		AS AT THE END OF LAST FINANCIAL YEAR 30/6/2010 RM'000
	Immediate Preceding Quarter 30/9/2010 RM'000	Current Quarter 31/12/2010 RM'000	
Total retained profits of Parkson Holdings Berhad and its subsidiaries :			Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.
- Realised	339,765	262,697	
- Unrealised	(29,417)	(30,744)	
	<u>310,348</u>	<u>231,953</u>	
Total share of retained profits from an associate :			
- Realised	337	341	
- Unrealised	-	-	
Total share of retained profits from jointly controlled entities :			
- Realised	3,896	3,959	
- Unrealised	181	172	
Total Group retained profits as per consolidated accounts	<u>314,762</u>	<u>236,425</u>	

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the second quarter ended 31 December 2010

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**19. b) Status of utilisation of proceeds as at 31 January 2011**

	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'Million	RM'Million		Amount	%	
				RM'Million		
Disposal by the Company of its entire equity interest in Bright Steel Sdn Bhd to Total Triumph Investments Limited, a wholly-owned subsidiary of Lion Corporation Berhad for a cash consideration of RM53.47 million :						
▶ Defray expenses and working capital :						
- Amount received	33.47	33.47	-	-	-	-
- Deferred payment	20.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u>33.47</u>				