



# **PARKSON HOLDINGS BERHAD**

(Incorporated in Malaysia)

(89194-P)

## **Interim Report for the Third Quarter Ended 31 March 2011**

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# PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2011

(The figures have not been audited)

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010 RM'000	CURRENT YEAR TO DATE 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000
<b>Gross sales proceeds</b>		<b>2,721,096</b>	<b>2,471,438</b>	<b>7,275,787</b>	<b>6,692,564</b>
<b>Revenue</b>	7	<b>801,325</b>	<b>753,897</b>	<b>2,214,190</b>	<b>2,105,080</b>
Operating expenses		<b>(629,288)</b>	(603,394)	<b>(1,799,915)</b>	(1,704,320)
Other operating income		<b>73,486</b>	67,398	<b>242,071</b>	194,212
Operating profit		<b>245,523</b>	217,901	<b>656,346</b>	594,972
Finance income		<b>36,745</b>	30,437	<b>93,035</b>	86,903
Finance costs		<b>(36,042)</b>	(42,165)	<b>(129,862)</b>	(129,766)
Share of results of an associate		<b>32</b>	56	<b>96</b>	125
<b>Profit before taxation</b>		<b>246,258</b>	<b>206,229</b>	<b>619,615</b>	<b>552,234</b>
Taxation	16	<b>(61,370)</b>	(51,434)	<b>(146,695)</b>	(133,188)
Profit for the period		<b>184,888</b>	154,795	<b>472,920</b>	419,046
Attributable to :					
- Owners of the parent		<b>105,172</b>	<b>83,472</b>	<b>275,162</b>	<b>228,489</b>
- Minority interests		<b>79,716</b>	71,323	<b>197,758</b>	190,557
Profit for the period		<b>184,888</b>	154,795	<b>472,920</b>	419,046
Earnings per share attributable to owners of the parent (sen) :					
- Basic	24	<b>9.64</b>	8.15	<b>25.64</b>	22.43
- Diluted	24	<b>9.64</b>	7.96	<b>25.52</b>	21.99

*(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 third quarter ended 31 March 2011

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010 RM'000	CURRENT YEAR TO DATE 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000
<b>Profit for the period</b>	<b>184,888</b>	<b>154,795</b>	<b>472,920</b>	<b>419,046</b>
<u>Other comprehensive income/(loss)</u>				
- Translation differences	<b>(39,522)</b>	(134,559)	<b>(108,837)</b>	(210,123)
- Net gain/(loss) on cash flow hedges	<b>19</b>	(10)	<b>(8,000)</b>	952
Other comprehensive loss for the period, net of tax	<b>(39,503)</b>	(134,569)	<b>(116,837)</b>	(209,171)
<b>Total comprehensive income for the period</b>	<b>145,385</b>	20,226	<b>356,083</b>	209,875
Attributable to :				
- Owners of the parent	<b>79,060</b>	<b>6,179</b>	<b>199,702</b>	<b>99,808</b>
- Minority interests	<b>66,325</b>	14,047	<b>156,381</b>	110,067
	<b>145,385</b>	20,226	<b>356,083</b>	209,875

*(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 third quarter ended 31 March 2011

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	<b>AS AT END OF CURRENT QUARTER 31/3/2011</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 30/6/2010</b>
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,519,090	1,531,013
Investment properties		30,122	31,671
Prepaid land lease payments		342,506	360,655
Investment in an associate		1,006	1,152
Available-for-sale investments		513	-
Other investments		-	651,121
Other assets		45,122	37,075
Intangible assets		1,215,567	1,244,461
Deferred tax assets		34,923	35,824
		<b>3,188,849</b>	<b>3,892,972</b>
<b>Current Assets</b>			
Inventories		235,712	213,012
Held-to-maturity investments		605,942	-
Receivables		425,606	358,714
Deposits, cash and bank balances		2,972,708	2,273,802
		<b>4,239,968</b>	<b>2,845,528</b>
<b>TOTAL ASSETS</b>		<b>7,428,817</b>	<b>6,738,500</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,093,650	1,036,410
Other reserves		707,385	608,813
Retained profits		340,024	237,457
Equity attributable to owners of the parent		<b>2,141,059</b>	<b>1,882,680</b>
Minority interests		1,106,332	990,957
Total equity		<b>3,247,391</b>	<b>2,873,637</b>
<b>Non-Current Liabilities</b>			
Long term borrowings and notes	20	763,166	1,695,796
Long term payables		74,052	71,726
Deferred tax liabilities		114,462	123,716
		<b>951,680</b>	<b>1,891,238</b>
<b>Current Liabilities</b>			
Trade and other payables		1,962,264	1,600,962
Short term borrowings	20	1,201,429	328,217
Tax payable		66,053	44,446
		<b>3,229,746</b>	<b>1,973,625</b>
<b>Total Liabilities</b>		<b>4,181,426</b>	<b>3,864,863</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,428,817</b>	<b>6,738,500</b>
Net assets per share attributable to owners of the parent (RM) (Excluding equity component)		<b>1.96</b>	<b>1.83</b>

(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 third quarter ended 31 March 2011

(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			
<b>31 March 2011</b>									
<b>At 1 July 2010</b>		<b>1,036,410</b>	<b>3,593,554</b>	<b>(60,929)</b>	<b>(2,923,812)</b>	<b>237,457</b>	<b>1,882,680</b>	<b>990,957</b>	<b>2,873,637</b>
Total comprehensive income for the period		-	-	-	(75,460)	275,162	<b>199,702</b>	156,381	356,083
Appropriation of profit to capital reserves		-	-	-	4,199	(4,199)	-	-	-
Dilution of interest in a subsidiary		-	-	-	-	4,412	<b>4,412</b>	4,157	8,569
Conversion of RCCLS	5	57,200	184,713	-	(13,589)	-	<b>228,324</b>	-	228,324
Purchase of treasury shares	5	-	-	(1,462)	-	-	<b>(1,462)</b>	-	(1,462)
Employee share-based payments	5	40	249	-	(78)	-	<b>211</b>	-	211
Dividends to minority interests		-	-	-	-	-	-	(45,163)	(45,163)
Dividends paid :	6								
- Cash dividend		-	-	-	-	(172,808)	<b>(172,808)</b>	-	(172,808)
- Share dividend		-	(48,684)	48,684	-	-	-	-	-
<b>At 31 March 2011</b>		<b>1,093,650</b>	<b>3,729,832</b>	<b>(13,707)</b>	<b>(3,008,740)</b>	<b>340,024</b>	<b>2,141,059</b>	<b>1,106,332</b>	<b>3,247,391</b>
<b>31 March 2010</b>									
<b>At 1 July 2009</b>		<b>1,036,410</b>	<b>3,637,912</b>	<b>(93,849)</b>	<b>(3,328,318)</b>	<b>497,426</b>	<b>1,749,581</b>	<b>934,787</b>	<b>2,684,368</b>
Total comprehensive income for the period		-	-	-	(128,681)	228,489	<b>99,808</b>	110,067	209,875
Appropriation of profit to capital reserves		-	-	-	3,179	(3,179)	-	-	-
Issuance of shares by subsidiaries to minority interests		-	-	-	-	-	-	10,357	10,357
Purchase of treasury shares		-	-	(3,673)	-	-	<b>(3,673)</b>	-	(3,673)
Employee share-based payments		-	-	-	10,492	-	<b>10,492</b>	9,724	20,216
Dividends to minority interests		-	-	-	-	-	-	(38,687)	(38,687)
Dividends paid for the financial year ended 30 June 2009 :									
- Cash dividend		-	-	-	-	(50,727)	<b>(50,727)</b>	-	(50,727)
- Share dividend		-	(44,358)	44,358	-	-	-	-	-
<b>At 31 March 2010</b>		<b>1,036,410</b>	<b>3,593,554</b>	<b>(53,164)</b>	<b>(3,443,328)</b>	<b>672,009</b>	<b>1,805,481</b>	<b>1,026,248</b>	<b>2,831,729</b>

*(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)*

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR TO DATE 31/3/2011 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000</b>
<b><u>OPERATING ACTIVITIES</u></b>		
Profit before taxation	<b>619,615</b>	552,234
Adjustments for :		
Non-cash items	<b>84,443</b>	112,620
Non-operating items	<b>36,731</b>	42,734
Operating profit before working capital changes	<b>740,789</b>	707,588
Changes in working capital :		
Net changes in assets	<b>(94,060)</b>	(97,992)
Net changes in liabilities	<b>399,311</b>	393,327
Others (mainly interest and tax paid)	<b>(172,264)</b>	(144,096)
	<b>873,776</b>	<b>858,827</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Proceeds from disposal of a jointly controlled entity	<b>27,721</b>	-
Purchase of subsidiaries (net of cash acquired)	-	23,711
Others (mainly purchase of property, plant and equipment)	<b>(151,416)</b>	(299,052)
	<b>(123,695)</b>	<b>(275,341)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Dividends paid to :		
- shareholders of the Company	<b>(172,808)</b>	(50,727)
- minority shareholders	<b>(45,163)</b>	(38,687)
Issue of shares	<b>10,919</b>	13,171
Purchase of treasury shares	<b>(1,462)</b>	(3,673)
Bank borrowings	<b>239,386</b>	(242)
	<b>30,872</b>	<b>(80,158)</b>
Net changes in cash and cash equivalents	<b>780,953</b>	503,328
Effects of changes in exchange rates	<b>(82,047)</b>	(150,269)
Cash and cash equivalents at beginning of period	<b>2,273,802</b>	2,093,511
Cash and cash equivalents at end of period	<b>2,972,708</b>	<b>2,446,570</b>

*(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)

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## 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 :

	<u>As at</u> <u>30/6/2010</u>	<u>Effects</u>	<u>As at</u> <u>1/7/2010</u>
	RM'000	RM'000	RM'000
<b>Non-Current Assets</b>			
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 seasons.

## 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-date.



#### 4. Changes in estimates

There were no 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 RM1,093,649,750 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 39,500 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 263,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM5.56 per share. The total consideration paid for the repurchase including transaction costs amounting to RM1.46 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 March 2011, the number of treasury shares held after deducting share dividend distributed were 3,017,631 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)	6,305,615	
Less : Cost of concessionaire sales	<u>(5,061,597)</u>	
Commissions from concessionaire sales		1,244,018
Sales of goods - Direct sales		871,921
Others (including rental income and management service fees)		98,251
		<u><u>2,214,190</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	574,299	1,562,627	77,264	-	2,214,190
Results :					
Segment profit/(loss)	76,745	565,074	18,089	(2,256)	657,652
Employee share-based payments					(1,306)
Operating profit					656,346
Finance income					93,035
Finance costs					(129,862)
Share of results of an associate					96
Profit before taxation					619,615
Total assets	774,555	6,371,868	161,817	120,577	7,428,817

## 8. Subsequent events

Other than as disclosed in Note 19(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 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.
- vii) Incorporation of Parkson Retail Asia Pte Ltd in Singapore by East Crest.

**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**

Consumer sentiments continued to gain strength in the 9 months period ended 31 March 2011. Coupled with effective management of product mix and floor space alignment as well as tactical promotional activities, our Parkson operations reported healthy same store sales growth across all 3 markets in Malaysia, China and Vietnam (9%, 12% and 22% respectively). However, due to the appreciation of the Ringgit Malaysia against the Chinese Renminbi and Vietnamese Dong, lower operating results were consolidated into the Group. Gross sales proceeds for the 9 months under review rose only 9% to RM7,276 million compared to RM6,693 million a year ago with profit before taxation reported at RM620 million.

Excluding the impact of the currency translation as mentioned above, on a comparable basis, profit before taxation for the 9 months period ended 31 March 2011 increased by 20% to RM664 million.

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

	<u>Revenue</u>	<u>Profit</u>
	RM'000	Before Taxation RM'000
Current quarter (31 March 2011)	801,325	246,258
Immediate preceding quarter (31 December 2010)	756,380	204,997

As expected and reported in the previous interim report, the Group continued to record satisfactory results in the current quarter on the back of higher spending during the Chinese New Year festivities. Group's revenue was 6% higher at RM801 million, with profit before taxation improving by 20% to RM246 million as against RM205 million in the immediate preceding quarter.

**13. a) Prospects**

Underpinned by the improving macro economic outlook and rising consumer sentiments, the Group expects to register favourable sales growth in the next quarter as compared to the same period last year.

**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 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010 RM'000	CURRENT YEAR TO DATE 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000
Taxation comprises :				
Current year income tax :				
- Arising in Malaysia	5,950	5,092	21,283	14,480
- Arising outside Malaysia	55,420	46,342	125,412	118,708
	<b>61,370</b>	<b>51,434</b>	<b>146,695</b>	<b>133,188</b>

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**

On 8 April 2011, East Crest entered into a conditional joint-venture agreement with PT Mitra Samaya ("MS"), the majority shareholder of PT Tozy Bintang Sentosa ("TBS") and Parkson Retail Asia Pte Ltd, a wholly-owned subsidiary of East Crest, for the purposes of combining the Malaysian and Vietnamese retail business of the Company with the Indonesian retail business of TBS ("Proposed Collaboration"). The Proposed Collaboration is pending completion.

Other than the above, there were no corporate proposals pending completion at the date of this report.

**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	1,201,429	763,166	1,964,595

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

	Foreign Currency '000	RM'000
- Ringgit Malaysia	-	40
- US Dollar	450,000	1,367,145
- Chinese Renminbi	1,267,000	597,376
- Others	-	34
		<b>1,964,595</b>

**21. Financial instruments**a) Disclosure of Derivative

During the financial year-to-date, Parkson Retail procured 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 in 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 contracts. 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 1.7% 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 March 2011.

**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 31/3/2011</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010</u>	<u>CURRENT YEAR TO DATE 31/3/2011</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010</u>
Net profit attributable to owners of the parent (RM'000)	<u>105,172</u>	<u>83,472</u>	<u>275,162</u>	<u>228,489</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,090,660</u>	<u>1,024,435</u>	<u>1,073,131</u>	<u>1,018,516</u>
Basic EPS (sen)	<u>9.64</u>	<u>8.15</u>	<u>25.64</u>	<u>22.43</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 31/3/2011	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010	CURRENT YEAR TO DATE 31/3/2011	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010
Net profit attributable to owners of the parent (RM'000)	105,172	83,472	275,162	228,489
After-tax effect of interest on RCSLS (RM'000)	-	2,657	1,574	8,089
	<u>105,172</u>	<u>86,129</u>	<u>276,736</u>	<u>236,578</u>
Weighted average number of ordinary shares in issue ('000)	1,090,660	1,024,435	1,073,131	1,018,516
Effect of dilution ('000)	209	57,200	11,314	57,200
	<u>1,090,869</u>	<u>1,081,635</u>	<u>1,084,445</u>	<u>1,075,716</u>
Diluted EPS (sen)	<u>9.64</u>	<u>7.96</u>	<u>25.52</u>	<u>21.99</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 31/3/2011 RM'000	AS AT THE END OF LAST FINANCIAL YEAR 30/6/2010 RM'000
Total retained profits of Parkson Holdings Berhad and its subsidiaries :		
- Realised	365,133	Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.
- Unrealised	(30,494)	
	<u>334,639</u>	
Total share of retained profits from an associate :		
- Realised	338	
- Unrealised	-	
Total share of retained profits from jointly controlled entities :		
- Realised	4,879	
- Unrealised	168	
Total Group retained profits as per consolidated accounts	<u>340,024</u>	

**PARKSON HOLDINGS BERHAD (89194-P)**

(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2011

(The figures have not been audited)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS****19. b) Status of utilisation of proceeds as at 30 April 2011**

	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Intended Timeframe for Utilisation</b>	<b>Deviation</b>		<b>Explanations</b>
	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	<b>33.47</b>	-	-	-	-
- Deferred payment	20.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u><b>33.47</b></u>				