



PARKSON HOLDINGS BERHAD

(Incorporated in Malaysia)

(89194-P)

Interim Report for the Fourth Quarter Ended 30 June 2011

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PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the fourth quarter ended 30 June 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>Note</u>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/6/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2010 RM'000	CURRENT YEAR TO DATE 30/6/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2010 RM'000
Gross sales proceeds		2,218,199	1,925,306	9,493,986	8,617,870
Revenue	7	711,240	617,176	2,925,430	2,722,256
Operating expenses		(605,408)	(542,751)	(2,405,323)	(2,247,071)
Other operating income		73,194	84,122	315,265	278,334
Operating profit		179,026	158,547	835,372	753,519
Finance and other income		40,866	34,793	133,901	121,696
Finance costs		(36,424)	(41,429)	(166,286)	(171,195)
Share of results of an associate		37	28	133	153
Profit before taxation		183,505	151,939	803,120	704,173
Taxation	16	(52,594)	(37,387)	(199,289)	(170,575)
Profit for the period		130,911	114,552	603,831	533,598
Attributable to :					
- Owners of the parent		70,799	56,639	345,961	285,128
- Minority interests		60,112	57,913	257,870	248,470
Profit for the period		130,911	114,552	603,831	533,598
Earnings per share attributable to owners of the parent (sen) :					
- Basic	24	6.49	5.53	32.11	27.96
- Diluted	24	6.49	5.49	32.00	27.47

(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 fourth quarter ended 30 June 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2010 RM'000	CURRENT YEAR TO DATE 30/6/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2010 RM'000
Profit for the period	130,911	114,552	603,831	533,598
<u>Other comprehensive income/(loss)</u>				
- Translation differences	32,456	32,625	(76,381)	(177,498)
- Net (loss)/gain on cash flow hedges	(6,876)	529	(14,876)	1,481
Other comprehensive income/(loss) for the period, net of tax	25,580	33,154	(91,257)	(176,017)
Total comprehensive income for the period	156,491	147,706	512,574	357,581
Attributable to :				
- Owners of the parent	85,997	76,859	285,699	176,667
- Minority interests	70,494	70,847	226,875	180,914
	156,491	147,706	512,574	357,581

(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 fourth quarter ended 30 June 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT END OF CURRENT QUARTER 30/6/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2010 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,557,242	1,531,013
Investment properties		30,301	31,671
Prepaid land lease payments		351,078	360,655
Investment in an associate		937	1,152
Available-for-sale investments		14,823	-
Other investments		-	651,121
Other assets		83,535	37,075
Intangible assets		1,235,062	1,244,461
Deferred tax assets		37,241	35,824
		3,310,219	3,892,972
Current Assets			
Inventories		246,426	213,012
Held-to-maturity investments		604,447	-
Receivables		362,620	358,714
Deposits, cash and bank balances		2,740,581	2,273,802
		3,954,074	2,845,528
TOTAL ASSETS		7,264,293	6,738,500
EQUITY AND LIABILITIES			
Share capital		1,093,673	1,036,410
Other reserves		938,899	608,813
Retained profits		195,633	237,457
Equity attributable to owners of the parent		2,228,205	1,882,680
Minority interests		1,141,359	990,957
Total equity		3,369,564	2,873,637
Non-Current Liabilities			
Long term borrowings and notes	20	761,382	1,695,796
Long term payables		80,767	71,726
Deferred tax liabilities		113,905	123,716
		956,054	1,891,238
Current Liabilities			
Trade and other payables		1,702,912	1,600,962
Short term borrowings	20	1,188,979	328,217
Tax payable		46,784	44,446
		2,938,675	1,973,625
Total Liabilities		3,894,729	3,864,863
TOTAL EQUITY AND LIABILITIES		7,264,293	6,738,500
Net assets per share attributable to owners of the parent (RM) (Excluding equity component)		2.04	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 fourth quarter ended 30 June 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			
30 June 2011									
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 year		-	-	-	(60,262)	345,961	285,699	226,875	512,574
Appropriation of profit to capital reserves		-	-	-	10,807	(10,807)	-	-	-
Dilution of interest in subsidiaries		-	-	-	-	4,412	4,412	34,241	38,653
Conversion of RCSLS	5	57,200	184,713	-	(13,589)	-	228,324	-	228,324
Purchase of treasury shares	5	-	-	(1,462)	-	-	(1,462)	-	(1,462)
Transfer to merger deficit		-	-	-	209,607	(209,607)	-	-	-
Employee share-based payments	5	63	396	-	(124)	1,025	1,360	-	1,360
Dividends to minority interests		-	-	-	-	-	-	(110,714)	(110,714)
Dividends paid :	6								
- Cash dividend		-	-	-	-	(172,808)	(172,808)	-	(172,808)
- Share dividend		-	(48,684)	48,684	-	-	-	-	-
At 30 June 2011		1,093,673	3,729,979	(13,707)	(2,777,373)	195,633	2,228,205	1,141,359	3,369,564
30 June 2010									
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 year		-	-	-	(108,461)	285,128	176,667	180,914	357,581
Appropriation of profit to capital reserves		-	-	-	11,305	(11,305)	-	-	-
Issuance of shares to minority interests and acquisition of minority interests		-	-	-	(130)	-	(130)	(29,204)	(29,334)
Purchase of treasury shares		-	-	(11,438)	-	-	(11,438)	-	(11,438)
Transfer to merger deficit		-	-	-	483,652	(483,652)	-	-	-
Employee share-based payments		-	-	-	18,140	587	18,727	8,729	27,456
Dividends to minority interests		-	-	-	-	-	-	(104,269)	(104,269)
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 30 June 2010		1,036,410	3,593,554	(60,929)	(2,923,812)	237,457	1,882,680	990,957	2,873,637

(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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR TO DATE 30/6/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2010 RM'000
<u>OPERATING ACTIVITIES</u>		
Profit before taxation	803,120	704,173
Adjustments for :		
Non-cash items	121,784	159,292
Non-operating items	32,252	56,538
Operating profit before working capital changes	957,156	920,003
Changes in working capital :		
Net changes in assets	(52,223)	13,004
Net changes in liabilities	94,741	133,117
Others (mainly interest and tax paid)	(242,441)	(210,916)
	757,233	855,208
<u>INVESTING ACTIVITIES</u>		
Proceeds from disposal of a jointly controlled entity	27,721	-
Purchase of subsidiaries (net of cash acquired) and other investments	(4,960)	26,469
Acquisition of minority interests	-	(99,101)
Others (mainly purchase of property, plant and equipment)	(196,572)	(348,075)
	(173,811)	(420,707)
<u>FINANCING ACTIVITIES</u>		
Dividends paid to :		
- shareholders of the Company	(172,808)	(50,727)
- minority shareholders	(110,714)	(104,269)
Issue of shares	11,043	13,354
Purchase of treasury shares	(1,462)	(11,438)
Bank borrowings	217,113	44,349
	(56,828)	(108,731)
Net changes in cash and cash equivalents	526,594	325,770
Effects of changes in exchange rates	(62,338)	(145,479)
Cash and cash equivalents at beginning of year	2,273,802	2,093,511
Cash and cash equivalents at end of year	2,738,058	2,273,802

(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)

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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
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 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 RM1,093,673,250 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 63,000 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 30 June 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)	8,200,508	
Less : Cost of concessionaire sales	<u>(6,568,556)</u>	
Commissions from concessionaire sales		1,631,952
Sales of goods - Direct sales		1,146,465
Others (including rental income and management service fees)		147,013
		<u><u>2,925,430</u></u>

7. Revenue and segmental information (Cont'd)

The Group has a single operating segment - the operation and management of retail 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	Indonesia		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	766,572	2,048,024	101,217	9,617	-	2,925,430
Results :						
Segment profit/(loss)	91,928	727,382	24,026	1,519	(8,019)	836,836
Employee share-based payments						(1,464)
Operating profit						835,372
Finance income						133,901
Finance costs						(166,286)
Share of results of an associate						133
Profit before taxation						803,120
Total assets	651,730	6,074,788	174,254	77,128	286,393	7,264,293

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 ("PRC").
- 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 ("Parkson Asia") in Singapore by East Crest.
- viii) Incorporation of Centro Retail Pte Ltd ("Centro Retail") in Singapore by Parkson Asia.

9. Changes in composition of the Group (Cont'd)

- ix) Incorporation of Jinan Parkson Retail Co Ltd in the PRC by Exonbury Limited, a wholly-owned subsidiary of Parkson Retail.
- x) Acquisition by East Crest of 100% equity interest in Smart Spectrum Limited.
- xi) Acquisition by Parkson Asia and Centro Retail of 100% equity interest in PT Tozy Sentosa.
- xii) Subscription of a 9.9% equity interest in Parkson Asia by PT Mitra Samaya. Consequent thereupon, the Group owns 90.1% of Parkson Asia.
- xiii) Incorporation of Changzhou Parkson Retail Development Co Ltd in the PRC, by Shanghai Hongqiao Parkson Development Co Ltd, a wholly-owned subsidiary of Parkson Retail.

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

The Group's sound approach in managing the Parkson operation has enabled it to produce consistently healthy growth from year to year. The financial year ended 30 June 2011 is no exception to its past track records as it continued with its sterling performance. Gross sales proceeds for the Group was higher at RM9,494 million whilst profit before taxation rose to RM803 million. The impressive performance was mainly attributed to the healthy same store sales growth across all 3 markets in Malaysia, China and Vietnam (10%, 12% and 21% respectively).

The improved performance took into account the appreciation of the Ringgit Malaysia against the Chinese Renminbi and the Vietnamese Dong which has resulted in the lower foreign operating results being consolidated into the Group. For illustration purpose, excluding the impact of the currency translation, on a comparable basis, profit before taxation for the year ended 30 June 2011 increased by 21% to RM849 million.

12. Comment on material change in profit before taxation

	<u>Revenue</u>	<u>Profit Before Taxation</u>
	RM'000	RM'000
Current quarter (30 June 2011)	711,240	183,505
Immediate preceding quarter (31 March 2011)	801,325	246,258

The Group recorded a seasonally lower performance in the current quarter in view of the absence of major festivities as compared to the higher spending during the Chinese New Year festivities in the previous quarter. Group's revenue was 11% lower at RM711.2 million with a corresponding lower profit before taxation of RM183.5 million.

13. a) Prospects

Growth in the global economies is expected to slow down in view of the financial turmoil in Europe and fears of an impending double-dip recession in the United States. To remain competitive, the Group will continue to reinvent and remodel its existing stores and make necessary adjustments to the merchandise mix and brand mix to stay ahead of the fast changing markets.

Leveraging on the Group's strong balance sheet, favourable business model, strong brand equity and huge customer base from the customer loyalty programme, the Board believes that the Group is well-positioned to face the challenges ahead and maintain its leadership position in the regional retail sector.

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER</u>	<u>CURRENT YEAR TO DATE</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD</u>
	<u>30/6/2011</u>	<u>30/6/2010</u>	<u>30/6/2011</u>	<u>30/6/2010</u>
	RM'000	RM'000	RM'000	RM'000
Taxation comprises :				
Current year income tax :				
- Arising in Malaysia	10,771	1,835	32,054	16,315
- Arising outside Malaysia	41,823	35,552	167,235	154,260
	52,594	37,387	199,289	170,575

The effective tax rate of the Group for the current quarter was higher than the Malaysian statutory tax rate mainly due to certain expenses which are not deductible for tax purposes. The effective tax rate of the Group for the financial year-to-date was 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

The Group's dealing in quoted securities for the current quarter and financial year-to-date were as follows :

	<u>CURRENT QUARTER</u>	<u>FINANCIAL YEAR-TO-DATE</u>
	RM'000	RM'000
Total purchases	<u>14,219</u>	<u>14,219</u>

Details of investments in quoted securities as at the end of the reporting period were as follows :

	RM'000
At cost	<u>14,219</u>
At book value	<u>14,310</u>
At market value	<u>14,310</u>

19. Corporate proposals

a) Status of corporate proposals

No	Date of Announcement	Subject	Status
1	16.08.2011	Proposed listing of Parkson Retail Asia Pte Ltd ("Parkson Asia") on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Proposed Listing") including the offering of Parkson Asia shares to the eligible directors and employees of Parkson Asia and its subsidiaries ("Proposed Share Allocation").	Pending approvals from : (a) The SGX-ST; (b) The Monetary Authority of Singapore for the lodgement and registration of a prospectus in connection with the Proposed Listing; (c) Shareholders of the Company for the Proposed Listing and if any, the specific allocation of Parkson Asia shares to Directors or major shareholders of the Company and persons connected with them under the Proposed Share Allocation; and (d) Any other relevant authorities and/or parties, if required.

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 :

	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured	<u>1,188,979</u>	<u>761,382</u>	<u>1,950,361</u>

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

	Foreign Currency	RM'000
- Ringgit Malaysia	'000	2,686
- US Dollar	450,000	1,364,545
- Chinese Renminbi	1,239,000	583,130
		<u>1,950,361</u>

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.

21. Financial instruments (Cont'd)**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

(a) The Board of Directors is recommending the payment of a final cash dividend in respect of the current financial year as follows:

- Amount per share : Cash dividend of 5 sen per share, tax exempt;
- Payment date : To be announced later; and
- Entitlement date : To be announced later.

(b) Total dividend for the current financial year :

- Proposed final cash dividend of 5 sen per share, tax exempt amounting to RM55 million; and
- An interim cash dividend of 10 sen per share, tax exempt amounting to RM108 million was paid by the Company on 16 December 2010.

(c) Total dividend for the previous financial year :

- A first and final cash dividend of 6 sen per share, tax exempt amounting to RM65 million; and
- A distribution of share dividend 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.

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</u> <u>30/6/2011</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER</u> <u>30/6/2010</u>	<u>CURRENT YEAR TO DATE</u> <u>30/6/2011</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD</u> <u>30/6/2010</u>
Net profit attributable to owners of the parent (RM'000)	<u>70,799</u>	<u>56,639</u>	<u>345,961</u>	<u>285,128</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,090,646</u>	<u>1,023,543</u>	<u>1,077,498</u>	<u>1,019,770</u>
Basic EPS (sen)	<u>6.49</u>	<u>5.53</u>	<u>32.11</u>	<u>27.96</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 30/6/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2010	CURRENT YEAR TO DATE 30/6/2011	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2010
Net profit attributable to owners of the parent (RM'000)	70,799	56,639	345,961	285,128
After-tax effect of interest on RCSLS (RM'000)	-	2,686	1,574	10,775
	70,799	59,325	347,535	295,903
Weighted average number of ordinary shares in issue ('000)	1,090,646	1,023,543	1,077,498	1,019,770
Effect of dilution ('000)	430	57,200	8,594	57,404
	1,091,076	1,080,743	1,086,092	1,077,174
Diluted EPS (sen)	6.49	5.49	32.00	27.47

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 YEAR 30/6/2011	AS AT THE END OF LAST FINANCIAL YEAR 30/6/2010
	RM'000	RM'000
Total retained profits of Parkson Holdings Berhad and its subsidiaries :		
- Realised	216,429	Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.
- Unrealised	(27,820)	
	188,609	
Total share of retained profits from an associate :		
- Realised	341	
- Unrealised	-	
Total share of retained profits from jointly controlled entities :		
- Realised	6,508	
- Unrealised	175	
Total Group retained profits as per consolidated accounts	195,633	

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim report for the fourth quarter ended 30 June 2011

(The figures have not been audited)

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

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
- Deferred payment

	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'Million	RM'Million		Amount	%	
				RM'Million		
	33.47	33.47	-	-	-	-
	20.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u>33.47</u>				