



PARKSON HOLDINGS BERHAD

(Incorporated in Malaysia)

(89194-P)

Interim Financial Report for the First Quarter Ended 30 September 2011

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 - 12

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
Gross sales proceeds		2,506,396	2,072,684	2,506,396	2,072,684
Revenue	7	791,631	656,485	791,631	656,485
Operating expenses		(658,118)	(548,355)	(658,118)	(548,355)
Finance income		41,533	26,374	41,533	26,374
Other operating income		70,617	72,638	70,617	72,638
Operating profit		245,663	207,142	245,663	207,142
Finance costs		(35,442)	(38,796)	(35,442)	(38,796)
Share of results of an associate		43	14	43	14
Profit before tax		210,264	168,360	210,264	168,360
Income tax expense	16	(55,095)	(38,010)	(55,095)	(38,010)
Profit for the period		155,169	130,350	155,169	130,350
Profit for the period attributable to :					
- Owners of the parent		90,289	76,190	90,289	76,190
- Minority interests		64,880	54,160	64,880	54,160
		155,169	130,350	155,169	130,350
Earnings per share attributable to owners of the parent (sen) :					
- Basic	24	8.28	7.28	8.28	7.28
- Diluted	24	8.28	7.20	8.28	7.20

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
Profit for the period	155,169	130,350	155,169	130,350
<u>Other comprehensive income/(loss)</u>				
- Foreign currency translation	241,197	(105,002)	241,197	(105,002)
- Loss on fair value changes	(4,136)	-	(4,136)	-
Other comprehensive income/(loss) for the period, net of tax	237,061	(105,002)	237,061	(105,002)
Total comprehensive income for the period	392,230	25,348	392,230	25,348
Total comprehensive income for the period attributable to :				
- Owners of the parent	221,401	16,249	221,401	16,249
- Minority interests	170,829	9,099	170,829	9,099
	392,230	25,348	392,230	25,348

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 30.9.2011 RM'000	AS AT 30.6.2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,607,703	1,493,277
Investment properties		185,741	178,200
Intangible assets		1,313,765	1,235,534
Land use rights		290,228	272,005
Investment in an associate		1,054	937
Deferred tax assets		41,418	38,106
Other assets and derivatives		119,092	97,259
Investment securities		41,514	14,543
		3,600,515	3,329,861
Current Assets			
Inventories		274,104	246,240
Receivables		504,349	349,697
Investment securities		639,430	604,447
Deposits, cash and bank balances		3,185,378	2,740,698
		4,603,261	3,941,082
TOTAL ASSETS		8,203,776	7,270,943
EQUITY AND LIABILITIES			
Share capital		1,093,679	1,093,673
Other reserves		1,070,127	944,385
Retained profits		288,321	198,032
Equity attributable to owners of the parent		2,452,127	2,236,090
Minority interests		1,318,104	1,147,275
Total equity		3,770,231	3,383,365
Non-Current Liabilities			
Long term borrowings	20	793,217	761,387
Long term payables		75,770	73,050
Deferred tax liabilities		121,173	114,085
		990,160	948,522
Current Liabilities			
Payables and other liabilities		2,118,146	1,703,585
Short term borrowings and notes	20	1,266,405	1,188,974
Tax payables		58,834	46,497
		3,443,385	2,939,056
Total Liabilities		4,433,545	3,887,578
TOTAL EQUITY AND LIABILITIES		8,203,776	7,270,943
Net assets per share attributable to owners of the parent (RM)		2.25	2.05

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 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 September 2011									
At 1 July 2011		1,093,673	3,729,979	(13,707)	(2,771,887)	198,032	2,236,090	1,147,275	3,383,365
Total comprehensive income for the period		-	-	-	131,112	90,289	221,401	170,829	392,230
Purchase of treasury shares	5	-	-	(5,395)	-	-	(5,395)	-	(5,395)
Employee share-based payments	5	6	37	-	(12)	-	31	-	31
At 30 September 2011		1,093,679	3,730,016	(19,102)	(2,640,787)	288,321	2,452,127	1,318,104	3,770,231
30 September 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/(loss) for the period		-	-	-	(59,941)	76,190	16,249	9,099	25,348
Appropriation of profit to capital reserves		-	-	-	320	(320)	-	-	-
Dilution of interest in a subsidiary		-	-	-	-	1,435	1,435	1,352	2,787
Conversion of RCCLS		57,200	184,713	-	(13,589)	-	228,324	-	228,324
Purchase of treasury shares		-	-	(28)	-	-	(28)	-	(28)
At 30 September 2010		1,093,610	3,778,267	(60,957)	(2,997,022)	314,762	2,128,660	1,001,408	3,130,068

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.9.2011 RM'000	30.9.2010 RM'000
OPERATING ACTIVITIES		
Profit before tax	210,264	168,360
Adjustments for :		
Non-cash items	41,159	32,607
Non-operating items	(6,134)	12,408
Operating profit before working capital changes	245,289	213,375
Changes in working capital :		
Net changes in assets	(167,327)	(64,791)
Net changes in liabilities	321,502	261,831
Others (mainly interest and tax paid)	(42,916)	(53,054)
	356,548	357,361
INVESTING ACTIVITIES		
Purchase of investment securities	(30,000)	-
Purchase of property, plant and equipment	(57,637)	(77,880)
	(87,637)	(77,880)
FINANCING ACTIVITIES		
Issue of shares	31	3,088
Purchase of treasury shares	(5,395)	(28)
Borrowings	(11)	(27)
	(5,375)	3,033
Net changes in cash and cash equivalents	263,536	282,514
Effects of changes in exchange rates	183,667	(78,104)
Cash and cash equivalents at beginning of period	2,738,175	2,273,802
Cash and cash equivalents at end of period	3,185,378	2,478,212

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2011

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011. 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 2011.

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 2011 except for the adoption of the following FRSs and IC Interpretations effective for the financial period beginning 1 July 2011 :

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 3: Business Combinations

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Improvements to FRSs issued in 2010

IC Interpretation 4: Determining Whether an Arrangement Contains a Lease

IC Interpretation 18: Transfers of Assets from Customers

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

The adoption of the above mentioned FRSs and IC Interpretations did not have any significant effect on the financial performance, position or presentation of financials of the Group.

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 current quarter and financial year-to-date :

- i) The issued and paid-up share capital of the Company was increased from RM1,093,673,250 to RM1,093,679,150 by the issuance of 5,900 new ordinary shares of RM1.00 each in the Company at an issue price of RM5.31 per share for cash pursuant to the Executive Share Option Scheme of the Company.
- ii) The Company repurchased a total of 1,016,100 ordinary shares of its issued ordinary shares from the open market at an average price of RM5.31 per share. The total consideration paid for the repurchase including transaction costs amounting to RM5.39 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. As at 30 September 2011, the number of treasury shares held were 4,033,731 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. Dividend paid

There was no dividend paid during the current quarter and financial year-to-date.

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)	2,155,562	
Less : Cost of concessionaire sales	<u>(1,714,765)</u>	
Commissions from concessionaire sales		440,797
Sales of goods - Direct sales		309,974
Others (including rental income and management service fees)		<u>40,860</u>
		<u>791,631</u>

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	<u>207,411</u>	<u>526,822</u>	<u>23,732</u>	<u>33,666</u>	<u>-</u>	<u>791,631</u>
Results :						
Segment profit/(loss)	33,484	166,411	4,335	4,222	(4,270)	204,182
Finance income						41,533
Employee share-based payments						(52)
Operating profit						<u>245,663</u>
Finance costs						(35,442)
Share of results of an associate						43
Profit before tax						<u><u>210,264</u></u>
Total assets	<u>745,556</u>	<u>6,895,119</u>	<u>183,545</u>	<u>91,596</u>	<u>287,960</u>	<u>8,203,776</u>

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 the Company of 100% equity interest in Puncak Pelita Sdn Bhd.
- ii) Incorporation of Liupanshui Parkson Retail Co Ltd in the People's Republic of China ("PRC") by Kunming Yun Shun He Retail Development Co Ltd ("Kunming Yun Shun He"), a wholly-owned subsidiary of Parkson Retail Group Limited ("Parkson Retail"), a 51.5% owned subsidiary of the Company.
- iii) Incorporation of Kunshan Parkson Retail Development Co Ltd in the PRC by Kunming Yun Shun He.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2011.

11. Performance review

For the first quarter ended 30 September 2011, the Group registered a 21% increase in gross sales proceeds to RM2.51 billion from RM2.07 billion in the previous year. The improvement was attributed to healthy same store sales growth, our continuing efforts to increase our sales productivity of existing stores, the opening of new stores and the inclusion of the business operations from Indonesia which was acquired in June 2011.

The higher sales coupled with better operating efficiency have enabled the Group to report a higher profit before tax of RM210 million, representing a growth of 25% from the preceding year.

12. Comment on material change in profit before tax

	<u>Revenue</u>	<u>Profit</u>
	RM'000	Before Tax RM'000
Current quarter (30 September 2011)	791,631	210,264
Immediate preceding quarter (30 June 2011)	711,240	183,505

The Group registered favourable results for the quarter under review with higher revenue and profit before tax. The improved performance was attributed to higher spending during the Muslim festive season in Malaysia and full quarter contribution from our Indonesia retail stores which were acquired in June 2011.

13. a) Prospects

Our retail operation is anticipated to register better performance in the next quarter in view of the positive consumer spending sentiments expected during the year end festive and holiday seasons.

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. Income tax expense

Income tax expense comprises :	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
Current year income tax :				
- Arising in Malaysia	10,844	8,090	10,844	8,090
- Arising outside Malaysia	44,251	29,920	44,251	29,920
	<u>55,095</u>	<u>38,010</u>	<u>55,095</u>	<u>38,010</u>

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

17. 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.

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

	RM'000
At cost	15,318
At book value	<u>11,281</u>
At market value	<u>11,281</u>

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

No	Date of Announcement	Subject	Status
1	16.8.2011 28.9.2011 17.10.2011 27.10.2011 2.11.2011 3.11.2011	Proposed listing of Parkson Retail Asia Limited ("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").	The Proposed Listing was completed on 3 November 2011 following the listing of and quotation for Parkson Asia shares on the Main Board of the SGX-ST.

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>1,266,405</u>	<u>793,217</u>	<u>2,059,622</u>

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

	Foreign Currency	RM'000
- Ringgit Malaysia	'000	152
- US Dollar	450,000	1,431,919
- Chinese Renminbi	1,239,000	<u>627,551</u>
		<u>2,059,622</u>

21. Financial instrumentsa) Disclosure of Derivative

The details of the derivative financial instruments of the Group are substantially described in the audited financial statements of the Group for the financial year ended 30 June 2011.

There have been no material changes to the derivative financial instruments described therein since 30 June 2011.

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 30 June 2011.

23. Dividend proposed

(a) The Board of Directors has declared the payment of an interim single tier dividend in respect of the current financial year as follows:

- Amount per share : 10 sen per share, single tier;
- Total dividend for the current financial period : Approximately RM109 million;
- Payment date : 22 December 2011; and
- Entitlement date : 9 December 2011.

(b) Total dividend for the previous corresponding period :

- Interim single tier dividend of 10 sen per share amounting to RM108 million.

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

Basic EPS is calculated by dividing the 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>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.9.2011</u>	<u>30.9.2010</u>	<u>30.9.2011</u>	<u>30.9.2010</u>
Profit attributable to owners of the parent (RM'000)	<u>90,289</u>	76,190	<u>90,289</u>	76,190
Weighted average number of ordinary shares in issue ('000)	<u>1,090,504</u>	1,047,105	<u>1,090,504</u>	1,047,105
Basic EPS (sen)	<u>8.28</u>	7.28	<u>8.28</u>	7.28

Diluted

For the purpose of calculating diluted EPS, the 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.

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.9.2011</u>	<u>30.9.2010</u>	<u>30.9.2011</u>	<u>30.9.2010</u>
Profit attributable to owners of the parent (RM'000)	<u>90,289</u>	76,190	<u>90,289</u>	76,190
After-tax effect of interest on RCSLS (RM'000)	<u>-</u>	1,574	<u>-</u>	1,574
	<u>90,289</u>	77,764	<u>90,289</u>	77,764
Weighted average number of ordinary shares in issue ('000)	<u>1,090,504</u>	1,047,105	<u>1,090,504</u>	1,047,105
Effect of dilution ('000)	<u>280</u>	33,229	<u>280</u>	33,229
	<u>1,090,784</u>	1,080,334	<u>1,090,784</u>	1,080,334
Diluted EPS (sen)	<u>8.28</u>	7.20	<u>8.28</u>	7.20

25. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2011 was not qualified.

26. Disclosure of realised and unrealised profits/losses

	AS AT 30.9.2011	AS AT 30.6.2011
	RM'000	RM'000
Total retained profits of Parkson Holdings Berhad and its subsidiaries :		
- Realised	300,751	211,025
- Unrealised	(19,739)	(19,774)
Total share of retained profits from an associate :		
- Realised	110	98
- Unrealised	-	-
Total share of retained profits from jointly controlled entities :		
- Realised	7,011	6,508
- Unrealised	188	175
Total Group retained profits	<u>288,321</u>	<u>198,032</u>

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2011

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**19. b) Status of utilisation of proceeds as at 31 October 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	41.47	41.47	-	-	-	-
- Deferred payment	12.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u>41.47</u>				