



# **PARKSON HOLDINGS BERHAD**

(Incorporated in Malaysia)

(89194-P)

## **Interim Financial Report for the Fourth Quarter Ended 30 June 2012**

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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 financial report for the fourth quarter ended 30 June 2012

(The figures have not been audited)

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
<b>Gross sales proceeds</b>		<b>2,637,907</b>	<b>2,217,939</b>	<b>11,220,785</b>	<b>9,493,726</b>
<b>Revenue</b>	7	<b>826,505</b>	<b>710,892</b>	<b>3,447,524</b>	<b>2,925,082</b>
Operating expenses		<b>(748,654)</b>	(604,199)	<b>(2,955,710)</b>	(2,404,114)
Finance income		<b>32,467</b>	48,666	<b>140,152</b>	141,701
Other operating income		<b>85,293</b>	66,684	<b>338,415</b>	308,755
Operating profit		<b>195,611</b>	222,043	<b>970,381</b>	971,424
Finance costs		<b>(13,396)</b>	(36,428)	<b>(88,174)</b>	(166,290)
Share of results of an associate		<b>26</b>	37	<b>156</b>	133
<b>Profit before tax</b>	23	<b>182,241</b>	<b>185,652</b>	<b>882,363</b>	<b>805,267</b>
Income tax expense	16	<b>(45,244)</b>	(51,950)	<b>(216,741)</b>	(198,645)
Profit for the period		<b>136,997</b>	133,702	<b>665,622</b>	606,622
Profit for the period attributable to :					
- <b>Owners of the parent</b>		<b>77,713</b>	<b>73,242</b>	<b>376,085</b>	<b>348,404</b>
- Minority interests		<b>59,284</b>	60,460	<b>289,537</b>	258,218
		<b>136,997</b>	133,702	<b>665,622</b>	606,622
Earnings per share attributable to owners of the parent (sen) :					
- Basic	21	<b>7.15</b>	6.72	<b>34.56</b>	32.33
- Diluted	21	<b>7.15</b>	6.71	<b>34.56</b>	32.22

*(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 fourth quarter ended 30 June 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
<b>Profit for the period</b>	<b>136,997</b>	<b>133,702</b>	<b>665,622</b>	<b>606,622</b>
<u>Other comprehensive income/(loss)</u>				
- Foreign currency translation and cash flow hedges	<b>91,989</b>	41,357	<b>210,607</b>	(75,480)
- (Loss)/Gain on fair value changes	<b>(1,149)</b>	91	<b>(2,136)</b>	91
Other comprehensive income/(loss) for the period, net of tax	<b>90,840</b>	41,448	<b>208,471</b>	(75,389)
<b>Total comprehensive income for the period</b>	<b>227,837</b>	175,150	<b>874,093</b>	531,233
Total comprehensive income for the period attributable to :				
- <b>Owners of the parent</b>	<b>131,043</b>	<b>95,760</b>	<b>489,283</b>	<b>295,462</b>
- Minority interests	<b>96,794</b>	79,390	<b>384,810</b>	235,771
	<b>227,837</b>	175,150	<b>874,093</b>	531,233

(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 fourth quarter ended 30 June 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 30.6.2012 RM'000</b>	<b>AS AT 30.6.2011 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,720,182	1,493,277
Investment properties		171,855	178,200
Intangible assets		1,309,482	1,235,534
Land use rights		281,737	272,005
Investment in an associate		1,163	937
Deferred tax assets		61,696	38,106
Other assets and derivatives (**)		311,453	97,259
Investment securities		43,415	14,543
		<b>3,900,983</b>	<b>3,329,861</b>
<b>Current Assets</b>			
Inventories		281,720	246,240
Receivables		573,402	349,697
Investment securities		-	604,447
Deposits, cash and bank balances		3,031,011	2,740,698
		<b>3,886,133</b>	<b>3,941,082</b>
<b>TOTAL ASSETS</b>		<b>7,787,116</b>	<b>7,270,943</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,093,902	1,093,673
Other reserves		1,187,706	944,385
Retained profits		398,581	198,032
Equity attributable to owners of the parent		<b>2,680,189</b>	<b>2,236,090</b>
Minority interests		1,535,029	1,147,275
Total equity		<b>4,215,218</b>	<b>3,383,365</b>
<b>Non-Current Liabilities</b>			
Long term borrowings	18	1,260,619	761,387
Long term payables		105,565	73,050
Deferred tax liabilities		117,206	114,085
		<b>1,483,390</b>	<b>948,522</b>
<b>Current Liabilities</b>			
Payables and other liabilities		2,043,240	1,703,585
Short term borrowings and notes	18	172	1,188,974
Tax payables		45,096	46,497
		<b>2,088,508</b>	<b>2,939,056</b>
<b>Total Liabilities</b>		<b>3,571,898</b>	<b>3,887,578</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,787,116</b>	<b>7,270,943</b>
Net assets per share attributable to owners of the parent (RM)		<b>2.47</b>	<b>2.05</b>

( \*\*) 30.6.2012 : Comprises prepayment of RM211 million for purchase of land and building in China

(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 fourth quarter ended 30 June 2012

(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>30 June 2012</b>									
<b>At 1 July 2011</b>		<b>1,093,673</b>	<b>3,729,979</b>	<b>(13,707)</b>	<b>(2,771,887)</b>	<b>198,032</b>	<b>2,236,090</b>	<b>1,147,275</b>	<b>3,383,365</b>
Total comprehensive income for the year		-	-	-	113,198	376,085	<b>489,283</b>	384,810	874,093
Dilution of interest in a subsidiary	9(v)	-	-	-	-	213,889	<b>213,889</b>	136,700	350,589
Employee share-based payments	5	229	1,437	-	(20,740)	20,289	<b>1,215</b>	-	1,215
Purchase of treasury shares	5	-	-	(31,977)	-	-	<b>(31,977)</b>	-	(31,977)
Transfer to merger deficit		-	-	-	181,403	(181,403)	-	-	-
Dividends to minority interests		-	-	-	-	-	-	(133,756)	(133,756)
Dividends paid	6	-	-	-	-	(228,311)	<b>(228,311)</b>	-	(228,311)
<b>At 30 June 2012</b>		<b>1,093,902</b>	<b>3,731,416</b>	<b>(45,684)</b>	<b>(2,498,026)</b>	<b>398,581</b>	<b>2,680,189</b>	<b>1,535,029</b>	<b>4,215,218</b>
<b>30 June 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>236,646</b>	<b>1,881,869</b>	<b>990,957</b>	<b>2,872,826</b>
Total comprehensive income/(loss) for the year		-	-	-	(52,942)	348,404	<b>295,462</b>	235,771	531,233
Appropriation of profit to capital reserves		-	-	-	9,687	(9,687)	-	-	-
Dilution of interest in subsidiaries		-	-	-	(93)	4,367	<b>4,274</b>	35,850	40,124
Conversion of RCSLS		57,200	184,713	-	(13,589)	-	<b>228,324</b>	-	228,324
Employee share-based payments		63	396	-	(641)	1,025	<b>843</b>	(124)	719
Purchase of treasury shares		-	-	(1,462)	-	-	<b>(1,462)</b>	-	(1,462)
Transfer to merger deficit		-	-	-	209,607	(209,607)	-	-	-
Disposal of a jointly controlled entity		-	-	-	(104)	(308)	<b>(412)</b>	(390)	(802)
Dividends to minority interests		-	-	-	-	-	-	(114,789)	(114,789)
Dividends paid :									
- Cash dividend		-	-	-	-	(172,808)	<b>(172,808)</b>	-	(172,808)
- Share dividend		-	(48,684)	48,684	-	-	-	-	-
<b>At 30 June 2011</b>		<b>1,093,673</b>	<b>3,729,979</b>	<b>(13,707)</b>	<b>(2,771,887)</b>	<b>198,032</b>	<b>2,236,090</b>	<b>1,147,275</b>	<b>3,383,365</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 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 fourth quarter ended 30 June 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	YEAR-TO-DATE ENDED	
	30.6.2012 RM'000	30.6.2011 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	882,363	805,267
Adjustments for :		
Non-cash items	194,055	124,712
Non-operating items	(52,134)	24,456
Operating profit before working capital changes	1,024,284	954,435
Changes in working capital :		
Net changes in assets	(226,165)	(24,521)
Net changes in liabilities	273,139	81,224
Others (mainly interest and tax paid)	(169,742)	(254,107)
	<b>901,516</b>	<b>757,031</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of a jointly controlled entity	-	27,697
Purchase of subsidiaries (net of cash acquired) and other investments	(30,000)	(4,960)
Prepayment for purchase of land and building	(211,338)	-
Others (mainly purchase of property, plant and equipment)	(324,051)	(205,334)
	<b>(565,389)</b>	<b>(182,597)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to :		
- Shareholders of the Company	(228,311)	(172,808)
- Minority shareholders	(133,756)	(114,789)
Issue of shares	1,215	10,053
Purchase of treasury shares	(31,977)	(1,462)
Borrowings and notes	(171,445)	231,283
Net proceeds from listing of a subsidiary	350,589	-
	<b>(213,685)</b>	<b>(47,723)</b>
Net changes in cash and cash equivalents	122,442	526,711
Effects of changes in exchange rates	170,254	(62,338)
Cash and cash equivalents at beginning of year	2,738,175	2,273,802
Cash and cash equivalents at end of year	<b>3,030,871</b>	<b>2,738,175</b>

(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 fourth quarter ended 30 June 2012

(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 the 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

Other than as disclosed in Notes 9(v) and 23, 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 :

- i) The issued and paid-up share capital of the Company was increased from RM1,093,673,250 to RM1,093,902,050 by the issuance of 228,800 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 6,285,600 ordinary shares of its issued ordinary shares from the open market at an average price of RM5.09 per share. The total consideration paid for the repurchase including transaction costs amounting to RM31.98 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 June 2012, the number of treasury shares held were 9,303,231 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

A final single tier dividend of 5 sen per ordinary share amounting to RM54 million in respect of the financial year ended 30 June 2011 was paid by the Company on 21 December 2011.

A first interim single tier dividend of 10 sen per ordinary share amounting to RM109 million in respect of the financial year ending 30 June 2012 was paid by the Company on 22 December 2011.

A second interim single tier dividend of 6 sen per ordinary share amounting to RM65 million in respect of the financial year ending 30 June 2012 was paid by the Company on 20 June 2012.

## 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)	9,677,224	
Less : Cost of concessionaire sales	<u>(7,773,261)</u>	
Commissions from concessionaire sales		1,903,963
Sales of goods - Direct sales		1,342,885
Others (including rental income and management service fees)		<u>200,676</u>
		<u><u>3,447,524</u></u>



## 7. Revenue and segmental information (Cont'd)

The Group's segmental information for the financial year-to-date was as follows :

	← Retailing →				Property and investment holding	Total
	Malaysia	People's Republic of China	Vietnam	Indonesia		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
Total sales	840,724	2,343,334	110,384	132,912	23,108	<b>3,450,462</b>
Inter-segment sales	-	-	-	-	(2,938)	<b>(2,938)</b>
External sales	<b>840,724</b>	<b>2,343,334</b>	<b>110,384</b>	<b>132,912</b>	<b>20,170</b>	<b>3,447,524</b>
<b>Results</b>						
Segment profit	121,123	683,707	11,580	8,668	5,356	<b>830,434</b>
Finance income						<b>140,152</b>
Employee share-based payments						<b>(205)</b>
Operating profit						<b>970,381</b>
Finance costs						<b>(88,174)</b>
Share of results of an associate						<b>156</b>
Profit before tax						<b>882,363</b>
Total assets	<b>528,017</b>	<b>6,196,098</b>	<b>203,060</b>	<b>106,445</b>	<b>753,496</b>	<b>7,787,116</b>

## 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 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" or "China") 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.
- iv) Incorporation of Tianjin Parkson Shopping Mall Co Ltd in the PRC by Parkson Retail Development Co Ltd ("Parkson Retail Development"), a wholly-owned subsidiary of Parkson Retail.
- v) Dilution of equity interest in Parkson Retail Asia Limited ("Parkson Asia") from 90.1% to 67.6% following the listing of and quotation for Parkson Asia shares on the Main Board of the Singapore Exchange Securities Trading Limited on 3 November 2011.
- vi) Incorporation of Zhangjiakou Shishang Parkson Shopping Mall Co Ltd in the PRC by Parkson Retail Development.
- vii) Acquisition by Parkson Corporation Sdn Bhd, a wholly-owned subsidiary of Parkson Asia, of 100% equity interest in Orion Lifestyle Sdn Bhd (now known as Parkson Online Sdn Bhd).
- viii) Incorporation of Parkson HBT Properties Co Ltd in Vietnam by Parkson TSN Holdings Co Ltd, a wholly-owned subsidiary of the Company.
- ix) Incorporation of Changzhou Shishang Parkson Retail Development Co Ltd in the PRC by Shanghai Hongqiao Parkson Development Co Ltd, a wholly-owned subsidiary of Parkson Retail.
- x) Incorporation of Shanxi Parkson Retail Development Co Ltd in the PRC by Xi'an Lucky King Parkson Plaza 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 30 June 2011.

**11. Performance review**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
<b>Revenue</b>				
Retailing :				
- Malaysia	208,390	192,290	840,724	766,589
- China	550,582	485,032	2,343,334	2,047,659
- Vietnam	27,766	23,953	110,384	101,217
- Indonesia	32,125	9,617	132,912	9,617
	818,863	710,892	3,427,354	2,925,082
Property and investment holding	7,642	-	20,170	-
	<b>826,505</b>	<b>710,892</b>	<b>3,447,524</b>	<b>2,925,082</b>
<b>Segment profit/(loss)</b>				
Retailing :				
- Malaysia	16,954	15,567	121,123	92,312
- China	136,352	164,166	683,707	729,240 *
- Vietnam	606	4,951	11,580	23,040
- Indonesia	(2,057) #	1,519	8,668	1,519
	151,855	186,203	825,078	846,111
Property and investment holding	11,339	(12,668)	5,356	(14,924)
	<b>163,194</b>	<b>173,535</b>	<b>830,434</b>	<b>831,187</b>

\* 30.6.2011 : Inclusive of RM21 million gain on disposal of a jointly controlled entity

# 30.6.2012 : Inclusive of amortisation of intangible assets and year-end adjustments

The countries in which the Group operates continue to experience income growth and rapid urbanisation coupled with a young demographic, augurs well for the growth of the Group's **Retailing** Division. During the financial year, the Group opened 13 new stores, 8 in China, 2 each in Malaysia and Indonesia and 1 in Vietnam. With the continued same store sales growth in all our retail operations in Malaysia (9%), China (6%) and Vietnam (9%) and the inclusion of our Indonesia operation which was acquired in June 2011, the Retailing Division closed the financial year with higher revenue of RM3.43 billion (2011: RM2.93 billion) and flat operating profit of RM825 million (2011: RM825 million after excluding the gain on disposal).

KL Festival City, the Group's first local self-owned and managed retail mall, has consistently delivered steady and sustainable returns since its opening in October 2011. Increasing occupancy rate and better operating efficiencies of the retail mall together with the foreign exchange gain have enabled the **Property and Investment Holding** Division to register a commendable revenue of RM20.2 million and turn profitable for the financial year under review.

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

	Revenue RM'000	Profit Before Tax RM'000
Current quarter (30 June 2012)	826,505	182,241
Immediate preceding quarter (31 March 2012)	918,206	249,815

The Group recorded a seasonally lower revenue of RM826.5 million in the current quarter in the absence of major festive celebration as against the peak season for retail operations during the Lunar New Year festival in the immediate preceding quarter. Correspondingly, a lower profit before tax of RM182.2 million was reported.

**13. a) Prospects**

The uncertain macroeconomic condition and the ongoing political tension in countries facing debt crisis will continue to pose challenges to the recovery in global economies, especially on the continued growth in China's economy. However, the Group is confident that **China** will continue to achieve respectable economic growth helmed largely by its strong and effective monetary and fiscal policies.

On the **Southeast Asian** retail market, we believe the strong consumer sentiment will continue to propel our growth as a fashionable, family department store targeting the middle to middle-upper income segments. While there may be challenges ahead in relation to the global economic uncertainties, we are convinced that with our sound business model, we can and will continue to maintain our position as a leading department store in the region.

The Group had on 31 July 2012 completed the acquisition of a 42.19% stake in Odel PLC, a retailer listed on the Colombo Stock Exchange in **Sri Lanka**. With this acquisition, the Group has established a footprint in Sri Lanka that will provide the Group with a strategic base to expand into the larger Indian Subcontinent in the near future.

The **Property and Investment Holding** Division is expected to continue in contributing to the Group's performance with the current high occupancy rate. The Group will continue to seek expansion opportunities which commensurate with its development strategies and capital return requirements.

**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**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Income tax expense comprises :				
Current year income tax :				
- Arising in Malaysia	7,885	10,913	41,053	32,196
- Arising outside Malaysia	37,359	41,037	175,688	166,449
	<b>45,244</b>	51,950	<b>216,741</b>	198,645

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. 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.

**18. 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	32	1,260,619	1,260,651
Unsecured	140	-	140
	<u>172</u>	<u>1,260,619</u>	<u>1,260,791</u>

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

	<b>Foreign Currency</b>	RM'000
- Ringgit Malaysia	'000	261
- US Dollar	400,000	1,260,530
		<u>1,260,791</u>

During the financial year-to-date :

- i) Parkson Retail has fully redeemed and repaid the US\$200 million senior guaranteed notes and the PRC bank loans amounting to approximately Rmb1.2 billion.
- ii) Parkson Retail has entered into a Facility Agreement to upsize the syndicated loan from the original sum of US\$250 million to US\$400 million. The additional syndicated loan of US\$150 million is for general corporate and working capital needs. The entire US\$400 million of the syndicated loan is due for full repayment in November 2013.

**19. Changes in material litigation**

There were no material litigation since 30 June 2011.

**20. Dividend proposed**

The Board of Directors does not recommend any dividend for the financial quarter ended 30 June 2012.

**21. 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.

	<b>3 MONTHS ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.6.2012</b>	<b>30.6.2011</b>	<b>30.6.2012</b>	<b>30.6.2011</b>
Profit attributable to owners of the parent (RM'000)	<b>77,713</b>	73,242	<b>376,085</b>	348,404
Weighted average number of ordinary shares in issue ('000)	<b>1,086,436</b>	1,090,646	<b>1,088,216</b>	1,077,498
Basic EPS (sen)	<b>7.15</b>	6.72	<b>34.56</b>	32.33

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Profit attributable to owners of the parent (RM'000)	77,713	73,242	376,085	348,404
After-tax effect of interest on RCSLS (RM'000)	-	-	-	1,574
	<b>77,713</b>	<b>73,242</b>	<b>376,085</b>	<b>349,978</b>
Weighted average number of ordinary shares in issue ('000)	1,086,436	1,090,646	1,088,216	1,077,498
Effects of dilution ('000)	-	430	1	8,594
	<b>1,086,436</b>	<b>1,091,076</b>	<b>1,088,217</b>	<b>1,086,092</b>
Diluted EPS (sen)	<b>7.15</b>	<b>6.71</b>	<b>34.56</b>	<b>32.22</b>

**22. 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.

**23. Profit before tax**

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

	3 MONTHS ENDED	YEAR-TO-DATE ENDED
	30.6.2012	30.6.2012
	RM'000	RM'000
a) Interest income	32,467	140,152
b) Other income including investment income	85,293	338,415
c) Interest expense	(13,396)	(88,174)
d) Depreciation and amortisation	(52,177)	(191,016)
e) Provision for and write off of receivables	(11)	(265)
f) Provision for and write off of inventories	-	-
g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-
h) Impairment of assets	-	-
i) Foreign exchange gain	9,065	7,507
j) Gain/(Loss) on derivatives	-	-
k) Exceptional items	-	-

**24. Disclosure of realised and unrealised profits/losses**

	<b>AS AT 30.6.2012</b>	<b>AS AT 30.6.2011</b>
	RM'000	RM'000
Total retained profits of Parkson Holdings Berhad and its subsidiaries :		
- Realised	<b>392,816</b>	211,025
- Unrealised	<b>(4,856)</b>	(19,774)
Total share of retained profits from an associate :		
- Realised	<b>265</b>	98
- Unrealised	<b>-</b>	-
Total share of retained profits from jointly controlled entities :		
- Realised	<b>9,996</b>	6,508
- Unrealised	<b>360</b>	175
Total Group retained profits	<b>398,581</b>	198,032

## PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2012

(The figures have not been audited)

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

17. b) Status of utilisation of proceeds as at 30 June 2012

	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'Million	RM'Million		Amount	%	
i) 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>				
ii) Listing of Parkson Retail Asia Limited on the Main Board of the Singapore Exchange Securities Trading Limited which raised a gross proceeds (including proceeds raised by East Crest International Limited as a result of the exercise of the over-allotment option) totalling approximately SGD150.62 million (equivalent to approximately RM367.48 million) (collectively the "Parkson Asia Listing") :						
▶ Open new stores in Malaysia, Vietnam, Indonesia and Cambodia	146.39	12.20	Within 24 months from the date of completion of the Parkson Asia Listing	134.19	-	Not fully utilised
▶ Information technology investment	12.20	-		12.20	-	Not utilised
▶ Part of maintenance capital expenditure in Malaysia, Vietnam and Indonesia	10.25	-		10.25	-	Not utilised
▶ General investments including acquisition, development and management of retail malls within commercial and residential centre developments	167.55	-		167.55	-	Not utilised
▶ Working capital and defraying expenses incurred in connection with the Parkson Asia Listing	31.09	22.06		9.03	-	Not fully utilised
	<u>367.48</u>	<u>34.26</u>				