



# **PARKSON HOLDINGS BERHAD**

(Incorporated in Malaysia)

(89194-P)

## **Interim Financial Report for the Second Quarter Ended 31 December 2012**

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

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
<b>Gross sales proceeds</b>		<b>3,038,848</b>	<b>3,020,275</b>	<b>5,725,640</b>	<b>5,526,671</b>
<b>Revenue</b>	7	<b>930,406</b>	<b>911,182</b>	<b>1,767,345</b>	<b>1,702,813</b>
Operating expenses :					
- Employee share-based payments ( * )		(9,382)	(51)	(9,382)	(103)
- Others		(830,047)	(770,790)	(1,608,734)	(1,428,856)
Finance income		25,677	35,156	53,059	76,689
Other operating income		85,380	90,341	162,156	160,958
Operating profit		<b>202,034</b>	265,838	<b>364,444</b>	511,501
Finance costs		(14,015)	(25,849)	(27,711)	(61,291)
Share of results of associates		989	54	1,669	97
<b>Profit before tax</b>	23	<b>189,008</b>	<b>240,043</b>	<b>338,402</b>	<b>450,307</b>
Income tax expense	16	(58,520)	(53,429)	(101,955)	(108,524)
Profit for the period		<b>130,488</b>	186,614	<b>236,447</b>	341,783
Profit for the period attributable to :					
- Owners of the parent		74,247	105,723	133,286	196,012
- Non-controlling interests		56,241	80,891	103,161	145,771
		<b>130,488</b>	186,614	<b>236,447</b>	341,783
Earnings per share attributable to owners of the parent (sen) :					
- Basic	21	<b>6.85</b>	9.72	<b>12.29</b>	17.99
- Diluted	21	<b>6.85</b>	9.71	<b>12.29</b>	17.99

( \* ) 3 months and year-to-date ended 31.12.2012 : Arising from share options granted by Parkson Retail Group Limited, a 51.5% owned subsidiary of the Company, to its eligible employees

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

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

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
<b>Profit for the period</b>	<b>130,488</b>	<b>186,614</b>	<b>236,447</b>	<b>341,783</b>
<u>Other comprehensive income/(loss)</u>				
- Foreign currency translation and cash flow hedges	<b>(8,755)</b>	3,562	<b>(81,153)</b>	244,759
- Gain/(Loss) on fair value changes	<b>829</b>	1,137	<b>2,810</b>	(2,999)
Other comprehensive (loss)/income for the period, net of tax	<b>(7,926)</b>	4,699	<b>(78,343)</b>	241,760
<b>Total comprehensive income for the period</b>	<b>122,562</b>	191,313	<b>158,104</b>	583,543
Total comprehensive income for the period attributable to :				
- <b>Owners of the parent</b>	<b>68,446</b>	<b>105,083</b>	<b>86,954</b>	<b>326,484</b>
- Non-controlling interests	<b>54,116</b>	86,230	<b>71,150</b>	257,059
	<b>122,562</b>	191,313	<b>158,104</b>	583,543

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)*

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

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 31.12.2012 RM'000</b>	<b>AS AT 30.6.2012 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,793,271	1,719,704
Investment properties		171,610	173,951
Intangible assets		1,289,728	1,309,512
Land use rights		272,046	281,737
Investment in associates		70,754	1,163
Deferred tax assets		76,617	61,949
Other assets and derivative ( ** )		441,415	364,443
Investment securities		45,983	43,416
		<b>4,161,424</b>	<b>3,955,875</b>
<b>Current Assets</b>			
Inventories		315,930	280,476
Receivables		674,060	519,004
Deposits, cash and bank balances		3,270,085	3,030,992
		<b>4,260,075</b>	<b>3,830,472</b>
<b>TOTAL ASSETS</b>		<b>8,421,499</b>	<b>7,786,347</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,093,902	1,093,902
Other reserves		1,152,597	1,193,334
Retained profits		421,525	398,852
Equity attributable to owners of the parent		<b>2,668,024</b>	<b>2,686,088</b>
Non-controlling interests		1,536,711	1,534,135
Total equity		<b>4,204,735</b>	<b>4,220,223</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		126,204	119,714
Loans and borrowings	18	79	1,260,620
Long term payables		150,098	122,953
		<b>276,381</b>	<b>1,503,287</b>
<b>Current Liabilities</b>			
Payables and other liabilities		2,626,793	2,017,557
Loans and borrowings	18	1,256,538	171
Tax payables		57,052	45,109
		<b>3,940,383</b>	<b>2,062,837</b>
<b>Total Liabilities</b>		<b>4,216,764</b>	<b>3,566,124</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,421,499</b>	<b>7,786,347</b>
Net assets per share attributable to owners of the parent (RM)		<b>2.46</b>	<b>2.48</b>

( \*\* ) Comprises prepayment for acquisition of land and building in China  
(31.12.2012 : RM304 million ; 30.6.2012 : RM211 million)

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

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

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the parent →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000	
	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other reserves RM'000				Retained profits RM'000
<b>31 December 2012</b>									
<b>At 1 July 2012</b>		<b>1,093,902</b>	<b>3,731,416</b>	<b>(45,684)</b>	<b>(2,492,398)</b>	<b>398,852</b>	<b>2,686,088</b>	<b>1,534,135</b>	<b>4,220,223</b>
Total comprehensive income/ (loss) for the period		-	-	-	(46,332)	133,286	<b>86,954</b>	71,150	158,104
Transfer to capital reserves		-	-	-	2,174	(2,174)	-	-	-
Purchase of treasury shares	5	-	-	(1,414)	-	-	<b>(1,414)</b>	-	(1,414)
Employee share-based payments		-	-	-	4,835	-	<b>4,835</b>	4,547	9,382
Dividends to non-controlling interests		-	-	-	-	-	-	(73,121)	(73,121)
Dividend paid	6	-	-	-	-	(108,439)	<b>(108,439)</b>	-	(108,439)
<b>At 31 December 2012</b>		<b>1,093,902</b>	<b>3,731,416</b>	<b>(47,098)</b>	<b>(2,531,721)</b>	<b>421,525</b>	<b>2,668,024</b>	<b>1,536,711</b>	<b>4,204,735</b>
<b>31 December 2011</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 period		-	-	-	130,472	196,012	<b>326,484</b>	257,059	583,543
Dilution of interest in a subsidiary		-	-	-	-	212,228	<b>212,228</b>	133,351	345,579
Purchase of treasury shares		-	-	(15,125)	-	-	<b>(15,125)</b>	-	(15,125)
Employee share-based payments		22	137	-	(43)	-	<b>116</b>	-	116
Dividends to non-controlling interests		-	-	-	-	-	-	(58,975)	(58,975)
Dividends paid		-	-	-	-	(163,178)	<b>(163,178)</b>	-	(163,178)
<b>At 31 December 2011</b>		<b>1,093,695</b>	<b>3,730,116</b>	<b>(28,832)</b>	<b>(2,641,458)</b>	<b>443,094</b>	<b>2,596,615</b>	<b>1,478,710</b>	<b>4,075,325</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 2012 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**

	Note	YEAR-TO-DATE ENDED	
		31.12.2012 RM'000	31.12.2011 RM'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		338,402	450,307
Adjustments for :			
Non-cash items		115,700	90,011
Non-operating items		(27,017)	(15,495)
Operating profit before working capital changes		427,085	524,823
Changes in working capital :			
Net changes in assets		(181,947)	(248,374)
Net changes in liabilities		667,786	804,480
Others (mainly interest and tax paid)		(73,541)	(64,635)
		<b>839,383</b>	<b>1,016,294</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of an associate	9(iii)	(68,473)	-
Prepayment for acquisition of land and building		(96,809)	(212,817)
Purchase of investment securities		-	(30,000)
Changes in deposits with banks	1	(131,825)	30,886
Others (mainly purchase of property, plant and equipment)		(205,113)	(179,917)
		<b>(502,220)</b>	<b>(391,848)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid to :			
- Shareholders of the Company		(108,439)	(163,178)
- Non-controlling interests		(73,121)	(58,975)
Issue of shares		-	116
Net proceeds from listing of a subsidiary		-	345,579
Purchase of treasury shares		(1,414)	(15,125)
Loans and borrowings		(19)	(172,625)
		<b>(182,993)</b>	<b>(64,208)</b>
Net changes in cash and cash equivalents		154,170	560,238
Effects of changes in exchange rates	1	(15,971)	54,774
Cash and cash equivalents at beginning of period	1	1,357,828	1,115,524
Cash and cash equivalents at end of period	1	<b>1,496,027</b>	<b>1,730,536</b>
Cash and cash equivalents at end of period comprise the following :			
Deposits, cash and bank balances		3,270,085	3,448,778
Less : Deposits with banks with original maturity of more than three months when acquired		(1,774,058)	(1,718,242)
		<b>1,496,027</b>	<b>1,730,536</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

**PARKSON HOLDINGS BERHAD (89194-P)**  
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Interim financial report for the second quarter ended 31 December 2012  
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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**1. Accounting policies and methods of computation**

**First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the financial year ended 30 June 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements are the Group's first MFRS compliant interim financial statements for part of the periods covered by the Group's first MFRS annual financial statements for the financial year ending 30 June 2013 and hence MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012. 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 2012.

The MFRS is effective for the Group from 1 July 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant interim financial statements is 1 July 2011. As at that date of transition, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1.

**Significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the financial year ended 30 June 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, 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 2012 except as discussed below :

Definition of cash and cash equivalents

Under FRS, the Group defined cash and cash equivalents as cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts that form an integral part of the Group's cash management.

Upon transition to MFRS, the Group redefined its cash and cash equivalents as cash at bank and on hand, demand deposits, and short-term deposits for purposes of meeting short-term funding requirements, less bank overdrafts. The comparative information for the relevant periods in the condensed consolidated statement of cash flows has been restated accordingly :

	<b>FRS for period ended 31.12.2011</b>	<b>Reclassification</b>	<b>MFRS for period ended 31.12.2011</b>
	RM'000	RM'000	RM'000
Changes in deposits with banks	-	30,886	30,886
Effects of changes in exchange rates	181,251	(126,477)	54,774
Cash and cash equivalents at beginning of period	2,738,175	(1,622,651)	1,115,524
Cash and cash equivalents at end of period	<u>3,448,778</u>	<u>(1,718,242)</u>	<u>1,730,536</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**

Other than as disclosed in Note 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, the Company repurchased a total of 310,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM4.56 per share. The total consideration paid for the repurchase including transaction costs amounting to RM1.41 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 31 December 2012, the number of treasury shares held were 9,613,231 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. Dividend paid**

An interim single tier dividend of 10 sen per ordinary share amounting to RM108 million in respect of the financial year ending 30 June 2013 was declared by the Company on 12 November 2012 and paid on 10 December 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)	4,929,629	
Less : Cost of concessionaire sales	<u>(3,958,295)</u>	
Commissions from concessionaire sales		971,334
Sales of goods - Direct sales		693,945
Others (including rental income and management service fees)		<u>102,066</u>
		<u><u>1,767,345</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	464,178	1,161,332	59,729	66,342	18,272	<b>1,769,853</b>
Inter-segment sales	-	-	-	-	(2,508)	<b>(2,508)</b>
External sales	<b>464,178</b>	<b>1,161,332</b>	<b>59,729</b>	<b>66,342</b>	<b>15,764</b>	<b>1,767,345</b>
<b>Results</b>						
Segment profit	72,868	233,337	3,729	9,787	1,046	<b>320,767</b>
Finance income						<b>53,059</b>
Employee share-based payments						<b>(9,382)</b>
Operating profit						<b>364,444</b>
Finance costs						<b>(27,711)</b>
Share of results of associates						<b>1,669</b>
Profit before tax						<b>338,402</b>
Total assets	<b>685,287</b>	<b>6,686,897</b>	<b>206,445</b>	<b>127,157</b>	<b>715,713</b>	<b>8,421,499</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) Dissolution of Beijing Century Parkson E-Business Co Ltd, an indirect wholly-owned subsidiary of Parkson Retail Group Limited, a 51.5% owned subsidiary of the Company.
- ii) Incorporation of Parkson Myanmar Co Pte Ltd ("Parkson Myanmar") in Singapore by Parkson Retail Asia Limited ("Parkson Asia"), a 67.6% owned subsidiary of the Company.
- iii) Acquisition by Parkson Asia on 31 July 2012 of a total of 61,150,896 ordinary shares in Odel PLC ("Odel") ("Shares") representing 42.19% of the then issued and paid-up share capital of Odel, a company listed on the Colombo Stock Exchange in Sri Lanka.

Parkson Asia was required under the Sri Lankan Company Take-Overs and Mergers Code 1995 (As amended in 2003) to make a mandatory offer ("Offer") for all of the remaining Shares. As at 11 September 2012, being the closing date of the Offer, 3,424,536 Shares representing 2.36% of the then issued and paid-up share capital of Odel had been accepted under the Offer ("Completion of the Offer"). Following the Completion of the Offer, Parkson Asia owned a total of 64,575,432 Shares representing 44.55% of the then issued and paid-up share capital of Odel.

Odel had undertaken a one-for-one rights issue of Shares ("Odel Rights Issue"), where Parkson Asia had subscribed for its full entitlement of 64,575,432 new Shares. Subsequent to the Odel Rights Issue, Parkson Asia owns a total of 129,150,864 Shares representing 47.46% of the issued and paid-up share capital of Odel.

- iv) Acquisition by Dyna Puncak Sdn Bhd, a wholly-owned subsidiary of the Company, of 100% equity interest in Magna Rimbun Sdn Bhd, the legal and beneficial owner of the entire equity interest in Megan Mastika Sdn Bhd.
- v) Incorporation by Parkson Myanmar and its joint venture partners of a joint venture company, Parkson Myanmar Investment Company Pte Ltd, and its wholly-owned subsidiary, Parkson Myanmar Asia Pte Ltd, both in Singapore.

**10. Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets since 30 June 2012.

**11. Performance review**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
<b>Revenue</b>				
Retailing :				
- Malaysia	241,936	228,263	464,178	435,674
- China	617,439	613,349	1,161,332	1,140,171
- Vietnam	31,025	29,039	59,729	52,771
- Indonesia (#)	32,088	35,372	66,342	69,038
	<b>922,488</b>	906,023	<b>1,751,581</b>	1,697,654
Property and investment holding	7,918	5,159	15,764	5,159
	<b>930,406</b>	<b>911,182</b>	<b>1,767,345</b>	<b>1,702,813</b>
<b>Segment profit/(loss)</b>				
Retailing :				
- Malaysia	38,917	43,654	72,868	77,138
- China	139,345	180,099	233,337	346,510
- Vietnam	2,294	5,534	3,729	9,869
- Indonesia	4,610	4,065	9,787	8,287
	<b>185,166</b>	233,352	<b>319,721</b>	441,804
Property and investment holding	573	(2,619)	1,046	(6,889)
	<b>185,739</b>	<b>230,733</b>	<b>320,767</b>	<b>434,915</b>

(#) 3 months and year-to-date ended 31.12.2012 : Lower revenue despite achieving encouraging same store sales growth ("SSSG") due to the weakening of the Rupiah

For the 6 months ended 31 December 2012, the Group's **Retailing** Division registered a higher revenue of RM1,752 million, representing a growth of 3% from RM1,698 million a year ago. The improvement was mainly attributed to new stores' contribution and SSSG in Malaysia (4%) and Indonesia (7%). Sales growth in our Parkson China and Parkson Vietnam, on the other hand, were adversely impacted by the slowed economic growth, resulting in weak consumer spending and negative SSSG of -2% (China) and -7% (Vietnam).

In addition, the late arrival of the Lunar New Year in the current financial year i.e. 10 February 2013 (Preceding financial year : 23 January 2012) has delayed some consumer spending to the next quarter as against certain festive retail buying captured in the 3 months ended 31 December 2011. Together with initial losses of new stores, a lower profit was recorded for the current quarter and financial year-to-date compared with a year ago.

KL Festival City shopping mall continued to maintain a high occupancy rate of 99% and generated revenue of RM7.9 million and RM15.8 million for the current quarter and financial year-to-date respectively. On the back of encouraging revenue and improving operating efficiency of the shopping mall since its commencement of business in October 2011, the **Property and Investment Holding** Division turned profitable for the financial year-to-date ended 31 December 2012.

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

	Revenue RM'000	Profit Before Tax RM'000
Current quarter (31 December 2012)	930,406	189,008
Immediate preceding quarter (30 September 2012)	836,939	149,394

The increased festive retail buying arising from the year-end holidays and promotion periods have enabled our retailing operations to enjoy favourable results for the quarter under review. Hence, the Group's revenue was 11% higher at RM930 million compared with RM837 million in the immediate preceding quarter, with profit before tax improving by 27% to RM189 million.

**13. a) Prospects**

The Group's performance is expected to remain satisfactory in view of the Lunar New Year festive occasion. Our Retailing operations across China, Malaysia and Vietnam are expected to benefit from the surge in consumer spending during the Chinese New Year festivities.

**b) Forecast or target previously announced**

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

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

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

**15. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was published.

**16. Income tax expense**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Income tax expense comprises :				
Current year income tax :				
- Arising in Malaysia	13,373	13,311	24,587	24,155
- Arising outside Malaysia	45,147	40,118	77,368	84,369
	<b>58,520</b>	53,429	<b>101,955</b>	108,524

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. 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	<u>1,256,538</u>	<u>79</u>	<u>1,256,617</u>

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

	<b>Foreign Currency</b>	<b>RM'000</b>
	'000	RM'000
- Ringgit Malaysia	-	102
- US Dollar	350,000	1,102,223
- Hong Kong Dollar	390,000	154,292
		<u>1,256,617</u>

**19. Changes in material litigation**

There were no material litigation since 30 June 2012.

**20. Dividend proposed**

Other than as disclosed in Note 6, the Board of Directors does not recommend any dividend for the financial quarter ended 31 December 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>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Profit attributable to owners of the parent (RM'000)	<b>74,247</b>	105,723	<b>133,286</b>	196,012
Weighted average number of ordinary shares in issue ('000)	<b>1,084,356</b>	1,088,036	<b>1,084,453</b>	1,089,270
Basic EPS (sen)	<b>6.85</b>	9.72	<b>12.29</b>	17.99

**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. shares granted under the Executive Share Option Scheme.

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit attributable to owners of the parent (RM'000)	<b>74,247</b>	105,723	<b>133,286</b>	196,012
Weighted average number of ordinary shares in issue ('000)	<b>1,084,356</b>	1,088,036	<b>1,084,453</b>	1,089,270
Effect of dilution ('000)	-	269	-	274
	<b>1,084,356</b>	1,088,305	<b>1,084,453</b>	1,089,544
Diluted EPS (sen)	<b>6.85</b>	9.71	<b>12.29</b>	17.99

**22. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2012 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	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
a) Interest income	<b>25,677</b>	35,156	<b>53,059</b>	76,689
b) Other income including investment income	<b>85,380</b>	90,341	<b>162,156</b>	160,958
c) Interest expense	<b>(14,015)</b>	(25,849)	<b>(27,711)</b>	(61,291)
d) Depreciation and amortisation	<b>(52,289)</b>	(48,801)	<b>(106,318)</b>	(89,908)
e) Provision for and write off of receivables	-	-	-	(252)
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/(loss)	<b>(488)</b>	1,385	<b>(2,439)</b>	(2,790)
j) Gain/(Loss) on derivatives	-	-	-	-
k) Exceptional item : Employee share-based payments	<b>(9,382)</b>	(51)	<b>(9,382)</b>	(103)

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

	<b>AS AT 31.12.2012</b>	<b>AS AT 30.6.2012</b>
	RM'000	RM'000
Total retained profits/(losses) of Parkson Holdings Berhad and its subsidiaries :		
- Realised	<b>419,757</b>	395,253
- Unrealised	<b>(4,046)</b>	(7,022)
Total share of retained profits from associates :		
- Realised	<b>1,918</b>	265
- Unrealised	-	-
Total share of retained profits from a jointly controlled entity :		
- Realised	<b>3,512</b>	9,996
- Unrealised	<b>384</b>	360
Total Group retained profits	<b>421,525</b>	398,852

## PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

17. b) Status of utilisation of proceeds as at 31 December 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	43.47	43.47	-	-	-	-
- Deferred payment	10.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u>43.47</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") :						
▶ Opening of new stores in Malaysia, Indonesia, Vietnam and Cambodia	119.80	13.42	Within 24 months from the date of completion of the Parkson Asia Listing	106.38	-	Not fully utilised
▶ Investment in information technology	12.20	-		12.20	-	Not utilised
▶ Investment in business opportunities in Sri Lanka and Myanmar	36.84	30.25		6.59	-	Not fully utilised
▶ General investments including acquisition, development and management of retail malls within commercial and residential centre developments	167.55	93.00		74.55	-	Not fully 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>158.73</u>				