



Interim Financial Report
for the Fourth Quarter Ended
30 June 2015

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PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2015 RM'000	30.6.2014 RM'000 (Restated)	30.6.2015 RM'000	30.6.2014 RM'000 (Restated)
Gross sales proceeds		2,720,161	2,556,849	11,937,199	11,583,344
Revenue	7	859,038	816,511	3,738,216	3,553,882
Other operating income		72,093	59,176	330,246	294,724
Operating expenses		(940,682)	(827,187)	(3,876,266)	(3,525,306)
Operating (loss)/profit		(9,551)	48,500	192,196	323,300
Finance income		25,939	36,505	106,452	119,920
Finance costs		(25,586)	(20,656)	(92,360)	(80,124)
Share of results of associates		10	406	151	2,334
Share of results of joint ventures		1,824	2,751	12,625	17,074
Gain on disposal of a property		-	-	108,868	-
Provision for arbitral award in respect of tenancy agreement	19(i)	-	-	(82,394)	-
Provision for contingent expenses and impairment of assets	23(k)	(149,100)	-	(192,785)	-
(Loss)/Profit before tax	23	(156,464)	67,506	52,753	382,504
Income tax expense	16	(2,658)	(14,214)	(69,366)	(143,449)
(Loss)/Profit for the period		(159,122)	53,292	(16,613)	239,055
(Loss)/Profit for the period attributable to :					
- Owners of the parent		(90,949)	26,760	42,836	138,148
- Non-controlling interests		(68,173)	26,532	(59,449)	100,907
		(159,122)	53,292	(16,613)	239,055
(Loss)/Earnings per share attributable to owners of the parent (sen) :					
- Basic	21	(8.75)	2.56	4.06	13.00
- Diluted	21	(8.75)	2.56	4.06	13.00

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 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 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
(Loss)/Profit for the period	(159,122)	53,292	(16,613)	239,055
<u>Other comprehensive income/(loss)</u>				
- Share of other comprehensive income of an associate	-	54	-	54
- Foreign currency translation	84,509	(48,063)	560,356	(2,734)
Other comprehensive income/(loss) for the financial period, net of tax, representing items that may be reclassified subsequently to profit or loss	84,509	(48,009)	560,356	(2,680)
Total comprehensive (loss)/income for the period	(74,613)	5,283	543,743	236,375
Total comprehensive (loss)/income for the period attributable to :				
- Owners of the parent	(51,550)	3,100	358,225	139,352
- Non-controlling interests	(23,063)	2,183	185,518	97,023
	(74,613)	5,283	543,743	236,375

(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 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 2015
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 30.6.2015 RM'000	AS AT 30.6.2014 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment		2,484,069	2,090,548
Investment properties		204,931	109,036
Intangible assets		1,580,672	1,336,182
Land use rights		288,937	255,163
Investments in associates		1,246	69,282
Investments in joint ventures		39,423	33,976
Deferred tax assets		165,714	123,509
Other assets and derivatives		1,193,747 (#)	430,108
Investment securities		30,245	30,233
		<u>5,988,984</u>	<u>4,478,037</u>
Current Assets			
Inventories		359,398	325,759
Receivables		665,638	816,700 (#)
Investment securities		33,243	55,684
Deposits, cash and bank balances		2,782,395	2,570,412
		<u>3,840,674</u>	<u>3,768,555</u>
Assets of disposal group classified as held for sale	23(k)	13,093	-
Non-current assets classified as held for sale		-	225,273
		<u>3,853,767</u>	<u>3,993,828</u>
TOTAL ASSETS		<u>9,842,751</u>	<u>8,471,865</u>
EQUITY AND LIABILITIES			
Share capital		1,093,902	1,093,902
Other reserves		1,598,660	1,425,524
(Accumulated losses)/Retained profits		(40,938)	61,119
Equity attributable to owners of the parent		<u>2,651,624</u>	<u>2,580,545</u>
Non-controlling interests		1,632,022	1,600,719
Total equity		<u>4,283,646</u>	<u>4,181,264</u>
Non-Current Liabilities			
Deferred tax liabilities		146,689	141,050
Loans and borrowings	18	1,873,984	1,575,169
Long term payables		529,671	322,630
		<u>2,550,344</u>	<u>2,038,849</u>
Current Liabilities			
Payables and other liabilities		2,328,584	2,078,645
Loans and borrowings	18	477,350	143,452
Tax payables		5,915	29,655
		<u>2,811,849</u>	<u>2,251,752</u>
Liabilities of disposal group classified as held for sale	23(k)	196,912	-
		<u>3,008,761</u>	<u>2,251,752</u>
Total Liabilities		<u>5,559,105</u>	<u>4,290,601</u>
TOTAL EQUITY AND LIABILITIES		<u>9,842,751</u>	<u>8,471,865</u>
Net assets per share attributable to owners of the parent (RM)		<u>2.43</u>	<u>2.49</u>

(#) Includes prepayment for acquisition of land and building in Qingdao, China
(30.6.2015 : RM721 million ; 30.6.2014 : RM317 million)

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 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 2015
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →					(Accumulated losses)/ Retained profits RM'000	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				
30 June 2015									
At 1 July 2014, restated		1,093,902	3,536,816	(166,672)	(1,944,620)	61,119	2,580,545	1,600,719	4,181,264
Total comprehensive income for the year		-	-	-	315,389	42,836	358,225	185,518	543,743
Transfer to capital reserves		-	-	-	1,107	(1,107)	-	-	-
Purchase of treasury shares	5	-	-	(267,427)	-	-	(267,427)	-	(267,427)
Transfer to merger deficit		-	-	-	118,884	(118,884)	-	-	-
Purchase and cancellation of treasury shares by a subsidiary		-	-	-	5,183	(24,902)	(19,719)	(64,204)	(83,923)
Dividends to non-controlling interests		-	-	-	-	-	-	(90,011)	(90,011)
Dividend paid - Share dividend	6	-	(431,173)	431,173	-	-	-	-	-
At 30 June 2015		1,093,902	3,105,643	(2,926)	(1,504,057)	(40,938)	2,651,624	1,632,022	4,283,646
30 June 2014									
At 1 July 2013, as previously reported		1,093,902	3,731,416	(58,172)	(2,018,313)	10,318	2,759,151	1,625,336	4,384,487
Prior year adjustments (*)		-	-	-	-	(7,378)	(7,378)	(3,534)	(10,912)
At 1 July 2013, restated		1,093,902	3,731,416	(58,172)	(2,018,313)	2,940	2,751,773	1,621,802	4,373,575
Total comprehensive income for the year		-	-	-	1,204	138,148	139,352	97,023	236,375
Transfer to capital reserves		-	-	-	2,052	(2,052)	-	-	-
Employee share-based payments		-	-	-	1,603	196	1,799	1,653	3,452
Purchase of treasury shares		-	-	(303,100)	-	-	(303,100)	-	(303,100)
Transfer to merger deficit		-	-	-	68,082	(68,082)	-	-	-
Purchase and cancellation of treasury shares by a subsidiary		-	-	-	752	(10,031)	(9,279)	(32,229)	(41,508)
Dividends to non-controlling interests		-	-	-	-	-	-	(87,530)	(87,530)
Dividends paid - Share dividend		-	(194,600)	194,600	-	-	-	-	-
At 30 June 2014, restated		1,093,902	3,536,816	(166,672)	(1,944,620)	61,119	2,580,545	1,600,719	4,181,264

(*) Relating to recognition of operating lease payments on a straight-line basis over the lease term

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 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 fourth quarter ended 30 June 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000 (Restated)
OPERATING ACTIVITIES		
Profit before tax	52,753	382,504
Adjustments for :		
Non-cash items	424,744	291,386
Non-operating items	(26,868)	(59,204)
Operating profit before working capital changes	450,629	614,686
Changes in working capital :		
Net changes in assets	(129,500)	(133,215)
Net changes in liabilities	16,742	(28,252)
Others (mainly interest and tax paid)	(135,402)	(140,125)
	202,469	313,094
INVESTING ACTIVITIES		
Prepayment for acquisition of land and building	(351,413)	(110,366)
Acquisition of subsidiaries net of cash acquired	(29,386)	-
Acquisition of joint ventures	(3,000)	(16,300)
Proceeds from disposal of a property	349,000	-
Proceeds from disposal of an associate	78,209	-
Changes in deposits with banks	145,580	100,604
Others (mainly purchase of property, plant and equipment)	(362,103)	(274,331)
	(173,113)	(300,393)
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(90,011)	(87,530)
Purchase of treasury shares	(331,631)	(335,329)
Loans and borrowings	312,623	143,409
	(109,019)	(279,450)
Net changes in cash and cash equivalents	(79,663)	(266,749)
Effects of changes in exchange rates	124,820	11,549
Cash and cash equivalents at beginning of year	923,906	1,179,106
Cash and cash equivalents at end of year	969,063	923,906
Cash and cash equivalents at end of year comprise the following :		
Deposits, cash and bank balances	2,782,395	2,570,412
Less : Bank overdrafts	(38,413)	-
Less : Deposits with banks with original maturity of more than three months when acquired	(1,774,919)	(1,646,506)
	969,063	923,906

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 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 2015

(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 Malaysian Financial Reporting Standard ("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 ("IASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2014. 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 financial year ended 30 June 2014.

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 2014 except for the adoption of the following Amendments to MFRSs and IC Interpretation effective for the financial period beginning 1 July 2014 :

Amendments to MFRS 10, 12, 127 *Investment Entities*
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*
IC Interpretation 21 *Levies*
Amendment to MFRS 2 *Share-based Payment (Annual Improvements to MFRSs 2010-2012 Cycle)*
Amendment to MFRS 3 *Business Combinations (Annual Improvements to MFRSs 2010-2012 Cycle)*
Amendment to MFRS 3 *Business Combinations (Annual Improvements to MFRSs 2011-2013 Cycle)*
Amendment to MFRS 8 *Operating Segments (Annual Improvements to MFRSs 2010-2012 Cycle)*
Amendment to MFRS 13 *Fair Value Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)*
Amendment to MFRS 116 *Property, Plant and Equipment (Annual Improvements to MFRSs 2010-2012 Cycle)*
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*
Amendment to MFRS 124 *Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)*
Amendment to MFRS 138 *Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)*
Amendment to MFRS 140 *Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)*

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

Comparative figures

Certain comparative figures have been classified to conform to current year's presentation.

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 116,292,500 of its issued ordinary shares from the open market at an average price of RM2.30 per share. The total consideration paid for the repurchase including transaction costs amounting to RM267.43 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.

In respect of the financial year ended 30 June 2015, the Company has distributed a total of 174,498,106 treasury shares as share dividends as follows :

- i) On 8 August 2014, a total of 61,703,857 treasury shares were distributed as share dividend on the basis of three (3) treasury shares for every fifty (50) ordinary shares of RM1.00 each held in the Company, fractions of treasury shares being disregarded;
- ii) On 26 March 2015, a total of 50,954,468 treasury shares were distributed as share dividend on the basis of one (1) treasury share for every twenty (20) ordinary shares of RM1.00 each held in the Company, fractions of treasury shares being disregarded; and
- iii) On 2 July 2015, a total of 61,839,781 treasury shares were distributed as share dividend on the basis of three (3) treasury shares for every fifty (50) ordinary shares of RM1.00 each held in the Company, fractions of treasury shares being disregarded.

As at 30 June 2015, the number of treasury shares held after deducting share dividends distributed were 63,141,861 shares and after deducting 61,839,781 treasury shares distributed as share dividend on 2 July 2015 as mentioned in (iii) above, the remaining treasury shares held were 1,302,080 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

In respect of the financial year ended 30 June 2015, a total of 174,498,106 treasury shares were distributed as share dividends as mentioned in Note 5.

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)	10,124,245	
Less : Cost of concessionaire sales	<u>(8,198,983)</u>	
Commissions from concessionaire sales		1,925,262
Sales of goods - Direct sales		1,473,697
Others (including rental income and management service fees)		<u>339,257</u>
		<u>3,738,216</u>

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

	← Retailing →				Property and others	Total
	Malaysia	People's Republic of China	Vietnam and Myanmar	Indonesia		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total sales	861,941	2,495,918	124,236	156,809	102,435	3,741,339
Inter-segment sales	-	-	-	-	(3,123)	(3,123)
External sales	<u>861,941</u>	<u>2,495,918</u>	<u>124,236</u>	<u>156,809</u>	<u>99,312</u>	<u>3,738,216</u>
Results						
Segment profit/(loss)	90,002	127,964	(17,280)	(10,202)	1,712	192,196
Finance income						106,452
Finance costs						(92,360)
Share of results of associates						151
Share of results of joint ventures						12,625
Exceptional items						(166,311)
Profit before tax						<u>52,753</u>
Total assets	<u>706,482</u>	<u>8,202,692</u>	<u>186,303</u>	<u>179,547</u>	<u>567,727</u>	<u>9,842,751</u>

8. Subsequent events

Other than as disclosed in Notes 17(a) and 23, 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 Gema Binari Sdn Bhd ("Gema Binari"), a wholly-owned subsidiary of the Company, of 60% equity interest in Giftmate Sdn Bhd.
- ii) Acquisition by Prime Yield Holdings Limited ("Prime Yield"), a wholly-owned subsidiary of the Company, of 60% equity interest in AUM Hospitality Sdn Bhd together with its group of companies.
- iii) Acquisition by Gema Binari of 50% equity interest in Valino International Apparel Sdn Bhd.
- iv) Disposal of the entire 47.46% equity interest in Odel PLC, an associate of the Company listed on the Colombo Stock Exchange in Sri Lanka by Parkson Retail Asia Limited ("PRA"), a 67.6% owned subsidiary of the Company via the acceptance of a mandatory offer.
- v) Incorporation of Parkson Branding (L) Limited in Labuan by Parkson Branding Sdn Bhd, a wholly-owned subsidiary of the Company.
- vi) Acquisition by Prime Yield of 100% equity interest in Prestasi Serimas Sdn Bhd.
- vii) Incorporation of Lion Food & Beverage Ventures Limited ("Lion Food & Beverage") in the British Virgin Islands by Grand Parkson Retail Group Limited, a wholly-owned subsidiary of Parkson Retail Group Limited ("PRGL"), a 53.1% owned subsidiary of the Company.
- viii) Incorporation of Qingdao Parkson Shopping Plaza Co Ltd in the People's Republic of China ("PRC" or "China") by Parkson Retail Development Co Ltd, a wholly-owned subsidiary of PRGL.
- ix) Incorporation of Qingdao Lion Plaza Retail Management Co Ltd in the PRC by Leonemas (Hong Kong) Limited, a wholly-owned subsidiary of PRGL.
- x) Acquisition by Lion Food & Beverage of 100% equity interest in Parkson Food & Beverage Ventures Limited ("Parkson Food & Beverage"), a company incorporated in Hong Kong.
- xi) Dissolution of Shijiazhuang Parkson Retail Co Ltd, a company incorporated in the PRC, which was a wholly-owned subsidiary of PRGL.
- xii) Incorporation of Shanghai Lion Parkson Management Consultant Co Ltd in the PRC by Shanghai Lion Parkson Investment Consultant Co Ltd, a wholly-owned subsidiary of PRGL.
- xiii) Acquisition by Megan Mastika Sdn Bhd, a wholly-owned subsidiary of the Company, of 100% equity interest in Dimensi Andaman Sdn Bhd.
- xiv) Incorporation of Shanghai Lion Food & Beverage Management Co Ltd in the PRC by Parkson Food & Beverage.
- xv) Acquisition by Parkson Corporation Sdn Bhd ("Parkson Corporation"), a wholly-owned subsidiary of PRA, of 100% equity interest in Matrix Treasure Sdn Bhd (now known as Parkson Edutainment World Sdn Bhd).
- xvi) Acquisition by Parkson Corporation of 100% equity interest in Zillion Paramount Sdn Bhd (now known as Parkson Lifestyle Sdn Bhd) and Super Gem Resources Sdn Bhd.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2014.

11. Performance review

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
<u>Revenue</u>				
Retailing :				
- Malaysia	165,008	194,043	861,941	860,926
- China	603,410	547,774	2,495,918	2,400,834
- Vietnam and Myanmar	31,950	27,065	124,236	114,916
- Indonesia	39,256	34,097	156,809	138,648
	839,624	802,979	3,638,904	3,515,324
Property and others	19,414	13,532	99,312	38,558
	859,038	816,511	3,738,216	3,553,882
<u>Segment profit/(loss)</u>				
Retailing :				
- Malaysia	(5,542)	9,815	90,002	106,284
- China	12,677	51,385	127,964	222,630
- Vietnam and Myanmar	(7,728)	(10,486)	(17,280)	(12,120)
- Indonesia	(3,134)	(882)	(10,202)	5,974
	(3,727)	49,832	190,484	322,768
Property and others	(5,824)	(1,332)	1,712	532
	(9,551)	48,500	192,196	323,300

For the financial year ended 30 June 2015 ("FYE 2015"), the Group's **Retailing** Division registered a weaker set of results with revenue increasing only marginally by 4% to RM3,639 million whilst operating profit contracted by 41% to RM190 million as compared with that recorded a year ago. The weaker performance was attributable to the following factors :

- Malaysia

Our local Parkson operations reported a negative same store sales ("SSS") growth of 4.5% for the FYE 2015 as consumer sentiments were affected by the rising cost of living and depreciating currency. Operating loss for the 3 months ended 30 June 2015 was mainly due to the deleveraging of operating expenses resulting from sluggish sales performance as consumers have front-loaded their spending prior to the implementation of Goods and Services Tax ("GST") on 1 April 2015.

- China

The Group's operations in China remained challenging on the back of generally weak discretionary spending and rising competition especially from the online retailers. The negative SSS growth and new stores' initial losses have resulted in Parkson China to report a lower operating profit of RM128 million as against RM223 million recorded a year ago.

- Vietnam and Myanmar

Parkson Vietnam reported negative SSS growth of about 5% for the FYE 2015 amid weak discretionary spending. The operations recorded higher operating loss for the current financial year under review due to costs relating to closure of a store in Hanoi amounting to RM10 million.

The Myanmar flagship store has yet to achieve breakeven sales volume despite recording strong ramp-up in sales since the commencement of operation a year ago.

- Indonesia

The robust consumer spending supported by the emerging middle class and young population have enabled our Centro and Parkson operations to deliver a strong SSS growth of about 8% for the current financial year under review. However, due largely to the new stores' costs, losses were posted in the current quarter and financial year-to-date.

Contributions from the newly acquired food and beverage businesses have mitigated the loss in rental income from the *KL Festival City Mall* which was disposed of in January 2015, resulting in revenue for the **Property and Others** Division to increase to RM99 million for the FYE 2015. Losses recorded in the 3 months ended 30 June 2015 were mainly due to foreign exchange loss.

12. Comment on material change in (loss)/profit before tax

	<u>Revenue</u> RM'000	<u>Operating (Loss)/Profit</u> RM'000	<u>(Loss)/Profit Before Tax</u> RM'000
Current quarter (30 June 2015)	859,038	(9,551)	(156,464)
Immediate preceding quarter (31 March 2015)	1,048,885	93,932	19,906

Compared with a strong consumer spending during the Chinese New Year festivities in the immediate preceding quarter, the Group reported a lower revenue of RM859 million in the absence of major festivities in the current quarter. Our local Parkson operations were further affected by the soft consumer sentiments following the introduction of GST on 1 April 2015.

The lower sales performance and loss on exceptional items have resulted in the Group to report a loss before tax of RM156 million for the current quarter under review.

13. a) Prospects

The economic slowdown and the rise of the e-commerce sector in **China** are expected to persist for some time. However, the Group sees opportunities from the growing purchasing power of the young and affluent middle to upper class which could accelerate the domestic consumption. Backed by the Group's nationwide network, strong vendor relationships and adaptability to market changes, the Group is well positioned to embrace these opportunities in China.

The Group's retailing operations in the **Southeast Asian** region are anticipated to remain challenging in the near future. Our local Parkson operations are expected to experience a drag from the soft consumer sentiments amid concerns over rising cost of living whilst Parkson Vietnam will continue to be impacted by the change in the competitive landscape. Nevertheless, the robust domestic demand and middle class population growth in Indonesia will continue to drive our performance and deliver encouraging results.

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

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.6.2015</u> RM'000	<u>30.6.2014</u> RM'000	<u>30.6.2015</u> RM'000	<u>30.6.2014</u> RM'000
Income tax expense comprises :				
Current year income tax :				
- Arising in Malaysia	1,130	7,657	41,328	41,313
- Arising outside Malaysia	1,528	6,557	28,038	102,136
	2,658	14,214	69,366	143,449

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

Date of Announcements	Subject	Status
15.7.2015 17.8.2015	<p>(I) Proposed internal reorganisation of Parkson Holdings Berhad ("PHB")'s group structure which entails the proposed disposal of the entire 67.6% equity interest in Parkson Retail Asia Limited ("PRA") held by East Crest International Limited, a wholly-owned subsidiary of the Company, to Oroleon (Hong Kong) Limited ("Oroleon"), a wholly-owned subsidiary of Parkson Retail Group Limited ("PRGL") which in turn is a 53.1% owned subsidiary of PHB ("Proposed Internal Reorganisation"); and</p> <p>(II) Proposed distribution of RM0.10 per existing ordinary share of RM1.00 each in PHB in cash to all entitled shareholders of PHB from part of the proceeds arising from the Proposed Internal Reorganisation by way of a proposed capital repayment via a reduction of the share premium account of PHB ("Proposed Distribution").</p>	<p>The Proposed Internal Reorganisation is conditional upon the approvals being obtained from the following :</p> <p>i) shareholders of PHB and PRGL; and</p> <p>ii) the approval or waiver by any other relevant regulatory authority, if required.</p> <p>The Securities Industry Council of Singapore has on 27 July 2015 ruled that Oroleon will not be required under Rule 14.1 of The Singapore Code on Take-overs and Mergers to make a mandatory general offer for the remaining PRA shares.</p> <p>The Proposed Distribution is conditional upon approvals being obtained from the following :</p> <p>i) shareholders of PHB;</p> <p>ii) the financier/creditors of PHB Group, if and where required;</p> <p>iii) confirmation by the High Court for the reduction of PHB's share premium account pursuant to Sections 60(2) and 64 of the Act; and</p> <p>iv) the approval or waiver by any other relevant regulatory authority, if required.</p>

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	438,937	1,873,984	2,312,921
Unsecured	38,413	-	38,413
	<u>477,350</u>	<u>1,873,984</u>	<u>2,351,334</u>

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

	Foreign Currency	'000	RM'000
- Ringgit Malaysia		-	42,064
- US Dollar		543,750	1,990,913
- Hong Kong Dollar		669,827	318,357
			<u>2,351,334</u>

19. Changes in material litigation

There was no material litigation since 30 June 2014 other than the following :

- i) The China International Economic and Trade Arbitration Commission (the "Arbitration Commission") had issued an arbitral award dated 25 March 2015 made in favour of the landlord of part of the premises situated at Metro City Shopping Plaza ("Metro City"), who is an independent third party (the "Beijing Metro City Landlord") and ordered Parkson Retail Development Co Ltd ("Parkson Retail Development") (an indirect wholly-owned subsidiary of PRGL) (the "Tenant") to, among other things, pay to the Beijing Metro City Landlord a fee of RMB36,757,641.60 for the occupation of the Metro City after the termination of a tenancy agreement and rental of RMB89,923,270.22 (being the difference between the amount of rental which the Tenant had already paid and the amount of rental which the Arbitration Commission had determined to be payable by the Tenant).
- ii) Parkson Retail Development ("Tenant") is involved in a litigation ("Litigation") with the landlord of the premises situated at the China National Arts and Crafts Museum at the Inner Street of Fuxing Men in Beijing ("Fuxing Men"), who is an independent third party (the "Beijing Fuxing Men Landlord"). In October 2014, the Tenant initiated legal proceedings at the People's Court of the Western District of Beijing ("Court") requesting the Court to order the Beijing Fuxing Men Landlord to perform the head tenancy agreement and to pay all the costs in connection with the legal proceedings. In May 2015, the Beijing Fuxing Men Landlord filed a counterclaim ("Counterclaim") against the Tenant requesting the Court to order the Tenant to, among other things (i) vacate the premises; and (ii) pay a fee for occupying the premises during the period from 1 October 2014 up to the date on which the Tenant has vacated the premises, such fee being RMB47,488,000 calculated up to 30 April 2015.

20. Dividend proposed

Other than as disclosed in Note 6, the Board of Directors does not recommend any dividend for the financial quarter ended 30 June 2015.

21. (Loss)/Earnings per share ("EPS")**Basic**

Basic EPS is calculated by dividing the (loss)/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.

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
(Loss)/Profit attributable to owners of the parent (RM'000)	(90,949)	26,760	42,836	138,148
Weighted average number of ordinary shares in issue ('000)	1,039,117	1,045,464	1,054,034	1,062,635
Basic EPS (sen)	(8.75)	2.56	4.06	13.00

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

For the purpose of calculating diluted EPS, the (loss)/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	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
(Loss)/Profit attributable to owners of the parent (RM'000)	(90,949)	26,760	42,836	138,148
Weighted average number of ordinary shares in issue ('000)	1,039,117	1,045,464	1,054,034	1,062,635
Effect of dilution ('000)	-	-	-	-
	1,039,117	1,045,464	1,054,034	1,062,635
Diluted EPS (sen)	(8.75)	2.56	4.06	13.00

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2014 was not qualified.

23. (Loss)/Profit before tax

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
a) Interest income	25,939	36,505	106,452	119,920
b) Other income including investment income	72,093	59,176	326,607	292,008
c) Interest expense	(25,586)	(20,656)	(92,360)	(80,124)
d) Depreciation and amortisation	(83,504)	(66,871)	(298,159)	(275,507)
e) Provision for and write off of receivables	-	(3,875)	(588)	(3,875)
f) Provision for and write off of inventories	-	(101)	-	(101)
g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	3,639	-
h) Impairment of assets	-	(3,787)	-	(3,787)
i) Foreign exchange (loss)/gain	(4,667)	-	(5,689)	2,716
j) Gain/(Loss) on derivatives	(1,218)	(1,982)	(1,218)	(1,982)
k) Exceptional items	(149,100)	-	(166,311)	-
- Gain on disposal of a property	-	-	108,868	-
- Provision for arbitral award in respect of tenancy agreement	-	-	(82,394)	-
- Provision for contingent expenses and impairment of assets (Note)	(149,100)	-	(192,785)	-

23. (Loss)/Profit before tax (Cont'd.)

Note :

The contingent expenses were provided in relation to the early termination of a lease due to the closure of a store by Parkson Hanoi Co Ltd ("Parkson Hanoi"), a subsidiary of PRA. These contingent expenses represent possible compensation i.e. maximum rental for the remaining lease term, payable by Parkson Hanoi to the landlord for breach of terms of tenancy agreement. Any compensation claim will be a lower amount than the maximum contingent expenses provided in the event the premises is re-tenanted.

In June 2015, Parkson Vietnam Co Ltd, a wholly-owned subsidiary of PRA, entered into an agreement to dispose of approximately 30% equity interest in Parkson Hanoi ("Disposal of Parkson Hanoi"). As at 30 June 2015, the assets and liabilities of Parkson Hanoi have been presented as "disposal group classified as held for sale".

The Disposal of Parkson Hanoi was completed in August 2015. Consequent thereupon, Parkson Hanoi ceased to be a subsidiary and became an associate of PRA and the Company. The net liabilities of Parkson Hanoi arising substantially from the provision for contingent expenses will be reversed in the next financial year.

24. Disclosure of realised and unrealised profits/losses

	AS AT 30.6.2015	AS AT 30.6.2014
	RM'000	RM'000
Total retained profits/(accumulated losses) of Parkson Holdings Berhad and its subsidiaries :		
- Realised	(82,851)	45,344
- Unrealised	39,710	10,354
Total share of retained profits/(accumulated losses) from associates :		
- Realised	52	2,159
- Unrealised	-	(228)
Total share of retained profits from joint ventures :		
- Realised	1,574	3,184
- Unrealised	577	306
Total Group (accumulated losses)/retained profits	<u>(40,938)</u>	<u>61,119</u>

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2015

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

17. b) Status of utilisation of proceeds as at 30 June 2015

	<u>Proposed</u>	<u>Actual</u>	<u>Intended</u>	<u>Deviation</u>		<u>Explanations</u>
	<u>Utilisation</u>	<u>Utilisation</u>	<u>Timeframe for</u>	<u>Amount</u>	<u>%</u>	
	RM'Million	RM'Million		RM'Million		
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	47.47	47.47	-	-	-	-
- Deferred payment	6.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u>47.47</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	107.11	Within 48 months from the date of completion of the Parkson Asia Listing	12.69	-	Not fully utilised
▶ Investment in information technology	12.20	9.52		2.68	-	Not fully utilised
▶ Investment in business opportunities in Sri Lanka and Myanmar	36.84	36.60		0.24	-	Not fully utilised
▶ General investments including acquisition, development and management of retail malls within commercial and residential centre developments	167.55	167.55		-	-	-
▶ Working capital and defraying expenses incurred in connection with the Parkson Asia Listing	31.09	31.09		-	-	-
	<u>367.48</u>	<u>351.87</u>				