



Interim Financial Report
for the Fourth Quarter Ended
30 June 2016

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PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Gross sales proceeds		2,635,979	2,721,170	12,037,093	11,938,208
Revenue	7	884,087	860,001	3,883,694	3,739,179
Other operating income		74,824	72,416	311,463	330,569
Operating expenses		(1,021,440)	(942,832)	(4,302,452)	(3,878,416)
Operating (loss)/profit		(62,529)	(10,415)	(107,295)	191,332
Finance income		14,319	25,895	77,405	106,408
Finance costs		(26,307)	(26,184)	(115,697)	(92,958)
Share of results of associates		(1,581)	15	(10,209)	156
Share of results of joint ventures		2,042	1,824	8,835	12,625
Exceptional items	23(k)	(61,187)	(143,936)	59,448	(161,147)
(Loss)/Profit before tax	23	(135,243)	(152,801)	(87,513)	56,416
Income tax expense	16	(9,807)	(2,654)	(64,822)	(69,362)
Loss for the period		(145,050)	(155,455)	(152,335)	(12,946)
(Loss)/Profit for the period attributable to :					
- Owners of the parent		(95,801)	(87,192)	(89,483)	46,593
- Non-controlling interests		(49,249)	(68,263)	(62,852)	(59,539)
		(145,050)	(155,455)	(152,335)	(12,946)
(Loss)/Earnings per share attributable to owners of the parent (sen) :					
- Basic	21	(9.09)	(8.39)	(8.30)	4.42
- Diluted	21	(9.09)	(8.39)	(8.30)	4.42

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 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 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Loss for the period	(145,050)	(155,455)	(152,335)	(12,946)
<u>Other comprehensive (loss)/income</u>				
Item that has been reclassified to profit or loss :				
- Cumulative exchange differences on disposal of an associate	-	-	-	2,620
Item that may be reclassified subsequently to profit or loss :				
- Foreign currency translation	(53,110)	80,508	(112,845)	556,355
Other comprehensive (loss)/income for the period	(53,110)	80,508	(112,845)	558,975
Total comprehensive (loss)/income for the period	(198,160)	(74,947)	(265,180)	546,029
Total comprehensive (loss)/income for the period attributable to :				
- Owners of the parent	(122,358)	(54,379)	(108,978)	358,016
- Non-controlling interests	(75,802)	(20,568)	(156,202)	188,013
	(198,160)	(74,947)	(265,180)	546,029

(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 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 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30.6.2016 RM'000	AS AT 30.6.2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,549,108	2,483,081
Investment properties		211,429	204,931
Intangible assets		1,596,791	1,590,732
Land use rights		282,507	288,937
Investments in associates		31,270	1,246
Investments in joint ventures		34,835	39,423
Deferred tax assets		204,191	165,669
Other assets and derivatives		411,457	1,194,530
Investment securities		18,945	30,245
		6,340,533	5,998,794
Current assets			
Inventories		495,404	359,358
Receivables		728,079	633,258
Investment securities		28,586	33,243
Deposits, cash and bank balances		1,904,333	2,785,599
		3,156,402	3,811,458
Disposal group classified as held for sale	9(iv)	-	13,093
		3,156,402	3,824,551
TOTAL ASSETS		9,496,935	9,823,345
EQUITY AND LIABILITIES			
Share capital		1,093,902	1,093,902
Other reserves		1,563,133	1,455,735
Accumulated losses		(168,313)	(37,181)
Equity attributable to owners of the parent		2,488,722	2,512,456
Non-controlling interests		1,447,258	1,639,752
Total equity		3,935,980	4,152,208
Non-current liabilities			
Deferred tax liabilities		149,959	149,581
Loans and borrowings	18	2,052,293	1,873,984
Long term payables		572,673	529,671
		2,774,925	2,553,236
Current liabilities			
Payables and other liabilities		2,239,151	2,437,916
Loans and borrowings	18	526,251	477,350
Tax payables		20,628	5,723
		2,786,030	2,920,989
Liabilities directly associated with disposal group classified as held for sale	9(iv)	-	196,912
		2,786,030	3,117,901
Total liabilities		5,560,955	5,671,137
TOTAL EQUITY AND LIABILITIES		9,496,935	9,823,345
Net assets per share attributable to owners of the parent (RM)		2.38	2.44

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →					(Accumulated losses)/ retained profits	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 2016									
At 1 July 2015		1,093,902	3,105,643	(141,885)	(1,508,023)	(37,181)	2,512,456	1,639,752	4,152,208
Total comprehensive loss for the year		-	-	-	(19,495)	(89,483)	(108,978)	(156,202)	(265,180)
Transfer to capital reserves		-	-	-	876	(876)	-	-	-
Employee share options lapsed		-	-	-	(6,072)	6,072	-	-	-
Purchase of treasury shares	5	-	-	(45,375)	-	-	(45,375)	(32,950)	(78,325)
Transfer to merger deficit		-	-	-	20,583	(20,583)	-	-	-
Cancellation of treasury shares by a subsidiary		-	-	-	16,841	(26,262)	(9,421)	-	(9,421)
Loss of control of a subsidiary	9(iv)	-	-	-	1,081	-	1,081	58,059	59,140
Dividends to non-controlling interests		-	-	-	-	-	-	(61,401)	(61,401)
Dividend paid - share dividend	6	-	-	138,959	-	-	138,959	-	138,959
At 30 June 2016		1,093,902	3,105,643	(48,301)	(1,494,209)	(168,313)	2,488,722	1,447,258	3,935,980
30 June 2015									
At 1 July 2014		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		-	-	-	311,423	46,593	358,016	188,013	546,029
Transfer to capital reserves		-	-	-	1,108	(1,108)	-	-	-
Purchase of treasury shares		-	-	(267,427)	-	-	(267,427)	(60,895)	(328,322)
Transfer to merger deficit		-	-	-	118,883	(118,883)	-	-	-
Cancellation of treasury shares by a subsidiary		-	-	-	5,183	(24,902)	(19,719)	-	(19,719)
Business combinations		-	-	-	-	-	-	1,926	1,926
Dividends to non-controlling interests		-	-	-	-	-	-	(90,011)	(90,011)
Dividend paid - share dividends		-	(292,214)	292,214	-	-	-	-	-
Share dividend payable		-	(138,959)	-	-	-	(138,959)	-	(138,959)
At 30 June 2015		1,093,902	3,105,643	(141,885)	(1,508,023)	(37,181)	2,512,456	1,639,752	4,152,208

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.6.2016 RM'000	30.6.2015 RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(87,513)	56,416
Adjustments for :		
Non-cash items	272,657	486,023
Non-operating items	39,666	(26,231)
Operating profit before working capital changes	224,810	516,208
Changes in working capital :		
Net changes in assets	(224,901)	(79,434)
Net changes in liabilities	21,742	(40,821)
Others (mainly interest and tax paid)	(136,762)	(119,197)
	(115,111)	276,756
INVESTING ACTIVITIES		
Proceeds from disposal of a property	-	335,945
Proceeds from disposal of an associate	-	78,209
Acquisition of investments	(60,451)	(87,149)
Prepayment for acquisition of land and building	-	(351,413)
Changes in deposits with banks and money market instruments	651,485	173,061
Others (mainly purchase of property, plant and equipment)	(640,548)	(388,603)
	(49,514)	(239,950)
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(61,401)	(90,011)
Purchase of treasury shares	(78,325)	(328,322)
Loans and borrowings	19,374	305,068
	(120,352)	(113,265)
Net changes in cash and cash equivalents	(284,977)	(76,459)
Effects of changes in exchange rates	26,630	124,820
Cash and cash equivalents at beginning of year	972,267	923,906
Cash and cash equivalents at end of year	713,920	972,267
Cash and cash equivalents at end of year comprise the following :		
Deposits, cash and bank balances	1,904,333	2,785,599
Less : Bank overdrafts	(52,524)	(38,413)
Less : Deposits with banks with original maturity of more than three months when acquired	(1,137,889)	(1,774,919)
	713,920	972,267

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 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 2016

(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 2015. 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 2015.

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 2015.

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 49,000,400 ordinary shares of its issued ordinary shares from the open market at an average price of RM0.93 per share. The total consideration paid for the repurchase including transaction costs amounting to RM45.4 million was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A total of 61,839,781 treasury shares were distributed as share dividend on 2 July 2015 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 2016, the number of treasury shares held after deducting the share dividend distributed were 50,302,480 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

On 2 July 2015, a total of 61,839,781 treasury shares were distributed as share dividend in respect of the financial year ended 30 June 2015, 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)	10,032,502	
Less : Cost of concessionaire sales	<u>(8,153,399)</u>	
Commissions from concessionaire sales		1,879,103
Sales of goods - Direct sales		1,648,923
Others (including rental income and management service fees)		<u>355,668</u>
		<u>3,883,694</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	<u>885,548</u>	<u>2,633,671</u>	<u>108,427</u>	<u>180,713</u>	<u>75,335</u>	<u>3,883,694</u>
Results						
Segment profit/(loss)	34,170	(90,652)	(8,966)	(14,376)	(27,471)	(107,295)
Finance income						77,405
Finance costs						(115,697)
Share of results of associates						(10,209)
Share of results of joint ventures						8,835
Exceptional items						59,448
Loss before tax						<u>(87,513)</u>
Total assets	<u>815,732</u>	<u>7,677,695</u>	<u>155,874</u>	<u>227,273</u>	<u>620,361</u>	<u>9,496,935</u>

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 Grand Parkson Retail Group Limited, a wholly-owned subsidiary of Parkson Retail Group Limited ("PRGL") which is in turn a 54.7% owned subsidiary of the Company, of 70% equity interest in YeeHaw Best Practices Sdn Bhd, the beneficial owner of the entire equity interest in Codecg Sdn Bhd.
- ii) Disposal of 100% equity interest in The Library Gastropub VII Sdn Bhd and 100% equity interest in Taste of The World Sdn Bhd together with its wholly-owned subsidiary, The Geographic Adventure Sdn Bhd by AUM Hospitality Sdn Bhd, a 60% owned subsidiary of the Company.
- iii) Acquisition by Parkson Corporation Sdn Bhd ("Parkson Corporation"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 68% owned subsidiary of the Company, of 100% equity interest in Parkson Unlimited Beauty Sdn Bhd and Max Outlet Sdn Bhd.
- iv) Disposal of approximately 30% equity interest in Parkson Hanoi Co Ltd ("Parkson Hanoi") by Parkson Vietnam Co Ltd, a wholly-owned subsidiary of PRA. Consequent thereupon, Parkson Hanoi ceased to be a subsidiary and became an associate of PRA and the Company.
- v) Incorporation of Parkson Trading (Vietnam) Company Limited in Vietnam by Parkson Corporation.
- vi) Acquisition by Parkson Corporation of 100% equity interest in Solid Gatelink Sdn Bhd.
- vii) Acquisition by Parkson Corporation of 100% equity interest in Parkson Trends Sdn Bhd.
- viii) Dissolution of Harbin Parkson Retail Development Company Limited, a company incorporated in the PRC, which was a wholly-owned subsidiary of PRGL.

10. Changes in contingent liabilities and contingent assets

Other than as disclosed in Note 19, there were no material changes in contingent liabilities or contingent assets since 30 June 2015.

11. Performance review

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
<u>Revenue</u>				
Retailing :				
- Malaysia	211,939	164,961	885,548	861,894
- China	589,500	603,410	2,633,671	2,495,918
- Vietnam and Myanmar	26,431	31,950	108,427	124,236
- Indonesia	44,312	39,256	180,713	156,809
	872,182	839,577	3,808,359	3,638,857
Property and others	11,905	20,424	75,335	100,322
	884,087	860,001	3,883,694	3,739,179
<u>Segment profit/(loss)</u>				
Retailing :				
- Malaysia	2,259	(5,781)	34,170	89,763
- China	(41,787)	11,577	(90,652)	126,864
- Vietnam and Myanmar	(5,618)	(7,793)	(8,966)	(17,345)
- Indonesia	(1,897)	(3,134)	(14,376)	(10,202)
	(47,043)	(5,131)	(79,824)	189,080
Property and others	(15,486)	(5,284)	(27,471)	2,252
	(62,529)	(10,415)	(107,295)	191,332

11. Performance review (Cont'd.)

For the financial year ended 30 June 2016 ("FYE 2016"), the Group's **Retailing** Division registered a revenue growth of 5% to RM3,808 million and reported an operating loss of RM80 million. Performance in each location were as follows :

- Malaysia

The consumer sentiment in Malaysia was affected by the pessimism over the rising cost of living, weakening of the local currency and commodity prices coupled with lower disposable income which resulted in our local Parkson operations to record a negative same store sales ("SSS") growth for the FYE 2016. Nevertheless, contribution of new stores has enabled Parkson Malaysia to achieve a 3% sales growth with a full year revenue of RM886 million. Lower operating profit for the FYE 2016 was mainly due to the impact from the negative SSS growth.

- China

Subdued consumer sentiment and growing competition in China have led to negative SSS growth for the financial year under review. Stronger Renminbi has resulted in the higher revenue presented in Ringgit Malaysia.

As a result of the negative SSS growth and the costs incurred by new business ventures and new stores during their ramp-up period, an operating loss of RM91 million was posted by Parkson China for the FYE 2016.

- Vietnam and Myanmar

The discretionary retail environment in Vietnam continued to be difficult for the reported period amidst an increasingly crowded retail scene. The operations recorded higher operating loss a year ago due to costs relating to closure of a store in Hanoi amounting to RM10 million.

Contribution of the Myanmar flagship store remained negligible to the Group.

- Indonesia

The Indonesia operations remained the only strong performer to deliver positive SSS growth on the back of robust consumer sentiment, riding on its strong consumption pattern supported by growth in the middle class and young population. The operations however recorded operating losses due largely to new stores' losses.

Results of the **Property and Others** Division for the FYE 2016 were mainly derived from the operation of food and beverage businesses, credit services and investment holding. The preceding year's results included the rental income from a shopping mall which was disposed of in January 2015. Higher loss before tax for the 3 months and year-to-date ended 30 June 2016 was mainly due to lower performance from new businesses.

12. Comment on material change in profit

	<u>Revenue</u> RM'000	<u>Operating Loss</u> RM'000	<u>Loss Before Tax</u> RM'000
Current quarter (30 June 2016)	884,087	(62,529)	(135,243)
Immediate preceding quarter (31 March 2016)	1,027,950	(15,751)	(22,647)

The Group's revenue was 14% lower at RM884 million as against RM1,028 million in the immediate preceding quarter. Compared with the higher consumer spending during the Chinese New Year festivities in the immediate preceding quarter, the Group's retailing operations experienced a seasonally weaker footfall in the absence of major festivities in the current quarter.

The lower sales performance and the impairment losses on goodwill, other receivables and property, plant and equipment of RM60 million have resulted in the Group to report a higher loss before tax of RM135 million for the current quarter under review.

13. a) Prospects

Moving forward, the Group will continue to execute its strategies to achieve its vision of transforming into a lifestyle concept retailer. The Group will also continue to roll out various initiatives which include, amongst others, (i) fostering close business partnerships with leading sector players; (ii) enriching products and services offerings; and (iii) enhancing cross platform experience for the customers.

Rooted in **China** for more than 22 years, Parkson China is adaptive to changing consumers' demands and has worked through difficult times in the past. The Group believes that the emerging middle class with high disposable income is moving towards a lifestyle that embraces a total shopping experience well aligned with Parkson's transformation strategies.

Meanwhile, the Group's retailing operations in the **Southeast Asia** are expected to remain challenging in the near future. Consumer sentiment in Malaysia is likely to remain subdued amidst uncertain economic conditions whilst Parkson Vietnam will continue to face keen competition among retailers. Nevertheless, the Group sees opportunities from the growing aspirations of the middle class and young demographic in Indonesia and believes the underserved markets in the country could deliver encouraging results to the Group.

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	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Income tax expense comprises :				
Current year income tax :				
- Arising in Malaysia	6,862	1,234	22,078	41,432
- Arising outside Malaysia	2,945	1,420	42,744	27,930
	9,807	2,654	64,822	69,362

Excluding the share of results of associates and joint ventures, the effective tax rate of the Group for the current quarter was lower than the Malaysian statutory tax rate mainly due to deferred tax not recognised in respect of the losses and the effective tax rate of the Group for the financial year-to-date was 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	443,727	1,989,113	2,432,840
Unsecured	82,524	63,180	145,704
	<u>526,251</u>	<u>2,052,293</u>	<u>2,578,544</u>

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

	Foreign Currency	RM'000
	'000	RM'000
- Ringgit Malaysia	-	85,128
- US Dollar	545,000	2,187,674
- Hong Kong Dollar	591,123	305,742
		<u>2,578,544</u>

19. Changes in material litigation

There were no material changes in the material litigations since 30 June 2015 other than the following :

- a) On 25 December 2015, the Second Intermediate Court of Beijing (the "Court of Beijing") delivered a ruling rejecting the application by Parkson Retail Development Co Ltd ("PRD"), a wholly-owned subsidiary of Parkson Retail Group Limited which was then in turn a 54.5% owned subsidiary of the Company, for the revocation of the arbitral award dated 25 March 2015 (the "Arbitral Award") made in favour of the landlord of part of the premises situated at Metro City Shopping Plaza, which is an independent third party (the "Metro City Landlord") and ordered PRD to, amongst others, pay to the Metro City Landlord the rental and the arbitration fee as described in the Arbitral Award. The ruling given by the Court of Beijing is final and no further appeal can be made by either the Metro City Landlord or PRD under the People's Republic of China law. As a result of the ruling of the Court of Beijing, PRD must, amongst others, pay the rental and the arbitration fee amounting to a total of approximately RMB141 million (equivalent to approximately RM93 million). This amount had been provided for in the financial year ended 30 June 2015.
- b) The litigation involving PRD 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 Premises"), which is an independent third party (the "Fuxing Men Landlord") has ended after the Fuxing Men Landlord and PRD entered into a legally binding tenancy agreement dated 25 April 2016 and the People's Court of the Western District of Beijing issued the relevant civil mediation document, pursuant to which, amongst others, (i) each of PRD and the Fuxing Men Landlord has agreed to withdraw its claims against the other; and (ii) PRD shall be entitled to continue its occupation of the Fuxing Men Premises until 30 November 2023.
- c) PRD has received (i) a notice of assistance in enforcement dated 14 July 2016 issued by the Intermediate People's Court of Suzhou, Jiangsu Province (the "Court of Suzhou") together with (ii) a civil judgment dated 7 June 2016 issued by the Court of Suzhou in relation to a dispute in connection with a loan agreement of which (aa) China Construction Bank Corporation, Changshou Branch is the plaintiff and (bb) Changshou Hang Lung Properties Co Ltd (the landlord of the premises located at Hang Lung Centre in Changshou, Jiangsu which are used by PRD as department store), PRD, Parkson Investment Holdings Co Ltd ("Parkson Investment") (a wholly-owned subsidiary of Parkson Retail Group Limited) and three other parties are defendants. PRD had on 20 July 2016 and Parkson Investment had on 21 July 2016 each separately submitted an application for review in relation to the litigation to the Court of Suzhou, pursuant to which it applied for the revocation of the judgment on preservation of properties in relation to it on grounds of suspected forgery.

20. Dividend

- a) Total dividend for the current financial year :
 - In respect of the financial year ended 30 June 2016, the Board of Directors had on 4 August 2016 declared a distribution of 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 to be disregarded;
 - Amount per share : Share dividend on the basis of one (1) treasury share for every twenty (20) ordinary shares of RM1.00 each held in the Company;
 - Payment date : 29 August 2016; and
 - Entitlement date : 18 August 2016.
- b) Total dividend for the previous financial year :
 - 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;
 - 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
 - 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.

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	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
(Loss)/Profit attributable to owners of the parent (RM'000)	(95,801)	(87,192)	(89,483)	46,593
Weighted average number of ordinary shares in issue ('000)	1,054,035	1,039,117	1,077,769	1,054,034
Basic EPS (sen)	(9.09)	(8.39)	(8.30)	4.42

Diluted

The basic EPS and the diluted EPS are the same for the period as the Company has no dilutive potential ordinary shares as at end of the reporting period.

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2015 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	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
a) Interest income	14,319	25,895	77,405	106,408
b) Other income including investment income	74,824	72,416	311,463	326,930
c) Interest expense	(26,307)	(26,184)	(115,697)	(92,958)
d) Depreciation and amortisation	(76,459)	(83,651)	(316,474)	(298,306)
e) Provision for and write off of receivables	(1,740)	(10,057)	(10,742)	(10,645)
f) Provision for and write off of inventories	-	-	-	-
g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	3,639
h) Impairment of assets	-	(1,100)	-	(1,100)
i) Foreign exchange gain/(loss)	(1,378)	824	(647)	(198)
j) Gain/(Loss) on derivatives	-	(1,218)	-	(1,218)
k) Exceptional items :	(61,187)	(143,936)	59,448	(161,147)
- Gain on partial disposal of a former subsidiary	(754)	-	135,577	-
- Gain on disposal of a property	-	-	-	110,672
- Provision for arbitral award in respect of tenancy agreement	-	-	-	(79,338)
- Provision for contingent expenses and others	-	(122,268)	-	(170,813)
- Impairment loss on other receivables	(19,471)	(21,668)	(35,167)	(21,668)
- Impairment loss on goodwill	(24,900)	-	(24,900)	-
- Impairment loss on property, plant and equipment	(16,062)	-	(16,062)	-

24. Disclosure of realised and unrealised profits/losses

	AS AT 30.6.2016 RM'000	AS AT 30.6.2015 RM'000
Total (accumulated losses)/retained profits of Parkson Holdings Berhad and its subsidiaries :		
- Realised	(220,309)	(79,204)
- Unrealised	64,200	39,820
Total share of (accumulated losses)/retained profits from associates :		
- Realised	(10,156)	52
- Unrealised	-	-
Total share of (accumulated losses)/retained profits from joint ventures :		
- Realised	(2,481)	1,574
- Unrealised	433	577
Total Group accumulated losses	(168,313)	(37,181)

PARKSON HOLDINGS BERHAD (89194-P)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2016

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**17. b) Status of utilisation of proceeds as at 30 June 2016**

	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'Million	RM'Million		Amount	%	
				RM'Million		
Disposal by the Company of its entire equity interest in Bright Steel Sdn Bhd to Total Triumph Investments Limited, a wholly-owned subsidiary of Lion Corporation Berhad, for a cash consideration of RM53.47 million :						
▶ Defray expenses and working capital :						
- Amount received	50.47	50.47	-	-	-	-
- Deferred payment	3.00	-	No fixed timeframe	N/A	N/A	-
	<u>53.47</u>	<u>50.47</u>				